

LEADERSHIP AND CHANGE MANAGEMENT: THE CASE OF A TELECOMMUNICATIONS COMPANY IN SOUTH AFRICA

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ABSTRACT

This study assessed the role played by leadership in successfully managing change within a telecommunications company in South Africa. The study adopted a qualitative research method. The researcher used the purposive sampling technique to gather the participants and the relevant documents for review. As such, a sample size of 3 senior executives was used. Data was collected using multiple data collection methods such as interviews, media reports and the integrated report for the telecommunications company to eliminate bias. Thematic analysis was used to analyze the qualitative data. The findings showed that the telecommunications company implemented several changes such as a new strategy, business model renewal, leadership and organizational culture change. Additionally, the findings showed that the management indeed faced resistance to change from employees and other senior managers. Hence, they had to come up with an active and ongoing engagement strategy to educate organizational members about the change. Regarding the change process, the researcher found that the senior executives adopted a customized change process which was informed by their rich experiences in facilitating change. Essentially, it was found out that effective leadership played a crucial role in making the change management process a success. The senior executives reported that because of the new leadership and new strategy, the organization started performing well. The findings of this study are of value as they add new evidence to the body of knowledge regarding effective ways of handling change management within organizations. Organizations are encouraged to adopt flexible organizational cultures which make it relatively easier to implement change.

Keywords: Change, Change Management, Leadership, Telecommunications, South Africa.

INTRODUCTION

The concept of change management is a strategic issue which is often regarded as a sensitive area by organizational members. This emanates from the discomfort associated with the change management process. As such, it is often resisted by organizational members at different organizational levels (Sung & Kim, 2021). Nevertheless, given the dynamic nature of the business environment, organizations are often forced to change their strategies in order to adapt to the prevailing circumstances in the business and macro environment (Clegg et al., 2021). This means change is inevitable as failure to implement it can expose the organization towards failure. According to Zainol et al. (2021), effectively implemented change can enhance organizational performance. According to Sung & Kim (2021), effective change management is recorded when the management successfully gets buy in from the key stakeholders of the business which enables it to achieve the change goals. In the same vein, improperly implemented change can have fatal consequences to the organization (Zainol et al., 2021). This can involve losing key organizational members, loss of existing customers, lawsuits and loss of potential revenue (Jalagat, 2016). This entails that change is a delicate subject, hence, it should be clearly planned and executed procedurally to avoid issues such as resistance to change or unprecedented failure of the new strategy (Hussain et al., 2018). The

author of this paper argues that in such a scenario, effective leadership can play a critical role in ensuring that the organization realize the gains of implementing change. This is supported by Jalagat (2016) who expressed that effective leadership is a crucial element in all successful change management programs.

Regardless of the key role played by leadership in effective change management, there is a dearth in studies which have investigated this issue in the context of South Africa particularly in the telecommunications industry. It is pertinent to underline that the telecommunications industry plays a crucial role towards the economic performance of the country (David & Grobler, 2020). The importance of this sector has been noted now with the emergence of the 4th industrial revolution (David & Grobler, 2020) and issues such as the Covid-19 pandemic which demands that organizations be excellently connected as employees are forced to work from home. According to Deloitte (2021), the performance of the telecommunications industry is of utmost importance to the economy of South Africa. It is from this understanding that the current study is premised on to unpack the role played by leadership in successfully managing change within a telecommunications company in South Africa. The findings of this study are of value as they add new evidence to the body of knowledge regarding effective ways of handling change management within organizations.

LITERATURE REVIEW

Burns Leadership Theory

According to Ganta & Manukonda (2014), leadership is defined as an ability to influence others to work towards attaining a desired goal. Burns (1978) believes that leadership can be explained using transformational, transactional and laissez-faire leadership styles. Transformational leadership is defined as a leadership behaviour where the manager uses elements such as inspiration, idealized influence, individualized consideration and intellectual stimulation to influence the followers (Burns, 1978). According to Burns (1978), a transformational leader usually emerges when an organization is going through transition or implementing change. Other scholars express that transformational leaders are well known for their charismatic characteristic which enable them to influence a large group of organizational members (Busari et al., 2019). In this case, a transformational leader is known by his/her ability to intellectually stimulate followers to be innovative in the workplace. A transformational leader also influences the followers by offering personal attention to the employees who might be struggling to cope with work demands (Burns, 1978). Such skills make it easier for employees to respect transformational leaders in the workplace. On the other hand, a transactional leader leverages on rewards and punishment to influence the behaviour of followers (Burns, 1978). Accordingly, a transactional leader involves the followers when defining and setting goals after which the expected rewards or punishment are also made known to everyone. It is widely recorded that employees' productivity levels tend to increase if they are recognized or promised rewards for their exceptional skills or contribution to the organization (Hamed, 2021). It is from this angle that transactional leaders utilize rewards such as bonuses, employee of the month and paid vacations among others to motivate the employees (Burns, 1978). At the same time, the transactional leader also utilizes punishment to suppress certain behaviours in the workplace. This usually revolves around the set goals. The leadership theory proposed by Burns (1978) fits well with the context of this study. Additionally, this theory has been adopted and tested in various contexts by several scholars (Busari et al., 2019; Islam et al., 2021).

LEWIN CHANGE MANAGEMENT THEORY

There are several change management models suggested in existing literature (Hussain et al., 2018). Lewin (1947) proposed three steps for effective change management. According to Lewin (1947), change should follow a systematic process which should be carefully handled by management. These are used depending on the context in which the change is to take place. Using Lewin's change process, the first step is unfreezing. The unfreezing stage entails challenging the current status quo and questioning why the organization is underperforming. In most cases, this stage requires the management to unfreeze the norms and strongly held beliefs which used to work before (Kaftandzieva, 2021). Henceforth, the management then should create a new vision and strategy (Zainol et al., 2021). Regarding the moving stage, Lewin (1947) asserts that the organization will be moving from the old way of doing things to the new desired state with new behaviours and engagements. In terms of refreezing, the organization could have found and cemented the new strategy. During the refreezing stage, the organization now develops a new culture of doing things which is now shared to all organizational members as new *modus operandi* (Lewin, 1947). The above theory is critically important in this study. The usefulness of this theory is widely acknowledged by several studies who have used it to explain and unpack the change management process in different contexts (Hussain et al., 2018).

UNDERSTANDING THE ROLE OF LEADERSHIP IN EFFECTIVE CHANGE MANAGEMENT

It is widely acknowledged that leadership plays a crucial role in effective change management (Ford et al., 2021). According to Hamed (2021), this is because leadership is responsible for unfreezing the current undesirable state of affairs within the organization to a more favourable point where all the key organizational performance metrics are at an acceptable standard. As such, leaders such as top management are the initiators of the change management, hence, the success or failure of the entire process rests up on the shoulders of the leaders (Hussain et al., 2018). A study by Belias & Koustelios (2014), express that leadership is a determinant of an effective change management because it is top management which is responsible for setting desired strategic objectives and making sure that they are well understood by their followers from the onset.

Leaders who are known to effectively handle the change management process effectively communicate the need for the change and accommodate the views and inputs from the affected stakeholders (Zainol et al., 2021). This action makes leaders to be effective agents because they clearly share the new vision as well as a set of expectations from organizational members (Hao & Yazdanifard, 2015). According to Mwakisaghu (2019) effective communication by top management regarding the change required can earn them trust from employees. When employees trust the management and the change management process, it becomes relatively easier for the management to execute the new strategy. Interestingly, when employees are actively engaged, they are likely to feel involved and part of the change process which can help to eliminate fear of unknown (Makumbe, 2016). Engaging employees is very crucial for any change management process as employees may sabotage the entire process which results in outright failure of the change process (Islam et al., 2021).

According to Akinbode & Al Shuhumi (2018), a leader should play different roles on each stage of the change management process. As such, a leader should effectively influence, inspire, and offer emotional support to followers during the change management process (Hussain et al., 2018). Faupel & Sub (2018) explain that transformational leaders play a

critical role in change management because they effectively engage and energize their followers through their charisma. Mansaray (2019) supports the above by indicating that transformational leadership is effective in achieving change goals. On the other end, the leader can also promise the followers some rewards (Zainol et al., 2021) such as paid leave to enrol for some certificates to enhance one's skills demanded to fit in the new vision. Additionally, the management can also promise to mentor the employees and educate them about the changes and how they can execute such. For this to happen, it means the leader should be well versed with the change management dynamics (Akinbode & Al Shuhumi, 2018). Having beyond average leadership skills can also help managers to effectively implement change within an organization. This suffices to say that poor leadership may result in a flawed and costly change.

RESEARCH METHODOLOGY

Consistent with the interpretivism research philosophy (Saunders et al., 2019), this study was qualitative in nature as it intended to gather subjective data from the participants. To achieve the objectives of the study, a case study research design was adopted for the study. The researcher used purposive sampling technique to gather the participants and the relevant documents for review. This means participants were selected on the basis that they were in a managerial role within the telecommunications company. A sample size of 3 senior executives was deemed sufficient for the purpose of the study. Data was collected using multiple data collection methods such as interviews, media reports and the integrated report for the telecommunications company for the year ending 2020. Multiple data collection instruments were used to eliminate bias and achieve triangulation for enhanced quality of findings. Thematic analysis was used to analyze the qualitative data. This aligned to the six thematic analysis steps suggested by (Braun et al., 2006) as well as (Braun et al., 2019).

RESULTS AND DISCUSSION

Demographic Information of the Participants

The study considered demographic information such as gender, age, position held in the organization and the number of years working for the telecommunications company. The findings showed that 2 of the participants were females and one participant was a male. The results also showed that 2 of the participants were above 51 years, while one of the female participants fell between 41-50 years. Interestingly, all the participants were senior executives within the telecommunications company.

THEMES WHICH EMERGED FROM THEMATIC ANALYSIS

Changes Implemented by Management

Before the change process, it was found that the telecommunications company was underperforming. Additionally, there was poor governance by the leadership which triggered the need for change. Furthermore, the findings showed that a series of changes were implemented within the telecommunications company under study. The management started by changing the leadership within the organization. A new CEO, CFO, COO, CTO, Chief Legal and Chief HR were appointed as part of the change. Additionally, the organization also appointed non-executive, independent directors to the board to deal with governance issues. Essentially, the organization also changed its business model, focusing on more profitable clients. The management also changed the culture of the organization. Regarding changes

which were implemented at this telecommunications company, some of the senior executives had this to say;

“We have developed and are implementing a new strategy that will result in the company transitioning from a Telco to a Technology company, using it’s Telco heritage as it’s launch pad and foundation for it’s future business model.” [Participant 1]

“I have led change culture change initiatives in the business. I led the process of developing the culture for the business about 3 years ago, where we developed our new vision, purpose, rolled out a new set of values and engagement initiatives as part of the culture change journey.” [Participant 2]

The findings of this study are consistent with other existing studies conducted in other contexts. For example, Clegg et al. (2021) submit that given the dynamic nature of the business environment, organizations are often forced to change their strategies in order to adapt to the prevailing circumstances in the business and macro environment. This means change is inevitable as failure to implement it can expose the organization towards failure (Zainol et al., 2021). According to Zainol et al. (2021), due to the issue of globalization, organizations are exposed to competition which often render business models obsolete. Hence, a business needs to implement change to remain competitive. Another study by Malhotra (2013) also expressed that change is crucial for organizational renewal.

Resistance to Change Encountered during the Change Process

Regarding the issue of resistance to change, the findings showed that indeed there was resistance from employees and other senior managers. This emanated from the radical change which was implemented within this telecommunications company which saw top management even changing the long-held culture of the organization. Nevertheless, the findings showed that eventually the change was positively received by employees and other key stakeholders of the organization because of active engagements and communication. In support of the above, some of the senior executives said;

“Yes, changing a culture does come with resistance. My experience is that people get quite set in their ways of doing things and can be quite resistant to doing things differently. We have dealt with it is through continuous engagements, especially with our Executive Leadership team. We have also conducted Executive Leadership team masterclasses to prepare our leaders for the change. Through these engagements, our Executive team has been part of the change process.” [Participant 2]

“Yes. The history of the organisation and context of change has made the change journey an extremely difficult one, also particularly as some hard decisions have had to be made relating to letting go of a number of people both at executive and lower levels.” [Participant 3]

The findings of this study are supported by other existing scholars who have noted that resistance to change is a common challenge among all change initiatives (Zainol et al., 2021). According to Sung & Kim (2021) change is often resisted by organizational members at different organizational levels. In most instances, organizational members may resist change due to the status quo and anxiety associated with treading into the unknown future (Malhotra, 2013). Furxhi (2021) indicates that resistance to change usually emanate from negative perceptions by employees that the change may remove some of their existing benefits and make them worse off. Damawan & Azizah (2020) explain that resistance to change can be caused by lack of motivation from the employees and issues related job security. As such, Damawan & Azizah (2020), suggest that leaders should adopt several

strategies for example, open communication to help employees to cope with change and eliminate resistance to change.

Change management model/s used to implement change within the telecommunications company

The researcher found that the management of the telecommunications company did not adopt any of the models indicated in existing literature. Rather, the management adopted a customized change process which was deemed suitable for the telecommunications company. The findings showed that the management used their rich experience to implement the change. Some of the senior executives had this to say;

“We decided against using any “text book or business school” model and merely applied a simple approach based on our collective experiences, which is based on the following principles.” [Participant 1]

“Although we did not really stick to a textbook definition of change, the process we have followed is in line with the ADKAR change management model. We started the change process with engagements at an EXCO level, where we defined the new operating model and the desired culture shifts. We followed up the EXCO engagements with extensive engagements with our senior Executives to get their inputs and alignment. There is ongoing engagement with employees at all levels as part of the change process. This has been quite effective and is ongoing. We will continually monitor the impact of the change initiatives and adapt accordingly.” [Participant 2]

“The company’s change process has been informed and driven by its unique set of circumstances for which there is no blueprint. The operating model itself has no blueprint, at least in this country.” [Participant 3]

It can be seen from the above comments that the change agents within the telecommunications adopted a certain process to implement change. This is supported by existing literature. According to Hussain et al. (2018), change should be clearly planned and executed procedurally to avoid issues such as resistance to change or unprecedented failure of the new strategy. Even though, the participants reported that they did not adopt any textbook change management model, unpacking the process followed by the senior executives as indicated above can be linked to Lewin’s (1947) change management process. Lewin (1947) proposed three steps for effective change management such as unfreezing, changing and refreezing. According to Lewin (1947), change should follow a systematic process which should be carefully handled by management.

The role played by leadership in facilitating change within the telecommunications company

The findings revealed that effective leadership played a crucial role in making the change management a success. The senior executives also reported that because of the new leadership and new strategy, the organization started performing well. Some of the senior executives had this to say;

“For change to be successful it must be leader led and championed. This therefore required an initial focus on attaining leadership alignment around the Vision, Purpose, Strategy, and how we would implement it. Our change process is Leader-led hence we started with getting alignment at Exco level and then cascaded the engagement down the various organisational levels. HR and Communications played a critical, hand-on role in crafting the

various communication and engagement sessions which were delivered by the leadership. This Leader-led approach will continue throughout the execution of the strategy.” [Participant 1]

“The change process has largely been leader-led. We require leadership to be the change agents in the change process. We have equipped them with the necessary tools and information for them to lead the change.” [Participant 2]

“One of the strategic pillars and enablers of the change was identified as leadership, in which leaders are called to set the agenda, take everyone along, live the values and role-model change. The change therefore had to be leaders-led, importantly leaders had to demonstrate alignment and buy-in to the change in all communication and engagement. This is an important indicator the rest of the organisation that past practices are to be shed and a new way of operating is being adopted.” [Participant 3]

The findings of the current study are supported by other existing studies. For instance, it is widely acknowledged that leadership plays a crucial role in effective change management (Ford et al., 2021; Hamed, 2021). As such, leaders such as top management are the initiators of the change management, hence, the success or failure of the entire process rests up on the shoulders of the leaders (Hussain et al., 2018). Effective leaders clearly share the new vision as well as a set of expectations from organizational members regarding the change (Hao & Yazdanifard, 2015). According to Mwakisaghu (2019), effective communication by top management regarding the change required can earn them trust from employees. Interestingly, when employees are actively engaged, they are likely to feel like they are part of the change process which can help to eliminate fear of unknown (Islam et al., 2021; Makumbe, 2016). Consistent with Burns’ (1978) leadership theory, Akinbode & Al Shuhumi (2018) express that a leader should play different roles on each stage of the change management process. As such, a leader should effectively influence, inspire, and offer emotional support to followers during the change management process (Faupel & Sub, 2018). On the other end, the leader can also promise the followers some rewards (Zainol et al., 2021) such as paid leave to enrol for some certificates to enhance one’s skills demanded to fit in the new vision.

CONCLUSION

The current study assessed the role played by leadership in successfully managing change within a telecommunications company in South Africa. To achieve the aim of the study, a qualitative research method was adopted. A case study research design was adopted for the study. The findings showed that the telecommunications company implemented a new strategy. Some of the key changes included business model renewal, leadership and organizational culture change. The results further showed that the management indeed faced resistance to change just like any other organization. Regarding the change process, the researcher found that the senior executives adopted a customized change process which was deemed suitable for the telecommunications company. The findings revealed that effective leadership played a crucial role in making the change management a success. The senior executives also reported that because of the new leadership and new strategy, the organization started performing well. The findings of this study are of value as they add new evidence to the body of knowledge regarding effective ways of handling change management within organizations. Nevertheless, one of the limitations of this study is that it used one telecommunications company as the case study which can make it difficult to generalize the findings to other settings. Above all, the study managed to derive glaring findings regarding handling change management issues within large organizations. This study makes recommendations to senior executives in other large companies both in the private and

government sector to view change as a good thing which renews the business' strategy and help it to adapt to global trends. At the same time, organizations are encouraged to adopt flexible organizational cultures which makes it relatively easier to implement change.

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