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Managing Organizational Change in Nigeria Manufacturing Enterprises: Lessons from the Unilever Nigeria Plc

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Abstract: The study examines the level of acceptance of organizational change among workers and identifies factors that may impede the effective implementation of change among the manufacturing companies in Nigeria engaging the unilever Nigeria Plc as a case study. Utilizing data collected from a randomly selected sample of 720 senior/management staff and junior/non-managerial staff, regression analysis was performed to identify the determinants of acceptance of change among employees at the Unilever Nigeria Plc, Lagos, Nigeria. The results show some levels of employee acceptance of innovations and reveal that of the two categories of employees analyzed, non-managerial staff were more amenable to change. This study suggests that a more participative approach to the management of change process must be put in place to guarantee the acceptance of change in the manufacturing organizations in Nigeria.

Key words: Organization change, manufacturing, innovation, management staff, management, challenges, resistance to change, human resource management

INTRODUCTION

Today's business environment produces change in the workplace more suddenly and frequently than ever before. Mergers, acquisitions, new technology, restructuring downsizing and economic meltdown are all factors that contribute to a growing climate GHK; of uncertainty.

The ability to adapt to changing work conditions is key for individual and organizational survival. Change will be ever present and learning to manage and lead change includes not only understanding human factors, but also skill to manage and lead change effectively (Pettigrew and Whipp, 1991).

Change is the inevitable. It is the only element of human phenomenal that is constant. Organizational change occurs when a company makes a transition from its current state to some desired future state. Managing organizational change is the process of planning and implementing change in organizations in such a way as to minimize employee resistance and cost to the organization, while also maximizing the effectiveness of the change effort. Change is both inevitable and desirable for any progressive organization (Fajana, 2002).

Today's business environment requires companies to undergo changes almost constantly if they are to remain competitive. Factors such as globalization of markets and rapidly evolving technology force businesses to respond in order to survive. Such changes may be relatively minor as in the case of installing a new software programme or quite major as in the case of refocusing an overall marketing strategy.

Organizations must change because their environments change, according to Thomas S. Bateman and Carl P. Zeithaml in their book management: function and strategy. Today businesses are bombarded by incredibly high rates of change from a frustrating large number of sources. Inside pressures come from top managers and lower-level employees who push for change. Outside pressures come from changes in the legal, competitive, technological and economic environments (http://www.answers.com/topic/managing-organisational-change).

The study focuses on the management of change in manufacturing organizations utilizing the unilever Plc as a case study. Its objective is to examine the level of acceptance of organizational change among employees at the Unilever Nigeria Plc and explore for factors that may undermine the effective implementation of the change process in manufacturing companies with a view to drawing lessons that can be applied to other economic and cognate institutions in Nigeria.

By acceptance of organizational change, we mean the employees readiness and willingness, support and commitment to the organizational ideals during the periods of significant internal and external shifts in the organization's structure. Managers must not rush in introducing a change. The process must be slow, steady and thorough (Fajana, 2002).

Acceptance of change signifies the willingness of the affected parties to embrace and function in a newly established order and their commitment to effect and implement the changes. As underlined by scholars such as Pettigrew and Whipp (1991), Fajana (2002) and Armstrong (2004), for planned change to bear its desired outcomes, it must be introduced, implemented and managed in such a way that attracts and gains the commitment from the affected parties to drive the changes to achieve the desired goals and the existence of a common vision that change for the organization is necessary and inevitable.

With particular reference to this study, we argue that to successfully promote innovations in manufacturing industry such as unilever Nigeria Plc, it is not enough for management to have the skills and expertise required for the introduction and management of change, they must also develop an understanding and appreciation of the major factors that may promote or impede employee support for change. This is important because employees are major stakeholders as well as the implementers of change in the organization. For them to embrace and oversee the implementation of innovations, these must be acceptable to them. Within the context of manufacturing, the success of innovations is dependent upon support from and ownership by both management senior and non-managerial staff. Furthermore, innovations in manufacturing require strategic plans embodying the vision, goals, priorities and alternative courses of action. For these plans to be successful, they require the joint effort and interpersonal trust of all employees from the top to the bottom of the organizational hierarchy, in this case from the chairman/managing director to a messenger within the organization.

Conceptual framework: Conceptually, the change process starts with an awareness of the need for change. An analysis of this situation and the factors that have created it leads to a diagnosis of their distinctive characteristics and an indication in which action needs to be taken.

Change signifies the willingness of the affected parties to embrace and function in a newly established order and their commitment to effect and implement the changes (Armstrong, 2004).

Effecting change can also be painful. When planning change, there is a tendency for people to think that it will be an entirely logical and linear process of growing from point A to B, it is not like that at all. As described by Pettigrew and Whipp (1991), the implementation of change is an interactive, cumulative and reformulation in-use process. In order to manage change, it is first necessary to understand the types of change and why people resist change. It is important to bear in mind that while those wanting change need to be constant about ends, they have to be flexible about means.

Theoretical framework: Much has been written on the subject of change and various models of change proposed. Three main, constracting models are from Lewin and Beer and Shaw (file://c:\documentsandsetting\administrator\desktop\projectmaterials\cipd-chang).

Lewin's model: Considers that change involves a move from one static state via a state of activity to another static status quo. Lewin specifically considers a three stage process of managing change: unfreezing, changing and re-freezing. The first stage involves creating a level of dissatisfaction with the status quo, which creates conditions for change to be implemented. The second stage requires organizing and mobilizing the resources required to bring about the change. The third stage involves embedding the new ways of working into organization.

Beer and colleagues: Advocate a model that recognizes that change is more complex and therefore, requires a more complex, albeit still uniform set of responses to ensure its effectiveness. They prescribe a six-step process to achieve effective change. They concentrate on task alignment, whereby employees roles, responsibilities and relationships are seen as key to bring about situations that enforce changed ways of thinking, attitudes and behaving. The stages are Armstrong (2004):

- Mobilize commitment to change through joint diagnosis
- Develop a shared vision of how to organize
- Foster consensus, competence and commitment to shared vision
- Spread the word about the change
- Institutionalize the change through formal policies
- Monitor and adjust as needed

Shaw's model: looks at change in a different form. Change is seen as both complex and also evolutionary. The starting point for their (and a number of other more recent models) model is that the environment of an organizations is not in equilibrium. As such the change mechanisms within organizations tend to be messy and to a certain extent operate in reverse to the way outlined by Lewin. It is not appropriate to consider the status quo as an appropriate starting point, given that organizations are not static entities. Rather the forces for change are already inherent in the system and emerge as the system adapts to its environment.

Other eminent scholars in the area of organizational change are: Bateman and Zeithaml (1990), who identified four major areas of organizational change: strategy, technology, structure and people. All the four areas are related and companies often must institute changes in the other areas, when they attempt to change one area. The first area, strategy changes can take place on a large scale-large for example, when a company shifts its resources to enter a new line of business or on a small scale for example, when a company makes productivity improvements in order to reduce costs.

There are three basic stages for a company making a strategic change: realizing that the current strategy is no longer suitable for the company's situation, establishing a vision for the company's future direction and implementing the change and setting up new systems to support it.

Technological changes are often introduced as components of larger strategic changes, although they sometimes take place on their own. An important aspect of changing technology is determining who in the organization will be threatened by the change. To be successful, a technology change must be incorporated into the company's overall systems and a management structure must be created to support it. Structural changes can also occur due to strategic changes as in the case where a company decides to acquire another business and must integrate it as well as due to operational changes or changes in managerial style. For example, a company that wished to implement more participative decision making might need to change its hierarchical structure (http://www.answers.com/topic/managing-organisational-change).

People changes can become necessary due to other changes, or sometimes companies simply seek to change workers' attitudes and behaviours in order to increase their effectiveness. Attempting a strategic change, introducing a new technology and other changes in the work environment may affect people's attitudes (sometimes in a negative way) (Bateman and Zeithaml, 1990). But management frequently initiates programs with a conscious goal of directly and positively changing the people themselves. In any case, people changes can be the most difficult and important part of the overall change process. The science of organization development was created to deal with changing people on the job through techniques such as education and training, team building and career planning (http://www.answers.com/topic/managing-organisational-change).

Resistance to change: Resistance to change based on the existing theoretical and empirical study, the negative evaluation of and resistance to change may occur on account of a number of factors.

Bateman and Zeithaml (1990) outlined a number of common reasons that people tend to resist change. These include: inertia, or the tendency of people to become comfortable with the status quo, timing, as when change efforts are introduced at a time when workers are busy or have a bad relationship with management, surprise, because people's reflex is to resist when they must deal with a sudden, radical change or peer pressure, which may cause a group to resist due to anti-management feelings even if individual members do not oppose the change. Resistance can also grow out of people's perceptions of how the change will affect them personally. They may resist because they fear that they will lose their jobs or their status, because they do not understand the purpose of the change, or simply because they have a different perspective on the change than management.

Making a solid case for the change is critical for the change to have a lasting effect. The source of information about the change must be credible. Stroh's (2001-2002) study indicates that the participation of employees in organizational and its communication leads to more positive relationships with the organization and thus greater willingness to change (http://findarticles.com/p/articles/mi_m4422/is_/ai_n14710104?tag=artbody;col1).

Challenges to the manufacturing industry in Nigeria: By way of complementing the theoretical background to this study, we present an overview of the major challenges facing manufacturing industry in Nigeria of today. Existing evidence shows that every economic sector across the country appears to be facing similar challenges and threats. While in other countries, even in African, major infrastructures, e.g., water, electricity and transportation system etc., work efficiently and taken for granted, Nigerians and indeed manufacturing industry face the problem of the basic necessities of life.

In the last 10 years, power supply through electricity, is almost in the state of comatos. This makes alternative to power supply inevitable if companies were to remain in business. In fact, the primacy of reliable and adequate electricity supply in reviving and sustaining the manufacturing and industrial sector in the country cannot be overemphasized. Erratic power supply is the singular problem that has almost crippled the sector. Clearly, it is impossible to grow the economy and generate employment with a prostrate manufacturing sector.

According to the Chairman of the Infrastructure Committee of Manufacturers Association of Nigeria (MAN), Reginald Odiah, the cost of privately generating power constitutes between 30 and 35% of the cost of production while in most parts of the world, it stands at between 5 and 10%. When the cost of running generating sets is added to other cost arising from infrastructural deficiencies, the cost of manufacturing in Nigeria becomes globally uncompetitive. The cost of manufacturing in Nigeria, therefore is 9 times that of China, 4 times that of Europe, 4 times above the figure in South Africa and double the figure in Ghana (The Punch Editorial, 2009).

The poor state of electricity generation has been compounded by another major challenge facing manufacturing industry in Nigeria, namely transportation system. Today, movement of people and goods no matter how bulky is carried out by road. Road transportation is not only risky, but very expensive. This and many other reasons account for the non-competitiveness of the Nigerian products in the international market.

A third challenge facing manufacturing industry today is that of currency devaluation. The Nigerian currency, Naira is exchanged at the rate of ₦ 180 to a US dollar and about ₦ 250 to one Pound Sterling.

Another problem paralyzing the manufacturing Industry is that of deregulation and globalization, which has made the Nigerian market a dumping ground for of all sorts of goods.

The most recent problem confronting the manufacturing industry is the collapse of the Nigerian stock exchange and the global economic meltdown. The investing public is rapidly losing confidence in the capital market. Organizations, particularly the quoted ones operate on shareholders funds. The underpinning challenge in the present situation is that of how these organizations can retain and attract the various investors whose investments have been grossly devalued by the collapse of the capital market. Obviously most of the aforementioned challenges have compounded and escalated to the high heavens the cost of doing business in Nigeria (The Punch Editorial, 2009).

In order to address the crisis facing the Nigerian economy, many organizations have turned to innovations. It has become apparent that for manufacturing and organizations to remain in business and to weather the many challenges underpinning their efforts in this direction, they must look for creative solutions, they must innovate.

The unilever Nigerian Plc, whose mission is to deliver adequate dividend on stakeholders investments is not immune to most of the problems enumerated above. Like most other organizations in Nigeria, it is facing challenges that undermine its capacity to attain its mission thus calling on the company to reinvent itself. The company has sought solutions through innovations.

The organization is committed to innovate different aspects of its business, including products, packaging, marketing strategy and the method of managing people at work.

MATERIALS AND METHODS

A descriptive survey design method was used in carrying out this study. This led to a sample of 720 employees selected from the 2040 management and non-managerial staff utilizing the simple random sampling technique. Data were collected through self-administered questionnaires. To identify possible barriers to innovations, regression analysis was used to identify factors that were significant determinants of acceptance of organizational change among employees. The respondents included 220 (30.5%) management staff and 500 (69.5%) non-managerial employees.

To identify possible barriers to innovations, the study focused on a board range of factors (or variables) that had previously been demonstrated to impact on change acceptance among employees. These were grouped into four major categories, namely, characteristics of work environment, management features and personality trait of the employees and affective responses of employees. A fifth category of variable was used by the study as controls. Under work environment, the following factors were analyzed: communication, job security, promotional opportunity, work overload, role conflict, resource inadequate and job-skill match. For management features, we focused on participative management, supervisory support, quality of leadership and trust in leadership. Four factors-social boldness, receptivity, endurance and enthusiasm were analyzed as important Personality traits of employee that may impact on the acceptance of organizational change. Under the Affective responses of employee to the job and organization three variables job satisfactions, organizational commitment and desire to leave were examined. The study also utilized five variables genders, age, education, category of staff and tenure as controls.

Data analysis: All variables were measured utilizing a four items Likert type scale coded 1-4. Table 1 shows the mean scores for all variables analyzed. Overall, the results revealed that the level of employee acceptance of changes taking place at the unilever Nigeria Plc was reasonable. Out of a total possible score of four points, the mean score for the acceptance of change was 2.28 points with a standard deviation of 0.96 points. Turning to the determinants of the acceptance of organizational change, employees ranged from reasonable to high in all factors analyzed; mean scores ranged from 2.67 points (for social boldness) to 3.40 points (for enthusiasm). For workplace features, employee mean scores ranged from 2.36 points (for promotional opportunity) to 3.36 points (for job-skill match), whereas mean scores for managerial features ranged from 2.58 points (for quality of leadership) to 2.88 points (for supervisory support). On the other hand, scores for employee personality traits ranged from 2.67 points (for social boldness) to 3.40 points (for enthusiasm). Results for employee affective responses showed that employees were high in job satisfaction (X = 3.07 points) and organizational commitment (X = 3.20 points), but reasonable in the desire to leave (X = 2.45).

The estimation of a casual model for acceptance of organizational change for all four categories of substantive and control variables analyzed jointly are shown in Table 2. For every category of variables, standardized (b) regression coefficients are reported. These indicate the relative influence of each reward on the acceptance of organizational change. As evident from Table 2, out of 18 substantive variable analyzed seven have statistically significant net effects on the acceptance of change. The findings indicate that employees who experience high level of role conflict in their jobs, participate in the making of decisions and policies that affect them and their work organization, perceive the quality of leadership in the organization to be high and have trust in the leadership of the organization are more receptive to organizational change. The same is also true for employees who are socially bold and receptive to the ideas of others even when these stand in opposition to their beliefs and values. Similarly, employees who desired to leave the unilever Nigeria Plc were less inclined to support change relative to their counterparts who planned to continue working for the organization. All these relationships are in the expected direction.

The results also showed that out of the five control variables incorporated in the model, three had statistically significant net effects on the acceptance of organizational change by employees. These are employee age, category of employee (whether management or non management), and tenure. Specifically, older employees, management staff and those who had been working at the organization for longer periods were shown to be less receptive to the changes taking place at the company relative to those who are younger, non-management workers and those

Table 1: Mean scores for determinants of acceptance of change by employees of unilever (Nig) Plc

Variables	Mean	SD	Range
Personality trait of employee			
Social boldness	2.67	0.90	1-4
Receptivity	3.10	8.11	1-4
Endurance	3.32	0.84	1-4
Enthusiasm	3.40	0.62	1-4
Work environment			
Communication	2.68	0.96	1-4
Job security	3.08	0.78	1-4
Promotional opportunity	2.36	0.97	1-4
Work overload	2.78	0.85	1-4
Role conflict	2.83	0.55	1-4
Resource adequacy	2.64	0.79	1-4
Job skill match	3.36	0.61	1-4
Management features			
Participative management	2.83	0.92	1-4
Supervisory support	2.88	0.61	1-4
Quality of leadership	2.58	0.87	1-4
Trust in leadership	2.68	0.80	1-4
Affective responses of employee			
Job satisfaction	3.07	1.05	1-4
Organizational commitment	3.20	0.78	1-4
Desire to leave	2.45	0.96	1-4
Endogenous variable			
Acceptance of change	2.28	0.96	1-4

The scores are rated as follows: Low = 1.00-1.59, Reasonable = 1.60-2.79, High = 2.80-4.00. Scales of 1.00-4.00 were used in meeting the items, Field Survey (2009)

Table 2: Regression results for determinants of acceptance of change by employees of unilever (Nig) Plc

Variables	β-coefficients
Personality trait of employee	
Social boldness	0.149***
Receptivity	0.108*
Endurance	-0.071
Enthusiasm	-0.078
Work environment	
Communication	0.097
Job security	0.077
Promotional opportunity	0.092
Work overload	-0.084
Role conflict	0.103*
Resource adequacy	0.055
Job skill match	-0.086
Management features	
Participative management	0.100*
Supervisory support	-0.090
Quality of leadership	0.139**
Trust in leadership	0.130*
Affective responses of employee	
Job satisfaction	0.040
Organizational commitment	0.052
Desire to leave	-0.131**
Control variable	
Age	-0.114*
Gender (male)	0.068
Education	0.087
Management staff	-0.139**
Tenure	-0.94*
R^2-value	0.316

Standardized coefficients are reported, *p<0.05, **p<0.01, ***p<0.00 (one tailed tests), Field Survey (2009) who had been working for shorter periods, respectively. The substantive and control variables explain about 32% of the variance in acceptance of change.

RESULTS AND DISCUSSION

The study sought to examine the level of acceptance of organizational change among employees and to identify factors that may impede the effective implementation of change in business enterprises utilizing the unilever Nigeria Plc a manufacturing company as a case study. In doing so, we were guided by the argument that for manufacturing company to weather the challenges facing them today, they must rethink the way they conduct business. This requires them to embrace change and most importantly, to ensure that the change process is implemented successfully. For this to occur, employee buy in and hence support of and commitment to change is imperative. For instance, if the unilever Nigeria Plc is to attain its vision of being a leading organization in Nigeria, the changes (or innovations) designed to steer the company in that direction must be acceptable to all stakeholders as well as implemented to the letter. However, the successful implementation of change and other transformations at the unilever Nigeria Plc is a function of the level of ownership of identification with and support for that change by the two umbrella categories of human resources, namely management/non-management staff. Their commitment to and a willingness to champion the implementation to change is a necessary precondition for the transformation of the company.

Overall, the study found that employees at the unilever Nigeria Plc have a positive attitude towards change. The mean acceptance of change for all respondents was reasonable. These findings suggest that change managers at the unilever Nigeria Plc have the opportunity to rally employees to support innovations whenever, these become necessary for the organizations effective delivery of its mandates. The findings also imply that since employees at the organization, in general, are likely to evaluate change positively, they are not opposed to it for opposition's sake. Put differently, they are likely to embrace change and will resist it only if it raises certain legitimate concerns among them. This is consistent with the views expressed in the existing theoretical and empirical literature (Bateman and Zeithaml, 1990) that negative evaluation of and resistance to change may be a pointer to a legitimate concern among employees.

With reference to the various categories of determinants of acceptance of change analyzed in this study, results showed that characteristics of work environment do not constitute potential barriers to the adoption of innovations by employees. Out of seven variables analyzed for this category, only one-role conflict-emerged as a significant determinant of the acceptance of change. On the contrary, the study underlined the importance of management features and employee personality traits as potential barriers to employee acceptance of change (or support for innovation). Three out of four managerial factors and two of four employee personality traits analyzed were significant determinants of employee acceptance of change. Generally speaking, these findings are consistent with the existing literature, which shows that individuals may resist change or innovations because of uncertainty, general mistrust, peer pressure, personality conflict and differing perceptions (Bateman and Zeithaml, 1990). In particular, that participative management (or consultation), quality management and trust in management emerged as important determinants of acceptance of organizational change process and in making it both legitimate and acceptable among employees at the unilever Nigeria Plc. This suggests that innovations initiated by management alone or imposed by forces external to the unilever Nigeria Plc are less likely to be supported by employees compared to those resulting from adequate consultation between management and all cadres of staff.

The major objective of this study was to draw lessons from the management of change at the unilever Nigeria Plc that can be implied to cognate companies in Nigeria. The first lesson that can be drawn from this study is that the corporatist model implied above does not appear to sit very well with management staff. As such, it is hurting the implementation of necessary change at the organization. This can be extrapolated to all manufacturing companies as all of them face similar challenges across the nation (The Punch Editorial, 2009).

Human resource's role in change management: Human Resource managers have significant role to play in any change management process. At present, Human Resource professionals are not always seen as having the appropriate skills to lead on change management initiatives and are therefore, not actively included within the change process. However, many of the issues that are identified concern the people aspect of change. Human Resource would therefore, appear to be ideally placed to ensure such issues are appropriately and effectively addressed.

To achieve this objective, human resource will need to ensure it has the skills and credibility within the organization to act as champions of change now and in futur, Fajana (2002). Human resource practitioners can reduce excessive tension arising from discovery of change initiative by providing the news on change in a timely and credible manner (Johnston, 2009).

CONCLUSION

Based on the results of this study, it may be concluded that despite the existence of the potential for employees to rally around change at the unilever Nigeria Plc management action is needed to boost the levels of acceptance of change among all cadres of employees. The reasonable score in the acceptance of organizational change realized by this study must be improved if most innovations are to succeed and produce the desire effect of making the unilever Nigeria Plc a leading organization in Nigeria. For management to strengthen the acceptance of change among its employees it must rethink its approach to the change process. One may applaud management's recognition that change is imperative in an increasingly globalized world characterized by greater competition in most spheres, including manufacturing industry. But at the same time, one cannot lose sight of the dire need to involve all stakeholders in the change process. Specifically, management must adopt a more participative approach that guarantees that all stakeholders are involved right from the decision-making stage to the implementation and administration of the change process. This way it will win the support of all those who are likely to be affected by the change and ensure that employees own the change processes, defend it and guard against its failure. Furthermore, greater participation in the change process is likely to eliminate the fear, cynicism and aloofness that have characterized management staff in particular. Effective leadership engendered by management is a key enabler as it provides the vision and the rationales for change.

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