

Jenni Suursalmi

Applying change management theory to CRM implementation: Case study on Organisation X

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<p>The aim of this thesis was to analyse how the employees of a case company Organisation X perceived the change that occurred when a new CRM system was implemented into the company's operations, and based on that measure the success of the undertaken change management processes as well as give recommendations for Organisation X on how to proceed with the on-going change. As the main research was conducted from the point of view of the employees the thesis highlights the massive impact employees have on change implementation. The primary data for the research was collected through quantitative research methods. Qualitative research methods were used to collect secondary data to gain a more holistic understanding on the overall change process.</p> <p>The results of the research indicate that the employees of the case company are satisfied with the implemented change but that they would need more training in order to fully utilize the implemented CRM system. Moreover, the results suggest that the functionality of the implemented CRM system as well as the supervisory support offered for employees should be examined more closely.</p>	
Keywords	change management, customer relationship management, change implementation, organisational change

Contents

1	Introduction	1
2	Literature review	2
2.1	Organisational change	2
2.2	Change management	3
2.3	Customer Relationship Management	4
2.3.1	Role of customer experience	5
2.4	The change created through CRM implementation	6
2.4.1	Cultural change	7
2.4.2	Viewing CRM implementation as technology enabled cultural change	8
2.5	Individual reactions to change	10
2.6	Successful change management	12
2.6.1	The impact of employee empowerment	16
2.7	Acceptance of new technology	18
2.8	Change management theory and UTATU in CRM implementation	20
2.8.1	Communication	20
2.8.2	Employee participation	23
2.8.3	Training	24
2.8.4	Support	25
2.8.5	Social influence	26
3	Research methods	27
3.1	Organisation X	27
3.1.1	The case study	28
3.2	Research methods	29
3.3	Reliability	30
3.4	Validity	30
4	Results and analysis	31
4.1	Geographic Region	31
4.2	Employee expectations	32
4.3	Communication	33
4.4	Employee participation in the planning process	35
4.5	Training	36

4.6	Support	38
4.7	Social Influence	40
4.8	Usage of the system	41
4.8.1	Performance benefits	41
4.8.2	Ease of use	42
4.9	Overall satisfaction	43
4.10	Variations between units	44
5	Conclusion	46
6	References	49

Appendix 1: Vocabulary

Appendix 2: Questionnaire

List of Figures

Figure 1:	Change management models	15
Figure 2:	Sales units of participants	32
Figure 3:	Communication	34
Figure 4:	Employee participation	35
Figure 5:	Training	37
Figure 6:	Social support	39
Figure 8:	Social influence	40
Figure 9:	Performance benefits	42
Figure 10:	Usability of the IS	43
Figure 11:	Overall satisfaction	44
Figure 12:	Comparison of employee opinions in different sales units	45

1 Introduction

At some point of their existence all organizations have to deal with change as a response to the quickly changing environment as well as to the increasing demands of the organisational stakeholders (Murthy 2007; Robbins 2010). One of the major drivers for change is the constantly evolving technology which when implemented to an organisation requires technical changes in the organisation's operations as well as cultural changes that are reflected in the behaviour of employees. Multiple researchers have studied the impact change has on organisations and attempted to provide guidelines for its successful management (e.g. Lewin 1947; Kolb & Frohman 1970; Judson 1990; Kotter 1995). Recently scholars have also started to pay more attention on the role employees have on change implementation and noticed the significance of employee empowerment (e.g. Wittig 2012; Rothermel & LaMarsh 2012; Schultz 2014). In order for organisations to successfully implement change that has an impact on the ways employees work, organisational leaders have to understand the theory behind change management as well as acknowledge the massive impact employees have on the success of the change implementation.

The aim of this thesis is to provide an analysis on how the employees of a case company Organisation X perceived the change that occurred when a new Customer Relationship Management system was implemented into the company's operations, and based on that measure the success of the undertaken change management processes as well as give recommendations for Organisation X on how to proceed with the change. Thus the thesis attempts to answer the following two research questions:

- 1) From the employee perspective how successfully Organisation X managed the implementation of a new CRM system?
- 2) How should Organisation X proceed with the change?

The thesis begins by a review on literature that supports the researched topic after which a more precise description of the case of Organisation X is given and the results of the research are presented and analysed. The provided analysis is based on quantitative data collected from Organisation X employees as well as on secondary

qualitative data collected from Organisation X representatives in order to get a more holistic understanding on the overall change process. As the change in Organisation X is still on-going the result of the thesis are extremely relevant for the case company as they provide information on the employee perceptions on the implemented change as well as point out issues that have to be given more attention.

2 Literature review

The literature review presents the theoretical framework for the thesis aiming to cover all topics that are relevant to sufficiently answer the presented research questions. The review first looks at organisational change, change management and CRM as independent elements after which the topics are combined to bring the reader closer to the research problem.

2.1 Organisational change

Organisational change is a process in which an organisation changes its structure, strategy, operational methods, technology, or culture in order to make a permanent change within the organisation (Robbins 2010). It is an essential part of organisational life as without it development within the organisation will stagnate eventually leading to decline in the organisation's ability to compete against its more agile rivals who are capable of transforming in accordance with the changing environment. Thus, in order to remain viable all organisations have to change.

The forces for change originate from the organisation's external and internal environment (Murthy 2007; Robbins 2010). Organisations tend not to have a lot of control over the external forces such as evolving technology, economic fluctuations and changing politics, whereas internal forces such as modifying the organisation's strategy, aging workforce and employee compensation tend to be more controllable (Murthy 2007). Many changes in organisations are unplanned and happen as a natural consequence of changes in the organisations' internal and external environment. Regardless of this, intentional and goal-oriented change activities can be planned in order to improve the organisation's ability to adapt to the changing environment as well as to change the employee behaviour (Robbins et al. 2010). Change management theories generally view change as a controllable process that can be planned.

2.2 Change management

Change management is the process of planning and implementing change initiatives to improve the organization's performance. In the past century scientists have created different models on how to successfully manage change in organisations (e.g. Lewin 1975; Judson 1990; Kotter 1995). These models have mainly focused on the set of actions organisations should take in order to successfully implement a change initiatives, thus providing basic guidelines that can be used to implement any type of organisational change. During change, individuals within an organisation can be divided into two categories: change agents who are responsible of planning and managing the change process, and the change targets who with the guidance of the aforementioned are expected to change their behaviour in accordance with the goals of the change (Rothermel & LaMarsh 2012). However, no matter the role of an individual in the change process everyone involved in it should be considered responsible for understanding and managing the change, and dealing with the people issues it may trigger (Rothermel & LaMarsh 2012). Moreover, even though the change agents responsible for the management of the change would directly require changes from only a certain set of change targets, eventually the change will have an impact on everyone within the organisation (Dunican & Keaster 2015).

Through time the guidelines for managing organisational change have stayed substantially the same. While scientists have created their own change management models, that depending on the context in which the models were created contain small variations in comparison to the other models, the main structure behind these models has remained the same. Nevertheless, there are contradictory aspects in change management one of them being the pace of the change. Some researchers argue that change should be implemented cautiously since gradual change is more manageable and does not compromise the organisations daily operations as much as fast pace change (Braybrooke & Lindblom 1963; Hedberg et al. 1976). However, most researchers suggest that major change should be implemented quickly (Romanelli & Tushman 1994; Amis et al. 2004) as in this case the time during which the organisation is exposed for risk and uncertainty caused by the change remains lower (Amis et al. 2004) and there is less time for resistance to be born (Tushman & Romanelli 1985; Amis et al. 2004). A compromise stand is taken by Meyer and

Stensaker (2006) who argue that the most visible and important elements of the change should be implemented rapidly, whereas the minor changes caused by the initial largescale change should be allowed to happen more gradually. The influencing factor behind the different viewpoints and the correct answer seems to be the context in which the change is implemented as the internal and external environment of the organisation create both short and long-terms risks during change implementation.

2.3 Customer Relationship Management

Maintaining close relationships with valuable customers has been and increasingly is one of the most important goals of organisations. By having a loyal customer base organisations increase their chances to earn more profits as well as improve their competitiveness. In order to get closer to the customers and provide them with the best possible service organisations have to create strategies on how to manage their new and already existing customer relationships. Defining the meaning of Customer Relationship Management (CRM) is a difficult task as the term has been applied to almost all business activities that are related to interacting with customers. According to Hand (2012) CRM refers to the company's strategy to manage its interactions with customers, clients and potential sales opportunities by utilizing technology that is used to automate and synchronize specific business processes such as sales, marketing, customer service and technical support. Fjermestad & Romano on the other hand define CRM as an "electronic dynamo attempting to maximize the value of existing customer relationships" (2006: 20).

CRM is quite often introduced to employees by merely implementing a new Information System (IS) to the organisation. Examples of these systems are sales force management systems and sales force automation systems which are designed to automate certain business activities in order to enhance the customer relationships (Hand 2012). Because of the different IS that are part of CRM as well as the scholars views on CRM activities resting only on the computer software, many organizations consider CRM as purely technology driven, giving its human, cultural and political aspects only a little attention (McGovern & Panaro 2004; Finnegan & Willcocks 2007). When problems occur this causes organisations to look for the source of the problem from the IS even though these issues can almost always be traced back to the people within the organisation (McGovern & Panaro 2004).

Recently, many scholars have pointed out that in addition to technology CRM contains a more humane side which is the interaction between the sales personnel and the organisation's customers (Peel 2002, Finnegan & Willcocks 2007; Baran et al. 2008). These researchers view CRM as a process where technology is used to improve the mentioned interaction in order to develop strong and long-lasting business relationships as well as to integrate people, processes and technology in order to provide customers with individualised service and create long-term profit for the organisation (Finnegan & Willcocks 2007). Based on this, organisations should view CRM as an entity that does not merely comprise of new technology but also of the organisations' employees and business processes which when combined provide organisations the resources needed to utilize the full benefits of CRM.

2.3.1 Role of customer experience

One of the main reasons for organisations to implement new CRM strategies is to improve their relationships with the customers (Peel 2002; Finnegan & Willcocks 2007; Baran et al. 2008). In the current environment where consumers have access to all product related information organisations need more than just a good product with which to differentiate themselves from the competitors. Customers expect to be treated as individuals instead of members of a certain category which is why to stay competitive organisations are forced to put a greater emphasis on the overall buying experience (Brans 2015).

Over the past few years the idea of Customer Experience Management (CEM) has emerged to help organisations to overcome the possible theoretical and practical limitations of CRM (Palmer 2010). While CRM strives to maintain customer relationships through gathering and providing information on and for customers at each customer touch-point (Brans 2015), CEM approaches customer relationships from the opposite direction. The idea behind CEM is that every time the customers interact with the organisation they learn something about it (Cheney 2013). Depending on what is learned from each experience the customer perception on the organisation may change having an impact on the buying behaviour of the customer (Gurney 2002). Therefore, rather than recording information after the interaction between the organisation and the customer has already happened, which is the case in CRM, CEM tries to anticipate customer expectations beforehand and manage the customer

relationships accordingly. In this process CRM software can be used as a support function as also in CEM recording information about potential and existing customers is important (Cheney 2013).

Regardless of the clear similarity between CRM and CEM researchers have argued that understanding the broader concept of customer experience helps organisations to understand why some customers do not return to the service provider even though they are satisfied with their relationship with the organisation (Palmer 2010). CEM forces organisations to view their customers as persons who have a clear identity rather than as mere numbers which helps the organisations to create a more personalised experience for each individual customer (Cheney 2013). Researchers argue that in comparison to CRM, CEM provides organisations with a more holistic understanding on who their customers are and what these customers need (Brans 2015). Nevertheless, scholars agree that it is too early to say whether or not CEM will completely replace CRM in the future.

2.4 The change created through CRM implementation

Successful implementation of CRM requires that organisations understand the link between implementing new CRM technology and changes that have to be made in the organisational culture. If new IS is implemented to an organisation without proper knowledge on change management practises that are needed to create permanent cultural change, the likelihood of employees not accepting the new system increases (Venkatesh et al. 2003) thereby threatening the whole CRM implementation. In fact research has found that on average large IT projects exceed their budget with 45 percent and time scheduled for the project with 7 percent, while simultaneously delivering 56 percent less value to the organisation than estimated. In terms of costs, time and achieved value 17 percent of IT projects fail so badly that they jeopardise the very existence of the organisation. (Bloch et al. 2012) In many situations the reasons behind these numbers can be found from the management's lack of knowledge on the impact new technology has on organisational culture (McGovern & Panaro 2004). Understanding the link between these two factors is one of the first steps organisations have to take in order to succeed in the CRM implementation process.

2.4.1 Cultural change

Organisational culture is the set of key characteristics that are valued within an organisation and that fundamentally differentiate organisations from each other (Robbins et al. 2010). It is a combination of values, goals, roles, processes, attitudes, assumptions and interaction between people that all affect the ways people within the organisation behave (Denning 2011). Even though organisations generally have only one main culture, smaller subcultures are born within them every time people work and interact with each other for a longer period of time (Schultz 2014).

Creating a strong organisational culture requires that the organisation has clear vision and values that provide purpose for the organisation's work, practises supporting the organisation's values, people that share or are willing to embrace the organisation's core values, ability to turn the organisation's history into an inspirational narrative, and place, whether it is a location, an environment or a building, that supports the values and desired behaviours within the workplace (Coleman 2013). When the organisational culture is "right" employees are intrinsically motivated to perform well in their jobs because they identify with it and can see the purposes behind it (Asch & Salaman 2002). In organisations where employees are motivated through intrinsic reasons rather than through extrinsic ones employee performance rates tend to be higher in addition to which these organisations have more satisfied customers (McGregor & Doshi 2015). Creating such employee commitment requires that employees are given a certain amount of power and autonomy that allows them to use their own judgement and skills to achieve organisational goals (Kotter 1995; Asch & Salaman 2002).

The essence of cultural change lies in the organisation's ability to adjust the mechanisms affecting employee behaviour so that the desired new behavioural patterns can be formed. According to Denning (2011) "changing organisational culture is one of the most difficult leadership challenges". Too tight control over employees through the use of power tools such as rules and punishments can destroy employee commitment leading to poor quality of work, weak relationships between the management and employees, high absenteeism and other indicators of low commitment which is the exact opposite of what the management wants while initiating cultural change (Asch & Salaman 2002; Denning 2011). Furthermore,

changing the practices employees have become accustomed to can create fear and uncertainty within the employees as the comfort and stability brought by their existing coping mechanisms are taken away (Schultz 2014). These feelings may then lead to resistance to change which can be extremely harmful for the initiated change effort as employee resistance prolongs the implementation process as well as eats the employee morale since people do not feel comfortable with the changing situation (Wittig 2012).

According to Asch & Salaman "nearly all current programmes of organisational change, whatever their primary focus and content ..., all have as a common element the attempt to change the way employees think and feel about their work and the purposes and priorities of their work" (2002: 139). In other words, all types of organisational change, including CRM implementation that has an impact on existing working methods, require changes in people's behaviour, and as the behaviour of people is largely dictated by the overall culture of the organisation all change efforts eventually have a changing impact on the organisational culture.

2.4.2 Viewing CRM implementation as technology enabled cultural change

Pearsons' (1956) systems theory views organisations as systems that are combined of several interrelated parts. When one part of the organisation goes through major changes it inevitably leads to the need for changes in the other parts of the organisation as this enables the complete organisational system to maintain its viability. In CRM implementation reaching the set goals of the change requires that all parts of the organisation that are affected by the new approach and technology have to transform to fit the new situation.

In the world of rapidly evolving technology organisations are constantly creating new ways to utilize technology and changing their operations in accordance with the latest technological inventions. Technical changes focus on altering organisation's operations by changing the way something is being done (Harvard Business Essentials 2003). As CRM has an impact on the ways employees utilize technology in the process of maintaining good customer relationships, CRM implementation is often categorised as technical change. However, in accordance with the systems theory, CRM also creates a need for changes in the behavioural patterns of people as employees must change their learned habits in order to comport with the requirements of the new technology.

Because of the required behavioural changes CRM implementation can also be categorised as cultural change.

According to Finnegan and Willcocks (2007) in technology enabled organisational change the human and organizational costs can be even four times larger than the costs of the actual technical implementation, which suggests that in CRM implementation organisations should focus more on people than the possible technical difficulties brought by the new CRM system. To support this suggestion, multiple studies have shown that regardless of the new technology that acts as one of the driving forces for organisational change, the actual change originates from the behavioural change of the people (Keen 1981; McGovern & Panaro 2004; Finnegan & Willcocks 2007).

When an organisation is planning to implement CRM to its operations it first has to evaluate and understand what cultural changes have to happen in order to create desired changes in employees' behavioural patterns, as only after this will the organisation be able to successfully manage the implementation of the new technology (McGovern & Panaro 2004). In line with this view Keen (1981) argues that IS implementation is both a political and a technological process, which is why in order for CRM to add any real value to the organisation the new CRM system has to be implemented both to the operational and to the people systems of the organisation. Finnegan & Willcocks (2007) support Keen's view by stating that in CRM implementation the new IS has to be institutionalised, meaning that the organisation has to ensure the new technology fits both the skills of the employees as well as the business processes of the organisation. In other words, CRM implementation creates the need to manage the technical and the cultural side of the change process since neglecting the other would eventually lead to issues in both of them.

When examining CRM from the customer point of view it becomes even more evident that CRM implementation has an impact on the organisational culture. Because of the constantly increasing customer expectations towards the overall buying experience CRM strategies are forced to move away from the 'product push' mentality towards a more customer focused approach (Harvard Business Essentials 2003). Improving customer relationships requires that interaction between the organisation and the

customers works effortlessly providing a consistent buying experience (Brans 2015). CRM technology can be utilized to assist in this process but in order to provide as much benefits as possible it has to be backed up with organisational culture that values customer relationships. According to McGovern and Panaro (2004) reaching this state requires customer oriented organisational culture that rather than dividing customers into segments based on location or product mix allows employees to view each customer as an opportunity that can generate profit for the organisation. Only by creating a culture that drives such behaviour through CRM, organisations are able to create positive, long-lasting customer relationships.

2.5 Individual reactions to change

Change has the power to alter the existing balance of control within an organisation. If not managed correctly it can leave people without the stability and support needed in order for them to adapt to the changing situation. Successful navigation through organisational change requires understanding on how individuals react to changing situations (Dunican & Keaster 2015). In a desired state of events employees' reaction to the change effort is positive and they accept the change without resistance. However, as change often creates uncertainty that inherently causes stress and anxiety among employees it is likely that resistance towards the change initiative will arise (Dunican & Keaster 2015). In order to avoid this, organisational leaders should possess the skills to manage employee uncertainty and decrease it by increasing the transparency of the change process (Dunican & Keaster 2015, Lane & Klenke, 2004).

Resistance to change refers to the individual's negative reaction towards an attempted change (Lewin 1975). Even though it has been proved that all individuals react differently to changing circumstances (Lewin 1975; Wittig 2012) multiple studies on organisational and individual behaviour have shown that regardless of the goal of the change it is in people's nature to resist it (Lewin 1975; Audia & Brion 2007; Kotter & Schesinger 2008). In their study Audia and Brion (2007) researched how decision makers respond to diverging performance measures. The results of their study showed that when primary performance measures indicate changes should be made, employees tend to give greater importance to a secondary performance measure that indicates that the need for change is not that great or does not exist. However, according to Armenakis and Bedeian (1999) people become more willing to change

when they believe that the benefits of the change are greater than the benefits associated with the current situation. As employee reactions to change are constantly affected by new information related to the change process they tend to fluctuate from resistance to acceptance and from acceptance to resistance (Wittig 2012). Thus, individual reactions to change should be viewed as a consistently shifting element that should be analysed in the moment rather than over a longer period of time (Lewin 1975; Wittig 2012).

Kotter and Schesinger found that there are four common reasons why employees resist change: "a desire not to lose something of value, a misunderstanding of the change and its implications, a belief that the change does not make sense for the organization and a low tolerance for change" (2008: 132). In line with Kotter and Schesinger, Oreg (2003) stated that resistance to change derives from certain personal characteristics of employees: routine seeking, emotional reaction to impose change, cognitive rigidity, and short term focus. Wittig (2012) on the other hand looks at the issue from a broader perspective stating that in addition to employee's emotions and cognitions employee reactions to change are influenced by two external factors: change communication and employee participation to decision making. However, change communication and employee participation to decision making both have an impact on employees' perception on the change effort (Kotter & Schesinger 2008) which is why the view of the other two theories implying that resistance to change derives from employees' personal characteristics remains accurate.

In the case of technical change organisations often fail to recognise the changes the new IS may cause in the organisation's social structures (Kolb & Frohman 1970). People can feel threatened by the possible loss of power as the implemented technology may divide control over information that was previously held by only certain set of individuals to a wider audience within the organisation. This may lead to resistance as employees are not comfortable with the new power structures born through the implemented IS. (Keen 1981; Kolb & Frohman 1986) In technology enabled change resistance may also be a consequence of employee fear of not having the needed resources to use the new technology (Venkates et al. 2003).

Due to employee resistance to change, CRM implementation becomes a lot more complex process as in addition to managing the actual installation of the new IS, organisations have to manage employee expectations and feelings towards the new CRM strategy and system. In order to overcome challenges related to employee resistance to change Kotter and Schesinger (2008) suggest that organisation should educate employees about the change and clearly communicate why the organisation has to change, involve people into the design and implementation process of the change, provide support and training to individuals who need it and offer incentives to resistant employees. According to their research managers should even resort to manipulation or explicit and implicit coercion in order to force the change on employees.

Even though organisations often view resistance to change as a negative force that has to be overcome quickly, it can also be necessary for the viability of the change initiative as resistance forces managers to reconsider their change plans and possibly discover better means to reach the organisation's vision (Kolb & Frohman 1970). Thus, rather than trying to completely suppress resistance organisations should provide employees with opportunities to express their feelings and thoughts as this can give the organisation valuable information on issues that have to be dealt with in order for the implemented change to work.

2.6 Successful change management

Hand (2012) states that one of the biggest challenges for organizations during CRM implementation is to convince their employees that the new IS will benefit both the employees and the organisation's customers. "According to a survey conducted ... by on-line resource center CRM Forum, when asked what went wrong with their CRM projects, 4% of the managers cited software problems, 1% said they received bad advice, but 87% pinned the failure of their CRM programs on the lack of adequate change management" (Rigby et al. 2002: 104). These findings are backed up by McGovern and Panaro (2004) who argue that one of the biggest reasons for CRM failure is the problems with the organisation's people systems. In order to successfully implement CRM the organisational management has to understand the different elements behind all change processes and the impact change has on employees.

In their review of change literature, Armenakis and Bedeian (1999) defined four common attributes to all change efforts: 1) content issues focusing on the substance of the organisational change, 2) contextual issues focusing on the external and internal forces affecting the change, 3) process issues focusing on the actions undertaken during the implementation of the change, and 4) criterion variables assessing the outcomes of the change. When applied to CRM implementation process the content is the general fit between the new CRM strategy and IS with the overall strategy and structure of the organisation, the context includes all the external and internal factors such as new technology and organisational strategy that have an impact on the people who are expected to change their behaviour in accordance with the new strategy, the process comprises of the activities taken to implement CRM to the organisation, and the criterion is the successfulness of the change measured for example through sales rates and employee satisfaction towards the new CRM system. For the purpose of this thesis process issues are the most relevant as they focus on the actual actions taken to implement CRM thereby also being the most visible attribute for the employees.

The roots of the vast amount of literature that focuses on the actual “process” of implementing organisational change can be traced back to the work of Kurt Lewin (1947). His model on successful change management composes of three steps: unfreezing the current state, moving to the desired state, and refreezing the behaviour to its new state. Since being published, Lewin’s model has faced both appraisals and criticism. Due to the ambiguous and simplistic nature of the model it has often been regarded inappropriate for implementing continuous or open-ended change (Wilson, 1992; Stacey, 1993; Dawson, 1994; Hossan 2015). Multiple scholars have also criticised the model for promoting a management-driven rather than employee-driven approach to change (Dawson, 1994; Wilson, 1992; Hossan 2015). However, the model has been found relevant for incremental and isolated change projects that have a clear structure and time frame (Dawson 1994; Hossan 2015).

Regardless of the criticism towards Lewin’s (1947) work, multiple scholars such as Kolb and Frohman (1970), Judson (1991) Kotter (1995) and Galpin (1996) have created their own change management models by building on the initial unfreeze-freeze model.

Kolb and Frohman (1970) created a seven-step model for planned change which intent was to improve the effectiveness of the work of change consultants. The model focuses mainly on steps that the management has to take prior the actual implementation of the change, having a rather management driven approach to change implementation. Judson's (1991) model for implementing change comprises of five steps, its particular strength being the accompanied discussion on resistance to change. Alongside with each step Judson (1991) discusses predictable reactions to change and lists methods, such as reward programmes and bargaining, that can be used to overcome employee resistance to change. In 1995 Kotter created one of the best known models for successful implementation of change by monitoring change efforts in more than 100 organisations. His eight-step model has a strong focus on how managers can prepare employees to the change. Galpin's (1996) attempt to guide organisations to successfully manage change comprises of nine steps and emphasises the importance of organisational culture and its impact on the progress of the change. As a summary of the above models, Figure 1 shows the suggested steps of each model and demonstrates how they build on Lewin's (1947) unfreeze-freeze model.

In comparison to Lewin's initial model all of the above approaches provide more practical guidelines for successful implementation of change while still remaining in line with the initial model. However, all of the models look at change implementation more from the perspective of "what", meaning that they define the steps that need to be taken to successfully implement change but are rather vague in telling "how" this should be done.

Kolb and Frohman (1970), Judson (1991) and Kotter (1995) present their steps linearly whereas Galpin's (1996) nine steps form a wheel. According to Mackinnon (2007) presenting a change management model in a linear order rather than a cyclical one oversimplifies the change process as the presentation fails to take into account the complexities and interrelationships of planned change. In other words, linear models fail to recognise that an uncertain environment might create the need to follow the steps in a different order or to return to steps that have been completed earlier but need to be taken a second look at. Furthermore, even though the models provide extremely useful guidance for managing change, like Lewin's (1947) model, they have a rather top-down approach for change implementation placing most of the pressure of

LEWIN'S MODEL	KOLB-FROHMAN MODEL	JUDSON'S MODEL	KOTTER'S MODEL	GALPIN'S MODEL
1. Unfreezing	<p>a) <i>Scouting</i> Explore available abilities and needs, select an entry point</p> <p>b) <i>Entry</i> State problems, goals Establish a need for change</p>	<p>a) Analyse and plan the change</p> <p>b) Communicate the change</p>	<p>a) Establish a sense of urgency</p> <p>b) Form a powerful coalition</p> <p>c) Create a vision</p> <p>d) Communicate the vision</p>	<p>a) Establish a need for change</p> <p>b) Develop and disseminate a vision</p>
2. Movement	<p>c) <i>Diagnosis</i> Collect data to define problems and asses available resources</p> <p>d) <i>Planning</i> Define objectives for the change, identify possible solutions and resistance to change, create a plan</p> <p>e) <i>Action</i> Implement the best plan, be prepared for unanticipated consequences</p> <p>f) <i>Evaluation</i> Evaluate success of the change, move to planning or termination stage</p>	<p>c) Gain acceptance of new behaviours</p> <p>d) Move to the desired new state</p>	<p>e) Empower others to act on the vision</p> <p>f) Plan for and create short term wins</p> <p>g) Consolidate improvements and produce more change</p>	<p>c) Diagnose and analyse the current situation</p> <p>d) Generate recommendations</p> <p>e) Detail the recommendations</p> <p>f) Pilot test the recommendations</p> <p>g) Prepare the recommendations for rollout</p> <p>h) Roll out recommendations</p>
3. Refreeze	<p>g) <i>Termination</i> Confirm new behaviour Cease work on the project</p>	<p>e) Consolidate and institutionalise the new state</p>	<p>h) Institutionalize new approaches</p>	<p>i) Measure, reinforce and refine the change</p>

Figure 1. Change management models

the change implementation on the top levels of the organisation. By doing so they position employees as objects whose actions should be controlled and who are not responsible for the success of the change process. This approach can be extremely harmful as empowering employees has been found to be important in successful implementation of change (Wittig 2012; Rothermel & LaMarsh 2012). Nevertheless the models demonstrate the fact that change implementation tends to happen in multiple steps that take time and should be each given enough attention as bypassing steps may have a negative impact on the results or the speed of the overall change implementation (Armenakis & Bedeian 1999).

2.6.1 The impact of employee empowerment

During recent years, more attention has been given to the impact empowering employees has on the overall success of change implementation. Scholars have found that organisational cultures fostering employee empowerment tend to ease the process of organisational change (Rothermel & LaMarsh 2012; Schultz 2014). Wittig (2012) states that employees are the driving force behind all organisational change initiatives which is why they should be given a clear role during change implementation. The reasoning behind this is that when employees have a clear role and power to control what is happening they become partially responsible of the success of the change implementation. This responsibility and the trust of the management that comes along with it, work as intrinsic motivators that increase the employees' willingness and efforts taken to adjust to the new situation (Amble 2011). In other words, by giving a clear purpose and responsibility for employees during change implementation organisations can increase their chances to implement change successfully.

As noted earlier, the problem with multiple change management models based on Lewin's (1947) unfreeze-freeze model is that they put most of the pressure on the top levels of the organisation, allowing employees to act as free-riders in the change process. This can be a crucial mistake, since if an organisation focuses only on the leaders and change agents it may leave employees feeling as if they are not responsible for the results of the change thereby having a negative impact on employees' commitment to adapt to the new situation (Rothermel & LaMarsh 2012). In order to avoid the negative impacts of too tight managerial control it is important for

organisations to understand the concept of employee empowerment while following any change management model as this may ease the change implementation.

Simply put, employee empowerment implies that organisational leaders and managers share some of their power with the employees thereby allowing the employees to make and implement decisions without having to wait for the management's approval (Schultz 2014). This on the other hand prevents the development of decision-making and operational bottlenecks – a typical issue in hierarchical organisations with a top-down management style – and thereby enhances the organisation's ability to quickly react to changing situations (Atkins 2016). According to Schultz (2014) creating a culture that promotes employee empowerment and thus fosters change requires that superiors are willing to share authority but also that employees are willing to accept the responsibility that comes with their new authority. However, sharing authority requires that the management trusts the employees' abilities to use the obtained power right, and that the employees trust the management is providing them with all resources needed to succeed (Atkins 2016). Thereby, in an ideal situation employee empowerment in change implementation means that employees are given all change related information alongside with the power that comes with it, and provided with training, support and equipment that ease the process of adapting to the changing situation (Schultz 2014).

In addition to having a positive impact on the agility of the organisation, employee empowerment has been found to increase employee commitment and job satisfaction as well as to make employees feel they are a valued part of the organisation (Amble 2011; Rothermel & LaMarsh 2012). This implies that employee empowerment creates intrinsic motivators that drive employees to perform well in their jobs. The reason why the matter has such significance regarding change implementation is that people who are committed to their jobs through intrinsic motivators are more likely to initiate change that is also intrinsically motivated, which on the other hand has been found to increase the success of the change initiative (Schultz 2014).

Thus, by incorporating elements of employee empowerment into the traditionally rather management driven change management models – such as the ones seen in Figure 1 on page 15 - like Schultz (2014) has done as a conclusion to his research,

organisations are able to enjoy the benefits employee empowerment has on the change implementation process as well as on the long-term success of the organisation.

2.7 Acceptance of new technology

Implementing CRM strategy and an IS supporting it is a complex process as the organisation has to manage the changes for the employees as well as the technical changes related to the installation, implementation and usage of the new IS (Ruta 2005). Even though the technical challenges can be significant in many cases the greater challenges are associated with the people who are expected to adopt the new CRM strategy and use the new IS (McGovern & Panaro 2004; Ruta 2005). All of the change management models seen in Figure 1 (page 15) support the fact that during CRM implementation as well as any other technology enabled change organisations' focus should be on the behavioural changes required from the employees rather than on the technical elements related to the implemented technology (McGovern & Panaro 2004). However as CRM often includes technology that is new to the employees, in CRM implementation it is not enough for organisations to only understand the theory behind change management but rather they have to combine the change management theory with an analysis on the ways people behave when they are presented with new technology.

Several researchers have studied the user acceptance of information technology (e.g. Davis 1989; Thompson et al. 1991; Taylor & Todd 1995; Venkatesh et al. 2003). Davis (1989) found that IS usefulness is more strongly related to usage than ease of use as employees rather use a more complicated system that provides all the needed functionality than a system that is easy to use but is not able to perform all the needed activities. In a similar research Thompson, Higgins and Howell (1991) found that social factors, complexity of the IS, job fit, and long-term consequences all have an impact on IS utilization. By using eight already existing models including the aforementioned Venkatesh et al. (2003) created a unified model on IS acceptance called the Unified Theory of Acceptance and Use of Technology (UTAUT), which since then has become one of the most used IS implementation models.

The UTAUT defines four elements that affect IS user acceptance and usage behaviour: 1) performance expectancy, 2) effort expectancy, 3) social influence, and 4) facilitating conditions. In other words, the theory uses expectations towards better performance through the new IS, perception on ease of use, effect of social pressure, and individual's belief on the existence of organizational and technical support functions to evaluate how individuals accept new IS. (Venkatesh et al. 2003) When used to analyse the process of CRM implementation the UTAUT focuses on what elements affect user acceptance and employees' intentions to use the new IS, whereas change management theory focuses on the actions organisations can take to influence these intentions and create the desired change in employee behaviour.

Performance expectancy is the strongest predictor of employees' intention to use the new IS. If employees believe that using the new IS will improve their performance by decreasing the time needed to perform the job, increasing productivity, enhancing effectiveness, or increasing the quality of their work, they are more likely to accept and use the IS in comparison to a situation where the increase in performance through the IS is considered minor or non-existent. The impact of performance expectancy remains significant throughout the usage of the IS. (Venkatesh et al. 2003)

The impact effort expectancy has on IS acceptance is at its greatest from the time prior implementation until the time period that is immediately followed after training. During this time employees are still unexperienced with the IS usage and their perception on whether or not it will be easy for them to learn to use the new IS and efficiently utilize it in their job is still ill-informed. (Venkatesh et al. 2003) This lack of knowledge and experience can cause uncertainty among employees leading to feelings of resistance, thereby having a negative impact on IS acceptance (Dunican & Keaster 2015). However, when employees' experience on the usage increases the construct of effort expectancy loses its significance (Venkatesh et al. 2003).

According to Venkatesh et al. (2003) social influence affects individuals by altering their belief structures as a response either to potential social status gains or to social pressure. According to their research the construct applies only in mandatory settings where employees are more likely to use the new IS if they believe that their superiors or other important members of the organisation might perceive them differently if they

do not use it. However, the research implies that social influence is important only in the early stages of the IS implementation when employees' opinions on the new technology are still forming. The idea of social influence can be utilized in change management as it has been found that employees "are more likely to comply with others' expectations when those referent others have the ability to reward the desired behavior or punish nonbehavior" (Venkatesh et al. 2003: 452, as cited from French & Raven 1959; Warshaw 1980).

Facilitating conditions refer to employee's presumption on the existence of organisational and technical infrastructure that supports the use of the new IS. In addition to facilitating conditions the definition contains two other constructs: perceived behavioural control over the changing situation and compatibility of the new IS to the values, needs and experiences of the employees. The effect of facilitating conditions tends to increase over time when employees gain more experience on the IS usage and find more channels through which to attain support, simultaneously removing obstacles from sustained usage. However, if performance expectancy constructs and effort expectancy constructs are both present facilitating conditions become nonsignificant in analysing employees' intention to accept and use the new IS. (Venkates et al. 2003)

2.8 Change management theory and UTATU in CRM implementation

Based on the reviewed change management models as well as on the theory on IS acceptance five major factors that have an impact on how well employees cope with CRM implementation can be identified: communication, training, support, social influence and employee participation. As a conclusion to the literature review this section demonstrates the significance of these factors in regards of CRM implementation.

2.8.1 Communication

Communication has widely been accepted as one of the most important element of change management (Kotter 1995; Kotter & Schesinger 2008; Wittig 2012). "Since the success of organizational change initiatives lies in the reaction of employees, it is crucial to communicate to employees information about the change to positively influence their reactions" (Wittig 2012: 24). Through change communication

organisations can influence employees' attitudes towards the change and reduce the uncertainty that diminishes employee's willingness to accept the change (Elving 2005; Wittig 2012). Saruhan (2014) states that good communication promotes cooperation and improves inter-personal relationships, simultaneously strengthening the trust between the management and the employees. Trust on the other hand increases the employees' feeling of empowerment (Atkins 2016) thereby having a reducing impact on resistance to change (Kotter & Schlesinger 2008).

However, due to the power information gives to its holder it can be difficult for manager to share important information with employees. The connection between authority and control over information has often been recognised by researchers. Within an organisation information can be viewed as central political resource that gives its holder influence and autonomy (Keen 1981) which is why managers can feel that by sharing information they lose their authority. Nevertheless, sharing information is essential in change implementation as sufficient knowledge on the reasons and objectives of the change gives employees the motivation and resources needed to become empowered and act as partners in the change process.

According to Kotter (1995) managing employee expectations and thereby the change successfully requires that organisations utilize all possible communication channels to inform employees about the change. This finding is re-enforced by Wittig who states that "since the success of organizational change initiatives lies in the reaction of employees, it is crucial to communicate to employees information about the change to positively influence their reactions" (2012: 24). In CRM implementation it is important that the management knows how to influence the employee expectations towards the new CRM concept and IS. Organisations can increase the employees' willingness to change their behaviour by providing them information on the ways the new IS will improve the employees' job performance. The statement is based on the finding that when employees believe that the benefits brought by the change will overpower the benefits enjoyed before the change, they are more likely to support the change in order to achieve these benefits. (Armenakis & Bedeian 1999; Dunican & Keaster 2015) If the organisation is not able to feed employee expectations related to the usefulness of the change, employees will not make sacrifices that are required to successfully implement the change. Still, managing employee expectations towards the CRM

implementation should be handled with care, since if the new IS fails to deliver what is promised dissatisfaction towards the implemented change will inevitably increase as employee acceptance on the new IS decreases (Venkatesh et al. 2003).

Creating the needed urgency for the CRM implementation requires that information is shared within the organisation. When flaws or deficiencies in the organisations customer related operations are detected and the need for change is identified it is in the interest of the management to communicate this to all levels of the organisation broadly and aggressively, especially if the organisation is in a crisis situation, as it will give people motivation and reason to cooperate with the change agents (Kotter 1995). In other words, employees should be provided with information on complaints, complexity and failure of the current customer related operations that all provide reasons why it is necessary to implement a new CRM strategy (Schultz 2014).

Change communication should also be used to define the direction for the new CRM strategy. After the management has created a desired vision for the future, this should be communicated to the employees by using all relevant communication channels such as meetings and emails (Kotter 1995; Schultz 2014). In this part of the change management process the key job for change agents is to identify and understand the possible objections employees may have regarding the initiated change. By understanding the issues raising the most concerns among employees, the change agents are able to give more targeted information and better explain the improving impact the change will have on these issues. (Rothermel & LaMarsh 2012) When employees understand the reasons behind the change and see how it will improve their job efficiency they are more likely to support it thereby increasing the successfulness of the implementation (McGovern & Panaro 2004).

In addition to communicating the vision efficiently, management has to ensure employees are able to act according to it. According to Kotter (1995) in many cases employees understand the vision of the change and want to act on it, but their actions are blocked by obstacles that prevent them from promoting the change. Superiors resisting the change, compensation systems that provide more benefits if the employees continue acting the way they did before the change, or the employees' fear of unknown are all examples of obstacles that prevent change from happening. To

ensure successful implementation of change, Kotter (1995) advises organisations to confront and remove all major obstacles that stand in the way of the change. In CRM implementation this means that all barriers to the IS usage should be removed and organisational support functions such as training or IT support should be made accessible for all employees affected by the change (Finnegan & Willcocks 2007).

2.8.2 Employee participation

Empowering employees to act as partners in the change process requires that they are given opportunities to make their own decisions as well as participate in making decisions that have an impact on them (Rothermel & LaMarsh 2012; Schultz 2014). Regardless of the fact that employee participation can be time consuming it has been found to increase employee commitment thereby decreasing resistance and making employees more willing to change (Kotter & Schesinger 2008).

The first identified benefit of employee participation is that when employees participate in the decision making process the management is forced to listen to the opinions of the people the change has the biggest impact on, giving the management an opportunity to influence the matters that are found most pressing (Kolb & Frohman 1970). Thus, through employee participation the management can ensure the CRM strategy corresponds with employee and customer needs as well as that the designed CRM system includes all the functions the employees need to perform well in their jobs.

The second and the more pressing benefit of employee participation in terms of coping with change is that through employee participation employees get the feeling of empowerment as they are provided with the opportunity to impact the change process (Kotter and Schesinger 2008). Even though the common assumption is that employees express their feelings of dissatisfaction when they occur this is not always the case. According to multiple researchers employees might detain themselves from speaking about job-related problems as they fear the management's respond to the feedback is negative (Detert & Trevino 2010; Morrison 2014; Milliken et al. 2015). Furthermore, if the employees feel that raising the issue will not have any impact on the organisation's operations, they may remain silent (Detert & Trevino 2010; Morrison et al. 2011; Milliken et al. 2015). By giving employees an opportunity to express their opinions

about the new CRM strategy, and functions included in the system, organisations give them the feeling of empowerment which has been found to increase employees' ability to cope with change. Thus, employee participation benefits the organisation through the information received from the employees and the employees through the feeling of empowerment.

2.8.3 Training

Training forms a major part of CRM implementation, as it ensures employees have all the needed skills to use the new CRM system. This is important, as employees' skills to use the IS directly influence their ability to perform well in their jobs. Thus, regardless of the multiple functions in the IS that are planned to improve the employees' performance, if the employees are not taught to utilize these functions the benefit brought by them is lost.

According to multiple researchers, managers can influence employees' abilities to cope with change by providing them training that increases the employees' ability to cope with stressful events (Sarin et al. 2010; Schultz 2014; Kahn & Byosiere 1998; Lafferty & Griffin 2006; Lazarus & Folkman 1984). Furthermore, training has been found to have a positive impact on end-user acceptance and end-user ability to use implemented technology (Lee et al. 1995; Sarin et al. 2010), which both have a positive impact on the overall change implementation. More precisely, employee training that impacts employees' computing abilities as well as their acceptance of the new IS, leads to changes in IS utilization, end-user IS satisfaction, and job satisfaction (Lee et al. 1995). Therefore by providing enough training during CRM implementation, organisations are able to influence employees' perception on performance and effort expectancy making it easier for the employees to accept and implement the change.

To support the importance of training, Swanson and Power (2001) found that employees perceive the change more positively if they are provided with functional skills to cope with it. In line with this statement, Sarin et al. (2010) found that perceived effectiveness of the training has a positive impact on employees' perceived ability to manage change. Furthermore, Sarin et al. (2010) also stated that formal and mandatory training has a more positive impact on the perceived training effectiveness in change implementation than informal and voluntary training. The reasoning behind

this is that in formal context knowledge disseminations is more effective, and non-voluntariness guarantees participation as well as signals organisation's commitment to the change effort. Based on these findings, it can be suggested that training to use IS should be structural and mandatory for everyone expected to use the new system.

2.8.4 Support

New IS often provides new functions that are aimed to improve the performance of employees. For some, these functions can seem scary as they require understanding on technology that may be considered as too difficult to use. If the employees have a low tolerance for change, these factors can create resistance towards the change initiative (Kotter & Schlesinger 2008). In CRM implementation the tolerance for change is influenced by the expectations employees have created towards the new IS and its usability, which is why to avoid resistance related to performance expectancy, effort expectancy and facilitating conditions organisations should build an extensive support systems for the IS users.

Organisational support implies employees are receiving the needed resources in order to efficiently cope with the change (Schultz 2014). Support can appear in multiple different forms such as training, time off or conversations between employees and managers or co-workers (Kotter & Schlesinger 2008). In CRM implementation the most significant support functions are training, technical support and social support. As the impact of training has already been discussed and technical support is rather unambiguous this section focuses on the impact social support has on coping with change.

While defining the steps for successful CRM implementation Finnegan and Willcocks (2007) emphasize the importance of managerial support, stating that it should be made visible for the employees. According to Schultz (2014) organisational leaders should become mentors, collaborators and partners in the change process to guide employees to the right direction. The reasoning behind this lies on the fact that when employees see and feel that they are provided with enough managerial support they are more likely to implement the change. Swanson and Power (2001) found that support from managers and co-workers helps employees to maintain morale during change implementation thereby leading to more positive feedback on the change

process. Managerial support was named as the most important source of social support for office workers whereas the non-office workers' perception of the change was influenced more by the support from co-workers.

The power of social support is mainly based on its impact on stress. Multiple researches have recognised the strong relationship between stress and job satisfaction (Beehr et al. 1976; Cotton et al. 2002; Brewer & McMahan 2003) and according to Brewer and McMahan-Landers (2003) "stressors related to lack of organizational support seem to have a greater impact on job satisfaction than stressors related to the job itself". Job satisfaction on the other hand has an impact on how employees cope with change as more satisfied (non-stressed) employees tend to be more willing to accept change (Wittig 2012; Schultz 2014). According to Swanson and Power (2001) managerial and co-worker support can remove change-related stressors thereby making it easier for employees to cope with the change.

The aforementioned findings imply that in CRM implementation in addition to providing support that comes in the form of training or technical assistance, organisations should focus on building structures that stimulate managerial and co-worker support as this will improve employee perception on the change as well as increase their ability to cope with the change.

2.8.5 Social influence

One attribute that is often disregarded but should be taken into consideration during change implementation is social influence. According to Schultz organisational leaders should "set the right example through behaviour and actions" (2014: 47). When managers show their support towards the change effort they tend to encourage others to do the same leading to less resistance for the organisation to manage. However, in a situation where the management is not acting in accordance with the implemented change, employees will eventually lose their trust towards the change effort and actions of the change agents. (Kotter 1995). Because of this, organisations should recognise the impact social influence has on change implementation.

According to Venkatesh et al. (2003) research, social influence impacts employee behaviour through compliance, internalization and identification. "While the latter two

relate to altering an individual's belief structure and/or causing an individual to respond to potential social status gains, the compliance mechanism causes an individual to simply alter his or her intention in response to the social pressure" (Venkatesh et al. 2003: 452). In other words, by setting example managers can influence how employees perceive the change and the possible benefits it may bring. Moreover, managers can also use their status to force the change on employees. The latter statement is supported by Kotter and Schesinger (2008) according to whom managerial coercion can be used to reduce resistance to change. In CRM implementation managers can influence employees perception on the new IS by acting in accordance with the implemented change, setting example, utilizing the implemented IS in their work, and showing they view the IS as a valuable asset for the organisation.

Furthermore, by making the usage mandatory organisations can take advantage of the impact of compliance. This can be beneficial as the impact of social influence has been found to be more important in mandatory settings where employees have no choice but to use the implemented IS in comparison to a situation where employees are free to choose if they want to use it or not (Venkatesh et al. 2004). As CRM consists of different operational policies that have to be followed in order for the strategy to work, using the implemented CRM system is often mandatory which is why social influence can have a significant impact on CRM implementation

3 Research methods

The aim of the thesis is to provide an analysis on the successfulness of the change management in the process of implementing a new CRM system to the case company known as Organisation X. This section provides an overview of the overall strategic CRM change that took place in Organisation X, narrows down the part of the change that is researched in the thesis and discusses the research methods used to collect data for the research. At the end the reliability and validity of the thesis are discussed.

3.1 Organisation X

Organisation X is a Finnish company with its headquarters in Helsinki metropolitan area. The company operates internationally and is one the fifteen leading operators in

its industry. Due to the nature of the information that is handled in this thesis the case company has wished to stay anonymous. Thereby, to provide full confidentiality, a more precise description of Organisation X cannot be given as this might reveal the real identity of the company.

3.1.1 The case study

During recent years the overall strategy of Organisation X has gone through major changes, leading to changes in the company's approach to manage client relationships. In 2015 Organisation X started the implementation of a new CRM strategy that has a more customer and corporate oriented focus in which the company's values are better taken into consideration. Organisation X set three main goals which it wanted to reach through the change: 1) increase the efficiency of sales and sales management by allocating sales resources and efforts optimally, 2) outperform competitors with strong performance and with a systemized and action oriented approach, and 3) divert the focus of sales from pure price negotiations towards more value based sales elements. Through these changes Organisation X wanted to reach one of its key strategic objectives, which is to ensure the organisation's profitable growth in the increasingly intense competitive environment. The climax of the change happened in November 2015 during which Organisation X took into use a new CRM system, known as SellSmart, designed to support Business to Business Client Managers to improve their interaction with the Clients in order to make more profitable deals. The change had a direct impact on 121 employees who were expected to utilize the system in their daily work.

The focus of this thesis is on the implementation of SellSmart and the time period following it as this is when all the employees directly affected by the change got involved in the change process. The goal of the thesis is to determine how employees of Organisation X perceived the overall change process and how the company should proceed with the on-going change. The success of the change process is measured by analysing employee opinions on the implementation of the new CRM strategy, SellSmart and their perception on the benefits the new IS has brought to them.

3.2 Research methods

To collect data for the research the author chose to use quantitative research methods as this enabled gathering data from all Organisation X employees directly affected by the change. Quantitative research refers to a research process in which numerical data is used to analyse the research phenomena. The analysed data is collected from a selected sample of people by asking them specified questions through polls, questionnaires or surveys. The aim of quantitative research is to answer a specific research problem through statistics which give information on the topic that is being researched. The opposite of quantitative research is qualitative research that often utilizes interviews to obtain a deeper understanding on the research problem. (Hirsjärvi et al. 2013)

In addition to the quantitative research methods used to collect data, the author gathered information from two Organisation X representatives who acted as change agents during the CRM implementation. This enabled the author to get a more holistic understanding on the overall change process in Organisation X. The information was gathered during meetings related to the content of the thesis as well as through emails. Thus, also informal qualitative research was used during the research process.

To collect quantitative data for the research a questionnaire was designed in cooperation with the representatives of Organisation X to ensure both the author's and the company's needs were fulfilled. The questionnaire was divided into six sections in order to get sufficient information on all elements of the change management process that based on the literature review were found important. The sections were communication, employee participation, training, support, social influence, and IS acceptance. The questionnaire contained mainly closed questions most of which had five options from which to choose the answer from. Open ended questions were used to gather supporting information on the close ended questions. As the questionnaire was targeted only for Organisation X employees it contained some special terminology to which explanations can be found from Appendix 1.

Information for the quantitative research was gathered from all Organisation X employees who were directly affected by the change meaning that they were bound to

act according to the renewed CRM strategy and use SellSmart in their work. The questionnaire was sent to the personal emails of 121 individuals. Altogether 74 answers were received, giving the research a response rate of 61%. Digium Enterprise was used in creating the questionnaire. The author used Microsoft Excel for analysing the collected data. The full questionnaire can be seen in Appendix 2.

3.3 Reliability

According to Hirsjärvi et al. (2013) reliability of a research means that the research can be replicated without it impacting the results of the research. In other words, the research is able to provide non-arbitrary results.

In quantitative research it is important to obtain enough answers so that conclusions applying to the complete sample group can be made (Hirsjärvi et al. 2013). As noted earlier 61% of people belonging to the sample group of the study answered the questionnaire, giving the study a sufficiently high response rate and making it reliable in terms of the amount of received answers. If the quantitative research was conducted again in the same company, it can be expected that there would be no significant changes in the results. The reason for this is that the main focus of the research is on events that have happened in the past making it unlikely that the results would change. However, if the timeframe of the research was changed, there could be changes in the parts of the results that focus on the actual IS usage as time would provide employees the opportunity to learn more about the implemented IS.

With the same reasoning as used before, also the qualitative research methods used to collect secondary data for the thesis can be determined as reliable. The collected data was such in nature that regardless of the change agent used as a source of information, it is likely that the answers would remain the same. Nevertheless, it should be noted that the reliability of the research only applies if the research was conducted again in Organisation X.

3.4 Validity

Validity of a research refers to the ability of the research to measure exactly what the researcher intends it to measure. In quantitative research validity can suffer if the respondents' interpretations on the asked questions differ from the researcher's

interpretation or if the researcher fails to ask questions needed to answer the research problem. Thus, it is important to analyse the validity of the research so that the results can be held true and adequate. (Hirsjärvi et al. 2013)

In terms of the understandability of the questions the author categorises the thesis valid as due to the careful wording of the questions there is only a little room for differing interpretations that would compromise the validity of the thesis. However, the validity could be improved in terms of what was measured through the questions. While analysing the results the author noted that in order to be able to provide a more adequate answer to the original research problem, more questions should have been asked from the participants. However, as the case company preferred keeping the questionnaire short the author's ability to do so was limited.

4 Results and analysis

The results of the research are presented by first displaying the overall data gathered through the questionnaire and the interview with the Organisation X representatives after which an analysis of the results is given. At the end, the sales units of the employees are used as independent variable to determine possible differences of opinion in different sales units.

4.1 Geographic Region

As Organisation X is an international company, it has sales units around the globe. Figure 2 shows the geographical spread of participants in terms of the location of their sales unit. Out of 74 participants 5 (7%) work in the company's home country Finland, 18 (24%) in Asia-Pacific (APAC), 13 (18%) in Japan, 9 (12%) in China and 29 (39%) in Europe, the Middle East, Africa (EMEA) or Russia.

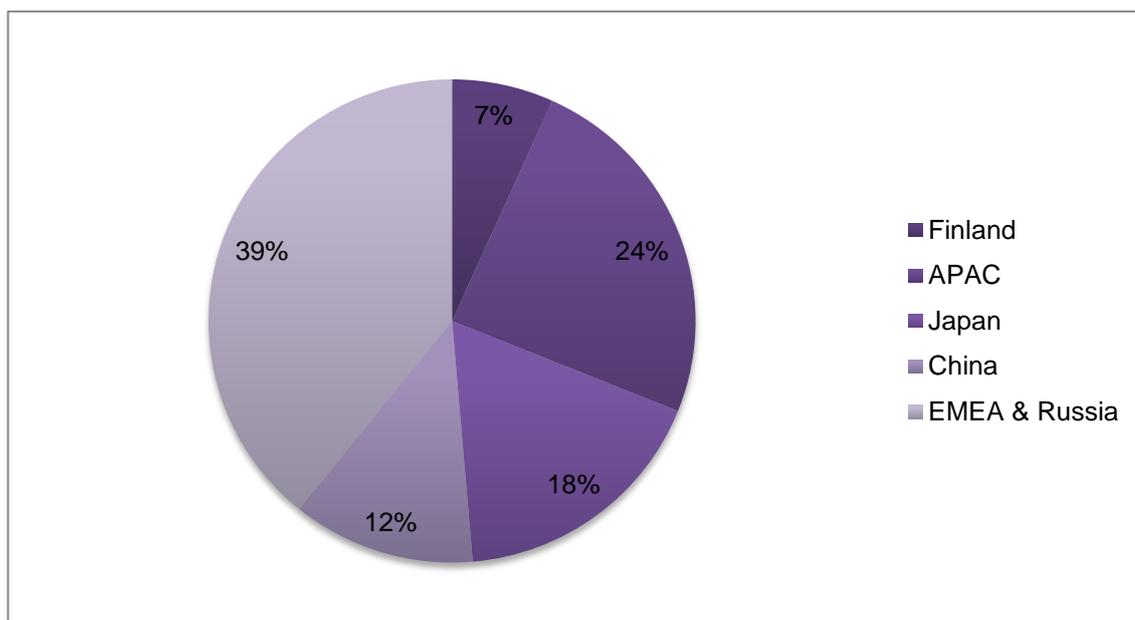


Figure 2. Sales units of participants

4.2 Employee expectations

According to the Organisation X representatives the old CRM system RoadRunner was rather slow and outdated, which is why one of the goals of the change was to overcome these deficiencies by utilizing a completely new system that is faster and easier to use and contains more up-to-date functions.

In the questionnaire the participants were asked what were their first thoughts and expectations when they heard that the old CRM system RoadRunner would be replaced with a new tool. Out of 74 received answers, 55 indicated that the employees were expecting a system that is more efficient in terms of speed, usability and information: "I was expecting a faster and more user friendly tool", "I expected that the new tool would be smoother and more practical", "I was excited with the hope that the new tool would be faster and more informative". Several answers expressed dissatisfaction towards the old tool and excitement that it would be replaced with something better. Only seven of the received answers contained a direct indication of employee resistance caused by the changing situation: "a new tool, it might be difficult to manage", "new tool means additional work to get used to it", "anticipation and suspicion". However, multiple participants raised questions about the functionality of

the new system which can be interpreted as minor resistance and suspicion towards the change.

Regardless of the indicated resistance the performance and effort expectancies of most participants met the intentions of Organisation X in terms of benefits brought by the new IS. Thus, the company managed to raise accurate expectations about the future and by doing so encourage people to meet the change with excitement rather than suspicion.

4.3 Communication

According to the Organisation X representatives, information about the changes on the CRM strategy and the new CRM system was given to affected employees from spring 2015 onwards. However, the level of information received by the employees varied depending on their role in the change process. The employees who took part in planning the change were more informed than the ones who did not have a clear role in the change process.

As seen in Figure 3, out of all participants 82% either strongly agreed or agreed that they were sufficiently informed about the changes in the CRM strategy and the replacement of the old CRM system. Only 3% of the participants disagreed with this statement. Furthermore, 13% of the participants strongly agreed that they had received enough updates and information after the training day in November 2015. 54% of the participants agreed and 26% neither agreed nor disagreed with the statement, leaving only 2% of the participants feeling that they had not received enough updates and information after the training day.

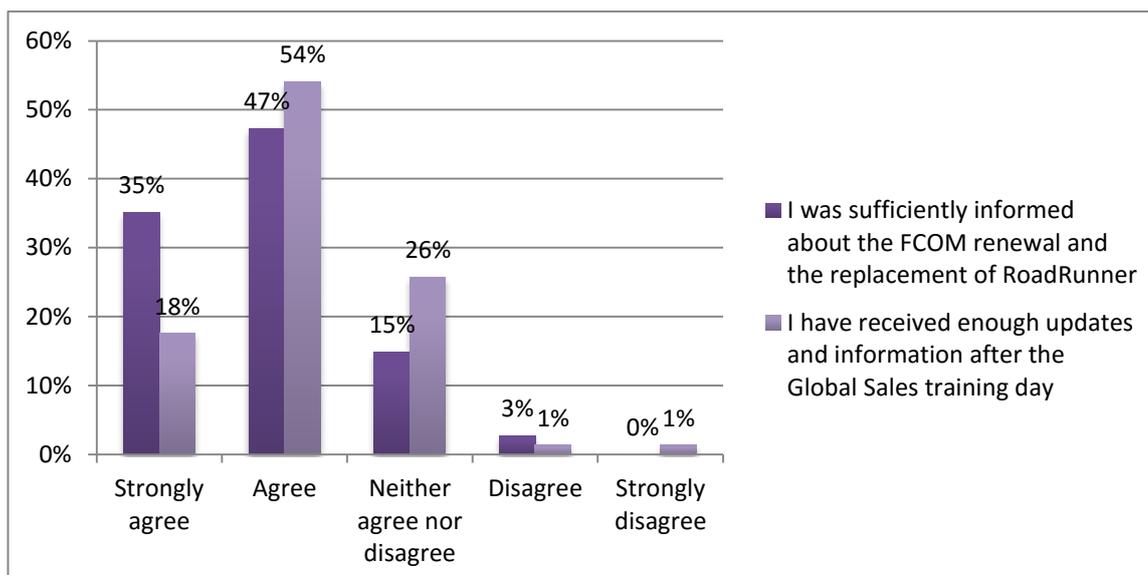


Figure 3. Communication

The results indicate that Organisation X managed its change communication well as only a small part of the employees felt they have not received enough information regarding the change. As communication has a strong impact on employee expectation the statement can be backed up by the rather accurate and positive employee expectations analysed in the previous section. However, the results indicate that the communication worked better prior the change implementation than after it, which is why Organisation X should focus on providing more updates and information for the employees as this will give the employees the feeling of being supported thereby easing their adaptation to the change.

After the implementation of SellSmart Chatter, a chat function in SellSmart, was used as the major collaboration tool to communicate changes in the IS as well as to answer questions employees might have regarding it. When asked about the preferred communication methods regarding the future updates and information, most of the participant chose either Chatter (44%) or newsletter (33%). Face to face meeting were preferred by 17% and calls by 6% of the participants. Thus, the answers support the company's strategy to use Chatter for change communication.

4.4 Employee participation in the planning process

According to the Organisation X representatives a group of selected employees were given the opportunity to impact the change by telling their opinions about the prior situation and taking part in the actual planning process.

Before the implementation of the new CRM system 25 (21%) members of the sales team were selected to take part in the planning process of the new CRM concept and determining what the new CRM system should do. Based on competitive tendering and what was decided during the planning process the management selected the best provider for the new system. The project continued by selecting the members for the Review Group which consisted of employees working in different positions in the sales organisation as well as in different sales units whose goal was to create content for the new system by taking the different point of views into consideration and at a later point train their colleagues to use the system.

As shown in Figure 4, over half of the participants agreed that they had had opportunities to say their opinion and impact the development of the new CRM concept and the system supporting it. Disagreeing stance was taken by 6% of the participants, whereas 35% neither agreed nor disagreed with the statement.

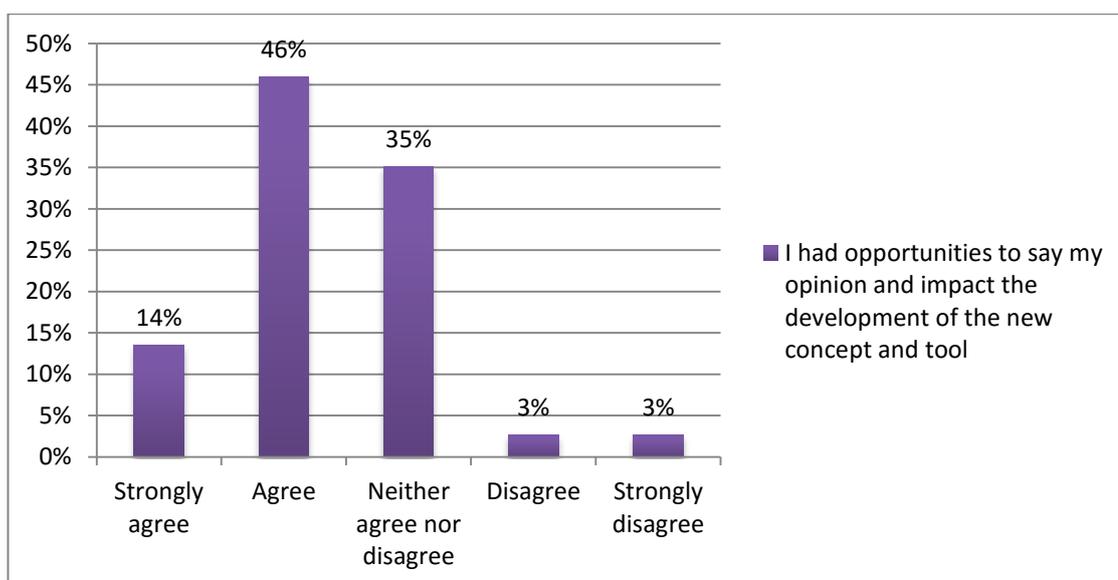


Figure 4. Employee participation

Regardless of the fact that only 21% of the employees were directly involved in the change implementation by participating in the planning process, the results are rather positive, indicating that employees felt they had opportunities to influence the change through other channels. The low amount of participants who disagreed with the statement and the ones who had no clear opinion about it reflect the number of employees who were not given a clear role in the planning process.

4.5 Training

According to the Organisation X representatives the training to use SellSmart and learn about the renewed CRM strategy was organised as an intensive one day course held in the company's Head Office. Participation was mandatory for all. As the new system is intuitive and all employees directly affected by the change had already been working with client management before the change, the management and the Review Group considered one day being enough time to learn the most important functions of SellSmart and demonstrate how it differs from the old CRM system RoadRunner. The training was given in five different languages (Finnish, English, Japanese, Chinese and German) by the members of the Review Group.

During the Global Sales training day the employees were expected to learn to use the completely new CRM system in a rather short period of time. After the training the old system RoadRunner could no longer be in used, meaning that the employees had to be able to use SellSmart in their jobs already on the following day of the training. All employees were provided with a guidebook that explained how to use the most important functions of SellSmart and advised to ask help through Chatter or from their local trainer, supervisor, colleagues or people who worked with the project in the Head Office in case they faced any issues related to the new CRM strategy or tool.

Figure 5 demonstrates employee opinions on the amount of received training as well as the clarity of the training. Majority (59%) of the participants agreed that they had received enough training in order to use SellSmart efficiently. 32% neither agreed nor disagreed with the statement and the rest 8% felt that the training was not sufficient. Moreover, when asked if the company's expectations were clear to the employees after the training 73% of the participants answered that the expectations were clear. Fifth of

the participants neither agreed nor disagreed with the statement and only 6% felt that the company's expectations were not clear after the training.

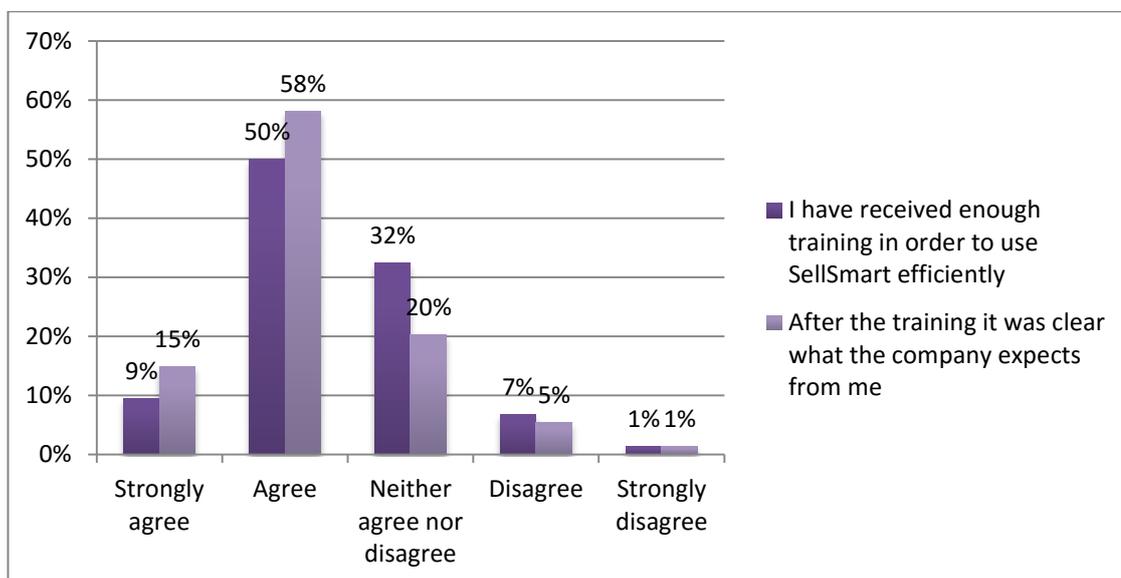


Figure 5. Training

By organising a structural and mandatory training Organisation X acted in accordance with the findings of the literature review that support this type of training in situations where it is necessary for employees to learn new skills in order to be able to adapt to change. The results indicate that in terms of the content the training provided employees with enough information to act in accordance with the new CRM strategy. However, the scope of the training can be questioned as only a bit over half of the participants stated that the amount of received training was sufficient in order to use SellSmart efficiently. Thus, the results indicate that during the training Organisation X managed to provide a sufficient amount of information on the goals of the change but the development of the employee skills needed to utilize this information and reach the goals was not as sufficient.

Even though according to the statistics over half of the participants were content with the received training, when asked about the scope of the training a significant amount of the participants chose the option "neither agree nor disagree", which indicates that there is room for improvement in terms of both the amount and content of the training. The indication is backed up by the fact that when the employees were asked what kind of support they would like to receive in the future, 46% of them answered

that they need more training in order to efficiently utilize all the functions of SellSmart. The calculation included all comments that indicated the respondents' need for training, brush-ups, webinars or face-to-face meetings to learn more about the functions of SellSmart. The received comments included: "Some face to face meetings to improve the use of the tool and test 100% of its functions", "Local training for this new tool and share some tips or updates or experience with colleagues", "More updates or training in different channels". Thus, to obtain all the benefits of the new system it could be beneficial for Organisation X to provide employees with more training.

4.6 Support

The support structure for the implementation of the renewed CRM strategy and SellSmart strongly relied on the usage of Chatter, and help received from the local trainer, supervisor, colleagues and members of the project team that participated in the planning and implementation of the change. Through Chatter employees are able to ask questions from anyone using SellSmart, meaning that it enables also colleagues to answer each other's questions. In addition to using Chatter, employees were advised to consult their local trainers or the other change agents who participated in the implementation process, in case they faced any problems while using SellSmart. According to the Organisation X representatives brush up training sessions have also been organised on demand basis to support the usage of the new system.

As Chatter had an important role in providing support, the employees were asked if they think the Chatter groups have been effective in providing support. Out of all participants 69% agreed that the groups have been effective whereas only 3 % disagreed with the statement. The rest 28% had no clear opinion on the matter. However the results clearly indicate that Chatter has been effective in providing support and that the company should continue its usage as one of the support functions.

As shown in Figure 6 majority (72%) of the respondents found that they have received local support from their colleagues in using SellSmart. Only 7% of the respondents had a disagreeing stance to the statement and 22% had no clear opinion. Moreover, when asked about the participants' opinions on whether or not they have received support

from their supervisor in using SellSmart the answers were slightly more widespread. 19% of the participants chose the option "strongly agree", 31% "agree" and 43% "neither agree nor disagree" when answering the question. Similarly to the prior question only 7% had a disagreeing stance to the statement.

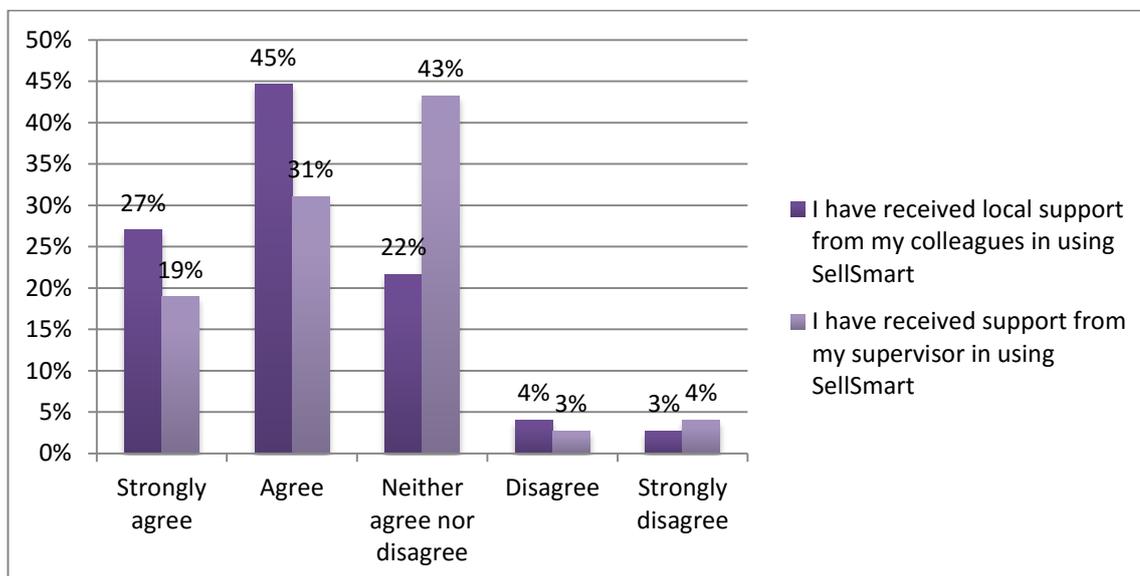


Figure 6. Social support

Even though the overall outlook of the results is rather positive the large amount of respondents who neither agreed nor disagreed with the two statements indicate that the social support structures for using SellSmart could be improved. In terms of coping with change, the findings of the literature review show that in office settings managerial support is more important than co-worker support, which is why Organisation X should focus more on developing the supervisory support given for the employees.

When asked about the employees' needs for future support 46% of the participants stated that they would like to receive more training through face to face meetings, brush up training sessions or webinars. More regular updates and information through Chatter, emails or newsletters regarding the improvements and issues related to the usage of SellSmart was named as the desired type of future support by 26% of the participants and 15% of the participants listed improvements in some of the functionality of SellSmart as the most needed channel of support. Only 8% of the answers clearly indicated that the participants were content with the current means of

support. This indicates that the support structures created for the change should not be removed but rather developed in accordance with the employees' wishes.

4.7 Social Influence

Figure 7 demonstrates employee opinions on the behaviour of their supervisors who in accordance with the findings of the literature review should have acted as drivers for the change by showing example for their subordinates. Out of all participants, 58% agreed that their supervisor is promoting the new CRM concept and the usage of SellSmart. 35% neither agreed nor disagreed with the statement and 7% disagreed with it. When asked if their supervisor is actually using SellSmart, the amount of agreeing answers grew up to 69% whereas only 6% stated that they "disagree" or "strongly disagree" with the statement. The rest 26% had no clear opinion about the statement.

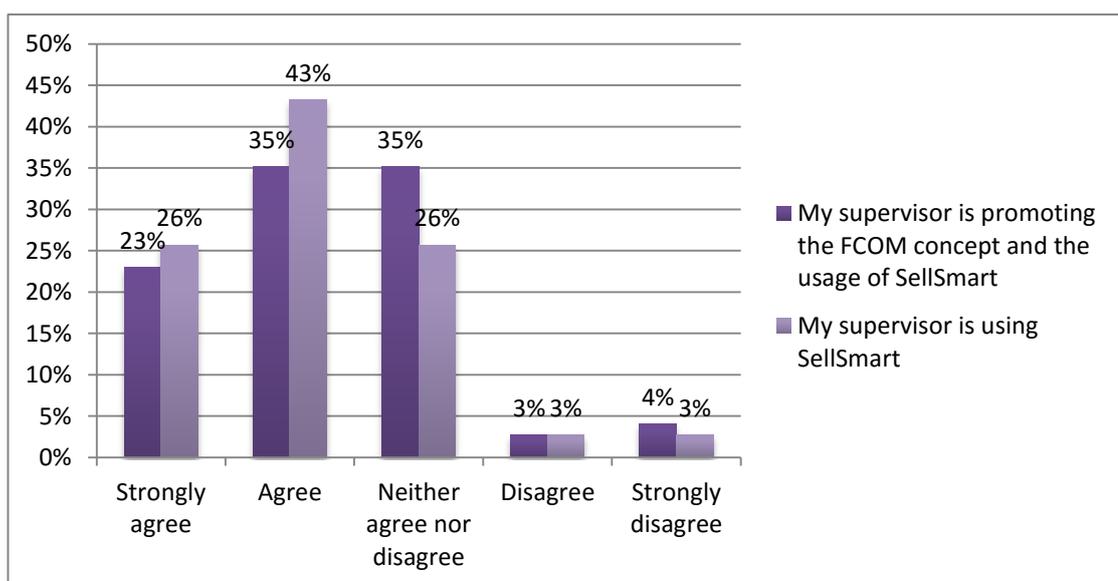


Figure 7. Social influence

The results show that even though 69% of the employees know that using SellSmart is part of the work of their supervisors only 58% of the supervisors are promoting the usage of the system in a clearly recognisable way. A significant percentage of the respondents had no opinion on the two statements which indicates that they have no knowledge on the matters in question. As social influence has an impact on coping with change especially in mandatory settings, for the success of the CRM

implementation it would be important that all supervisors whose subordinates are required to use SellSmart promoted the new system. In accordance with the findings of the literature review this could increase employees' willingness to use SellSmart as well as improve their opinions about it.

4.8 Usage of the system

In order for a CRM system to benefit the organisation it has to support the overall CRM strategy and guide employees to act according to it. Out of all participants 77% agreed that they know what Organisation X requires from them and SellSmart provides them the support needed to fulfil these requirements. Only 3% of the participants disagreed with the statement and the rest 20% had no clear opinion about it. This indicates that most of the participants feel that SellSmart is providing them the support needed to perform well in their jobs.

4.8.1 Performance benefits

One of the goals of the new CRM strategy was to outperform competitors with strong performance and with a systemized and action oriented approach to managing client relationships. In other words, the goal of Organisation X was to improve the performance of its sales team through the new system in order to obtain better results.

To find out employee opinions on the benefits SellSmart has brought to their work, employees' were asked if the new IS has improved their time management, enabled them to do better sales revenue-wise and enabled them to lead the dialogue with clients better than before. As seen in Figure 8, the answers were rather equally divided between the option "agree" or "neither agree nor disagree".

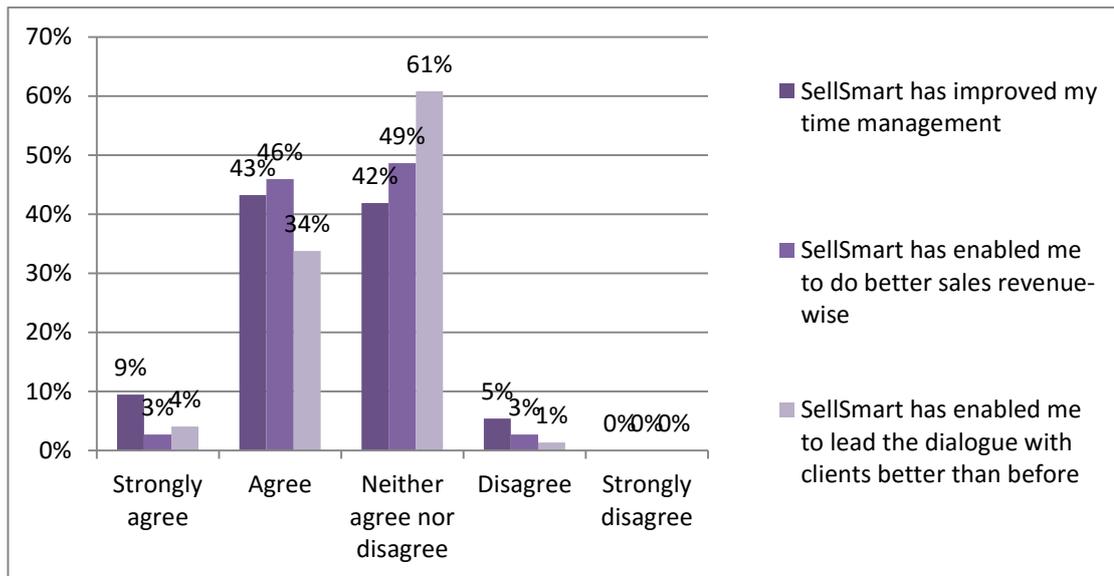


Figure 8. Performance benefits

Even though, approximately half of the answers decline to the positive side, the fact that approximately a same amount of participants neither agree nor disagree with the statements indicates that the difference in the perceived performance of the employees before and after the change is not as significant as it could have been. Thereby, in order to improve the performance benefits even further Organisation X should consider developing SellSmart more in accordance with the needs of the employees. Especial attention should be paid to the functions of SellSmart that guide employees to lead the direction and level of the sales dialogue with clients as 61% of the participants neither agreed nor disagreed that the new system has improved this aspect of their work. Furthermore, to improve the perceived performance benefits Organisation X could also communicate the expected benefits to employees more clearly as this might move the employee opinions towards a more positive direction thereby making the change easier for them.

4.8.2 Ease of use

To find out employee opinions on the usage of SellSmart they were asked if it is easy to get the new IS to do what they want it to do and if they can trust that the system guides them to do their work correctly. Similarly to the answers received while asking about the performance benefits, most employees answered that they either “agree” or “neither agree nor disagree” with the two statements.

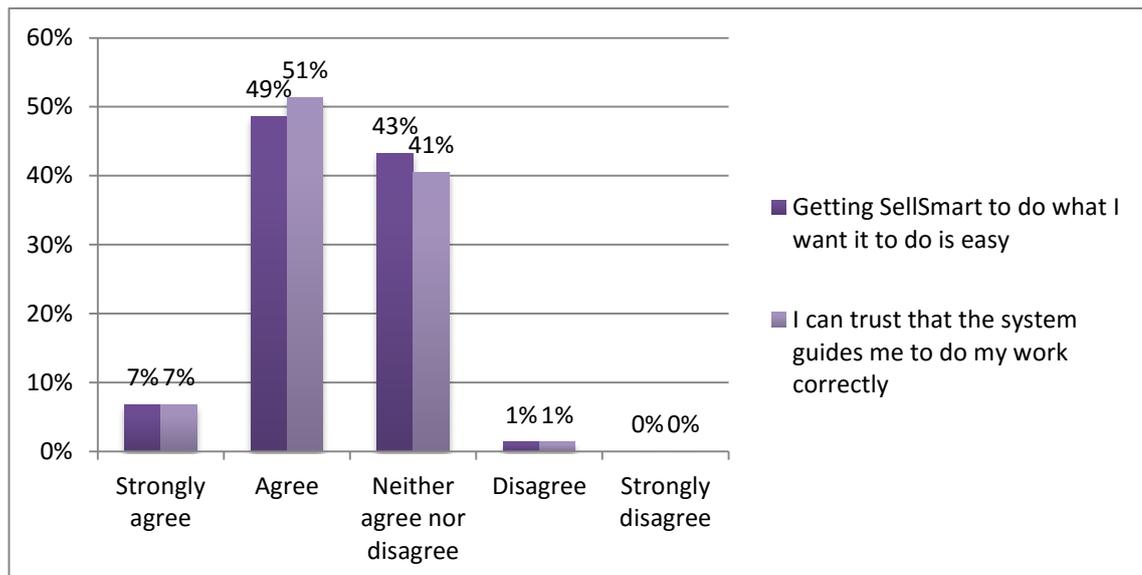


Figure 9. Usability of the IS

The findings indicate that either the functionality of the system should be improved to a more user-friendly direction or that the employees should be provided with more training as lack of skills might be the reason for the rather large amount of non-opinionated answers. The latter indication is backed up by the previously presented results (see section 4.5 and 4.6) that indicate employees need more training to use SellSmart efficiently.

4.9 Overall satisfaction

As seen in Figure 10, 4% of the participants stated that they are very satisfied with the new situation, majority (73%) stated they are satisfied, 20% had no clear opinion on the statement, 3% stated that they are only somewhat satisfied and 1% that they are not satisfied at all. The respondents who chose the two last mentioned answers stated that their dissatisfaction was mainly due to the fact that some of the functions of SellSmart are difficult to use and that the system does not have all the needed functionality. This again indicates that more training should be provided as it could solve half of the problem. Nevertheless, as in comparison to the overall amount of answers the amount of answers indicating dissatisfaction is low, it can be stated that Organisation X employees are satisfied with the change brought by the CRM implementation.

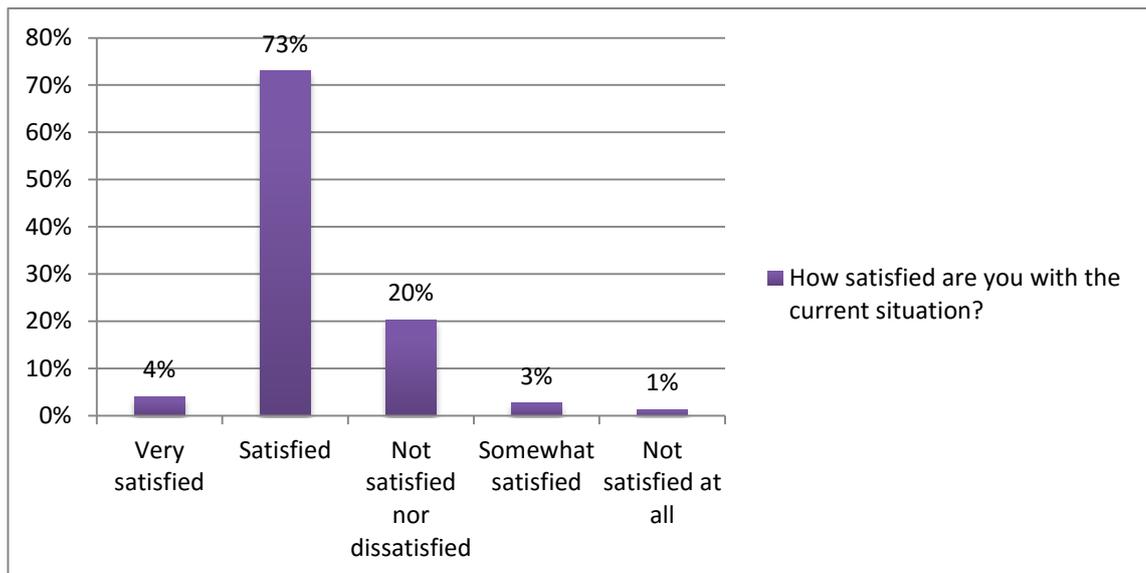


Figure 10. Overall satisfaction

When asked to give any additional comments regarding the implemented change out of 24 received answers 11 (46%) indicated that the participants are pleased with the change whereas 10 (42%) indicated that the functionality of SellSmart should be improved and more functions should be added in order to improve the efficiency of the sales force. These results are in accordance with the overall results of the study as more positive than negative answers were received to most questions in addition to which the functionality of SellSmart came forth in multiple sections (e.g. 4.6 and 4.8).

4.10 Variations between units

Even though the implemented CRM strategy and system are the same regardless of the sales unit it is possible that due to different working styles that may prevail in the different sales units there can be slight differences of opinion between them. Figure 11 demonstrates how the CRM implementation is perceived in different sales units by showing each sales unit's mean answer to each question.

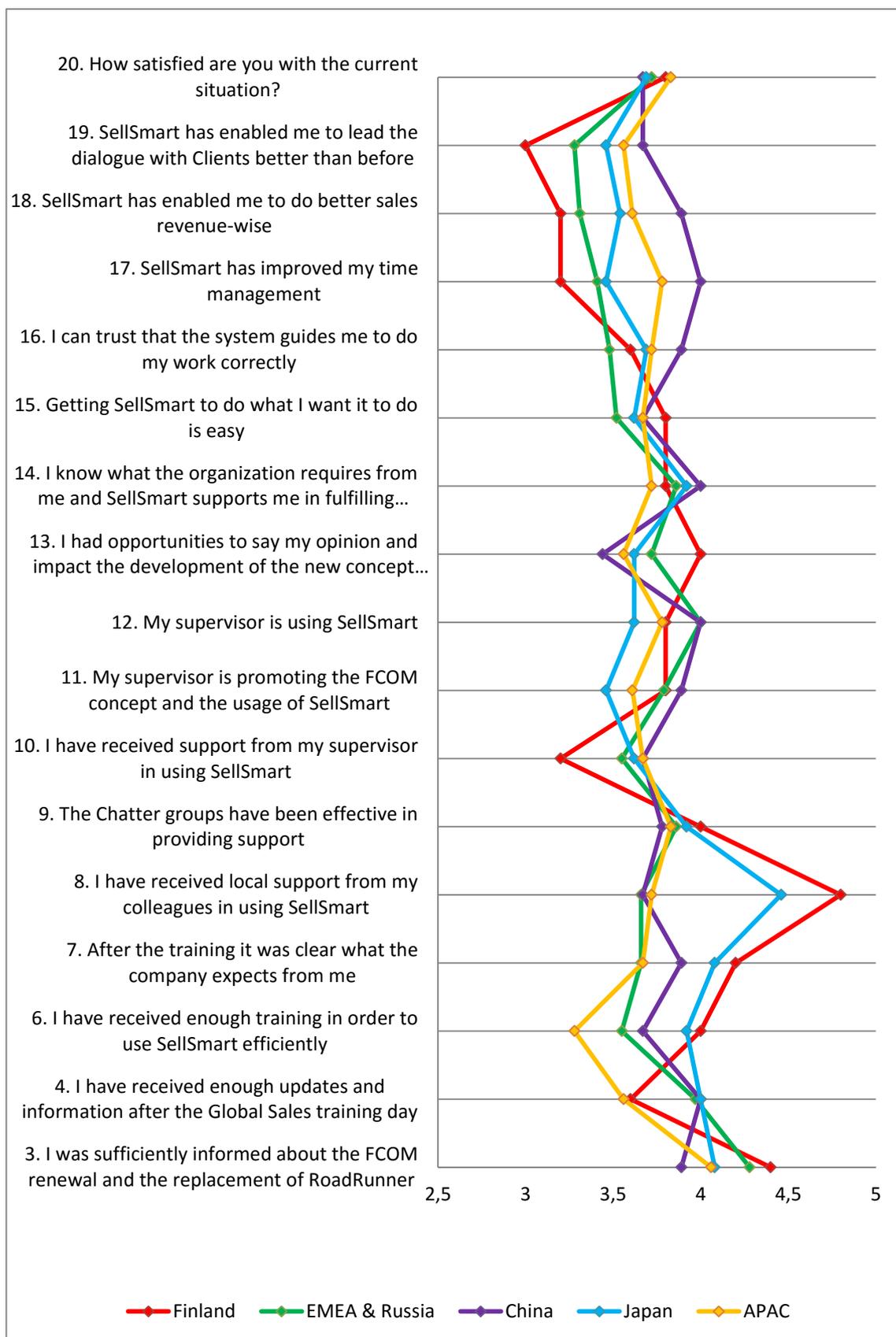


Figure 11. Comparison of employee opinions in different Sales Units

As it can be seen, the answers follow approximately the same pattern having only minor variations between them. The largest difference of opinion is in statement 8 "I have received local support from my colleagues" in which the range of the answers is 1,14. Out of all of the results the poorest mean (3,16) of a single unit was received to question 19 "SellSmart has enabled me to lead the dialogue with clients better than before" and the best mean (4,5) to question 8 " I have received local support from my colleagues". Nevertheless, because of the lack of large variations between the answers of different sales units, Organisation X can continue to focus on solving the raised issues on organisation rather than sales unit basis.

5 Conclusion

The thesis has set out to explore how the employees of the case company Organisation X perceived the implementation process of the new CRM system SellSmart and based on that measure the success of the change implementation process as well as give recommendation for the case company on how to proceed with the change. The goal was to answer two research questions:

- 1) From the employee perspective how successfully Organisation X managed the implementation of the new CRM system?
- 2) How should Organisation X proceed with the change?

After reviewing an extensive amount of change management literature as well as theory on how people accept new technology six main factors that have an impact on how employees cope with CRM implementation – and that thereby impact the employee opinions on the successfulness of the change process - were identified and used as the basis for the research. The six factors were communication, employee participation, training, support, social influence and IS acceptance.

Based on the results of the research it is fair to say that majority of the employees of Organisation X were content with the change management actions taken to implement SellSmart to the company. Out of the studied elements change communication was found to be functioning especially well. No major differences were found when comparing the answers of different sales units which is why Organisation X can

continue focusing on the change process from the perspective of the complete organisation rather than from the perspective of individual sales units. Due to the overall satisfaction of the employees, the rather positive outlook of most of the results as well as the similar results received from all sales units it can be stated that Organisation X managed the change well.

However, regardless of the overall satisfactory results, a few major factors that undermine the overall success of the change process and still require the company's attention can be highlighted from the results.

First of all, in terms of IS acceptance – an attribute that directly reflects from the functionality of the new system – the results indicate that the functionality of the implemented system should be examined more closely since multiple participants expressed discontent towards its usability and lack of specific functions. Thus, Organisation X should conduct research on the matter as this would enable it to make the right improvements to the system and thereby enhance the employees' efficiency as well as satisfaction towards the implemented change.

Secondly, even though the statistical results indicate employees are rather content with the scope and clarity of the received training, the written feedback indicates that approximately half of the employees would like to receive more training as this would enable them to better utilize all the functions of SellSmart. Thus, it can be recommended that the company makes a more precise estimation on what type of training is needed by the employees in order for them to fully utilize the implemented system.

Thirdly, the fact that half of the participants did not agree with the statement that they have received support from their supervisor in using SellSmart raises concern as managerial support has been found important while implementing change in office settings. However, as the support structure that is created by co-workers and Chatter is perceived functioning the significance of the issue is not as great as the significance of the two previously mentioned issues. Nevertheless, it can be recommended that Organisation X investigates the matter in order to find out if employees feel they need more managerial support since it can enhance employee acceptance of the change.

As it can be expected while conducting research, there were few major limitations that had an impact on the thesis. First of all coming to a compromise on what the case company wanted and what the author was able to provide due to the limitations set by the thesis guidelines was a challenge. The second limitation was that in order to ensure enough responses and fit the standards of Organisation X the questionnaire had to be kept short which as noted in section 3.4 had an impact on the validity of the thesis. In order to make a deeper analysis on the success of the change process more questions on the topic should be asked. The last identified limitation was the broadness of the topic change management which includes multiple sub-topics that all had to be reviewed in order to make a comprehensive analysis of the case of Organisation X. This again had an impact on the questionnaire since in order to keep it short only few questions on each sub-topic could be asked which affected the depth of the overall analysis.

Regardless of the limitations that affected the writing of the thesis, the author was able to provide answers to the two research questions. From an overall perspective it is evident that Organisation X managed the implementation of SellSmart well, leaving majority of the employees satisfied with the new situation. However, to continue with the CRM implementation the company should take into consideration the issues related to training, functionality of the system and social support, as this would enable it increase employee satisfaction as well as to improve the overall successfulness of the change.

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Appendices

Appendix 1 - Vocabulary

Chatter = a chat function in SellSmart

FCOM = the name of the implemented CRM strategy

Global Sales training day = intensive training day organised to train employees to use the new CRM system

RoadRunner = the old CRM system

SellSmart = the implemented CRM system

Appendix 2 – Questionnaire

1. Please select your sales unit
 - a. EMEA & Russia
 - b. China
 - c. Japan
 - d. APAC
 - e. Finland

2. What were your first thoughts & expectations when you heard that Roadrunner will be replaced by a new tool?

Please choose the answer that best reflects your experience regarding FCOM & SELLSMART

3. I was sufficiently informed about the FCOM renewal and the replacement of RoadRunner (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

4. I have received enough updates and information after the Global Sales training day (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

If you answered "Strongly disagree" or "Disagree" to questions 3 or 4, please specify why

5. I would like to receive updates and information through the following channels
 - a. Chatter
 - b. Call
 - c. Face to face meeting
 - d. News letter

6. I have received enough training in order to use SELLSMART efficiently (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

7. After the training it was clear what the company expects from me (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

If you answered "Strongly disagree" or "Disagree" to questions 6 or 7, please specify why

8. I have received local support from my colleagues in using SELLSMART (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

9. The Chatter groups have been effective in providing support (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

10. I have received support from my supervisor in using SELLSMART (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

If you answered "Strongly disagree" or "Disagree" to questions 8, 9 or 10 please specify why

11. My supervisor is promoting the FCOM concept and the usage of SELLSMART (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

12. My supervisor is using SELLSMART (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

If you answered "Strongly disagree" or "Disagree" to questions 11 or 12, please specify why

13. I had opportunities to say my opinion and impact the development of the new concept and tool (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

If you answered "Strongly disagree" or "Disagree", please specify why

14. I know what the organization requires from me and SELLSMART supports me in fulfilling these requirements (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

15. Getting SELLSMART to do what I want it to do is easy (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

16. I can trust that the system guides me to do my work correctly (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

17. SELLSMART has improved my time management (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

18. SELLSMART has enabled me to do better sales revenue-wise (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

19. SELLSMART has enabled me to lead the dialogue with Clients better than before (Scale 1-5, 1 = Strongly disagree / 5 = Strongly agree)

Please explain how

Overall evaluation

20. How satisfied are you with the current situation? (scale 1-5, 1 = Not satisfied at all / 5 = Very satisfied)

If you answered "Not satisfied at all" or "Somewhat satisfied", please specify why

21. What kind of support do you wish to receive from now on?

22. Please share any other comments or thoughts related to FCOM renewal and SELLSMART