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How to help employees to go through organisational change. Importance of communication.
Case Company X

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Every business, every organisation faces change at a certain moment of its existance. Twenty first century dictates businesses its own rules and pushing companies to implement changes more frequently. Reasons are various, for instance globalisation, new opportunities, cost savings programmes and restructurings. How well change is managed will determine the future of an organisation.

The easiest part of managing change is to create a new vision and plan: these are technical moments. Much harder is to convince people that change is needed and make employees following new organisational rules. This thesis will provide some features of successful change management plan and implementation process. In addition to that, special attention will be paid to people, their personalities in change, resistance to change, ways to overcome it, and importance of communication.

Case Company X is an international company, operating worldwide. Company has recently gone through several changes such as reorganisation and restructuring. The main purpose of this paper is to provide analyses for the company if this change has been implemented successfully. Second purpose is to provide theoretical base for managers about change management techniques.

Qualitative research method was used in this thesis. Eight interviews were conducted to obtain necessary data about Case Company X and provide analyses. Final part of the thesis presents key findings and analyses of the case. It reveals that in general the change was implemented well and recommendations would be to pay special attention to planning, time management, communication and celebrating successes.

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1   Introduction

The purpose of this thesis is to describe and analyse change management process. The most challenging part in change process is to lead employees through it. People tend to consider changes as a threat and therefore dislike them. Case Company X has gone through organisational change. This thesis has to help the company to understand if this change has been implemented successfully.

1.1   Background and motivation for the study

IBM Executive in 1960s Lynett said, "The most effective way to cope with change is to help create it" (Forbes Quotes 2015).

There are various materials, books, articles and researches that provide information on how to implement organisational change successfully. Still, every time it seems to be a big challenge for managers and employees to go through a change process happening in their companies. Most people see change as a threat, and they tend to either oppose or are afraid of changes.

Charles Darwin said: "It is not the strongest of the species that survives, nor the most intelligent, but rather the one most responsive to change" (Salerno & Brock 2008, 27). This principle can be implemented to organisations as well, where one of success factors for business is successful change implementation. Business world is volatile, market conditions change, new technologies are introduced more frequently, companies go global with their products and challenge competition– all this pushes companies to adapt, and accordingly, to introduce some organisational changes.

Kotter and Rathgeber predicted already in 2006 that the rate of change is going to continue to go up. They also came to conclusion that most organisations spend a lot of money for small and ineffective changes that do not bring any value but only frustration among employees. Change management is a significant skill for not only leadership but also employees in an organisation. Based on their research, in most successful organisational changes nearly all people contributed to a change process. (Kotter and Rathgeber 2006, 140-141.)

As people are a very valuable asset for implementing changes this research will concentrate much on finding best techniques of involving employees into change management process, importance of empowerment and communication.

Kotter (2012, 3) strongly believes that nowadays and in future organisations will be pushed even more to reduce costs, improve products, services, make reorganisations, increase productivity, and make all other organisational changes.

1.2   Case Company X

Empirical study of the research is going to be done for a company that wished to stay anonymous; therefore, only short introduction of the company will be presented here below.

Case Company X is an international organisation with production plants and representative offices in over 120 countries. The company positions itself as an innovative leader in their industry. Case Company X has a portfolio of different products they produce and sell worldwide. The company employs over 6 000 people. Company´s employees represent many different nationalities, cultures, backgrounds and expertise.

This research will present theories of organisational change which will help to create a theoretical base for managers describing best techniques for leading employees through organisational change. Big part of the research will concentrate on people: resistance to change, emotions, behaviour and communication.

Case Company X has gone through organisational changes such as reorganisations and restructuring. These processes were a result of a bigger reorganizational process. As a result of the reorganisation, nearly every employee in concerned departments was involved, and one sub-department was eliminated.

Through empirical study of the research we will find out the way if the Case Company has implemented the change successfully. Qualitative research will help to understand which techniques have been implemented, and which have not.

Oftentimes, when a company implements organizational change, research about change management and interviews are concentrated rather on managers. In this research employees will be interviewed because the goal is to reveal feedback on how managers have implemented the change. This way, we can gain different insights and find out issues that leaders did not take into consideration and create suggestions for further improvements. And, most importantly, it will help to find out how people feel about the change.

1.3   Thesis topic and scope of the research

Change management has been studied for a long time. Successful implementation of changes is affecting future of organisations. A research company Prosci found out that when change management is effective, it is six times more likely that project objectives will be met or even exceeded. They state that companies do need to know certain methods, tools, and techniques to implement changes successfully. (Prosci 2014.)

Present research focuses on emphasising the main topics and issues that have to be covered and took into consideration when managing organisational change and leading people through it. This thesis is made to help managers to recognise main success factors when implementing changes. Biggest part of the research is about managing people because, as it was mentioned before, nearly all people in organisation from top management to employees from different departments should take active part in a change process to make it successful. Figure 1 visualises scope of the research and presents relationships between managers and employees in the situation of organisational change.
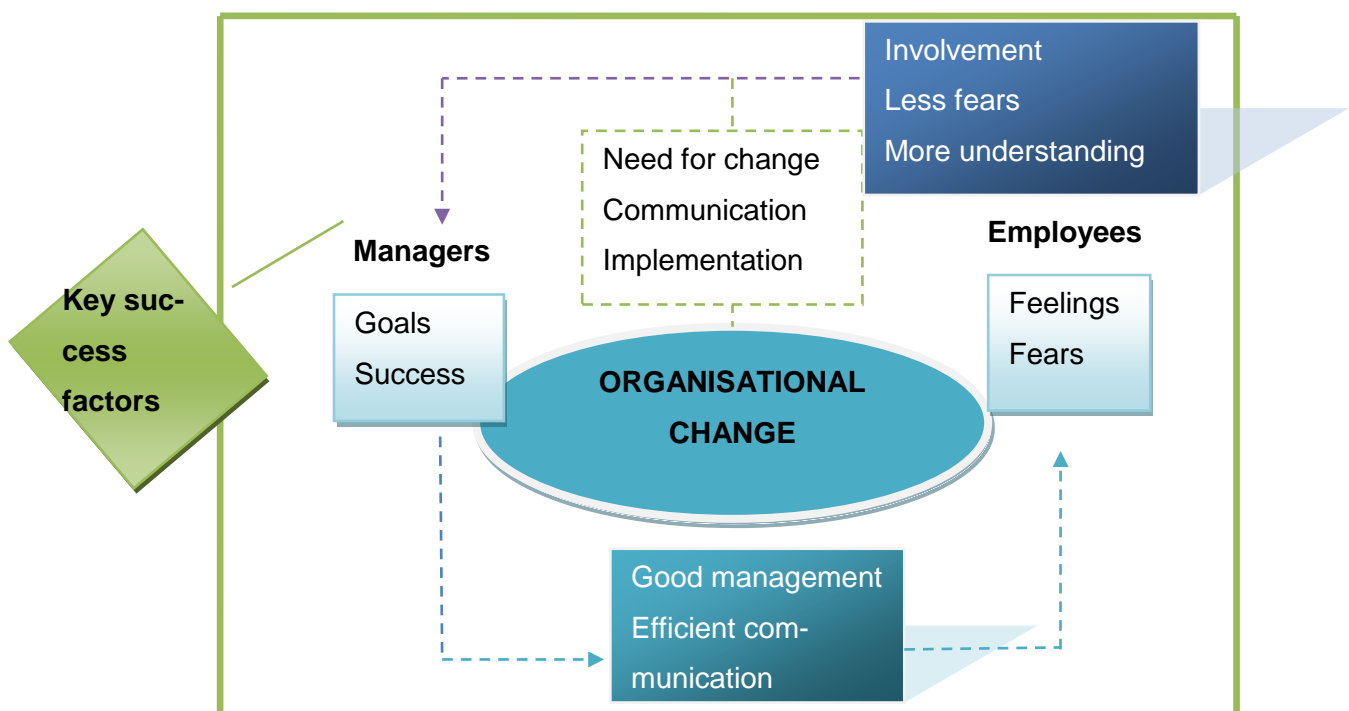

Figure 1. Scope of the research

Research questions (RQs) are:

- How to implement organisational change successfully?
- How to lead employees through change successfully?

Investigative questions (IQs) are:

- What challenges there are in change management?
- How to help people to accept change?
- What are the features of successful communication?
- How to understand that change has been implemented successfully?

By answering research questions and investigative questions this research will provide recommendations for successful change implementation. Another goal is to provide methods for successful communication. Additionally, this thesis is aiming to bring additional value for the Case Company by providing results and analyses of empirical part of the research. Empirical part will reveal information from inside: how employees of the company feel about resent organisational change. Results of the empirical part of the research will enable to recognise success factors and suggestions for improvements for the managers of the Case Company X.

1.4   Structure of the Thesis and Key concepts

Present thesis consists of background and motivation, introduction, theoretical and empirical research, and results and discussion in the end. Qualitative research method will be used because this research method allows understanding people and their thinking. Information will be collected through interviews. The main challenge here would be to make right questions and to interview right people. Through interview process people are supposed to open up and explain their way of thinking: if they understand the change, what do they think and feel about it and why. There are several ways to make data reduction: categorization abstraction, comparison, dimensionalization, integration, iteration, and refutation (Ghauri & Gronhaug 2010, 104-107 & 197-204).

Key concepts are:

Organisational change is a transition of a company from its current state to the new, desired state (Encyclopedia 2014).

Behaviour is the way in which person acts; a) the manner of conducting oneself; b) the way in which person behaves in response to a particular stimulation or situation; c) the response to a particular environment (Merriam-Webster 2014).

Resistance to change represents the way people respond to change, for example, by 'wait and see' approach, not accepting change until they have no other choice, not changing at all (Francke 2014, 183-184).

Communication: Language is the obvious vehicle for communication. Communication is considered to be a key component of change. (Herrero 2008,160.)

Leadership produces movement. Leadership actions establish the way where their team should go, show the direction, inspire, and support to overcome obstacles. Leadership does not equal Management. Leadership is a special skill that some great managers have. (Kotter 1990, 4-5.)

Management: three aspects of management are planning, organising and control (Kotter 1990, 82).

1.5   Demarcation

Themes that are introduced in this chapter are not going to be issues in this thesis. The aim of this report is not establishing new approaches for change management. This thesis is aiming to gather common theories about change management and by comparing them have a summary of a useful theory base for managers that face organisational change.

This thesis will not cover success stories of other organisations implementing changes. As it is mentioned above, theoretical part will focus on common change management process theories, methods and steps. Empirical part will discuss change management process of the Case Company X.

Reasons for changes and different types of organisational changes will not be discussed broadly in the report as these topics are rather big to be discussed in deep in the same thesis. This thesis will focus on finding and describing best methods and key success factors for managers when going through organisational change.

This thesis will slightly cover possible risks or pitfalls of change management process but will not make a proper list and discussion about those risks. Risk management in change process is another big topic that could be suitable for a single Bachelor thesis research.

The aim is to provide enough theoretical information for managers how to lead employees through organisational change successfully. This thesis will discuss people, their thinking, feelings, behaviour, resistance to change and importance of communication.

1.6   Relation to Global Customer Relationship Management and Communications specialisation studies

Specialisation studies of the author of this thesis report is: Global Customer Relationship Management and Communications. Communications are a big part of corporate marketing strategy. As stated by De Pelsmacker, Geuens and Van den Bergh (2010, 21), by communications company visualises its corporate identity. Corporate identity consists of company´s strategy, culture, structure, and industry identity. When company is implementing organisational change, it is defining a new strategy and corporate identity.

Corporate image is how company is perceived by its customers, partners, and other stakeholders. Corporate identity is how company wants to be perceived by all stakeholders. Therefore, corporate identity is a very important factor in determining corporate image, as well as marketing and all external communications. Company´s employees play important role in building corporate image. Their communication to customers and external partners, and their behaviour will to a large extent determine how the company is perceived. (De Pelsmacker et Co. 2010, 26.)

Consequently, successful change management is a very important factor in building a new corporate image. Change management process defines how employees are going to behave, communicate, and present themselves to the company´s stakeholders. Successful change management will help organisation to build and maintain its new corporate image.

2   Theoretical research. Managing change

Chapter 2 gathers and reports theories about reasons for change, planning and imple-
mentation. It covers several sources and provides guidelines of what is the most important
when planning and implementing change. It discusses such concepts as management,
leadership and sense of urgency.

According to Santalainen (2006, 283-284), to make transformation happen there should
be a creative approach: structure and directions should come together with improvisation;
systematic approach should be accompanied with creative vision, playing with the rules
and testing the limits. This chapter will explain the importance of a good plan and following
a certain process in implementation.

2.1   Need and reasons for change

Different internal and external factors cause a need for organisational change. Globalisa-
tion, developing technology, growing competition, changing environment, and economic
situation push companies to implement changes in order to survive and stay competitive
on the market.

Kotter and Rathgeber (2006, 3-12) demonstrate that nothing is stable and ever-lasting in
our world. The world in general and every business is volatile. Every organisation will face
a need for change at some stage, and it is better to realise this need rather earlier than
later. (Kotter and Rathgeber 2006, 3-12.) Table 1 represents the list of most common rea-
sons for change. There are many reasons, and it supports the idea that changes are inevi-
table.

Table 1. The most common reasons for organisational change (Francke 2014, 176; Kotter
2012, 21)

Francke	Kotter
Organisational restructuring	Technological drivers
Cost reduction	International economic integration
Voluntary redundancy	Maturation of markets in developed countries
Culture change programmes	Fall of communist or socialist regimes (privatisation)
Changed employee terms and conditions	Globalisation
	Increased competition
	More opportunities: bigger markets or fewer barriers

Normally reasons for change have negative consequences for employees as most of them see change as a sign they have to work harder, faster, and longer hours. It results in reduced motivation, loyalty and well-being at work. (Francke 2014, 176.)

Kotter & Rathgeber (2006, 3) state that organisations that handle change management well will prosper, otherwise bad management will put organisation at risk. In 21st century change management becomes even more critical as everything is more dynamic, and some companies have to operate in the constant state of implementing new changes.

As discussed in this chapter, there are many reasons why organisations implement changes. Nowadays need for change is a norm of business life. Next two chapters discuss how to plan and implement organisational change.

2.2   Planning change

A plant closing, reorganisation with reduction of people, a product recall, workplace violence, new manager, and executive corruption - all these are organisational changes (Salerno and Brock 2008, 6). As in any other activity, good plan is sufficient for a successful change implementation.

Francke (2014, 177-178) summarizes that good plan has to cover:

- Vision: a clear picture why company has to change.
- Scope: what departments, processes and behaviours have to be changed.
- Time schedule will help during implementation and define order of change processes.
- People: who will be involved? Who will be affected?
- Resources: what resources (technological, monetary) are needed?
- Communication is a vital part in change process.
- Training: if change requires people to have new skills and competences, training plan has to be ready for them.

Kotter (1990, 35-36) emphasises that planning and setting direction is not the same thing. Setting direction is about establishing a vision and strategy, a long-term goal for a company: what this company should become. Planning is a management process, deductive by nature. Without a plan company will go from one crisis to another, exhausting its people and finishing its resources. (Kotter 1990, 35-36.)

Sub-chapter 1.4, with a focus on explaining key concepts definitions, makes us familiar with the difference between management and leadership. Based on Kotter (1990, 139) study, management is about planning, budgeting, organizing, staffing, controlling, and problem solving. Leadership is about establishing a direction, aligning people, motivating and inspiring them. Good leader should possess features of both.

To summarise this sub-chapter, planning organisational change is a challenge where managers should put together a sufficient plan and demonstrate their leadership skills by involving their employees into the process, motivating and inspiring them.

2.3   Implementing change

Successful transformation depends a lot on the leadership style. Santalainen (2006, 284-285) brings example of Jesus of Nazareth as a greatest strategic leader who has created a religious movement from zero by having a vision, goals, charisma; creating a core team and empowering them; organising informational events and reserving time for reflection. This leads us to three vital dimensions that a great leader creates: learning capacity, flexibility and managerial wisdom.

Leadership skills are extremely important but for a successful change implementation even a great leader should follow a certain process. Kotter (2012, 23) has designed an 8-step process that he believes organisations should follow to manage change successfully:

1. Establishing sense of urgency: examining the market and competitive realities; identifying and discussing crises, potential crises, or major opportunities.
2. Creating the guiding team: put together a group with enough power to lead the change; get the group to work together as a team.
3. Developing a vision and strategy: creating vision to help direct the change effort; develop strategies to achieve the vision.
4. Communication: constant communication of new vision and strategy through every source and every opportunity; having the guiding team role the model the behaviour expected of employees.
5. Empowering: getting rid of obstacles; change systems and structures that undermine new vision; encourage risk taking, new ideas, activities, and actions.
6. Generating short-term wins: plan for visible improvements or wins; create wins; visibly recognise and reward people who made the wins possible.
7. Consolidating gains and producing more change: use increased credibility to change all systems, structures and policies that don´t fit together or the new vision;

> hire, promote, reward people who can implement the change vision; reinforce process with new projects themes and change agents.

8. Make the change culture a norm: create better performance through customer- and productivity-oriented behaviour; better leadership; more effective management; make and communicate connections between new behaviours and organisational success; develop leadership skills of managers.

Figure 2 illustrates Kotter´s eight steps of successful change implementation.
To make change successful, it is recommended to go through all these stages. Kotter (2012, 25-26) adds that at some point stages might intervene but skipping any of it will ruin the whole process. Francke (2014, 178-179) and Santalainen (2006, 305-307) refer to Kotter´s eight stage process as the most known and effective one.
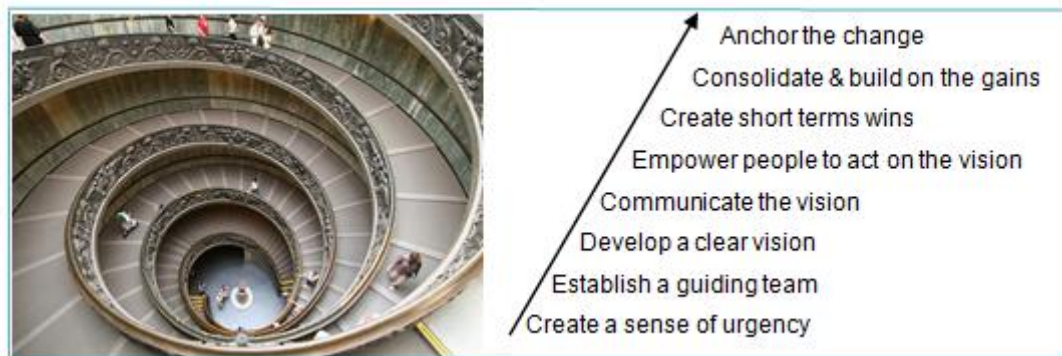

Figure 2. Eight Steps to Successful Change (Kotter 2012, 23)

First step is always crucial. Creating a true sense of urgency will push all people to start implementing change. However, there might be a misunderstanding of what is sense of urgency. According to Kotter (2008, 54-57), active behaviour is not equal to a sense of urgency. Kotter (2008, 5-7) states that a true sense of urgency is when people think that issues have to be solved now, that their actions have to bring results now.

At this step people's action is required rather than their efforts on talking about it. People should not feel afraid, not prepare and present long and meaningless PowerPoint presentations. People should not show just activity – they should produce results at the same time. Holding a meeting after a meeting is not a good sign either: every meeting should be just as long to discuss issues and end with a list of actions. (Kotter 2008, 21-25; 32-33.)

For creating true urgency managers need to provide people with important facts and win their hearts and minds. Neurologists believe that our brains are programmed to under-

stand and comprehend much better stories than PowerPoint slides. Story with little drama will be enjoyed, understood and remembered. (Kotter 2008, 54-57.)

To behave with true urgency managers should

- delegate
- cancel distracting projects
- finish meetings with list of agreed actions
- move with speed
- speak with passion
- match words and actions
- make actions visible to others. (Kotter 2008, 116-117.)

Second step is creating a guiding team. According to Kotter (2012, 53-57), it is always difficult to accomplish a major change, therefore, a powerful and competent team should guide this change. Kotter (2012, 53-57) believes that no single individual, even CEO would be able to implement change alone or to make right decisions alone. At the same time, low-credible committee will not succeed either because it will not be able to provide strong leadership to guide change. Finally, four most vital characteristicts for the guiding team are: position power, expertise, credibility, and leadership. (Kotter 2012, 59.)

Third and fourth steps are creating a new vision and communicating it. Vision is not just a dream – it is a defined goal (Kotter 1990, 43-47). Vision is a clear picture of how company should look after a change. It should be formulated so that it is clear for every single employee.

In a change process vision serves three important purposes: establishing a general direction of change, motivates people to move into right direction, and help coordinate actions of employees in an efficient way (Kotter 2012, 71). Communication is vital in a change process. As discussed in earlier chapters, communication should be constant. Likewise, Santander (2006, 285-286) states that need for change has to be communicated efficiently otherwise there is a big chance to fail. This thesis will discuss communication methods in more details later in sub-chapter 3.5.

As stated in above sub-chapter, even a great leader and manager may not be able to manage a change alone. Therefore, empowering the right people will help achive the derised results. Transformation process is normally a long process, therefore, creating

and celebrating short-term wins helps to keep motivation high and demonstrate that a new startegy works.

Consolidating gains and anchoring the change into an organiastional culture are two last steps of the process and very crucial as well. These steps will be described later in sub-chapter 3.6.

3 People and change

Companies cannot effectively transform unless their employees are committed to the change. People have long memory: once manager has made a mistake, another time reaction of employees on manager´s actions will be predicated. Price for mismanaged and chaotic change may be very high and irrevocable. This is why both managers and employees of a company play a very important role in successful change implementation process. It is up to managers to introduce change and provide sufficient information to employees. First of all, managers have to be able to manage their own feelings and emotions about change. If they are able to manage themselves, they will be able to manage better their employees. (Salerno and Brock 2008, 6-9.)

People´s memory has dramatic impact on how they perceive things. If employees have experienced bad change management at the last workplace or led by a certain manager, they are more likely to be sceptical to every new change situation or to every new change led by that manager. At the same time change always creates sense of insecurity, loss, and people feel emotional about it. As a consequence people find it hard to understand change and cope with it. (Salerno and Brock 2008, 9-10.)

The following chapter will concentrate on human perspective in change process. Usually the easiest part of change process is to determine what has to be changed, to create a new strategy. The most difficult part is to manage employees through it so that change is managed successfully.

3.1 Thinking and Feeling

Kotter and Rathgeber (2006, 132) emphasise the importance of first changing people´s thinking and feeling. Change of thinking and feeling will result in behaviour change and bring better results in change management (Table 2).

Table 2. The role of Thinking and Feeling (Kotter and Rathgeber, 2006, 132)

The role of Thinking and Feeling	
Thinking differently helps to change behaviour and get better results	Feeling differently helps to change behaviour MORE and get MUCH better results
Thinking	**Feeling**
Collect data and analyse it	Create surprising, compelling, and visual experiences
Present information logically to change people´s thinking	The experiences change how people feel about a situation
Changed thinking ⇒ Changed behaviour	Change in feelings ⇒ SIGNIFICANT change in behaviour

Table 2 describes the role of people´s thinking and feeling about change, and how does it influence the process itself. It emphasises that through different thinking and feeling people change their behaviour and attitude towards change. Furthermore, through feeling differently, much better results are to be achieved. In order to change employees´ thinking leadership should present information gradually, consistently, and logically. At the same time, to change feelings, people must experience things.

The general perception is that people are afraid of changes because they need to have stability in their lives; they need to know that for the next X amount of days their life will be the same as today. Change pushes people to get out of their circle of comfort zone. Sometimes change may have negative impact e.g. loss of job.

One of the most difficult tasks for managers is to convince people that change is needed and they have to do things differently. People often take recommendations as criticism. Managers tend to take control over planning and giving tasks, and leave dealing with people´s emotions and feelings to external consultants. On contrary, this task is best to be done by people within organisation. Leader may get people together and ask about things that could be done differently. Common discussion will create better understanding of need for change and reduce level of fear about change. (Francke 2014, 179.)

About 80 per cent of changes are organisational restructurings and redesigns. The best way to manage change is to involve people affected by it. Organisational design and chart will result in a better structure if people at all levels are engaged in the process. Additionally, involving people will help to get more interest to the process and more commitment to change. (Francke 2014, 179.)

Santalainen (2006, 301) states that changes are implemented by people not by systems, and therefore, it is useful to create a driving force by choosing the right people among employees. To summarise, managers play important role in presenting the case for change and managing people´s thinking and feelings about it. At the same time, managers alone are not able to make change happen: everyone in a company should be involved into that process.

3.2   Behaviour

As discussed previously, involving every employee in organisational change will help successful transformation. Change in behaviour is gained by providing enough information and creating positive experiences. Consequently, sufficient and open communication is a vital factor in a change process. Even negative and non-popular topics should be discussed openly. It will create more trust and avoid unnecessary rumours.

Kotter (1990, 78-81) emphasizes the importance of consistent communication coming from managers. To reach behavioural change, communication sessions should be consistent, providing enough time for asking questions and getting comments, even if it means hostile questions and negative comments. Dealing with concerns is an important part of the process.

People feel more motivated and committed when they do something for themselves. When communicating new vision and strategy managers should formulate the message so that employees find personal motivation in it. For instance, our vision is to be the leader on the market and the best working place.

At the same time words should be confirmed by actions. Managers should remember that their example is very important. To make subordinates change their behaviour, managers should show behavioural change themselves. When during change process managers show their leadership skills, normally it leads to a successful transformation.

According to Kotter (1990, 83-84), leadership can be big (L) and small (l). Small leadership does rarely attract attention but it is far more important than many people think. It is not dramatic neither brings big results but small leaders make happen important changes in companies. These people may not consider themselves leaders as they might be just employees but they are capable of coming up with a great idea, communicate it efficiently and inspire colleagues and managers to implement it. These small ideas are bringing great use to companies. (Kotter 1990, 83-84.)

Communication comes in form of words and actions. Nothing is more important than behavioural example of important individuals. Kotter (2012, 9-10.)

3.3 Resistance to change

Every manager knows that people are resistant to change. However, not every manager knows how to deal with it. Next sub-chapters will focus on discussing people, their personalities in change, different stages of change process and how people may go from the state of resistance to the state of acceptance.

3.3.1 Personalities in change

One of the reasons people have problem with adjusting to change is that they feel powerless. Alignment helps to overcome this problem: when message is clearly communicated to everyone in the company and lower-level employees are empowered, they have the possibility to present their ideas that would be in line with the new strategy. This can bring enormous results in implementing change (Kotter 1990, 59-60).

Francke (2014, 183-185) states that in every change situation there will be people who will dislike, criticise, and try to block change. In Figure 3 she provides some statistics about how people would react to change.
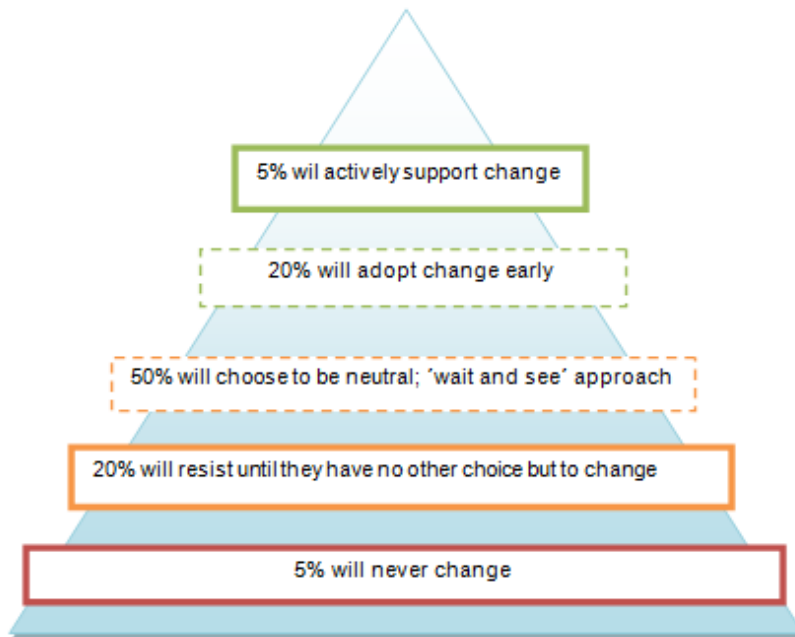
Figure 3. Statistics how people would react to change (Francke 2014, 183-185)

The lowest 25 per cent are people who will resist change more actively. Managers should understand which group their people belong to. By this, managers can create a coalition of early adopters to support the change and motivate others to join. At the same time, special attention should be given to those who are sceptical. Managers must understand why people support, resist or are neutral about change. France (2014, 183-185) believes that most likely people resist change because of their fears.

Santalainen (2006, 298-300) describes people´s personalities as

- missionaries (active supporters)
- believers (early adopters)
- lip-service payers (more speaking than doing but creating positive atmosphere)
- change avoiders (neutral)
- underground army (active protesters)
- honest opponents (people with analytical mind who challenge things and decisions) and
- escapers (people who never change and rather leave organisation).

As we can see from above, people´s personalities, their first reaction to change and behaviour are quite predictable. Keeping that in mind managers may be prepared to every reaction, especially to active protesters of change.

Table 3. Personalities in Change Chart (Salerno & Brock 2008, 13)

Shoe	Description	Strengths	Challenges
Hiking boot	Work hard and build consensus Conscientious	Durable, high quality work, truthful	Neglects own concerns, fears being inadequate, not so influential
Cross Trainer	Charming, visionary, persuasive, adaptable	Innovative, optimistic, decisive, positive example for others	Impulsive, lacks follow-through, critical to others
Flip-Flop	Values diversity, loves a challenge, very social and easy-going	Cares about relationships, good team player, spontaneous	Takes too many projects, avoids conflicts, takes things personally
Wingtip	Needs full picture to move forward, plays the rules	Thorough and investigative, pays high attention to standards and details, analytical mind	Hesitant to ask for help, need lots of proof, difficulty hearing other points of view

In Table 3 we see the third opinion of how people´s personalities are when dealing with change. Salerno & Brock do not judge people´s personalities from a point of resistance to change. They have analysed people´s personalities from behavioural point of view. Knowledge which employee is supporting or resisting a change, plus analysing probability of his/her behavioural personality, provides managers an opportunity to deal with them in a right way.

3.3.2 Change cycle: from denial to acceptance

Resistance can be considered as normal reaction to change. There are many reasons as to why, one of them would be fear. Though, when managers are implementing change professionally, following the right steps and providing enough communication, resistance to change becomes acceptance.

According to Francke (2014, 184-185) common stages of feelings when dealing with change are

- denial
- anger
- bargaining
- fear
- resignation / acceptance.

Figure 4 below illustrates the process of transition of people´s feelings towards change: from anxiety to moving forward. Normally people that completely deny change (as mentioned in chapter 3.3.1 they are 5%) would be outside the curve. Understanding how people feel at each stage will help leadership to manage change better.
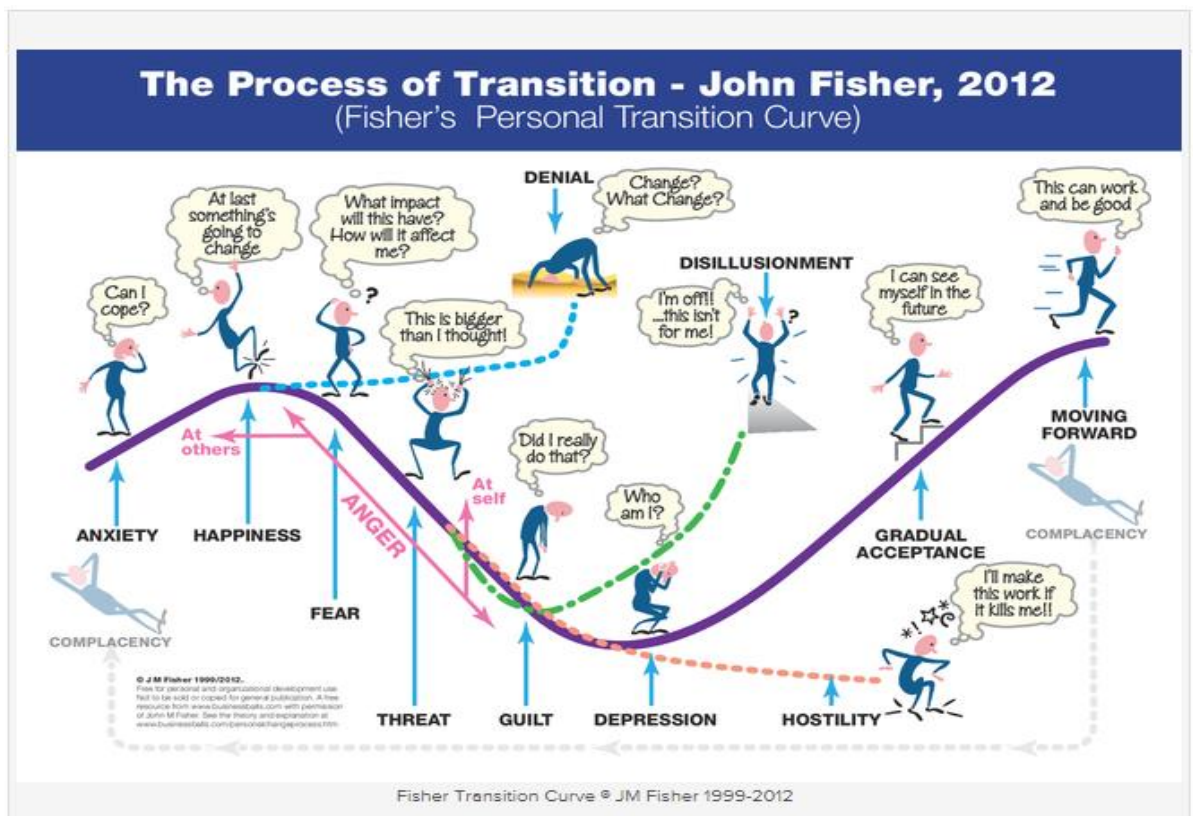
Figure 4. Fisher´s Personal Transition Curve, 2012 (Businessballs.com 2012)

This transition of feelings is perfectly normal. The end result may depend on how well change process has been implemented. In successful implementation majority of employees will feel comfortable with change, know their role in a new organisation and move forward. When change is implemented poorly, the majority of people may remain in a state of fear, depression and misunderstanding.

Special attention should be given to active protesters because they might become a force that destroys small wins and spreads negative thinking among others. Kotter (2008, 159-168) suggests that to cope with protesters managers need to

- keep them from creating mischief by distracting them with something else (new task, project)
- push them out of organisation (even if it sounds distasteful and risky; but active protesters can harm company badly so risks are very high)
- discuss their behaviour openly inside your team/ department: it will immobilize pro-testers.

Next we discuss the process of people´s feelings transition in more details. Salerno and Brock (2008) has developed a similar to Fisher´s concept of how people´s feelings and behaviour change during transition process. They divide the whole process into six stages: loss, doubt, discomfort, discovery, understanding and integration. They are illustrated in Image 2.

Image 2. The Change Cycle model (Salerno & Brock 2008, inside cover page)

Image 2 describes six stages people go through during change process. Here we see thoughts, feelings, and behaviours that are typical for every stage. The purpose is to progress from stage to stage in order to integrate the change into organisation.

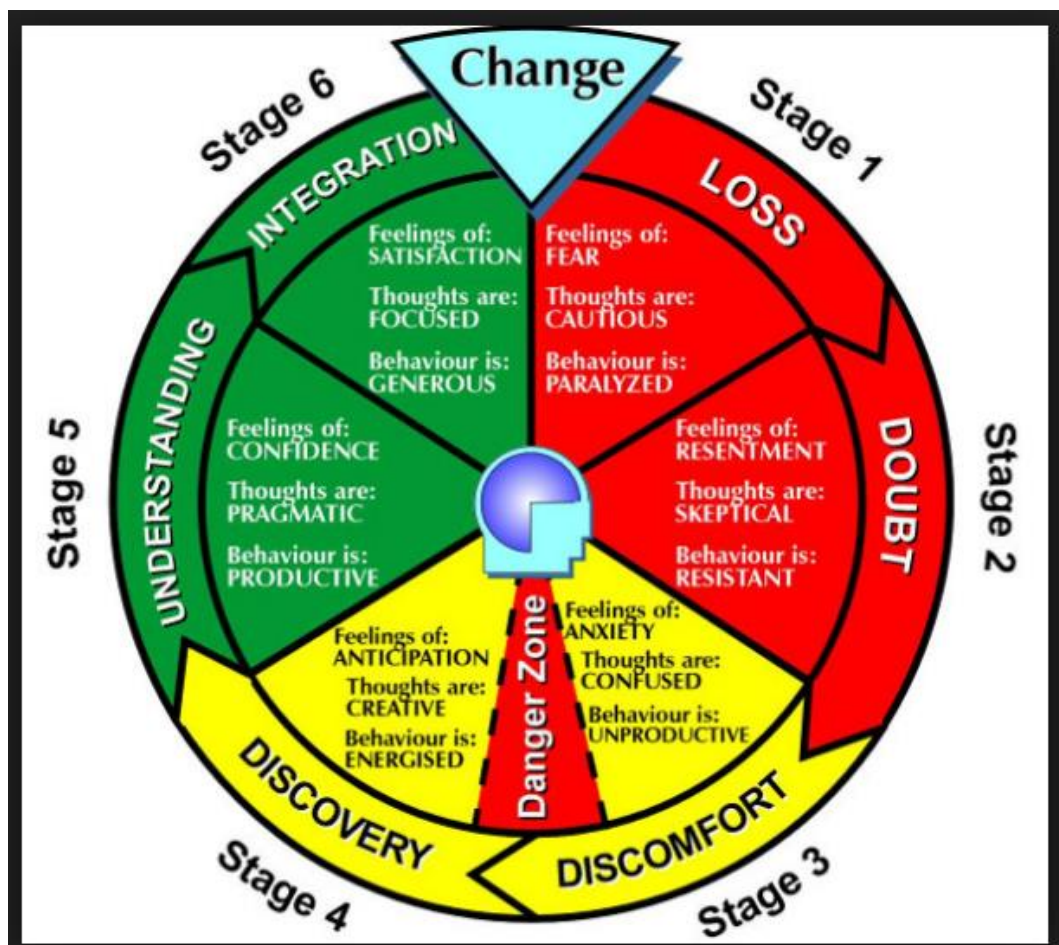Red, yellow and green colours are used on purpose: they are based on the concept of traffic light signal system: stop, wait and go, which is applicable in this case. First two stages represent resistance to change. Salerno and Brock (2008, 16-18) have discovered that people do not react on changes as employees, managers, spouses, siblings, partners, but rather as human beings. Change triggers people´s natural sense of fear and loss of control. Therefore, being at the stages one and two, right after introduction of change, it is better to stop and look around than run away or fight. (Salerno & Brock 2008, 16-18.)

Manager should be aware that employees will go through different emotions when change is introduced. For that reason manager should act persistent, be open and realistic about change, admitting good and bad sides about change, and validating concerns. The stage when change is announced is very important, because then employees are most affected by feelings and will judge manager and change based on their emotions. (Salerno & Brock 2008, 28-30.)

Stage 1, Loss. Safety is one of our basic needs. Change makes people feel lost, out of control, and unsafe. Realisation that we can live with change helps finding control back. Managers´ responsibility is to make people understand that their reaction is perfectly normal, that feeling cautious about change is ok, and they are not required to act immediately: there is time to think things through. Employees should not be expected to get enthusiastic and support change immediately – they need time to assess their control factors and impact change brings to them individually as well as their co-workers. (Salerno & Brock 2008, 30-33; 42-45.)

Stage 2 or Doubt is characterised by feeling doubtful, down, resistant, and sceptical. At this stage employees have to find a way to feel realistic, and managers have to help them with that. At this time people have realised that the sky is not falling down and that probably they can deal with the change. Here we come to doubt: about grounds, aims, leadership behind it and personal concerns. (Salerno and Brock 2008, 19; 54-55.) This stage is the right time for managers to explain employees, what is expected from them in order to implement change, what is the role of every individual. Clear and regular communication will help to minimize employee doubt and resistance. (Salerno & Brock 2008, 57.)

There is some useful advice for leadership for dealing with people at this stage (Salerno and Brock 2008, 61-62):

- Do not say that your door is always open for question – it will be perceived as an official statement and will not be used and trusted.
- Consistently provide some specific information.
- Share information all the time: employees have to feel that they are updated.
- Except scepticism and take it as a normal behaviour.
- Have trained people (HR for example) that can deal with conflict.

Stage 3, Discomfort. Characteristics are anxiety, confused thoughts and feelings, and being overwhelmed. At this stage employees have all information about change and clear understanding what it means for them. (Salerno and Brock 2008, 20-21.) The role of managers is to support employees, to help them to get through new procedures, tasks and roles. Workers are at the slow-down stage, feeling unhappy and tired, and consequently less productive. It is good to plan a slow-down and do not allow people to work overtime, no need to establish big and long projects. It is very difficult for employees to go through first time after announcement of change; right now they probably feel very tired and depressed. (Salerno & Brock 2008, 78-100.)

Stage 4, Discovery is characterised by feelings of anticipation and energized behaviour. This is the stage when the most difficult time is gone and problems are solved. Therefore, there is energy for actions and constructive thinking. As employees start to feel more positive and productive, the role of managers is to be supportive. It is time to collaborate, to create synergy and be a team. During this stage managers should not offer too many options: it leads employees to further considerations of their choice and comparing their deal to others. Keeping things simple would be the best approach. At the same time it is a good moment to give more ownership and empowerment to employees, they are ready for actions and new ideas. Transparency in decision-making will bring better results and more trust from employees. (Salerno & Brock 2008, 21; 102-123.)

Stage 5, Understanding represents all the experience employees went through after announcement of change. Now they understand change and are able to think pragmatically because they have learned things about change and about themselves. They are confident now. Some of employees might even be already happy at this stage. Productivity rises at this stage even more as people are no more fearful and doubtful. Some employees may even act as mentors for their fellow workers bringing them positive attitude and motivation. To help employees move forward leadership would do the next steps

- maintain focus on results
- keep empowering people and give them freedom
- celebrate even small successes
- prize employee confidence and inspiration. (Salerno & Brock 2008, 22-23; 128-149.)

At this stage it is useful to organise a feedback session where employees will report what channels and formats communicated the best, what made learning the easiest, what was successful, and what had to be done differently. Try to be careful with the language you use and not make people think too much about negative aspects of this change. (Salerno and Brock 2008, 22-23; 128-149.)

Final Stage 6, Integration represents full integration of change in our working and personal life: stable emotionally, confident in abilities, and positive. At this stage people show that they are able to adapt and be flexible. Employees feel satisfied with what is happening in their working life and they stay focused. There is no need any more to strive to find more information or feel buried under big amount of new details and procedures. There is clarity of mind and people are able to focus on what is important. The advice for leadership would be to initiate systematic and structural development to support future changes. It will help to maintain company flexible for the next changes. It is also time to make assessment of what should be done better next time. Empower and encourage most talented employees: change process always reveals those. (Salerno and Brock 2008, 23; 152-170.)

3.4   Motivating and Inspiring

Extraordinary energy and effort are required to overcome challenges connected to change. After setting the right direction and aligning people, it is important to motivate them and assure them that they can overcome all obstacles related to change. Leadership style tools for motivating people is to satisfy people´s basic needs as achievement, belonging, recognition, self-esteem, sense of control and living up to ideals. These processes affect people deeply. Steps to create motivation are: communicating a clear vision, involving people, empowering people and supporting their ideas; recognising people´s achievements and rewarding them. Management way of motivating people that is performed by offering carrot and stick, compensation and punishment approach is not considered to be effective, it usually fails in long term. (Kotter 1990, 61-64.)

Motivation and inspiration can be adopted from hard-working and good role models managers, team building events and award ceremonies. Basic human needs are to want to feel good and be appreciated. Empowering people and giving them responsibility (also helping them master that responsibility) makes them feel proud and get sense of recognition. (Kotter 1990, 66-67.)

Consequently, manager´s good behavioural model and enthusiasm in work and change process may be strong motivational power. Managers often inspire employees by own example. To understand what motivates every employee, manager may have an individual discussion with everyone about factors that motivate people. Then, it will be easier to find personal approach and gain better results. Likewise in the whole change process, communication plays important role when motivating people. Moreover, Kotter (1990, 72-73) believes that in this case communication should go beyond informing: it should connect to people's own values, involve them, create trust, support, encourage talking, provide feedback, reward and recognition.

According to Kotter (2012, 6-7), successful change is possible only when it is supported by the head of the organisation. Coalition driving change has to be powerful: in terms of formal titles, expertise, reputation, relationships, and ability of leadership skills. Individuals alone, even very charismatic, competent and strong, do not have assets to overcome traditions and indolence except in very small companies. Strong guiding coalition is vital for driving a successful organisational change. (Kotter 2012, 6-7.) Shared enthusiasm is a great motivational driver for implementing changes.

Additionally, vision plays a significant role in directing and inspiring people towards new strategy and producing useful change. Good vision can be described in five minutes, be understood and get interest. (Kotter 2012, 8-9.) Also, visual communication can be useful. A poster with illustrated message of vision will be inspirational and understood easier by most employees.

Real transformations take time. However, people are likely to give up and lose motivation without seeing and celebrating short-term wins. Rewarding people for achieving goals will keep them motivated to move forward. (Kotter 2012, 11-12.) However, one of the errors is declaring victory too soon. People get relaxed and a feeling of complacency grows. Kotter (2012, 13-14) suggests that while celebrating successes, managers have to keep sense of urgency among themselves and employees.

3.5   Communication

We were talking about importance of communication throughout the whole thesis.
In addition to that, this chapter is dedicated to the topic of communication. As it was stated earlier, to make change successful, all employees must believe in it and contribute. People are willing to work hard and make sacrifices only when they believe in something. To make people believe, sufficient communication plays a key role.

First step is usually the most difficult. Also, first impression is very powerful and will influence people´s attitude towards change. Therefore, announcement of change plays a vital role. Based on study of Salerno and Brock (2008, 46-48), during announcement of change managers should not be too optimistic and give enthusiastic speeches if change will mean loss of jobs for anyone of employees. People will feel undervalued and used in this case. They summarize elements that good announcement should include

- explanation of business issues that have made the change necessary
- highlighting how the change addresses these issues
- acknowledgment of upsides and downsides
- answering why, what, when, and how questions
- providing a big-picture information
- offering schedule and milestones instead of deadlines
- avoiding overselling the benefits
- showing interest in employees´ questions and feedback
- having a follow-up plan for the announcement. (Salerno and Brock 2008, 46-48.)

Managing people through change is much about organising people. It is a managerial process that is called aligning. When aligning people to the same direction communication is the most important factor. (Kotter 1990, 49-52.) A major challenge is to make people believe the message. The track record of the person delivering the message, the content itself, the reputation and relationships affect credibility. At the same time people believe that actions speak louder than words. The performance award system helps to make popular and appreciated good performance and show a good example to follow. (Kotter 1990, 57-59.)

Francke (2014, 181-183) mentions that importance of continuous communication is often underestimated or forgotten by managers. She stresses that it is not enough to announce the programme for change and expect everyone to follow it. Communication should be constant, reasons for change and new vision explained many times. Kotter (1990, 53-56)

lists following ways of communication that he considers to be effective

- weekly meetings
- discussions about current problems where everyone is involved
- monthly newsletters that are sent to every person in a company
- charts with figures of current results versus the desired goal: printed out and put out in a busy hallway
- feedback sessions where employees are encouraged to ask questions and give honest opinion
- possibility to ask questions from top management anonymously and get an answer
- creative posters with simple messages
- "talking" pictures
- short phrases, symbols, simple metaphors, pictures.

Repetition is normal in communication process. The same idea and message should be communicated many times by different means of communication. Managers should not get tired or annoyed of explaining the same reasons or goals. In change process understanding and alignment are achieved through effective and continuous communication. At the same time managers receive useful feedback and can make useful adjustments during the process.

People need to be reminded about need for change all the time: every day and everywhere. Effective communication consists of strong and emotional message, creative posters that are displayed everywhere, storytelling about new way of living, and personal approach with those, who were most negative about change. (Kotter and Rathgeber 2006, 79-97.) When majority will start to believe in change it is possible to start implementation.

Similarly, Francke (2014, 182-183) states that communicating a big picture creates more understanding among employees about business they operate in and consequences of changing environment on their jobs. She also underlines that communication has to be open and honest. By sharing ideas leaders involve and engage all people in organisation into change process. Open change process is much healthier than close one. It is better to be truthful and communicate bad news as well as good news. Even if there is a probability that some people will lose jobs, managers need to tell it: there will always be speculations. By communicating possible scenarios manager gives employees real possibilities to think about. At the same time honesty creates trust. Also, it is important to know that people prefer to receive information from their line manager that is considered to be in the

same boat with them. Line manager can help people to understand information, answer concerns, link it to their roles, and gather feedback. (Francke 2014, 182-183.)

Let´s not forget that during change process, and especially in the beginning, people´s emotions get high. According to Salerno & Brock (2008, 55), with employees doubting about leadership and change as such, conspiracy ideas, predictions, stories from the past, and rumours get spread. They state that it is a normal reaction of human brain to start to gather more data and facts when we doubt about something. No need to remind that communication is vital in this case. Leadership must recognise what is going on and provide as much information as they can, line managers should organise information and feedback sessions, where they would share further plans with employees, answer questions, and receive feedback. Sharing all information openly will help to stop rumours and make employees feel better.

3.6   Unifying gains and keeping the culture of continuous change

After change is successfully implemented or the end of the process is close, it is time to unify gains and make sure complacency will never be a characteristic for a company and its people. Kotter (2012, 137-138) recommends celebrating wins at this stage and at the same time not to give a message that work of change is behind and it is time to relax. After a big change people are tired physically and morally: message that the task is completed is dangerous, it may lead to full relaxation and getting back to old habits. Kotter (2012, 137-138) states that at this time it is vital not to lose momentum of successful transformation process and save sense of urgency.

At this stage leadership should create a culture of change: to unify all gains and motivate people to do continuous improvements. Various change projects should be managed well. It is a good time for people to be developed, promoted, given more responsibilities and ownership. (Kotter 2012, 150-151.)

Culture refers to a particular society that has its own beliefs and ways of life, way of thinking, behaviour and working (Merriam-Webster, Inc. 2015). Kotter (2012, 156-157) is emphasising that shared norms of behaviour and shared values bond employees in organisation together. New ways of working established during change process have to be compatible with a corporate culture otherwise the process will start to regress. New approaches have to be anchored in organisational culture, norms and values. (Kotter 2012, 156-157.)

To help new practices to replace old ones managers should repeat continuously about evidence showing how new successful performance is linked to new practices, to admit that old culture served the firm well but is not helpful anymore; to offer an attractive early retirement package to those whose mind-set seems not to change; to ensure new hires would follow new culture and practices; to promote only people who follow new practices; and to ensure that management team is fully committed to the new culture. (Kotter 2012, 163-164.) We see five elements of anchoring new culture into organisation on a Figure 5 below.

Depends on results: new approaches will be adopted if they work

Requires a lot of talk: verbal instruction and support

May involve turnover: sometimes change of key people is required

Comes last, not first: differences in norms and shared values come at the end

Promotion processes are compatible with a new culture
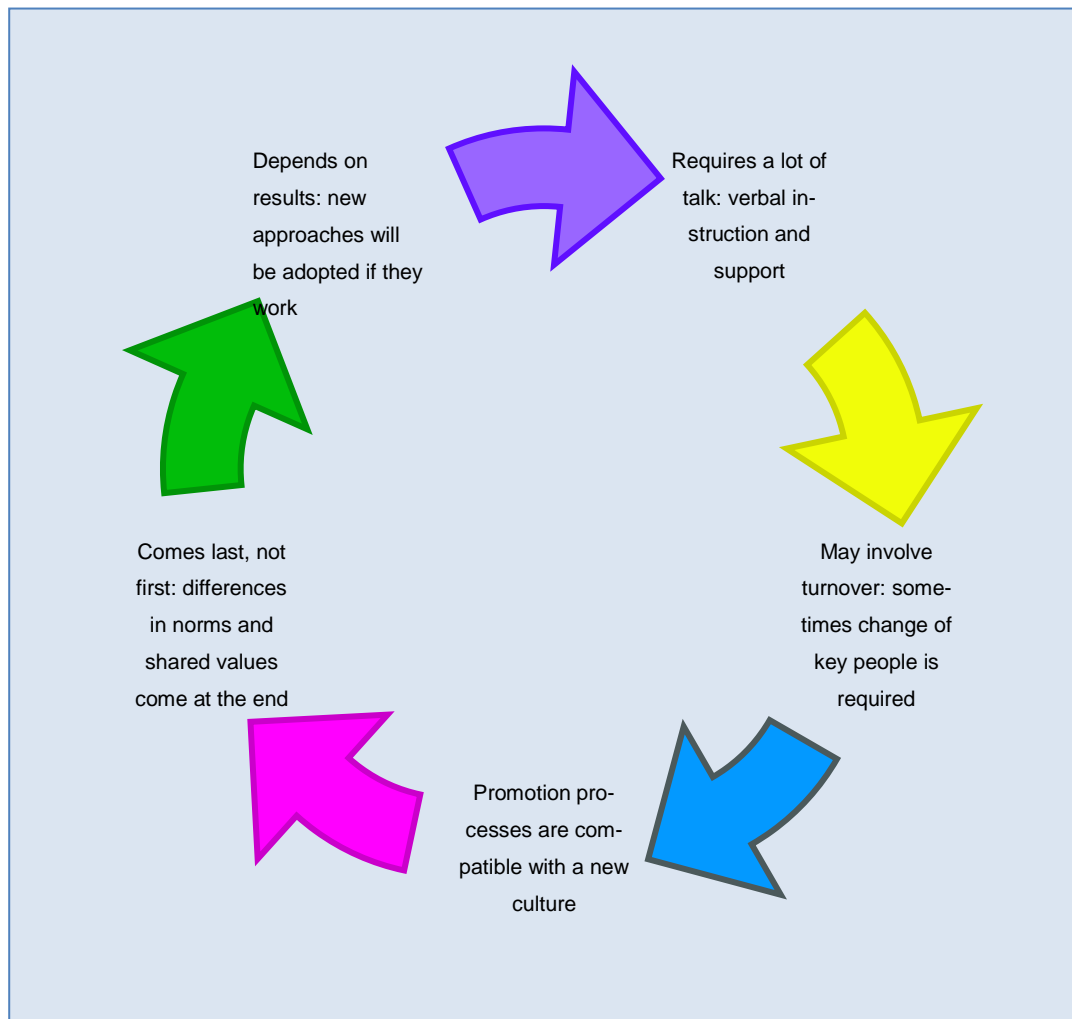
Figure 5. Key features of anchoring cultural change (Kotter 2012, 166)

Kotter has predicted that for 21st century companies´ sense of urgency should be high all the time. It does not mean that people should be anxious and panic, it means that state of complacency is absent, that people should always look for both problems and opportunities. The norm has to be "do it now". (Kotter 2012, 170.)

4 Empirical research

This part of the thesis discusses qualitative research method used by the author to collect and analyse data. Empirical part of the thesis is focused on interview design, data collection and analyses.

Furthermore, the following two chapters discuss on the results of interviews. The goal is to answer two research questions and four investigative questions identified in the sub-chapter 1.3.

Analyses provided in the following chapters are based on the theoretical framework of the thesis and interview results. In some sections the author mentions which concrete chapters from the theoretical part of the thesis are linked to the findings.

4.1   Data collection

Qualitative research method was chosen because it is aimed at understanding and gaining insights (Ghauri & Gronhaug 2010, 196). The author considered this method to be most effective for analysing such soft matters about people´s feelings and behaviours. According to Ghauri and Gronhaug (2010, 105), qualitative research method focuses on understanding from respondent´s point of view and use rational approach and interpretation.

For the purpose of this study, we have elected for the primary data as the mean on measurement. Primary data is data that is relevant for the research and is collected specifically to answer given research questions (Ghauri & Gronhaug 2010, 99). Primary data normally includes observations, experiments, surveys (questionnaires) and interviews (Ghauri & Gronhaug 2010, 99). In this research was used the method of interviews to collect necessary data.

The main advantage of primary data is that it is collected particularly for the research at hand. Consequently, primary data is more consistent with the research objectives and questions. Main disadvantage is that collection of primary data can take a long time and might cost much. (Ghauri & Gronhaug 2010, 99-100). The data collected from the interviews for this research took four weeks, precisely from 16th March 2015 to 10th April 2015. Eight interviews were conducted in total.

Based on Saunders, Lewis and Thornhill (2009, 320) studies, interviews may be catego-rised as structured, semi-structured, unstructured and in-depth. Structured interviews use questionnaires based on a predetermined and standardised set of questions. While semi-structured interviews use a list of themes and questions to be covered but they may vary from interview to interview. (Saunders & al. 2009, 320.) The method of structured and semi-structured interviews collection was used to gather data for this research.

The author collected data by conducting face-to-face, telephone and by e-mail interviews. Telephone and by e-mail interviews were conducted due to geographical location of the respondents. Face-to-face and telephone interviews were recorded by the author on a voice recorder and then analysed.

4.2   Change Case. Restructuring

In sub-chapter 1.2, we provided a thorough Case Company X description. Change case for Case Company X was a reorganisation process that was done in Departments Y at the end of 2013 and during the year of 2014. The core purpose of the Departments Y is cus-tomer service provision. As mentioned in sub-chapter 1.2, Case Company X is an interna-tional company. In relation to that, Case Company X originally had four sub-departments Y in four different countries. As a result of the restructuring process, one sub-department was closed, and there were shifting of people. Redistribution of the customers among oth-er three departments took place.

Altogether eight employees were interviewed, four male and four female; between the age of 28 and 54 years old. The aim of the author was to interview as diverse group of people as possible. Therefore people of different gender, age and nationality were chosen for the interviews. Additionally, all respondents have been working in the company for a different period of time, from 3,5 to19 years. It provided the opportunity to compare opinions form employees of different age group and work experience.

In addition, the aim of the author was to interview employees from all three remaining sub-departments to get a full picture and common view about the change that had happened to them. The amount of eight interviews is considered to be reasonable for the present qualitative research because there were no major differences in the answers of the re-spondents.

All interviewees were collaborative and willing to give an interview which helped the au-thor to conduct the interviews in as short as four weeks' time. All interviewees were in-

formed that the thesis paper will not disclose any names or other data that might reveal anonymity of any respondent.

4.3   Ethical and confidentiality issues

Case Company X wished to stay anonymous, therefore there is not much information provided about the company. After the thesis paper will be completed, a designated contact person in Case Company X will be asked to check the content and confirm that the paper may be published.

In the beginning of the interviews respondents were asked to tell their gender, age and number of years working in Case Company X. Due to confidentiality reasons, this data was presented in the previous chapter only as collective. When referring to what any of them said, the person will be indicated as Employee 1, female or Employee 2, male.

The author was involved into the restructuring process herself. Hence, method of observations was excluded from this paper to ensure maximum objectivity in the analysis part of the research and to exclude subjective opinion of the author.

All interviewees were informed about the purpose of the paper. Respondents who were interviewed by phone and in person were aware that they were being recorded. Once results had been analysed, all interviews were erased from the voice recorder. Additionally, before conducting the research, the author obtained express permission from a person in Case Company X to analyse the case about their change.

4.4   Data reporting and analysis

As stated in the previous chapters, employees of the Departments Y were approached by the author to answer interview questions. All of them were cooperative and willing to give an interview. Eight interviews were conducted in total. The interviews were conducted via phone, face-to-face and e-mail. Interview guide contained main questions and supportive questions to lead interview process and ensure completeness of responses.

The purpose of the next four sub-chapters is to answer investigative questions by analysing interview responses and comparing the method of managing the change process by Case Company X with the theoretical base gathered in the first part of the present research.

Ghauri and Gronhaug (2010, 205) underline two methods of interpretation in qualitative research:

- Comprehending the meanings of others: understanding respondents by grasping a concept, an experience or an idea in their terms.
- Seeking patterns in meaning: forming the meaning from consequent patterns.

In addition to that they mention two strategies for qualitative analysis:

- Departure from theory: conducting a discovery-oriented research with focus on understanding insights, the author often holds prior assumptions gathered from the theory that further guide and direct but not dictate the research.
- Departure from data (observations): the strategy is to start from the data and let inspection of the data result in explanation. (Ghauri & Gronhaug 2010, 205-207.)

In this research interpretation and analyses are done using the method of seeking patterns in meaning and the strategy of departure from theory.

4.4.1 Challenges in change management

Summarising data provided from the interviews, the main challenges employees listed were:

- learning and adapting to new customers, rules, roles, business aspects and working environment
- losing colleagues who were transferred to a different country or ceased off
- understanding all reasons for all changes that had to be implemented
- dealing with complexity that came along with change
- dealing with uncertainty
- dealing with stress
- bigger workload for some people
- challenging time schedule.

Based on the theory provided in the sub-chapter 3.3.2, change cycle, we may conclude that the above mentioned challenges are normal issues that arise in any change situation: people feel stressed because they have to step out from the comfort zone. Then, it is also difficult to learn new things, to adapt to a new working environment and people. Hence,

some challenges that employees have mentioned lead to the conclusions that certain parts of the change process could have been managed more efficient.

The consideration that people did not understand clearly all reasons for change and felt uncertain during the process leads to the conclusion that communication was not always done in the most efficient way, meaning the amount of communication and clarity of communication. As it was discussed in the sub-chapter 3.5, communication is the most vital factor in change management. In the beginning new vision and strategy are communicated to employees to get them involved in the change process and motivate them to do changes. Later, during the whole change process communication plays an important role as well: it helps to reduce stress by getting answers to questions and getting constant updates on the situation. It helps people feel the sense of control again. Accordingly, when people are in control of the situation, they are able to be more productive. Through mutual communication between managers and employees both parties get aligned, understand each other in a better way and go forward towards the same goal with a better efficiency.

Therefore, regarding Case Company X it would be suggested to pay more attention on communication flow and remember that there is no such thing as too much communication. It should be continuous, all the time, with constant repetition of same things. By sharing ideas managers also involve people in the change process. Keeping employees in a state of uncertainty does not help to achieve the set goals; it just creates more frustration and decreases productivity.

Employee 7, female shared:

> "It felt like we did not have to argue about it, we just had to do it. There was no discussion, there was no conversation. It just felt that managers decided it was the best way to do it. I think there could be some more input from us".

Other employees who were interviewed shared the same feeling: they desired to participate more in the process, wished to share their opinions and ideas. Instead, they felt that there was no interest in their opinions. In the end, employees could only follow the instructions they were given and that was the only way to be involved in the change process.

Results of the interviews reveal that not all reasons for change were understood or communicated. As discussed in the theoretical part of the research, it is essential to explain reasons for change as clearly and honestly as possible. Employees who understand the

reasons for change are more willing to achieve the result that has been set. Most re-spondents have mentioned that they are still looking for managers to come back to them with answers to the questions that were left unanswered and explanations of the reasons that were not understood.

Better communication flow and, for instance, constant feedback sessions could reduce stress level among employees and eliminate the sense of uncertainty. Sessions where managers answer honestly to all questions also help to gain trust of employees. In addi-tion to that, by having clarity in reasons and aims of change managers may easier engage employees into the process and create the sense of ownership. These factors help in suc-cessful implementation of change.

Other factors that are recommended to take into account in Case Company X, is that people were struggling with time schedule, bigger workload and complexity. These chal-lenges are most likely the result of non-efficient planning. Employee 8, male shared, "The preparation before and communication could have been done better". Planning is an es-sential factor in change management process and it should be carefully done before im-plementation starts. As described in sub-chapter 2.2, without a good plan change process will transform into a disaster, resources will not be enough and people will get exhausted.

4.4.2 Accepting change

When we talk about accepting change we consider thinking and feelings: what people think about the change and how do they feel about it. Employee 4, male stated, "The first reaction was shock: what is happening, why and what is next". Sub-chapter 3.1 discusses that indeed first reaction to change is shock. However, managers may influence people´s thinking and feeling about the change, which will be followed by changed behaviour and attitude.

Interviews reveal that in the end employees showed a lot of integrity and supported change process as much as they could. Some reasons for change were understood and it helped during the implementation process. Employees felt easier to adapt to the changes they could understand. On the other hand, the fact that some reasons were left unclear significantly influenced general feelings about this change. Employee 1, female shared: "It is always difficult to change if you do not have a clear and fair picture about the final inten-tion". In addition to that, some cost cutting was predicted and part of the personnel was to be ceased. It affected general atmosphere in all departments; emotionally people were down and demotivated.

Employee 6, female commented on the question, what was the general atmosphere towards change in their department, "Definitely it was not positive". It leads us to the issue, discussed in the previous chapter: communication. Employees´ comments show that all reasons for change were not communicated openly and sufficiently enough. Most of the people could understand that the main goal was to save some costs. At the same time, they assumed that there were some more reasons and goals, which remain unclear until now. It influences employees´ motivation to work and general feelings about this change. It reveals that employees could not accept the change fully because some aspects still remain unclear.

Despite of this, most employees were able to overcome negative feelings about change and participate in the process, supporting change and doing the necessary steps to make it happen. Employee 2, female stated that she was willing to face new challenges and it helped to feel positive about the change. She belongs to the personality type who actively support change and help others (as discussed in sub-chapter 3.3.1). Employee 2, female said: "I was trying to understand that there were people who were upset about the change. I was doing my best to make them to cooperate with us and not to make them more negative".

In sub-chapter 3.1 we learned that the best way to manage change is to involve people affected by it. Involving people in the process helps to create more interest towards change and commit to it. Interviews´ results reveal that in general employees were not feeling themselves much involved in the change process. They commented that they were involved in the processes that they were demanded to perform in order to achieve required changes. At the same time they did not feel a complete involvement in the process because they could not influence the change. Common opinion was that it was announced what and when had to be done, and employees just had to follow the instructions. Employee 4, male shared: "I don't feel we had so many opportunities to try to influence. It felt that everything was decided when the change was announced".

The comment from the Employee 5, male, "The general feeling we have now that it is time for stability again" shows that people are very tired. It also indicates that the change process did not go entirely well. Coming back to main challenges, probably better planning would help to cope with new challenges better and people would not get so tired. Another factor is stress: people were stressed because of the news that some jobs had to be cut. More efficient communication would help to eliminate this issue.

4.4.3   Successful communication factors

From sub-chapter 3.5 we have learned how essential communication is for the change process. First, when change is announced: as everywhere, the first impression plays an important role. Then, communication should be sufficient enough to align people and make them believe in the new strategy. And last but not least, good communication keeps people motivated during the entire change process. Good communication is an open discussion, clear explanation of reasons for change, honest answers to questions and feedback sessions. When communication is good, it creates trust for managers and helps to lead the change process. Insufficient communication undermines credibility, creates rumours and ruins reputation of managers.

Employees of Case Company X did understand that restructuring had to be done because there was the need to save costs and centralise business. The reason for saving costs is quite clear: the current market situation is challenging and continues to be volatile. The reason for a new business strategy is not clear. Also, some other questions about this change were left unanswered. Reasons for some specific changes remain unclear still. Employee 4, male was wondering, "Why to centralise everything? What did we gain from that?" He adds that sufficient communication would help employees to manage changes they were required to do in a more efficient way. Likewise, Employee 5, male added, "There were few things that I did not quite understand. I think information we got was not going deep into details. We will never know what is really behind it". Employee 3, male continued, "We are just employees, we will never know what is going on there".

Employee 7, female shared the same opinion:

> "I don´t think we have received all the answers but maybe there is the next step which we do not know. I have a lot of questions but maybe we are not supposed to know the answers".

Employee 6, female stated, "The reason was not explained properly". Employee 2, female said the same, "The background and informing employees was not done in the best way. It could have been done better. It could have been more informative. It could have supported us better".

At the same time, people were expecting some changes were coming their way. They were prepared by various speeches of the higher management that the time for change is close. This is an example of a positive communication experience: employees were pre-

pared morally that change is inevitable and probably this helped to cope with bad news after the change was announced.

Moreover, interviews´ results revealed that most employees may trust their immediate managers and they are not afraid to talk freely about their feelings and fears. Employees consider immediate managers as a part of the team. The issue here was that immediate managers probably did not have enough knowledge about the change themselves.

Answering the question if enough information was provided during the change, Employee 1, female commented, "It depends what is enough and how much my manager knew about it. Probably I have received as much as they could give". Employee 2, female added: "There were a lot of things happening at the same time. My manager was not fully aware of all the details at that time".

Attention should be paid to the issue that some employees mentioned that even they feel they can trust their managers they still did not feel comfortable to express all feelings and opinions about the change because they fear it might have negative influence on their career or even workplace in case of further personnel cuts.

Earlier in this paper we learned that important step in change management is to celebrate short-term wins and emphasise the success achieved by implementing change. It seems that this part of a change process was not covered in Case Company X. Employees commented during interviews that they cannot understand if this change brought any more value or any better results. Some expressed opinions that the change was done just because higher management has decided to do so. Employee 4, male said:

> "I had quite a hard time to see the actual benefit from this. How did things get better by making such a dramatic change? Do we see any improvement in service? Do we see improvement in profitability? Is there a result? I don't see the actual results".

It was stated in sub-chapters 3.6 and 3.3.2, after a big change people feel physically and morally exhausted. Celebrating wins helps to increase positive atmosphere among departments. Moreover, it will help people to understand the significance of their role in the change process, achieve the sense of self-accomplishment and commit even more.

4.4.4 Successful implementation of change

The outcome from interviews shows that people think that in general this change has been implemented somehow successfully. However, the common opinion is that success

of the implementation is mostly a merit of employees themselves. Despite of the lack of planning, time management and communication, employees did take ownership over the process, tried to understand the goals and did their best to implement the changes that they were asked to do. It shows a great level of integrity and commitment among employees towards the company.

Answering the question if in her opinion the change was implemented successfully, Employee 6, female said, "In my opinion it was successful. People involved (not the management team) have done reorganisation very professionally. Outcome: we still are running the business". Likewise, Employee 2, female stated, "Thanks to the people it works as good as it is. Because people who are doing the job are flexible and resilient enough not make all the small problems into big ones. We are flexible enough".

One of the most favourite questions of the author was, "If you could tell the CEO one thing for improvement in this change process, what you would tell?" Here are listed some of the answers:

- "I would like to know what is next". (Employee 6, female)
- "Why change only in our Department Y; because I think that I still do not have answer to that question". (Employee 3, male)
- "Maybe he should come and stay here one day", suggested Employee 7, female, having in mind a TV-show where undercover CEO goes around operational departments of a company in order to get a better understanding of processes and people working there. She continued, "The feeling is that management does not exactly understand our work and not judging our workload fairly because of that".
- "People, people, people make the company!" (Employee 1, female)
- Employee 2, female suggested that there had to be a supporting team that would lead the whole process of reorganisation. She stated,
    > "Supporting team, to have schedule clear enough for everyone and make sure it is realistic, to have enough information about the change and informing everyone who is part of it; and then making sure that everyone is receiving enough information in order to make it successful. Then I would like to know what is the situation today, did it bring anything better for the company or didn't it. I would like to know was it any good for the company".
- Employee 4, male answered, "It would be concerning the business and in general: better preparation. And we could also be getting all the facts so straight that you could motivate this change in a proper way". He told that he would be motivated

more if could understand all the reasons clearly. "Because I don't like doing things just for the sake of doing them", he said.

- Employee 8, male stated, "What I missed was the time", meaning that employees needed some more time for implementing certain changes, that they wish time schedule would be more flexible.

Based on the above responses, we are coming back to the issues of not efficient enough communication and planning that were discussed in the previous chapters. Additionally, employees would like to know if there are positive results after all changes have been implemented. They would like to have information if these changes did indeed bring some more success to the company. At the same time, people would still like to receive answers to questions that were left unanswered before. And at last, people are willing to know about future plans.

Employee 2, female provided a bright idea about a supporting team that would lead the change process. This idea fully complies with the Kotter´s theory provided in sub-chapter 2.3: establishing a guiding team. Guiding team is an essential step because an individual is not able to lead such a big process alone. Well-formed guiding team would be able to lead the change more efficiently, with better planning and better communication process.

5   Discussion

The main purpose of this chapter is to answer Research questions of the thesis paper:

- How to implement organisational change successfully? and
- How to lead employees through change successfully?

Research questions will be answered based on the theoretical framework provided in the first part of the thesis and Case Company X analyses provided in the second part of the paper.

Additionally, the aim of the chapter is to emphasise key findings of the restructuring case of Case Company X. Based on the analyses of the previous chapter some recommendations will be listed.

Furthermore, the chapter will discuss errors, reliability and usefulness of the research. At the end, the author will propose future research topics that might follow and complete present research.

5.1   Key findings and learning outcomes

Key finding of the present research paper are about leading employees through any organisational change successfully. Theoretical framework provides enough basic information for managers to support successful implementation of change. At the same time, the recommendation for managers facing upcoming implementation of changes would be to read through change management literature. Some useful examples of change management theory are listed in the Reference part in the end of the thesis.

We start listing our key findings from the first Research Question, "How to implement organisational change successfully?" Summarizing learning from the theoretical part of the research we may list several necessary components of a successful change process:

- Sufficient plan.
- Managers who have leadership skills.
- Creating sense of urgency among employees.
- Establishing a guiding team.
- Developing clear new strategy and vision.

- Effective communication flow during the whole change process.
- Involving employees into the process and empowering them.
- Changing employees thinking and feeling about change.
- Behavioural change, change in corporate culture.
- Creating and celebrating short-term wins.
- Unifying gains and anchoring change culture in the company.

Analysing Case Company X change case, recommendations would be to pay special attention to planning, establishing a guiding team, effective communication and celebrating short-term wins.

Organisational change is a very challenging task. Before starting implementation, higher management should make sure that middle level managers are ready to undertake the challenge and do have necessary knowledge and training to lead organisational change. Because people are affected emotionally, every mistake will be costly. Change that has been implemented poorly may ruin reputation and trust of managers which may be difficult to gain back.

Manager – employee relationships may be compared to parent – child relationships because the power of example is very strong. Accordingly, in successful change process managers should be fully committed to it, motivated and inspired. Positive example is influential.

It was stated many times in this thesis paper that communication is one of the most vital parts in successful change process. There cannot be too much communication. It is recommended to utilize as many information channels as possible, to repeat the same things as many times as necessary and be as honest and transparent as possible. Open communication is essential. Even when managers have to inform about negative outcome, honest and open communication will be appreciated by employees.

One of the findings of this research is that nowadays companies may not remain in the state of complacency. Business world in its every aspect is volatile, competition is growing and companies have to be ready to change all the time. Success of any business depends much on ability of organisations to adapt and to implement small and big changes successfully.

Therefore, one of the main things companies must concentrate on are creating and keeping sense of urgency among employees and establishing the culture of change. Change

should become a normal process within company, people should always question current processes and look for new, better ways to run them. All people in the company have to believe in change culture, all people should constantly look for new opportunities.

Second research question was about leading employees through change successfully. First important learning here is that managers need to have leadership skills to be able to manage people through change. Managers plan, organise and manage; leaders align, inspire and lead. Combination of these two features would be an ideal one.

Most important components of leading people through change successfully would be:

- Creating sense of urgency.
- Open and constant communication.
- Clear explanation about reasons for change.
- Clear and simple communication of new strategy, values, vision.
- Keeping the message simple.
- Explain by example, metaphor and analogy.
- Repeat ideas many times.
- Two-way communication: speak and gather feedback, answer questions.
- Leadership by example is powerful.
- Involving people. As stated by Kotter and Rathgeber (2006, 140-141), in the most successful organisational changes nearly all people contributed to a change process.
- Empowering people.
- Celebrating successes.
- Providing proper training if needed.
- Feeling empathy to colleagues and employees.
- Understanding personalities in change and how they may influence the process.
- Understanding stages people go through when dealing with change.
- Changing people´s thinking and feeling about change.
- Changing people´s behaviour.
- Motivating and inspiring people.
- Creating a culture of change.

The most challenging part in change management process is to lead people through it. Good managers are able to create new strategies, to put together a good plan, to make a list of required actions in order to implement change. People´s behaviour and reaction

may be unpredictable. Change is a big shock for people; their first reaction is normally fear and resistance. Therefore, leadership skills are essential. Also, knowledge of above listed components is required. Natural leaders might be able to do the right things following their instinct but there are not many natural leaders. Recommendation for managers would be to go through change management literature and learn how to motivate and inspire people, how to create and keep sense of urgency, how to provide efficient communication.

Change case of Case Company X showed that lack of communication may create many problems such as mistrust, frustration and demotivation. There are three simple rules:

1. Communicate, communicate, communicate!
2. Do not wait, communicate!
3. Repeat what was communicated before!

In this case employees are willing to participate in the discussion. Recommendation for Case Company X would be to arrange as many information sessions as needed where managers would provide employees with feedback on the results of the change and answer all questions.

At the same time it was revealed that success was not celebrated. Celebrating successes creates sense of fulfilment and keeps people motivated to implement further changes. Employees of Case Company X rather feel frustrated and wonder if the result of implemented change is good enough. It is not late to celebrate implementation of change and use this celebration as a step to consolidate gains and start creating a culture of change.

Some employees mentioned that they are tired of changes and wish that time of stability is coming. It shows that people do not have sense of urgency, that culture of change was not created. Before starting implementing any other change it would be recommended to first change people´s attitude towards changes in general.

5.2   Errors, reliability and usefulness of the research

The research was conducted to be a qualitative research and answer two Research questions:

- How to implement organisational change successfully?
- How to lead employees through change successfully?

Analyses were done based on theoretical framework and interviews results. Interviews are considered to be a primary data. Collection of primary data went well; all respondents were cooperative and willing to contribute. Respondents are employees working in Departments Y of Case Company X.

To be able to understand and take into consideration all opinions, the author of the research contacted employees from all three different sub-departments (Departments Y.1, Y.2, Y.3). The consideration is that most respondents belonged to the Departments Y.1 and Y.2, and only one respondent to the Department Y.3. The author did not have the opportunity to interview any other employee from Department Y.3. Nevertheless, answers of the employee from Department Y.3 confirmed the trend. Therefore, the author had considered that there is no need to conduct any other interview.

Data collected from eight different interviews is considered to be enough to make the analyses because the opinions are almost identical. Chapter 4 represents analyses based on all interviews results with quotes of some employees, emphasising the findings.

This research is considered as useful for the Case Company X because based on analysis and recommendations provided in the paper managers may do some improvements, learn from mistakes and underline successes. Theoretical part of the research also provides considerable value as it is a mini-guide for a successful change implementation.

As described in sub-chapter 1.2, analyses and findings of the research are based on the interviews´ results provided by the employees of Case Company X. Managers were not interviewed on the topic and their point of view is not represented in this thesis. The research was conducted this way with the purpose of finding the issues that managers may not consider during change management implementation. When this thesis is finalised it will be presented to the managers of Case Company X and therefore, analyses and findings will be discussed with them.

The research is considered just as useful, also from a personal learning prospective for the author. As a result of, after the completion of this thesis, given the extensive research efforts, education background and hands-on learning experience applied to; it is safe to conclude that the author has expertise on the subject matter.

5.3   Suggestions for the further research

The significance of communication was emphasised throughout the research paper. Therefore, suggestion for further actions would be to conduct research concentrating only on communication matters. It may include communication plans and techniques before the announcement of change, during the announcement, during change process and after change implementation.

Another suggestion would be to conduct research that would describe in more details the change process. Kotter´s eight steps may be taken as a base. In addition, using extra literature, a detailed guide can be composed. At the same time, this type of research may include some case studies. Case studies would bring a great value by showing by example successful and not change management examples.

Finally, the research about planning would provide value. Detailed description of what should be a part of a good plan would help managers to make better preparations and consider all necessary elements before change implementation.

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Appendices

Appendix 1. Interview guide

This questionnaire consists of main questions and supportive questions. Main questions will be asked from all interviewees. Supportive questions are help for the interviewer (and are leading questions) in case interviewee will be having problems with answering main questions in full.

1. Background information
   a) Your gender?
   b) Your age?
   c) How long have you been working in this company?

2. Need for change
   What do you think about this change?
   Why do you think this change was needed? (or not)?
   Why do you think this change was important for the company?
   Which success factors do you see in that change process?
   Why do you think there are/were any success factors?

3. Implementation
   In your opinion, has the change been implemented successfully? Why or why not?

4. Attitude
   How do/ did you feel about this change?
   What is your opinion about this change?
   What are you most concerned about, regarding this change?
   What was the most challenging for you in this current change situation? Why?
   Did you have motivation to implement change in your own work?
   Do you think general atmosphere in your department was positive towards change? (-in organisation?)
   Did you feel comfortable about this change? Why?
   Describe prevailing feelings of yours about this change situation:
   Feelings and atmosphere?
   Thoughts?
   Work environment?

Knowledge?

Do you think this change is for good? Why?

Do you think there were people who resisted the change? What do you think about it?

Do you agree this would be a good change?

5. Support

What kind of support you were missing during this change?

In which areas do you feel it was difficult for you to adjust?

How do you assess support from your manager in this change situation?

Were there factors in the company connected to the change process that made your everyday work more challenging? Please give examples.

How did you see your work responsibilities had changed during the change process? (more demanding, same, easier..)

Were there factors in the company connected to the change that made your everyday work easier? Please give examples.

What was the most challenging in this change process for you?

6. Vision and values

Do you think you understand vision and values of your company?

Do you think you take values into account in your everyday work? Please give an example.

7. Involvement

What do you see your role was in this change?

Were you encouraged to new ideas in order to improve your work?

What were you doing in your everyday work that supported this change?

Do you think you could do more? What would you need for that?

What are your ideas about this change?

Would you change anything about this change?

What role did you want to play in helping implementing this change?

Did you feel yourself involved into this change process?

Did you feel yourself empowered? Why?

Do you think you could influence change process? Why?

Do you think you played important role in this change process? Why?

8. Communication

What would you like to know, regarding this change?

Do you think you have received enough information about the reason leading to the change before the implementation started?

Do you think you could freely talk to your manager about your fears and feelings about this change?

How do you think your colleagues felt and thought about this change? Why?

Did you receive enough information about this change from your manager?

Have the reasons for the change been explained to you properly?

Do you think you received enough information about change during the process?

Do you know where the change process heading to?

If you could tell CEO one thing for improvement in this change process, what would you tell?