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Change Management Guidelines for South African Mining Industry

Stakeholder Engagement Workshop

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About the

Welcome to this workshop on Change Management Guidelines tailored for the South African Mining Industry. This workshop aims to provide you with a comprehensive understanding of the critical role of change management in successfully navigating the evolving landscape of this dynamic sector.

As participants, you will gain valuable insights into managing resistance, building stakeholder engagement, and implementing sustainable change processes. Whether you're dealing with technological upgrades, operational improvements, or regulatory compliance, these guidelines will help you lead change effectively.

Lastly, you will have an in depth understanding of the recently released DMRE's mandatory change management guidelines for the South African Mining Industry.

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Overview - Change Management

Change management is the discipline that guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success and outcomes. It helps to move people from current state into future end state.

Process

Effective change management follows a repeatable process and uses a holistic set of tools to drive successful change.

Change
Management
Is Both a
**Process and a
Competency**

Competence

As a competency for leaders, change management is a set of skills that enables change and creates a strategic capability for increasing organizational effectiveness.

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Types of changes - (All)

New managers

Job changes

Silly Season

Procedures

New leadership

Documentations

Policies Equipment

Payslip

Acting Role

Work plans

Regulations (DMRE) Tools

Compensation

Work Instructions

Software

Promotions Buildings

Systems

Technology

Business ownership

DMRE findings

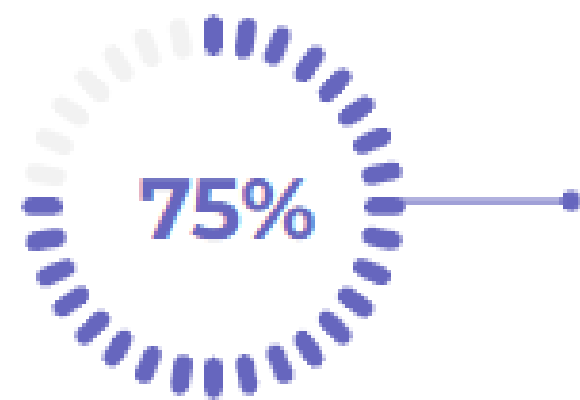
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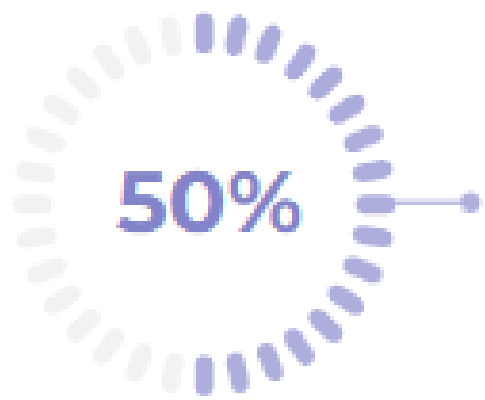
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Case for Change Management

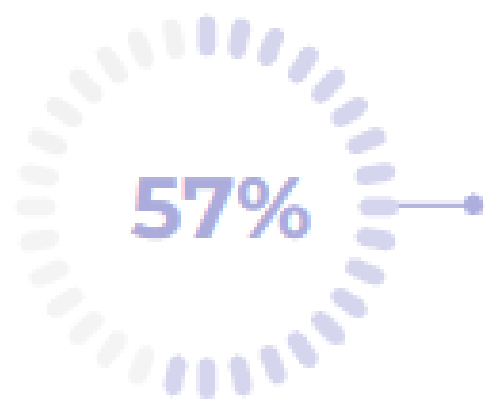
A majority of organizational change initiatives do not reach expected levels of success.



of change initiatives fail to achieve the improvements expected (Furst, 2021).



of organizational change initiatives are unsuccessful (Miller, 2020).



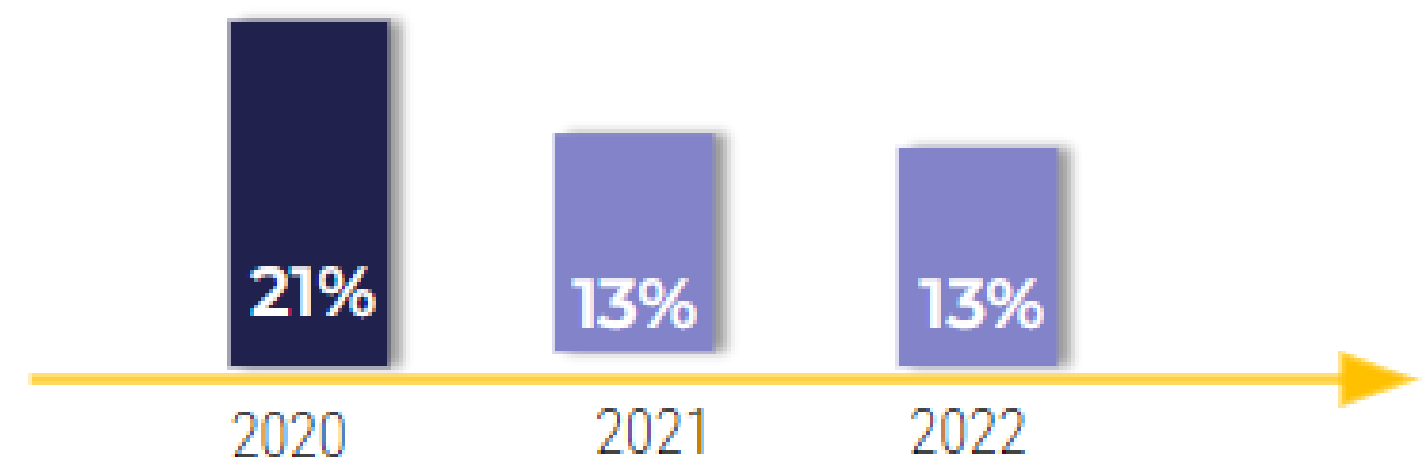
of all transformations fail to hit their targets in terms of value envisioned, timeline, or both (Messenböck, et al., 2019).

Ratings of organizational change management proficiency (by both HR and non-HR professionals) have continued to decrease since 2020...

Average change management proficiency
(on a 1-to-10-point scale)



% Highly proficient in change management

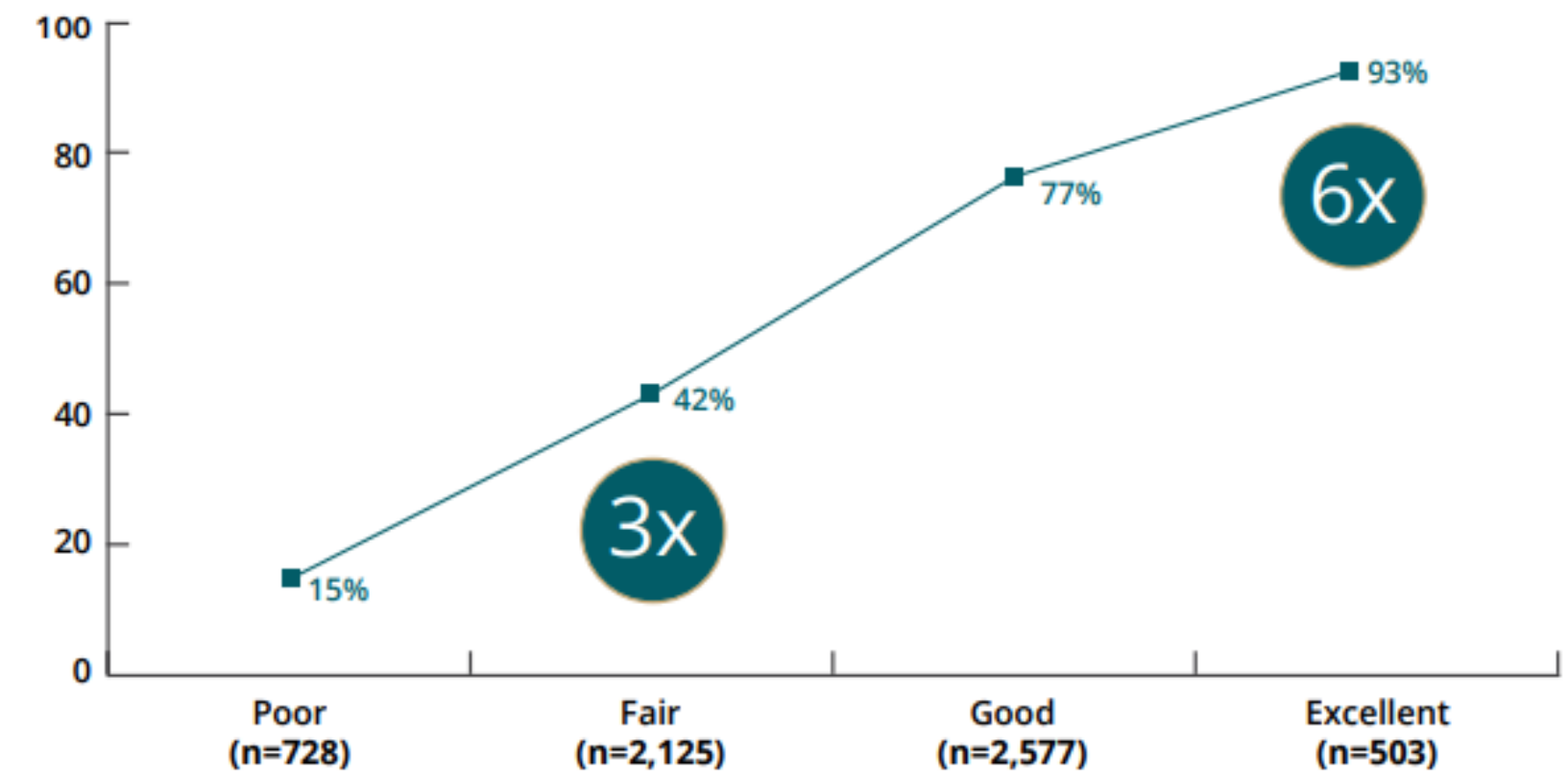


(McLean & Company Trends Report, 2020-2022)

Case for Change Management

According to Prosci's Best Practices in Change Management research, initiatives with excellent change management are six times more likely to meet objectives than those with poor change management.

Percentage of respondents that met or exceeded project objectives



Prosci 2020 Benchmarking Data from 2007, 2009, 2011, 2013, 2015, 2017, 2019

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Case for Change Management

**"76% of CEOs
said that their ability to
adapt to change will be a
key competitive advantage."**

1 PricewaterhouseCoopers International Limited, editors.
11th Annual Global CEO Survey. Belfast, Northern Ireland.
2004

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5 Levels Change Management Maturity Mode

Level 5	Organizational Competency	Change management competency is evident in all levels of the organization and is part of the organization's intellectual property and competitive edge	Continuous process improvement in place	Highest profitability and responsiveness
Level 4	Organizational Standards	Organization-wide standards and methods are broadly deployed for managing and leading change	Selection of common approach	
Level 3	Multiple Projects	Comprehensive approach for managing change is being applied in multiple projects	Examples of best practices evident	
Level 2	Isolated Projects	Some elements of change management are being applied in isolated projects	Many different tactics used inconsistently	
Level 1	Ad Hoc or Absent	Little or no change management applied	People-dependent without any formal practices or plans	Highest rate of project failure, turnover and productivity loss

Reference - Extract copied from

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PROSCI's 5 Levels Change Management Maturity Model - Level 1

At Level 1 of the organizational change management maturity model, project teams are not aware of change management and do not consider it as a formal approach for managing the people side of change. Change management **is applied on a project only as a last resort when employee resistance jeopardizes the success of the project.**

Projects at this level can have one or more of the following characteristics:

- Project leadership is focused only on the technical side of the project including funding, schedule, issue tracking and resource management
- Communications from the project are **infrequent and delivered** on a need-to-know basis
- Employees find out about the change first through **rumors and gossip** rather than structured presentations
- Executive support is only evident through funding authorization and resource allocation; there is **no active and visible sponsorship**
- People managers **have little or no information** about the change and have no change management skills to coach their employees through the change process
- Employees **react to change with surprise and can be very resistant**
- **Productivity slows and turnover increases** as the change nears full implementation

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PROSCI's 5 Levels Change Management Maturity Model - Level 1

Steps for moving to Level 2

- Attend change management training, have change management tools and resources, or engage change management consultants
- Apply change management to isolated projects and use change management techniques to help projects that are currently experiencing resistance to change

PROSCI's 5 Levels Change Management Maturity Model - Level 2

In Level 2, elements of change management begin to emerge in isolated parts of the organization. The effort to manage the people side of change is infrequent and is not centralized.

Characteristics of this level are:

- **A large variation** of change management practices exists between projects with many different change management approaches applied sporadically throughout the organization; some projects may be effectively managing change while others are still in Level 1
- There are elements of communication planning, but there is little sponsorship or coaching
- People managers have no formal change management training to coach their employees through the change process
- **Change management is typically used in response to a negative event**
- Little interaction occurs between the isolated project teams using change management; each new project “re-learns” the basic change management skills

PROSCI's 5 Levels Change Management Maturity Model - Level 2

- In **Level 2**, projects apply change management when **resistance emerges or when the project nears implementation**. Only isolated projects use change management at the beginning of their project. Some elements of communication planning occur early in the lifecycle.

PROSCI's 5 Levels Change Management Maturity Model - Level 2

Steps for moving to Level 3

- Create knowledge about the different change management initiatives used in the organization and begin research in change management best practices
- Create clusters of project teams applying change management principles
- Begin collection of knowledge and tools across the organization and celebrate change management successes
- Begin building support for using change management with executives and senior leaders who oversee multiple projects

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PROSCI's 5 Levels Change Management Maturity Model- Level 3

At Level 3, groups emerge that begin using a structured change management process. Change management is still localized to particular teams or areas in the organization.

Organizations at this level can have one or more of the following characteristics:

- Multiple projects are using structured change management processes, although these approaches and methodologies may be different
- Some elements of knowledge sharing emerge between teams in the organization; teams in some departments are sharing experiences and lessons learned
- While change management is applied more frequently, no organizational standards or requirements exist; pockets of excellence in change management co-exist with projects that use no change management
- Senior leadership takes on a more active role in sponsoring change and consider this role part of their responsibilities, but no formal company-wide program exists to train project leaders, people managers or coaches on change management
- Training and tools become available to project leaders and team members; people managers now have the training and tools to coach frontline employees

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PROSCI's 5 Levels Change Management Maturity Model- Level 3

- **Change management** is initiated at the start of some projects, with a large fraction still applying change management as a reaction to employee resistance during implementation.
- Teams who are successful at change management **integrate change management with their overall project management methodology** at the inception of the project, including communication and other change management plans.

PROSCI's 5 Levels Change Management Maturity Model- Level 3

Steps for moving to Level 4

- **Enlist executive support** for applying change management on every project and for **building change competencies at every level in the organization**
- **Select a common methodology** that can be used throughout the organization and begin acquiring the tools and training necessary to roll out the common methodology

PROSCI's 5 Levels Change Management Maturity Model - Level 4

In Level 4 of the Change Management Maturity Model, the organization has selected a common approach and implemented standards for using change management on every new project or change. Note: a common methodology does not mean a one-size-fits-all recipe; effective methodologies use repeatable steps, but they work best when tailored to the specific needs of every project.

Organizations at this level can have one or more of the following characteristics:

- There is an **enterprise-wide acknowledgement** of what change management is and why it is important to project success
- **They have selected a common change management methodology** and are developing plans for introducing the methodology into the organization
- Executives, project teams and change leaders **have access to training and tools**, and people managers **have formal training on their roles in change management**
- **There are individuals, groups or administrative positions dedicated to supporting change management efforts** and building change management skills
- **Executives assume the role of change sponsors on every new project** and are active and visible sponsors of change
- Teams expect resistance and non-compliance in isolated instances, although some project teams may still not understand why they are using change management
- **Adoption is not yet at 100%** and the organization is in the process of building change management skills throughout the organization

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PROSCI's 5 Levels Change Management Maturity Model - Level 4

- **At Level 4**, teams regularly use a change management approach from the beginning of their project, with change management work included in the planning phase of the project.
- As the project progresses, project management and change management continue to integrate to the point where they are not separable. Project teams follow both project and change management milestones.

PROSCI's 5 Levels Change Management Maturity Model - Level 4

Steps for moving to Level 5

- **Create a formal position or staff group that is responsible for the effective deployment**, training and improvement of change management competencies
- **Correct non-compliance and analyze gaps** in the organization that are not applying the selected methodology

PROSCI's 5 Levels Change Management Maturity Model - Level 5

In Level 5 change management maturity, change management competency is part of the skill set of the organization.

Organizations at this level can have one or more of the following characteristics:

- Effective management of change is an **explicitly stated strategic goal**, and **executives have made this a priority**
- **Employees across the enterprise understand change management**, why it is important to project success, and how they play a role in making change successful
- **Change management is second nature**, so commonplace that it is nearly inseparable from initiatives
- **People managers routinely use change management techniques** to help support a broad range of initiatives, from strategy changes to individual employee improvement
- **The organization gathers data to enable continuous improvements** to the common change management methodology, tools and training
- **Extensive training exists** at all levels of the organization
- **Higher ROI**, lower productivity loss and less employee resistance to change across the organization

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PROSCI's 5 Levels Change Management Maturity Model - Level 5

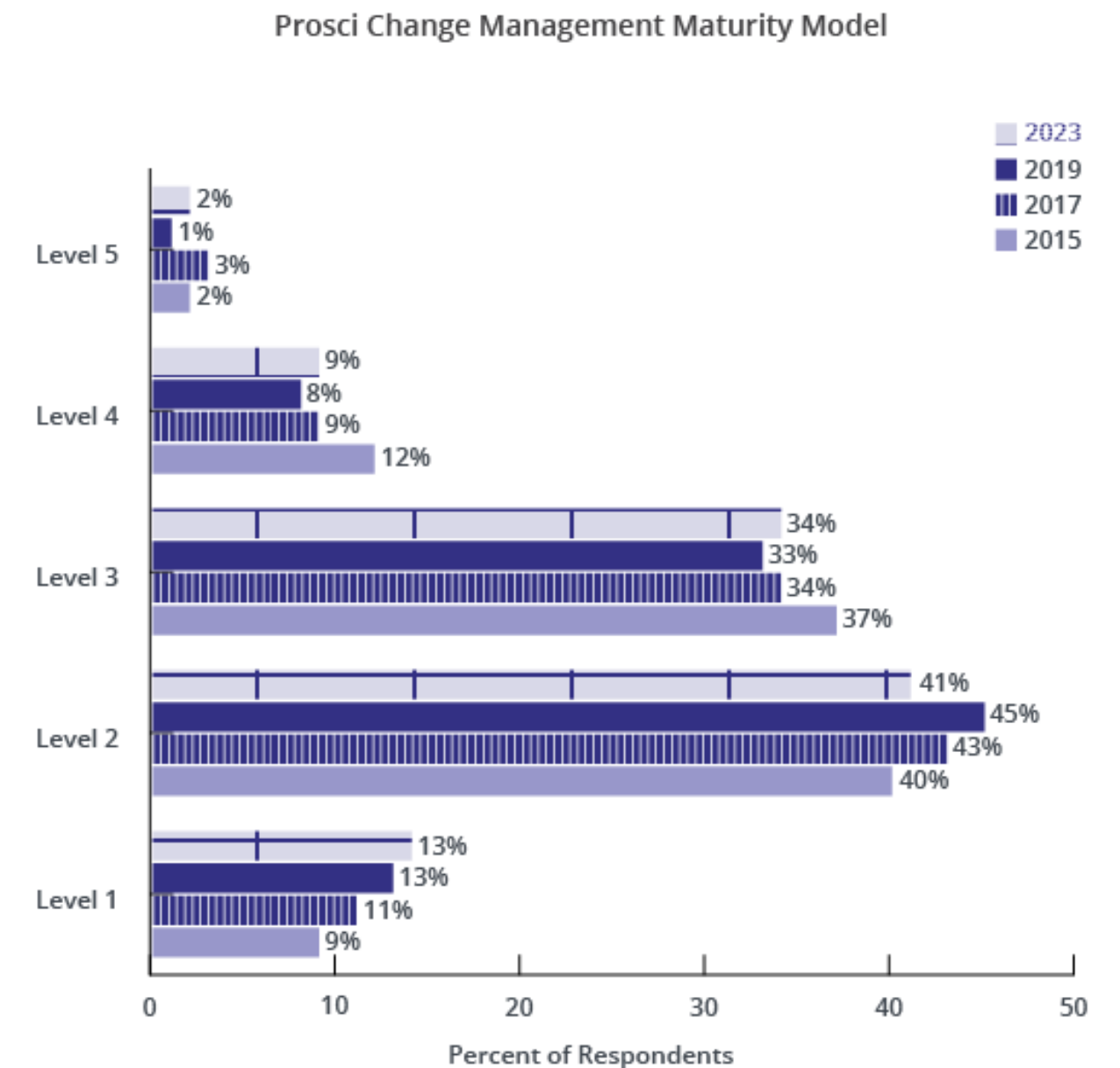
- When organizations have developed a high level of change management competency, change management steps are completely integrated into project management, and change management work begins before the project kicks off.
- Planning and design phases have both project and change management elements and are viewed as standard practice.

PROSCI's 5 Levels Change Management Maturity Model - Level 5

- When organizations have developed a high level of change management competency, change management steps are completely integrated into project management, and change management work begins before the project kicks off.
- Planning and design phases have both project and change management elements and are viewed as standard practice.

Change Management Maturity Model Benchmarking Research

In Prosci's Best Practices research, participants identified where they were on the Change Management Maturity Model. Over half of participants (54%) fell at Level 1 (ad hoc or absent change management) or Level 2 (change management on isolated projects). Only 11% were at Level 4 or Level 5, where the organization had truly begun adopting organizational standards and building organizational competencies.



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Source: Prosci Research Hub

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Activity

How would you plot
your company in a 5
Level Change
Management
Maturing Level?
Group Discussion

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Change Management Challenges facing the industry

- Mergers, Acquisitions, and Divestments
- Seasonal fluctuations, e.g., festive periods and holidays like Good Friday
- Alterations in leadership or senior management roles, whether permanent or interim
- Volatility in global commodity prices
- Integration of technological advancements
- Workforce downsizing, encompassing retrenchments (s189/VSP)
- Regulatory compliance (e.g., S54/55)
- Alterations in contractors or principal service providers
- Major health crises such as pandemics
- Resumption of mining operations in previously exploited areas or pillars
- Variations in ore grade or grade fluctuations
- Psychological impact due to significant disasters
- Market fluctuations

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Change Management Best Practices

1. Stakeholder Engagement
2. Effective Communication
3. Overcoming Resistance to Change
4. Change Leadership
5. Governance & Accountability
6. Monitoring and Evaluating Change Initiatives
7. Managing the Human Side of Change
8. Organisational Readiness Assessment
9. Change Impact Analysis
10. Effective Planning
11. Quick wins and celebrating successes
12. Training and Up Skilling of Employees
13. Managing Expectations and Addressing Concerns
14. Sustaining Change

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About Change Metrics

Change Management Advisory & Consulting Services



Change Management for Individuals

Enables individual success by supporting each person through their individual change journey.



Change Management for Organizational Projects and Initiatives

Increases outcomes and return on investment (ROI) by equipping impacted individuals to adopt the change.



Enterprise Change Management

Delivers strategic intent, mitigates change saturation, and improves agility by embedding change management into the fabric of the organization.

Focused, Customized Change Solutions

Organizational change comes in all shapes, sizes and levels of complexity. It's no surprise, then, when businesses struggle to make important changes happen. Blending the art and science of change, we use research-based, industry-leading strategies and tools to develop and deliver customized services that help you succeed at change. We also provide you a level of change expertise unrivaled in the industry.

Change Metrics support individuals, project teams and organizations by helping you build enterprise change capability where you need it the most.



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15 Mins Break
We will reconvene
at 11:15

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Review of the Guideline

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Thank you

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