Change Management Process in a Mining Company: Kotter's 8-Step Change Model

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Abstract

This study assessed the change management process of a mining company following the 8-step change model advocated by Kotter in 1996. It investigated the association between change readiness factors which comprised job satisfaction, job uncertainty and organizational commitment and the change perception of the entire organization. The study employed a quantitative descriptive survey research design to methodically describe the observed change procedures, analyzed the association between change readiness factors and organizational change perception. Of the 192 mining company employees and stakeholders, 134 were randomly chosen through stratified sampling technique representing the operations division, support division and the organizational design group. Primary data were collected through survey questionnaires to stakeholders' respondents holding various positions. The finding revealed that about 78 percent of the respondents agreed to step 8 of Kotter's theory as instrumental in accomplishing the "make the change stick to the company's culture". They noted that the 8 steps from Kotter's theory resulted to greater than 75 percent increase in productivity. There was a highly significant correlation ($\alpha < 0.01$) between change readiness factors (job satisfaction, job uncertainty and organizational commitment) and the change perception of stakeholders. The higher the mining company adheres to change readiness factors, the more likely it can achieve success of change initiatives. In conclusion, the three identified change factors had direct bearing on the company stakeholders' change perception. We recommend for a similar study to be pursued which could include other pertinent variables other than job satisfaction, job uncertainty and organizational commitment.

Keywords: *Change management, change model, job satisfaction, organizational commitment, Kotter's theory.*

JEL Code Classification: *L1, L2, L5, L6.*

1. Introduction

In a rapidly changing global market, the strategies of different institutions in the private sector need to be aligned with the economic demand to position itself into a competitive advantage (Abocejo, 2015). Some of these strategies entail product or service improvements, pricing strategies and technological enhancement of processes to cater the variety of customer needs. Adaptation to the current market trends requires continuous change process in the organization to implement the desired strategic goals. This process is easily said than done as 70 percent of the change initiatives tend to fail (D'Ortenzio, 2012). Organizations see the need to change but fail to follow the appropriate sets of steps in undergoing change. Even organizations which were able to follow change steps from many literatures still failed along the process.

Organizations desire the need to change for them to improve and grow. When an organization fails to grow, it will lose the competition and eventually the company will close. Many companies and corporations suffer this consequence such that many executives and owners seek help from change management experts to deliver the necessary change in their organization. In the long-run, it is beneficial to the company not only on the organizational front but also in the financial perspective. Gain is always achieved by those organizations which are leading in growth.

Different market sector requires the right pace to change. Companies involved in technology and innovation require rapid change in their products where inventive ways of thinking in the organization are integral to compete in the market (Pamatong and Abocejo, 2017). A new product with new features in mobile phones, for example, will only last 18-months and then this product will be phased out. Meanwhile in the construction sector, the product change is slower which can last more than a decade to be changed in a more advanced product. In the case of companies with volatile commodities with respect to economic value, there is an apparent need to adapt their operational productivity relative to the price and cost of their products in order to continue earning profit.

In the mining and metals sector, the price of the metals is dictated by the world economic demand and supply and are also greatly affected by the currency exchange dictated by the country's economic performance. The most important deciding factor for many mining companies to operate a mine is the operating cost needed to extract the metals from the ore raw materials which should be lesser than the price of the metal. Investments in the mining sector is huge and considered a high risk investment due to drastic change in the price of the world market. Owners of mining companies plan all throughout the whole mine life span - from start of operations to mine closure. This is to forecast the security of the business in the long-run, reduce cost and improve productivity of operations crucial to the company's survival and sustainability.

The mining company under study is a copper-gold mining company located in the southern part of Cebu, Central Philippines. The company is a subsidiary of a certain corporation with other mining companies in other parts of the Philippines. In 2011, one of the countries most respected conglomerates ventured into the mining sector and became a major shareholder of the company. The mining company is composed of three main ore bodies. During its first operation in 1950's to 1990's, several milestones were achieved. From the humble beginning of processing 4,000 tons per day ore in 1955, it became one of the largest producer of copper in the world processing 300,000 tpd ore in 1970s. However, in the 1980s, production began to taper due to the falling prices of copper. In 1994, the company halt its operation due to very low copper price and labor relation issues. Many mining companies all over the world were affected and shut down their operations during this decade.

In 2015, copper price declined to an average of US$2.47 per lb due to economic slowdown in China where demand from copper smelters was significantly reduced. This affected the world's commodity prices and many big players in the mining industry such as BHP Billiton slowdown its global production and created cost-reduction initiatives to adapt on the continuous decline of commodity prices. In the Philippines, major players such as the Australasian mining company Oceanagold, retrenched some of its employees to cope with the economic downturn. The mining company has also done same action but with the addition of venturing into a "*Change Management Project*" to reduce its operating cost and increase its operational productivity.

This research hopes to contribute both to the company under study and to the field of change management. It may also contribute to the limited pool of knowledge about change management.

We argue that exploring these factors and putting premium on their importance in conducting change initiatives will bring about increased success rate for an organizational change. In addition, operational productivity and efficiency as primary measures of success in the change initiative will be strengthened. We also contend that in every change management, there is an appropriate measure of success.

1.1 Study Objectives

The study assessed the change management initiative of a mining company using Kotter's 8-step change model. Specifically, this study (1) investigated the process of change using Kotter's model as the framework, (2) measured how far along is the organizational change initiative according to Kotter's model, (3) assessed the stakeholders' over-all perception in the change management initiative, and (4) determined the correlation between the change readiness factors which are job satisfaction, job uncertainty and organizational commitment and the change perception of the stakeholders.

2. Literature Review

Based on the Change Management Guide developed by the Ryerson University (2011), "change management is a structured approach to transitioning individuals, teams and organizations from a current state to a desired future state, to fulfill or implement a vision and strategy. It is an organizational process aimed at empowering employees to accept and embrace changes in their current environment". Jansson (2009) concept of the term 'managing change' connotes two meanings which are 1) creating "changes in planned and managed or systematic way" and 2) "response to changes over which the organization has little or no control". Change is an integral part of life and it is difficult to control, a reason why change management has become more challenging where it plays a vital role in every organization. Change management has several streams of ideas which have been developed to influence the ways of change management.

The "Society of Human Resources Management" (2007) explained that change management is the formal process of organizational transformation, which involves a methodological approach and the application of knowledge. Change management deals with implementing organizational strategies, structures, procedures, and technology to cope with change resulting from internal and external factors. This is the approach used by companies undergoing a shift in vision and goal for the future.

Any process that leads, manages, and helps people to adopt new procedures, technologies, systems, structures, and values should embrace change management (Sirkin, Keenan and Jackson, 2005). This set of initiatives assists people in transitioning from their current work style to the ideal or more productive work quality. In many organizations, a shift in the top-level management oftentimes involves changing the people in the lower-level of the organizational hierarchy. This requires transitioning of the people retained in the organization to adapt into a new culture.

Change management is a nonstop endeavor of aligning a company with its market and doing it more quickly and efficiently than its existing competitors (Hennayake, 2017). Due to external conditions which are economic, government laws and regulations (Abocejo, 2017), technology and market condition (Passenheim, 2010), companies require to undergo a change to keep on going and competing. Accordingly, internal conditions such as workforce, corporate strategy, equipment and employee attitudes drive the company to change. In like manner, these reasons drive changes in people's knowledge, attitude and culture and behavior to achieve the companies changing vision and goals.

Change Management originates in the 1950's when management was introduced as teamwork, autonomous groups and there was "*war*" between the followers of top-down change approach and the bottom-up approach. The top-down management style is the most common management style which is also called autocratic leadership (Ricablanca and Abocejo, 2020).

It is the process of top management or the chief executive officer coming up with independent decisions that change the workplace or business systems (Sherri, 2003). Some of the known concepts in top-down approach are business engineering and business process re-engineering. On the other hand, when employees are knowledgeable enough and executives may unable to appear expert, the bottom-up management can be applied. This style helps increase morale of employees by engaging them in decision-making that makes them feel important as part of the company's goals and objectives. The best known concepts of bottom-up approach is the Kaizen which means "*improvement*" or "change for the better" in Japanese.

Kotter (2012) has proven that seventy percent of organizational reform efforts fail. The primary cause points out to businesses which often do not adopt the broad strategy required to get the desired results. At the fundamental level, organizations frequently fail to take the holistic approach needed to successfully implement change. Organizations can improve their chances of success by strengthening their ability to change. According to his extensive years of study, Kotter (2012) has applied the 8-Step process for leading change which contribute organizations' success in constantly shifting world. It is considered as an emergent approach to change when change is necessary in the organization.

Step one in Kotter's (2012) model is creating a sense of urgency. When organizations aspire to change, this is the most common failure they make. As change will be emergent due to several factors, management does not consider giving all the stakeholders in the organization an instinctive-level determination to move and win.

His Step 2 to change is about creating a guiding coalition. In this step, the company's "*change team*" are formed with the tasks of cultivating the right direction and vision, relay the change to the vast number of company members, eradicate key problems and challenges, generate short-term wins, manage several change projects existing for the cause of change, and anchor new tactics in the newly formed change.

Step 3 pertains to developing a clear change vision. The vision should answer the question how the future differs from the past. According to Kotter (2012), there are six key characteristic for a clear vision. It should be "imaginable, desirable, feasible, focused, feasible and communicable". A vision should not be misleading that could give confusion to the stakeholders. If urgency is to drive people into taking actions, the clear vision of the company is to direct the organization into the right path as envisioned by the top management.

Kotter's (2012) step 4 is to communicate the vision for buy-in. In this step, communication plan and strategies are significant and are created to impart the vision to the stakeholders. Heartfelt messages communicated to stakeholders in view of gaining trust are needed to get them on board to change. It is not only the mindset of the people that should be changed but more importantly their emotion to participate in the change process. Changing the culture that the people get used to will result to anger, anxiety, and confusion and distrusts so that the

appropriate approach on these reactions should be implemented. Actions speaks louder than voice. As communication by warm messages are effective, actions by example is more effective and should be done by the sponsors, champions and change agents.

Step 5 is to empower broad-based actions. This step requires getting rid of as many barriers as possible and unleashing the full potential of the people in the organization to do their best. There are two types of barriers in the company. Structural barriers are the obstacles for getting the goal and vision of the company to become competitive. A good example of this are companies claiming to achieve increase in productivity and lower production cost, that in reality, have groups of staffs that are implementing procedures and programs which are costly. This structural barrier can be solved by incentives and performance-based appraisals to result to the visualized change. Also, management information systems such as the latest competitive information and market analysis can provide necessary information for people to do their tasks more efficiently.

Step 6 comprise of generating short-term wins. Short-term wins can serve as motivators to employees and indications that the undergoing change process is resulting to positive outcomes. These tend to persuade the stakeholders to continue the change initiative and sustain towards the future. However, short-term wins sometimes conflict the employees of the success in the whole change process. It should be clearly communicated that the current success experienced are just immediate and short-term wins but not the success in changing the culture itself.
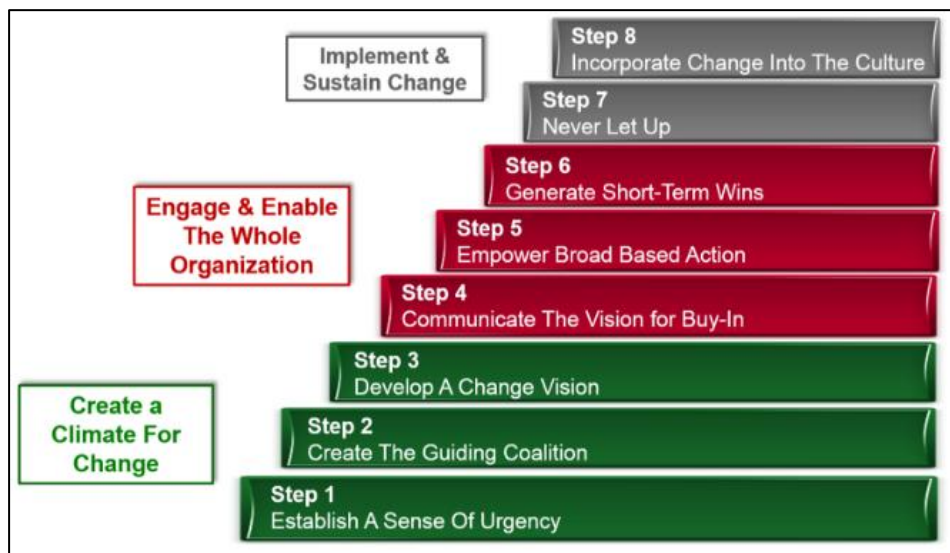

Figure 1: Kotter's (2012) 8-Step Change Model

Step 7 in Kotter's (2012) model is to 'do not let up'. In this step the change management team can bring together the gains (early gains from short-term wins) and produce more change. Although the people are highly encouraged by the short-term wins, resistance from other stakeholders is still on ground which means continuous re-building of momentum should be

religiously done by the managers. This signals conceptualizing more improvement projects, on-boarding people to help in the change initiative, more active senior managers to lead and focus on giving clarity on an aligned vision, employees in different position to lead projects, reduced interdependence of each areas in the company, stability of work towards sustaining the high level of urgency and unfailing confirmation of the proof that the newly implemented system is working.

Lastly, Kotter's (2012) step 8 is about making the new culture stick. The new culture happens in the last step of change and a new culture is created by anchoring the new approaches for sustained change. In this step, there should be a continuous information of the honest result of change that occurred. Telling stories about the organization's change management, the reasons of success and the difference between the past and present culture can result to positive predisposition by the employees regarding the change. If they experience a successful change process, the company will easily realize the importance of change and continuously be able to support the changing goals of the management.

Another traditional change theory is the model of Lewin (as cited in Burnes, 2004) of planned approach to organizational change which is used when the change is planned. Similar to the case of mining company under assessment, the change is planned and executed through a project process. In his model, the first stage is to unfreeze the organizational current culture and practices by motivation. Communication is very vital in making the organization understand the changes necessary towards the existing people work attitudes and practices (Inabangan, Garcia and Abocejo, 2019).

The moving or changing process is the second step where people are empowered to adopt new ways of working, new beliefs, attitudes, and behaviors in order to achieve the desired improvements. The third stage of the change process culminate with a refreeze which occurs when the organization regains a sense of stability, allowing the benefits of change to be achieved, allowing employees to commit to a never ending change practice.
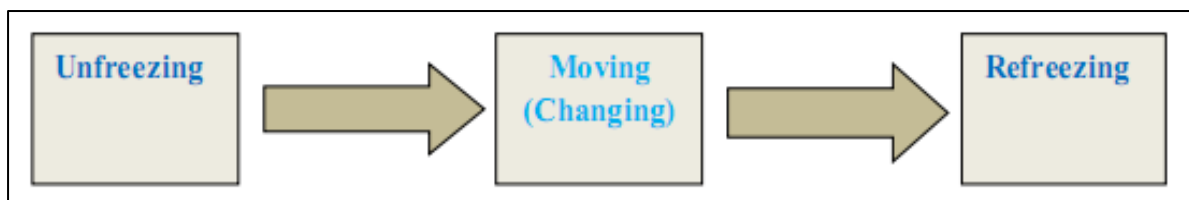

Figure 2: Lewin (as cited in Burnes, 2004) Change Model

The last change theory reviewed in the contingency change model (Dunphy and Stace, as cited in By, 2005). Their model is essentially 'situational' in nature which illustrates the style of leadership strategy to achieve the optimum necessary change in the organizational behavior inherent to the current situation. This concept is adapting to the current situation and condition of the organization. Their model is based on the theory that several situational variables depicts

the current behavior and culture of the organization and since there are no two organizations which are identical, different situational variables are applicable to both of them. Indifferences have impact on their operations and structures.

We contend that the model of Dunphy and Stace (1993) which adapted this view is an important consideration in changing an organization's culture. Different organizations require different approach especially on the leadership strategy to inflict the necessary changes effectively. It is necessary for leaders to be flexible in their leadership strategies to better influence the employees and bring them on board to the change desired.

Incremental Change Strategies	Transformational Change Strategies
• Participative evolution Used when an organisation is in fit but when minor adjustments are needed; or the organisation is out of fit but it has time available to implement change. Key employees **favour** change.	• Charismatic transformation Used when the organisation is out of fit and there is little time for extensive participation. However, most employees **support** radical change in the organisation.
• Forced evolution Used when the organisation is in fit but when minor adjustments are needed; or the organisation is out of fit but it has time available to implement change. Key employees **oppose** change.	• Dictatorial transformation Used when the organisation is out of fit and there is no time for extensive participation. There is **no support** for radical change within the organisation although radical change is important for the survival of the company.

Figure 3: Dunphy's and Stace's (1993) Typology of Change

Emotional upheaval is normal whenever there are changes implemented in an organization. The existing work-related social and psychological well-being of the organization such as job satisfaction, job uncertainty and organizational commitment is highly affected by the changes imposed. These factors were co-related by Hallgrimsson (2008) to the change readiness of the employees in his study. Change readiness factors are another important matters to consider when inflicting change in an organization as emotional constraints are major barriers during the change process. Were theorize that there is a need to prepare the people first to buy in before communicating the vision. This preparation requires the management to act for the employees' perception on job satisfaction, job uncertainty and organizational commitment in the organization.

Nystedt, Sjoberg and Hagglund (1999) noted that job satisfaction is held to explain different behaviors of employees and is concerned to their emotions towards their perception on the environment of their workplace. Employees tend to divulge their discontent on issues outside the organization if they are badly treated and feel unhappy in their workplace. This affects the

reputation of the organization in a negative way. In addition, dissatisfaction tend to increase the possibility of unwillingness of employees towards the adjustment of the quality and quantity of their inputs (Pandey and Khare, 2012). Job satisfaction has significant positive correlation to change readiness (Hallgrimsson, 2008). Highly satisfied employees tend to show readiness when management implement change.

Fløvik, Knardahl and Christensen (2019) noted that employees are threatened when there is an occurrence of change and disruption of continuity of their behavior in the organization. Organizational uncertainty is a very important issue to address during this inevitable situation. Burnes (2004) defined uncertainty as "the degree of doubt, unpredictability and ambiguity that exists in any situation".

The psychological identification of employees towards their employing organization has been defined as organizational commitment (Mariquel et al., 2012). Commitment connects individuals "to a course of action that is of relevance to a particular target" (Meyer and Herscovitch, 2001). Van de Ven and Poole (1995) argued that conflicts between management and organizational members must be resolved and their cognizance should align so the change desired by the management can happen. Essentially, the state of readiness of the organization is a prerequisite for this to occur.

1.2 Theoretical Background

This study anchors its frameworks from Kotter's 8-Step Change Model (2012) in his published book entitled *The Eight-Step for Leading Change.* In his model, Kotter (2012) described the specific eight steps necessary in undergoing change. He has proven these steps in his several years of research that can help organizations in their continuous process of change to survive in the business. Kotter (2012) states that "by improving their ability to change, organizations can increase their chances of success, both today and in the future".

In addition to the theory of Kotter (2012), the change readiness factors which are job satisfaction, job uncertainty and organizational commitment are explored. Hallgrimsson (2008) investigated the influence of organizational change and change readiness on employees' attitudes during times of proposed merger. Using empirical analysis, he developed measurements of the main constructs on "job satisfaction, uncertainty, commitment and change readiness". His findings revealed that job satisfaction has significant positive correlation with change readiness while job uncertainty has significant negative correlation to change readiness. The third factor organizational commitment, has insignificant correlation to change readiness in his study but he recommends that it is further explored.

In Kotter's (2012) 4th step which states that the vision for change should be communicated for buy-in and it is assumed that everyone in the organization is ready to change. However, employees should be willing to change to get them aboard of the change process. This is not true in reality as resistance to change is always present and is one major concern of change

management. Hallgrimsson (2008) suggests that in order for the organization to be ready to change, the employees should feel satisfied with their jobs, there is certainty and they have commitment to the company they are working for.

It is noted however that the Kotter's (2012) 8-steps model still exhibits some limitations and weaknesses notwithstanding its strengths and systematic approaches towards change management. As it occurs with some management theories and models, there are always debates along the process of their applications and validation which can go without a verdict or agreement. For instance, the linear nature of Kotter's (2012) model can be problematic in the implementation phase even if adopted just a mere outline or direction.

From the literature reviews, we came with a new model related to the three traditional models previously discussed and we put forward that this can improve the success chances of change. Using Kotter's (2012) model, a new concept is proposed below which can be applied to any purpose of change whether it be emergent, planned or based on contingency.

Figure 4: Conceptual Framework of the Study

We categorized the steps in the ladder concept model of Kotter (2012) into three phases. These three phases to change are consist of sets of activities. The first phase is to create a climate for change which primary building block is leadership. In this phase, leaders play vital roles in creating a sense of urgency for change, forming a committed guiding coalition, developing and adapting a leadership strategy, developing a clear change vision and ensuring the trust of the organization. These sets of activities should be accomplished first before continuing second phase which is engaging the whole organization to change.

In this phase, communication is very important and the change management team should be preparing the people for buy-in, consistently communicating the change vision, empowering broad-based actions and generating short-term wins. The third phase is to implement and

sustain the change. The small changes done in the second phase should be continued and sustained. The organizational behavior of an organization changes frequently on this stage since there are a lot of resistance from individuals which might affect other employees' commitment to the organization. Skills in managing emotions are needed in this phase to successfully implement the changes.

We incorporated Dunphy and Stace's (1993) concepts by considering a step to Kotter's 8-step to change with developing and adapting a transformational leadership strategy. More often, the leadership style is not accounted by leaders of the organization when undergoing a change management. This factor is considerably important as leadership plays a vital role in changing the organization's behavior. Leaders will adapt the current position of the organization's culture and implement an appropriate leadership style to take the organization to its envisioned future.

This study is an assessment of the change management project undergone by the mining company during a 10-month period from May 2016 to February 2017. The specific change process during this period is described and the assessment is conducted three months after the project ended. Our study is limited to just one mining company existing within the industry organization where the generated data were confined within the boundaries of the mining company management scenarios being assessed. In this paper, we adopted the operational definition of change management as an organized technique of transferring individuals, teams, and organizations from their current condition to a desired future status so as to fulfill or implement a vision and a plan. It is a method of encouraging individuals to accept and welcome changes in their present working environment (Ryerson University, 2011). In this study, change refers to making a significant difference that often results to the loss of one's original identity or the replacement of one item with another.

Finally, "Organizational behavior" is a branch of study which looks into the effects of individuals, groups and structures on behavior inside organizations with the goal of utilizing what they learn to improve the functioning of the organization (Robins, 2014).

3. Research Methodology

3.1 Research Design

This study employed a descriptive and analytical research design employing both quantitative and qualitative approaches where primary data were gathered from actual observations and from survey questionnaires. The quantitative approach was used in the descriptive and in-depth analysis of data generated from the research survey. The qualitative research is applied using case study approach.

3.2 Research Respondents

The respondents to survey consists of different stakeholders of different positions employed in the mining company. The respondents belong to the three groups where changes are implemented namely Operations, Support and Organizational Design (OD). There were 134 sample respondents comprising about seven percent of the total employees of the mining company. By group, 64 samples were randomly drawn to represent the operations division, 59 were from support division and 11 were drawn from the organizational design group.

3.3 Ethical Considerations

Prior to the conduct of the study, a formal letter requesting permission was sent to the mining company management. The research respondents were asked to sign and inform consent confirming their voluntary participation in the research with the study purpose clearly explained to respondents. It was ensured that the respondents, were not in any way, harmed along the study implementation, they were aware that anytime they could back out from participating in the study should they felt doing so. All the generated information solicited from the respondents and sourced from secondary company records were treated with confidentiality utilizing them only for the purpose of this study.

3.4 Research Instrument

The survey questionnaire consists of 23 questions. The first eight questions (Nos. 1–8) measure the stakeholders' perception using Kotter's (2012) 8-step to change. Each questions specifically measures the agreeableness of the stakeholder whether the step is accomplished or not. Kotter suggests that at least 75 percent of the stakeholders agree that the step is successful in order to conclude the success of change. The questions were adopted to the research conducted by Richesin (2011) and were intentionally revised for the specific use of employees of the mining company.

Question numbers 9 to 23 are all readiness factors which consists of five questions each for job satisfaction, job uncertainty and organizational commitment which measures the level of satisfaction of the employees to their jobs, the organizational uncertainty pertaining to individual's job security and the organizational commitment of each employee to the company.

The questionnaire consists of Likert scale to determine the level of agreeableness, level of satisfaction, level of uncertainty and level of commitment of the stakeholders. The answers are in the scale of 1 to 4 where 1 is highly negative (strongly disagree) and 4 as highly positive (strongly agree).

3.5 Data Gathering Procedure

The survey was conducted in a seven-day period. Request of consent from managers and respondents initiated during the first day to ensure legality of the survey. Upon approval, the respondents were briefed of the surveys and the researchers explained its main purpose. Answering of surveys lasted 30 minutes to one hour in each group and the surveys were all gathered at the same day it was answered by the employees. Upon gathering of the survey forms, answers were collated, verified, tabulated and summarized ready for statistical analysis.

4. Results and Discussions

We conducted a daily observation of the change management procedure and explained the process with Kotter's (2012) model as the framework. Alongside the first author's observation, the stakeholder's perception from the survey is also discussed. Table 1 and Figure 5 shows the over-all perception of the stakeholders on the eight steps of Kotter (2012).

In Kotter's step 1, we affirm that the management created a sense of urgency. The main drive of change is the consistent nonattainment of production for the past two years since the operation of plant expansion in 2014 and the continuous decline of the copper price. The mining company projected a plant capacity of 60,000 tons per day but only achieved 49,000 tons per day production in 2014 and 2015. This resulted to high direct operating cost and indirect operating cost incurred in investing for the plant expansion. The management emphasized that the profitability of the company is greatly affected and there is a need to change the way the people produce to survive the company in its current situation. 99.28 percent of the stakeholders agrees that there is an urgent need to change. This denotes the clear understanding of the stakeholders to the change insisted by the management.

Table 1: Over-all perception of stakeholders' to Kotter's 8 Steps to Change

Kotter's 8-step to change	Percent (%)
Step 1: create a sense of urgency	99.25
Step 2: create the guiding coalition	87.31
Step 3: develop a change vision	90.23
Step 4: communicate the vision for buy-in	84.09
Step 5: empower broad-based actions	86.36
Step 6: generate short-term wins	88.06
Step 7: not letting up	84.96
Step 8: make the new culture stick	78.36

In Step 2, the executive management created a guiding coalition by initiating to employ expert management consultants. Renoir Consulting Ltd. is a leading firm in the field of change management that has accomplished successful various projects worldwide. They deployed a

dedicated team comprised of four with different nationality who has expertise in the field of operations, support on maintenance and procurement and organizational design to execute and manage change. The consultant team then formed a Steering Committee which is composed of the executive managers and the board of directors. Its main task is to support the needs of the change project in the implementation.

Another group was formed called the Management Action Team (MAT) which is composed of the senior managers. The team's task is to support and lead the activities for implementation as recommended by the consultant. The last group formed is the Taskforce group which consists of junior managers who belong to different groups possessing high technical knowledge. They were assigned to the groups that they belong to and were tasked to implement the plans of the consultants during the project period. The stakeholders agree that Step 2 of Kotter was accomplished with frequency of 87.3 percent.

We observed that the consultant did not assess the type of leadership applicable to the current organization. The culture of the mining company is highly influenced by the old culture adopted from its previous management. Based on the theory of Dunphy and Stace (1993) on their contingency theory of change, a transformational leadership style is specific to an organization when undergoing change. The mining company did not consider planning of which leadership style to be used that is appropriate for the organization. This could have helped the senior and junior managers in making the organizations comply with the new system that are being implemented during the early part of the project. Resistance of stakeholders could have been minimized and compliance were realized earlier.

Kotter's (2012) step 3 is developing a clear change vision. To easily remember the vision of management on the change project, the project was coined TUMBAGA project which is an acronym of Trust and Understanding of Management and Business Accountabilities by Going for Aggressiveness in work. It is envisioned in the TUMBAGA project the high productivity and operational efficiency in producing copper concentrates and the improved management performance through a more systematic management control system. From the stakeholders' point of view, the management's vision is clear to them with 90.2 percent agree that this step is successful.
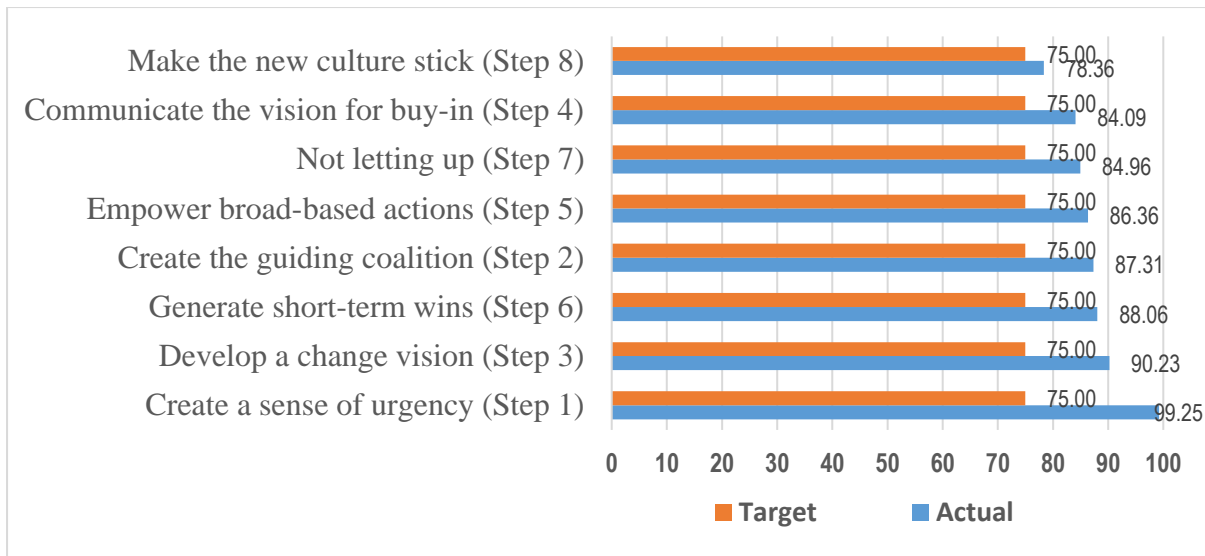
Figure 5: Over-all perception of stakeholders' to Kotter's 8 Steps to Change

Kotter's step 4 which is communicating the vision for buy-in was conducted during the implementation stage and the meeting was called 'Live Implementation'. All the junior and senior managers, MAT leaders, representative from the Steering Committee, Taskforce members and the consultants gathered and attended in the Live Implementation and discussed the vision of the company. Each MAT Leaders presented the visions of their group and the actions they are going to execute in order to achieve those visions. Aside from the live implementation, the consultants deployed the taskforce to their respective group assignments to assist the MAT leaders on the implementation of their plan to achieve their visions. Consistent communication is done with the help of the taskforce through meetings which are part of the new management system. 84.04 percent of the stakeholders agreed that step 4 is accomplished in the project.

In step 5, the management implemented broad-based actions to unleash the full potential of the stakeholders and to remove the barriers. In this step, new policies were generated to strengthen the sense of accountability of managers to their work. Example of these policies are sanctions to managers who are not performing turn-over of activities during his absence. Another example is by giving disciplinary actions to managers who committed neglect in their jobs which results to production loss became more pronounced during the period of implementation. 86.3 percent of the stakeholders agreed that step 5 is successfully done.

Step 6 pertains to generating short-term wins. The TUMBAGA project teams identified specific activities that could generate improvement which effect could be clearly seen within six months. Examples of these are reducing the cycle time of the mine trucks which means higher productivity of the trucks. Another example is by changing the operational strategy of the ball mills (grinding mills) to reduce the power consumption per ton of ore. The success of

these small quick wimps generated a positive outlook of the stakeholders to the change project. About 88.06 percent of the stakeholders agreed that step 6 is successfully done.

The step 7 in Kotter's (2012) model is about not letting up. Upon achieving small success from previous achievements, it is a common mistake for organization to become complacent and gain over-confident which results to forgetting the newly acquired sets of behavior and go back to the old habits. In the case of the mining company, there is consistent and continuous implementation and monitoring of the system elements. Policies that will further improve the systems were instigated. Additional projects for process improvement were conceptualized and set for implementation help improve the production. The stakeholders understood the importance of Kotter's (2012) step 8 with 84.9 percent agreed that the step was followed.

Finally, the step 8 is about making the culture stick. The mining company created a sustainable plan that will continue implementing the newly installed management control system and sustain the achieved improvement in productivity. A dedicated Quality Assurance group was formed to monitor the sustainability plan and to conduct continuous change for the improvement of the company's performance. The Quality Assurance is tasked to monitor, check and ensure that the new sets of behavior that resulted to positive results during the change project is embedded in the company's culture, 78.3 percent of the stakeholders agreed that this step is followed.

Based on the survey results to the success criteria of Kotter (2012), the stakeholders' perception in all eight steps exhibited greater than 75 percent agreed as successful. However, step 8 resulted to the lowest of 78.3 percent which should be the key indication of change in the organization's culture.

Table 2: Mean Change Readiness Factors and Change of Perception

Variable	Operations	Maintenance-Procurement	Organizational Design	Over-all
Job Satisfaction	2.98 (Satisfied)	2.95 (Satisfied)	3.18 (Satisfied)	2.85 (Satisfied)
Job Uncertainty	2.90 (Certain)	2.90 (Certain)	3.13 (Certain)	2.74 (Certain)
Commitment	3.12 (Committed)	3.14 (Committed)	3.18 (Committed)	3.02 (Committed)
Kotter's 8-Step Model Summary	3.04 (Agree)	3.05 (Agree)	3.14 (Agree)	2.94 (Agree)

Ranges for the Weighted Mean

Score Range	Job satisfaction	Job uncertainty	Organizational commitment	Change perception
1.00 to 1.75	Highly dissatisfied	Very uncertain	Strongly uncommitted	Strongly Disagree
>1.75 to 2.50	Dissatisfied	Uncertain	Uncommitted	Disagree
>2.50 to 3.25	Satisfied	Certain	Committed	Agree
>3.25 to 4.00	Highly satisfied	Very certain	Strongly committed	Strongly Agree

From Table 2, overall job satisfaction was registered at 2.85 reflecting that the stakeholders, by division, were satisfied about their jobs. Mean job uncertainty responses reached 2.74 which translate to stakeholders being certain about their jobs. Organizational commitment scored 3.02 which denotes that stakeholders are committed to the company. Following the Kotter's 8-step model, overall responses was registered at 2.94 indicating agreement to the company's change initiative.

Each change readiness factor shows highly significant correlation to change perception based on the p-values using the Pearson r coefficient (Table 3). Job satisfaction has a value of r-value = 0.499 with p-value of 8.12E-10, job uncertainty has a value of r-value = 0.503 with p-value of 6.08E-10 and organizational commitment has a value of r-value=0.535 with p-value=0.000 which are all indications of significance and strong positive correlation of these variables to the change perception of the stakeholders at 0.01 level of significance.

Table 3: Correlation of Change Readiness Factors to Change Perception

Variable	*r*-value	*p*-value
Job satisfaction	0.499**	0.000
Job uncertainty	0.503**	0.000
Organizational commitment	0.535**	0.000

*** - highly significant at α < 0.01*

This finding parallels with the study of Hallgrimsson (2008) where job satisfaction and job uncertainty directly correlate with the change perception. Employees who are satisfied with their jobs and company's management readily adopt to management change for the better. Likewise, when any ambiguity about their jobs tends to intensify, they become more open to management change. The results present the importance of change readiness factors to the success of change initiative. People in the organization are more likely to get engaged to the changes that the management desired if they are ready and willing to change.

5. Conclusion and Recommendations

This research study presented an assessment of the change management project undergone by the mining company. In the light the study findings, it is concluded that management project can be successful by evaluating and comparing the change process to the steps of Kotter (2012) for successful change. In like manner, the change readiness factors of job satisfaction, job uncertainty and organizational commitment have substantial bearing in preparing and guiding employees of the organization to get on-board to change.

As resistance often occurs in most change management projects, we view that the type of leadership will act as a catalyst to the rate of change of organizational behavior. There is an

inevitable challenge for human resource of any company to continually conduct change management for the company's continual improvement. In this regard, we recommend for further research endeavor which could explore the other variables needed for employees' job satisfaction, job uncertainty and organizational commitment. We recommend to conduct related study on the transformational leadership style that is appropriate for a certain type of culture present in an organization.

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