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Resistance to Organizational Change: A Case of Yemen National Oil and Gas Sector

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A B S T R A C T

The purpose of this study was to evaluate barriers in understanding different sets of culture, which can arise in an organization. This study was also done to comprehend how resistance can be managed or reduced by discussing the significance of effective communication between management and employees. Trust in management and employee participation during the process of managing changes in National Oil and Gas Company was also identified. We conducted a case study as an investigative tool. In terms of the research site, we focused on one of the national oil and gas companies to highlight some of the issues and outcomes of recent management change. To collect data, questionnaires were distributed within the company. Bivariate correlation analysis and regression analysis were then used to test the proposed hypotheses. The results empirically showed that there are several parameters involving resistance to organizational changes. These parameters can be classified as communication between management and employees, trust in management, and employee participation. These parameters gave a positive impact as employee participation has the highest impact of the three examined factors.

1. INTRODUCTION

Change is a natural phenomenon but people's reaction to change is unpredictable. Many people are sceptical of change. This is often because people fear the unknown, or fear disruption in general due to the ambiguity. Reasons for organizational change failure, even if the motive is for good reasons, range from a lack of understanding the surroundings to the organization's capacity for change management or that change to other human factors, such as employee resistance towards organizational change (Martin et al., 2006)

Employees' resistance is the most common problem faced by management in implementing change (Bovey & Hede,

2001). More specifically, culture is one of the main factors that have variable impacts from one country to another and has an impact on managing operations (Aamer et al., 2017; Ronen & Shenkar, 1985). Specifically, system in western countries might not necessarily be applicable in Middle Eastern cultures. Many researches focused on important general factors affecting employee commitment to change (Tahir et al., 2014). One of the researchers released a study on the Yemeni public sector proving the effect of leadership style and culture on the employee commitment to change (Ronen & Shenkar, 1985). Given that oil and gas are among the main resources for revenue in the government of Yemen (Aamer, 2015), oil and gas companies in Yemen were used as a model because this type of company is large enough to get sufficient insight.

This paper could be considered as a continuation to previous studies. However, this study was focused on the organizational change in Yemen. The main idea for studying Yemen is because it connects with cultural factors. Results showed there are several factors influencing impacts on employees' resistance to organizational change. More specifically, we found that the main parameters are employee participation in the change process, trust in management, and communication processes. Yemeni organizations still do impractical approaches for organizational change. These approaches are manifested in senior managements' sole decision. Indeed, a change is needed.

2. METHODOLOGY

This study was done based on theoretical model using three independent variables: (i) communication between management and employees; (ii) trust in management; and (iii) employee participation. Detailed information for the relationships of these parameters on organizational change is shown in **Figure 1**.

As models, we selected one of the national oil and gas companies in Yemen. We conducted questionnaires to 200 full-time employees from Sana'a and field offices. About 114 questionnaires were returned properly completed and 86 questionnaires were returned uncompleted.
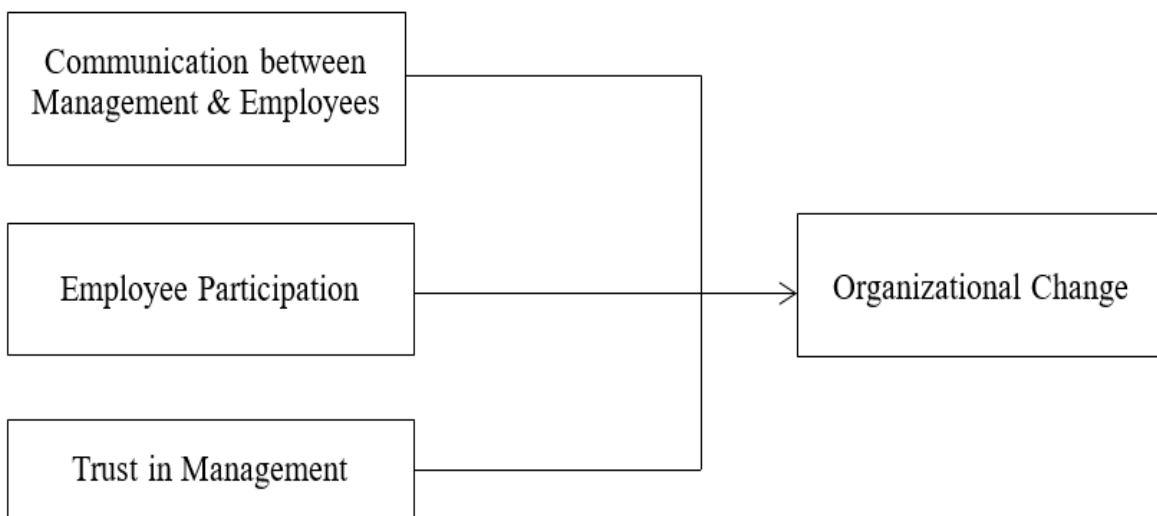
Figure 1. Research Model used in this study

The 114 completed questionnaires represented an absolutely satisfactory sample for the purposes of this study. Thus, the 86 questionnaires that had missing answers were not considered.

In addition, a pilot test was conducted with 20 participants reflecting the final sample. The participants are full-time employees in national oil and gas company in Sana'a. This pilot test was done to examine statistical and methodological accuracy, especially reliability of the measures.

3. RESULTS AND DISCUSSION

The sample consisted of 114 respondents. Female participants represented 15.8% (n=18) of the sample, while the male is 84.2% (n=96). From the participants, 7.0% (n=8) of them were in the age group under 30 years old, 70.2% (n=80) are in the ages of 30-45 years, and 22.8% (n=26) were in the age of 45-60 years old. 17.5% (n=20) of participants have been working under national oil and gas company for less than 5 years, whereas 20.2% (n=23) of them have been between 5 and 8 years. Another 35.1% (n=40) have been employed for a period between 8 and 15 years. Then, 31 participants or 27.2% have spent over 15 years. From the participants, it was found that 13.2% (n=15) have a degree below a bachelor degree, while 59.6% (n=68) have a degree that is equivalent to a bachelors level. Another 26.3% (n=30) have a degree equivalent to a masters level. Only one participant (or 0.9%) has a degree higher than a master level. **Table 1** presents the demographic profile of the surveyed respondents.

Table 1. Demographic Profile of Surveyed Respondents

Gender	Frequency	Percent
Male	96	84.2
Female	18	15.8
Total	11	100.0

Age	Frequency	Percent
Under 30	8	7.0
30-45	80	70.2
45-60	26	22.8
Total	11	100.0

Level of education	Frequency	Percent
A degree below a bachelor level	15	13.2
A degree equivalent to a bachelor level	68	59.6
A degree equivalent to a master level	30	26.3
A degree higher than a master level	1	0.9
Total	114	100.0

Tenure	Frequency	Percent
Less 5	20	17.5
5 to 8	23	20.2
8 to 15	40	35.1
Over 15	31	27.2
Total	114	100.0

The first analysis evaluated communication between management and employee positively affect organizational change. The calculation showed R^2 = 0.291. This means that 29 percent of the variation in organizational change is explained by the communication variable (with p-value of $p \leq 0.05$). The linear relationship confirms that communication between management and employees is, therefore, empirically proven to significantly associate with organizational change. This implies that higher levels of communication between management and employees result in higher levels of organizational change, while lower levels of communication between management and employees are associated with lower levels of organizational change.

The most important conclusion drawn was that the success of the dissemination and adaptation of organizational change significantly depend upon communicative and informative skills of managers at all levels. Result of this research found that 31% of the respondents did not understand the need for undertaking the change with the organization, whereas 27.2% of them were neutral which shows that management did not provide employees with sufficient and relevant information about the impending changes. If the employee does not understand the change or reason for the change, this condition makes them resistant to accept and adapt with the environment.

Further, results of this research found that 44% of the respondents mentioned that information about change was not shared with them at the appropriate time. 50% of them mentioned that the change event was not communicated to them before the effective date. 58% of respondents said that the benefits of change were not communicated to all staffs openly and clearly. This shows that management has not communicated effectively the change

and the need for such change to their employees, whereas employees need information about change at the earliest possible stage and preferably prior to the change implementation. In order to create a positive atmosphere, management should present the benefits of the change. Increases in the employees' knowledge also will bring the change in mind and perspective of respondents. A weak communication system in the organization is considered to be one of the obstacles on the way of the implementing the change (Berg, 2001). The communication between employees and management during the change process is important. It allows for the employees to communicate concerns, dislikes, and acceptance. It also feels free to tell their managers what they think and how to have open mind exchange with managers. Recent researches are giving excellent communication. It means that everyone in the organization, at all levels, understands the need for change, what the changes are and how they will affect the business and each individual's work. The need for change and its advantages will motivate the staff to participate in change plan and execute it (Husain, 2013).

The next analysis was to understand the correlation of trust in management and organizational change. The result shows an R^2 = 0.203 and p-value ≤ 0.05. This means that 20% of eth variation in organization change is explained by the factor trust in management. The linear relationship strongly confirmed the correlation analysis results in supporting this hypothesis. The regression model provides significant statistical evidence that trust in management is significantly and positively associated with organizational change to the degree that trust in management acts as a predictor of organizational change. Therefore, employees who trust in management are expected to

support organizational change and help in the success of the change, while those who do not trust management would create a barrier to the change.

The result found that 43% of employees believe their managers cheat and lie to them, and 68% of employees do not trust their manager (Davis and Landa, 1999). Such findings clearly have important implications for organizations and the individuals who work for them. (Willemyns et al., 2003). Lack of trust between the administration and employees leads to misunderstanding and does not help employees to understand the needs for the change (Verbong & Geels, 2007). Results of this research found that 37% of the respondents were neutral about the decisions that will be good for the future and made by management, whereas 27% of the respondents were not convincing with the reasons provided by top management for making changes. In addition, 33% of them believed that management will treat everyone fairly during change process. 38% of them believed that management will not treat everyone fairly during change process, in which this shows employees to have low levels of trust in management. Lack of trust between employees and managers will create a barrier to the change.

Prior researches on organizational change management have noted that when top managers attempt to undertake changes within their organization. They should build trust among their employees in order to facilitate and sustain effective change (Vithessonthi & Schwaninger, 2008). Another major factor affecting trust in the workplace relates to organizational factors, such as an ingrained culture of mistrust, scarcity of resources, job security, political alliances and rivalries, etc. (Willemyns et al., 2003). Such factors may force even the trustworthiness of managers to behave in ways that undermine

employees' trust in them. The findings of this research support that employees who have high levels of trust in management are likely to provide higher levels of support for change and lower levels of resistance to change. Indeed, top managers should build trust among employees. Thus, it is to increase organizational effectiveness. Most of the authors noted that trust could be affected by the level of participation in the change process and the amount of communication / information available to the employee.

Regression analysis was also used to examine the existence of a linear relationship between both variables. The model summary gives shows $R^2 = 0.300$ and $p \leq 0.05$, which means that 30% of the variations in organization change is explained by the employee involvement factor. The regression model suggests a significant and positive relationship between both variables. Employee participation is proved to predict organizational change as per the resulting regression formula. Hence, by getting more employees in the planning stage, the more successful the change will be obtained. The level of employee participation has a direct effect on resistance/success to change. This is in total agreement with previous findings that present employee participation as a main driver of the success of organizational change. Results of this research found that 71% of the respondents were not allowed to participate in decisions regarding change, in which this shows that only specific rank of employees were involved in decision making process. The more employees were allowed to participate the more their progress after a change improved and their level of resistance decreased. Recent researches assumed that involvement of these affected by a change in strategy will reduce organizational resistance. Then, this can be used to create a higher level of psycho-

logical commitment among employees towards the proposed changes (Lines, 2004). In contrast results of this study shows that 56% of the respondents were not involved hugely at the early stage of the change process. Even, if the employees do not agree with the change decision, they will appreciate being part of the decision making process.

Recent studies suggest that as people participate they develop a sense of ownership. Furthermore, participants may have some good ideas to contribute. They may build understanding and are much more likely to truly hear important messages. Those employees who were part and involved in group meetings where management communicated the need for change and as a group planned the changes. This showed less resistance to change and more likely to understand the reason and objectives for change. Previous studies (Huber, 1990), increases in participation in decision-making by lower-level employees have been found to have a positive effect on the efficiency of the decision-making process. In addition, employees who participate in the decision-making process have higher levels of satisfaction and commitment to the organization.

The findings of this research further revealed employee participation have the strongest impact on organizational change compared to the other two variables of communication between management and employees and trust in management. In summary, communication between management and employees, trust in management, and employee participation was all found to be predictors of organizational change in the national oil and gas companies. To summarize this matter, the results of this research support all three proposed hypotheses. The independent variables of communication between management and employees trust in

management, and employee participation were all shown to be significantly and positively correlated with organizational change in national oil and gas sector. Employee participation had the strongest correlation with organizational change the value of R = 0.548 at the (0.01), followed by communication between management and employees with value of R = 0.540, and trust in management with value of R = 0.450.

The results of this research proved no significant correlation between gender and organizational change in the national oil and gas companies. This is in a good agreement with reference (Hoffman, 1999). Based on gender, correlation analysis between level of education and organizational change showed no significant association. This leads to the conclusion that gender and level of education have no effect on organizational change in the national oil and gas companies. Further, the results of this research found no significant correlation between age and organizational change in the national oil and gas company. Based on age of participants, correlation analysis between job tenure and organizational change showed no significant association. This led to the conclusion that organizational change is not highly influenced by either age or tenure.

4. CONCLUSION

This study evaluated barriers in understanding different set of culture, which can arise in an organization. National oil and gas companies in Yemen were used as a model. Several parameters have been identified, including communication; trust in management, and employee participation. Although this study was limited to the national oil and gas companies, we believe that this study can be implemented into other realistic condition in various companies.

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