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The Impact of the Communication Process on the Organizational Change Management: Empirical Evidence from SONATRACH Company Using PLS-SEM Approach

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Abstract. This paper explores the crucial role of communication during the implementation of a new remuneration system at Sonatrach Company. The issue focuses on determining how the communication process plays a pivotal role in advancing establishment of NSR based on performance and efficiency. The study adopts the Structural Equation Modeling PLS-SEM methodology and the model comprises three latent variables (Communication, Managers' Role and Resistance) and 16 indicators. The results show that the communication process impacts positively the organizational resistance while the managers' role effect is negative.

Keywords. Communication; Organizational Change; Sonatrach; Structural Equation Modeling.

Introduction

The organizational changes are generally faced by many obstacles and resilience from the managers despite the fact that are the platform for the organization evolution and growth. The prerequisites of change are conducted by many factors such as: the technological advances, the markets evolution both at national and international levels and the dynamic variation of the consumers' tastes and attitudes. In these circumstances, the organizations are obliged to tackle an appropriate managerial strategy of change to survive more with the evolving environment. In fact, the organizational change paradigm should emphasize on the attitudes and behaviors of the organization members because they are the engine of the success of any change implementation. The communication process by this meaning is a strong tool by which the organization can convince the human asset inside the organization by the inevitability of change in an attempt to deal with the variations of the business environment components. The importance of the communication process in implementing the organizational change paradigm is due from the fact that the change process per se is not restricted only by the top managers but it involves all the components of the human assets inside the organization. This paper explores the importance of the communication process inside one of the biggest companies in Algeria

(Sonatrach¹) in stimulating the need for change expressed by the New Remuneration System (NRS). This system is supposedly based on the contribution and the competence of each individual inside the organization; and by then it is considered as a typical compensatory system to attain high efficiency and organizational performance levels. The first part of the article deals with the crucial position of the communication in alleviating the probable obstacles and the resistance facing the attempt of the change while the second part tackles the impact of the communication as a managerial process on the organizational change through the adoption of 309 questionnaires distributed among the workers of Sonatrach Company. Data are analyzed by using the Structural Equation Methodology.

1. Communication as a Strategic Vision

Sonatrach is an Algerian public company of international stature. It is involved in the exploration, production, and transport by pipelines, processing and marketing of hydrocarbons and their derivatives. According to the new remuneration system linked to performance, the company responds to this stated desire to ensure motivation by more compensating those who contribute the most to its success. By establishing a variable remuneration, the improvement of the demonstrated professional practices and the results accessed by each individual are guaranteed. These new managerial practices are clearly aimed at developing individual and collective skills, representing considerable potential sources of value creation, innovation and performance for the company.

Whatever the steps of this change and the aspirations of its performers, the change management and the communication are managerial practices so closely linked in the sense that is not really possible to succeed in an organizational change project without well-developed skills in communication process management (Claudia Peus et al (2009)²; Toshihiko Kato et al(2011))³. Some have even gone so far as to suggest that the communication is an essential lever for effective implementation, or even considered as the factor that depends on its success (Paul M. Muchinsky (1977))⁴ from which the failure of change is seen entirely as a communication problem (Eric M. Eisenberg and Marsha G. Witten (1987)⁵; William P. Barnett and Glenn R. Carroll(1995))⁶.

Moreover, the issue of shifting from a fixed compensation model considered as not suitable to increase the performance level to a variable compensation system linked to the achievement of objectives must be the subject of a broad consensus before being integrated and implemented

¹ - Sonatrach :Algeria's national state-owned oil firm. It was founded in 1963 and is currently the largest enterprise in Africa. *Wikipedia*.

² - Claudia Peus, Dieter Frey, Marit Gerhardt, Peter Fischer and Eva Traut-Mattausch. “*Learning and Managing Organizational Change Initiative*”, *Management Revue*, Special Issue, Vol. 20, No. 2, 2009, pp. 158-175.

³ - Toshihiko Kato, Tsuyoshi Numagami and Masaru Karube. “Types of Intra-Organizational Networks and Upward Strategic Communication”, *Hitotsubashi Journal of Commerce and Management*, Vol. 45, No. 1 (45), 2011. pp. 21-37

⁴ - Paul M. Muchinsky. “*Organizational Communication: Relationships to Organizational Climate and Job Satisfaction*” *The Academy of Management Journal*, Vol. 20, No. 4, 1977. pp. 592-607

⁵ - Eric M. Eisenberg and Marsha G. Witten. “*Reconsidering Openness in Organizational Communication*” *The Academy of Management Review*, Vol. 12, No. 3, 1987. pp. 418-426

⁶ - William P. Barnett and Glenn R. Carroll. “*Modeling Internal Organizational Change*” *Annual Review of Sociology*, Vol. 21, 1995. pp. 217-236.

by the company (Michael Armstrong and Helen Murlis, 2004)¹. The organizational consensus about the suitability of this new system is performed by broadcasting the necessary messages to all the individuals in the company; especially when we take into consideration the volume of support in terms of functions that exceeds the number of two thousands; and the workforce estimated by 48000 employees and its agencies dispersed throughout the Algerian territory as well as the roots of the old system which had no relation with the performance paradigm.

As such, the objective of our paper is to determine first how the communication process about this change is really undertaken. Then, the reasons obstructed by this process to provide the vital conditions for a successful implementation of this new remuneration system are tackled. Finally, the lessons to be learned from this experience are discussed in order to both activate resistance and move towards a desired and accelerated change.

Admittedly, it is not easy, neither for the company nor for the employees, to move from an egalitarian and automated system, giving an illusion of comfort and false insurance, a system based almost exclusively on qualifications and seniority, towards a dynamic system based on individual and collective skills. The establishment of effective and differentiated communication, the analysis and taking into account of the various stakeholders, self-control and difficult situations as well as a relevant choice of tools and information and communication supports must make essential part of the members' concerns of this organizational change project (Thomas G. Cummings and Christopher G. Worley(2015))².

The communication system adopted to support the change in the compensation system is inherent in its dimensions in terms of size, complexity of the functions and businesses and the history of practices in the management of human resources and compensation. It must be the subject of a real strategic reflection linking both the current situation and the desired one and formally culminating in an action plan, by deciphering the strategic messages in an operational manner (Katherine Miller(2012))³. This will be deployed according to a marketing logic where management tries to sell its project, according to a well-defined strategy vision beforehand. This logic stresses on defining the communication objectives, coordinating and mobilizing the necessary people and resources, designing meeting facilitation kits for managers, creating documentation, information kits and databases for the use of all the staff, designing and organizing training, preparing survey techniques: diagnosis, construction of questionnaires, conducting interviews, analysis of results and conceiving an analytical approach to identification and problem solving (Dennis K. Mumby and Timothy R. Kuhn (2019))⁴.

2. The Different Communication tools

The communication is defined as “ the process through which people issue, receive, interpret and act on *commands*, and through which people create and maintain productive business and personal relationships with other members of the organization” (Ken W. White

¹ - Michael Armstrong and Helen Murlis.” *Reward Management: A Handbook of Remuneration Strategy and Practice*”, 5th edition, Kogan Page Limited, London, 2004.

² - Thomas G. Cummings, Christopher G. Worley. “*Organizational Development & Change*”, 10thedition, Cengage Learning, USA, 2015.

³ - Katherine Miller. “*Organizational Communication: Approaches and Processes*”, Sixth Edition, Wadsworth, Cengage Learning, USA, 2012.

⁴ - Dennis K. Mumby and Timothy R. Kuhn. “*Organizational Communication: A Critical Introduction*”, Second Edition, SAGE Publications Inc. USA, 2019.

and Elwood N. Chapman(1996))¹, and this process is realized by arranging the various communication and information tools of the more or less collective nature of the target and the desired interactivity, such as: Company newspaper, newscast, intranet, memos, brochures, posters, mass electronic mail, procedures manuals as well as training sessions on video and audio cassettes (documentation, posters, leaflets and brochures, websites and forums, conferences and meetings). Knowing that for each identified population, these different tools are used in the context of creating a “mix com” (the right message, at the right time with the right media).

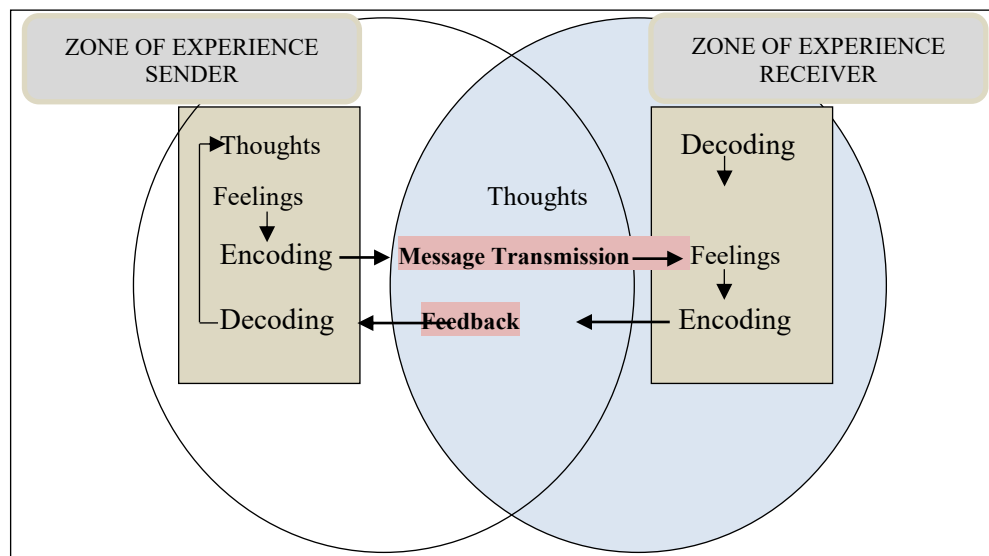


Figure 1. Sender-Receiver Model of Communication

With the same objective of information and communication on this new remuneration system, several additional channels and tools have been mobilized: graphic card, specific logo on all project documents and a wide dissemination of a poster illustrating the purpose of the system. Mini-guides have been created concerning the objectives to be achieved and the resources allocated for the effectiveness of this project. Among other things, Sonatrach is in the habit of publishing journals as a means of internal communication and information which, apparently, the project team has little use to present its new remuneration project. Besides, it is one of the very precious and very useful sources of information, but we do not believe that the distribution of these journals is generalized to all individuals regardless of their function. Thus, we obtained some leaflets which revolve around the subject in question and we also perceived postings on this remuneration project during our visits of various premises of SH. It challenged us to question managers about the role of information that has been played by these tools (magazines, posters, leaflets, etc.). The largest percentage, namely 68% of managers, noticed that these tools participated in the dissemination of information on this new project, while this percentage does not doubt that these means of communication and these information tools were a key element for the project to be understood by a considerable number of individuals, but not all .

¹ - Ken W. White and Elwood N. Chapman. “*Organizational Communication: An Introduction to Communication and Human Relation Strategies*”, Eighth Edition, Prentice - Hall Inc, USA, 1996.

subsequently, in any the organization the communication effectiveness approaches is greatly affected of which reduce the productivity and efficiency of the team and in certain cases increases the turnover rate ¹.

3. Communication as A Process to Reduce Resistance

Obviously, as in the face of any organizational change, the individuals and the employees focus on the past and refuse to modify it. It is therefore quite normal for resistance to be manifested and propagate (Jan Ch. Karlsson (2012)) ². According to 60% of managers interviewed, they admitted that this project created a particularly tense social climate within the group and it is severely criticized for several reasons, including:

- The entrenchment of the old system mirrored the change as a threat to their habits and their working attitudes. With a New System of Remuneration, the change persists nearly at all levels (new role, new position, new salary ...) and everyone asks for his new position and how he will be affected. Employees are faced with a difficult choice, they are asked to leave what they have used to the unknown. Whatever forms the change takes, the affected people often see their daily life turned upside down and, for them, this constitutes a very difficult experience.

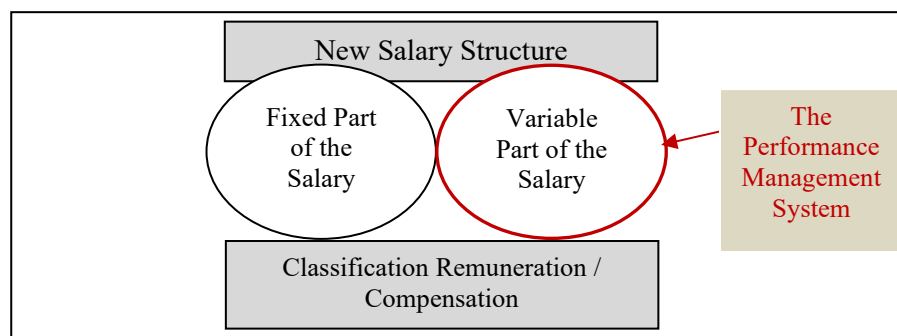


Figure 2. The Salary Structure of the New Compensation System

- Reason more for managers, this new system will ask them for more work and qualification (setting goals, communicating, orienting evaluating, etc.). On the other hand with the old system, they were often seated on their comfort of the hierarchy, and manage their missions generally according to their *Taylorian* and bureaucratic representations.

Faced with this situation, the art of communicating these resistances and taking them into account in a careful but convincing manner remains the main ingredient for fostering engagement and the resulting strategy becomes an important issue. It is about being aware of all the feelings, fears and misunderstandings that change can create in people. It involves setting up a communication tool allowing employees to freely comment on their concerns and project managers to respond sincerely to clarify the vision and not understand the resistance (Laurie K. Lewis (2011)) ³.

During the organizational change such as the M&As process, employees experience the merger syndrome, this is followed by growing self-interest, as employees become concerned

¹ - AbdulGhani Gaghman. "The Impact of Communications Methods on Team's Productivity and Performance - Oil and Gas case study", Technium Social Sciences Journal Vol. 4, 63-72, March 2020.

² - Jan Ch. Karlsson. "Organizational Misbehaviour in the Workplace: Narratives of Dignity and Resistance", Palgrave Macmillan, USA, 2012.

³ - Laurie K. Lewis. "Organizational Change: Creating Change through Strategic Communication", John Wiley & Sons Ltd, USA, 2011.

about what the integration implies for themselves, their salaries, and their careers, often treated as a personal crisis, which may manifest itself as apathy, fear, listlessness, a preoccupation with the past, and active resistance to the new system, lack of commitment to the new culture ¹.

4. The Manager's Training as a Communication Device

This skill of knowing how to communicate is learned and training is truly essential to acquire the necessary techniques, tools and methods. Identify the role of the manager as a change agent in his entity effective communication support must focus profusely on the following elements: show the importance of this change; indicate what are the stages of behavior change and how to use them to create suitable messages; create a message according to the studied communication principles; use the main communication methods (memory cards, demonstrations, home visits); design a communication strategy; carry out a health promotion activity using the communication methods studied and the appropriate messages; create a training environment suitable for adults; leading a work session with a small group; leading a mini training session and conceiving the concept of coaching (Micki Holliday (2001) ²; Clark A. Campbell and Mick Campbell(2013)) ³.

In the first phase of the project launching process, alongside with the communication process, the training plays a central lever role. It is therefore a question of registering an important training action, so that managers take ownership of the objectives, the continuation as well as the process of implementing this change and its deployment at the level of each activity.

A training plan has been deployed for the benefit of the three main players, including the union, human resources executives and managers of all group activities. They are trained on all the components of this new system. The first training concerned the social partner, so that he was prepared to carry out his missions which are:

- The negotiation of the principles of the system management rules and the salary bands.
- Participation in joint appeal committees.
- Participation in the implementation of the communication plan for collectives.

Second sample concerned the human resources. This sample of task force relays has been trained to assist managers in the positioning and realizing the targets. This training category involved 550 senior managers for better support to managers. The third sample is constituted by managers who are concerned by this training program, 1600 managers of the department head rank and directors were also trained on the role and the contribution model and on the setting of contribution objectives.

At the beginning, the relays and task forces, top 170 and positioner managers benefited from triple support to know the model and understand its challenges and know what is expected of each of them in order to train the others, mobilize and be a success factor. During the information-training sessions, tools were made available to managers in the form of information disseminated in paper and multimedia formats. There was the delivery of a suitcase including:

¹ - Nguyen Thi Bich Thuy, Phan Dang Ngoc Yen Van, "Employee Commitment to Organizational Change with the Role of Job Satisfaction and Transformational Leadership", *Technium Social Sciences Journal* Vol. 2, 1-17, January 2020.

² - Micki Holliday. "Coaching, Mentoring and Managing: A Coach Guidebook". The Career Press, Inc, USA, 2001.

³ - Clark A. Campbell and Mick Campbell." *The New-One Page Project Manager: Communicate and Manage any Project with a Single Sheet of Paper*". John Wiley & Sons Inc, USA, 2013..

models of information; supports to prepare and carry out managerial positioning; operational reporting, control and consolidation supports of the communication process to employees. In terms of training, there are two priorities: the implementation of the full course for the benefit of the relays and task forces of the activities as well as the training of all managers for the positioning of employees in the new roles.

As a result, the central project team firstly provided individual coaching to managers for setting objectives. Of course, the objective of these first actions is also to quickly train new trainers and internal coaches. The presence of support structures allowing the monitoring of the actions undertaken, in particular: steering committee and participative structures in establishments; “Tailor-made” action training and detailed local communication policies.

These training courses are designed to collectively decide on the deployment plan and to involve all the leaders and managers (including HR) and, if necessary, demystify the project whose perception was not always positive. Thanks to interviews we conducted with the trainers, they all noticed the positive effect of this training. All managers who have benefited from the training have radically changed their visions with regard to this project.

This was proven by 38% of managers responding to our questionnaire who received sufficient training on the new remuneration system, followed by 41% also received training but not enough. On the other hand, a very small percentage, namely 7% of applying managers think that they are not at all satisfied with this tool, and those who have not benefited from training on NSR represent 13% among the whole community managers’ responding to our questionnaire.

What is important to say is that the training process on this NSR is always addressed to managers and the main actors of this project. This is due to a certain number of limits: the direct cost which does not allow including all the workers. According to this limit, we find that training has been heavily used just as a communication process.

It is not a matter of training as an appearance designed only for manipulation purposes, but rather to improve interpersonal communication to spread the philosophy of this NSR. Training plans had to consider managers first as a specific target for better appropriation of messages and for them to become a convinced and convincing spokesperson. It is therefore a question of clarifying what is expected from them to help appropriate and transmit the messages, as a relay of information and communication to all the workers of the company. They must also build exemplarity by their role facilitating the process of acceptance and implementation of change. Much of the success will depend on the quality of manager engagement, but we also need to gain employee buy-in for the change. Managers will have to take the time to interact with the staff and be very attentive to the field.

5. The Communication Precedesthe Change

In this context, Karen S. Whelan-Berry and Karen A. Somerville(2010)¹. asserted that the communication is a basic driver for the implementation of the organizational change, and the success or the failure of the change process depends to a greater extent to how far the messages are transmitted and clearly understood:

“Change related communication focused on building employees’ understanding of the need for the change initiative is crucial. Further, it is important for the leadership to communicate that the current approach, that is the pre-change state or approach, will not

¹ - Karen S. Whelan-Berry and Karen A. Somerville. “Linking Change Drivers and the Organizational Change Process: A Review and Synthesis”, *Journal of Change Management*, Vol. 10, No. 2, 2010.pp. 175–193.

achieve the desired outcomes for the organization. Change related communication often acts as a driver by sending a clear message about why the change is needed, advising employees of the change vision, as well as related strategies for achieving the change vision, and further developing employees' understanding of and commitment to the ongoing change implementation."

Karen S. Whelan-Berry and Karen A. Somerville (2010) in *Linking Change Drivers and the Organizational Change Process: A Review and Synthesis, Journal of Change Management*, pp.183-184

At beginning of the project, communication must be proactive with controlled rhythm and progressiveness. The messages disseminated must be simple and present the objectives, the reasons as well as the challenges of the project and its main features so that they are understood by all. It is firstly a question of saying explicitly the incentives for this change and speaking above all on what will actually change as well as the reasons which lead to this conviction, then the key procedures and steps to follow and finally specifying the expected objectives and especially the opportunities to be seized or the risks to be avoided which justify entering this complicated process.

In this context, the actors of change must at all times be able to refer to the global vision: what are the challenges, the timing, the means and obviously the objectives. It is also only as part of the general communication strategy to seek means which attract the attention of target audiences and which convey a convincing campaign message. The preparation phase for the change consists in announcing to all the collaborators of the company that a change will occur. In this sense, it is important not to neglect informing the employees and the new desired operating mode. The aim of this communication is to raise awareness among all individuals of the importance of this change project because individual behaviors are like barriers that are difficult to overcome once addressed. A better understanding of the nature and processes of change on the part of leaders would increase (Esther Cameron Mike Green (2012))¹:

- Group spirit and belonging among individuals, ensuring that each person is present and concerned and that they receive the same information at the same time.
- Enriching the debate and helping people to develop a climate of solidarity.

It is not only a question of defining a mission and an objective, but of fully living a commitment which is reflected in daily relationships with employees. This is the way to be both pragmatic and effective; and it is therefore a question of:

- Communicate effectively to each other frankly;
- Clearly define the objectives of the change and the interdependencies for its success;
- Listen and take into account the facts and the expressed feelings.

Communication at the outset of change is a very crucial step, because it constitutes the management indicators that inform decisions at the beginning and during change. It allows sharing ideas and associating employees with the project, defining its reasons for being as well as its positioning in the strategic map of the company. It is also a question of identifying the contributions of this project on the work context in general and the management of human resources in particular.

Regarding the change in the remuneration system, as is often the case in large companies, SH used focus groups and group interviews. It can turn out to be a wise choice in a preparatory

¹ Esther Cameron and Mike Green. *"Making Sense of Change Management: A Complete Guide to the Models, Tools and Techniques of Organizational Change"*, 3th Edition, Kogan Page Limited, USA, 2012.

phase during which awareness of the need to change is essential. Positive feedback in half a day's meeting seems to the project team to be an excellent way to discover hot spots, clear up ambiguities and target the main opinions and suggestions.

However, our questionnaire reveals that communication is not positioned as a lever for efficiency in the implementation of this project. Barely a minority of the managers questioned (21%) really considered that communication at the onset of the project launching is largely sufficient, and 35% of them attended communications, but less than what is needed. In addition to this, 28% of the questioned managers considered that communication is not enough. These groupings of communication which were intended for all the collaborators did not allow all the individuals to apprehend in clearly the meaning of change with which they confront. So, it is necessary for all employees to be able to gradually understand its challenges, to take ownership and to commit to its application. To do this, meetings for information and documentation are organized so that the project team creates a climate of dialogue and listening by offering managers a set of tools and supports to help them better understand the fundamental messages of the company. In this context, the communication must respect a few basic principles to be effective:

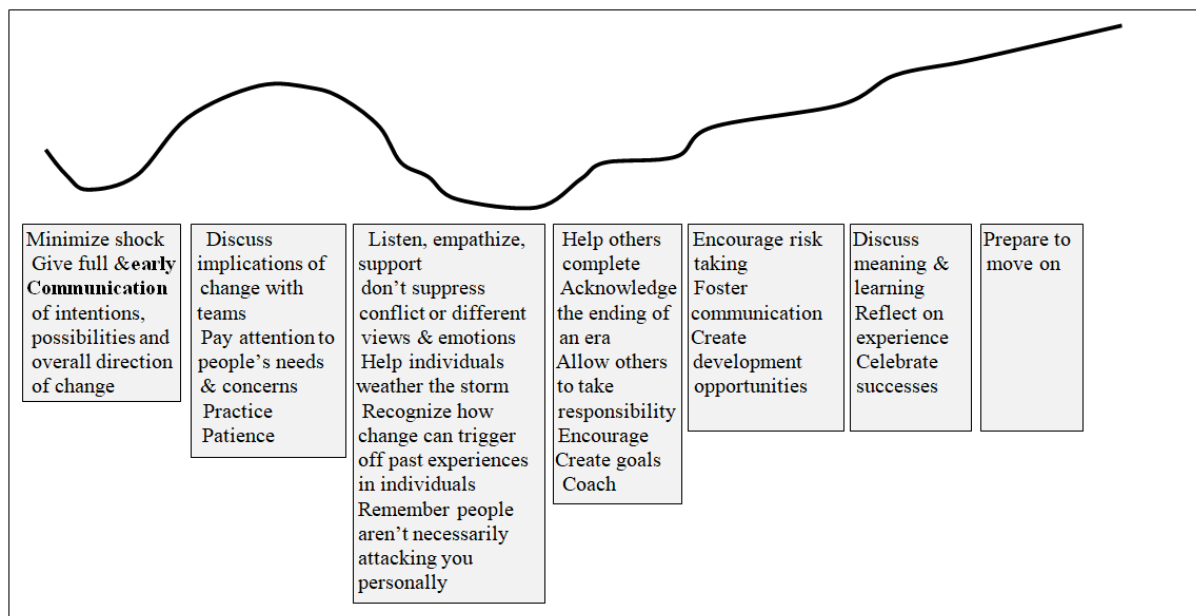


Figure 3.Management Interventions through the Change Process

- Generating confidence and credibility;
- Counting on the relational process as much as the content of the message;
- Saying things clearly to avoid any ambiguity or misunderstanding;
- Be transparent and honest and avoid hidden information and objectives.

In order to stimulate the implication and the commitment of all the actors whatever their positions, it is a question of speaking on an arbitration ratio risk / opportunity to be clear on the intentions. This makes it possible to overcome misunderstandings and to give more explanations on the reasons for the change, the preconceived objectives and the means necessary for its implementation. It will also be necessary to deploy a marketing logic where the communicator tries to sell his vision, according to the targets, composed of similar groups

previously identified and a well-defined purpose. To understand the reasons for the change and learn to recognize it as necessary and beneficial paradigm, the communication plans for information and consultation have been rolled out for activities and structures and carried by increasing number field workers. At the beginning, the consultant ensured the first communications movements for the benefit of the members of the project team. And thereafter, the central project team piloted the whole and ensured the conformity of the messages and contents diffused at the level of all the group structures. In this context, several meetings were organized with the executives of each activity, firstly to convey the messages of management to senior managers and subsequently to all employees.

The project team must succeed in creating a permanent dialogue with their collaborators who have strong assets to achieve their objectives. They seem to be more effective in that they conduct team meetings, leaving the door open to exchanges during which fears and warnings are raised and discussed. In this sense, 26% of managers interviewed said that there was a lot of debate and discussion on this NSR. In the same vein, 32% of managers also say that there were meetings but not enough around this NSR.

In particular, in large organizations like Sonatrach, there are individuals who do not feel comfortable speaking or expressing themselves freely and showing their opinions and also and above all asking their questions in a group context. It is therefore likely to set up a communication process in a small group or even an individual one, allowing personal questions to be addressed and messages to be sent in each case in an appropriate manner.

For this reason, managers must use communication in large groups, in small groups and even individual communication, as a complementary tool to each other. They should also be a tool to respond objectively and quantitatively to the doubts expressed about the true extent of this change in the remuneration system.

Additionally, the management organized meetings to discuss and debate this change were not on one side sufficient for a radical change like that of the remuneration system and were not covering all managers, in particular the middle managers were not mobilized despite their close contact with the majority of workers.

In spite of all the different forms of information and communication support that have been used (document, displays, leaflets and brochures, website and forum, conferences and meetings, etc.), it is necessary to validate managerial communication as a specific support dedicated to managers promoting exchanges within their areas of responsibility. It involves using small discussion groups and individual interviews carried out at different levels of the organization, also by promoting informal exchanges in order to make the model known and understand its challenges.

6. The communication accompanies the change

In the midst of change, the main challenge is rather to establish and maintain a bond of trust and a continuous exchange. It should be noted that the communication serves as the main vehicle for change, and as a consequence, it is necessary to conceptualize its approach for each organizational business phase. It is a question of communication accompanying change in its development. The project team in charge of communication must regularly inform all members of the company about the change project and its progress. In this vein, it boosts and encourages the successes, but also takes care of the difficulties encountered by explaining the reasons and discussing the solutions to overcome the obstacles. In addition to this, it is a matter of holding regular meetings allowing to recapitulate the progress of the project and to encourage dialogue, exchanges and to teach everyone to work with others to achieve this objective and to keep

coherence between words and deeds (Esther Cameron *et al*, 2012). This issue reduces resistance and internal communication barriers and strengthens mutual co-financing. In this context, only 16% of the managers interviewed said that communication enabled them to stay informed about what is happening, and for 37% of the managers found that communication is less effective as an information tool in the progress of the project and 33% of them asserted that the communication did not play its fundamental role in managing this organizational change.

Communicating also means listening to what your employees have to say, because it shows that you are not locked into your certainties but, on the contrary, open to change for better solutions. This feedback is an important act of management which is part of a process of communication with your team, by addressing what is good, what less is and what can be improved. It is also a question of setting up a communication device allowing throughout the project the actors of the company to understand what is happening practically on the ground, as well as to be informed on the following stages. The project team must meet with all the members of the company to give them a clearer idea of the situation and make them very attentive to the details of future developments. Communication must monitor and change the image of employees they have on the project. It is not associated with all of the design and production work but it is a process to inform periodically the managers and the representatives about all the information related to the business organization. In addition, 34% of managers say that during the implementation of this new remuneration system, there was not really an exploitation of bottom-up communications from the managers to take into account the comments and suggestions of the workers on the ground. The communication objectives were mainly focused on the downward flow of information, more rarely on the fact of promoting the feedback of information or transversal exchanges. This result also shows the limits of the introduction of communication in the management processes of this change causing many obstacles to the development of a collective and cooperative approach that can lead to a successful implementation of this project.

Bottom-Up communication during change implementation is essential. It represents the proximity on the ground of the project team, allowing having a good perception of the various barriers and other blockages that the colleagues can feel. It is important not to make the mistake of strengthening communication only at the beginning but even during the implementation and monitoring of actions. It is a permanent and regular communication plan, thus supporting project actors through training and coaching actions. As a result, the possibilities for intervention will be more varied and the support for implementation will be possible and they make all the employees associated with this change and consequently its implementation easier. The following elements will constitute important assets for establishing and maintaining effective communication in a changing situation:

- Proximity in contacts (direct exchanges between management and the recipients of the change);
- Frequent exchanges (short, rather than long);
- Clear truthful messages (say the real things, simply);
- Consistency between the messages and the conduct of the leaders (do what we say).

7. The model of the study

The study seeks to explore the relationship between the organizational communication and change resistance inside Sonatrach Company. The data were collected from 309 managers interviewed of Sonatrach Company. The following hypotheses are envisaged:

- H1: The organizational communication is an indispensable process for managing the change.

- H2: The efficiency of the communication process decreases the level of the organizational change resistance.
- H3: The managers' convictions are pivotal actors of the organizational change.
The model estimated covers three latent variables and 16 indicators as follow:

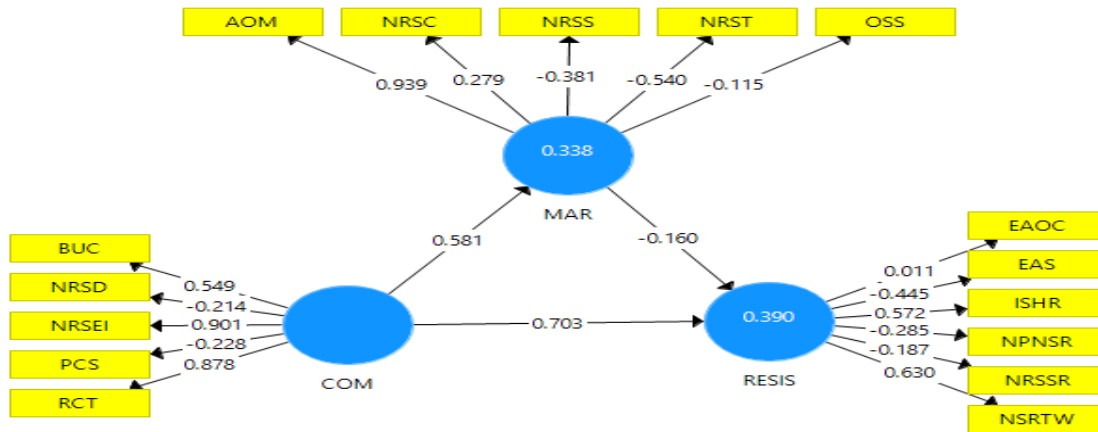


Figure 4. The Estimated Framework of the Conceptual Model

The model above is constructed by three latent variables and 16 indicators. In an attempt to estimate the reliability of the PLS path modeling, the following table presents the model reliability results:

Table 1. The Reliability of the Structural Model

| The Conceptual Model | Indicators | Loading | Alpha Cronbach | CR (Composite Reliability) | AVE (Average Variance Extracted) | VIF |
|----------------------|------------|---------------|----------------|----------------------------|-----------------------------------|-------|
| COM | BUC | 0.549 | 0.289 | 0.541 | 0.396 | 1.262 |
| | NRSD | -0.214 | | | | 1.061 |
| | NRSEI | 0.901 | | | | 2.126 |
| | PCS | -0.228 | | | | 1.049 |
| | RCT | 0.878 | | | | 1.944 |
| MAR | AOM | 0.939 | -0.189 | 0.009 | 0.282 | 1.375 |
| | NRSC | 0.279 | | | | 1.229 |
| | NRSS | -0.381 | | | | 1.035 |
| | NRST | -0.540 | | | | 1.417 |
| | OSS | -0.115 | | | | 1.033 |
| RESIS | EAO | 0.011 | 0.148 | 0.017 | 0.173 | 1.093 |
| | EAS | -0.445 | | | | 1.049 |
| | ISHR | 0.572 | | | | 1.075 |
| | NPNSR | -0.285 | | | | 1.066 |
| | NSRSSR | -0.187 | | | | 1.107 |
| | NSRTW | 0.630 | | | | 1.114 |

The items which loading are under 0.5 are omitted. The tiny values of Alpha Cronbach are due to the ambiguity and the controversial aspects of the answers given by the managers. The table shows that all the VIF values are fewer than 10 meaning that there is no problem of multicollinearity within the framework of the model. According to the model above, 33.9% of resistance expressed by the human asset inside the organization (managers and employees) is due to the communication process and how it is managed towards the implementation of the New Remuneration System. The effect is positive, which means that as far as the communication is processed to serve the NSR, the level of the organizational resistance increases accordingly.

Table 2. Test of Significance for the impact of Communication and the managers' role on the organizational resistance.

| | Original Sample | Sample Mean | Standard Deviation | T Statistics | P Values | Significance |
|-------------|-----------------|-------------|--------------------|--------------|----------|--------------|
| COM ->MAR | 0.581 | 0.564 | 0.152 | 3.824 | 0.000 | ** |
| COM ->RESIS | 0.703 | 0.598 | 0.266 | 2.647 | 0.008 | ** |
| MAR->RESIS | -0.106 | -0.010 | 0.284 | 0.562 | 0.574 | NS |

The model indicates also that the effect of the managers' role on the resistance is negative and not significant. This result portrays that the managers do not contribute in forwarding the New Remuneration System project; this fact is due to either their fear from the implementation of NSR inside the organization or to their beliefs that the system per se is not efficient at all in increasing the performance inside the company.

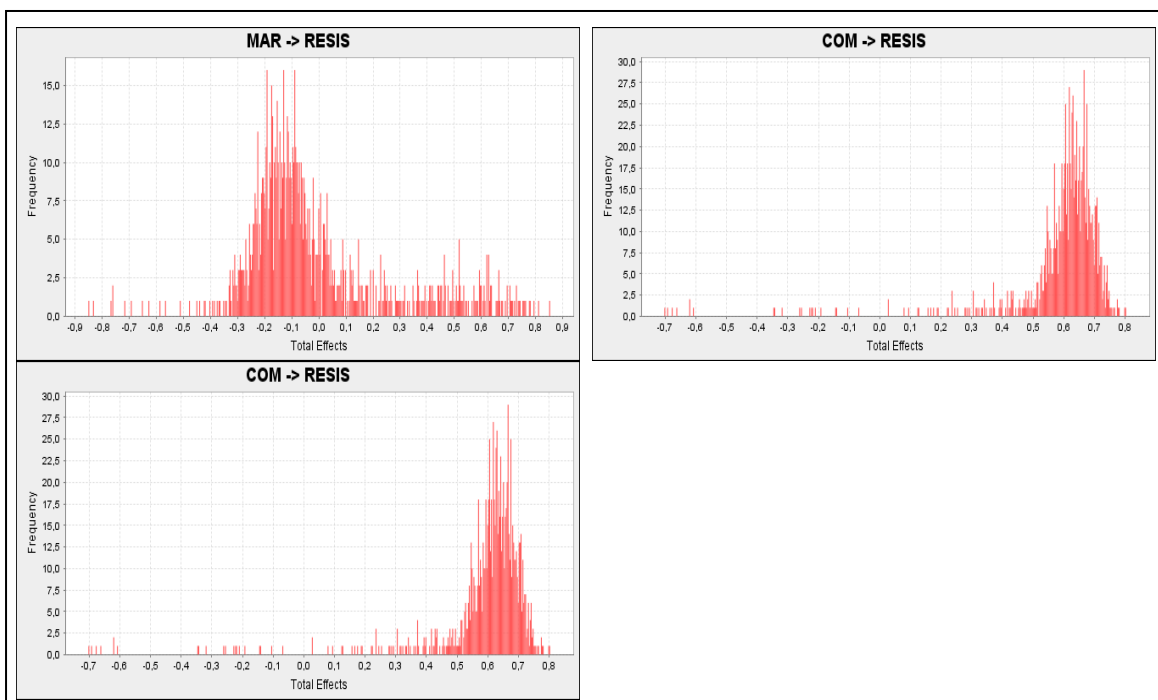


Figure 5. Total Effects of the Latent Variables.

Conclusion

The paper explores the impact of the communication process on the organizational resistance towards the new remuneration system. In fact, the organizational change paradigm

for any company is crucial to attain the objectives and deal with the requirements of the environment evolutions. Sonatrach for instance tried to embark on a change trend of the remuneration system adopted inside the company. This new system is based exclusively on the efficiency and the performance of the human asset of Sonatrach. The study shows that the implementation of this system is faced by both the resistance of the human asset especially the managers and their feeble contributions to advance the establishment of NSR.

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APPENDIX

Table 2. Latents and Indicators of the Model

| Latent Variable | Indicators | Latent Variable | Indicators | Latent Variable | Indicators |
|--|--|-------------------------|--|-----------------------|--|
| COM (Communication) | BUC (Bottom-Up Communication) | MAR (Managers' Role) | AOM (Advantageous Objectives from Managers) | RESIS (Resistance) | EAO (Employees Against Organizational Change) |
| | NRSD (New Remuneration System Debate) | | NRSC (New Remuneration System Challenge) | | EAS (Employees Against Salaries) |
| | NRSEI (New Remuneration System Employees' Involvement) | | NRSS (New Remuneration System Syndicate) | | ISHR (Instability Among Sonatrach Responsibles) |
| | PCS (Prior Communication System) | | NRST (New Remuneration System Training) | | NPNSR (Non-Persuasion about NSR) |
| | RCT (Role of Communication Tools) | | OSS (Old System Satisfaction) | | NSRSR (NSR Strong Resistance) |
| The Sample Investigated: 309 Managers of Sonatrach Company | | | | | NSRTW (NSR Tensions at Work) |

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