

KYMENLAAKSO UNIVERSITY OF APPLIED SCIENCES

Master's Degree Programme in International Business Management

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EFFECTIVE CHANGE MANAGEMENT IN KYUAS AND MIKKELI UAS

Master's Thesis 2012

## ABSTRACT

KYMENLAAKSO UNIVERSITY OF APPLIED SCIENCES  
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TYNYS, MARI	Effective change management in KyUAS and Mikkeli UAS
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Changes are permanent parts of working life today. Tougher competition and changing legislation force also universities of applied sciences to develop their operations and to be able to change. Network of universities of applied sciences in Finland is tightening and reductions will be made. A successful cooperation and change process in Kymenlaakso University of Applied Sciences and in Mikkeli University of Applied Sciences have given the two universities of applied sciences a competitive edge in the field of higher education in Finland, because there will not be competition between these two universities of applied sciences and when reductions will be planned in the field of higher education, these universities of applied sciences will still remain in the network of universities of applied sciences due to their cooperation and change process.

This study concerns change management in the target universities. The aim of the study was to improve change management and make the gap between management and personnel smaller by producing knowledge and understanding of importance of effective management in a change situation. Qualitative case study is used as a research strategy that concentrates on perceptions, opinions and attitudes of middle and top management about how successfully the change situation has managed so far and how to be a good change manager. This study also finds out with quantitative methods employees' experiences and opinions on how successfully the change process has been implemented in the eyes of an employee.

This study shows that the change itself has been managed well but employees need information, support and communication. Suggested tools for management are emotional managing, coaching and leadership. Change situation requires also activity from the employees. With active commitment, employees can help organization to change and thus, increase their own competence and organizational learning.

## TIIVISTELMÄ

KYMENLAAKSON AMMATTIKORKEAKOULU

Master's Degree Program in International Business Management

TYNYS, MARI	Tehokas muutosjohtaminen KyAMK:ssa ja MAMK:ssa
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Muutokset ovat nykyään pysyvä osa työelämää. Tiukentunut kilpailu ja muuttuva lainsäädäntö pakottavat myös ammattikorkeakoulut kehittämään toimintojaan ja olemaan valmiita muutokseen. Ammattikorkeakoulujen verkosto Suomessa tiivistyy ja vähennyksiä tullaan tekemään. Kymenlaakson ja Mikkelin ammattikorkeakoulujen menestyksekkäs yhteistyö ja muutosprosessi ovat antaneet näille ammattikorkeakouluille kilpailuedun suomalaisen korkeakoulutuksen alalla, koska ne eivät enää kilpaile keskenään ja tulevat säilymään suomalaisen korkeakoulutuksen kentällä yhteistyönsä ja muutosprosessinsa ansiosta.

Tutkimus käsittelee muutosjohtamista kohdeammattikorkeakouluissa. Tutkimuksen tarkoitus on kehittää muutosjohtamista ja kaventaa johdon ja henkilöstön välistä kuilua lisäämällä tietoa ja ymmärrystä tehokkaan johtamisen tärkeydestä muutostilanteessa. Tutkimusstrategiana käytetään laadullista tapaustutkimusta, joka keskittyy keski- ja ylimmän johdon havaintoihin, mielipiteisiin ja asenteisiin muutostilannetta kohtaan ja hyvän muutosjohtajan ominaisuuksiin. Tutkimuksessa selvitetään myös määrällisin metodein työntekijöiden kokemuksia ja mielipiteitä muutosprosessista työntekijän näkökulmasta.

Tutkimus osoittaa, että muutos on johdettu hyvin, mutta työntekijät tarvitsevat tietoa, tukea ja kommunikointia. Nämä tavoitteet saavutetaan tunnejohtamisella, valmentavalla johtamisella sekä ihmisten johtamisella. Muutostilanne vaatii aktiivista otetta myös työntekijöiltä. Aktiivisen sitoutumisen myötä työntekijät voivat auttaa organisaatiota muutostilanteessa ja täten lisätä omaa osaamistaan ja organisaation oppimista.

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## 1 INTRODUCTION

### 1.1 Background, context and situation

The Finnish higher education system consists of two complementary sectors: universities of applied sciences and research universities. The mission of research universities is to conduct scientific research and provide instruction and postgraduate education based on it. Universities of applied sciences train professionals in response to labor market needs and conduct research, development and innovation operations (RDI) which support and promote regional development in particular. Universities of applied sciences are multi-field regional institutions focusing on contacts with working life and regional development. (The Ministry of Education and Culture 2012a.)

The Finnish Government has made a decision to develop higher education system during years 2011 to 2014. This is called "Polytechnic Reform".<sup>1</sup> The purpose of the reform is to provide internationally competitive education that is in the same time fulfilling regional needs. According to the Government of Jyrki Katainen, this purpose will be achieved by improving quality and efficiency of universities of applied sciences and by revising the legislation of funding and administration of Finnish universities of applied sciences. The Polytechnic Reform recorded in the Government Programme started in September 2011. The aim is to draft a government proposal for a new Polytechnics Act, which is to take force from the beginning of 2014. (The Ministry of Education and Culture 2012b.)

According to the Government Programme, the responsibility for funding as a whole will be transferred to the government and Finnish universities of applied sciences will be made independent legal persons. The licenses to provide education in universities of applied sciences will be revised, with emphasis on

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<sup>1</sup> Polytechnic is a former term for university of applied sciences. The Ministry of Education and Culture still uses "polytechnic" although otherwise "university of applied sciences" is more common. Both terms mean the same thing.

quality and impact. Financing will be overhauled to better support current objectives, such as speedy transfer to the labor market. The units will be combined into sufficiently large and innovative high-standard competence environments. (The Ministry of Education and Culture 2012b.)

Polytechnic reform is an interactive process between the Ministry of Education and Culture and universities of applied sciences. The basis is on projects and plans of universities of applied sciences. Universities of applied sciences have the responsibility to develop but the Ministry of Education and Culture is monitoring the results and takes them into account in the finance of universities of applied sciences. (The Ministry of Education and Culture 2012b.)

Based on this background, Kymenlaakso University of Applied Sciences (KyUAS) and Mikkeli University of Applied Sciences (Mikkeli UAS) have started a strategic cooperation in 2009. Since January 1 2012, KyUAS and Mikkeli UAS have worked under a common administrator, Kaakkois-Suomi University of Applied Sciences. The purpose of a mutual administrator is to solve problems concerning the infrastructural development of university networks. These problems are mainly related to the educational offering and the faculty network. Both Universities of Applied Sciences have so far continued their normal activity also under a common administrator, although some mutual functions have been developed. (Kymenlaakso and Mikkeli Universities of Applied Sciences 2011a) This change process is not completed. The situation when this study was carried out was very critical. These universities of applied sciences were waiting for statement of the Ministry of Education and Culture about how to proceed with this cooperation in the near future.

The strategic cooperation between the target universities is a necessary initiative in the field of universities of applied sciences. This change process perhaps keeps these two universities of applied sciences alive in the field of universities of applied sciences. However, sometimes it is hard or even impossible for employees to see beyond own work. That causes problems in the change process. Change situation is always some kind of a crisis. In this context this study concerns expectations and perceptions of both employees and management about managing in a change situation. The aspect of the change

is that end result is still unknown. Trust is always important in a change situation. Management has to be able to create trust within personnel and employees have to be able to trust the management. Trust is especially important in this case, because the end result is unknown. The target of this study was employees and managers who are working in updating training, tailored courses, and open studies in university of applied sciences, i.e. other education besides programmes leading to a degree.

## 1.2 Aim, objective and research question

The study aims at better change management. In a change situation, people in working life can “close their eyes” from the bigger picture. Unpleasant decisions are hard to understand. The aim of this study is to improve change management and thus make the gap between management and employees smaller by producing knowledge and understanding of importance of effective management in a change situation. With this new knowledge and understanding, change situations can be faced more easily in individual and organizational level.

The objective of this thesis is to help management in a change situation by developing practices for change management in Kymenlaakso University of Applied Sciences and Mikkeli University of Applied Sciences but also other universities of applied sciences in similar situations. This objective will be achieved by examining perceptions, expectations and attitudes towards a change process in Kymenlaakso University of Applied Sciences and in Mikkeli University of Applied Sciences. Both employees and management will be studied in the sample.

The research question of this thesis is:

“How to help achieving organizational objectives in a change situation in KyUAS - Mikkeli UAS context?”

In this study, that question can be answered with the help of theoretical and empirical basis. First, the theory part explains changes and behavior in a change situation. Then, the interviews and survey will explain this particular



situation in Kymenlaakso University of Applied Sciences and in Mikkeli University of Applied Sciences.

Theory part of this thesis consists of two chapters: Change and Managing in a change situation. These chapters cover the issue from all angles of the triangle shown in page 44 of this thesis; significance of the change, managing in a change situation and good employee skills in a change situation.

The end result of the study gives tools for management to keep the focus on the most important areas and the work performance regardless of the change situation. This result will be achieved by organizing and analyzing the data gathered in this study. This study will produce guidelines for management on how to operate in the middle of the change situation in order to get the best possible work performance from themselves and the employees. These guidelines are reminding management of the special characteristics of a change situation.

## 2 THE RESEARCH CONTEXT

### 2.1 Kymenlaakso University of Applied Sciences

Kymenlaakso University of Applied Sciences is a limited liability company owned by cities of Kotka and Kouvola, and the municipality of Iitti. In addition to the company board, KyUAS has its own board of directors responsible for developing the university operations and managing the internal administration of the university in cooperation with the Rector/Managing Director. The following figure 1 shows the organization chart of KyUAS

# Organisational chart 2011

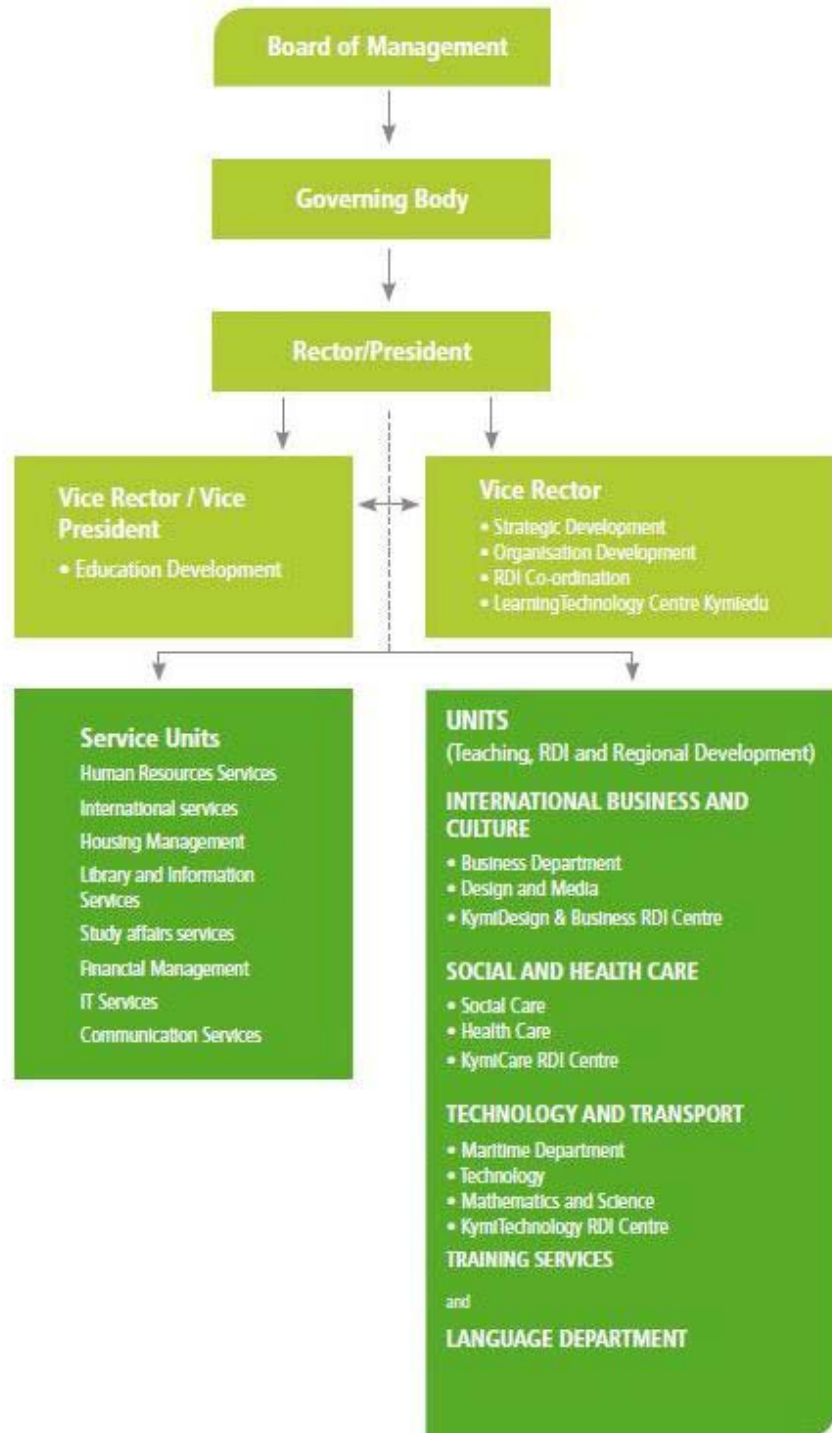


Figure 1: The organization chart of KyUAS (Annual responsibility report 2010-2011, 99.)

Kyminlaakso University of Applied Sciences provides university-level education in Kotka and in Kouvola. KyUAS has three campuses divided into seven departments:

- International Business and Culture, 1500 students (Kouvola)
  - o Business, 920 students
  - o Design and Media, 580 students
- Social and Health Care, 830 students (Kotka and Kouvola)
  - o Social Care, 350 students (Kouvola)
  - o Health Care, 480 students (Kotka and Kouvola)
- Technology and Transport, 2020 students (Kotka)
  - o Technology and Mathematics
  - o Science Department

There are about 4 500 students, of which about 4 000 are full-time students and about 500 are in adult education. There are approximately 400 employees, of which approximately 220 are employed as teachers. Education is offered in 20 different degree programmes for young students, eight degree programmes for adult students and four Master's programmes. In addition, open university of applied sciences studies and other continuing education programmes are offered. (Kymenlaakso UAS 2012.) In KyUAS there are education departments and service departments. One of the education departments is Training Services that coordinates educational services for companies and communities. They offer open studies in university of applied sciences, specialization studies, language examinations, labour market training, continuing education, company-specific seminars and training services and career and recruitment services. This department is the target of this research.

Kyminlaakso University of Applied Sciences focuses on promoting positive changes in the industrial structure of the province and the development of innovative, responsible industries in the region, as well as reinforcement of Kymenlaakso's logistic position and management of changes in the population structure. KyUAS is the only independent higher education institution in the province. (KyUAS Annual responsibility report 2010-2011, 2.)

## 2.2 Mikkeli University of Applied Sciences

Mikkeli University of Applied Sciences has three campuses in Mikkeli, Pieksämäki and Savonlinna. Mikkeli main campus is a multidisciplinary campus with students in seven different fields of study. Pieksämäki Nikkarila campus offers education in forestry. In Savonlinna Savonniemi campus there are students in four different fields of study. Mikkeli UAS is a versatile university of applied sciences offering education in 18 different education programmes and eight fields of study. Altogether Mikkeli University of Applied Sciences has 4 500 students and 400 members of personnel. Mikkeli University of Applied Sciences does not have a separate department for educational services for companies and communities, but these tasks are handled in addition to teaching and other job descriptions of several people in different departments. These people are the target of this study.

Rector/Managing Director is in charge of the internal administration of Mikkeli UAS together with board of directors. The following figure 2 shows the organizational structure of Mikkeli UAS.

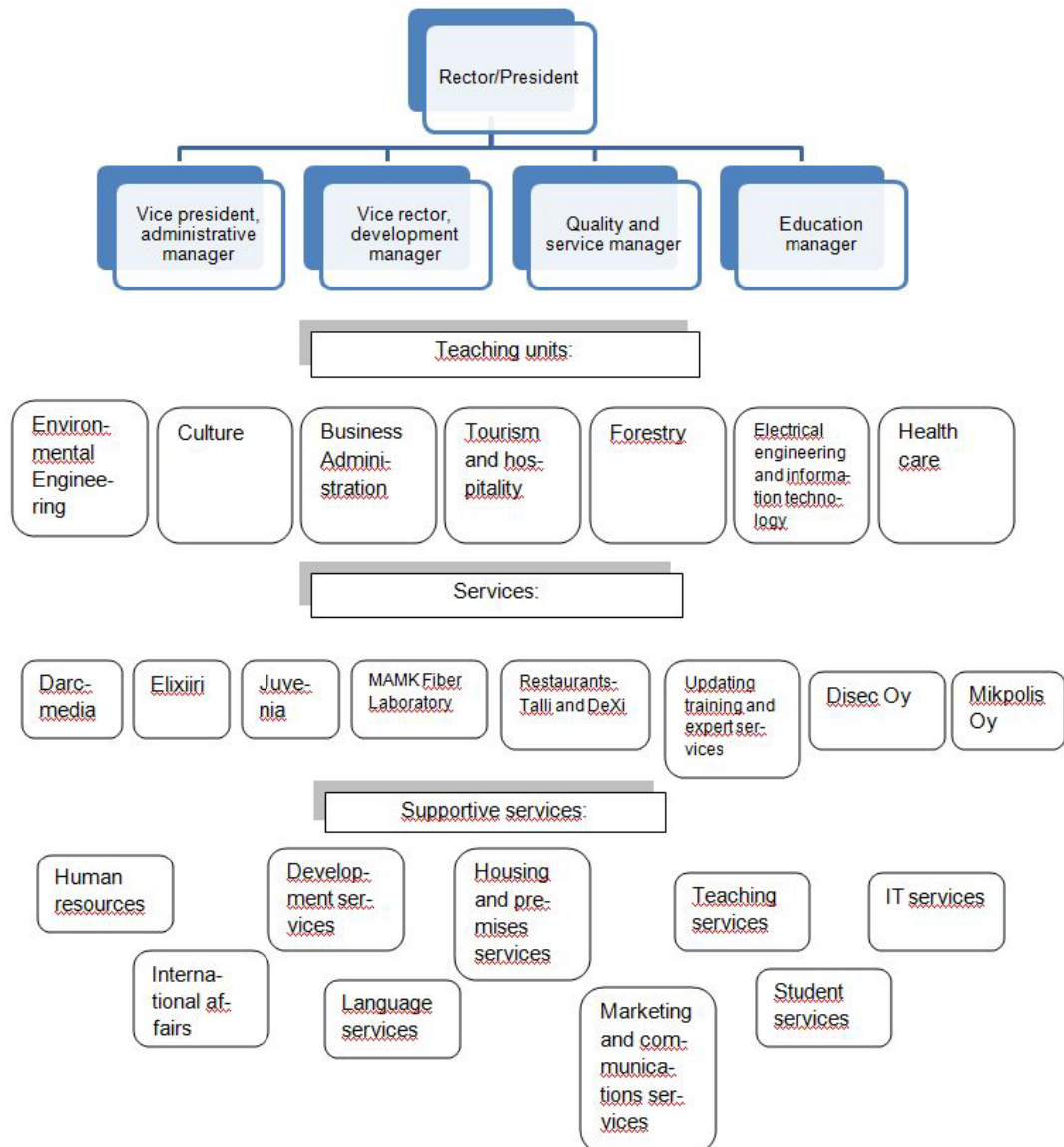


Figure 2: Organizational structure of Mikkeli UAS

Kyminlaakso and Mikkeli Universities of Applied Sciences have both focused on Russia know-how. The common RDI know-how areas are well-being and viability, material and energy effective environment as well as innovation activity and commercialization. (Kyminlaakso and Mikkeli Universities of Applied Sciences 2011b.)

According to Saastamoinen (2012), managing director of South-Eastern Finland's University of Applied Sciences, these both universities of applied sciences are quite similar in size and history. It is a good basis for the cooperation, since they both are equal in negotiations and one is not stronger than the

other one. This study was executed in the point of view of both organization, the main focus being on the tasks and teams. Basic facts of both target universities are shown in figure 3.

	<b>KyUAS</b>	<b>Mikkeli UAS</b>
<b>Campuses</b>	3	3
<b>Students</b>	4 500	4 500
<b>Personnel</b>	400	400
<b>Programmes leading to a degree</b>	20	18
<b>Master's Degrees</b>	4	
<b>- in English</b>	1	-
<b>Graduates per year</b>	approximately 700	approximately 800

Figure 3: Basic facts of the target universities

### 2.3 Background of the cooperation

Organizational cooperation between Kymenlaakso University of Applied Sciences and Mikkeli University of Applied Sciences concretely started 21 December in 2009 when a mutual contract between these two universities of applied sciences was signed. The aim of the contract was to significantly and in a concrete way deepen the cooperation between the organizations. This contract was designed after a couple of year's ground work in South-Eastern Finnish network of universities of applied sciences. Cooperation was first planned between three universities of applied sciences and one research university, but the end result of the ground work was cooperation between these two universities of applied sciences. The following figure 4 shows the timeline of the cooperation and the position of this thesis in the change process.

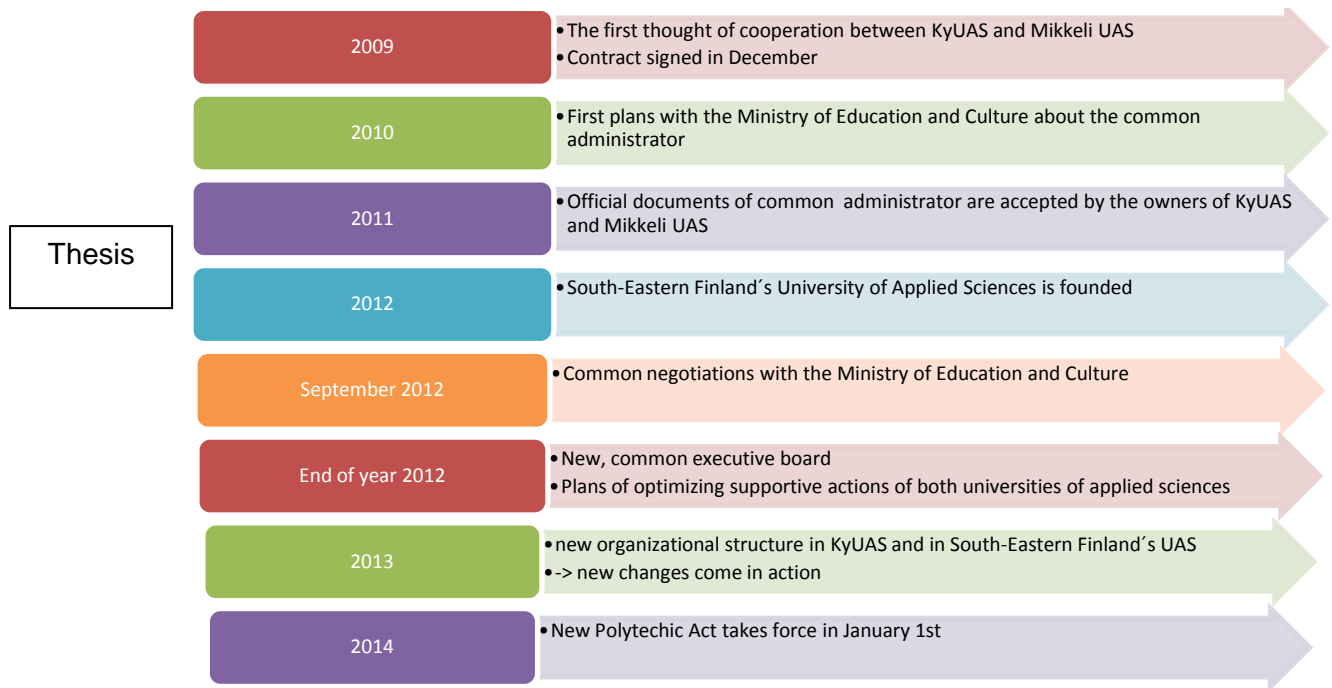


Figure 4: The timeline of the change process

The change process has proceeded slowly regardless of the mutual will, because of negotiations of the owners of the universities of applied sciences. KyUAS and Mikkeli UAS are owned by cities and municipalities, in which the negotiation process is often bureaucratic and slow.

Mikkeli University of Applied Sciences has been maintained by a consortium that was owned by cities of Mikkeli, Pieksämäki and Savonlinna. Since January 1 2012, the consortium was ended and South-Eastern Finland's University of Applied Sciences became the common owner of both Kymenlaakso University of Applied Sciences and Mikkeli University of Applied Sciences. The present ownerships of KyUAS and Mikkeli UAS are shown in the following figure 5.

## Ownerships of KyUAS and Mikkeli UAS

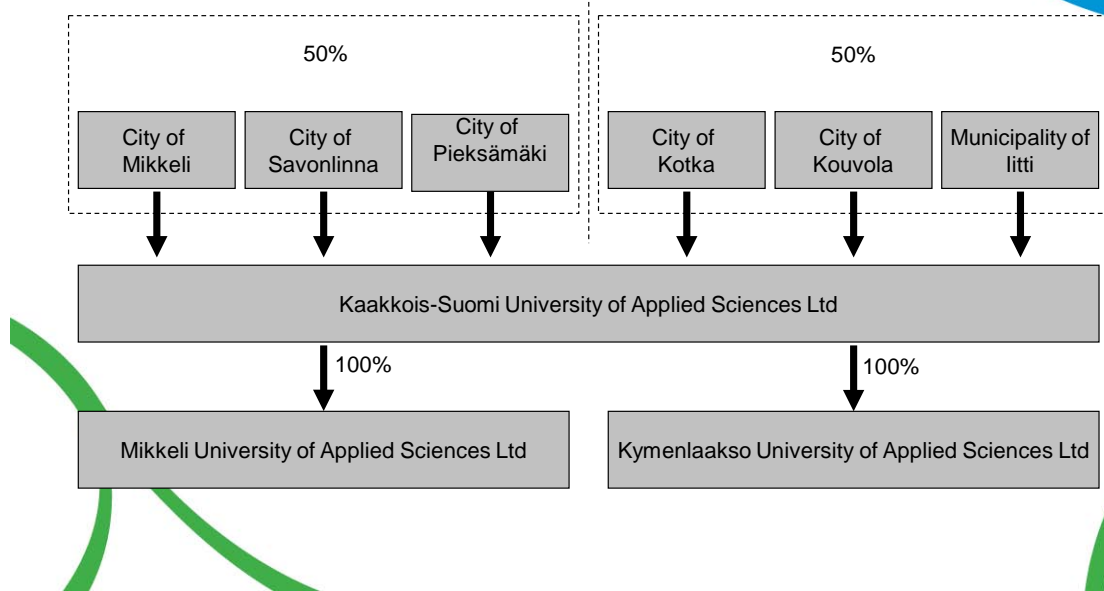


Figure 5: Ownerships of KyUAS and Mikkeli UAS

From year 2009 to 2011 the cooperation was visible in some common education offering in KyUAS and Mikkeli UAS. In 2010, offices of International Affairs in Mikkeli UAS and KyUAS were integrated, and for the both universities of applied sciences, a common International Relations Manager was nominated. Towards the end of 2011 and the beginning of 2012 the cooperation started to have more visible signals in the eyes of personnel. Some education offerings were shut down in both universities in order to have a common line in education offering and to profile campuses. South-Eastern Finland's University of Applied Sciences was founded in the beginning of 2012. (Saastamoinen 2012.)

### 3 CHANGE

Working life is full of changes all the time. Working culture is not static as it maybe has been in the past. Change is constant in business and good change management is critically important for organizations to succeed. Developing



technology, tougher competition and economical issues need to be paid attention to. Business environment is changing constantly and organizations need to comply with new challenges to be successful. Changing environment brings new opportunities, but also insecurity. Controlled process of change always requires high quality management.

External pressures for change in universities of applied sciences are increasing. Funding from the public purse is down, competition is up, students are demanding high quality education. To remain viable universities of applied sciences must be able to respond promptly and wisely to this combination of change forces. They have to become particularly skilled at not only identifying key quality improvements and strategic developments but also at making sure that these changes are put into practice successfully and sustained. Failed change costs—not just economically but strategically, socially and psychologically. (Scott 2003, 1.)

### 3.1 Need for change

An organization has a need for change, when current level of performance cannot meet the needs of business environment and competition. When the current state of an organization is not leading to the wanted direction, a need for change is obvious. The need for change is recognized by different analyses. Analyses are important, because a hasty change process is only going to cost time and money. The need for change has to answer the following question: “Why do we have to develop?” The reason for change also has to be explained to the personnel in order to get it motivated and committed to the change. (Lanning et al. 1999, 33.) Change process is impossible to implement without motivated and committed personnel.

The process of change takes often a lot of time and effort. Thus, there has to be a clear need for it. The need for change can be significant for the organization even if the majority of employees were happy with the current situation. Identifying the need for change is primarily a management task. Management has to explain clearly why a certain change is needed. The reason for change has to be explained in the early stage of a process, because management and

employees often live in two different worlds and it might be difficult for the employees to see any reasons for the change process. Managers and employees have to share the common view about the need for change. (Lanning et al. 1999, 33.)

The basic problem of change is how managers communicate about the meaning and the aims of the change. If there are any problems in communicating about the need for change, and the personnel do not see the aims of the change, change process will be difficult to go through successfully. This is natural, because it is difficult for human beings to put effort on things they cannot see meaningful. (Järvinen 2001, 97.)

A change process is often seen as negative amongst the personnel. Employees are used to certain routines that bring them a feeling of safety. The longer you have worked in the same organization, the harder it is to face a change. A change is often seen as a threat rather than a possibility. Sometimes changes are unpleasant but most of the time they are necessary. It is important that management can justify reasons for the change process and everyone understands the facts the same way. Every individual has a different way of thinking and experiencing new things. Employees have different interpretations about a change process. Changes in the organization, working culture and roles in a work place are often experienced as negative changes. Hence, management has to clearly point out the good things and consequences of the change process. (Erämetsä 2004, 18-19.)

Creating a change requires systematic innovation policy. Innovativeness is especially important today. The main reason for importance of innovativeness is the fact that it creates an attitude that enables change management of an organization. Then, the whole organization believes in the possibility of a change. All sectors of an organization need to regularly evaluate the need for change and the possibilities in order to see changes as possibilities. (Drucker 1999, 102–103.)

### 3.2 The change process

The basis for preparing a change process is accepting the need for change. The need for change tells why this change is necessary, which actions are required and how it is going to affect the operation. (Valpola 2004, 29-30.) Possibilities and facts of a change must be told in the early stage of the process. This is important, because it is difficult to be committed to a situation, if you are not familiar with it. Communication is in a major role in the beginning of the process. The first actions of a change process must be communicated to the whole organization. In that way, the change process becomes a part of the whole organization. (Valpola 2004, 32-33.)

Valpola (2004) also highlights that anchoring a change to practice is a long process. It requires learning away from previous habits, giving away the old way to perform and making commitments to the new way.

According to a survey by Balogun and Jenkins (2003, 247, 255), change process is producing new information and learning. Produced knowledge links together strategic and cultural dimensions. Essential in managing a change process is to create enabling context to an organization. Managers have to create learning and discussing organization culture, where the personnel think about the consequences of the change, how they should act differently, reflect and learn about the common change.

Erämetsä (2004) has created a model of eight steps for implementing a change process. He has taken influence of Kotter and his eight steps for successful change (1996). The main elements of both models are the same, but Erämetsä highlights communication of the change vision and empowering the personnel, where as Kotter concentrates more on management's actions. Kotter's eight steps for implementing a successful change are the following:

1. Create urgency
2. Form a powerful coalition
3. Create a vision for change
4. Communicate the vision

5. Remove obstacles
6. Create short-term wins
7. Build on the change
8. Anchor the changes in corporate culture

(Kotter 1996, 18.)

This study concentrates on Erämetsä's model, because it seemed to fit better for these two organizations that were studied. Eight steps for implementing a change process according to Erämetsä are shown in the following figure 6.

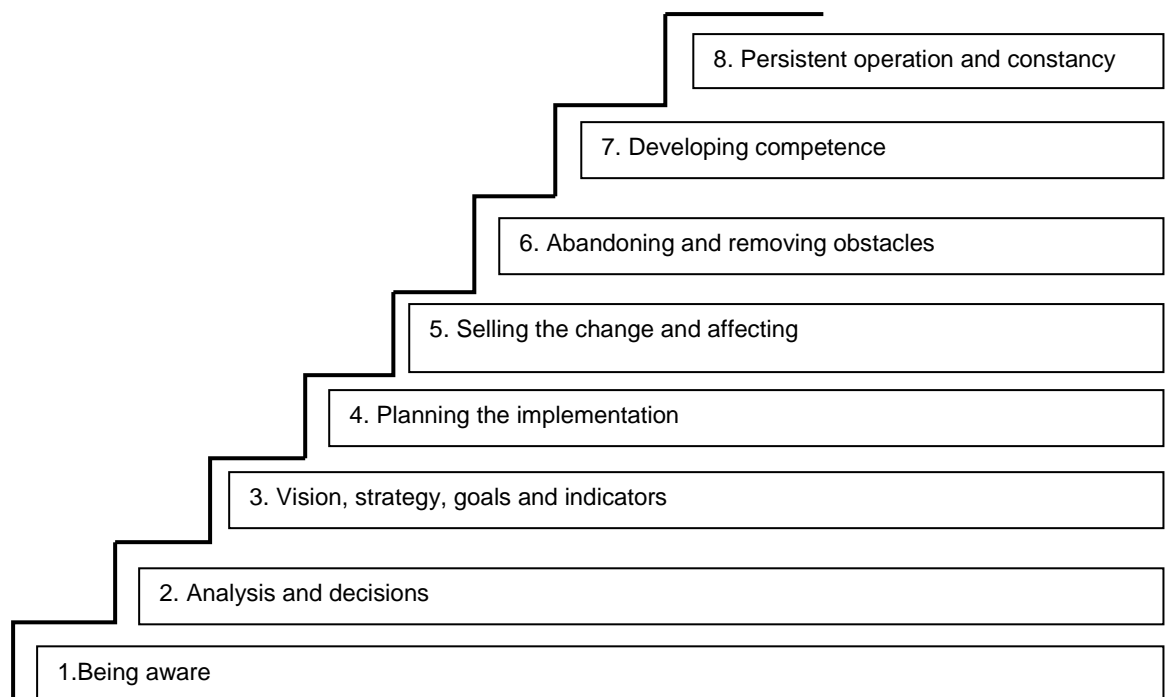


Figure 6: Eight steps for implementing a change process (Erämetsä 2004,154)

### 3.2.1 Step One: Being aware

'Being aware' means that management of an organization gains new information on markets, customers, employees, atmosphere, competitors and factors that are creating dissatisfaction. Being aware is constant observation. In

addition to top management, also middle management has to think wider and look carefully what happens around. Bill Hewlett and David Packard have created a “management by walking around”-system in the 1970s (What is management by walking around (MBWA), 2010.) This system should not be underestimated, because creating networks over departments can create a lot of new ideas. Also, people working in different departments will know each other better. This is important because all departments have to have a common direction in order to achieve the organization’s vision. (Erämetsä 2004, 157-160.)

### 3.2.2 Step Two: Analysis and decisions

Decisions about implementing a change process will be easier to do with the help of different analysis. Once managers have analyzed the need for change, they can justify it with the results of the analysis. The need for change becomes then easier to explain to the personnel. Change is easy to justify when the need for change is based on concrete and measurable factors that are close to the employees’ every day work. The challenges of analyzing are choosing the right method and over or under analyzing. Quick decisions are often required, so over analyzing is important to avoid. Once analyzing is started, there often become new areas to be analyzed. Analyzing cannot be continued for too long. Management has to have the courage to make decisions. (Lanning et al. 1999, 44-47.)

The need for change can be caused by internal or external factors. Organization can use multiple analyses in order to find both internal and external needs for change. One traditional and known model of analysis is SWOT-analysis. With SWOT-analysis, strengths, weaknesses, possibilities and threats of an organization can be found. Often the analysis is the reason wheatear a change process is successful or not. A well done in-depth analysis finds out the need for change clearly and gives a way in which the action should be developed. Then the decision about beginning the process is easier to make and

also the process will more likely succeed when the analysis is made well.  
(Green 2007, 34-46.)

### 3.2.3 Step Three: Vision, strategy, goals and indicators

Erämetsä (2004, 165-170.) has noticed that a good vision is clear and enthusiastic. A vision is also more likely to be achieved, if it is clear to all employees. A good vision motivates people to do the right decisions, choices and tasks. Green (2007) has a more traditional way of defining a vision. He says that a vision of an organization is a description of where the organization is going to and what it wants to be in the future. Vision and values are giving the direction to an organization like a compass and they have a vital role in the decision making process of management. All managers in every level of an organization have to have understood values and vision of an organization.  
(Green 2007, 85.)

Green (2007) continues that a strategy is a plan to realize the vision. A strategy is a path from the present to the vision. (Green 2007, 35.) However, defined strategy does not yet guarantee that the vision will be achieved. A strategy exists only when it can be seen in everyday life of an organization. The following things have to be taken into account in realizing the strategy:

- ❖ Is strategy understandable as a whole?
- ❖ Is strategy being communicated in the way that everyone understands the details of it?
- ❖ Is strategy motivating?
- ❖ Do you believe that this strategy will succeed?
- ❖ Do you know how to realize the strategy? What kind of competence does it require to realize the strategy?
- ❖ Does the strategy give you help in everyday working life together with values?

(Erämetsä 2004, 79-80.)

Changes are often difficult, especially if they include changes in the working culture. Therefore an organization must put effort on implementation of a strategy in the early stage of planning. From the beginning, realization of the strategy have to be considered carefully. Often there exists a gap between planning and implementation of a strategy. Many organizations are better to plan than to do. Business life is full of fancy strategies that are not working. Management has to compare strategic plans to employees' ability to grow in the same direction. (Erämetsä 2004, 81-82.)

In addition to vision and strategy, goals and indicators are important in change process. The right things and only the right things have to be measured. Only that way, wanted results will be achieved. Measuring enables monitoring, which enables management and especially giving and getting feedback. When functions are measured, they can also be developed and taken into the right direction with feedback and management. (Erämetsä 2004, 175-176.)

#### 3.2.4 Step Four: Planning the implementation of a change process

Schein (2001) highlights manager's own example. Management by own example plays a significant role when an organization needs a new culture. Employees are paying more attention to behavior than words, hence the example that a manager gives is very important. Important is also what a manager pays attention to, what does he/she measure, and what makes him/her give positive and constructive feedback. When a manager reacts positively to the change, he/she can reduce the resistance to change within the personnel by his/her own behavior. Behavior of a manager is the most important mechanism relating to the change of a working culture. (Schein 2001: 113-114.)

When management starts to plan the implementation of a change process, working culture in the organization must be well known. Decisions about what kinds of people are needed to get the change process implemented successfully are needed. Different changes need different people, and defining roles of the change agents is important. Management has to know whether the

change needs people that react very strongly to the possibility to change, or do they need a more careful person. When there is a right person in a right place to implement a change process, also other members of a group feel it easier to join the change process. The person, who is in charge of implementation of the change process, has to be trusted in his/her own group. (Erämetsä 2004, 180-181.)

### 3.2.5 Step Five: Selling the change and affecting people

In order to successfully implement a change process, actions similar to those in selling are required. Managing is affecting people, which can be compared to selling. The most powerful way to affect is one's own example. Without the management's own example, a change process can hardly ever success. Examples go from top to bottom, and top management's example is the most important in a successful change process. In a change that concerns one group, the group leader is the most important example. He/she cannot delegate the change and selling it to someone else. (Erämetsä 2004, 188-189.)

#### a) resistance to change and competing it

People have a strong tendency to resist changes. Thus, selling new ideas is often difficult. Resistance to change can be active or passive. Active resistance to change means open speaking and taking actions against the coming change. That can be constructive and even give a change to reconsider the need for change. In some cases active resistance to change can also be sabotaging. Passive resistance to change means that a person is not committed to the common objective of a change process and does not take any actions to achieve new objectives. Sometimes no resistance to change can be seen in the work place, because no active resistance is happening. The truth reveals later, when management realizes that the change process is not going on as planned. (Salminen 2001, 36.)



Lappalainen (2008) says, that ability to tolerate resisting attitude is required especially from a change manager. Also, a good change manager has to be able to communicate openly. Starting anything new is difficult, and people often get slow and afraid of new and uncertain, when they should change their habits. Resistance to change is very common and all organizations have people that try to disturb the change process. (Lappalainen 2008, 59-60.)

People who are trying to disturb the change process often have several explanations why the current state is fine, and they try to do everything to slow down and to prevent the change from happening. It can be difficult or even impossible to change their attitudes positive towards the change process, because their resistance to change is so strong. In the worst case scenario, they can provoke fear among the personnel, and the willing to change disappears and the process stops. People who are strongest to resist, have to be managed the right way. They should not be underestimated or neglected, but their attention should draw to somewhere else by giving them suitable tasks. Skeptical people exist in every organization. They have doubts about the change process, but often they can be talked into the change process. After they are convinced about the need for change, they can become important advocates for the change process. (Kotter 2009,107-123.)

Trust is important when resistance for change is faced. A successful change process requires trust. Trust is based on experiences, and it takes time to create trust. Trust gets stronger with every experience and especially manager's behavior is important. Also skills, competence, logical actions and kept promises are factors that get trust stronger. Trust cannot be built in a second, but it can be lost very quickly. Once there is strong trust between members of an organization, the resistance for change will diminish and a successful change process is more likely to be carried out. (Stenvall & Virtanen 2007, 86-88.)

Managers' resistance for change can be explained by partly different factors than employees'. Reason for the resistance can be threat of losing control and resources, uncertainty of one's own employment, fear of losing status, overloading caused by former work assignments and hurry, uncertainty about the

background and the reason for change and inadequate skills for change management. The resist for change in the middle management can be explained also by fear that the aim of the change is to decrease management levels and administrative duties. (Mattila 2007, 21-24: Mattila 2008, 53.)

#### b) trust

Trust has an important role in a change situation. It enables the change and actions for it. Trust is crucial in change situations because it has an effect on ability to solve problems and come up with ideas. It also affects the atmosphere, community and communication. Employees are more effective with people they believe they can trust in. A change situation always includes uncertainty and obscurity. The result of the change is not perhaps clear beforehand. As Erämetsä (2004) says, if the result is unknown in advance, actions have to be done based on trust. A crucial task of a change manager is to create trust in a change situation. A successful change is based on an assumption that challenges of the future will be handled. Changes always mean partly new tasks and challenges. It requires ability to trust one's own competence and skills. (Erämetsä 2004, 143.)

Stenvall and Virtanen (2007) point out another aspect of trust in an organization. Trust has an effect on well being in an organization. In a change situation, well being of the personnel is important. When after wards measuring how successful a change has been, the most important indicator is actually, how the individuals and the work community are working after the change. Things that have a big affect on the atmosphere in an organization are clarity of the goals of work and the level of knowledge. A change manager has to keep in mind during the change process that the aim of the change has to be clear and communicated to everyone in concern. Trust cannot be created without communication. Discussion and communication have crucial impact on the level of the work tasks. Especially important is trust to justice, because many decisions on individuals are made in a change process. (Stenvall & Virtanen 2007, 13-14, 80-82.)

Change situation can cause a crisis in a work community that destroys a relationship between managers and employees. Stenvall and Virtanen (2007) have found crucial factors that can help building and managing trust in a change situation. They think that trust is always based on previous experiences. The history of an organization, problem solving skills, successful and unsuccessful experiences build trust. People have a tendency to trust things that are familiar. That is the reason why trust in a change situation is in relations to communication. Confusions must be clarified quickly. Ensuring sufficient information increases trust. (Erämetsä 2004, 115.) Enhancing cooperation in the work community increases trust in a change situation. (Stenvall & Virtanen 2007, 88.) A manager who is not trusted in his/her organization cannot be the starter of dialog or learning process. Skills and competence are important elements to create trust. If the personnel believe in manager's competence, the change process goes on fluently. Stenvall and Virtanen (2007) say that managers should actually think about how their own competence shows to others. Logical actions and kept promises grow trust. (Stenvall & Virtanen 2007, 88; Erämetsä 2004, 66.)

### 3.2.6 Step Six: Abandoning and removing obstacles

Change process requires giving up the old way to do things. Sometimes it can be difficult to abandon old habits. Discussion about good things in the new way to do things or the new system can help in the process. (Erämetsä 2004, 209-212.) In most of the cases, obstacles do not have to be removed entirely, but they can be gone through in a different way. Often obstacles that are making change process difficult are beliefs. One example is that employees think that new, harder objectives are impossible to gain. The obstacle for the change is not the new objectives, it is the wrong belief. Bigger obstacle than a real concrete one is often the way employees are dealing with the obstacle. (Aaltonen et al. 2005, 230-237.)

### 3.2.7 Step Seven: Developing competence

In change management, important factors are 1) how actions and efforts of the personnel can have an effect on gaining the objectives of an organization, and 2) which factors lay behind the good performance of an employee in an organization. According to Honkanen (2006), factors that have the strongest impact on a work performance of an employee are will, capability and possibility. Competence of an employee can be developed by paying attention to all these three sectors. Factors affecting will to do are needs, expectations and motivation of an employee. Factors affecting capability to do are competence and abilities. Factors that have an impact on the possibility to do are features of the working environment. All these factors can also have an effect on each other. For example working environment affects working motivation. (Honkanen 2006, 299-300.) In order to develop employees' competence to the right direction in a change process, management has to pay attention to all these factors that might have an influence on the work performance.

According to Carnall (2007), in competence development in a change process, unconscious incompetence becomes unconscious competence via conscious incompetence and conscious competence. (Carnall 2007, 169.) The process is shown in figure 7.

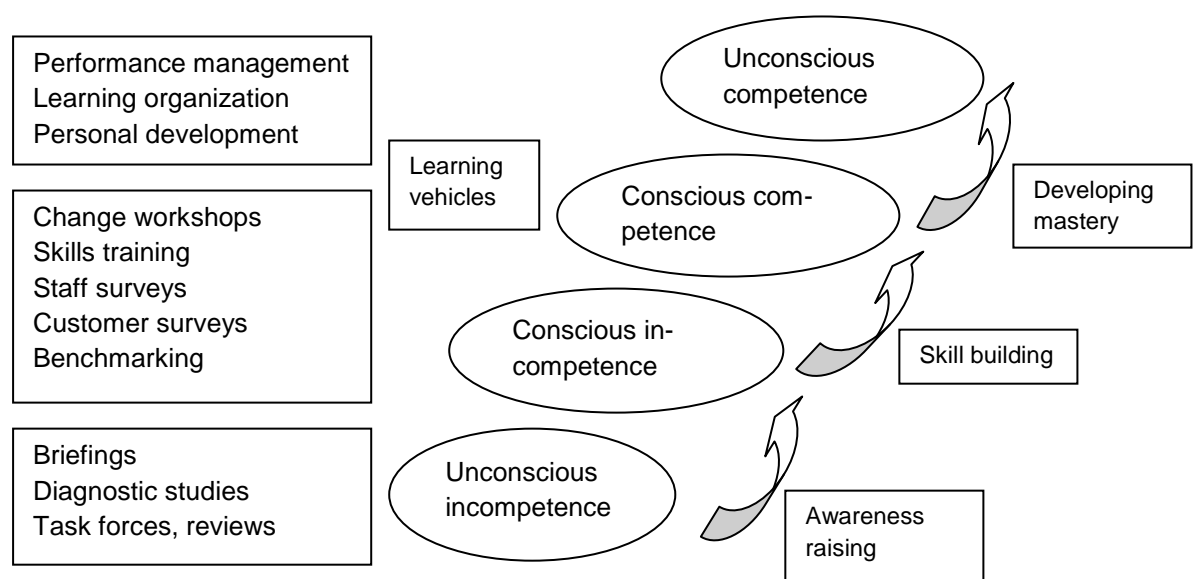


Figure 7: Competence development in a change situation (Carnall 2007, 169.)

### 3.2.8 Step Eight: Persistent operation and constancy

Changes take a long time, especially in large organizations. A change process can be interrupted because of many reasons. Short term successes are important because they give more motivation. As Kotter (1996) says, management has to be careful with short term objectives because announcing the win too soon can be fatal for the change process. Being too content can lead to going back to the old ways to do things and the change process will be interrupted (Kotter 1996, 116). Erämetsä (2004) continues that after gaining short term objectives, management and change agents have to have attention and strength to strictly guide the action back to the change process. A change process might start with enthusiasm and good planning, but the first excitement can diminish on the way to the change. Motivating, giving trust and removing obstacles must be done every day to prevent that from happening. (Erämetsä 2004, 216-217.)

### 3.3 Organizational learning

Changes are a central part of business and organizational life. In order to adapt changes as well as possible, people need to be able to anticipate changes and be willing to learn together as an organization. According to Nummelin (2007), learning organization means all those patterns with which an organization supports learning of an individual and a group, in order to ensure the common development. The basis for organizational learning is the vision of an organization. The objectives of the work and challenges of the development are based on the vision. Learning is constant dialog between individual level and organizational level. (Nummelin 2007, 124.)

Development is learning. Constant learning guarantees constant development in the business life. Tuominen (2001, 278) also highlights the meaning of individuals in organizational learning. "The process of learning begins at individual level. An organization is developing only if the individuals inside it are developing. When many of the individuals inside an organization have learned and assimilated same things, organizational learning is happening"

An organization can either help the individuals in the learning process or prevent the individuals from learning. The following figure 8 shows the most important factors that are affecting the organizational learning at individual and at organizational level.

<b>Individual</b>	↔	<b>Organization</b>
Objectives, motivation	↔	Strategy, vision
Patterns to think and do	↔	Patterns to behave and do
Competence	↔	Management, team working
Assessment	↔	Monitoring, feedback, rewarding

Figure 8: Factors that affect learning in the individual and in the organizational level (Nummelin 2007, 125.)

If the atmosphere at the organization is open and safe, employees have the courage to tell their ideas and try new ways to perform, and also learn from their mistakes. Values of an organization have a big impact on learning and development process. If the organizational culture allows mistakes, the individuals can learn from them and analyze what made the mistakes happen. (Nummelin 2007, 125.)

Nummelin (2007) states that developing own competence is important in a change situation. Competence can also cause jealousy in a work community. Management has to recognize it and concentrate on communication skills and team working. (Nummelin *ibid*, 126.) Honkanen (2006) sees that a learning organization recognizes that conflicts, differing values and differing opinions can be a force of learning. Managers have to be able to lead different people, different from each other and different from the manager. In addition to open and flexible atmosphere, a learning organization requires good leadership skills. (Honkanen 2006, 404.)

### 3.4 Change and individual

Organizations are in a constant change situation. One can deal with changes in many different ways, in individual and organizational level. An individual can

have an impact on the change process and also help the organization to implement the change process.

### 3.4.1 Feelings and change

All organizational changes concern feelings, unfortunately, mostly negative feelings because of the fear of unknown. These feelings must be handled in order to successfully go through a change process.

The traditional work culture has not been encouraging to talk about feelings. The culture should change so that it would enable talking and sharing feelings (Juuti & Virtanen 2009, 120). According to Arikoski and Sallinen (2007) change causes first fear and then anger. Change can cause fear because it is a threat to individual's identity. If these individual's negative feelings are uncontrollable, one may reject them and move them to another person. If multiple persons are experiencing too big a threat in a same time, consequences can be crucial to the work community. The consequence is that some of the people in the work community become good and some become bad. And obviously it has bad influences to the productivity and well-being of the employees (Juuti & Virtanen 2009, 121).

Juuti and Virtanen (ibid.) continue that if negative feelings cannot be handled in the work community, it can lead to a situation where individual's logical thinking fails and things get bigger than they really are. Also, one can start to bind together things that have nothing to do with each other. The first step in handling negative feelings is that people in central roles in the organization realize and recognize them. If negative feelings are denied, employees can start to affect negative feelings on the management in order to handle their own life, and management can start to accuse the employees of bad results of the organization in return.

If the members of the organization can recognize negative feelings, they will have to together handle them and talk about them. Crucial is that individuals can name negative feelings that the change has put in their minds. (Juuti & Virtanen 2009, 121).

### 3.4.2 Self managing

All members of the personnel have the responsibility to know and understand the meaning of the actions in the organization. An employee must be active and start discussions at work if there are any unclear issues. Taking part to discussions at work can increase motivation for developing own work. It also increases commitment to work. Sometimes a manager cannot communicate the vision, values and strategy of an organization in a way that is easy to understand. A skilled employee takes initiative to understand them.

(Silvennoinen & Kauppinen 2006, 10.)

People see the world, people, things and happenings through beliefs. Beliefs guide to make conclusions about surrounding happenings. They can either help to do the right conclusion or prevent from seeing things as they are. One can have general beliefs about for example management. It leads to a situation that we only see what we believe, no matter if it is true or not.

(Silvennoinen & Kauppinen 2006, 22.)

In addition to beliefs, attitudes are affecting to make interpretations and observations. Attitudes become visible in the way managers and co-workers are seen. Attitudes can be in a crucial role in manager-employee relationship. The more changes one has in working life, the more meaningful become attitudes, for example to new tasks and learning new things. (Silvennoinen & Kauppinen 2006, 23.)

## 4 MANAGING IN A CHANGE SITUATION

In many cases management and employees live in different worlds. Management may have more positive image of the current situation in the organization than the employees. Top management has tools, analyzes and visions about the change. Sometimes personnel cannot trust them, for different reasons. The middle management has to struggle between these two groups. All groups in the organization have to reach mutual understanding about the need for change in order to gain the objectives that are set.



According to Kotter (2009), people do not change their behavior in traditional way as: “analyze – think – change”. The right pattern is “observe – experience – change”. It means that if management wants employees to make commitment to the change, they have to experience themselves, in a concrete way, that this change is really needed. Managers have to show the possibilities in the change and get people enthusiastic. In order to success in it, managers have to know and realize what employees are going through and even put their own personality in game. Juuti and Virtanen (2009) share the same thoughts with Kotter and also point out that managers in a change situation have to be ethical persons. It means that management wants good for others in individual and organizational level. Central themes for ethical management are trust, honesty and equity. (Juuti, Virtanen 2009, 143.)

#### 4.1 Leadership

In a change situation leadership skills become crucially important. All changes that happen in an organization only happen through people. The success of an organization comes from the competence of the people working there. A change manager has to realize that determined developing, managing and implementing the strategy are things that require working with people. (Erämetsä 2004, 86.)

When it comes to leadership and managing people, a manager needs other ways than only rationalism. He/she has to consider feelings, attitudes, motivation, values and personalities. A change manager has to manage groups on one hand, but on the other hand he/she has to handle feelings that a change situation has raised individually. Management is planning timetables, aims, analysis and scenarios. These things are implemented by leadership. Thus, in a change situation, both management and leadership are needed. (Erämetsä 2004, 87.)

The following figure 9 shows Leader’s Six Prime Responsibilities by Beach (2006, 18):



Figure 9: Leader's Six Prime Responsibilities (Beach 2006:18.)

1. **Assessment:** Leaders must work with others in the organization to assess the organization's external and internal environments and specify needed changes in each.
2. **Culture:** Leaders must work with others in the organization to understand the organization's culture: the core beliefs and values that are shared by the organization's members that guide their actions in its behalf and define their expectations about the actions of those around them. If the culture impedes progress, they must work with others to change the culture appropriately.
3. **Vision:** Leaders must work with others in the organization to create a vision, a reasonable story about the organization's future in light of the constraints imposed by its environment and culture, and to articulate the goal agenda that follows from that vision. Then they must promote acceptance of the vision throughout the organization.
4. **Plans:** Leaders must work with others in the organization to design a plan for moving the organization toward the envisioned future and to promote understanding throughout the organization of how that plan will address the goal agenda in pursuit of the vision.
5. **Implementation:** Leaders must work with others in to maintain momentum during plan implementation and to monitor progress in order to discover and correct weaknesses in the plan.
6. **Follow-Through:** Leaders must work with others to institutionalize achieved changes and to help members accept ongoing change as a normal aspect of the organization and its activities.

## 4.2 Motivation

Leadership is managing people. In a change situation, managing also means inspiring and motivating people to implement the change. Leader's six prime responsibilities presented before cannot be successfully executed without skills to motivate. As Nummelin (2007) says, one important task for a change manager is to find factors that support commitment to work and motivation, and in that way, constant developing of work. Motivation is also important for innovation and creativity. Without deep interest, feeling of curiosity and enthusiasm, creative solutions cannot be born. Motivation is created by positive feelings. Good relationships in the organization are in the central role in motivation. Relationships are immediately affecting the atmosphere of an organization. (Nummelin 2007, 28.)

Honkanen (2006) shares the thoughts of motivation with Nummelin, but he also recognizes that different people have different needs and their motivation is also different in a change situation. Also, needs and the base for motivation often change over years. Factors that affect motivation can be internal or external. External factors affect more directing and maintaining the action, and internal factors create basis for enthusiasm, energetic behavior and deep interest into the work. (Honkanen 2006, 318.)

Equity has a big impact on motivation. If employees see that they are treated equally well and employees' rewards are fair, they are motivated to do their best. If someone is favored in an organization, it can be seen easily and is reacted strongly and can have crucial impacts on motivation. Expectations of an employee and a manager can be very different. These tacit assumptions about the change and the working environment have to be made more visible. (Honkanen 2006, 320-321.)

Motivation for work becomes good, if employees think that they are capable to handle the tasks they are supposed to do. If the personnel believe in themselves and have faith in their competence, they are motivated to develop work and take part in changes. It is important to believe in yourself and your capability, but of course these feelings must be somewhat realistic in working life. Otherwise it can create more harm than good. (Honkanen 2006, 322.)

The following figure 14 shows the Blumberg & Pringle pattern of factors that affect the performance of an individual in the organization (Millward 2005).

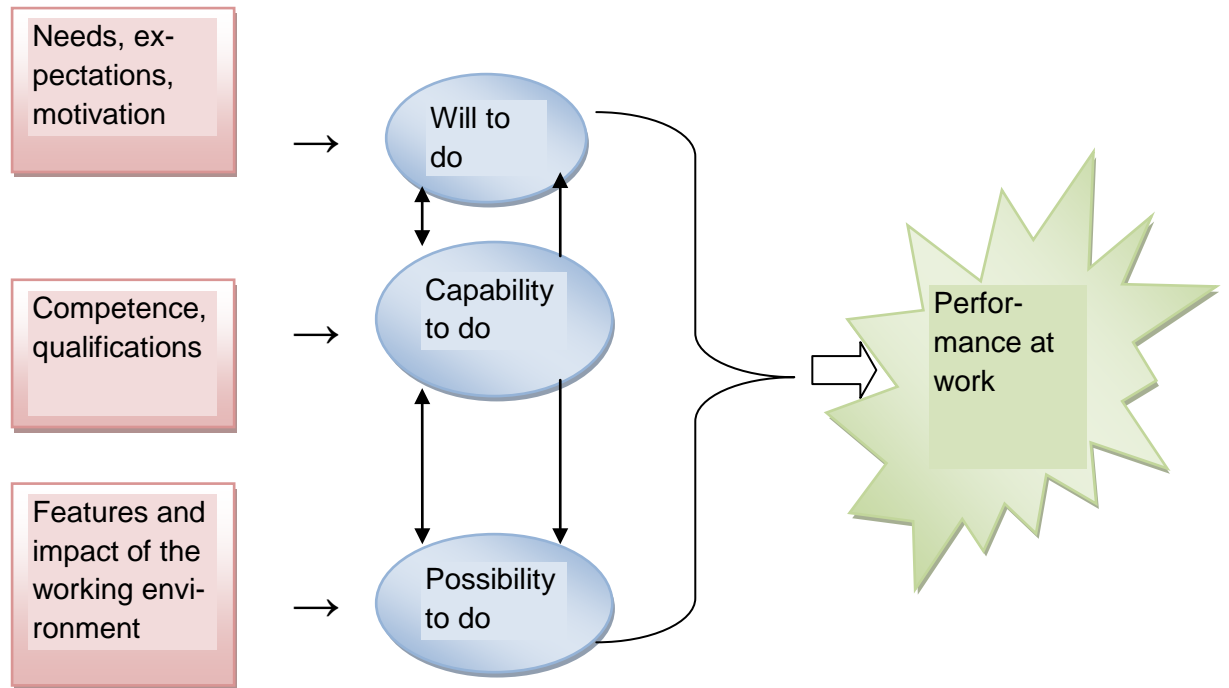


Figure 10: Factors that affect the performance at work (Millward 2005.)

### 4.3 Values

As Silvennoinen and Kauppinen (2006) see it, values are things we consider important and that we achieve in life. They affect our way of thinking, behavior and choices. Our values also guide our interpretation of the environment and how do we try to achieve the goals of our lives. Values of an organization should control our actions. With common values in an organization people form a social network. (Silvennoinen & Kauppinen 2006, 13.)

Sydänmaanlakka (2006) continues that defining values of an organization is a part of management process. Important is that values are not copied from the competitor, but they have to be carefully thought over. In the long run, right kind of management can create a system of values that enables a common organization culture and gets employees committed to the objectives of an organization. (Sydänmaanlakka 2006, 195.)

In the best situation, values have an effect on how the organization's basic tasks, visions and goals are built. Values of an organization are connected with values of an individual and they should not be adversarial. Values in an organization should be made visible especially in a change situation, because they form the basis for the decisions and behavior in a work place. (Silvennoinen et al. 2006, 16.)

In a change situation also the way of managing has to change. Values become a part of concrete actions, because human beings make their decisions based on their values. In a central role in making values visible in a work place, is discussion between management and employee. Manager and employee should be able to honestly discuss about difficult subjects. Honest and constructing feedback can help in changing the behavior to meet the values, if needed. (Silvennoinen et al. 2006, 16.)

#### 4.4 Communication

One cannot manage without communication. In a change situation, the connection between management and communications becomes even stronger. In a change situation, communication is a crucial factor for succeeding and being able to operate in a different environment (Stenvall & Virtanen 2007, 61).

Salminen (2001) says that communication is an underestimated part of management. With communication, management spreads information to the organization and directs the gaining and processing of information. Communication does not only mean telling about the management's decisions to the organization, but it is a large process that is based on the vision that all members of an organization are making important decisions for the organization. (Salminen 2001, 69.)

If management is not communicating about necessary information, personnel will make assumptions based on rumors. This kind of communication is not necessarily good for the organization, and management has no means to handle it. A change manager needs communication to spread correct infor-

mation and to stop the rumors, but communication is also needed to see what changes or needs employees have noticed. (Salminen 2001, 70.)

Communication has several dimensions. Management has to be able to communicate effectively facts about for example the strategies, aims and plans of the organization. Communication is also a central part of developing a working culture, motivation, creativity and teamwork. Securing the mental wellbeing of people that are struggling with continuous changes is one of the biggest challenges for the communication of the management. (Salminen 2001, 72.)

The connection between communication and management may seem obvious, but often managers do not recognize it. A lot of time and effort is put on planning and decision making process and they are done systematically. But no attention is paid to telling about the decisions. Communication is believed to happen itself. That is obviously not the case and communication must be planned and implemented the same way as all other central parts of management. (Salminen 2001, 72.)

#### 4.4.1 Non-verbal communication

Communication is not only what is said and written. Communication means all ways that deliver information, verbal or non verbal. Non verbal communication is for example tone and height of voice, expressions of face, gestures, positions, clothing, cosmetics etc. Also, the fact that we do not say or do anything is communication. (Salminen 2001, 75.)

Actions are very effective way to communicate. If actions and sayings send different message, the communication through actions usually wins. Also gestures and expressions of face are very effective on communication. It is easy to see that body language is not supporting the message. If a manager does not understand well the meaning of non verbal communication, problems may arise in management. Especially in a change situation, a careless gesture or poorly thought action can cause big problems to the change, even if the man-

ager did not mean anything special with it. People are very alert in an insecure change situation, and they are using a lot of energy in finding and interpreting non-verbal signals. (Salminen 2001, 76.)

A significant non-verbal sign from the manager is how he/she uses his/her time. Time is spent on tasks and projects that are important in his/her opinion and no explanations can change that message to the personnel. The actions and sayings of the management have to be in line. The only way to communicate successfully is to concentrate on both verbal- and non-verbal communication. The spoken messages have to be said so many times that a manager is sure that everyone really understands it. In addition to that, a manager has to pay attention to non-verbal signs, so that they tell the same message. (Salminen 2001, 76.)

#### 4.4.2 Feedback

Feedback has a positive impact on motivation. After positive and supporting feedback, employees have strength to continue even if working conditions are unclear in a change situation. Often employees think that they do not receive enough feedback, and the received feedback is always negative. Good, constructive feedback gives motivation, energy and strength for new performances and learning. It is valuable for an employee, if he/she can take feedback constructively, for example by thanking for having a professional, constructive opinion. (Heikkilä 2009, 122.)

Feedback has to be based on facts, not opinions. If manager's own opinions are used, there is a risk of feedback being subjective. Opinions can be used, but only when considered carefully. Feedback has to be given of actions, not personality. (Heikkilä 2009, 123.)

Feedback can be positive or negative. Heikkilä (2009) points out that the message of feedback should be positive, even if the feedback were negative. When a manager knows how to put the negative feedback into a positive message, an employee can take negative feedback as positive and constructive. A manager has to have emotional intelligence when he/she considers where and how to give feedback. Especially when negative feedback of a

work performance has to be given, it should happen alone with the employee. (Heikkilä 2009, 124.) The relation between positive and negative feedback should be 70/30. With a suitable amount of positive feedback, negative feedback does not discourage employee and it can lead to good results in the work performance. (Heikkilä 2009, 124.)

## 4.6 Emotional management

Feelings and emotions are important in business life, as well as rationality. Sometimes emotions are even more effective than facts. Especially in a change situation, there are lots of feelings concerned that also appear in the work place. Manager has to be able to manage feelings and emotions, too.

### 4.6.1 Emotional intelligence

According to Kets de Vries (2006), the three primary components of emotional intelligence are:

1. getting to know our own emotions
2. learning to manage those emotions
3. learning to recognize and deal with emotions of others.

The basis for emotional intelligence is self-knowledge. That is also the first step towards effective leadership. In order to know other people, one has to know him/herself. A good manager has good self-knowledge, because that is a base for good self-esteem. The next step in developing emotional intelligence is learning to manage our emotions. It means learning how to acknowledge and deal with all possible feelings. When that is handled, emotions can be learned to use in the service of a goal – in other words, to motivate. The final phase in the development of emotional intelligence is learning to recognize and deal with emotions of others. The skill of empathy is important for a change manager, and can be both taught and learned. Once this skill is mastered, leaders can begin to manage emotions in others, influencing co-workers via emotional means. (Kets de Vries 2006, 27.)



#### 4.6.2 Coaching

Organizations need to be effective and ready to change. Teamwork has become a part of most organizations. Teams are formed according to the meaning, not according to organizational structures. According to Havunen (2004) managers have to be “coaches” in order to be able to help their employees to gain the objectives that are set. The main task of a coach is to help people to get motivated by ensuring the capacity of physical and mental resources. Managers have to understand what motivates people. Authority and responsibility are defined by competence, not hierarchy. The force that thrives ahead is commitment. (Havunen 2004, 15.)

In addition to Havunen, Heikkilä (2009) sees coaching as an important tool in change management. “By coaching, a manager can have more time to his/her own duties, develop performance of the personnel and add the productivity of an organization. A coach delegates more and controls less. In that way, he/she adds productivity and helps the personnel to use their full potential”. (Heikkilä 2009, 102.)

Pirnes (1996) has defined the abilities of a coach as follows:

- ❖ Coach creates common goals that are based on visions and values to the team he/she leads, and ensures the commitment of the team by communication.
- ❖ Coach forms and develops a solid and loyal team in which every member is coordinating his/her own duties and aims at excellent results.
- ❖ Coach is constantly developing professional and mental capabilities of the team members. This is done by educating and managing the right way in everyday situations. A coaching manager manages with people and gains the objectives with their support.

(Havunen 2004, 16.)

Nissinen (2004) has created a model of “Deep Leadership” that is used in the military. Successful coaching manager is like a deep leader. Although this structure was created in the military, it can also be used in civilian life.

The structure highlights supportive facing of other persons. The four basic guidelines in deep leadership are shown in the figure 11 (Havunen 2004, 19.):

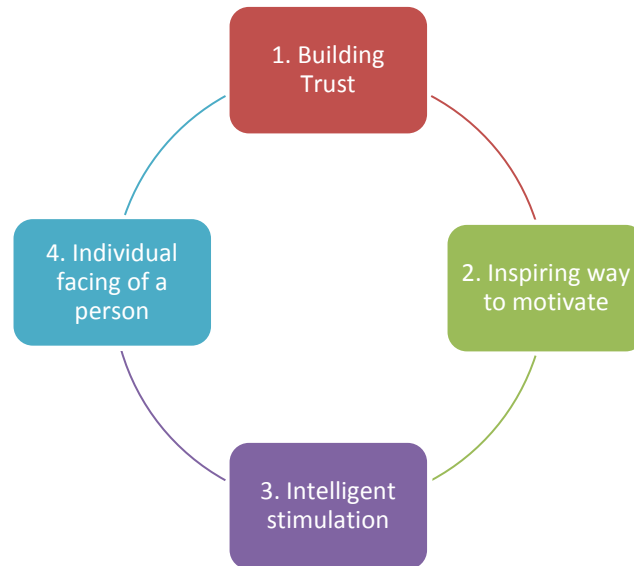


Figure 11: The four basic guidelines for deep leadership according to Nissinen (Havunen 2004, 19.)

1. Building trust: Trust is built on own example, responsibility, justice, honesty and equity. If needed, a deep leader can put others' needs before own.
  2. Inspiring way to motivate: Leadership that is visioning, clearly aiming to a goal and takes a lot from people but also is supportive and rewarding. Way to manage that gets people see the future and the common objectives so positive that everyone wants to do their best and more, to develop and learn more.
  3. Intelligent stimulating: A manager has to act in a way that makes employees think. It requires a lot from a manager: putting up with criticism, using open feedback, ability to utilize the employees' ideas.
  4. Individual facing of a person: A Manager has to know the employees and take care of them in every situation.
- (Havunen 2004, 19.)

#### 4.6.3 Inspiring manager in a change situation

A good manager can motivate, inspire and guide employees. Employees are never left alone and everyone is growing with the new challenge. A manager has to be genuine and believe in the direction that he/she is guiding the team. Honkanen (2006) has created a model of nine ways or principles to be an inspiring manager in a change situation. These are:

1. Give feedback
2. Make people discussing
3. Coach
4. Commit your employees to the situation
5. Create a positive atmosphere
6. Support innovativeness and creativity
7. Make aims and responsibilities clear
8. Add communication
9. Help recognizing hidden patterns of thinking

Feedback can create new knowledge. An inspiring manager can offer a mirror to the employees with honest and concrete feedback. With that mirror they can reflect their behavior that they maybe have not been aware of. (Honkanen 2006, 376-377.)

In a change situation, different views and opinions about the situation might occur. By allowing a positive atmosphere and open discussion, a manager gives space to different ways of thinking. That might help understanding different aspects of the situation. By letting employees be a part of the decision making process as much as it is possible, they can be committed to the situation. Committed employees are enabling the change process with innovative ideas and positive attitude. (Honkanen 2006, 378.)

## 5 THEORETICAL FRAMEWORK

Change management is the main issue of this study. During the background work for the study, the whole concept of change management was approached critically. In the present situation with several changes all the time in working life, change management is not necessarily distinguished from overall management. However, a manager cannot be successful without skills to perform in a change situation. A good change manager always needs committed employees. Figure 12 shows the triangle of a change in a work place.



Figure 12: The triangle of a change

The basis for everything is a recognized need for change. In the middle of the triangle there is management. Management has to know where to head and guide the personnel with leadership skills. On the top of the triangle there are the individuals, employees. A good change manager has to be able to convince the employees so that they adopt the change and also do their part of the change process.

Working environment in an expert organization has some special features. In a knowledge creating organization, the significance of individuals is highlighted. Usually, employees in an expert organization are interested in developing the working environment but they also require information and communication about the change situation. Based on the theories of change management,

some factors are essential in change management. These factors were selected as themes for this study and are shown in figure 13:



Figure 13: Themes of change management in an expert organization

Values of an organization and individually are the bases for the whole change process. When a change manager has adopted values, he/she can motivate the personnel to the change process. In motivating people, leadership skills are highlighted. Leadership includes a lot of communication with the personnel. In a change situation, communication about feelings and other softer issues is required. That might be an unknown situation for managers.

This study concerns change situation in organizational and in individual level. Individuals are seen in an active role in an organization. The most important issues in a change process in individual level are shown in figure 14.



Figure 14: Themes in individual level in a change process

Change process causes different, perhaps also unpleasant feelings in individual level. Handling these feelings is the first step to adapting the change situation. After accepting and adapting the situation, self managing is needed to be motivated to the new situation. With good self managing skills, the new situation can be faced and the individual can be committed to the change process. Committed employees are essential for successfully implemented change process. The following figure 15 shows the theoretical framework of this thesis.

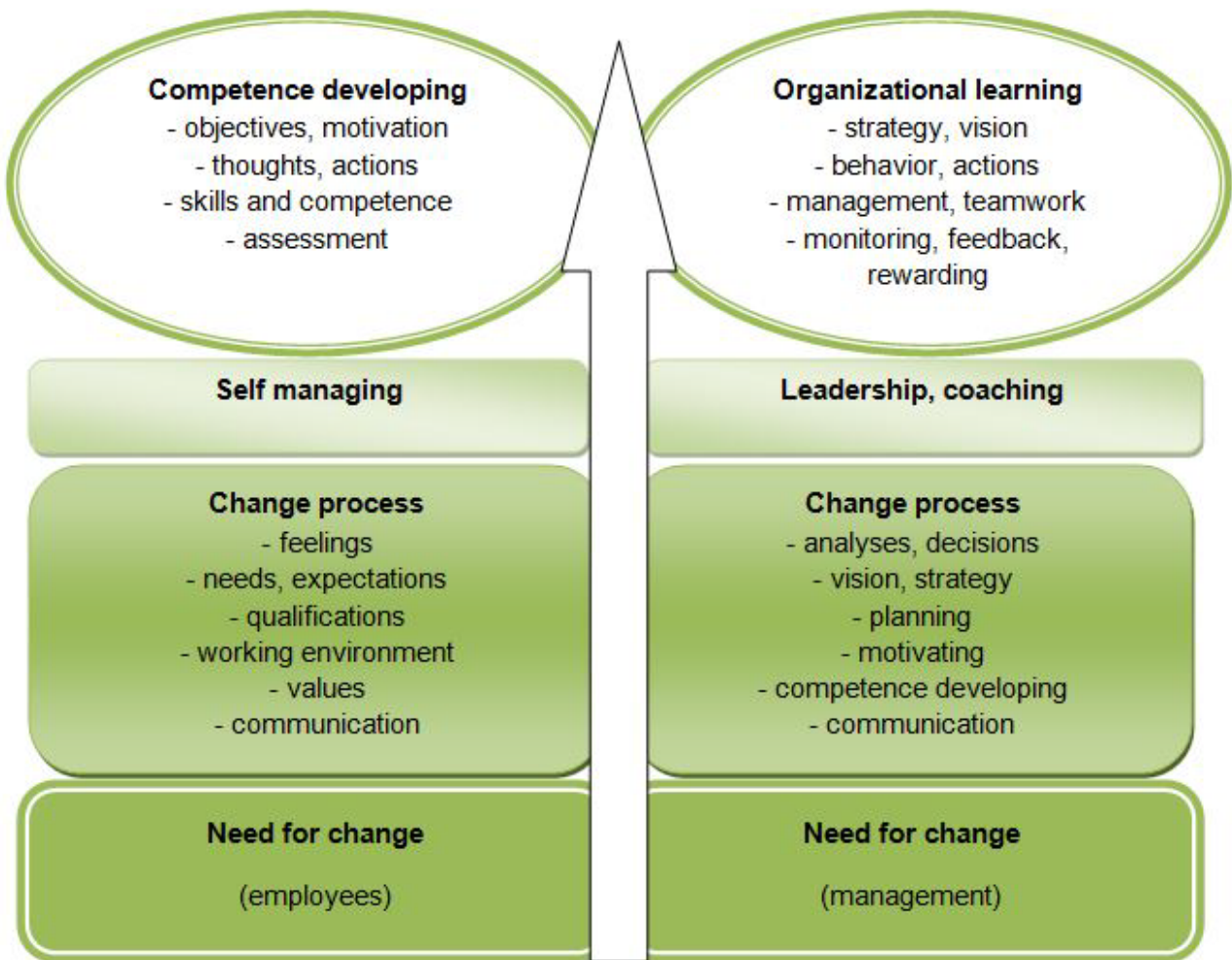


Figure 15: Theoretical framework

Figure 15 summarizes the literature review of this thesis. The figure goes from bottom to top and its target is to show that a change situation can be creative and have positive consequences. Need for change is the basis for both employees and management (top and middle management). Development can happen neither in individual level, nor in organizational level without recognized need for change.

Change process in individual level requires employees to deal with and accept different feelings. With adequate amount of information, employees can guide their needs and expectation of the change situation into the realistic level. Employees' qualifications are important in a change situation, for example will and capability to change. Positive, honest and creative working environment

enables a successfully implemented change process. Every employee can support the working environment to become positive for changes. Values guide employees' actions all the time, also in a change situation. Honest and open communication with co-workers and also management enables commitment and motivation to the change. Successfully implemented change process requires self managing from the employees. Self managing can be achieved with factors mentioned above. End result of the change process in individual level can thus be developed competence. That means new objectives for work, motivated employees in a new situation, new thoughts and actions on behalf of the organization and a change situation, new skills and competence and ability to assess employee's own performance.

In organizational level, the process has some common features than in individual level. Again, it starts with a recognized need for change. During the change process, the management first has to make analyses and decisions about the change process. After that, a vision and a strategy for the process will be set. In this stage, planning of the implementation can begin. A management task is to motivate employees to be committed to the change, too. A change situation also requires competence developing. Communication has an essential role in a change process in organizational level as well as individual level. Managing in a change situation cannot success without leadership and coaching skills. Organizational change process can create organizational learning. Learning can be seen in strategy and vision, behavior and actions, management styles, and monitoring, feedback and rewarding.

## 6 METHODOLOGICAL CONSIDERATIONS

### 6.1 Project plan

The idea for this research topic was first invented in spring 2010. In winter 2011 discussions about the topic started in a concrete level. The change process that was going to be studied had been going on already, and in winter 2011 final theme for the thesis was founded. The subject was interesting from



the beginning, because it had a straight impact on researcher's own working environment.

The first plan was to complete this study in half a year, but due to changes at work, timetable was changed to a longer one. That proved to be a good decision, because now there have been time to think about the thesis and during this time, the aim and objective of this study has changed a little, too. Timetable for the thesis is shown in figure 16.

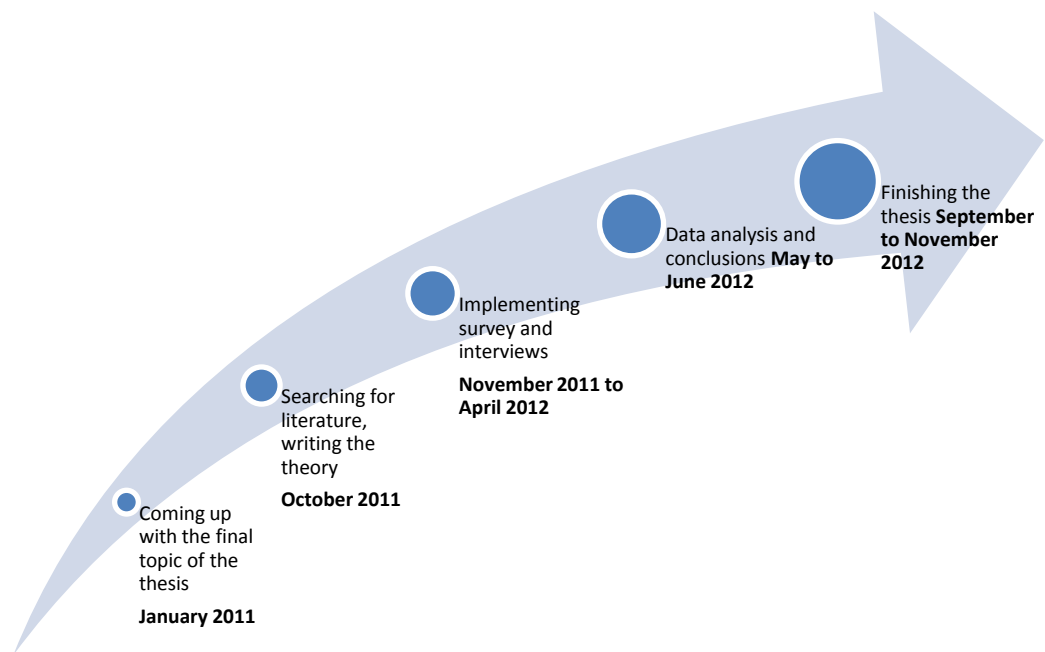


Figure 16: Timetable for the thesis

## 6.2 Case study

Case study is a typical research strategy, and a traditional strategy in scientific research. It can well be used as an approach to a development project that concerns for example an organizational change situation. Case study produces knowledge and information in a real situation and a real working environment in present time. The case can be a typical situation in working life or unique and exceptional situation. Several data collection methods can be used in case study; qualitative, quantitative or both of them. Material for the

study is normally collected in natural situations, when observation can be used side by side with the interview. (Ojasalo, Moilanen, Ritalahti 2009, 52, 53, 55.)

In this development project, qualitative case study is used as a research strategy. The study concentrates on perceptions, opinions and attitudes of middle and top management about how successfully the change situation has been implemented so far and how to be a good change manager. This study also finds out with quantitative methods employees' experiences and opinions on how successfully the change process has been implemented in the eyes of an employee. Three different kinds of data are collected: qualitative data from interviews, quantitative data from a survey and researcher's own observations about the target universities.

### 6.3 Data acquisition

Data was collected from both management and also employees. The respondents consisted of managers and employees who were connected with updating training in their work in the target universities. One objective of the thesis was to make the gap between management and personnel smaller. That is why data was also collected from both groups. Data was gathered by interviews from the management and by a survey from the employees. The third data collection method was researcher's own observation. Observation was made in both groups and both universities.

Both groups (management and employees) were supportive and participated pleasingly well in the study. The topic was important for the respondents. The fact that several interviewees were interested in reading the completed research showed that the respondents also were committed to the study. Themes were the same for both management and employees. Questionnaire for the interviews is found in appendix 1.

The following figure 17 shows six themes of interviews and survey:

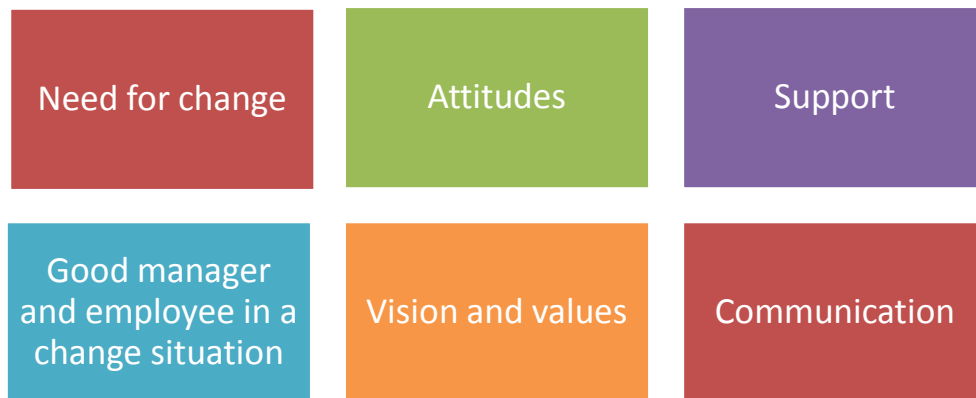


Figure 17: Themes for the interviews and survey

These themes emerged clearly from the literature of the thesis. A Need for change is the most important factor behind the change process. Attitudes have a big impact on motivation and commitment, which are crucial in order to successfully implement a change process. A change situation requires always extra effort from both management and also employee level. Support is needed to be able to put that extra effort to work in a difficult situation. A change situation requires some special features from the personnel and the manager. They are discussed in the fourth theme. Vision is the goal of the change and values are guiding actions to the vision. Communication is an important part of a change situation and it is not easy to handle.

### 6.3.1 Interviews

The material of the study was collected with the help of interviews, surveys and observation. “The most popular way to collect qualitative data in Finland seems to be interviewing” (Eskola & Suoranta 1998, 86.). Interviews are suitable for development projects because interviews can give deep information on the subject. The best way to collect data in a development project is to combine interviewing with other, supportive methods. The meaning of interviews can be clarifying a phenomenon or getting deeper knowledge and un-

derstanding of an issue. There are different methods of interviewing that suit for different kinds of development projects. Before implementing interviews, researcher has to know what kind of information is needed in a development project. When choosing a method for interviewing it is essential to think about the structure of the interview. The interview can be structured with completed questions, or it can be flexible and questions can change in different situations in order to go as deep as possible. Those kinds of interviews are for example theme interviews, in-depth interviews and group interviews. (Ojasalo et al. 2009, 95.)

Structured interviews are suitable when collecting facts and the intention is to ask same questions from everyone. (Ojasalo et al. 2009, 95-96). The forming and order of the questions are identical in every interview. In addition, the alternatives for the answers are ready. In a semi-structured interview, the questions are the same for everyone, but the respondent can answer in his/her own words. (Eskola & Suoranta 1998, 87.)

Semi-structured and open interviews are suitable for situations where the purpose is to find out meanings of a phenomenon to the participants, or for gaining background information before making a quantitative research or after a quantitative research, when interpreting the results. (Ojasalo et al. 2009, 97-98.)

In this study, semi-structured interviews were used. Semi-structured interviews were selected, because the researcher wanted to collect data about the same themes from everyone participating in the study, but different aspects were taken into account. The respondents consisted of heterogenic population, i.e. different organizations, different job descriptions and different backgrounds. Semi-structured interviews gave the possibility to highlight different aspects in different interviews. Interviews were made to four members of top and middle management in Mikkeli University of Applied Sciences and in Kymenlaakso University of Applied Sciences. The respondents were selected from both organizations equally. They represented middle and top management, both organizations equally and all of them were affected by the change

process. All respondents were contacted before the interview and they received the questions beforehand in order to get familiar with the topic of the research (Appendix 1). In that way, they could prepare their answers beforehand in order to give as much information as possible. The interviews were made in respondents' own offices, in a relaxed and pleasant atmosphere. The respondents were pleasingly well motivated to the interviews and gave a lot of material to the study. The interviews were recorded and observations were made in the same time about the gestures and tones of the respondents' voices. List of the interviewees is found in appendix 2.

### 6.3.2 Survey

One of the most popular methods in social sciences is a survey. It suits well to a situation, where a lot of issues have to be asked from numerous respondents. A survey is a quick and effective method and produces a lot of numerical results that can be handled statistically. The weakness of the method is superficiality, because the researcher cannot evaluate how seriously the respondents have answered to the survey and how well the options for the answers suit the situation of the respondents. (Ojasalo et al. 2009, 108.)

Surveys can be implemented in several different ways. They can be posted or sent by email, or they can be filled in the internet. In addition, surveys can be made by phone or face to face. The technique has an effect on what kind of questions can be asked. (Ojasalo et al. 2009, 108.)

Also Hirsjärvi, Sajavaara & Remes (2009) say that the structure of the questionnaire and accurate planning of the questions have the most impact on responses. Questions should be stated so that the research is valid. Validity means that a study is implemented so that it measures the right things. (Holopainen & Pulkkinen 2002, 13.)

Planning of the survey started side by side with the interviews, because the aim was to concentrate on the same themes in both interviews and surveys.

Themes were selected from the literature of change management and the theoretical framework of this study. The questionnaire is found in appendix 3.

The questionnaire targeted to find out opinions and expectations of employees about the change situation in Kymenlaakso University of Applied Sciences and in Mikkeli University of Applied Sciences. Another intention was to compare opinions of management with opinions of employees. That made it possible to make the gap between management and employees smaller. The questionnaire had the same six themes as the interviews. The options for answers were 'Yes', 'No' and 'I don't know'. Also, open space for free comments was given in several questions. The questionnaire was as short as possible and the intention was to make it as easy to answer as possible. Respondents for the survey were selected from employees of the target universities. All respondents were working with updating training.

The questionnaire was sent by email with a small covering note that gave information about the study. The sample was 28 persons, of which 15 responses were received. That makes the response rate 54 percent. Distribution of the respondents between the two universities of applied sciences will not be said in order to protect the confidence. People who answered the survey were genuinely interested in the research and wanted to participate. This shows that employees of an expert organization are committed to develop their working environment. On the other hand, 46 percent of the respondents did not take part in this research. The reason for that in the researcher's opinion is that the change is not so obvious for all people and that is why they do not have any opinion about the change situation. Job descriptions of the respondents differ a lot. For some employees the change process is visible at everyday work but for others, the change is something distant from their everyday work. This could also be a sign of uneven information sharing during the change process. Some employees thought that the change process is massive and big changes are happening in the near future, whereas some employees did not realize that this change process will have any concrete consequences.

### 6.3.3 Observation

Observation is an important tool for researchers and is frequently used to collect data in both quantitative and qualitative studies. In naturalistic observation, observers neither manipulate nor stimulate the behavior of those whom they are observing, in contrast to some other data gathering techniques. The situation being observed is not contrived for research purposes. (Punch 2005, 178.)

Direct observation is possible when the investigator is making a field visit. The observations can range from formal to casual data collection activities. It is useful to use observational evidence to provide additional information about the topic being studied. (Yin 2003, 93)

Participant observation is one type of data collection method typically done in the qualitative research paradigm. It is a widely used methodology in many disciplines, particularly cultural anthropology, but also sociology, communication studies, and social psychology. Its aim is to gain a close and intimate familiarity with a given group of individuals (such as a religious, occupational, sub cultural group, or a particular community) and their practices through an intensive involvement with people in their cultural environment, usually over an extended period of time. (Punch 2005, 180.)

In participant-observation, the researcher is not only a passive observer. The researcher can be a part of the target organization or is even a key decision maker. Participant-observation certainly provides unusual opportunities for collecting case study data. The weakness of this source of evidence is that the viewpoint can be too "inside" or the researcher may have bias towards to studied phenomenon. (Yin 2003, 96) In this development project, the researcher is a part of the studied work community. It can have both advantages and disadvantages. Advantage is that during the whole thesis project, the researcher made her own notes about the subject in her own department and also in the organizational level. Reflection about researchers own thoughts and thoughts

of others could be done. The other target university was observed during the interviews and also during common team meetings.

#### 6.4 Data analysis

Interviews were quite simple to implement, because most of them could be done in researcher's own work place. Some of the interviews were done in Kouvola, Kasarminmäki Campus and some of them were done in Mikkeli, Kasarmi Campus. The interviewees discussed openly and shared their views about the subject. All interviews were done in a relaxed atmosphere. A recorder was used in the interviews in order to make it more pleasant to keep up with the conversation and also to make it quicker to analyze the data.

The survey was done with the help of Zef Editor, an electronic tool for questionnaires. Perhaps the response level would have been lower without convenience of the tool. Respondents could answer with their own computer in their own time regardless of where they were. This tool also made it very convenient to analyze the data. Zef Editor produced ready reports to analyze from the responses. Then, reports were printed, answers were simplified and data was analyzed.

Data from observations was analyzed last, after the interviews and survey. The researcher wanted to compare her own observations to the answers that the respondents gave in the interviews and survey. Notes from the observations were simplified, divided into the same themes as the interviews and survey and analyzed.

In a qualitative study, analysis is done in two steps. First, the data is simplified and then interpretations can be made. (Ojasalo et al. 2009, 106.) In this study, the interviews were listened to and transcribed. The essential material was separated from the data according to frequency of the issues. After that, the data was analyzed and conclusions were drawn. Based on the conclusions, guidelines and models were created.



## 6.5 Reliability and validity

Reliability of a qualitative research is based on how reliably the research process has been implemented. The researcher is always in a subjective role in a research. Thus, the whole process and its reliability have to be evaluated. Reliability is measured with how well the text of research succeeds on describing the target. Reliability also means that there are not contradictions in the research. (Eskola & Suoranta 1998, 211-213.)

Validity has two dimensions: internal validity and external validity. Internal validity means that the theoretical definitions and the conceptual definitions are balanced. External validity means that interpretations and conclusions made in the study are qualified in relation to existing material. (Eskola & Suoranta 1998, 214.)

Researcher's logical inference is also one indicator of a reliable study. A reader has to be able to follow the researcher's thoughts. Also, repeatability is meaningful. Repeatability means that other researcher can do the same study and come to the same conclusions when the original researcher explains the study. (Eskola & Suoranta 1998, 217.)

One way to assess credibility of a study is triangulation. Triangulation refers to the use of more than one approach to the investigation of a research question in order to enhance confidence in the ensuing findings. The idea is that one can be more confident with a result if different methods lead to the same result. If an investigator uses only one method, the temptation is strong to believe in the findings. The purpose of triangulation in qualitative research is to increase the credibility and validity of the results. Cohen and Manion (2000, 204) define triangulation as an "attempt to map out, or explain more fully, the richness and complexity of human behavior by studying it from more than one standpoint". There are several types of triangulation. In this study, methodological triangulation happens. Methodological triangulation refers to the use of

more than one method for gathering data. In this study, three methods were used: interviews, surveys and observation.

## 7 DISCUSSION OF RESULTS

### 7.1 Need for Change

The first two questions in the survey and in the interviews concerned the need for change. The number of respondents in the first two questions was 15. Figure 18 shows that 86.7 percent of employees thought they knew why this change was important for the organization. 13.3 percent of employees was not sure about the need for change.

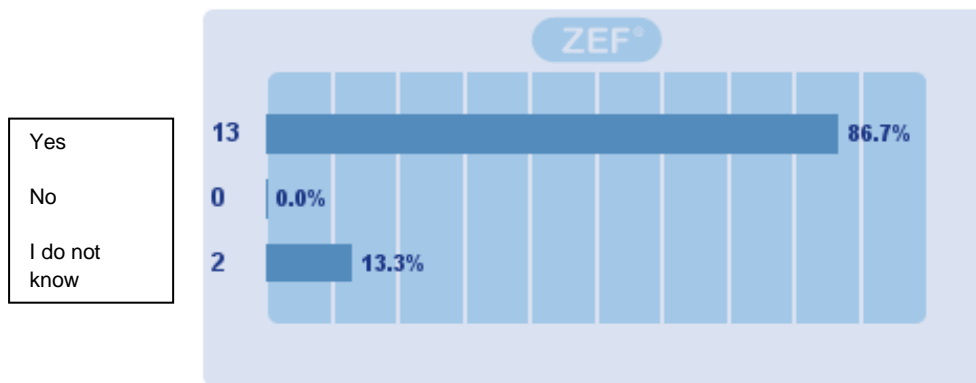


Figure 18: Do you know why the change is important for your organization?

In order to be committed to the change, employees have to know well the reasons for change. However, knowing the need for change is not enough. The management task is to get the personnel realize not only the need for change but also the advantages that come with the change. (Lanning et al. 1999, 33.) In this case, the need for change is quite obvious and comes from the Ministry of Education and Culture. The majority of respondents also thought that this change is necessary, as seen in figure 19.

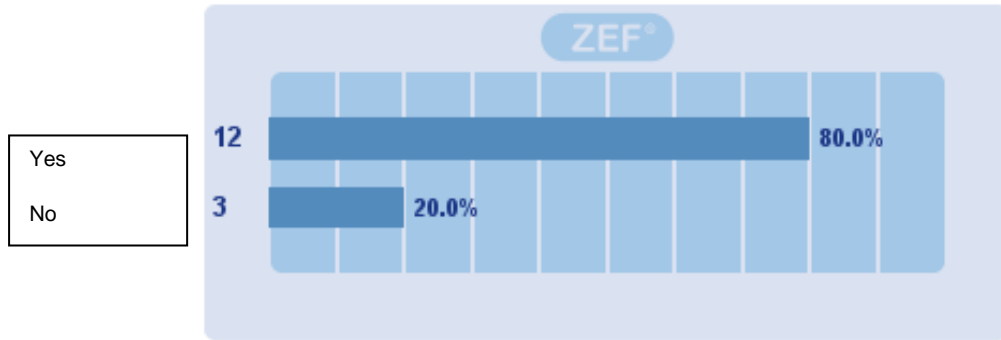


Figure 19: In your opinion, is the change necessary?

This is a good signal for the management. When employees see and understand the facts behind the change situation, they are motivated to the change process at their work. All respondents from the management saw that change is well justified. Background for this change situation is clear. Management clearly sees that organizations have to develop and cooperate in order to “stay alive” in the field of universities of applied sciences in Finland. All respondents also thought that need for change and background for the situation have been discussed and dealt well and several times in the executive boards.

### 7.2 Attitudes

The second theme in the survey and in the interviews was “Attitudes”. Attitudes were discussed both in the work community and individually. Attitudes have a big impact in motivation and commitment in the change process. Nearly all employees were motivated to implement change in their own work in their own opinion, as figure 20 shows (N=15).

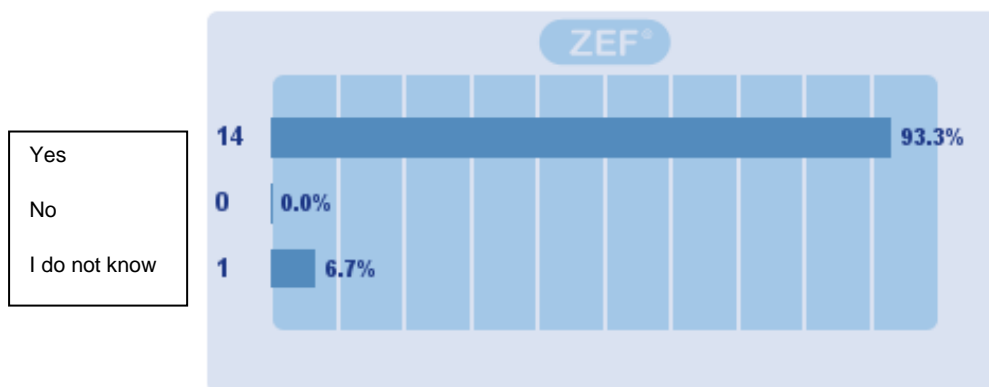


Figure 20: Are you motivated to implement the change in your own work?

Work can mean several different things for employees. For some people, work is only a mean to get money for the family. For others, work is important and valuable issue in life. Personnel of an expert organization are often interested in developing themselves, their work and the organization. This also shows in responses of this study, because figure 21 shows that 100 percent of re- spondents wanted to develop in their work and get new challenges (N=15).

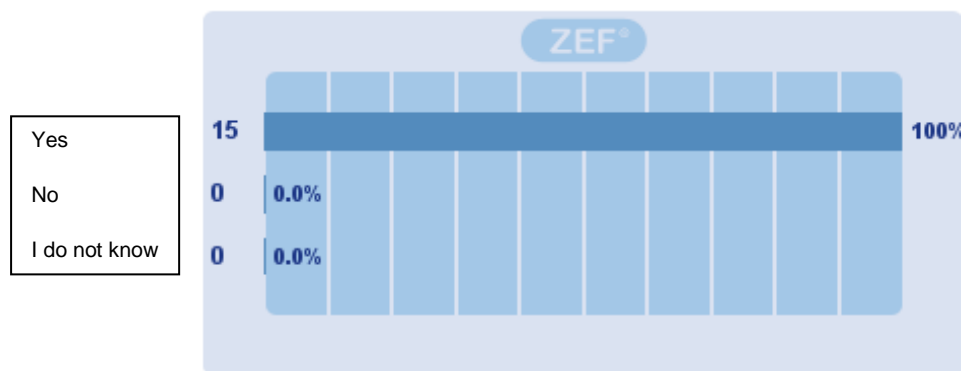


Figure 21: Do you want to develop in your work and get new challenges?

In a change situation also people inside the organization have to be willing to develop their work and themselves, not only the organization. Developing also means being ready to change and learn new things. Figure 22 shows that majority, 60 percent, of employees thought that general atmosphere in the work- place is positive towards the change situation. One third of the respondents were not sure about it and 6.7 percent saw the general atmosphere negative (N=15). In a positive atmosphere, changes are easier to adapt in the work community.

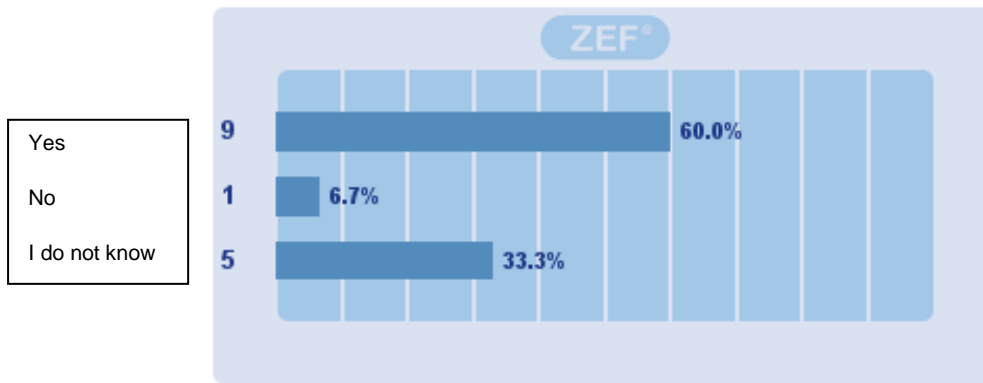


Figure 22: Is the general atmosphere in your organization positive towards the change situation?

Management saw the change situation as a new possibility. All of the respondents had had change situations in their work earlier, too. General opinion was, that change situation makes management more challenging, but is also very interesting. The biggest challenges in managing in a change situation according to the interviewees are represented in the figure 23.



Figure 23: The most challenging things in managing in a change situation

All respondents from management saw it challenging to get employees *committed* to the change. No progress can be achieved if management cannot convince their employees to be part of the change process. *Communication* was also difficult for the management in a change situation. “*Decisions of how to communicate, when, and how to ensure that everyone has the same information are the most difficult issues*” (I1). One important part of change management is decision making. Management saw it sometimes difficult to make *compromises*. “*How to be sure that we are doing the right choices?*” (I2). A change manager has to be able to show the personnel that this change pro-

cess is well justified and has positive consequences. Manager's own example is showing in practice, what are the attitudes in the management towards the change. With convincing management style these challenges will be smaller. (Honkanen 2006, 40.)

### 7.3 Support

The third theme of the survey and interviews was "Support". In an uncertain situation, support has to be available for both management and employee level. Resistance for change is a natural way to react to a change situation. That must be taken account to. It can also be seen in this study. Figure 24 shows that 50 percent of employees thought that there were people in the organization who are resisting the change. 28.6 percent thought that there is not resistance for change and 21.4 percent did not know about it. (N=14). The most general factors behind resistance for change are fear, getting stuck in old habits and routines, lack of personal advantage in the change, frustration, confusions in roles in the work place and inadequate knowledge of the need for change. (Lanning et al. 1999, 138.)

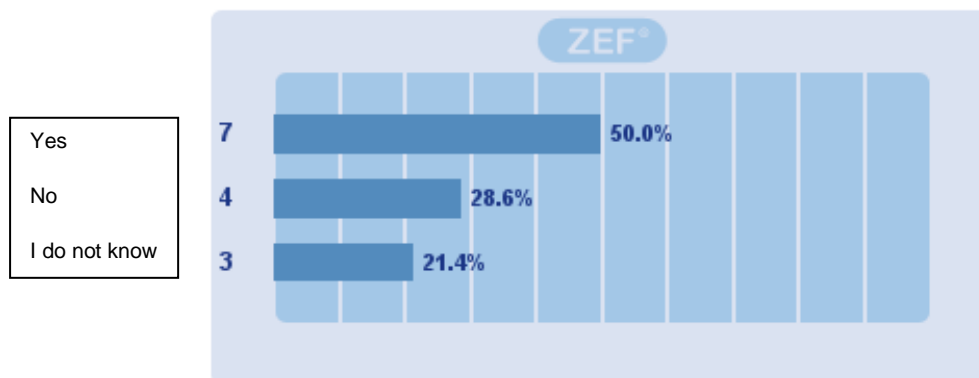


Figure 24: Are there people in your organization, who clearly resist the change?

Even if there is some resistance for change, other employees should be able to concentrate on their work as usual. In this study, the resistance for change did not affect other people in their opinion. 100 percent of people who answered that there is resistance for change, did not see any affection of it to their own attitude. That is good, because sometimes people who are resisting the change, start trying to convince everyone else about the negative conse-

quences of the change. According to the answers, that is not happening in these organizations.

A change situation in an organization may bring along changes in individual job descriptions, too. In this case, same amount of respondents saw that their work has become more challenging due to the change situation, and that their work has not changed. Percentages are seen in figure 25 (N=15). This answer shows that this change situation is affecting people differently. Some people think that it has not affected at all, and some feel that it has changed a lot already in their work. The case organizations in this study are quite big and employees have heterogenic job descriptions. This study shows that at least in this stage of the process, the change is affecting people differently.

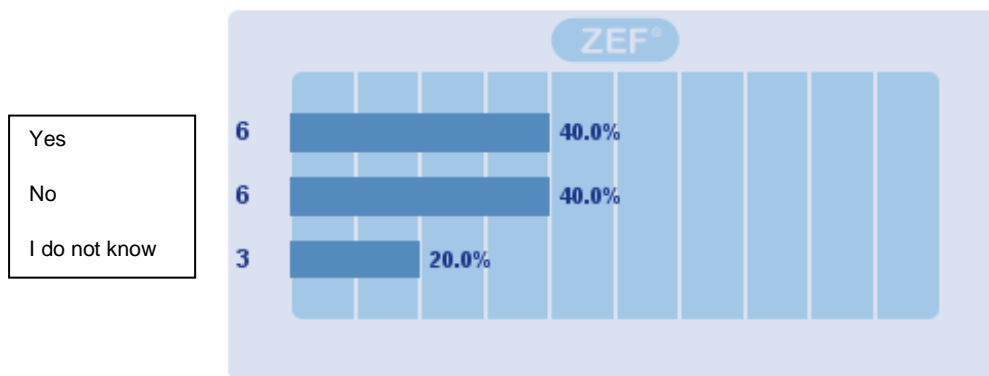


Figure 25: Do you think that your job has become more challenging due to the change situation?

Feedback from the management is always important, but especially in a change situation. Particularly, if there are changes in the job descriptions, employees have to get support from the management. Figure 26 shows that 40 percent of employees in this study get enough feedback from their manager, but 46.7 percent do not think that they get enough feedback (N=15). This could be improved by increasing leadership and coaching management style, and having discussions between the manager and the employees more often. Feedback is often given only, if there is something to correct or do better. Managers should remember to give also positive feedback. Lack of feedback can be interpreted as not caring for the employees, even if it is not true. Feedback is a powerful tool to maintain motivation and to guide the change process. Lack of feedback will have enormous consequences. (Lanning etc.

1999, 227.) Silvennoinen & Kauppinen (2006, 60.) say that feedback strengthens wanted behavior and helps assessing performance in relation to indicators. Thus, without feedback, employees do not know whether they are concentrating on the right things in the change process.

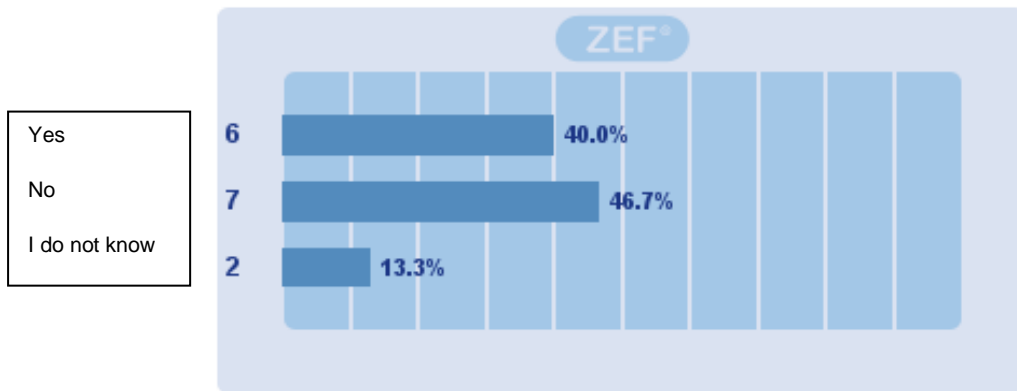


Figure 26: Do you think that you receive enough feedback of your work?

Even if almost half (46.7 percent) of employees thought that they did not get enough feedback from their work, figure 27 shows that nearly all employees (93.3 percent) thought that they had adapted changes well in their job description (N=15).

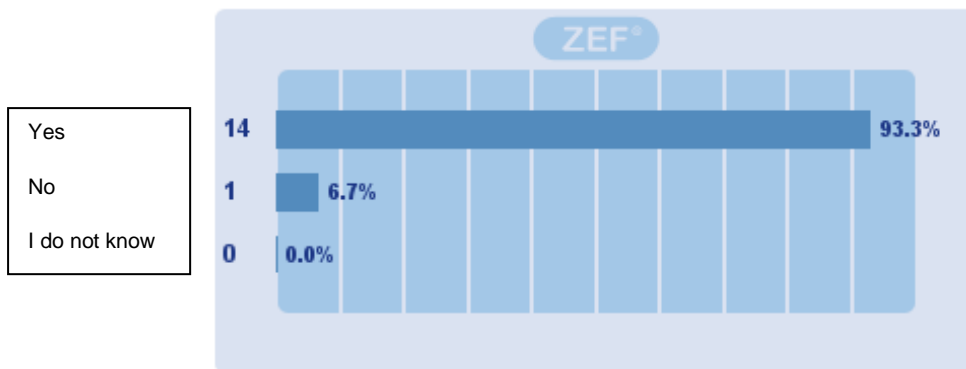


Figure 27: Have you adopted changes well in your job description?

That is a sign of lack of positive feedback. Everything has gone well, but no feedback has been given in a new situation. That might have an impact on personnel’s motivation for implementing this change process. In this case, the



change process is not completed yet and even more commitment and motivation will be demanded from the personnel in the near future. In order to be prepared for that, the management should concentrate on positive feedback.

In a change situation, concentrating on the basic tasks may be difficult because of the unusual situation. As seen in figure 28 (N=15), 53.3 percent of employees experienced some problems or weaknesses in the organization that make everyday work more difficult in a change situation.

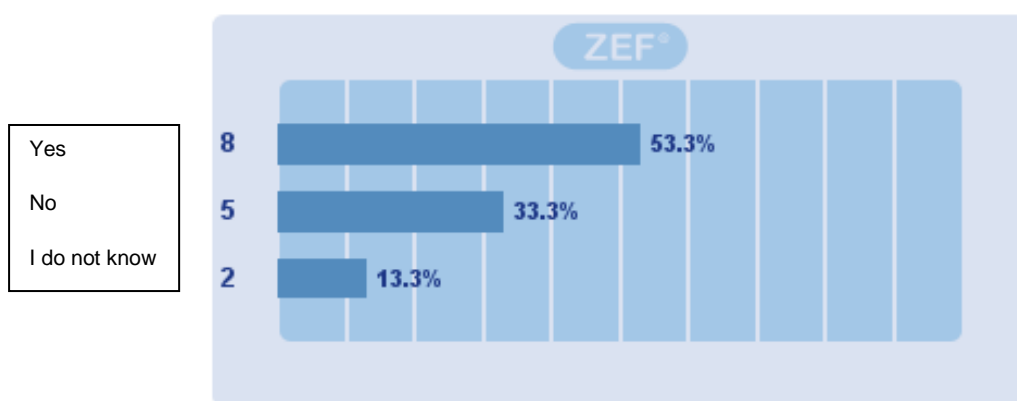


Figure 28: Are there some problems or weaknesses in your organization that make your everyday work more difficult?

The most common problems or weaknesses according to the employees were mentioned to be the following:

- ❖ Vagueness of guidance
- ❖ Lack of communication

In a change situation all members of the personnel have to know what they are doing and why and where they are going to. If guidance from management is unclear or even adversarial, employees cannot see the vision clearly and cannot trust the management anymore. Trust is the most important thing in a change situation in order to get employees committed to the change. Employees were experiencing communication unfair. Some people know more than others in the personnel. All information concerning the change in the organization and also changes in the department should be spread to all members of the personnel.

There are also positive things in the organization in a change situation. 53.3 percent of employees thought that there are factors in the organization that make everyday work easier. The most common factors were according to the employees:

- ❖ good cooperation with colleagues and networks
- ❖ supporting and open atmosphere

All interviewees of management thought that if they needed support in a change situation, they would get it within the organization. The general opinion was that support was not needed in the management. *“I am sure that I would get help and support from my colleagues if needed, but I do not see any reason for that”* (I3, I4). Maybe one reason, why employees thought they were not receiving enough feedback and guidance, was the fact that management did not realize they needed it. The background of the change situation and the consequences in the near future seemed to be clear for the management and they did not need any support. All managers had also already gone through several change processes in their work history, so the situation was at least to some extent familiar to them. For the employees the situation was not so clear and they would have needed more support, feedback and guidance. Even if there are not any changes coming ahead right now, it should be said out loud. The old phrase “No news is good news” is unfortunately common yet, but also unchanged situation should be communicated to the personnel, not left unsaid.

Interviewees from management were asked about their own familiarization to change management. All interviewees said that they were well familiarized with the change, but not with managing in a change situation. *“Other management training has been organized to me, but not training about managing in a change situation in particular”* (I3).

Member of the management also saw some things in organization that are making it difficult to manage in a change situation. The most common factors were:

- ❖ **Timetable.** Change process was seen as happening too slowly. On the other hand, in some cases changes were seen as happening very fast, if so needed. *“This change process is not going straight forward, but is taking steps aside”* (I4).
- ❖ **Political issues.** Most guidelines in this change process come from The Ministry of Education and Culture. Their orders and instructions can change, and it affects the change process in the target universities. Orders and instructions of Ministry of Education and Culture have a straight affect on the timetable. People inside the organizations can think that this change process is not proceeding because of the changed instructions. This change process is not linear that has a beginning and an end, but these changes are also changing during the process.

According to management, the most common factors that were helping managing in a change situation were:

- ❖ **Common objectives.** The need for change is so obvious in management level that it makes it easy to aim at a common goal.
- ❖ **Communication.** Members of management saw that communication is functioning well in the management level and in the executive boards.

#### 7.4 Good manager and employee in a change situation

The fourth theme of the survey and the interviews was “Good manager and employee in a change situation”. A manager cannot implement any change alone. A good team is always needed behind the manager. Management skills are always required, but equally important are good employee skills in a change situation. Figure 29 (N=15) shows that 77.3 percent of employees think they are encouraged to new ideas in order to improve their work.

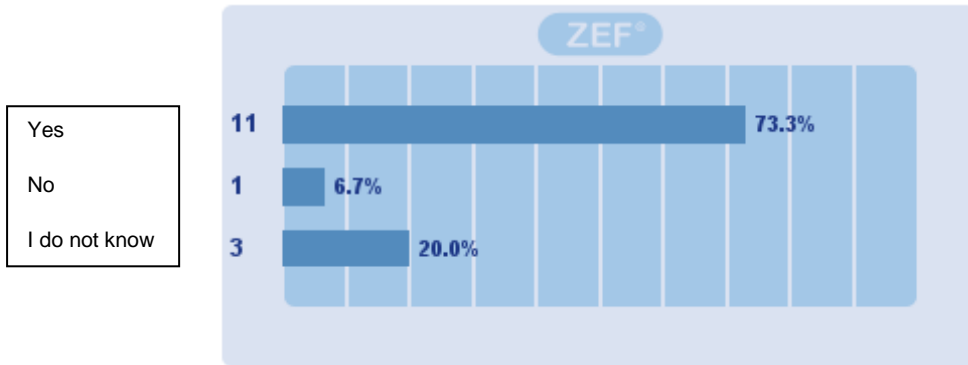


Figure 29: Are you encouraged to new ideas in order to improve your work?

In this aspect, the majority of employees think that atmosphere is encouraging and innovating. If changes are needed in an organization, employees should be able to improve working environment themselves. If employees, whose working environment is changing, can participate in developing, many advantages can be obtained; management can use the whole expertise of the organization, resistance for change may diminish because employees feel that they can influence the change process and employees are more committed to the change if they have been participating in it from the beginning. (Lanning etc. 1999, 173-174.) The great majority of employees, 80 percent, also thought that their manager takes suggestions for improving working environment positively. Figure 30 (N=15) shows that over 90 percent of employees are committed to the challenges of the change situation.

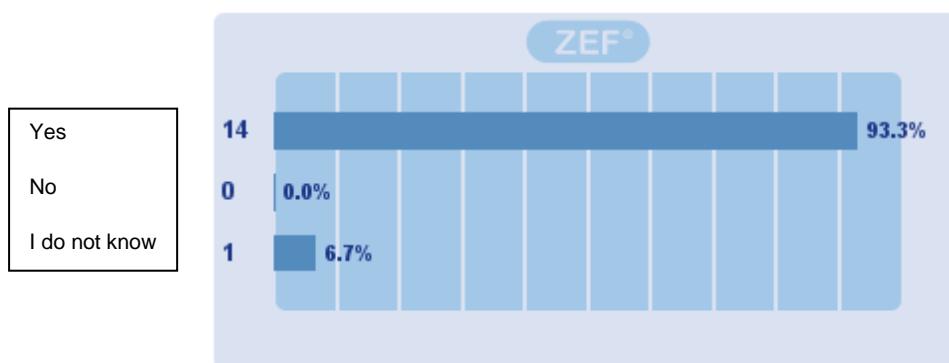


Figure 30: Are you committed to the challenges of the change situation?

In other words, employees are ready to put extra effort on their work because of the change situation in their own opinion. No concrete examples were mentioned related to this question, however.

53.3 percent of employees think that their own manager is a good manager in a change situation, as seen in figure 31 (N=15). Only 6.7 percent thought that their manager is not a good manager in a change situation, but 40 percent was not sure about it.

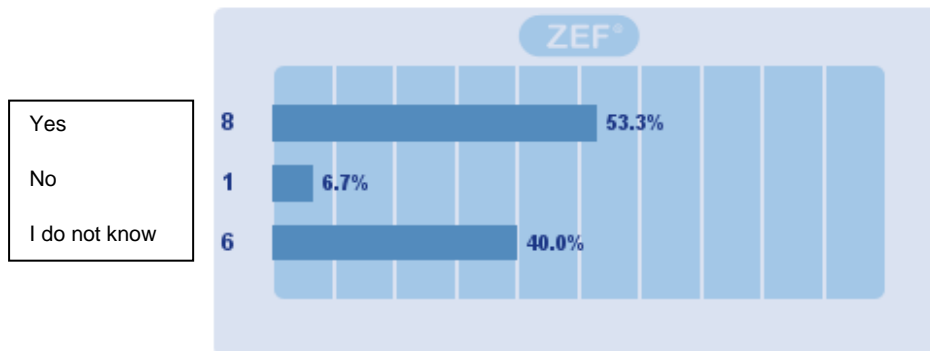


Figure 31: Do you think your own manager is a good manager in a change situation?

Big percentage of unsure employees can be interpreted so that in some situations managers succeed well in a change situation but in some situation there is something to improve. A common opinion was that a manager is good in managing change and developing the organization, but leadership skills are not so good in a change situation.

The following features were mentioned that make their own manager a good one in a change situation:

- ❖ Braveness
- ❖ Fresh thinking
- ❖ Quick decision maker
- ❖ Self confidence
- ❖ Trustworthy
- ❖ Open-minded

When asked about the features that make their manager not so good in managing in a change situation, several employees answered the same feature:

- ❖ Information is not spread to everyone. Some people in the personnel know more than others. That puts people in an unequal situation.

Members of the management also listed the most important features of a good manager in a change situation. The following features were the most common:

- ❖ Ability to tolerate uncertainty
- ❖ Readiness for discussing leadership
- ❖ Open-minded
- ❖ Trustworthy
- ❖ Good managerial skills and expertise in his/her own field
- ❖ Honesty

From these answers can be seen that some of the most important features in a change manager are already adopted in the management of Kymenlaakso University of Applied Sciences and in Mikkeli University of Applied Sciences. These features are open-minded and trustworthy. Trust is crucial in a change process and without trust in the organization, no change can be achieved. Open-minded manager is also innovative. Innovativeness is critical in a change situation, because a new situation needs new solutions. They can only be achieved with open-minded, innovative thinking.

## 7.5 Vision and values

The fifth theme of the survey and the interviews was "Vision and values". The vision of an organization is a description of where the organization is going to and what does it want to be in the future. Vision and values are giving the direction to an organization like a compass and they have a vital role in the decision making process of the management. All managers in every level of an organization have to have understood the values and the vision of an organization. (Green 2007, 85.) The following figure 32 (N=15) shows that 66.7 percent of the employees knew their vision. 13.3 percent admitted that they did not know the vision and 20 percent was not sure about it.

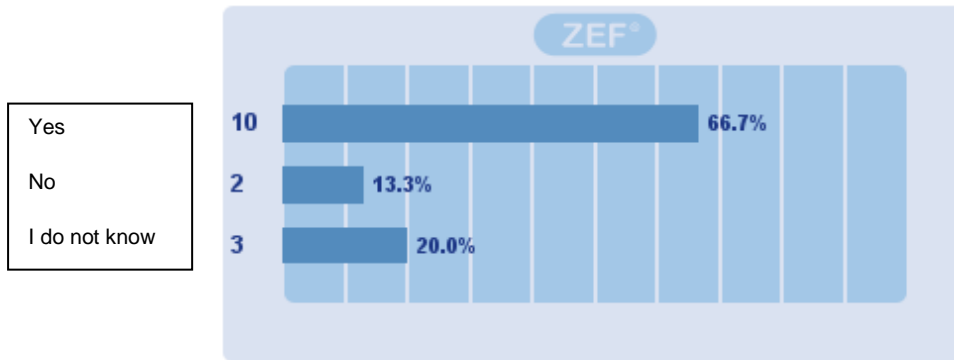


Figure 32: Do you know the vision of your organization?

The exactly same percentages showed up in the following question about the values of the organizations, as seen in figure 33.

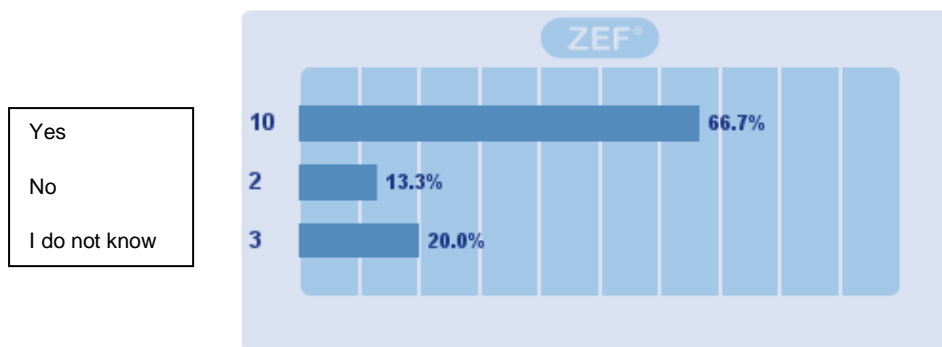


Figure 33: Do you know the values of your organization?

In a change situation, a good understanding of the vision can steer the decision making and other actions to the right direction. A vision is good to have in mind in order to concentrate on the essential things. In a change situation one can get confused and start to put effort on minor things. Values are the basis for all operations in the organization. They are in the background when heading to the vision.

53.3 percent of employees thought they are taking values into account in their every day work, as the following figure 34 (N=15) shows. 6.7 percent did not

think that they take values into account in their every day work, and 40 per cent was not sure about their opinion.

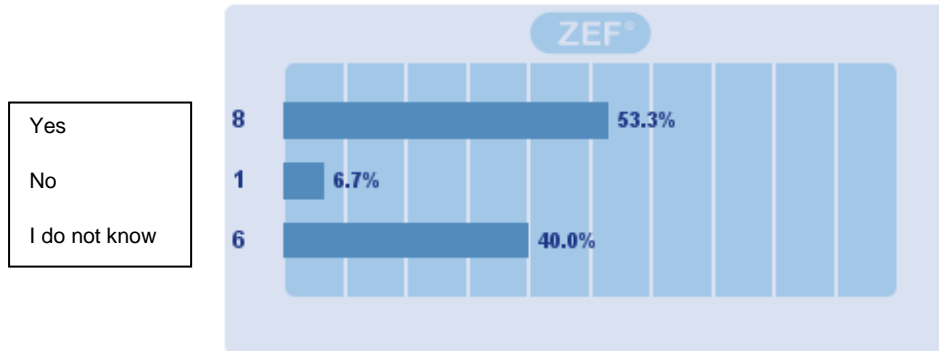


Figure 34: In your opinion, do you take values into account in your every day work?

As stated before, values should be the basis of all work performances in an organization. 53.3 percent of employees said that vision and values had been gone through together in the work community. Maybe it could be wise to go through vision and values in a yearly basis, in order to ensure that everyone knows and understands them. In that way, vision and values start to show in the work performance.

All members of the management said they knew vision and values well and also have gone through them with their employees in a concrete level. All employees did not agree with that. Maybe there are some new employees who have not been working in the organizations when vision and values have been gone through. Vision should also be checked time to time, especially in a change situation. In this case, vision comes at the moment quite much from the Ministry of Education and Culture. They decide the great lines where to head, and Universities of Applied Sciences can make some minor emphasizes.



## 7.6 Communication

The sixth and final theme of the survey and interviews was “Communication”. In a change situation, communication is very important, but challenging. Management has to respect the rules of communication. “*When to communicate about the latest decisions and coming actions?*” (14). In these Universities of Applied Sciences, the boards of directors have to make the final decisions before they can be informed to the personnel. That makes the internal communication challenging, because sometimes the board of directors are informing the press in the same time than the personnel. In the eyes of an employee, they are not any more important than the large public. The following figure 35 shows that 53.3 percent of employees thought that they had received enough information about the reasons of the change beforehand (N=15).

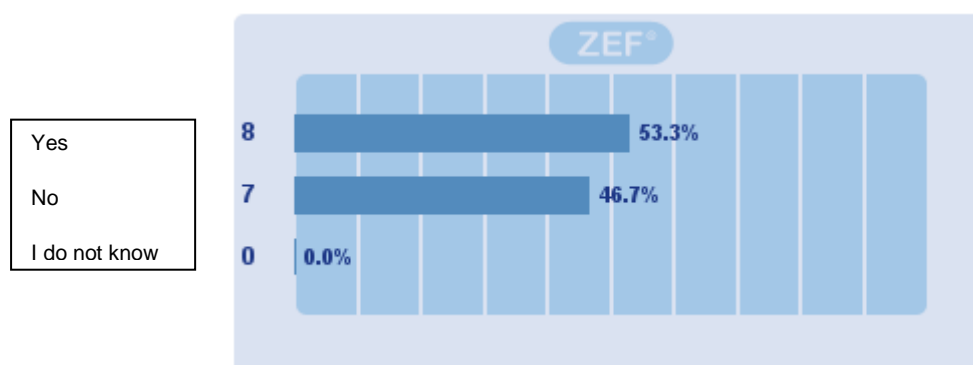


Figure 35: Have you received enough information about the reason leading to the change before the change process?

There was a long process in the background before this change situation and the cooperation between Kymenlaakso University of Applied Sciences and Mikkeli University of Applied Sciences started. Some other possibilities were also discussed before these partners were selected. This case has been a good example about good cooperation between Universities of Applied Sciences, even nationally. Maybe the personnel see that they did not get enough information, because this cooperation was a sort of pioneer. Afterwards, the

network of Universities of Applied Sciences has been in national news several times and from the researcher's point of view, the background for this change situation is obvious.

When asked about information during the change process, over 70 percent of employees thought that they had not got enough information, as seen in figure 36 (N=15). These results show that even if the background for this change situation is informed in some extent, the communication has not improved during the process, on the contrary. Communication should be active, and taken care of regularly.

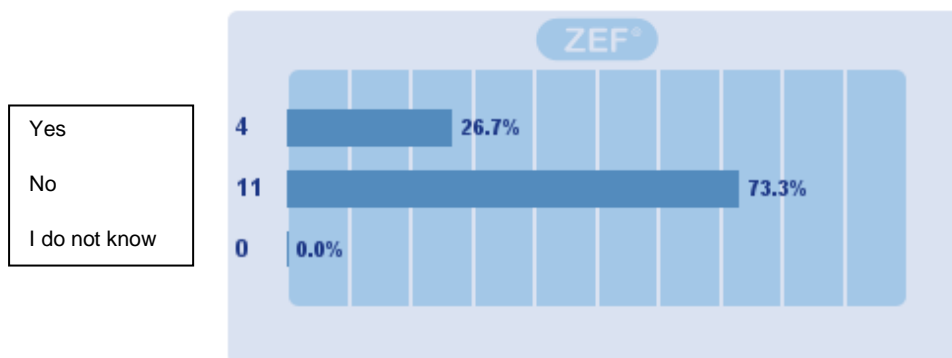


Figure 36: Have you received enough information about the phases of the change process?

The following figure 37 shows that 40 percent of employees know where the change process is heading to (N=15).

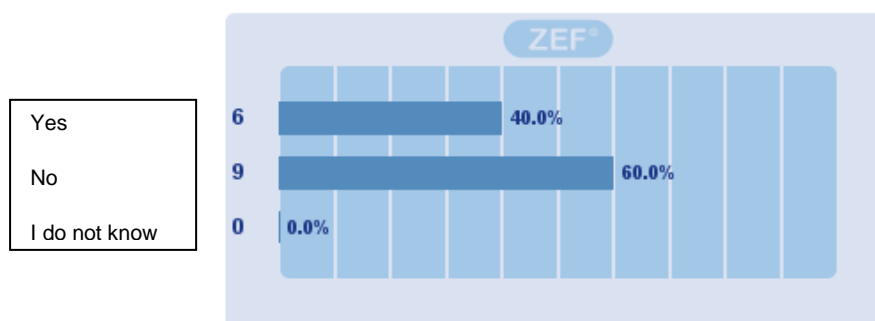


Figure 37: Do you know where the change process is heading to?

As stated before, the direction of this cooperation is determined by The Ministry of Education and Culture, and maybe the final result of this cooperation is not clear for anyone at this stage of the change process. That explains the big amount of respondents who answered that they did not know it. This case is a change process that is changing even during the process.

The biggest differences in the answers between employees and management concerned communication. Employees saw that communication should be improved but management thought that communication in this change process has been handled well. Information seemed to be well shared in executive boards and this change process had been discussed several times in the meetings. There seemed to be differences on how much the members of executive boards shared information to their own teams. There should be common rules of how to share information from the meetings of executive boards to the personnel.

## 8 FINAL CONCLUSIONS

An ideal topic of a qualitative research is interesting enough, but not too close, because there has to be a clear distance between the researcher and the topic of the research. Distance enables a versatile aspect of the research topic. The distance can be ensured with a solid base of knowledge. (Eskola & Suoranta 1998, 35) In this case, the researcher is also a part of the sample that has been studied. Because of that, interpretation of the data had to make carefully. That might have also affected the answers that were received. On the other hand, it might have been easier to do the interview with a familiar researcher, because the researcher knows the context well and colleagues can trust the researcher, thus there was smaller possibility to misunderstandings.

When a study is meant to function as a base for development, the gathered data is also a source of ideas. An assertive research analyzes and interprets reliably the material of the research. (Eskola & Suoranta 1998: 216.) The contribution of this study has three layers: individual, middle management and top management. Hopefully this study will be useful in Mikkeli University of Ap-

plied Sciences and in Kymenlaakso University of Applied Sciences, but also in other universities of applied sciences, because due to decisions of Ministry of Education and Culture, this cooperation is not the last one in the field of universities of applied sciences in Finland.

## 8.1 Summary of major results

The aim of this study was to improve change management and make the gap between management and employees smaller by producing knowledge and understanding of importance of effective management in a change situation. The objective of this thesis was to help management in a change situation and develop practices for change management in Kymenlaakso University of Applied Sciences and Mikkeli University of Applied Sciences.

Research question of this thesis was:

“How to help achieving organizational objectives in a change situation in KyUAS-Mikkeli UAS context?”

Based on the results of this study, people should operate more together in a change situation. Teamwork within employees but also together with management helps people to see the big picture. Management is offered meetings, trainings and get-togethers in a change situation, but personnel feels that it is forgotten. This study clearly shows that management receives enough information on time and feels that they know what is happening. However, information flow to the personnel is not as fluid as it should be. The situation is unclear and it causes insecurity and rumors within the employees. That leads to a situation where all energy is wasted on speculations and sticking firmly to the old habits. In order to get efficient activity from the personnel also in a change situation, information must be spread regularly to all members of the personnel.

A change situation is always hectic time for the management. Understandably, “common coffee breaks” with your employees may be difficult to organize. This study anyway points out the importance of support for the employees.

Members of the management may feel insecure themselves but management task is to be there for the employees. Change situation requires firm basis of knowledge and sometimes hard decision making from the management. Hence, it may be easier to step away from the employees in order not to be forced to face the fear of the employees. It takes courage from the manager to also concentrate on softer issues in a change situation: discussions with the employees, understanding the insecurity and fear of the employees. However, when the manager faces employees and shows concern for them, the personnel can trust that their managers are leading them to the right direction and decision are made for the right purpose, even if they might be difficult decisions for the personnel.

## 8.2 Suggested actions

According to all material gathered in this study, interviews, survey and own observation, the following figure 38 was created to help in a change situation. The figure shows how the three groups: top management, middle management and employees can together make the process of change situation fluent.



Figure 38: Factors of fluent change situation

The vision of the change process should be clear and same to all three groups of the organizations. When everyone is heading to the same direction, good results will be achieved together. The responsibility of top management is to

make wise decisions for the future of the organizations and communicate about them. Middle management has an important role between top management and the employees. One hand should be going forward and the other should hold employees' hands and support them. Individuals in the organizations should be active and rational in the change situation. Change causes big emotions but by concentrating on the essential and gaining knowledge voluntarily, the situation would be easier to cope with. Based on this study, in every three levels of the organizations people can make the change process either easier or more difficult to implement. With these factors of fluent change situation, the aims of the change process can be achieved.

Change situation is affecting a large number of people in the same time: two organizations and several departments. All members of personnel should be in equal position. This study showed that there are a lot of different habits in the middle management. Some managers really put effort on communication and being there for the employees, but some managers are concentrating only on change management, not leadership of different people in a difficult situation. The following figure 39 shows the checklist that was created according to the data gathered in this study.

Employees	Middle Management	Top management
<ul style="list-style-type: none"> <li>• Be an active employee</li> <li>• Search for information</li> <li>• Solve unclear issues before they become too big</li> <li>• Remember the vision</li> </ul>	<ul style="list-style-type: none"> <li>• Positive feedback</li> <li>• Support your team</li> <li>• Communication on regular basis</li> <li>• Be there for your employees</li> </ul>	<ul style="list-style-type: none"> <li>• Organize training for management about managing in a change situation</li> <li>• Highlight teamwork, change is made together</li> </ul>

Figure 39: 3-staged checklist

In the figure, the most critical points for the employees, middle management and top management to remember in a change situation have been gathered.

**Employees:**

- ❖ **Being an active employee.** With your own behavior you can help your manager and the whole organization to succeed in this change situation.
- ❖ **Searching for information.** Communication goes two-ways. Do not wait that everything will be given to you. Usually the information you are looking for, exists, you just have to find it.
- ❖ **Solving unclear issues before they become too big.** If there are some problems in your working environment, solve them. Your manager is there to listen to you.
- ❖ **Remembering the vision.** There is a reason and direction for the change process. Keep them in mind, and you can concentrate on the most important, your work.

**Middle management:**

- ❖ **Positive feedback.** Your team has put extra effort at work because of the change process. Your responsibility is to thank them for it and give credit for it.
- ❖ **Supporting your team.** A change situation can be frightening to your team. They do not have all the knowledge and experience you have. Support them and show them that you care. By coaching them, they can get even more effective.
- ❖ **Communication on regular basis.** Remember to communicate in a regular basis. Even if you do not have anything new to tell, remember to tell that, too. Without you, your team does not know all the essential things.
- ❖ **Being there for your employees.** Your work load is large in a change situation. Do not take the time from your team. Be present for them, in order to sense the atmosphere and possible signals for uncertainty or fear.

### Top management:

- ❖ **Organizing training for management about managing in a change situation.** The management may be well prepared for the change, but maybe they are not prepared to change management. They have to have tools to succeed in the situation.
- ❖ **Highlighting teamwork, change is made together.** The whole organization consists of individuals, both employees and managers. In a change situation they all are a little confused. Good atmosphere at work enables handling also difficult situations.

### 8.3 Further research and development

This study was made in the situation when the change process of Kymenlaakso University of Applied Sciences and Mikkeli University of Applied Sciences was started a couple of years ago, and there still was a lot of changes to come in the couple of years ahead. This study gave more knowledge and understanding of expectations, attitudes and perceptions in the middle of the process. Further research and development issues emerged during the project. Further research could be done in the same KyUAS-Mikkeli UAS context after the change process has been fully implemented, whatever the end result of the process will be. After the change process, the usefulness of this particular study could be found out. In that stage, one could see if suggested actions of this study can help in change situation. Research could also be done about the new working environment where this change process is heading to (South-Eastern Finland's University of Applied Sciences?). The issues could be creativeness in a changed working environment and adapting new situations and teams. In addition, the researcher suggests further research of the middle management's management styles. This study showed that management styles vary quite much inside the organizations. In particular, communication seemed to differ remarkably. That can have negative consequences to employees' productivity.



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## Appendix 1: Structure of the interviews

1. Background information
  - a. work history
  - b. management history
  - c. gender
  - d. age
  
2. Need for Change
  - a. Is the need for change explained to you as a manager?
  - b. Has the change been implemented successfully so far? Why or why not?
  - c. Has your work changed due the change process, or do you think it will change?
  
3. Attitude
  - a. How do you see managing in a change situation?
  - b. What is the most challenging in change management?
  - c. How have you adopted the change yourself?
  
4. Support
  - a. Do you think you have been initiating well to the change and change management?
  - b. Do you get enough support for change management?
  - c. Are there any factors in your organization that make change management more challenging? Example?
  - d. Are there factors in your organization that make change management easier? Example?
  
5. Features of a good change management
  - a. What makes a person a good change manager?
  - b. Have you developed change management in concrete level?
  - c. How have your new ideas been accepted?
  
6. Vision and values
  - a. Do you think you have understood the vision of your organization?
  - b. Do you think you have understood the values of your organization?
  - c. Have you gone through vision and values with your employees?
  
7. Communication
  - a. Do you think that your employees can freely talk to you about the fears and feelings about the change?
  - b. Do your employees get support, if needed?
  - c. How do you practise good communication in your work?
  - d. Have the reasons for the change been explained to the personnel?
  - e. Do you take new ideas for work from your employees?
  - f. How do you handle new ideas?
  - g. Are your employees encouraged to be innovative?

## Appendix 2: List of the interviewees

Riitta Muuronen, Head of department, Kymenlaakso University of Applied Sciences, interviewed 15 April 2012

Marjo Nykänen, Quality and service manager, Mikkeli University of Applied Sciences, interviewed 20 April 2012

Mirja Toikka, Vice rector, Kymenlaakso University of Applied Sciences, interviewed 15 May 2012

Heikki Saastamoinen, Managing director, Mikkeli University of Applied Sciences, interviewed 5 June 2012

## Appendix 3: Structure of the survey for the employees

The aim of the following survey is to find out challenges in individual and organizational level concerning change situation. Change in this concept means the strategic cooperation between Kymenlaakso University of Applied Sciences and Mikkeli University of Applied Sciences. Answering this survey will take approximately 5 minutes and the answers will be handled namelessly and reliably. Your opinion is important, please let me know. Thank you for answering!

### 1. Background information

1.1 Gender:

male \_\_\_\_ female \_\_\_\_

1.2 Age:

18-25 y. \_\_\_\_ 26-35 y. \_\_\_\_ 36-45 y. \_\_\_\_ 46-55 y. \_\_\_\_ 56- y. \_\_\_\_

1.3 Education:

elementary school

vocational school

university level education

1.4 I have worked in the organization for:

1-2 years \_\_\_\_ 3-5 years \_\_\_\_ 6-10 years \_\_\_\_ 11-15 years \_\_\_\_ over 15 years \_\_\_\_

### 2 Need for change

2.1 Do you know why the change is important for your organization??

Yes

No

I do not know

2.2 In your opinion, is the change necessary?

Yes

No

I do not know

### 3 Attitudes

3.1 Are you motivated to implement the change in your own work?

Yes

No

I do not know

3.2 Do you want to develop in your work and get new challenges?

Yes  
No  
I do not know

3.3 Is the general atmosphere in your organization positive towards the change situation?

Yes  
No  
I do not know

#### 4 Support

4.1 Are there people in your organization who clearly resist the change?

Yes  
No  
I do not know

4.2 If your answer was YES, do these people have a negative effect on you?

Yes  
No  
I do not know

4.3 Has your work changed into more demanding during the change process?

Yes  
No  
I do not know

4.4 Do you think you get enough feedback from your work?

Yes  
No  
I do not know

4.5 Have you adopted changes well to your job description?

Yes  
No  
I do not know

4.6 Are there factors in your organization that make your every day work more difficult in a change situation? Examples?

Yes  
No  
I do not know

4.7 Are there factors in your organization that make your every day work easier in a change situation? Examples?

Yes  
No  
I do not know

## **5. Features of a good manager and employee in a change situation**

5.1 Do you think your manager is a good change manager?

Yes  
No  
I do not know

5.2 Are you encouraged to new ideas in order to improve your work?

Yes  
No  
I do not know

5.3 Is your manager willing to take new ideas from employees?

Yes  
No  
I do not know

5.4 Are you committed to the challenges of your work?

Yes  
No  
I do not know

## **6. Vision and values**

6.1 Do you know the vision of your organization?

Yes  
No  
I do not know

6.2 Do you know the values of your organization?

Yes  
No  
I do not know

6.3 Do you think you take the values into account in your everyday work?

Yes  
No  
I do not know



6.4 Have your vision and values been gone through together with your team/department?

Yes  
No  
I do not know

## 7. Communication

7.1. Have you received enough information about the reason leading to the change before the change process?

Yes  
No  
I do not know

7.2 Have you received enough information about the phases of the change process?

Yes  
No  
I do not know

7.3 Do you know where the change process is heading to?

Yes  
No  
I do not know