Communication as a Change Management Enabler in State Owned Enterprises

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ABSTRACT

Change is an ever-present feature of organisational life that affects all levels of the organisation. It is noted that the pace of change has never been greater than in the current business environment. State Owned Enterprises (SOEs) are companies owned by the government, which have a crucial role to play in advancing governments' objectives, including economic growth, job creation, and key infrastructure development. Like all organisations they are not immune to change, however the reported success rate of change is of concern. Over the years, SOEs have been characterised by chronic underperformance, with some reported to be in distress. Literature on communication has suggested that one of the primary reasons organisations are ineffective or ultimately fail is communication and lack of employee engagement. This research seeks to evaluate communication and employee engagement as enablers for change management in the context of SOEs, and aims to contribute to the body of knowledge with insights on how change can be managed for positive results in SOEs.

Based on the systems theory, a qualitative research methodology was adopted, using convenience, quota and judgement sampling techniques. Data Analysis was through means of content analysis

Research findings supported literature in confirming that change is still complex and difficult for organisations to manage. Communication was recognised to be taking place, the pace of communicating the message of change was found to be slow often resulting in rumours. It was further found that information was filtered too much losing meaning and content resulting in employees disengaging with some making their own effort to make sense of the change message resulting in failures of change initiatives. For an employee to understand, be engaged and respond to change the role of leader was found too weak in effecting the message of change effectively with an overly reliance on technology. Emails and workshop sessions which were found to be too overused, lacked depth and personal touch and not effective in communicating and engaging employees.

KEYWORDS

Change, Change management, Communication, Employee engagement, State - Owned enterprises

DECLARATION

I, Sindisiwe Pearl Ngubane, declare that this research project is my own work. It is submitted in partial fulfilment of the requirements of the degree of Masters of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university. I further submit a declaration that I have obtained the necessary authorisation and consent to carry out this research.

……………………............   ……………………............

Signature   **Date**

DEDICATION

I dedicate this research to the following:

God the Father, the Son and Holy Spirit.

My kids Sazi, Khwezi, Mpatho and my partner Siyabonga, for their understanding and patience during my studies.

My siblings Samke and Khayelihle for taking care of my parents while I was busy with my studies.

My parents Ntombizodwa and Bhabha, who gave me the ambition and the drive to want to be more of myself.

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CHAPTER 1: INTRODUCTION TO THE RESEARCH

1.1.   Introduction

Moran and Brightman (2001) defined change management as 'the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers'. They added that change is an ever-present feature of organisational life, both at an operational and a strategic level. Therefore, there should be no doubt for any organisation of the importance the need to identify where it needs to be in the future, and how to manage the changes required getting there. Change management has thus become an important knowledge area due to its bearing on the success of implementing necessary organisational changes.

According to Radda, Majidadi and Akanno (2015), one of the tenets of change management which should be at the top agenda for organisations involved in implementing change is employee engagement. Further, employee engagement has been linked to positive organisational outcomes, such as competitive advantage over a rival company.

Another important factor in ensuring effective implementation of organisational change is communication. Maheshwari and Vohra (2015) posit that lack of (or poor) communication may lead to rumour-mongering and resistance to change in organisations. Zondi, Cassim and Karodia (2015) stated that the increasingly complex and highly competitive nature of today's business environment, which is characterised by longer work hours, staffing constraints, increased workloads and emphasis on performance, places greater pressure on employees, which in turn demands concerted efforts in the area of internal communication.

The pace of change has never been greater than in the current business environment according to Radda, Majidadi & Akanno, (2015). Managing change in the workplace is a constant for all leaders. As such, change is an initiative that every organisation has to embrace to sustain itself to compete in the business environment and to be flexible in all aspects. According to Hagargi and Deene (2013), the process of organisational change varies between developmental change, transitional change, and transformational change.

Developmental change is defined as "doing more of, or better than, what currently exists"; transitional change is the "implementation of a new desired state requiring dismantling existing new ways"; and transformational change is "implementing an evolutionary new state, requiring major and ongoing shifts in organizational strategy and vision".

Smith (2011) recognises that if ever there was a time when business as usual described the way business ran, then that time has elapsed. This means that business is expected to not only recognise change, but to manage the change process successfully.

The reportedly poor rate of successful change is concerning. McKay, Kuntz, & Naswall (2013) stated that the failure rate of change implementation ranges from 40% to as high as 70%. This is similar to that observed by Mangundjaya (2015), who claimed that more than 50% of organisational change is not successful. Jansson (2013) saw the topic of change as being a complex phenomenon, while Jacobs, van Witteloostujin and Christe-Zeyse (2013) contributed by stating that organisational change is a risky endeavour which is omnipresent.

Lies (2012) identified change communications as the single part of change management that focuses on the soft factors that are activated through the change of hard factors. This highlights the human proclivity to change. With this comes a concept of engagement which Ünal and Turgut (2015) stated is hard to define. Mostly it has been defined as an "emotional and intellectual commitment to the organization". Welch (2011) stated that employee engagement is considered a matter of concern for leaders and managers in organisations across the globe, as they recognise that it is a vital element affecting organisational effectiveness, innovation and competitiveness. When it comes to employee engagement and change management, Barratt-Pugh, Bahn and Gakere (2013) stated that most change management initiatives fail, and while the change direction may be misguided in some cases, it is the failure to communicate with, engage, and change the behaviour of, staff that underpins such failure.

In developing countries, the State-Owned Enterprises (SOEs) are an integral part of socio-economic development. Khongmalai, Tang and Sununta (2010)

pointed out that most state-owned enterprises were established to fulfil the social objectives of the state rather than to maximise profits. However, rising stakeholder expectations have forced governments in many countries to reform the corporate governance systems of state-owned enterprises, with expectations of improving their operations to reduce deficits and to make them strategic tools in gaining national competitiveness.

SOEs are impacted and influenced by conditions prevailing in the country, including political imperatives. As SOEs do not exist in a vacuum, they also operate in a dynamic, ever-changing environment that obliges these enterprises to change continuously. SOEs have a crucial role to play in advancing economic growth, as they are tasked with the development of key infrastructure and manufacturing capacity for South Africa (PWC, 2015). Supporting the view of Khongmalai *et al.* (2010), PWC (2016) stated that SOEs appear to be an enduring feature of the economic landscape and will remain an influential force globally for some years to come. In addition, PWC argued that SOEs are likely to remain an important instrument in any government's toolbox for societal and public value creation given the right context.

Given the reported nature of organisational change, SOEs are not immune, and are continuously subjected to change like all other organisations. The performance of SOEs has been a concern given their reported underperformance in South Africa (McGregory, n.d.). Over the last five years, which have cost billions of rands. Over the years SOEs have been characterised by chronic under-performance, with poor returns on government investments and ongoing reliance on government support (OECD, 2015). All indications are that many SOEs are in 'distress' and need close monitoring; being dependent upon the state guarantees that they will stay afloat (McDonald, 2015).

According to Koch (2016), state-owned enterprises are often touted as necessary tools for development in emerging economies because they can be directed by governments to achieve development ends. The model has been a success in some countries, but a failure in others.

1.2. Background to the research problem

Literature suggests that change initiatives continue to fail despite knowledge of critical success factors that are underlie the success of organisational changes. Communication and employee engagement are widely accepted in the literature as being key to the success of change initiatives. These two aspects need further investigation in how they can be used to enable change in SOEs.

In recognition of State-Owned Enterprises' pivotal role in the realisation of national socio-economic development imperatives, this research zooms in on change management in the South African SOE context with a view to maximising value realisation of these SOEs for broader national benefit. It is important to gain insights into how SOEs in South Africa manage change with respect to communication and employee engagement.

It is anticipated that successful SOEs will provide South Africa with a competitive advantage when compared to other developing countries. South Africa's SOEs are classified into three schedules as shown in Table 1 below.

Table 1: **Description of SOC Schedule Classification**

Schedule	Description	Operation and/or Funding Characteristics
1	Constitutional Entities	Fully funded by the Government e.g. ICASA, IEC
2	Major Public Entities	Operate under business principles e.g. Eskom, Transnet, SABC, CEF
3a	National Public Entities and SETAs	Fully or substantially funded through NRF, tax levy imposed through legislation e.g. Housing Development Agency, Competition Commission and Tribunal
3b	National Government Business Enterprises	Operate under business principles with limited borrowing e.g. PIC
3c	Provincial Public Entities	Fully or substantially funded through NRF, tax levy imposed through legislation
3	Provincial Government Business Enterprises	Operate under business principles with limited borrowing e.g. Algoa bus company, Natal trust farm

Source: National Treasury (22 October 2010)

Kane-Berman (2016) argued that hardly a day goes by without yet another report of financial crisis, corruption, bad governance, political interference, chaos, or all five, at one or another of South Africa's state-owned enterprises. Key people in the government, among them President Jacob Zuma and the Minister of Finance, Pravin Gordhan, have spoken about the necessity of fixing state-owned companies. Foreign agencies have echoed these concerns; the International Monetary Fund warned in July 2016 that support for money-losing SOEs was a growing drain on government coffers. Standard and Poor's, one of the three international ratings agencies, also warned in January 2016 that it could lower the country's credit rating if SOEs require more government support than expected. These points to the challenges that SOEs

are facing, and the need to conduct research on them with a lens that looks at change management, as they are needed to change or improve from their current state to one of being efficient and acting in the government's interest.

1.3. Purpose and objectives

The purpose of this research is to explore and review how communication and employee engagement can be an enabler to change in State Owned Enterprises, with the objective of making recommendations that can be applied in change processes for SOEs.

This study aims to close that gap and thereby contribute towards the field of communication and employee engagement for success organisational change. In the light of the given context and background, two key objectives are identified for this study:

- To explore the role of communication as an enabler for successful change in SOEs.
- To investigate employee engagement as a tool for change management.

Communication was identified as being vital to the effective implementation of organisational change (Elving, 2005). Elving further observed that although there is enduring interest in studying internal communication during organisational change processes, there is little or no empirical research on the topic with regard to business efficiencies. Van Riel, Berens and Dikjastra (2005) indicated that organisations point to effective internal communication as an influential factor in business success. This view was later supported by Johansson and Heide (2008), who noted that despite expansive academic and popular literature on change management, the discourse on communication approaches to change remains underdeveloped, and communication scholars are, with few exceptions, remarkably absent from the field. Most recently, Paula Matos and Esposito (2014) called for further research on how communication influences change processes, noting the paucity of studies in this area.

Saruhan (2014) suggested that effective communication provides vital information to employees on how intended institutional changes will be implemented, as well as their envisaged outcomes. The author Saruhan (2014) further added that as a consequence reduces employees' anxiety caused

by uncertainty, while providing them with a sense of control over the process. Additionally, this improves the credibility of management.

Nordin (2014) pointed out that although the need for change is often recognised at higher levels of organisational structures, developing appropriate strategies on how to successfully communicate envisaged change programmes has not been forthcoming.

1.4. Motivation

This study was necessitated by the role played by SOEs in the South African economy and their potential impact on the well-being of its citizens. It is within a context of uncertainty and the high failure rate of change management processes that this research aims to explore the role of communication and employee engagement as a tool to enable change. This study will also explore how top, middle and lower management deal with change.

Bergers (2008) emphasised a focus on the centrality of communication when effecting organisational change, by noting that communication is one of the most dominant and important activities in organisations. He added that fundamentally, communication fosters relationships, and the functioning and survival of organisations is based on effective relationships among individuals and groups.

Welch's (2011) views on employee engagement are that given global leadership's concerns about employee engagement, communication professionals involved in internal communication management need an in-depth understanding of the concept so that they can craft strategies and tactics which contribute to building engagement. Given the link between communication and employee engagement, this study will attempt to establish how they can be used as a tool to effect change management in SOEs.

It is against this backdrop that this study aims to investigate and explore the role of communication and employee engagement as an effective enabler to change management in SOEs. A failure to address shortcomings in SOE operational effectiveness will result in slow progress in attaining the envisaged outcomes, country growth and development. Given the fact that organisations

undergoing change vary greatly in their structures, systems, strategies and workforce, communication is a common thread that runs through them regardless of size, structure, strategies and systems (Al-Haddad & Kotnour, 2015).

It is anticipated that the study findings will be of interest to the following stakeholders:

- **SOEs**

  The review of SOEs in South Africa comes at a time when the country is characterised by enormous challenges and great opportunities (The Presidency, 2016). The economy is currently in a fragile period, in which the growth and development plans of the country are threatened.

- **Other Organisations**

  Al-Haddad and Kotnour (2015) stated that successful change management is a major topic for all organisations today, and how to successfully achieve organisational change during economic crises is being examined by many organisations. Looking at SOEs, this will be applicable as they are operating under challenging economic circumstances in South Africa.

1.5. Scope of the research

In view of the alarming statistics in respect of failed organisational change in various institutions and the overall concern in relation to SOE performance, this study focuses on communication as an enabler for change in South African SOEs, which if not adequately carried out, could slow or arrest change.

Although this research is centred on communication as an enabler of change, it also covers employee engagement as an enabler often associated with communication. The two concepts are recognised in effective change management.

CHAPTER 2: LITERATURE REVIEW

2.1.   Introduction

In this chapter, relevant literature is reviewed to inform the discussion on the research topic relating to communication, employee engagement and change management in SOEs. The chapter is concluded by summarising the literature reviewed and outlining the different views on this research.

The main points of discussion are the operating environment in which the SOEs find themselves, the organisational changes they face, the critical success factors of change, the role of leadership in change and change management, employee engagement, and communication during the change process.

2.2.   Operating environment and change

In a study conducted in Finland, Jeskanen-Sundstrom (2007) pointed out that the operating environments of organisations working in the midst of changes have grown increasingly complex and difficult to manage.

In defining the operating environment, Mehta, Maheshwari and Sharma (2014) described the era of globalisation, characterised by fast changing technology, instant communication and changing social, economic, political and legal aspects, as being increasingly complex, unpredictable and dynamic. Organisations are faced with unprecedented competition and customers have become highly conscious and demanding. As a result, organisations have been greatly affected by this volatile environment. Since the rate of change today is greater than at any other time in history, it has become increasingly important for organisations to manage and handle the change process to remain relevant and be sustainable. Due to the high rate of change the risk of failure is also greater than ever before, which leads to a high level of turbulence within the organisation. This constant change needs immediate attention (Mehta *et al.*, 2014). The view of Mehta *et al.* (2014) is supported by McKay *et al.* (2013), who noted that organisations are subjected to increasing globalisation, technological innovation, changing government laws and regulations, and political events. McKay *et al.* (2013) further noted that workforce characteristics constitute the

foremost triggers of organisational flexibility, and require on going, often major, changes in organisations.

Cummings and Worley (2015) agreed, stating that the pace of global economic and technological development makes change an inevitable feature of organisational life, adding that organisations must adapt to increasingly complex and uncertain technological, economic, political and cultural changes. Organisations are further required to create and effectively respond to change in order to proactively influence the strategic direction of the firm. Cummings and Worley (2015, p. 5) also mentioned that "according to several observers, organisations are in the midst of unprecedented uncertain chaos, and nothing short of a management revolution will save them".

As dictated by the operating environment, trends contribute to shaping the operating environment. Three major trends are seen to be shaping changes in organisations currently. These are globalisation, information technology, and managerial innovation (Cummings & Worley, 2015, p.5).

Al-Haddad and Kotnour (2015) noted the constantly growing global business environment, where change has become the norm for organisations to sustain their success and existence. What make it difficult for the organisation are the external factors; Cummings and Worley (2015) stated that no company can control the environment or the uncertainty in markets it faces. McMillian (2004) also pointed out that the environments in which organisations are situated influence their structures and achievements, as well as the environments within which people work. Organisations are therefore required not only to respond to changes, but to be ready and have the capabilities to manage them.

Kim (2015) indicated that while operational changes are designed for fine-tuning and gradual improvements, planned organisational change is typically a large-scale change implementation with the intention of revolutionising the way an organisation functions, presenting its members with a future vision. With a planned change there is an emphasis on a diagnosis for the functionality of the organisation and the time required for the change. Cummings and Worley (2015) noted that with planned changes, changing any one part or feature of an organisation often requires adjustments in the other parts to maintain an appropriate alignment.

State owned organisations, similar to public organisations, typically operate in an environment characterised by checks and balances, shared power, divergent interests and the political climate. The degree of complexity in the environment of public organisations is further increased by mechanisms of public accountability. Public organisations are often subject to great scrutiny by their political superiors, the media and citizens Rainey (2014), which could explain the interest in reporting on their performances.

PWC (2015) noted that SOEs should be effective in change management if they are to remain influential in the future. Also important is that organisations should examine a broad range of inter-connecting dynamics, such as those introduced through a PESTLE (Political, Economic, Social, Technology, and Legal & Environmental) analysis. This requires an examination of how employees make the connection between what they do and how they do it, using communication as a connection tool to clarify principles and organisational values (Rieley & Clarkson 2001). However, change can only be addressed in tandem with the conditions posed by the institution's operating environment. Ahmed, Balzarova, and Cohen (2015) noted that organisations and their environments coexist and are involved in a pattern of co-creation. As organisations are still failing to change, more attention should be paid to the testing and validation of strategies and theories through data collection, to better understand the dynamics and impact of the operating environment on an institution's success. Given the strategic nature of SOEs, it is critical to generate knowledge on effective strategies that will ensure their future success.

2.3. Organisational change

The development of a body of knowledge regarding managing change is important for both academics and general managers.

A concerning view of organisational change came from Buono and Kerber (2009), who stated that despite research and managerial attention devoted to conceptualising change management strategies, successful organisational change often remains elusive. The authors, Buono and Kerber (2009) further stated that experience suggests that once organisational members begin to understand the various approaches to change and the concept of organisational change capacity, they are quite capable of determining the appropriate change

approach response, moving back and forth between directed and planned change and guiding change as necessary. This needs greater attention in enabling employees to understand what is expected of them for the change process to be successful.

Song (2009) stated that organisational changes occur on the basis of intended plans and as responses to the organisation's mission, strategy, system, and structure. The author added that planned organisational change is expected to have a positive impact on individual development and organisational performance. As effective outcomes in planned organisational change occur at the individual, group, and organisational levels, Song (2009) indicated that this requires validation as it is individuals who drive and effect change, resulting in group and ultimately organisational change.

Song (2009) further introduced four elements for change to be successful: it needs to be linked to the motives of organisational members; the internal and external sources of change must be identified to determine whether they derive from internal sources such as dialectical contractions and tensions within the organisation, or external sources such as extra-organisational events; it is necessary to examine the extent to which organisational change is associated with organisational unity, consensus, and order; and organisational change must be considered over time.

Organisational change is also taking place more rapidly than in the past, when a major corporation might have had a single change initiative going on at a time. Smith (2011) stated that what is different now is that the pace and scale of change from social, politico-economic and technology is rapidly increasing. A contribution by Chou (2014) indicated that change may also be planned or emergent with its scale, ranging from fine-tuning through incremental and/or modular adjustment to wide scale corporate transformation.

Shah and Ghulam Sarwar Shah (2010) saw organisational change as being concerned with solving the problems and challenges of an organisation. They stated that in the literature, organisational change has been defined as breaking down existing structures and creating new ones. Such situations can develop uncertainty, anxiety and ambiguity because of differences in individual life experiences, motivational levels, socio-demographic characteristics, knowledge,

attitudes, and behavioural patterns. Change might be small or large, but affect employee attitudes and behaviours because of shifting from one stage to another. In viewing organisational change, Robbins and Judge (2013) stated that "It is not the strongest of species that survives, or the most intelligent, but the one most responsive to change". They suggested that change should be an intentional and goal-oriented activity of the organisation. Another contribution by Mathur (2013) viewed change as posing significant challenges, both to those who implement it and those who are affected by it.

Considering that change remains an unending process in the life of organisations Ahmed *et al.* (2015), researchers have often tried to explain organisational change by borrowing concepts or theories from other fields, and numerous theories have been proposed to explain the organisational change phenomenon.

Bourne (2015) argued that the number of concurrent change initiatives can range from 20 to 25. Many organisations view change as a way to gain a competitive advantage and stay abreast of customer demands, negating the possibility of a slowdown in the rate of changes undertaken by organisations.
Looking at organisational change, drivers often focus on the resistance stemming from negative attitudes toward transformation while disregarding the underlying reasons behind such attitudes. With a focus on individuals involved in change, Andrade (2016) stated that individuals must understand the rationale for change and believe it will be beneficial before they will support it. Ideally change should be co-created with a clear need and vision, while the commitment to involving and empowering stakeholders to co-create the change must be apparent. Andrade (2016) emphasised that it is only then that change will be permanent, while still likely to be incrementally.

Conceptions of planned change have tended to focus on how change can be implemented in organisations (Cummings & Worley, 2015). Referred to as theories of changing, these frameworks describe the activities that must take place to initiate and carry out successful organisational changes. They serve as the basis for a general model of planned change - Lewins Change Model, Action Research Model and Positive Model. The models have been found to overlap and emphasise the application of behavioural science, and as such, require the involvement of organisational members in a change process. There

is a view that despite the continued refinement, the planned change models and practices are still in a formative stage of development and therefore there is still room for improvement (Cummings & Worley, 2015). A view on planned change is that change is not just about change or the models and tools applied, but in how change takes place and the qualifications and activities of those involved.

2.4.   Critical success factors in change management

Chrusciel and Field (2006) suggested the need for critical factors to be addressed during periods of significant change in order for the organisation to be successful, with significant change defined as a disruption of the current work patterns to replace undesired activities. Given that there is substantial evidence that the implementation of organisation changes often fails (Beer and Nohria, 2000) and a need for general awareness of change management, it is important to identify critical success factors for organisational change. Past research on the critical success factors of change management pointed to factors such as visible management support, participation of clients/users, a high degree of communication, a need for change and a reward system (Pitman, 1994). Although these can be seen as a guide, they are important to consider for successful change. A variant view was given by Smith (2011), who noted that there is no one right approach to managing change.

Key to the success of change management is an understanding of where the organisation is and which processes need to be improved relating to change enablers (Al-Haddad & Kotnour, 2015). There are commonalities between the critical success factors previously identified by Pitman (1994) and those noted by Al-Haddad and Kotnour (2015) that identified supporting tools to drive change for a successful change. These tools include leadership guidance (visible management support), definition of roles of employees involved in change (linked to communication), training (participation), and strong human resources (HR) that will measure and evaluate performance in line with the expected change (Al-Haddad & Kotnour, 2015). This point to consistency in what could be factors for yielding successful change. The question is how, if the factors are known and have been identified, organisations are still failing to successfully change.

Al-Haddad and Kotnour (2015) stated that proper alignment between content, people and process is what leads to successful change. They added that it is important to address the critical factors that lead to successful change. This view was highlighted previously by Graetz and Smith (2010), who claimed that individuals are the most important elements of organisational change and that the successful implementation of organisational change often requires employees' acceptance and support Fedor, Caldwell and Herold (2006), as their positive attitudes and supportive behaviour are a necessary condition for successful planned change (Fedor *et al.*, 2006).

In conclusion, Chrusciel and Field (2006) argued that by having an action plan that addresses the critical factors for success, supported with a prescribed change process methodology and curriculum, the enterprise may not only have a successful transformation, but it may also become a more flexible organisation that is willing to deal with change in the future.

2.5. Organisational change and leadership

According to Haque, TitiAmayah and Liu (2016), many organisational change efforts fail or are rendered unsustainable because organisational leaders fail to create sufficient readiness for change.

Holbeche (2006) emphasised the role of a leader who communicates the rationale for change, helps to create messages that galvanise the organisation into action, and importantly create urgency for change. This view was supported by Mehta *et al.* (2014), who stated that in today's times of continuous change it has become inevitable for organisations to develop leaders who can steer the process of change management. In conclusion, Bourne (2015) stated that during a change initiative, leaders must help employees understand the change. Karp and Helgo (2009) asserted that the appreciation of the "whole" assists leaders to design appropriate change interventions for systems than in looking at units. In systems thinking, much emphasis is placed on interactions among the constituent elements, rather than focusing on individual elements. This was supported by Song (2009), who observed an interesting point about leaders who not only manage change, but who perceive change as systemic and not just a "change initiative or change project". Al-Haddad and Kotnour (2015) contributed to this by stating that organisations need an integrated approach to

drive systematic changes. To have the ability to drive systematic change, Al-Haddad and Kotnour (2015) added that a change leader must be able to create a vision, be able to foresee a new reality, and know how to get to it, creating clarity during the process of change. Through a systematic change method with sets of processes and tools, a management team is able to make a series of start, stop and continue decisions.

According to Song (2009), successful planned change occurs when the organisational members "own" or "buy into" the process and outcome of an organisational change. In other words, organisational members will be embedded in planned organisational change when they expect to enjoy its benefits. This is in agreement to Perlman and Lepperts' (2013) theory, which emphasised the skills of leaders in effecting change. They suggested that employees will only engage in change if there are benefits to them.

There is general consensus regarding the role of leaders in effecting change. Jones and Harris (2014) stated that leadership is an integral and powerful contributor to successful change and improved organisational performance. A view emphasised by Mehta *et al.* (2014) is that the role of change leaders in managing and leading change cannot be underestimated. They added that successful change management is a function of effective leadership, and that leaders are necessary to: encourage experimentation and risk taking to keep the people together and connected which could relate to employee engagement; provide to all concerned the necessary information; and help everyone to stay focused on what must be accomplished.

In defining the role of a leader in change, Katz and Miller (2014) stated that organisations as well as "titled" leaders need to be different and join people, they must connect work to the organisation's purpose; they must be inspiring; they need to move away from silos toward a flow of ideas and information across the workplace, and they must create a sense of safety so that people can bring their best selves to work. Katz and Miller (2014) further added that the traditional approach of perceiving organisational members as hands and feet filling specific roles in the organisation, who are required to "just do their job" and "do as they are told", is questioned. They also believed that the perception that a leader is an all-knowing, all-powerful leader is obsolete. Katz and Miller (2014) saw the trend as moving towards organisational leaders who are

transparent with information; who link the work of their units with the organisational strategy; who trust in the skills of the people who report to them; and who inspire others to a vision of shared success and purpose that allows collaboration to take place. They further stated that leaders should involve people and create environments that are conducive to engagement with safety being necessary for people to speak up and share ideas including suggestion to management of change.

The challenge during the change effort pointed out by Katz and Miller (2014) is for leaders to welcome other people's views, to listen to their concerns, to give people reasons to persevere, to celebrate even the small signs of progress, and to communicate the change and its elements continually, all the while engaging in the change (Katz &Miller, 2014).

With respect to the types of organisational leadership and their exchange relationships with followers, several reviews and meta-analyses have indicated that transformational leadership can result in individual, group, and unit performance beyond expectations (Chou, 2014). Transformational leaders may initiate change by developing an appealing future vision for the organisation, which is generally seen as a crucial first step in the implementation of planned change (Van der Voet, 2014). Although studies often highlight the importance of leadership during change, there is little empirical evidence concerning the influence of transformational leadership on employee support for change (Burke, 2014; Van der Voet, 2014).

Ghasabeh, Soosay and Reaiche (2015) viewed the business environment as constantly changing as organisations are increasingly participating in global markets, which places demands on the roles of leaders, in turn putting pressure on organisations to employ effective leaders who are capable of developing a global vision. These leaders are seen to be transformational and able to enhance organisations' performances in global markets through empowering human resources and enabling change. Transformational leadership instils major changes at the organisational level through changing attitudes and assumptions at the individual level and creating collective approach to change (Ghasabeh & Reaiche, 2015).

Al-Haddad and Kotnour (2015) added that organisations and their leaders are also changing in response to a shift in strategic importance from effectively managing mass markets and tangible properties, to innovation, knowledge management and human resources.

Although leadership is generally highlighted as one of the key drivers in implementing organisational change, Van der Voet (2014) argued that senior managers often initiate organisational change, while relying on lower level leaders for its implementation. This questions whether the leaders themselves understand their role during change.

2.6. Communication in change management

Communication is vital to the effective implementation of organisational change. Regarding the flow of communication, Proctor and Doukakis (2003) stated that the customary cascading down of information from the top leadership of the organisation to rank and file managers was found to be ineffective in the introduction of a large-scale structural reorganisation process. As a result, a search for more effective means of communication was undertaken. Gerwing (2015) believed that people do not resist change per se, but that this is aggravated in the absence of appropriate communication. Lack of (or poor/inadequate) communication deprives employees of the opportunity to properly understand the context and rationale of organisational change. Employees may possibly resist change because of concerns about the unknown or uncertainties about the implications of the envisaged change. Effective communication strategies are thus crucial in ensuring a successful organisational change.

Holbeche (2006) suggested that "Communication is commonly a dramatically under-utilized weapon to achieve integration and to deliver economic results through people effectiveness", and that communication by top management is recognised as a particularly powerful lever in gaining commitment and building consensus for required change.

Nelissen and Martine (2008) stated that understanding how to communicate an intended organisational change has been one of the challenges for organisational scholars in the new century. This highlights the need for a better

understanding of not only what to communicate, but how to communicate. At a time of organisational change, management must understand that it is very important to develop a formal, coordinated, and organisation-wide internal communication system to facilitate the implementation and practice of the new change.

Robbins and Judge (2013) said that constant talking is not necessarily communication, as an individual spends about 70% of their waking hours communicating, writing, reading, speaking and listening. This calls for a differentiation in communication for the intended change. The authors added that feedback in communication is important as it serves to check on the successful transmission of information.

Communication is important, if not critical, in ensuring the alignment of an organisation's multiple stakeholders and constituencies, particularly during a time of change. Azziz (2013) defined failed communication as a situation where stakeholders complain that they do not know what their leaders are doing, and those leaders complain that their constituents do not understand their actions. The importance of commitment to change can be seen through some studies which considered employees' commitment as one of the most important factors in a successful change implementation (Shukri, 2015).

Paula Matos and Esposito (2014) indicated that communication has been recognised as a relevant dimension to the success of organisational change processes. It is considered important in building change readiness, reducing uncertainty, and as a key factor in building stakeholder commitment. These authors noted that the continuous exchange of messages during such communication processes can allow for new meanings, stemming from changes in each individual's original perception, which can lead to a process of meaning convergence that can be understood as the beginning of communication.

Elving (2005) sees communication as vital to the effective implementation of organisational change, and added that although the general conclusion about the importance of communication in organisational change is demonstrated and agreed on, specific communicative actions, approaches and effects are still left unexplained.

Regarding effectiveness in communication, Holbeche (2006) stated that a lack of awareness of the importance of effective communication is reflected in the wider issues of leadership behaviours. He added that effective communication creates a virtuous chain reaction which unites an organisation behind the change initiative and galvanises employees to make the extra effort required. He further argued that too often communication is described by employees as "poor", "insufficient", "data overload", "infrequent" or "not telling me what I want to know".

Many formal communication systems are seen to be causing more problems than they solve. Highlighted issues with formal communication includes how it creates patterns, and that it is unclear at times , normally oriented in a particular direction, with document focus and often open to interpretation (Holbeche, 2006). Examples include meetings, reports, management information systems, memos, publications, video conferencing, and intranet and emails (Holbeche, 2006). A great deal of miscommunication within organisations stems from tension between the formal and informal systems. Holbeche suggested that if the formal systems lag far behind the informal system, disaffected employees will believe rumours or gossip more readily than official pronouncements (Holbeche, 2006).

In addition, with formal communication there are signs of failure in understanding communication as a deep human process; it tends to target only the audience's rational information needs, and consequently can appear to be impersonal and uncaring. As every change process has rational, political and emotional components, effective communication needs to address all three domains, factoring in the role of messengers, the media used, the timing of communications and the clarity of the message. Berger (2008) stated that the main reason why organisations are ineffective or ultimately fail include insufficient communication and a lack of leadership.

Regarding formal communication, Cameron and Green (2009) supported the use of e-mails as a useful mechanism when managers need a large number of people to receive the same information at the same time, but on the same point, considered them impersonal and heartless. In the context of large organisations with large foot print, e-mail are found to be appropriate communicating medium.

Ruck and Welch (2012) pointed to effective internal communication as a prerequisite for organisational success, adding that there is a need for organisations to evaluate and improve on communication. They further highlighted the role of communication as an important factor in understanding the value of intangible organisational assets.

McKay *et al.* (2013) described two necessary courses of action for creating readiness for change in an organisation. The first is to communicate a clear message of discrepancy between the status quo and the desired end change. Employees who are change-ready have a sound understanding of the change and why it is important to the organisation. Overall, a sound communication strategy allays employees' fears about the unfavourable impact of the change on valued features of the organisation and their jobs, and also educates employees about the purposes and value of the change.

Cervone (2014) emphasised the necessity of ensuring that communication pathways are created between internal and external groups. The author further stated that this should be done because innovation and change require a level of communication that is far greater than that required for routine work, and it is only through this communication that creative solutions to difficult problems can be discovered. O'Malley (2014) added that identification of the exact nature of the required change is critical.

While change communication is seen as a good way to overcome resistance, providing an opportunity for participation in a change process has also been perceived as a way to help reduce negative attitudes toward transformations. Employee participation in an organisational change is thought to make the realities of the transformation clearer, while also benefiting the change managers by gaining more information regarding employee perspectives and change-oriented skills. Not only do employees feel involved and able to provide helpful input, but change drivers receive valuable information that can assist with change related decision-making. When employees are effectively committed to an organisation and identify with its values and goals, they are more likely to engage in role and discretionary behaviours that are advantageous to an organisation (McKay *et al.,* 2013).

Falkheimer (2014) stated that communication is something that is often taken for granted and not reflected on, and that the process is seen as successful when the recipient has received the message, not taking into account interpretative factors or the sense making aspects of it. Falkheimer (2014) added that communication is fundamental for human beings and even more so in organisations. According to Bourne (2015) communication serves as a reminder to leaders that their own opinions of change implementation might not be the same as their employees' perceptions.

During a change process it is also necessary to increase internal communication frequency, as employees have a higher demand for information and continuous feedback during this time. The importance of communication regarding change is still discussed by authors who assert that communication is a vital link in the total change management process (Shukri, 2015). At the outset of any organisational change, uncertainty due to a lack of information regarding the process and intended outcomes can be more stressful for employees than the practical aspects of the change.

Haque *et al.* (2016) recognised that communication has become "a significant factor in helping employees understand both the need for change, and the personal effects of the proposed change". Pollack and Pollack (2015) referred to Kotter's fourth stage (refer to Kotler & Keller (2012) in the process of communicating the vision for change, noting that managers underestimate the amount of communication required to develop a consistent understanding, an effort which may be hampered by inconsistent messages, and lead to a stalled change implementation.

Communication has been recognised as a relevant dimension to the success of organisational change. It is considered important in building change readiness, reducing uncertainty and as a key factor in gaining commitment (Esposito & Simoes, 2014). Further to this, organisations need to continuously evaluate and improve communication, especially under increasingly difficult economic pressures. Yet communication is undermined by a lack of senior manager clarity and commitment to values (Ruck & Welch, 2012).

Welch (2011) stated that given the global leadership concern about employee engagement, communication professionals involved in internal communication management need an in-depth understanding of the concept of

engagement, so that they can craft strategies and tactics which contribute to building engagement. This view was supported by Carnegie (2012), who suggested that engaged people outperform disengaged people, and that the workforce needs to be engaged for change implementation endeavours to be successful.

2.7.   Employee engagement

There are various yet convergent definitions of employee engagement in the literature.

According to Perrin (2003), employee engagement is defined as employees' willingness and ability to help their company succeed. Perrin's definition is supported by Robinson, Perryman and Hayday (2004), who defined employee engagement as a positive attitude held by employees towards the organisation and its values.

Employee engagement is also defined as an "emotional and intellectual commitment to the organization" (Unal & Turgut, 2015). Unal and Turgut (2015) suggested that employees who feel strongly about an organisation make a recognisable contribution to that organisation; they make an effort to engage in issues of the organisation and enjoy being a member of it. Employee engagement is used as a competitive advantage strategy by human resources of consulting firms, but in the context of organisations.

 Haque *et al.* (2016) posited that if people do not change, there is no organizational change. This view is supported by Mangundjaya (2015), who suggested that the success of organisational change lies with people. In this regard, an employee's commitment to change and the change itself would not be successful if they were not supported by the leadership and other employees. The lack of engagement during change was explained by Shah and Ghulam Sarwar Shah (2010), who viewed organisational change as affecting employee attitudes and behaviours because they are transferred from a situation that is known to one that is unknown, which can lead to uncertainty, strain and anxiety among employees.

Mathur (2013) stated that organisations cannot achieve their strategic change objective until a critical mass of employees has successfully completed their individual transitions. An important contribution by Haque *et al.* (2016) pointed to studies that have shown that change readiness is the precursor for employees to either engage or resist change initiatives.

The literature on employee engagement over recent years has focused on three main areas of interest. First, previous research sought to define employee engagement in relation to work engagement or job engagement, yet a lack of clarity of what employees actually engage with remains. Second, previous research sought to identify the outcomes of employee engagement and to measure its presence or absence, yet there persists a lack of understanding regarding how employee engagement is generated through organisational engagement activities. Third, previous research sought to establish the antecedents and consequences of engagement activities, and to identify the attitudes and behaviours that engaged employees display. Few studies have examined organisational actors' lived experiences of engagement activities delivered through management communication. Employee engagement as delivered by an organisation and employee engagement as experienced by employees may not necessarily match, but there is limited insight into how individual organisational actors experience and respond to organisational engagement activities. Further, there appears to be a lack of in-depth understanding of how employee engagement is generated in the interplay between organisational engagement activities and employees' experiences thereof (Reissner & Pagan, 2013).

According to Perlman and Leppert (2013) employee engagement is not seen as a bolt-on programme to ask employees how they feel or what they want, it is a way for leaders, managers and employees to work together for the success of the organisation and its partners. The most successful employee engagement occurs when engaged employees at all levels of the organisation are empowered and encouraged to create their own change, and are constantly looking for better, faster, and more effective ways to get the results everyone wants (Perlman & Leppert, 2013).

Given the strategic relevance and importance of employee engagement, it has become high on the agenda of organisations and popular in management

literature. It has also been linked to positive organisational outcomes, as an engaged workforce provides a competitive advantage to organisations. It is further stated by Perlman and Leppert, (2013) that for employees to find meaningfulness at work, organisations will have to provide an atmosphere that acts as a stimulus to drive employee engagement.

Perlman and Leppert (2013) noted that times of change bring about opportunities for a "human" resurgence and an opening for great strides in employee engagement. Although this is a possible view on change, the state at which all employees not only accept change but are engaged in it requires greater effort from leaders to drive employee engagement programmes. Perlman and Leppert (2013) further suggested that employee engagement is also important because in addition to the world changing faster, with increasing access to information, change is no longer seen as a transition from one stable environment to another, but a constant evolution demanding organisational agility, speed, and learning. Radda *et al.* (2015) indicated that management in private and public organisations have recognised the value of employee engagement.

With organisational change, according to Rogiest, Segers and Van Witteloostuijn (2015), the central role that workers play should not be underestimated, especially during the implementation process.

Popli and Rivzi (2016) commented that employee engagement has found its way up from the relatively lower quarters of being housed in one forgotten corner of the human resources or training and development departments, to its own villa in the C-suite. They suggested that this change indicates the realisation by top executives that they need to be responsible and accountable for employee engagement, rather than leaving it for HR to action. Correlating this to the reality facing South Africa, Popli and Rivzi (2016) added that in the current environment of increasing global competition and slower growth prospects, increasing employee engagement is seen as a key strategy for organisational success. They added that engaged employees display a number of behaviours of potential benefit to their organisations, including going the extra mile, speaking highly of the company, collaborating, proactive problem-solving, staying late, putting in extra hours, assisting colleagues, sharing knowledge, offering creativity and participating in organisational dialogue. Popli and Rivzi

(2016) concluded that there is a strong need for organisations and managers to focus on 'employee engagement' and leadership behaviours that need to be calibrated often to keep employees engaged.

2.8. Conclusion

In the ever-changing external and internal environments in which SOE's operate, they are continuously supposedly involved in change initiatives driven by the need to sustain themselves and remain competitive and efficient. Literature points to low success rate of most organisations' change initiatives as demanded by the dynamic environments of their existence.

In general the literature is convergent with regards to factors that are critical to the success of organisational change initiatives. Common amongst these success factors are the following, not in any order of importance:

- Leadership
- Communication and
- Employee engagement

These factors are not mutually exclusive in realising success in the pursuit of change programmes. Whilst the totality of these factors does not necessarily provide maximum benefit realisation, they adjudged to be key contributors to success.

Recent literature raises concern that despite the broader recognition of critical success factors in organisational change, there has not been significant reduction in the rate of failure of change initiatives. While organisations engage in some form of communication of change initiatives, the significant failure rate of change initiatives as reported in the literature may point to the effectiveness and efficiency of such communication. The argument of effectiveness and efficiency may hold true of leadership as a critical success factor. A concerted effort in maximising employee engagement will bolster the odds of success in this regard.

CHAPTER 3: RESEARCH QUESTIONS

3.1. Introduction

This chapter derives research questions from the literature review with regards to areas that require further development in attempting to increase the rate of success in implementing change in SOEs. The research questions are in the area of organisational structure, communication and employee engagement as change management enablers.

3.2. Research questions

This section states four research questions that were asked during the interviews. Appendix A shows a more respondent-friendly format of the questions.

3.3. Research Question 1

What factors are used to drive change in SOEs?

Secondary questions

- Who is responsible for initiating or influencing change in your division?
- What is the role of each employee during change?
- What tools are used to effect change?
- What are influencers or enablers of change in this organisation?

3.4. Research Question 2

How is employee engagement maintained during a change process?

Secondary questions

- Apart from systems, tools and processes, how do you engage employees during a change process?
- How is the engagement of employees measured during organisational change?
- Does your organisation make use of change agents during a change process?

3.5. Research Question 3

<u>What are the perceptions of communication processes?</u>

Secondary questions

- How is communication managed across divisions?
- What impact does geography have on the communication flow?

3.6. Research Question 4

<u>How is communication used in the change process?</u>

Secondary questions

- What role does management play in providing clarity when communicating change?
- Is there a difference in communication for the type of change to be implemented?
- How do you evaluate the effectiveness of communication between divisions?
- Which communication medium is most often used for communicating change?

3.7. Conclusion

All participants received the same set of research questions. To allow the researcher to gain a deeper understanding of the topics discussed, meetings were held with each respondent. There were four main questions with twelve secondary questions. All secondary questions were structured to support the main research questions.

CHAPTER 4: RESEARCH METHODOLOGY

4.1. Introduction

This chapter presents and explains the research methodology that was used in this study. It gives details of the selected approach and justification for the methodology selected for data collection and data analysis.

4.2. Research design

Given the stated high failure rates of change initiatives and the literature findings that change is complex, there was a need to understand and investigate the concepts relating to enablers of change such as communication and employee engagement. Qualitative research was thus appropriate for this study. Qualitative research is defined as an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem (Creswell, 2013, p. 4). Unlike quantitative researchers who seek causal determination, prediction, and generalisation of findings, qualitative researchers seek illumination, understanding, and extrapolation to similar situations (Hoepfl, 1997).

Maxwell (2013) stated that qualitative research offers an inductive, open-ended approach with a reliance on textual or visual data, rather than numeric data. Additionally, the primary goal of qualitative research is in understanding rather than generalising across people and settings. The qualitative technique is also useful for subjects that are too complex to be answered by a simple yes or no hypothesis. This research was aimed at getting an in-depth understanding of, and deeper insights into, employee engagement and the role of communication as an enabler to change management in SOEs across all layers of the organisation.

4.3. Population

Population refers to an entire group or elements with common characteristics. Population is further defined as the entire group of people, events or things of interest that the researcher wishes to investigate (Sekaran & Bougie, 2011).

Currently there are approximately 700 SOEs in South Africa (Donnelly, 2015). These are spilt into three schedules as described in Chapter 1, Section 1.2 (Table 1).

A summary description of these schedules is as follows:
- Schedule 1: Constitutional Institutions,
- Schedule 2: Major Public Entities, and
- Schedule 3: Other Public Entities.

The population for this study was Schedule 2 SOEs; in this schedule there are 21 of such SOEs.

The reason for selecting Schedule 2 SOEs was on the basis of the make-up of this schedule, as the companies in it are major companies. These companies can affect structural changes in the country and have been instrumental in the development of the country. They include companies such as Eskom, Denel, SAA, PRASA, Telkom and others.

4.4. Sampling

As defined by Saunders and Lewis (2012, p. 133), sampling is a process of selecting subjects to take part in a research investigation on the grounds that they will provide information considered relevant to the research problem. Collecting information from all members of the target population would have been a challenge, thus a sampling technique through which a sub-set of the population was selected as a representation of the entire population was applied.

From the Schedule 2 SOEs, Transnet was selected as a sample representation of the entire population for this research.

Transnet is the largest freight logistics company in South Africa and is fully owned by the South African government. Its mandate is to support and contribute to the country's freight logistics network. It has five Operating Divisions: Transnet Freight Rail (Freight Rail), Transnet Engineering (Engineering), Transnet National Ports Authority (National Ports Authority), Transnet Port Terminals (Port Terminals) and Transnet Pipelines (Pipelines), as

well as the Transnet Corporate Centre and three Specialist Units: Transnet Foundation, Transnet Capital Projects and Transnet Property. The company operates nearly three-quarters of Africa's entire rail network, is opening offices in West and East Africa, and is looking to deploy its expertise in running ports and pipelines as well as rail (Maqutu, 2016). Transnet's total headcount of 64 467 as at 31 March 2016 was comprised of 55 000 permanent employees and 9 467 fixed-term employees (Transnet, 2016).

The fact that the Schedule 2 SOEs operate under business principles, and they are all state entities means that there are advantages that can be gained from implementing common best practices that can be standardised across these enterprises with respect to strategic planning and change management.Thus, best practices applied in a given entity can be applied to the benefit of other entities. Thus conclusions made about Transnet as a Schedule 2 SOE can reasonably hold true of the other Schedule 2 SOEs.

The selection of Transnet as a proxy for Schedule 2 SOEs is based solely on ease of access to information by virtue of the researcher being employed by the company.

All the Schedule 2 SOEs are engaged in a number of significant change programmes, the success of which is dependent on effective and efficient change management processes. As these processes are not strictly programme-specific, findings in relation to Transnet can be applied to the other enterprises.

4.5. Sampling techniques

The most appropriate sampling technique for this study was non-probability sampling, applying a combination of judgmental, convenience and quota sampling.

For credibility of the data, the different methods of sampling that were used to support the research were convenience sampling, judgemental sampling and quota sampling. These are described below.

4.5.1. Convenience sampling

Although described by Saunders and Lewis (2012, p. 140), this method was selected for ease of access to information as the researcher is an employee at Transnet. It is generally not easy to get access to other companies, especially with all the focus and bad news reporting on most Schedule 2 SOEs. Convenience sampling was deemed suitable because it afforded easy access to top and senior management, which benefited the research with richness of data.

Because of possible limitations and the weakness of this method (Saunders and Lewis, 2012, p. 141), judgmental sampling was also used to support the research.

4.5.2. Judgmental sampling

Judgmental sampling is also known as purposeful sampling. Saunders and Lewis (2012, p. 138) suggested that judgmental sampling is the most frequently used form of non-probability sampling. With this method, the selection of a sample is based on the researcher's judgment. Judgmental sampling afforded the researcher flexibility in using her judgment to select the best suited company for this research. The selected company influences, supports and contributes to the country's freight logistics network. Further to this, it operates nearly three-quarters of all Africa's rail network and is opening offices in West and East Africa (Maqutu, 2016), which made it an interesting case to explore.

4.5.3. Quota sampling

The quota sampling method is a method of sampling that ensures that the sample selected represents certain characteristics of the population that the researcher has chosen (Saunders & Lewis, 2012, p. 137). Denscombe (2014) described quota sampling as a method of choosing the people or events that make up the required number within each category. With this method, it is left to the researcher to choose who/what fills the quota.

The main reason why researchers choose quota samples is that it allows the researchers to sample a subgroup that is of great interest to the study. Further to this, quota sampling allows the researcher to observe relationships between subgroups. In this instance, the quota method was selected to find participants across Transnet divisions. The divisions that were selected for participation in this study were Transnet Group Capital (TGC), Transnet Freight Rail (TFR), and Transnet Port, and within these divisions three levels of management (C-Suite, Middle and Junior management) were further selected, as shown in Table 2 below.

Table 2: **Participation from Divisions**

Participants in this study			
Participant number	**Role**	**Number of Participants**	**Operating Division**
1	Project Manager	12	Transnet Group Capital
2	Senior Project Manager		
3	Senior Project Manager		
4	General Manager		
5	Executive Manager		
6	Human Resources Manager		
7	Principal Project Manager		
8	Project Director		
9	Senior Project Manager		
10	Senior Project Manager		
11	General Manager		
12	Executive Manager		
13	Executive Manager	4	Transnet Freight Rail
14	Project Manager		
15	Senior Project Manager		
16	Executive Manager		
17	Group Chief Executive	1	Transnet SOC LTD
18	Senior Project Manager	1	Transnet Port

4.5.4. Access to sample

To gain access for data collection, approval from the Gordon Institute of Business Science's Ethical Committee was obtained (see Appendix B), while permission to collect data was sought from the Transnet Group's Chief Executive (see Appendix B:).

From there, participants who held roles in C-Suite, Senior and Junior management were individually approached, requesting permission to conduct interviews. Participants were selected based on their roles in organisational change, as well as their impact and influence on change and the management thereof. The participants gave voluntary consent to be interviewed (see Appendix D).

4.6. Unit of analysis

Lewis-Beck, Bryman and Liao (2003) defined a unit of analysis as the subject of the study, i.e. the most basic element of the research. For the purposes of this study, the unit of analysis was the opinions of people involved in the change process. These opinions were from the participants in the following divisions: Transnet Port Terminals, Transnet Freight Rail and Transnet Group Capital. The participants were directly involved in change and change management, with some being initiators of change, some being receivers of change instructions, and the remaining being those who had to effect and implement change.

4.7. Data collection

For this research, data were collected through interviews. Not all the interviews were held in person due to the lack of availability and access to participants, in these instances, teleconferences was arranged. For the interviews, the meeting venues were commonly boardrooms and office meeting areas, as most employees do not have offices and are located in open plan areas. The exception was top management who have offices, thus their interviews were held there. Of the targeted 30, a total of 18 interviews were conducted. Of the 18 interviews, two were telephonic and only one participant did not want to be recorded but was willing to participate. All the participants voluntarily and willingly participated in the interviews and signed the consent forms (see

Appendix C:). A standard interview guide was used for all interviewees and all interviews were conducted in English.

During the interviews, notes were handwritten and recordings were made using a cell phone. After the interviews, the notes were transferred onto on an Excel spread sheet with specifics notes and coding on what each respondent had said in preparation for data analysis. All the handwritten notes were scanned and the recordings were saved for reference purposes. No names were used for the interview participants. A naming system was developed in a sequential format, from Participant 1 (P1) to Participant (P18), to protect the interviewees' identities.

Given that the target was 30 participants, the response rate was not good in terms of divisions participating in the research, as not all division gave positive responses. This could be explained by divisions being "companies on their own" in terms of how they possibly relate to a person outside their division asking for information. Due to the researcher working in the Group Capital Division, it was found that the majority of the positive responses were from the same division (see Table 1).

What was interesting to observe with two top managers was how they preferred not to answer questions as per the interview guide, but rather told a story of change in line with the questions based on their experiences and knowledge. For these interviews the time taken was longer than planned, and in certain instances some of the respondents did not answer the questions directly, making their responses invalid.

Patton (2002) stated that validity and reliability are two factors that any qualitative researcher should be concerned about while designing a study, analysing results and judging the quality of the study. Although reliability and validity are treated separately in quantitative studies, these terms are not viewed separately in qualitative research (Golafshani, 2003). Data reliability and credibility were achieved through the application of standard methods to all participants, with no bias or differentiation in roles. Same standard questions were asked to all participants regardless of their role in the organisation. In addition, anonymity allowed for the voluntary disclosure of information, ensuring that the data collected were valid and true.

The semi-structured interviews were conducted to provide a clear set of instructions for interviewees and provided reliable, comparable qualitative data RWJF (2008), while also allowing participants the freedom to express their views in their own terms.

The interviews enabled the researcher to ask direct questions, further allowing for clarity and probing (Cummings & Worley, 2015) during the sessions and providing for richness and depth of data.

Through the semi-structured format, in-depth discussions were possible, which was a huge benefit in that it allowed for better understanding, clarity and examination of the topic. The major advantage of this method is that it produced a high response rate. Personal contact between the researcher and respondents enabled the researcher to explain confusing and ambiguous questions in detail (Yaya, 2014). Further to this, with interviews a researcher is able to collect a large amount of on-target information.

What was noticed and of interest with the qualitative approach was how some top managers would want to tell a story before getting to the interview format. As per the interview guide (see Appendix D:), they would give a history of the changes they had seen over the years and how these had affected them, including the outcome of the changes and how these had shaped the business. What was also observed was how each participant would share their personal, direct experiences of change. Generally all the participants were comfortable and interested in the topic, and felt it was timely based on how the organisation was continuously going through changes.

The interviews went smoothly, with few postponements. On average, the time allocated for data collection was about 60 minutes per interview session, with some participants taking more than the hour based on the discussion. All the interviews were conducted at Transnet's premises over a period of four weeks. All the interviews were located in the Gauteng province except for one participant who had a telephonic interview as they were based remotely. The researcher was comfortable with the selected participants and their level of expertise in change and change management.

4.8. Data analysis

The selected data analysis for this study was content analysis.

Content analysis classifies textual material, reducing it to more relevant, manageable bits of data. This method makes valid inferences from text. The idea in content analysis is that many words of the text are classified into much fewer content categories (Webber, 1990, p. 5). Another view is that this method is widely used as a qualitative research technique, and involves the counting and comparison of keywords or content, followed by an interpretation of the underlying context (Hsieh & Shannon, 2005).

Hsieh and Shannon (2005) identified three approaches to content analysis:
- **Conventional** – coding categories derived directly from the text.
- **Directed** – analysis starts with a theory or relevant research findings as guidance for initial codes.
- **Summaries** – which involves the counting and comparison of key words or content followed by interpretation of the underlying context.

The summative approach used to analyse data gathered from the interviews, with common themes identified and grouped to find common views (Hsieh & Shannon, 2005).

4.9. Research limitations

The following were the limitations of this research:

- **One SOE selected**: As only one organisation was selected for the research, the results may not be applicable to other Schedule 2 enterprises. This is not a major limitation as change management best practices can be applied in entities operating under similar internal and external environments. This limitation was managed by ensuring that there was representation from other divisions, by selecting participants from different offices within the divisions to give different views and experiences on change, and finally by using an appropriate sampling tool to ensure the credibility and validity of the collected data.

- **Geographic location**: Not all the participants could be reached in person due to diverse locations. This limitation was managed through the use of technology, i.e. a telephonic interview with a speaker for recording.
- **Time limitation**: Due to the timeframe for this research project, it was not possible to access a large number of SOEs. This limitation was managed through convenience, judgement a methods in selecting a suitable SOE, as well as quota for participants and groups within the SOE who were directly involved in change and change management, ensuring richness of the data collected.

4.10. Conclusion

This chapter discussed the research methodology used in this study, which was aimed at providing a structured, systematic approach for the research. The following sampling techniques convenience sampling, judgement sampling and quota sampling were also highlighted. Semi-structured interviews were conducted which were aligned with the research questions, and content analysis was used for data analysis. Lastly, the limitations were described.

CHAPTER 5: RESEARCH RESULTS

5.1. Introduction

This chapter presents the results from the research questions that were used to collect data from the participants selected for this research. The interview questions were mapped with the research questions, and links were created between the primary and secondary questions.

As per the research methodology outlined in Chapter 4, data was collected from the participants in the study. The data was derived from the questions asked during the semi-structured interviews.

Each of the questions was aimed at gaining a better understanding, knowledge and insights into the research topic. Table 3 below outlines the structure and layout of the questions, from the main research questions to the supporting secondary questions.

Table 3: **Main and secondary research questions**

Question #	Main Research Question	Secondary research questions (Refer to Appendix A for reference to the questions)
Research Question 1	What are the factors used to drive change in SOEs?	• Who is responsible for initiating or influencing change in your division? • What is the role of each employee during change? • What tools are used to effect change? • What are influencers or enablers of change in this organisation?
Research Question 2	How is employee engagement maintained during change processes?	• Apart from systems, tools and processes, how do you engage employees during a change process? • How is the engagement of employees measured during organisational change? • Does your organisation make use of change agents during change processes?
Research Question 3	What are the perceptions of communication processes?	• How is communication managed across divisions? • What impact does geography have on the communication flow?
Research Question 4	How is communication used in the change process?	• What role does management play in providing clarity when communicating change? • Is there a difference in communication for the type of change to be implemented? • How do you evaluate the effectiveness of communication between divisions? • Which communication medium is most often used for communicating change?

Three groups of management were interviewed, namely top, middle and lower management. For the purpose of discussing the results, 'top manager' will be used interchangeably with C-suite, 'middle manager' will be used interchangeable with 'senior manager' and 'lower manager' will be interchangeable with 'junior manager'. A total of 18 interviews were conducted in order to obtain insights. The summary of the feedback from the interviews in line with the four main questions is presented.

5.2.   Results for Research Question 1

What are the factors used to drive change in SOEs?

Secondary question 1.1:

Who is responsible for initiating or influencing change in your division?

A ranking order of importance was developed from the highest to the lowest frequency of responses as shown in Table 4 below:

Table 4: **Ranking order on who is responsible for influencing change**

Rank	Construct	Frequency
1	Leadership has always initiated change and cascaded it down. Also the Leadership Strategy has influenced changes.	6
2	HR and Corporate Affairs. Depending on the kind of change with some external factors which then trigger an internal response.	4
3	It was HR in the past and now HR with Corporate Affairs.	3
4	It is the shareholder compact which gives the mandate to initiate change to internal stakeholders.	2
	It comes from both internal and external factors. "Anyone with a change agenda can initiate the change."	2

The majority of the respondents pointed to leadership as being responsible for initiating or influencing change. Some generalised that triggers of change could be anything that could lead to change from external to internal factors, depending on the type of change.

The following views were expressed by some interviewees on this question:

- *"I am not sure (who is responsible), I am assuming Human Resources (HR) is the custodian, we are lacking big time (on this) it is not clear who is championing the changes. I do not know who is supposed to drive the change."*
- *"We need to be agile, and everyone is responsible for effecting change."*
- *"It cannot be narrowed to a 'who' (is responsible); it depends on what kind of change."*

- *"Leadership is responsible for initiating change."*
- *"It is not clear who is championing the change, I do not know who is supposed to drive change."*

Below are the most common views from each of the assessed groups. There appears to be consistency regarding who is responsible for initiating or influencing change:

C-Suite Managers: Most in this group pointed to leadership as being responsible, who are driven by the shareholder compact. Some stated that it starts externally, then triggers internal changes including those with a change agenda.

Senior Managers: Most pointed to leadership driving change, with some stating that it could be HR (Human Resources), which is the custodian of the organisation's communication.

Junior Managers: Most stated that change is leadership driven, with some pointing to a change management structure called 'Business Optimisation' as being responsible.

Secondary question 1.2:

What is the role of each employee during change?

A ranking order of importance was developed from the highest to the lowest responses as shown in Table 5 below. Table 5 indicates the order of importance across all three groups of management. In some instances the frequency will be the same, giving the responses the same rank order of importance.

Table 5: **Ranking order the roles of employees during change**

Rank	Construct	Frequency
1	"Employees do not know what to do, they just follow, there are no specific roles, and we just follow without knowing what is exactly happening"	6
2	Organisation is well managed in managing the role of employees during change. "We do know our roles though at time there are changes that are imposed such as (safety, strategy, structure) in these instances we then do not know our role as employee".	4
3	It is still a challenge to define the role as the changes are often at a high level - not defined to the lower levels bringing fear as roles are not defined, role not clear.	3
4	It is defined through the balanced scorecard. "Regardless of change - I still have work to do unless committed otherwise"	2
5	Employees should be able to know their role when change is done properly - with change, the role of top/senior management is to understand what the change is about and then convey the message to those below them.	1

There were conflicting views regarding the role of employees during change. Lower managers agreed that roles are not defined or in not knowing their role during change. One top manager disagreed with most of the other top managers by saying that roles are well defined. This top manager stated that they define their own roles, as they are expected to direct their employees and cannot wait for information to direct the teams. The following views were expressed by some interviewees on this question:

- *"Roles are not defined, roles are not clear."*
- *"I don't know where I fit in or my role. I think they themselves (management) does not know and have no idea or a defined model of what they want or the change they want."*
- *"We do know our roles though at times there are changes that are imposed such as safety, strategy, and structure", in these instances we then do not know our role as employee".*
- *"For lower management it is still not clear with regards to change and change management."*

- *"Employees' role is to participate in change; other (employees) are non-committers because they are not clear of their role."*
- *"There is no blueprint, I define my own role, roles are not defined, academically everyone has a role but in reality, it is not the case."*

Below are the top views in each of the assessed groups. From the views below there appears to be a contradiction regarding the role of employees during change. The top management leadership stated that roles are known, with a few stating that they take charge of change themselves, while the majority of middle and lower managers disagreed and stated that roles are not defined.

C- Suite Managers: The top managers stated that the organisation is managed well and that roles are known. There is an expectation that senior leaders should drive the change and provide support to the project team. They added an individual role to change is to "force yourself to understand", to take accountability, then to be a change agent cascading change down to everyone. They added that an employee's role is to participate in change.

Senior Managers: Managers in this group stated that the employees' role is to participate in change. Some also pointed to a lack of strategy, stating that things are not always clear due to lack of change strategy. Some views stated that it is still a challenge to define the role, as the changes are often at a high level. They added that there is a lack of definition for the lower level employees, which brings fear. Some stated that there is a lack of clarity - "I do not know where I fit in or my role".

Junior Managers: The common view was that the roles are still not defined, pointing to senior leadership as being expected to drive the change and provide support.

Secondary question 1.3:
What tools are used to effect change?

A ranking order was developed from the highest to the lowest in response to the research questions. Table 6 below indicates the order of importance across all three groups of management. In some instances the frequency will be the same, giving the response the same rank order of importance.

Table 6: **Ranking order on tools to effect change**

Rank	Construct	Frequency
1	Emails and engagement sessions and also through meetings, workshops, briefing sessions, newsletters, 1Magazine	10
2	Operational tools such as change models, quality management, quality performance, safety management tools, scheduling tools and strategies.	2
3	Communication is the main tool to effect change; top management must talk to junior management as a tool to effect change before all emails.	1
	Change training course which were offered in the past	1

The majority of the respondents pointed to the use of emails as the tool to effect change. The following views were expressed by some interviewees on this question:

- *"I go to depots and speak at Imbizos."*
- *"There are many tools, communication medium, intranet, emails, video conference, and teleconference - all these talks of facilitation of communication."*
- *'It is emails and engagement sessions."*

Below are the views from each of the assessed groups. There appears to be consistency in the tools used to effect change. Emails are commonly seen as a primary tool, although viewed as mass communication which is not effective.

C-Suite Managers: Most pointed to emails and engagement sessions.
Senior Managers: Most pointed to emails and engagement sessions. Over and above this tool, the group pointed to operational tools as tools to effect change, such as Quality, Safety, and Performance Management.
Junior Managers: Most pointed to emails, engagement sessions, and planned routine weekly and monthly meetings. One pointed to an internal "change model" as being one of the tools.

Secondary question 1.4:

What are the influencers or enablers of change?

A ranking order of importance was developed from the highest to the lowest responses in response to the research questions. Table 7 below indicates the order of importance across all three groups of management.

Table 7: **Ranking order on influencers or enablers of change**

Rank	Construct	Frequency
1	"Leadership always has been initiating change, including leadership team, it is leadership driven, and it is usually top down."	10
2	Global economic conditions, externally influenced changes. Internal changes also contributed these due to new strategy resulting in structural changes.	2
3	It is usually top down from CE, internally driven.	1
	Internally driven, external parties (consultants or change specialists) will tell you what you already know.	1

The majority pointed to leadership as being influential in changes. The following views were expressed by some interviewees on this question:
- *"Leadership always has been initiating change."*
- *"It is usually top down from CE (leadership), (and from there is) internally driven."*
- *"For me it starts with the shareholder (compact) which then is followed by the strategy that drives the change."*
- *"It is a response to something that isn't working or a pressure point (external) – (and when) there was (is) a problem and need for a solution this then results in or influences change."*

Below are the top views of each of the assessed groups. There appear to be contradictions regarding what influences or enables change. There is also a mix of what drives changes, which could mean that when changes occur, there is no detailed explanation of what is driving the change.

C-Suite Managers: Top managers pointed to shareholders and leadership being influential and the influence is usually top down.

Middle Managers: These managers pointed to external factors and leadership (management).

Junior Managers: The junior managers pointed to external triggers being influencers, which influences what happens internally, and structural changes in the organisation.

5.3. Results of Research Question 2

How is employee engagement maintained during the change process?

Secondary question 2.1:

Apart from systems, tools and processes, how do you engage employees during the change process?

A ranking order was developed from the highest to the lowest in response to the research questions. Table 8 below indicates the order of importance across all three groups of management.

Table 8: **Ranking Order on Systems, Tools and Processes to Engage Employees**

Rank	Construct	Frequency
1	"Engagement is done through workshops and engagement sessions to engage employees".	9
2	Through face-to-face engagements and the use of an internal communiqué platform that goes to all employees. Also through formal and informal sessions.	1
	Through involvement of people in decision making and engaging them early (preparing them for change).	1
	Through facilitation by communication specialists.	1

The majority of the respondents pointed to employee engagement sessions as being a means to engage employees. The following views were expressed by some interviewees on this question:

- *"I rely on face-to-face engagement; management is on a discovery process."*

- *"I also use internal communiqué platform that goes to all employees, also the nature of my discipline encourages formal and informal engagement. It is possible for me to engage my team both formal and informal."*
- *"We were ready for change before it came - we took a proactive approach to change."*
- *"I push for people to have a say and ask questions in that way I can pick whether they are engaged or not."*

Below are the top views in each of the assessed groups. There appears to be different views where top management is forging change using standard tools such as workshops, whereas employees state concerns regarding a lack of continuity and a preference that emails be a secondary channel of communication or used as a follow up mechanism.

C-Suite Managers: The majority of top managers pointed to employee engagement sessions (Imbizos) as a means to engage people. Some added that they involve their employees in decision making.

Middle Managers: Similar to top managers, some middle managers pointed to workshops and Imbizo sessions as a means to engage people, while some have informal sessions over and above the planned sessions.

Junior Managers: These managers cited a lack of continuation with the employee gathering sessions, saying that communication at these sessions is done at a milestone level. Some added that they engage their employees personally through follows up to either emails or engagement sessions.

Secondary question 2.2:

How is the engagement of employees measured during organisational change?

A ranking order was developed from the highest to the lowest in response to the research questions. Table 9 below indicates the order of importance across all three groups of management.

Table 9: **Ranking order on how engagement of employees is measured**

Rank	Construct	Frequency
1	Culture Charter surveys	9
2	Employee participation	3
3	Feedback received from employees	3

The majority did not know of any measurement tool, with some pointing to surveys as a means to measure engagement during change. The following views were expressed by some interviewees on this question:

- *"A Culture Charter survey is a structured way to look at how employees perceive that which is happening around them. These surveys are done once a year, the organisation considers it as a specific situational tool into evaluating employees."*
- *"We have weekly and monthly meetings for critical things where we get feedback on things that are important."*
- *"It is through may be compliance checking on what a person said they will do to see if they are in compliance."*
- *"Employees' response to change is an indication of whether they are engaged or not (it is measured through responses or observing their actions)."*

Below are the top views in each of the assessed groups. There appears to be contradictions, where top management sees the Culture Charter as an effective tool, whilst lower level employees either do not know or do not understand the Culture Charter, with some indicating that there is no formal tool.

C-Suite Managers: It is done well through the Culture Charter surveys; some make use of pre, during and post surveys for measuring. There was a view that employees are given platforms to ask questions, and it is through their questions that the organisation can measure their level of engagement.

Senior Managers: Some middle managers agree with the top managers on the use of surveys and through the levels of employee participation.

Junior Managers: Some pointed to no formalised tool of measurement or not being aware of any measuring tool, with a few that had surveys but did not know or understand what they were for.

Secondary question 2.3:

Does your organisation make use of change agents during change processes?

A ranking order was developed from the highest to the lowest in response to the research questions. Table10 below indicates the order of importance across all three groups of management. In some instances the frequency will be the same, giving the response the same rank order of importance.

Table 10: **Ranking order on the use of change agents during change**

Rank	Construct	Frequency
1	It is now internally driven, with internal change agents. There are also informal change agents who play a role in effecting change.	7
2	We have worked with external consultants in the past. Their effectiveness seems to be high; with external agents there is level of commitment unlike the internal agents. With internal it becomes a culture issue.	3
3	Internal people were just observers with external parties driving the change.	2
	Change is internally driven - there are no external agents.	2

Of the 18 participants, the majority did not favour external change agents due to past experiences and promoting the use of internal agents. They did cite training and monitoring as a requirement, however. The following are the views of some of the interviewees (participants) to this question:

- *"I am not aware of external parties. Change is driven through internal change agents who are trained in change management."*
- *"Because it was externally done people just observed the changes. As soon as they withdrew it all collapsed, our internal teams were either not convinced or just observers or were not trained or there was failure in handover."*
- *"I don't believe in external change agents."*
- *"Internal through divisional managers who go to various sites to roll out the change and through Change Ambassadors who are responsible for driving change, they are there to facilitate the changes."*

- *"The advantage you get with an external consultant is their level of commitment unlike the internal agents. With internal it becomes a culture issue."*

Below are the top views in each of the assessed groups. There appear to be contradictions in how change agents are perceived and in recognising if they are present or not in the current changes. Conflicting views on their presence could point to poor communication, i.e. whether they are being communicated about or just work with various groups of people without being introduced.

C-Suite Managers: Some managers have nominated internal informal agents for change to be driven internally.

Senior Managers: These managers saw change being internally driven, with no agent involvements. Some pointed to the benefit of the external change agents in how they are committed and do not have any cultural issues. Within this group some had started on a new approach of working with internal agents.

Junior Managers: The majority of this group were not aware of change agents and pointed to a lack of formality

5.4. Results of Research Question 3

What are the perceptions of the communication process?

Secondary question 3.1:

How is communication managed across divisions?

A ranking order was developed from the highest to the lowest in response to the research question. Table 11 below indicates the order of importance across all three groups of management.

Table 11: **Ranking order on how communication is managed across divisions**

Rank	Construct	Frequency
1	Communication is centralised.	8
2	It is very limited across operating divisions, there are areas of improvement in how it is managed	2
3	It is poorly managed by a selected few group of employees (who get to know what is going on).	2
4	Head office is prioritised over the regions.	1
5	There is communication but it is not effective. Rumours always come first before the actual communication.	1

Eight of the respondents saw communication as being managed centrally. The following are direct views as expressed by some of the interviewees on this question

- *"I am confident that about 90% of employees are reached."*
- *"Information is not properly shared with other divisions, there is not enough communication."*
- *"Sometimes things are left out of the communication - you pick them up through rumours and corridor talks."*
- *"Rumours always come first before the actual communication."*
- *"Information is always filtered (losing content)."*

Below are the top views in each of the assessed groups. There appear to be general complaints regarding how communication is managed; some employees stated that communication was taking place although it was ineffective, while others stated that it was limited and unclear. The general view from top management was that it is happening and is centralised.

C-Suite Manager: These managers saw communication as being managed centrally, with some stating that it is poorly managed, citing a lack of effectiveness.

Senior Manager: Senior managers see communication as being managed centrally, but poorly.

Junior Manager: Low level managers see communication as being very limited and not clearly managed.

Secondary question 3.2:

What impact does geographic location have on ease of communication flow?

A ranking order was developed from the highest to the lowest in response to the research question. Table 12 below indicates the order of importance across all three groups of management. The majority pointed to geographic location being a bottleneck.

Table 12: **Ranking order on geographic location and communication** flow

Rank	Construct	Frequency
1	Geographic location is a bottleneck; it's a big problem, it does have an impact, and it negatively affects communication, especially among lower level employees.	9
2	It does have an impact. Head office employees are at an advantage compared to remote employees.	2
3	The technology is there; the geographic location does not have much to play in this day and age. It is really the commitment to want to communicate with people.	2

The majority of the respondents pointed to geographic location being a limitation and bottleneck for ease of communication. The following are direct quotes as expressed by some of the interviewees on this question:

- *"Geographic location is a bottleneck."*
- *"Geographically we can relate, but the problem is in how we communicate; we are not communicating geographically."*
- *"With verbal communication it is often late or received only when the leadership come to see us. Specialist units are often taken care of but it is people at lower levels who are negatively impacted."*
- *"It has an impact also on what is being shared or information that is passed down. It can negatively affect the communication."*

Below are the top views of each of the assessed groups. There appears to be consistency in the respondents' views on geographic areas and communication, it is seen as a bottleneck across all layers. Although digitisation (video conferencing, telecoms) exists, there is still a need for personal contact, with an

emphasis that perhaps routine issues could use digital technology, while for critical issues there must be personal contact.

C-Suite Managers: The majority pointed to geographic location being a bottleneck, although technology was seen to have eased the gap. In addition, top managers pointed to head office employees as being at an advantage compared to those placed remotely. One manager pointed to the commitment and the will to want to communicate, as all the offices are connected technologically.

Senior Managers: Most senior managers pointed to geographic location as causing a bottleneck, saying that it takes time for information to be received. They added that technology eases the gap.

Junior Managers: Some shared the same view as those of middle managers, i.e. that geographic location is a bottleneck and that it takes time for information to be received. One employee in this group recognised the role of technology and did not see geographic location as a limitation.

5.5. Results of Research Question 4

<u>What are the influencers or enablers of change in the organisation?</u>

Secondary question 4.1:

What is the role of management in providing clarity when communicating change?

A ranking order was developed from the highest to the lowest in response to the research questions. Table 13 below indicates the order of importance across all three groups of management.

Table 13: **Ranking order on the role management in providing clarity**

Rank	Construct	Frequency
1	Leadership's (management's) role is to explain the WHY of change and provide the vision of where things are going and that role must be clear to see.	5
2	Employees on top are more informed but there are fewer of them than bottom of the pyramid employees who do not get to know what is really happening. From the senior level communication is clear, but it breaks down at the middle level, and gets worse at the lower level.	2
3	It is still a challenge to define clarity. Employees have to engage leadership inquiring about the changes – there is no voluntary information.	1
	One participant observed that information is usually distorted when it arrives at employees on the lower level, and pointed to the role of middle management to translate the message to lower managers.	1

The following are some direct quotes from some of the interviewees regarding this question:

- *"They themselves (management) are affected by the change and need to understand the change and therefore cannot give us any clarity."*
- *"At the bottom of the pyramid tough luck! The one-third on top is more informed and the two-thirds at the bottom of the pyramid don't get to know what is really happening."*
- *"Senior management's role is to filter what is important and critical."*
- *"We see the change happening with communication following up later."*
- *"Even though it is not documented, I have a sense of things being done. "We (management/leadership) can't put things down in black and white because we do not know ourselves and we are not sure."*

Below are the top views of each of the assessed groups. There appears to be a lack of understanding of the roles and what is expected from management during organisational change. There is more emphasis on what is expected and what this role should be than a description of what the role of management in clarifying change is.

C-Suite Managers: The responsibility of this role was acknowledged by most participants as being to explain the "why" of change, with some raising concerns about information hoarding. Another view was of the responsibility to take information to the lower levels.

Senior Managers: In this group they saw their role as that of engaging employees and voluntarily giving information.

Junior Managers: They saw this role as that which should create a "positive vibe", as change is often not accepted easily.

Secondary question 4.2:

Is there a difference in communication for the type of change to be implemented?

A ranking order was developed from the highest to the lowest in response to this research questions. Table 14 below indicates the order of importance across all three groups of management.

Table 14: **Ranking order on the difference in communication**

Rank	Construct	Frequency
1	"There is a difference; workshops are better compared to emails as they offer instant responses. Emails are reported to have delays". Workshops and engagement session are seen as a better alternative.	4
2	It is said to be the same way for all, there is no special way for communicating certain changes and there is no differentiation. There is a flood of communication, priority is given only to those that will impact the business the most, and it's only prioritised based on the potential impact to the business. People get lost in the communication.	2
3	Some state that they have not seen a change in the way things are communicated or innovation or creativity in ways of communicating.	1
	Imbizos are good but very high level. There is no differentiation; management uses language that lower level employees cannot understand.	1

The following are some direct quotes as expressed by some of the interviewees regarding this question:

- *"Workshops and engagement sessions are a much better alternative."*
- *"Messages should be simplified and arranged per each level of employment."*
- *"You get these emails, lately it's been about appointments, magazines have stayed the same, each time a new person is appointed they have road shows. I have not seen innovative or creative ways of communicating."*
- *"They have spoken of digitalisation (plans) may be going forward it will change, they have spoken about Twitter, Facebook, it's more of the same (no difference)".*
- *"Sometimes you find change communication being mixed up with other things (other forms of communication)."*
- *"It is the same way, there is no special way for all and there is no differentiation. There is a flood of communication; priority is given only to those that will impact the business the most and it's only prioritised based on the potential impact to the business. People get lost in the communication."*

Below are the top views in each of the assessed groups. There appears to be misunderstandings amongst various groups regarding what clarification should be done if there is a difference in communication for the type of change to be communicated. The participants emphasised how a certain type of communication is preferred or better, rather than giving a distinction of whether there is a difference. There was a general "it depends" response regarding the type of change to be communicated.

C-Suite Managers: The views of this group were that there is a difference and that workshops were seen as better, as they offer the advantage of instant communication. Some cited a flooding of email communication and communication always coming in after the change event has occurred.

Senior Managers: This group mostly favoured the use of workshops as a means to differentiate from emails, which were considered to be delayed. Some in this group did not see any differentiation however, saying "it is the same way there is no special way".

Junior Managers: The views in this group were that there is no differentiation; flooding of information was the main concern.

Secondary question 4.3:

How do you evaluate the effectiveness of communication between divisions?

A ranking order was developed from the highest to the lowest in response to the research questions. Table 15 below indicates the order of importance across all three groups of management.

Table 15: **Ranking order on evaluation of communication between divisions**

Rank	Construct	Frequency
1	Observations on what comes back from employees are seen as a means to evaluate communication. Gossip is seen as what comes first before the communication itself.	4
2	Evaluation is ineffective. There are duplications. There are no follow up sessions, no feedback on raised issues; it is just one way "traffic". There is no measure of employee understanding of the transferred message.	3
3	It is the same old ways of communicating with emails which are not effective. Some stated that they have no idea about any evaluations. Some do not think there is a tool or process of evaluating the effectiveness of communication. Although there is a communication department, there is no certainty if the communication reaches everyone.	2
4	The main way of evaluating is through surveys - although the response rate is low.	1
5	It is from the reactions of employees that evaluations are done.	1

The following are direct quotes as expressed by some of the interviewees regarding this question:

- *"I don't think there is a tool or process of evaluating the effectiveness of communication, we have a communication department, we are not sure if the communication reaches everyone."*

- *"There is no measure of employee understanding of the transferred message; it is a bit challenging."*
- *"It depends on the results of the Culture Change survey, it is an evaluation tool."*
- *"Through the Culture Charter maybe on a scale of 5 it is achieving 2/5, which is a good starting point."*
- *"(With the informal session)….. You pick it up when there are sessions (what people think and in the things people say)."*
- *"It is one way traffic, there is no evaluation."*

Below are the top three views of each of the assessed groups. There were observations that the effectiveness of communication is mainly "observed" and seen in how employees respond to change. Some stated that it is through surveys, although one participant indicated that with surveys there is usually a low response rate.

C-Suite Managers: The views of this group were that there is a lack of evaluation of communication. They added that evaluations are done on what comes back as a response and in the reactions of the employees.

Senior Managers: The majority in this group did not have any idea how evaluations are done. Some stated that they evaluate according to what comes back as a response from the employees.

Junior Managers: The views of this group were that there are no evaluations, with employees being left out to figure out for themselves what is happening. Some stated that they evaluate according to what comes back as responses from the employees.

Secondary question 4.4:

Which communication medium is most often used for communicating change?

A ranking order was developed from the highest to the lowest in response to the research questions. Table 16 below indicates the order of importance across all three groups of management.

Table 16: **Ranking order on communication medium for communicating change**

Rank	Construct	Frequency
1	It is normally emails. "Emails allow you to read it and over and process the information, unlike meeting where everything is open to interpretation", emails seem to dominate communication. Verbal face-to-face communications is seen as the best form of communication "you cannot replace verbal communication, emails often come late with delays."	9
2	It depends on the number of people affected.	2
2	We now are seeing the rise of digitalisation through text messages, videos, live streaming.	2
3	Emails are mass communication - the effectiveness is extremely poor.	2

The following are direct quotes from some of the interviewees regarding this question:

- "*Emails seem to dominate communication in organisations. Generally the best communication ever is verbal, face-to-face communications, you cannot replace verbal communication. With verbal you can pick on the posture the gesture you can read the importance of what is being communicated.*"

- "*Emails are a poor form of communication - we are not using social media effectively like WhatsApp (messaging). Information would be instant, given that notice boards are not being updated timeously. We are not using some of the things that we should be using.*"

- "*Verbal face-to-face is not always practical but you need to identify things that require face-to-face communication. With emails which are often not read there is a need for a differentiation in how we are told or communicated to.*"

- "*The physical employee engagement sessions are important although traditional. Labour representatives in certain divisions are powerful in communicating the change, unlike the head office set-up. Electronic media is the main tool, sometimes magazines. Skype for business is also coming up.*"

Below are the top views in each of the assessed groups. The general view across all groups is that emails are the most used medium, although location has an influence on how people are communicated to. There is also a rise in digitisation.

C-Suite Managers: The majority pointed to emails as a common medium. One participant saw emails as a mass communication tool that is not effective and extremely poor.

Senior Managers: Similarly, the senior managers pointed to emails as a common medium. One participant stated that it depends on the number of people affected and impacted by the change. One employee commented on the rise of technology and digitalisation.

Junior Managers: Similar to other groups of managers, junior managers saw emails as a common medium for communicating change.

5.6. Conclusion

Of the 18 interviews that were held among the three groups of management that were selected, this chapter presented the results of the collected data and presented summaries for each question. Through content analysis, common themes emerged that were grouped to develop a ranking order of importance for each of the questions. The top views of how each group viewed the questions asked were also outlined.

CHAPTER 6: DISCUSSION OF RESULTS

6.1.   Introduction

In this chapter the results are discussed in detail, based on the findings from the responses to the research questions. The results presented in Chapter 5 are interpreted applying the literature reviewed in Chapter 2 as a point of reference.

The data analysis for each group of interviewees provided insights into the responses, by highlighting contrasts and common attributes regarding communication and employee engagement as a change management enabler in SOEs.

6.2.   Discussion of results from Research Question 1
Main Question:

- What are the factors used to drive change in SOEs?

Secondary Questions

- Who is responsible for initiating or influencing change in your division?
- What is the role of each employee during change?
- What tools are used to effect change?
- What are the influencers or enablers of change in this organisation?

This question sought to establish the factors relating to the influencers or initiators of change, the tools that are used by the organisation to effect change, and if the roles of employees during change are defined, including establishing what influences change.

Most of the respondents were of the view that change is influenced by leadership and cascaded down. This was followed, in ranking order, by those who responded that change is driven by Human Resources (HR) and Corporate Affairs.

Regarding the tools used to initiate change, there was a strong reliance by top management on the use of emails as a means to effect change. Employee engagement sessions were another tool commonly used by both top and

middle management for effecting change. These were perceived by lower managers to be ineffective, however, and do not allow for proper engagement with employees as they are impersonal. Regarding how change is effected, it is left at the managers' discretion to decide how best to effect change based on experience or preference.

Middle managers also pointed to training interventions, planned monthly engagement sessions, operational tools and consultants as other tools. Operational tools such as safety, quality, scheduling and performance were also used to effect change. These tools were viewed as being specific, targeted and measurable, with an ability to drive change to a set target.
Looking at the tools to initiate change the top managers were concern with engagement sessions and the use emails to communicate change while the complains by lower managers were not recognised. Middle managers were operational in their approach with tools that are targeted and focused on changing "one thing" that being either a safety concern or a quality concern. The three groups had no standardisation in the use of tools that could be used to effect change.

Regarding the role of employees during change, there were conflicting views. The top managers generally stated that the roles of employees are managed well, with senior managers being responsible for transferring change to those below them. Some managers disagreed with this view, however, stating that it is still a challenge to define the roles of employees during change.
Lower managers further contributed by citing a lack of strategy as being the reason why roles are not defined. With a lack of strategy, employees reported often being surprised by the changes, with some resolving to define their own roles as a response.

Top management was also seen to be relying on the balanced scorecard as a means to define the roles of employees, which are like a contract, and remove engagement that could possibly be achieved through collaborative efforts. The view from top management is that employees are also expected to engage them. Further to this, top management stated that employees have a role to play in embracing change and to own the change as their main role.

The role of middle managers is highlighted by top managers, there is no evidence of middle managers being trained or capacitated to be able to transfer the change agenda to lower levels. The important point raised by top managers is for all employees to buy in to the change agenda and to engage top managers in understanding the change. This raises an important question to both middle and lower managers on their openness in discussing changes with top managers because the view that employee's roles are well defined means top managers are aware of the concerns of not knowing the roles by employee.

In understanding who is responsible for initiating or influencing change, the majority of the participants pointed to leadership, while some participants stated that it is HR that is responsible for initiating change. This could be explained by the fact that the communication department is housed within the HR department and has been responsible for sending communications out to the employees, and as such they (HR) are then thought to be responsible for initiating changes. This is also an indication that employees do not understand the changes or know the reasons for the changes. Other views were that changes could be externally initiated, resulting in internal changes as a response to what is happening. Internal proactive measures were also seen to influence changes.

The responses to the question regarding the influencers or enablers of change were similar across all groups, with participants pointing to leadership as an influencer. External factors were also seen as a trigger. The top management pointed out the shareholder compact, followed by internal leadership. There was a call made by top managers for employee to embrace changes. With leadership recognised for initiating the change employee are required to embrace and own the changes. This is supported by Song (2009) who states that successful planned change occurs when the organisational members "own" or "buy into" the process and outcome of an organisational change.

Bourne (2015) stated that during a change initiative, leaders must help employees to understand the change. Holbeche (2006) emphasised the role of a leader as communicating the rationale for change, helping to create messages that galvanise the organisation into action, and importantly creating urgency for change. There was a contradiction between the collected data and the literature regarding traits that are known and expected of leaders, such as

to lead and provide clarity and a vision for the future employees did not have clarity which points to the role of a leader in this regards. Employee were found not to be clear; "management fails to provide clarity either because they are too slow or they are unclear themselves, as they too are affected by change" this was pointed out by one of the middle managers during the interviews with some managers in this instance defining their roles.

Employees highlighted a lack of pre, during and post change assessments as a means to not only be ready for change, but to establish key stakeholders who will assist in driving the intended change this as pointed by Haque *et al.* (2016), who stated that many organisational change efforts fail or are rendered unsustainable because organisational leaders fail to create sufficient readiness for change.

A view by van der Voet (2014) was seen in how senior managers were recognised for change initiation. To this Van der Voet (2014) argued that senior managers often initiate organisational change, while relying on lower level leaders for its implementation. This can be expected for lower managers to implement but how much is done by senior managers to capacitate lower level managers to implement the efficiently change and to offer support.

Lower managers pointed to lack of evaluation and measurement of employee understanding of the change process. Some middle managers cited communication flooding, stating that the organisation does communicate to its employees but there is no differentiation critical information is often mixed up with routine information. Although mass communication is seen to be ineffective, given the size and footprint of the organisation it is unrealistic not to consider mass technology. As global trends are heading towards digitisation the secondary benefits offered by emails is standardisation, in that the same email is sent to everyone at the same time, allowing employees to re-read the email for better understanding of the context. Cameron and Green (2009) also supported the use of emails.

6.3. Discussion of results from Research Question 2

Main Question:

- How is employee engagement maintained during a change process?

Secondary Question:

- Apart from systems, tools and processes how do you engage employees during a change process?
- How is the engagement of employees measured during organisational change?
- Does your organisation make use of change agents during change processes?

This research question was aimed at establishing how the engagement of employees is maintained during the change process, and how employees are continuously engaged throughout the process. Secondary questions sought to establish how employee engagement was done to how this was measure and in assessing the role of change agents during the change process.

It was commonly observed that almost all employees recognised the importance of employee engagement, which is positive. The majority of employees from the C-suite and senior managers felt that employee engagement was done through sessions such as Imbizos and workshops. In some cases, emails were used as a follow up the engagement sessions as means to engage employees. Lower level participants raised a concern that Imbizos lacked continuity and follow up, as each session was seen to be a checklist and there are no material changes between them. One top manager pointed to the use of formal and informal sessions as a means to engage employees; this too was seen as personal preference. Another top manager stated that they engage their employees early in the decision making process before changes happen in order to encourage participation, however this too was seen as a personal preference.

One top manager pointed on how employees are pushed and encouraged to have a say or a view during the Imbizo sessions in order to participate and be engaged. Considering that these are mass gatherings, it can be highlighted the amount of time required to get through to all employee this raises issues of time

management and in querying perhaps if these sessions should not perhaps be done per each business unit instead of mass gatherings that could be length in trying to get through to all employees.

In addition, through these sessions top management pointed to the questions asked by the employees as means to know if employees were engaged or not. The disadvantage with relying on questions asked is that they could be limited given the discussions of the day, and not necessarily give a full view of employee engagement.

With Imbizos, one middle manager said that these sessions have the same "language" and do not differentiate according to the level of employees in terms of education level, job profile observing that the gathering sessions are for everyone yet they are not suitable for all. The participant would prefer smaller sessions where employees are grouped according to their levels of education, job profile and others with presentation customised to suit their understanding. Concern is on the lower level employees who feel that there is no room for engagement and no evidence of a personal touch.

There is no standard formalise method of employee engagement, managers come up with their methods of engagement based on their preference, experiences and management style. This is apposite to what literature calls for as employee engagement was seen as a continuous process that requires frequent calibration (Popli & Rivzi, 2016). With this being the case there is a need for a formalise structure engagement method that can be measure adjusted to fit the changes.

On how employee engagement is measured across majority of employee from top and middle management pointed to Culture Charter surveys and compliance monitoring as a measurement tool, however junior managers reported that they were not aware of a formalised way of measuring employee engagement.

Compliance is another measurement tool according to top management, who stated that they measure engagement according to employee compliance to change instructions. A concern with this approach is in how it could be too late by the time a manager realises that employees are not compliant leading to

failure of a change initiative. On the culture charter there appear to be contradictions between top management who see Culture Charter surveys as an effective tool for measuring employee engagement, and lower level managers who are not sure if there is a measurement, or who even believe that the Culture Charter is the effective tool. This was confirmed by the views that some do not even know about the measurement tool or when the Culture Charters are held. This could also be about lack of understanding of the aims of the culture charter or with employee participating out of context.

There were conflicting views regarding the use of external change agents among the participants who had worked with them in the past, with one top manager quoted saying "*because it was externally done people just observe the changes as soon as they withdrew it all collapsed, our internal teams were either not convinced or just observers or were not trained or there was failure in handover. We have seen them but there is no consistency, they engaged few people".* To top managers who felt external agents were not required as employee could be appointed into this role. To those that did not think we have external change agents and some to managers who confirmed that we have external change agents and currently working with them. Of all these views there was general recognition of the internal capacity to become change agents with the right training, guidance and monitoring.

Rejection of external agents can be due to past experiences and the results of change initiatives failing even with their involvement. Also lack of defining could be the reasons why employees saw external change agents as being distant and not involved in the change. There is a view that even if the agents are internal, there is a need for training and for the process of change to be managed throughout. This then means the reasoning behind working with external agents should be on the basis of the evaluated benefit rather than preference.

6.4. Discussion of results from Research Question 3

Main Question:

- What are the perceptions of the communication process?

Secondary Question:

- How is communication managed across divisions?
- What impact does geographic have location on communication flow?

In trying to understand the perceptions of the communication processes, this research question sought to establish what perceptions exist around the communication process, how communication is managed, and if the geographic location has an impact on how communication flows, given the fact that the organisation's footprint is spread out across all the provinces of the country.

There were varying views on the management of communication. The geographic location was seen as a limitation by some, while some saw it as a human issue concerning the will to want to communicate given the availability of technology.

The majority of employees from top and middle manager viewed communication as being managed centrally through emails, video broadcasts and coffee sessions. Because of communication being centralised (refer table 11 of chapter 5), the view is that it reaches about 90% of the employees as in the ranking order. This is seen as being acceptable, although it can be questioned if employees read and understand the content of the emails, or if they watch and follow the message on the video broadcasts.

Some middle managers pointed to a lack of knowing what is happening in other operating divisions, with comments that the head office is prioritised over remote locations. Some employees raised a concern regarding how rumours always come before the actual communication, raising a concern that communication is not managed well, is always delayed, and that at times management filters a lot, resulting in employees losing the content of the message. Some middle managers said that there appears to be a small group of selected managers who seem to know what is happening whilst the majority of employees are left out.

Regarding the impact that geographic location has on communication flow, despite digitisation which seems to be making a difference, there is still a need

for personal contact. It was highlighted how technology can work for generic communication but there is a need to meet in person, especially for decision making. Across all groups of managers geographic location was seen as a bottleneck and a big problem for the organisation. One top manager stated that it comes down to the human factor and a will and commitment to want to communicate. This brings about the question of how the organisation trains and prepares employees to understand the benefits of using technology and bridging the gap created by geographic location. One of the organisation's strategies is in digitisation. Some employees stated that head office employees are at an advantage compared to remote based employee in how they receive information. With some stating that despite technology, remotely located employees still receive filtered and limited communication. The information sent to remote locations was seen as lacking depth and details which contributed to their levels of understanding.

Ruck and Welch (2012) pointed to effective internal communication as a prerequisite for organisational success, adding that there is a need for organisations to evaluate and improve on communication. They highlighted the role of communication as an important factor in understanding the value of intangible organisational assets. Some participants pointed to poor communication across and within divisions. Falkheimer (2014) view was that communication is something that is often taken for granted, this is concerning because one top manager stated that employees must want to communication and must want to be part of the change and that it is not at all about the geographic location. Given this statement what has been observed through the collected data was on communication done as means of a checklist and not necessarily as a will by both employees and managers to communicate. There was no evidence of extra effort in communicating with employees.

Some employees pointed to the use of technology to narrow the gap created by physical geographic location. This speaks to a leaders who buys into a change, as change is recognised as an unending process in the life of organisations Ahmed *et al. (2015*), a process that will require usage of available resources to close the gap created by geographic location.

With some middle and low managers pointing to head office employees as being at an advantage. There is an emphasis on the need for a leader who is aware of the operating environment the SOEs find themselves in, and how they

can overcome the barrier presented by the difference in location as Jeskanen-Sundstrom (2007) had pointed to the operating environments of organisations that have grown increasingly complex and difficult to manage.

With having a change strategy communication will no longer be managed in silos where employees do not understand or have an overall vision, to this a role of a leader is highlighted to that which drives transparency and organisation units to the overall company strategy as well as to inspire and create a vision of shared success (Katz & Miller, 2014).

6.5.   Discussion of results from Research Question 4

Main research questions:
- How is communication used in the change process?

Secondary research question:
- What role does management play in providing clarity when communicating change?
- Is there a difference in communication for the type of change to be implemented?
- How do you evaluate the effectiveness of communication between divisions?
- Which communication medium is most often used for communicating change?

This research question sought to establish how communication is used in the change process looking at the role of managers to provide clarity, to explain if there is difference in communication for the intended change, to evaluate the effectiveness of communication between divisions and to establish the common medium for communicating change.

The top and middle participants felt that the role that management plays in providing clarity is in facilitating meetings, explaining the 'why' of change, engaging employees, and creating a positive vibe to change as change is often not easy. Some interviewees had varying views, saying that management is not able to provide clarity because they themselves do not know what is happening. Another interesting view by a middle manager is was that managers themselves are affected and are in the change process, as "change is happening to

everyone at once". Lack of strategy came up again as another reason for managers failing to provide clarity, as strategy is seen to be creating a vision. It also appears that a select few employee know what is happening about the changes, with the rest of the leaders being left out and thus unable to provide clarity to their employees. A concern raised was how the information at times is not provided voluntarily, with management providing clarity only when asked.

The role of middle managers came up as important in that they (middle managers) are a significant link between upper and lower employees, as per some participants who stated that *"senior management's role is to filter what is important and critical".* In understanding how middle managers are capacitated to act in their role as a link was important to explore, particularly given the concern raised by two participants who observed that lower level employees are often disadvantaged. This raises the question as to what is being done by the top and middle managers to ensure that they provide clarity to lower managers.

It was interesting to note that the top and middle managers thought they had a role to play in providing clarity to employees, while lower level managers disagreed. In addition, there was awareness among the C-suite interviewees that information appears to be distorted by the time it arrives to lower level employees. There is acknowledgement of communication efforts but a noticeable lack of differentiation, with some being quoted as saying *"You get these emails, lately it's been about appointments, magazines have stayed the same, each time a new person is appointment they have road shows. I have not seen innovation or a creative way of communicating".* In attempting to understand if there is a differentiation in how communication is done for a particular type of change, some managers observed that there is a difference Conflicting views were seen in some employees complaining that there is no differentiations or a special way to communicate change. As Robbins and Judge (2013) observed, constant talking is not necessarily communication, as an individual spends about 70 percent of their waking hours communicating, writing, reading, speaking and listening. This calls for a differentiation in communication for the intended change. The only highlighted differentiation from emails was Imbizos. This was deemed insufficient. Some participants

stated that regardless of change, things have remained the same, lacking innovation.

In response to how managers evaluate the effectiveness of communication. Most middle managers stated that they evaluate the effectiveness of communication in the responses they get from employees. This is seen as a concern in terms of efficiency, as it might take time to realise if there are problems or to know the outcome of the expected change. Employee raised concerns of not knowing of any evaluations, with some stating that there are no follow up sessions, with lack of feedback, and communication being one way.

Most top managers pointed to surveys, monthly sessions and informal sessions as means of evaluating and getting feedback from employees, but contradictory views argued that the suggested evaluations are ineffective, have duplications and have low response rates giving false reflection and feedback on what is really happening.

In making communication effective there appears to be a need for personal human contact, as per one respondent who stated that "*you cannot replace verbal communication, with verbal you can pick on the posture the gesture you can read the importance of what is being communicated*". Although physical, face-to-face communication is not always possible, there is a need to differentiate between what is said in an email and in face-to-face communication. One interviewee pointed to the number of people affected by the change as the driver for the preferred mode of communicating change.

6.6. Conclusion

The results in this chapter contribute to the body of knowledge by clarifying the granularities of communication and employee engagement as change management enablers in the context applicable to SOEs.

Of concern is the over-reliance of management on emails as means to engage employees, to influence change and to get responses on change initiatives. In some instances emails are used as backup to engagement sessions. The large footprint of the organisation does somewhat justify why emails dominate in terms of being a tool to communicate or to effect change, however.

Conflicting views on how employees should be engaged and how this should be measured is another concern. There is an expectation that since there are fewer people at the top, that C-suite managers should be aligned on how employees should be engaged, which is currently not the case.

A Culture Charter was stated to be a specific, targeted measuring tool that is at a manager's disposal. While this could be a powerful tool, it is concerning that there is no overall understanding of when the surveys are held or what they are aiming for, with some employees just participating for the sake of it and not entirely adding value.

The literature pointed to areas that the organisation should be focusing on to effectively communicate or engage employees, but it appears that managers seem to be finding their own ways of managing change and communicating, with some pointing to informal ways that are not standardised or formally communicated, leading to issues of double standards and personal preferences. Al-Haddad and Kotnou (2015) stated that an understanding of where the organisation is and the processes that need to be improved are important factors; managers must enquire of their employees what is needed and what is important. Leaders were also seen not to be managing change efficiently, as they wait for compliance or employee reactions instead of frequently monitoring and checking in on employees. With some sharing information only to the "selected few", divisions are being created and rumours perpetuated. According to Haque *et al.* (2016) organisational change efforts fail or are rendered unsustainable because leaders fail to create sufficient readiness for change. There was no evidence that managers are creating readiness for change, with employees often taken by surprise by unplanned and poorly communicated changes.

A positive remark on a new approach to appointing internal change agents was stated, however. The interviewee commented that internal agents are now appointed, trained and prepared for driving forward change initiatives, unlike in the past where agents were appointed informally or when they were appointed to be change agents, while they were already committed elsewhere on other projects. In looking at change agents, the organisation is creating readiness for change. The plan should be to extend this readiness to all employees.

There appears to be no recognition of an organisation working as a single unit, but rather divisions that see themselves as operating on their own. Communication is not managed well, with managers pointing to some information being held back to the selected few or management not voluntarily giving information away. It is encouraging to note that there is general acceptance that even though the majority of participants point to geographic location as a limitation, there is recognition that this is a human issue and there must be a will to want to communicate and engage.

The lack of innovation in communication was highlighted by participants who complained of not seeing any change. As most of the literature points to internal communication being taken for granted Falkheimer (2014), there is a need for a structured follow up to measure the understanding of communication. It would be a mistake to wait until later to "see" if there is compliance, as changes are happening fast and organisations need to respond quickly. A positive is that communication does happen, however there is at times a flood of emails. Not differentiating the methods of communication could result in important details being missed.

CHAPTER 7: CONCLUSION

7.1. Introduction

This concluding chapter highlights the ultimate objectives of this study. It pulls together a cohesive set of principal findings and recommendations to both SOEs managers and change practitioners. Research limitations to the study are also outlined and conclusions drawn indicating suggestions for future research which could possibly be an extension to this study.

7.2. Principal Findings

The ultimate objective was to investigate if communication was a change management enabler in SOEs. In line with these objectives, the principal findings are grouped into two broader enablers of change in organisations, namely communication and employee engagement.

While communication of change does happen, it is generally accepted as not being effective. Conventional methods of communications such the emails and cascaded communication by leadership prove ineffective as per Doukakis & Proclor (2003)'s view. It appears that the how-part in communicating change as per Nelissen and Martine (2008) is not being developed to ensure effective communication.

The shortcoming of the cascading approach to communication is the possibility that middle management may either filter the message or that the employees may not necessarily own up to the proposed change in so far as it requires their participation and commitment to succeed. It may be worthwhile for leadership to take the effort of directly communicating with employees in their respective business units (as opposed to mass meetings) in order to bolster personal association with the message being communicated.

While centralised communication is important, alone it is insufficient to garner the commitment of employees. It is important for middle management to continually keep employees abreast of developments in the company by sharing cross-divisional reports and developments in the strategic aspects of the company so that when change is communicated the employees are able to

contextualise it in respect to its value proposition. In other words, when employees understand the direction of the business, its objectives and the environment within which it operates, they are more likely to relate to that which is being communicated. This means that communication should not start at the notification of employees about the introduction of change in the organisation, but it should rather be made part of the culture of the organisation. To the extent that employees are used to being inundated with centralised email communication, the possibility of a change-related announcement not being read with understanding or at all cannot be precluded. A few of the ways by which this may be addressed includes establishing a change management office with an email common email address that dears the office's name (such as ChangeManagement@domain.co.za) to reduce the risk of the communication being associated with general communications. This can be reinforced by having direct line managers of employees communicate the change message to afford employees the opportunity to seek clarity on the implications of the communicated change.

As regards employee engagement, all communication relating to change may not result in success in the implementation of change if there is lack of commitment on the part of employees. Not keeping employees abreast of developments in the company has the risk that they may not have the necessary commitment linked to the pursuit of the objectives of the company. Thus when employees are expected to support change initiatives, they are likely to not show passionate commitment. Employee engagement should not be expected only when there is a change initiative, but should be infused in the culture of the organisation through such means as proper recognition/reward practices, feedback and involvement in the organisation's projects. When this happens, employees are likely to feel an integral part of the organisation, which in turn increases their association with the company. The resultant change in employee's commitment will result in organic change in the organisation, as per Haque *et al.* (2016) in their view that if people do not change there will not be change in the organisation.

7.3. Recommendations

This section makes recommendations in based on the findings of this research.

7.3.1. Recommendation for managers of SOEs

The following recommendations are for the managers at all levels of SOEs who are responsible for change initiatives.

- It is recommended that future look at the opportunity cost of failure of change initiatives to allow organisations, in communicating change, to appraise employees of the risk to the organisation in not successfully implementing change. This may improve employees' commitment to the change effort.

- Middle managers have been found to be key role in cascading the change message including being a link between top management and lower managers. It is recommended that they are capacitated to manage change in how they themselves should be agents for change, trained to manage change, assisted to makes sure that they understand the message of change early to reduce doubt and fears about change because if not managed could lead to employee disengaging, not supporting the change and having their own interpretation of change resulting in failures of reaching common objective.

- The nature and the structure of a large SOEs require dependence on technology in communicating to employees at various levels and sites. It is recommended that managers apply both technology and human contact in driving the change agenda. An email alone is not enough but that manager must meet with employee in small groups than the Imbizos to discuss the change in detail relating to what it means to the organisation, an impact it will have to the employee and what is expected of the employee during the change process. Use of technology is support but requires a strong human element to make change successful.

- To promote employee participation in structured way that is known and understood by all to avoid employee assuming that participation is done as preference or a once off imitative. Planned participation will promote structured engagement in that employees will be for the change and be part of the change process.

- Employee saw gathering sessions as a tick box exercise, with no continuation from the last session, there must be structured report-back session before the meeting start reporting on all that has passed. It is recommended that Managers make follow up on all that was promised and to always report back in detail on what was achieved last giving employees a full view of what work and did not work before painting the vision for the future.

- An interesting comment from one of the participants was in how the message of change has to be repeatedly communicated to be understood, this to be achieved through use of using multiple tools for change to understood and accepted, to this Haque *et al.* (2016) stated that vision must be communicated to the organisational members, through multiple channels, in order to convince them to support it. It is recommended that managers make sure that the change message is out there everywhere to all employees through available avenues.

- Given the environment in which the SOEs find themselves, Cummings & Worley (2015) suggest that their structures should be designed to fit with the environment, organisation size, and technology and organisation strategy. The size of the SOEs makes it a challenge to easily communicate and for communication to flow with ease to all stakeholders. It is recommended that the organisation in how the same message of change is communicated and employees engaged should be based on the area requirements, as an example a message to an employee in Gauteng must be managed differently than to a message to remote locations such as Limpompo or KwaZulu-Natal.

7.3.2. Recommendations for change practitioners

Change practitioners have an important role to play in a change programme, as they are tasked with driving positive results towards change, employee engagement and effectively managing communication. The following recommendations are for the practitioners responsible for change initiatives when working with SOEs.

- It is recommended the SOEs have a change management office responsible for change management with specialist change practitioners (internal and external). This is to ensure that there is proper management of change with individuals solely focusing on change management.
- It is recommended that internal change practitioners be appointed formally. These individuals should be removed from other roles for full dedication to the change program.

7.4. Limitations for the research

- The views of the respondents may not necessarily be a reflection of the views of the entire organisation.
- The interview questions were not stress-tested for robustness.
- As Transnet is essentially a logistics company, there may be nuances in approaches to change management across different industries.

7.5. Suggestions for future research

As a follow up to this study, there is a need for future research linked to the work done on the role of middle manager in effecting change with respect to:

- Evaluation studies on the role of middle manager in ensuring that change is cascaded timely and effectively to lower levels. Middle Managers' role was seen as important as they are a link between top and lower managers but also seen as a weak link in effecting change successful.
- Furthermore, large scale quantitative study could be conducted using a bigger sample across all clusters of SOEs as a population to maximise benefit to government and provide better service delivery to the broader

7.6. Conclusion

No prior research could be found on change management within SOEs in South Africa that focus on communication and employee engagement as enablers for change. It is hoped that this research will contribute towards assisting SOEs to implement change, as well as making correct use of communication and employee engagement in a meaningful way. It is also hoped that the findings

which relate to communication and employee engagement have contributed to the understanding of the complexity of change management in state owned enterprises.

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Appendix A: Interview Guide

Interview Guide:

PART 1: Change

1. Who is responsible for initiating or influencing change in your division?
2. What tools are used to effect change?
3. How do you use change agents in your change process?
4. What role does management play in providing clarity when communicating change?

PART 2: Employee Engagement

1. Apart from systems, tools and processes how do you engaged employee?
2. How is the engagement of employees measured during organisational change?
3. What is the role of each employee during change?

PART 3: Communication

1. Is there a difference in communication for the type of change to be implemented?
2. How do you evaluate the effectiveness of communication between divisions?
3. Which communication medium is often used for communicating change?
4. How communication is managed across divisions?
5. What impact does geographic have location on ease of communication flow?

Appendix B: Ethical Clearance

Dear Miss Sindisiwe Ngubane

Protocol Number: **Temp2016-02010**

Title: **Communication as a Change Management Enabler in State Owned Enterprises**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker

Appendix C: Letter of Approval for Data Collection

Siyabonga Gama, Group Chief Executive

TRANSNET

Our Ref No: SG/20702

Ms Sindisiwe Pearl Ngubane
16 Silverstone
KYALAMI HILLS
1684

Sindisiwe.Ngubane@transnet.net

Dear Ms Ngubane

REQUEST FOR PERMISSION TO CONDUCT RESEARCH AT TRANSNET SOC LTD ("TRANSNET")

Your letter of request for permission to conduct research at Transnet on Change Management and the Response to Change Management is acknowledged. The research topic is noted as follows "**Communication as a Change Management Enabler in State Owned Enterprises**".

We duly note the conditions of the study for strict academic purposes, the results of the study will be submitted to Transnet, and the research will be for academic purposes only and that anonymity for both respondents and the organisations is guaranteed. **The publication of the study will be as per the GIBS guidelines in line with the research topic and as per academic purposes and as approved for Ethical Clearance.**

Based on the above conditions, your request to conduct the research study on Transnet on Change Management is granted. We are looking forward to the outcomes and recommendations of your study and the positive contributions towards improving efficiencies to Transnet as a business.

Yours sincerely

Siyabonga Gama
Group Chief Executive
Date 2016.08.10

Appendix D: Consent Form

16 Silverstone

Alberty street

Kyalami Hills

1684

Dear Sir/Madam

I am conducting research on Change Management, and am trying to find out more about the Communication as a Change Management Enabler in State Owned Enterprises. The interview is expected to last about an hour, and will help in understanding how Communication can be an enabler for change in State Owned Enterprises. **Your participation is voluntary and you can withdraw at any time without penalty.** All data will be kept confidential. If you have any concerns, please contact myself, Miss Sindisiwe Ngubane or my supervisor, Prof Lulama Makhubela. Our details are provided below:

Researcher: Sindisiwe Pearl Ngubane
Email: 12369013@mygibs.co.za
Phone: 083 267 7870

Supervisor: Professor Lulama Makhubela
Email: lulama.makhubela@gmail.com
Phone: 082 728 2951

Signature of participant: _____
Date: _____
Signature of researcher: _____
Date: _____