Developing a model for successful organizational change – Case 3M Nordic Region

Jens Öhman

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Author:	Jens Öhman
Title:	
Supervisor (Arcada):	Eija Källström
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Abstract:
Today's companies need to be flexible and adapt to the changing environment to stay alive. This requires a new kind of mindset and skillset from the employees and business leaders, as people react differently to changing circumstances. The aim of the study was to find out how two different stakeholder groups within 3M Nordic Region have experienced an organizational change and to build a future recommendation for 3M to follow during future change projects.

The litterature research has been based on three well-known change models; John P Kotter's eight step model, Kurt Lewin's three step model and Jeff Hiatt's ADKAR model. On top of these, the author has made own observations during the change process and conducted interviews with stakeholders that have been closely linked to the change project. The end product of this research is a new model for organizational change management, which is meant as the future recommendation for 3M Nordic Region and which also works as an extension to already existing change management models.

Keywords:	Organizational Change, 3M, Nordic Region, Change Management, Kotter's Eight Steps, Lewin's three step model, ADKAR, Kubler-Ross change curve
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1. INTRODUCTION

Change management has existed as a discipline for over half a century. Despite this an article by Ron Ashkenas in Harvard Business Review state that 60-70 % of all organizational change projects fail (HBR 2, 2013). So is there something missing in the current change management theories? Should we forget about Kotter's eight steps and Lewin's three steps and focus on something completely different to make change stick? This study aims to find out how two different stakeholder groups within 3M Nordic Region have experienced an organizational change and to build a future recommendation for 3M to follow during future change projects.

1.1. The change processes

The Greek philosopher Heraclitus of Ephesus stated that "the only thing that is constant is change" already over two thousand years ago (Ancient, 2010). In modern times change is the new normal. Today's companies need to be flexible and adapt to the changing environment to stay alive. This requires a new kind of mindset and skillset from the employees and business leaders, as people react differently to changing circumstances. The change process is often described by the Kubler-Ross change curve, which describes the various emotions of a person that is facing change. This change model was initially published in 1969 (Cleverism, 2015).

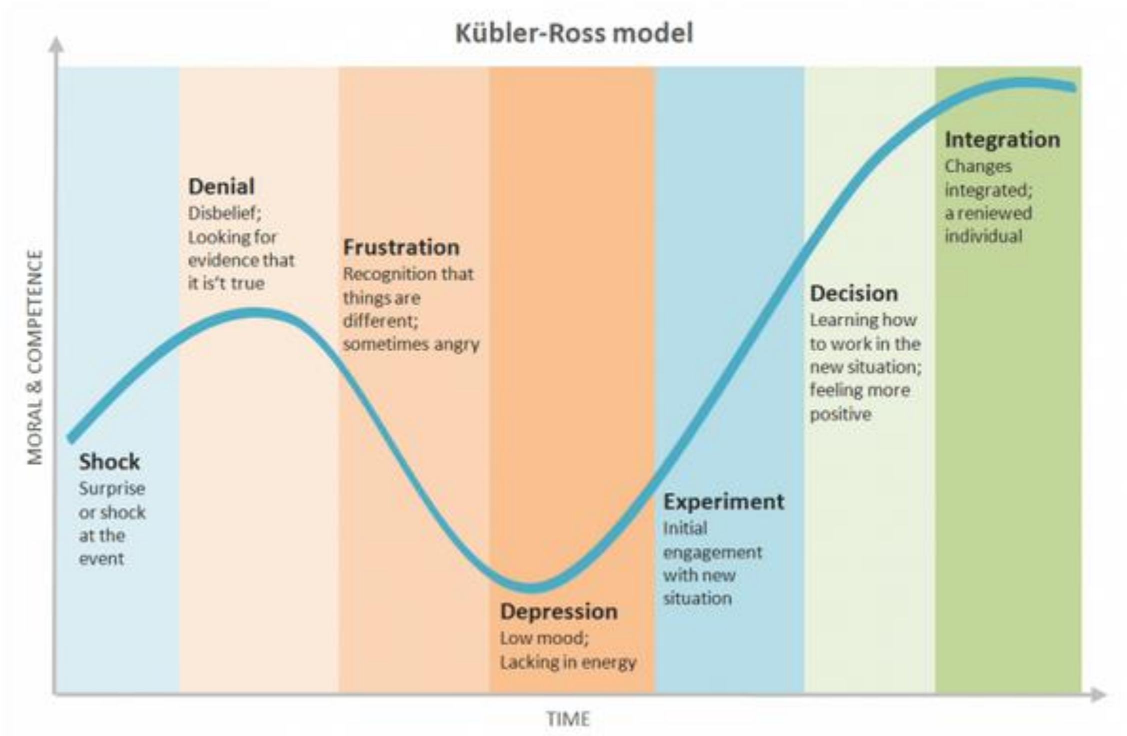

Figure 1. Kubler-Ross change curve. (Cleverism, 2015).

According to the Kubler-Ross change curve the change process starts with shock and denial, where people put on a temporary defense mechanism while trying to process the new reality. This stage is usually short-lived, but some people can remain in this stage for a longer period. This is where the company should explain the change and the intelligence behind changing (Cleverism, 2015).

When the initial shock passes, people tend to become angry and start to look for someone or something to blame. Some people may try to find the blame in themselves, while some people look for the reason in people around them or external circumstances, such as the economy. This is where clear communication and support from the company is of great importance. People should not be treated too harshly, as this is a natural stage of the change process (Cleverism, 2015).

The third stage is bargaining. This is when people start to find ways to postpone what is inevitably happening or try to look for the positive sides of the current situation. In this stage people try to find a suitable compromise to fit the current state. At this stage training plays a key role. The company should not expect people to be fully productive in an instant, but rather give time for the employees to learn the required new skill set (Cleverism, 2015).

After the bargaining phase most people hit depression, which is the fourth stage of the Kubler-Ross change curve. In this stage the totality of the change has hit the people and they experience emotions such as sadness, fear or guilt. In this stage people tend to be demotivated as they have given-up the fight against the change. At this stage it would be important to find exciting ways of involving the employees in the new processes or procedures (Cleverism, 2015).

The last stage is acceptance, where people have realized that the change is inevitable and that there is no point in trying to fight it. Some people may resign towards the change as they do not see any other options, but some people will start seeing the positive side of the change and the new normal. This is the time where celebration and acknowledging quick wins are important (Cleverism, 2015).

Another, more contemporary model that is used to describe the change process is the change curve by John Fisher, that was presented in 2000. In this model the emotions go from anxiety, through a stage of happiness into fear and a sense of guilt before hitting depression. Depending on the person and circumstances the emotions after depression are either hostility, or a sense of gradual acceptance and a will to move forward (Businessballs).

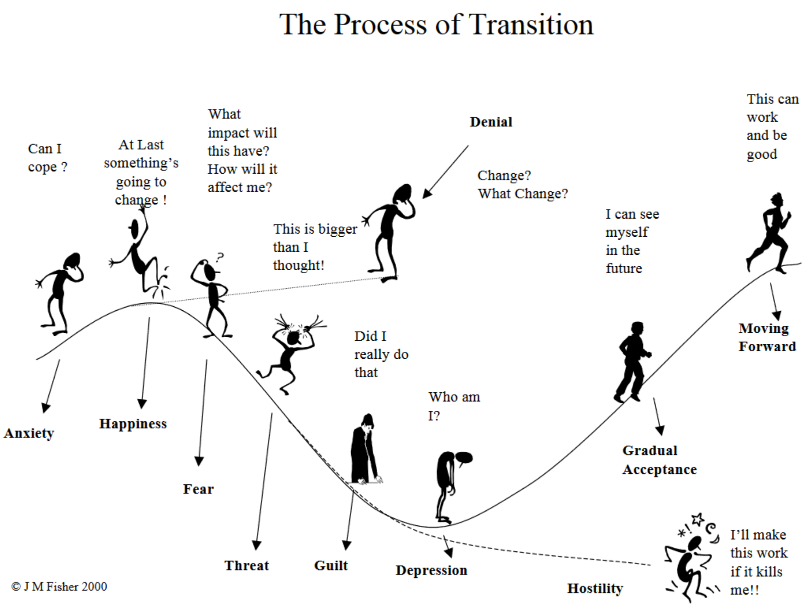

Figure 2. John Fisher's process of transition (Businessballs)

2. THE CASE COMPANY – 3M

3M is a global science company, with 90 000 employees worldwide and sales of 30 billion dollars. The company was founded in 1902 and has its global head office is in St. Paul, Minnesota. 3M offers products and solutions for multiple different areas, from healthcare to general industry and from home improvement products to products used in the military. The company invests a lot in research and development and aims to stay ahead of the competition by listening to the customer's needs (3M, 2018).

In the Nordic Region 3M employs around 1100 people on seven sites. There are sales offices in Sweden, Denmark, Norway and Finland and three manufacturing plants in Sweden (3M Nordic Region, 2018).

3M is going through a big business transformation globally. A new operating system and new processes have been implemented in many regions around the world, while some regions are still preparing for implementation.

The Nordic region was one of the first region globally to implement the new system in August 2015 and since that there have been many changes in the processes and ways of working. During the project, the Nordic Region has passed multiple gates when different KPI’s (Key Performance Indicators) have been met, the latest one being process stabilization. The remaining gate that still needs to be passed is value realization, which will mean some organizational re-structuring (3M Internal Material, 2017).

Sales Services in the Nordic Region is a function that is affected by 3M’s business transformation. The Nordic Sales Services organization is currently located in four different locations across the Nordic Region and consists in November 2017 of approximately 22 full time employees across the Nordic Countries, when the number of employees in the same organization in January 2016 was 33. Despite the reduced number of employees, the responsibilities remain on the same level. There was a Nordic project started during the first half of 2017, which aimed to re-structure the Sales Services organization in the Nordic Region. The outcome of the project had an impact not only on the Nordic Sales Services employees, but also sales, marketing and other stakeholders (3M Internal Material, 2017).

2.1. Business Services

To prepare for the Business Transformation a Business Services organization was implemented in 2012. This meant that some functions, that previously were part of one of the five business groups, were centralized in to a Business Services function serving all business groups. The functions that were moved to business services included marketing execution and customer service. Physically this meant that employees that worked in customer service or with marketing execution tasks were relocated within the office and were placed together as integrated service teams (3M Internal Material, 2017).

For marketing execution, the change meant that the employees that had worked with multiple marketing execution tasks for one specific business group were supposed to serve all business groups while focusing on more specialized tasks based on their individual strengths. In practice some of the employees focused for instance on coordinating exhibitions and customer events locally for all business groups while others started working only with graphical design (3M Internal Material, 2017).

This new organization model made it possible for the marketers that remained within the business group to focus on strategic marketing and for the marketers that were moved to business services to build on their field of expertise. Figures 3 and 4 below show how the old vs. the new organizations were built.

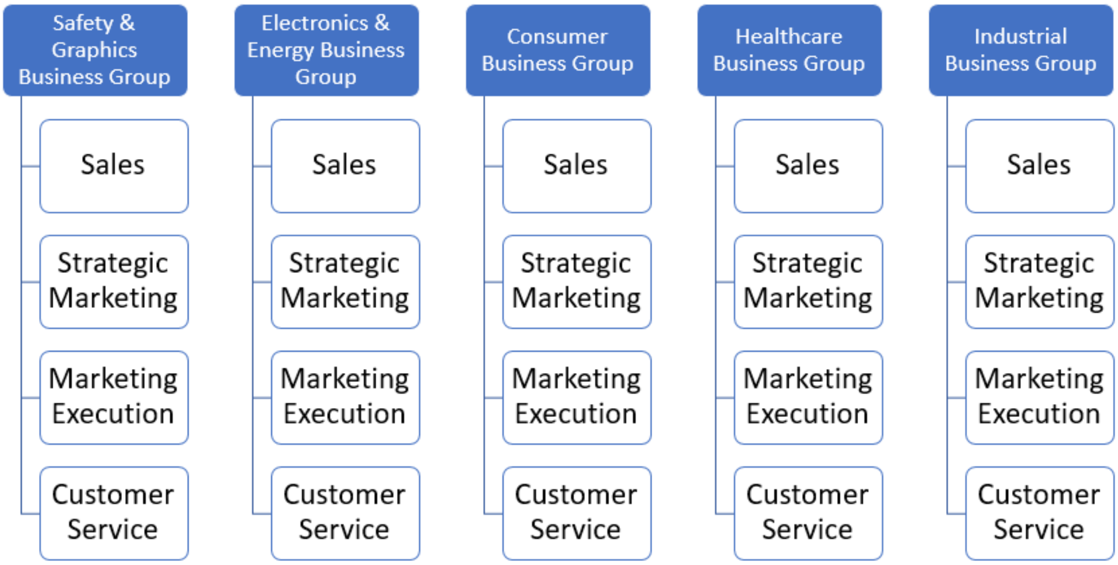

Figure 3. The former organization model with CS and ME integrated within the Business Groups

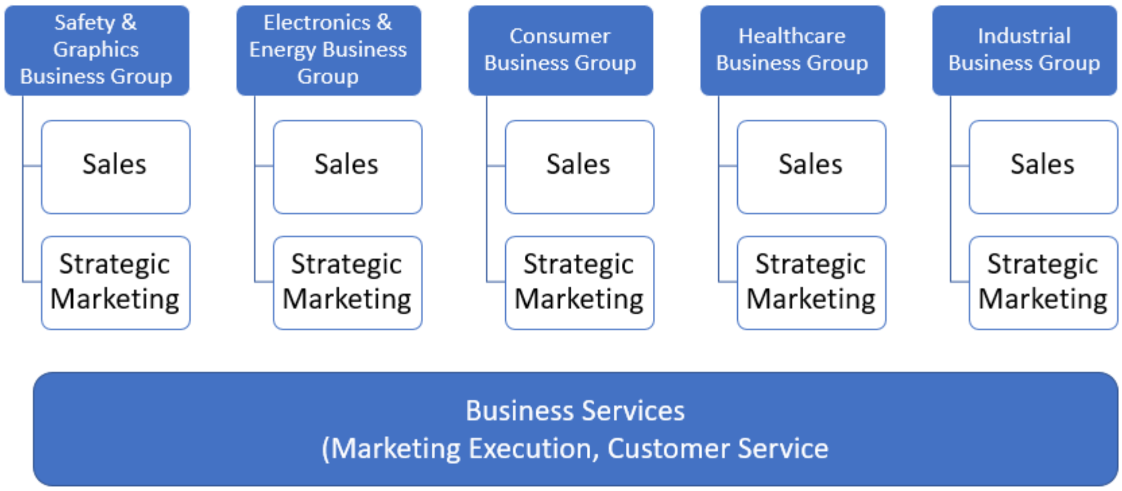

Figure 4. The new organization model with Business Services implemented.

2.2. Optimization of marketing execution

In December 2015 an internal customer satisfaction survey was made with the intention to find out how the sales and marketing organizations within the five business groups were experiencing the level of service from the marketing execution organization. The outcome of the survey was that strategic marketing was hoping for an increased ownership and business understanding from the marketing execution team. The input from strategic marketing was that they would benefit of an organization where people from marketing execution would be more closely linked to a specific marketing team and that marketing execution would own their assigned projects from start to finish. The average satisfaction score was 2,42 (scale 1-4) (3M Internal Material, 2017).

2.3. Reasons for re-structuring

The main idea behind re-structuring the sales services organization was to increase the efficiency and to better match the needs of the internal customers. As earlier stated there was at the company level an expectation for value realization after the implementation of new systems and processes. The key improvement opportunities that have been identified were:

- Nordic cost to serve is significantly higher than in other regions or countries in West Europe
- The company's different business groups do not feel involved enough in prioritizing sales services resources
- Lack of proactivity and ownership from sales services representatives towards business priorities
- There is a need to review the competencies and profiles within the sales services organization. Are there all the competencies needed for the future organization?

2.4. Limitations

This research was only focused on internal stakeholders and was not taking in to consideration possible customer impact. The research was made based on a single change initiative at one company, so the results are reflecting what is true at that company at that moment. The author has been involved in the change project and was the direct supervisor for the Project Coordinator team, so 50% of the interviewees reported to the author. Although there is an open culture, where employees are encouraged to speak up, the fact that their direct supervisor has conducted the interviews, might have impacted the results.

3. PROBLEM STATEMENT

Change is generally looked at as being continuous or discontinuous. Continuous change is about continually improving systems and processes, while maintaining the overall processes. Discontinuous change involves a big change in the business, major processes and people are usually affected by it (Vukotich 2011 p.4). This project is an example of a major discontinuous change, which will have an effect on people and processes both inside and outside the company.

3M Nordic Region is going through a business transformation and there is need for value realization in order to meet the targets of the business transformation process. Sales Services in the Nordic Region will be heavily impacted by the value realization target and there is a project that aims to re-organize the Sales Services function in the Nordic Region.

Without a solid change management plan, 3M can face difficulties with employee retention, loss of motivation and employees getting confused about new processes. The change management plan will be built based on best suitable change management models and theories.

3.1. Research questions and method

The aim of the thesis is to find out

1. What were the main experiences of the implemented organizational change project?
2. What would be the best model for 3M to follow during future organizational change projects?

The desired outcome of the thesis is to develop a Change Management model for 3M to follow during future organizational change projects. The model will be developed based on the theoretical and empirical findings of this study.

The end goal of the project is to develop a hands-on recommendation on how 3M can manage organizational change processes. The focus on the literature review will be on finding models that 3M could benefit of and implement in the plan. The literature research will thus focus on well-known models and theories for organizational change management and leadership.

The research method will be qualitative interviews stakeholders within 3M Nordic Region, such as Project Coordinators, who were directly impacted by the change process and Nordic Marketing Managers, who were the internal customers for the Sales Services organization and heavily involved in the planning process. Qualitative interviews are chosen as method to gain a deeper understanding of how the process was viewed by the two different respondent groups and to be able to give future recommendations for organizational change processes.

4. APPROACHES TO CHANGE PROCESS

In their book Making Sense of Change Management, Cameron & Green discuss the change metaphors presented by Gareth Morgan in 1986. According to Cameron & Green (2015, p.105) the most relevant metaphors are Machine, Political system, Organism, Flux and transformation.

The machine metaphor sees organizations as very traditional well-defined structures, which need clear standards and procedures to work. According to Cameron and Green (2015) the limitations with this approach are that it only works in stable situations and when the need for change is not significant (Cameron & Green 2015 p. 99).

The organizations as political systems metaphor emphasizes the importance of knowing who in the organization is powerful and getting them to support your approach. The disadvantage of this approach is that it can lead to development of complex strategies with power play in the center of them, which again can lead to a political war within the organization (Cameron & Green 2015 p. 99-100).

When organizations are seen as organisms, there is an assumption that the organization will work best when the social needs of the individuals and groups in the organization are met, and when the organization is well designed to meet the needs of the environment. The limitation to this approach is that the organization should not only be formed to fit the needs of the environment, but should also strive to shape the environment (Cameron & Green 2015 p. 101-102).

The organizations as flux and transformation metaphor implies that order naturally emerges out of chaos and that change cannot be managed. According to this approach managers should act as enablers for people to exchange views and to focus on significant differences. This metaphor is touching the turbulent world we often live in today, but is not leading to an action plan or an agenda to follow (Cameron & Green 2015 p. 102-103)

4.1 Traditional models for organizational change

Cameron & Green have linked the change metaphors in to nine well-known models for organizational change.

Model or approach	Metaphor: Machine	Political system	Organism	Flux and transformation
Lewin, three-step model	✓		✓	
Bullock and Batten, planned change	✓			
Kotter, eight steps	✓	✓	✓	
Beckhard and Harris, change formula			✓	
Nadler and Tushman, congruence model		✓	✓	
William Bridges, managing the transition	✓		✓	✓
Carnall, change management model		✓	✓	
Senge, systemic model		✓	✓	✓
Stacey and Shaw, complex responsive processes		✓		✓

Figure 5. Models of change and their associated metaphors (Cameron & Green 2015 p. 105).

The eight-step model by Kotter and the three-step model by Lewin are probably the most quoted and well-known theories about change management. The eight-step model linking to machine, political and organism metaphors is according Cameron & Green (2015 p. 110-111) addressing some of the power issues in making change happen, with emphasis on communication. Cameron & Green however state that the model encourages an early burst of energy, without enough power to run through the entire change process (Cameron & Green 2015 p. 110-111).

The three-step model by Lewin is linking to organism and machine metaphors. It consists of three steps, unfreeze, move and refreeze. The underlying principle of Lewin's model is that there are driving forces that need to outweigh the resisting forces for change to happen. It provides a good tool for management to identify and discuss the driving and resisting forces. However, it can become a planning tool for managers where the three steps are used as planning session, implementation and post-implementation review, without the involvement and enthusiasm of the employees (Cameron & Green 2015 p. 106-109).

The eight-step model and the three-step model will be described more closely, as they were chosen as the guru-approach for the literature review alongside of the more contemporary ADKAR model.

5. EIGHT STEPS MODEL BY KOTTER

One of the best known and most cited theories about change management is the eight-step model by John P. Kotter. His internationally bestselling book Leading Change is named one of the twenty-five most influential business management books by time.com. It felt natural to take advantage of Kotter's theory in this project. However, in his book XLR8 Kotter is criticizing his own 8-step model from 1995, saying that it lacks the tools and ideas of the digital era.

5.1. Establishing a sense of urgency

In order for any change activities to happen, there needs to be a sense of urgency established in the organization. According to Kotter (2012 p. 37) around 20% of the employees need to go beyond the normal call of duty to produce significant change. That might not seem like a big number of people, but really thinking about it, it actually means that the organization really needs to buy the need for change. When talking about management and top executives, the percentage is naturally much higher. Kotter states that around 75% of management and virtually all top executives need to believe that considerable change is essential (2012 p. 51).

Kotter is also discussing the effect of complacency driving down the sense of urgency (2012 p. 42). When the management and/or employees feel self-satisfied about previous success or prestigious history they might be blind for the current situation or on-going battles that are being lost. Shutting eyes from bad news or focusing on too narrow goals are also factors that can lower the sense of urgency.

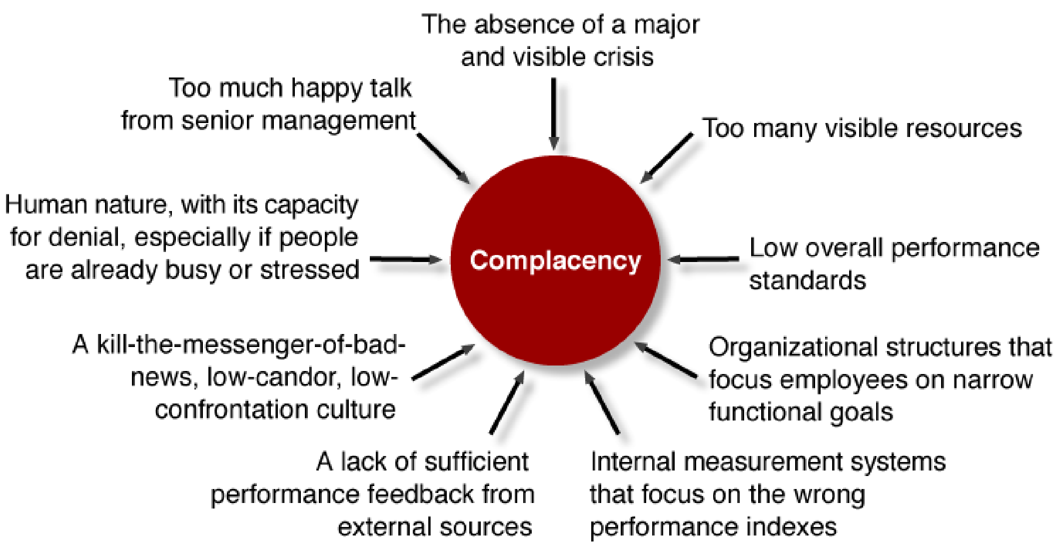

Figure 6. Sources of complacency. (Kotter 2012 p. 42)

According to Kotter (2012 p. 45) drastic decisions need to be made to raise the urgency level. A crisis needs to be created or excess luxury eliminated. The opinions of unsatisfied customers need to be lifted up in regular discussions with the customers. This is where many companies fail. Management feels uncomfortable with making decisions that are drastic on short term or it seems difficult to increase the transparency about the real current situation of the company. Transformational leaders are often new in their key roles or bold enough to challenge the status quo by making moves that seem too risky for a more cautious leader.

Ways to Raise the Urgency Level

1. Create a crisis by allowing a financial loss, exposing a managers major weaknesses vis-à-vis competitors, or allowing errors to blow up instead of being corrected at the last minute.
2. Eliminate obvious examples of excess (e.g. company owned country club facilities, corporate jets, gourmet executive dining rooms).
3. Set revenue, income, productivity, customer satisfaction, and cycle times so high they can't be reached by conducting business as usual.
4. Stop measuring subunit performance based only on narrow functional goals. Insist that more people be held accountable for broader measures of business performance.
5. Send more data about customer satisfaction and financial performance to more employees, especially information that demonstrates weaknesses vis-à-vis the competition.
6. Insist people talk regularly to unsatisfied customers, unhappy suppliers, and disgruntled shareholders.
7. Use consultants and other means to force more relevant data and honest discussion into management meetings.
8. Put more honest discussions of the firm's problems in company newspapers and senior management speeches. Stop senior management "happy talk."
9. Bombard people with information on future opportunities and the wonderful rewards of capitalizing on those opportunities, and the organization's current inability to pursue these opportunities.

Figure 7. Ways to raise the urgency level. (Kotter 2012 p. 46.)

5.2. Creating the guiding coalition

Historically it may have been possible for a CEO to create significant change by making decisions and communicating them from top down. Usually this has been possible in a slow-moving environment. In today's world, where the CEO needs to make much faster decisions and communicate the change more efficiently, it’s imperative to create a guiding coalition. According to Kotter (2012 p. 59) the guiding coalition needs enough power in order to get the buy-in needed from the organization. The guiding coalition needs to include enough influential persons and people with good reputation in the company. However, there should not be persons with too big egos that leave no space for others. There needs to be the right balance of good leadership and management experience as good teamwork is essential for the guiding coalition to succeed. That is why it is important that no one kills the team spirit by creating mistrust (Kotter 2012 p. 59-61).

5.3. Developing a vision and strategy

“Vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future.” (Kotter, p.71). A clear vision is essential in a change process as it gives clarity to the organization. Clarity gives the organization a purpose, makes people understand their roles and makes sure that the change process does not stop in countless meetings. With a clear vision, the organization can function with enough autonomy to stay efficient (Kotter 2012 p. 71-73).

“Reengineering, restructuring and other change programs never work well over the long run unless they are guided by visions that appeal to most of the people who have a stake in the enterprise…..” (Kotter 2012 p. 75). The vision needs to be appealing, but it also needs to be feasible. It needs to be crisp enough for leaders to be able to communicate it and for employees to understand it. At the same time, it needs to leave some space for individual initiative and changing conditions (Kotter 2012 p. 78-79)

5.4. Communicating the change vision

Communication is not easy. Getting a large group of people to understand a vision can be extremely challenging. The fundament of that challenge lies in the fact that accepting a vision of the future can be a challenging task both intellectually and emotionally.

The change vision often is a result of hours and hours of strategic work, which then should be communicated in a clear and firm format. Usually the vision is communicated as part of other communication, where it might be lost in translation. (Kotter 2012 p. 87-91). According to Kotter (2012 p.92-93) a good way of communicating the change vision is by keeping it simple and direct. It should also be free from company or profession specific jargon, as using such jargon might make the communication understandable and inclusive for some people, but confusing for others.

Once a clear and direct communication has been established, it should be broadcasted in different forums and repeated several times. In today's world, we are cluttered with different kinds of communication from multiple different sources. Each single communication is fighting for attention and with repetition the probability for it to stick is growing (Kotter 2012 p. 95-96).

A very powerful way to get the message across to the employees, is walking the talk. This means that if the top management through their behavior shows that they live the change vision, the outcome usually is that the vision will gain credibility. "Nothing undermines the communication of a change vision more than behavior on the part of key players that seems inconsistent with the vision" (Kotter 2012 p. 99).

5.5. Empowering employees for broad-based action

For successful implementation of a change effort, the employees need to feel empowered to do their job in the best possible way. The figure below shows four common obstacles for employee empowerment; structures, skills, systems and supervisors.

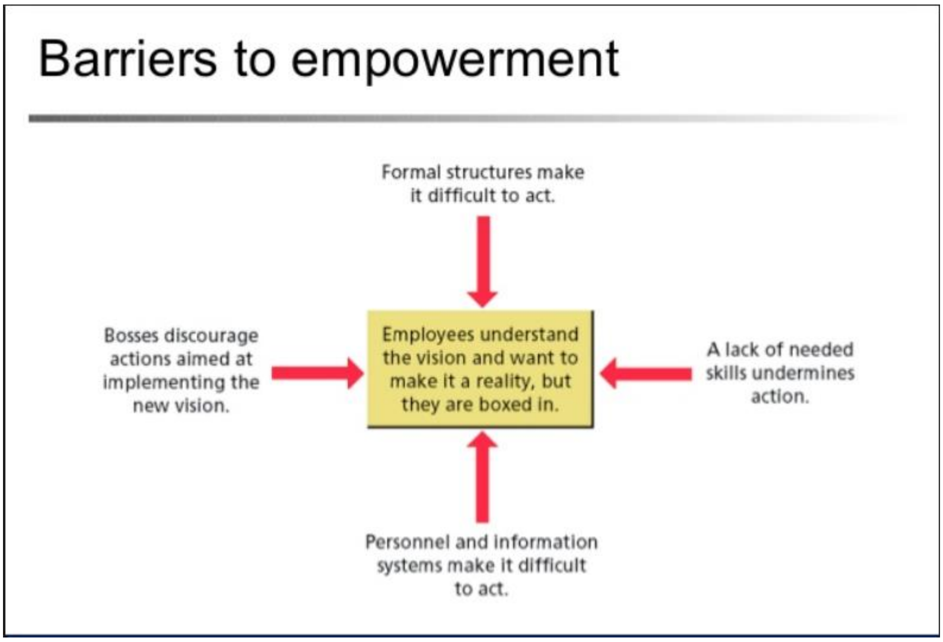

Figure 8. Barriers to empowerment. (Kotter 2012, p. 106)

Enthusiasm towards a successfully communicated change vision can be quickly undermined if complex structural barriers at a company hinders the employees from taking the needed action. The structural barriers can be linked to resources, organizational structures or heavy processes (Kotter 2012 p. 106-109).

To have the skills needed for implementing the change vision, training is usually needed. Many of the unsuccessful change initiatives have failed due to non-existing or insufficient training. People are expected to change behavior or processes that have been built up over years with only a few days of training. The training might also focus only on technical details but not touch the social aspect of the change (Kotter 2012 p. 111-112).

Systems, such as HR systems or management information systems need to help the transformation in a successful change effort. In many cases these systems are not changed to match the new environment (Kotter 2012 p. 115-116).

Supervisors can have a big influence on the behavior of their employees. If a supervisor is not understanding or accepting the change, there is a great possibility that the organization will not be empowered to implement the change efforts. This is again linking back to “walk the talk”. If the supervisor does not live the change, so will probably not the employees either (Kotter 2012 p. 117-119).

Figure 9 is summarizing what to take in to consideration to empower the employees.

Empowering people to effect change

- *Communicate a sensible vision to employees*: If employees have a shared sense of purpose, it will be easier to initiate actions to achieve that purpose.
- *Make structures compatible with the vision*: Unaligned structures block needed action.
- *Provide the training employees need*: Without the right skills and attitudes, people feel disempowered.
- *Align information and personnel systems to the vision*: Unaligned systems also block needed action.
- *Confront supervisors who undercut needed change*: Nothing disempowers people the way a bad boss can

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Figure 9. Empowering people to effect change. (Kotter2012 p. 119).

5.6. Generating short-term wins

To keep the buy-in for the long-term change goal, it is imperative to focus on short-term wins. Showing these short-term wins drive different purposes on different levels of the company. On the management level, it will be beneficial to show short-term improvement to keep the guiding coalition in agreement of the change effort, but also to test the guiding coalitions vision against concrete conditions. On the employee level, short-term wins serve as a motivating factor to keep going. Like in every project, it is a good idea to have milestones to achieve. The short-term wins show that the sacrifices are paying off. They also offer an opportunity to celebrate and take a few moments of breath. Short-term wins also help building the necessary momentum, which is needed to implement the change (Kotter 2012 p. 123-128).

The short-term wins need to be visible, unambiguous and clearly related to the change effort. They should be visible during the first six to eighteen months depending on the size of the organization and the project (Kotter 2012 p. 123-126).

5.7. Consolidating Gains and Producing More Change

Today's companies are usually very interdependent. This means that if a process that directly impacts sales is changed, the change will have an impact also on the manufacturing, logistics and finance departments. This again requires change efforts from a significant number of stakeholders within the company. Ultimately nearly every department and every process needs to be changed. One change initiative creates more change. No matter how well planned, there probably will not be the complete sense of all the changes at the beginning of a change process. This is also where the importance of a clear overall vision, good communication and empowered employees will be realized. The executives of the company will not be able to control all the interdependent changes. They will need an empowered group of people striving for a common goal (Kotter 2012 p. 140-149).

This is also a good phase to recognize and eliminate unnecessary interdependencies. A closer look at the existing processes will probably make the transformation a lot easier.

5.8. Anchoring New Approaches in the Culture

A company culture is what guides the employees to act in a certain way. "Culture refers to norms of behavior and shared values among a group of people" (Kotter 2012 p. 156). In this context norms of behavior are common ways of acting that members of a group teach to new members of the group, reward those who fit in and sanction those who do not fit in. Shared values are defined as important concerns and goals that most of the people in the group share and that shape group behavior. Shared values also often persist even after members of the group have been changed (Kotter 2012 p. 156).

"A company culture usually operates outside of people's awareness" (Kotter 2012 p. 159. Which means that it can be a powerful tool in shaping an organization by selecting a specific type of people and indoctrinating them in to the group. This also means that new practices that are created in a change process must somehow be anchored in the culture. Otherwise there is a big chance that the new practices will become fragile (Kotter 2012 p. 159). In other words, the new practices need to be compatible with the company culture or there is a need to start changing the culture. Changing a company culture can be extremely difficult, as there might be a legacy that has been built over centuries. Sometimes changing the culture means that there is a need to change the key people (Kotter 2012 p. 164-165).

"Culture changes only after you have successfully altered people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement" (Kotter 2012 p. 164-165). Although cultural change according to Kotter comes last in a change process, sensitivity to cultural issues is essential also in the first phases of a transformation (Kotter 2012 p. 165). According to Kotter a good rule of thumb is that whenever a major change process starts with attempts to change the culture, one should be concerned that it might be going down the wrong path (Kotter 2012 p. 165).

Figure 10 summarizes what anchoring change in a culture means in a change process.

"Anchoring change in a culture...

- **Comes last, not first:** Most alterations in norms and shared values come at the end of the transformation process.
- **Depends on results:** New approaches usually sink into a culture only after it's very clear that they work and are superior to old methods.
- **Requires a lot of talk:** Without verbal instruction and support, people are often reluctant to admit the validity of new practices.
- **May involve turnover:** Sometimes the only way to change a culture is to change key people.
- **Makes decisions on succession crucial:** If promotion processes are not changed to be compatible with the new practices, the old culture will reassert itself. "

Figure 10. Anchoring change in a culture. (Kotter 2012, p. 166).

6. THREE-STEP MODEL

By looking at change as a process with distinct stages, it is easier to prepare and plan the transition. According to Lewin motivation for change must be generated before change can occur (Mindtools 2017). This means that there must be an understanding on why the change is important.

The three-step model by Lewin is linking to organism and machine metaphors. It consists of three steps, unfreeze, move and refreeze. The underlying principle of Lewin's model is that there are driving forces that need to outweigh the resisting forces for change to happen. It provides a good tool for management to identify and discuss the driving and resisting forces. However, it can become a planning tool for managers where the three steps are used as planning session, implementation and post-implementation review, without the involvement and enthusiasm of the employees (Cameron & Green 2015 p. 106-109).

<u>Unfreeze</u>

The first stage of Lewin's theory is called unfreeze. This phase is about preparing the organization to accept the fact that change is necessary. This step involves breaking down the existing status quo before a new way of operating can be built up. Communication is key in the unfreeze phase. The communication should be around telling a compelling message about why the existing procedures cannot continue. According to Lewin this is done by linking the message to declining sales figures, poor financial results or unhappy customers (Mindtools 2017).

The unfreeze stage should start in the core of the organization. The core in this context are the values, attitudes, behaviors and beliefs of the organization. In other words, the three-step model suggests that changing the culture should be started in the very beginning of a change process (Mindtools 2017). Lewin suggests that a controlled crisis should be established to create the motivation and participation needed for the change to happen (Mindtools 2017).

Change

After the controlled crisis has been established and the organization is motivated to doing things differently, the organization is ready for stage two, change. This is where people start looking for new ways of doing things. People need to know how they can benefit on a personal level, to fully accept the change and to contribute on making it successful. It is not enough with them understanding that change is inevitable and that it benefits the company (Mindtools 2017). Time and communication are reinforced at this stage. People need time to adapt to the change and they need to feel connected to the organization throughout the change period (Mindtools 2017).

Refreeze

When the changes are taking shape and people have learned to embrace the new ways of working, the organization is ready for the third stage, refreeze. In this phase the organization should make sure that the new normal is implemented consistently and that the change is incorporated into everyday business. There should be a stable organization chart and consistent job descriptions in place. There should also be good support mechanisms implemented and success should be celebrated (Mindtools, 2017).

Although change is constant in the current environment, a sense of stability should be created. This supports that the processes will be followed to their full capacity and that the employees do not get caught in a transition trap, where they do not know how things should be done. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time, and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working (Mindtools, 2017).

7. ADKAR

The ADKAR model was chosen in order to build on Kotter's eight steps model with a more people centered theory.

The ADKAR model is very much focused on people and how to work with employees affected by a change process. The model was developed by Jeff Hiatt at Prosci, which is a company that is specialized on change management. The five elements of the ADKAR model are awareness, desire, knowledge, ability and reinforcement. The key message of the model is that all five elements need to be in place in order for a change process to be successful (Hiatt, 2006, p.1-4). Hiatt also claims that the elements need to be followed in the particular order. In other words, awareness needs to be in place before there can be desire, etc (Prosci 2017).

Awareness

The first element of the ADKAR model is Awareness. According to Hiatt people need to be aware of the reason for change and the consequences of not changing. This element is emphasizing the need for communication, but stating that the communication needs to be directed to the individual that will be affected by the change and that needs to fully understand the need for change (Hiatt, 2006, p. 10-16). This links very much to Kotter's theories about developing a sense of urgency, developing a vision and strategy and communicating the change vision, but brings that on the employee level.

Desire

The second element after the awareness has been established is desire. The willingness to be part of the change initiative and to support the new needs to be established in the organization. According to Hiatt (2006 p.19-22), this is one of the most challenging steps as the company cannot control the individuals. Building awareness does not necessarily mean that there is desire on employee level. According to Hiatt (2006 p. 20-21), the change communication should be brought on a very personal level. The employees should understand how the change is going to affect them, their view of the company and their daily lives. The employees need to understand what's in it for them in order to gain a positive outlook for the change. Hiatt claims also that this is a prerequisite for building up desire (Hiatt 2006 p. 20-21).

Knowledge

The third element of Hiatt's model is knowledge. After being aware of the needed change and having the desire to change, the employees need to understand the new processes, tools and stakeholders. To become knowledgeable enough to be a part of the new, proper training is needed (Hiatt 2006 p. 23-29). What Hiatt wants to highlight is that there are two types of knowledge in a change management context. The first type is knowledge on how to change. The employees need to know what to do during the transition period. The second type is knowledge on how to perform effectively in the future state. This means that the employees need to know what skills and what kind of behavior is needed to support the change. Potential factors that can lead to resistance are that there is no time allocated for training, that the knowledge gaps are too large, lack of access to sufficient information and the individual capacity to learn (Prosci 2017).

Ability

After the knowledge has been attained, it should be implemented. This is the fourth element, ability. This is the step in the change process where practical execution of the newly learned skills and different types of peer-coaching would take place. The theories have been learned and should be built on in more practical terms. At this phase, the importance of support is emphasized (Hiatt 2006 p. 32-36).

Reinforcement

The last element of the ADKAR model is reinforcement. This is all about making the change stick and making sure that the organization is not going back to the old habits.

Reinforcement will be reached by celebrating success, rewarding, correcting undesired action and measuring performance. In this phase organizations should start realizing the value added of the change initiative, given that the reinforcement efforts have been strong enough (Hiatt 2006 p. 37-39).

8. SUMMARY OF THE LITERATURE REVIEW

The main theories researched for this study were Kotter's eight step model, Lewin's three step model and Hiatt's ADKAR model. The literature review shows that there are many similarities but also some profound differences among the different theories. One common theme that is clearly visible is that the company should be sure about that the employees have a thorough understanding about the need for change. Kotter calls it the sense of urgency (Kotter, 2012, p. 37), Hiatt talks about awareness (Hiatt, 2006, p. 10-16) and Lewin calls it unfreeze (Mindtools 2017). The basic idea is still the same. To be able to accept the change, the employee needs to understand the reason behind it. The real difference between the theories is that Lewin emphasizes the importance of taking the company culture to account when making the employees aware of the needed change (Mindtools 2017). Kotter on the other hand suggests that the cultural aspects should be considered as an own step closer to the end of the change process (Kotter, 2012, p. 156).

Training and skills are also recurrent themes in all three change management models. Kotter talks about empowering the employees (Kotter 2012 p. 106-109), whereas Hiatt discusses about knowledge on how to change and knowledge on how to perform effectively (Prosci 2017). In Lewin's three step model this is presented in the refreeze phase as part of new well-defined roles and responsibilities and good support mechanisms (Mindtools 2017). Support is also emphasized by Hiatt in the Ability phase (Hiatt 2006 p. 32-36).

Lewin and Hiatt are strongly emphasizing the need for creating stability after the change process. In Lewin's theory this is part of the Refreeze phase, where Lewin suggests that a sense of stability should be created to support following of the new processes (Mindtools 2017).

In Hiatt's ADKAR model this is visible in the Reinforcement phase where the company should make sure that the change stick and that the employees would not fall back in to old habits (Hiatt 2006 p. 37-39). While Kotter also discusses the need for anchoring new approaches in the culture of the company as the last step of his eight-step model (Kotter 2012 p. 156), he also on the other hand presents the idea of consolidating the gains of a change initiative and findings needs for more change, as he states that the processes within a company are very interdependent (Kotter 2012 p. 140-149).

All in all, the change management theories are very much about communication in the different phases of the process. Making the employees aware of the need for change, making sure that they have the tools and skills needed and that the job descriptions are in place while ensuring that right behavior is rewarded, seems to be the recipe for successful change.

The empirical study will be based on Kotter's eight step model as it is one of the best-known models within change management and is perhaps more detailed than the other two models researched for this study.

9. EMPIRICAL STUDY AND METHODOLOGY

The basis of this thesis is an organizational change project that has been implemented in January 2018. The author has been involved in the project as one of the members of what is referred to as the leadership team. The author is the Nordic Manager for the Marketing Support team that has been formed as an outcome of the organizational change.

The data for the research has been collected by both own observations and by interviews with two different stakeholder groups to give the research more depth.

1. Own observations: As the author has been heavily involved in the project, it has been possible for him to make own observations and to take advantage of his own experience of the company and the organization in collecting information needed for the thesis.

2. Collecting experiences from stakeholder groups: The author has made interviews with two different stakeholder groups within the company. The two groups that were interviewed were 1. Nordic Marketing Managers (also referred to as the internal customers) and 2. The newly formed Marketing Support team (also referred to as the team). The interview guide is based on the theoretical framework and the questions are based on Kotter's eight step model.

The respondents received the interview questions in advance, for them to be able to prepare for the interview. All the interviews were conducted face-to-face and recorded. The interviews were conducted at 3M office locations in Finland, Denmark and Sweden and they were conducted in Finnish, English and Swedish. As the interview results were translated in to English, the answers in original language can be found in the recordings.

The figure below illustrates how the triangulation of evidence for this thesis was secured by researching theory, making own observations during the project and interviewing two different stakeholder groups.

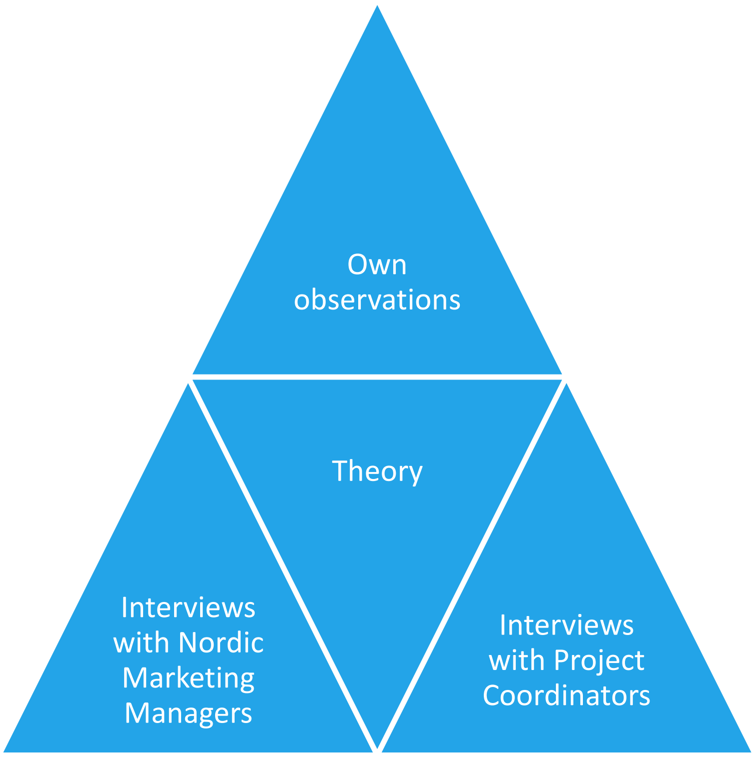

Figure 11. Research method.

The aim of the interview was to find out how employees, that have been involved in the change process and employees, that have been impacted by the change, have experienced the change. The employees that were involved in the planning process, were Nordic Marketing Managers (later referred to as “the internal customers”) for different business groups within the company. The employees, that were directly impacted were the Project Coordinators (later referred to as “the team”), that had new roles introduced to them. The table below illustrates the job title, interview date and location, experience within the company, generation and location of the interviewees. The interview was conducted to 75% of the employees that were either involved in the planning of the change or directly impacted of the change.

Job title	**Date and location of interview**	**Years within the company**	**Age group**	**Country**
Project coordinator	March 6, 2018, Copenhagen	8	20-30	Denmark
Project Coordinator	March 2, 2018, Espoo	31	50-60	Finland
Nordic Marketing Manager	March 5, 2018, Espoo	15	40-50	Finland
Nordic Marketing Manager	March 6, 2018, Copenhagen	25	40-50	Denmark
Nordic Marketing Manager	April 24, 2018, Stockholm	16	30-40	Sweden
Project Coordinator	April 24, 2018, Stockholm	6	40-50	Sweden

Table 1. Interview matrix.

10. INTERVIEW RESULTS

The results are based on semi-structured interviews. The interviews were made with two separate groups of respondents and they were conducted individually. The respondent groups were

1. Project Coordinators (The team)
2. Nordic Marketing Managers (The internal customers)

By interviewing these two different groups of respondents it was possible to find out whether there was a difference in how the different groups have experienced the change. The employees from within the team were directly influenced by the change and it had an impact on their daily tasks at work. As mentioned earlier, the change was made based of feedback from the internal customers. The change was not impacting their daily lives as much as for the other group of respondents, but as the changes were made based on the internal customer's feedback, the prediction was that they would have a positive outlook on the changes made.

The people interviewed are based in four different countries, Finland, Sweden, Denmark and Norway. The interviews were made in Finnish, English and Swedish. Some of the interviews were made in face-to-face meetings and some were made in Skype meetings. The interview guide was following Kotter's eight step model and the results will be discussed following the eight steps.

10.1 Establishing a sense of urgency

According to Kotter (2012 p. 37) a sense of urgency needs to be created in the organization for a change to be successful. Management should take drastic decisions and create a crisis in the organization. This is also supported by Jeff Hiatt in the ADKAR model, as the first phase states that people should be made aware of the change and the consequences of not changing. Hiatt also states that this phase is very much about communication that should be directed to the individual that is affected by the change (Hiatt, 2006, p. 10-16). Lewin's three-step model also supports this. Lewin talks about a controlled crisis that should be created to enhance the motivation in the organization (Mindtools, 2017).

The first four questions were made to find out whether the respondents felt that a sense of urgency had been created and how it had been communicated.

<u>The team</u>

Based on the responses from the team there has been an awareness of that changes are coming, but they have not been aware of the details on what the change will mean for them. The team has not been involved enough in the planning phase and the understanding of the need for changing has been on a shallow level. *"We have been aware of that some changes are coming, but then they are suddenly presented as given. That now you should go in to this box and work with this given model, without being involved in the planning".* "*I think this change has been presented to us as a given. We are going in to the global model".*

There has been a feeling of the urgency to do the change, but the feeling has more been a result of tight schedules than a common understanding of a burning platform. *"I have felt that the leadership team wants to push through this change process. The urgency comes from the short timeline for making the change".*

On the other hand, one of the team members felt the urgency from the internal client side, as one of the business groups had been promoting the change actively. *I have felt a strong urgency. The business has been very actively promoting this new way of working and I have felt the need for it".*

<u>The Internal Customers</u>

Among the Nordic Marketing Managers there were different levels of understanding about the need for change. One of the respondents said that they have been involved in the process for a long time and participated in several meetings about the change process. *"We have had a lot of discussions and meetings about it. I've been along the journey for* *a long while."* While other saw the change merely as an alignment to a global model. *"This is an alignment with the global organization model".*

"There has not been pressure with the timing from the business perspective".

"I do not see this change as a must, but it is not only a "nice to have" change either".

10.2 Creating the guiding coalition

In a constantly changing world decisions need to be made fast and communication needs to be efficient. According to Kotter (2012 p. 59) the guiding coalition is the way to get the message through to the organization. The guiding coalition needs enough power to get the buy-in needed from the organization which means that the guiding coalition needs to include enough influential persons and people with good reputation in the company.

In this project the guiding coalition would be the Nordic senior leadership team (Regional Operating Committee), which is led by the Nordic Managing Director.

The ADKAR model and Lewin's three step model are emphasizing communication about the need for change and creating the desire for change, but Kotter's eight step model is the one that is going in to detail with how the communication should be run and about who should own the communication.

<u>The team</u>

The results of the interviews show that the interviewees feel that the guiding coalition has been created, but the level of detailed understanding of this particular change and what the effect is on the employee level could have been higher among the senior leadership. "*I feel that the leadership team is engaged in the change, but decision are made in a high tempo, and they might not always know the effect on the employee level."*

There was also the feeling that the change could have been promoted more during bigger employee meetings or gatherings. *"It would have been nice to have this mentioned on a* *dialogue meeting for the whole organization. This is what happens and therefore we do the change."* The use of different communication channels could have been wider.

The team could have been included in the discussions in an earlier phase. *"There has not been meetings held together with the leadership team to discuss the planned change and new organization models".*

The Internal Customers

Among the internal customers the role of the guiding coalition has been viewed as being informative rather than promoting the change. "*I have not seen activity from the senior leadership in this process".* However, the team driving the change has been communicating actively. *"There has been a lot of activity from the support functions leadership team".*

The lack of active participation from the senior leadership team has also been viewed as a positive thing. *"My manager has given me the freedom to participate more actively and keeping him updated". "It made sense that lower level was more involved. The leadership team has had an overall overview, but has given lower level the freedom to act".* There is a fine line between promoting the change and being too involved in the change from the guiding coalition perspective. In this case it seems that the guiding coalition could have had a more active role in the change process, but on the other hand it looks like they have succeeded in empowering their employees to take own action on the change.

10.3 Developing a vision and strategy

A clear vision is essential in a change process as it gives clarity to the organization. By rolling out a clear message, the guiding coalition will be able to give the organization a purpose, make people understand their roles and make sure that the change process does not stop in countless meetings. With a clear vision, the organization can function with enough autonomy to stay efficient (Kotter 2012 p. 71-73).

Hiatt and Lewin are also pointing out the need for a clear vision for the change. Hiatt talk about creating the desire to change in his ADKAR model (Hiatt 2006 p.19-22). Lewin suggests that the willingness to change should be created by making a controlled chaos in the organization. Lewin also states that there should be a cultural change started in the beginning of a change project (Mindtools, 2017). This differs from Kotter's theories, as Kotter states that whenever a major change process starts with attempts to change the culture, one should be concerned that it might be going down the wrong path (Kotter 2012 p. 165). However, Kotter also says that culture should be taken in to consideration also in the early stages of the change process (Kotter 2012 p. 165).

The team

The interviewees feel that the vision on how the world should look like after the change has been clearly communicated in meetings. However, there was still a feeling of uncertainty about how the team should get there. *"The vision is clear, but how we will get there is a whole other thing".*

The internal customers

For the internal customers the vision has been clear. "*To be able to offer services that the business groups need".* However, the roles and responsibilities could have been clarified more. *"I have seen the roles and responsibilities matrix, but there are still some fuzzy scopes within some roles".*

10.4 Communicating the change vision

Usually the vision is communicated as part of other communication, where it might be lost in translation (Kotter 2012 p. 87-91). According to Kotter (2012 p.92-93) the change vision should be kept simple and direct. It should also be free from company or profession specific jargon, as using such jargon might make the communication understandable and inclusive for some people, but confusing for others.

The clear and direct communication, that is made relevant for the audience, should be broadcasted in different forums and repeated several times. In today's world, we are cluttered with different kinds of communication from multiple different sources. Each single communication is fighting for attention and with repetition the probability for it to stick is growing (Kotter 2012 p. 95-96).

In Lewin's three-step model communication is emphasized in the unfreeze phase. Lewin is pointing out that the communication should be a compelling message on why the status quo cannot continue (Mindtools, 2017).

In the ADKAR model communication is also emphasized specially during the first phase, awareness. The need of direct communication towards the individual is strongly highlighted in the awareness phase (Hiatt, 2006, p. 10-16).

<u>The team</u>

The team members generally felt that there had been enough communication during different meetings both with the whole team and individually with the managers. There have also been meetings held with the business groups that the project coordinators are linked to. However, some of the team members feel that there are still unclarity about the roles and responsibilities and that they would hope to have a more clarified job description. *"I'm still unclear about my own goals for the coming year and about the tasks I'm supposed to do".*

There was also the feeling that the organizational change should have been communicated to a larger group of stakeholders, as there seemed to be unclarity about the new team within the Nordic organization. *"People were surprised to hear about the new organization during a dialogue meeting for the employees".* The change vision had been communicated to the people directly involved in or impacted by the change, but not necessarily to people that were partially impacted.

One of the team members would have hoped for more clear communication on the company's intranet page. They felt that other organizational changes were posted on the intranet, but this was not and it made them feel unimportant. *"This should have been clearly communicated on the intranet". "Are we not important enough to be communicated about?"*

<u>The internal customers</u>

The Marketing Managers also confirmed the input from the team. They also felt that they had received enough communication about the change, but that a wider group of stakeholders should have been involved in the communication. *"The communication has not reached the whole organization as much as it should have". "There should have been more communication towards the sales organization".*

On the other hand, there were also comments about other projects and tasks taking up too much time for the marketing teams to concentrate on this particular project and the communication about it. *"There were other projects at the same time taking a lot of time and bandwidth from the marketing team".*

10.5 Empowering employees

To empower the employees to implement the change vision, training is usually needed. Many of the unsuccessful change initiatives have failed due to non-existing or insufficient training. Often the employees are expected to change behavior or processes that have been built up over years with only a few days of training. The training might also focus only on technical details but not touch the social aspect of the change (Kotter 2012 p. 111-112).

Supervisors can have a big influence on the behavior of their employees, both in positive and negative terms. If a supervisor is not understanding or accepting the change, there is a great possibility that the organization will not be empowered to implement the change efforts. This thigh back to the importance of good communication from the guiding coalition. If the guiding coalition does not successfully engage the supervisors to the change efforts, there is a big probability that the employees will stay unengaged (Kotter 2012 p. 117-119).

In the three-step model by Lewin, this is part of the Change phase, where people already should be motivated to work along the change and should see the benefits for themselves in doing so. According to the three-step model it is not enough for the employees to understand the business need for change, they need to feel that they will benefit on a personal level (Mindtools, 2017).

Where Kotter's eight step model states that empowerment of the employees is essential, the ADKAR model is focusing much more on training. According to Hiatt it is imperative that the employees know what kind of behavior is expected from them in the future and that they have the required skills to work with the tools needed (Prosci, 2017).

<u>The team</u>

The team members feel that they can take advantage of the new organization model. They are in different phases of their careers, which means that their outlook on the change is different, depending on where they are career wise. The more experienced team members feel that it is a good thing that they still get the opportunity to learn new things and that they still are considered as valuable members of the new organization. "As I am closer to the end stage of my career, I feel thankful that there still is a job for me to do and that I get these opportunities." A younger team member again feels that this new model brings her closer to the business and improves her possibilities to collaborate with her internal customers. "I have the opportunity to get to know the people, products and events within the business."

With regards to tools and training the team feels that they would need more clarity about how to do the work in the new organization. They feel that they are empowered to find the best solutions and to work in their own style, but they feel that they would need more guidance in the beginning. "I have enough freedom, but I would like to have clearer guidelines and more on-the-job guidance." "We are missing knowledge about how to coordinate projects across country borders".

The internal customers

The internal customers feel that the new organization model gives them the possibility to work more efficiently and to let their teams use time on more value adding tasks, *"core marketing tasks". "The team will get closer to the business and can focus on building the expertise". "I think this is our chance in the business to get optimized processes for more strategic marketing work". "More time for looking at new business opportunities." "Also spend some time on things that we earlier did not have time to do."*

The internal customers also feel that sufficient tools and processes are in place and that there is empowerment from the senior leadership to start taking advantage of the new organization. In practice this means that they have the empowerment to stop doing tasks that should be handled by the project coordinator team and focus on strategic marketing tasks. *"There is a strong message from the business leadership that this organization should be utilized to its maximal potential."*

10.6 Generating short-term wins

The short-term wins need to be visible, unambiguous and clearly related to the change effort. They should be visible during the first six to eighteen months depending on the size of the organization and the project (Kotter 2012 p. 123-126).

Celebrating success is also very much emphasized by both Lewin and Hiatt. In the re-freeze phase of the three-step model celebrating success is an integral part of making the change stick. In the reinforcement phase of the ADKAR model celebrating success and rewarding successful behavior is important, but Hiatt also emphasizes measuring performance and correcting undesired action (Hiatt 2006 p. 37-39).

The team

The short-term wins for the team have been an improved spirit and collaboration within the team as they are all going through the change together and trying to find the solutions together. They also felt that the collaboration with their internal customers had improved and that they were increasingly taken as a part of the business team. *"There is an open sharing within the team and I feel confident in speaking up if I have any doubts". "Together with the business there is a strong sense of collaboration". "I feel included in the marketing team".* The team also felt that the feedback from their internal customers was really positive and that they were eager to get going with the new organization. *"The business groups that have the need for this service are very happy about this change".*

When asking about clear milestones, the team members became a bit unsure. They saw the day of the announcement of the new organization as a milestone, but no major milestones during the project. One of the team members mentioned team meetings, that had started already before the team was officially announced, as milestones for her. During these team meetings the new organization and its purpose were clarified step-by-step. *"…with these team meetings we have had a good start".*

The internal customers

The Marketing Managers feel that the new set-up has really added value and made their teams more efficient. They have not seen clearly defined milestones to reach during the project, but they have seen good concrete examples on how the new organization model has improved their lives. *"The new set-up has added value". "It is easier now when we have a dedicated project coordinator helping us".*

However, the lack of clear milestones has impacted the view on the timeline and structure of the project. Clearer milestones could have set a better structure vase for the project. There were comments about the project taking too long to become ready for implementation. *"The project could have been more structured and it took a bit too long before we were able to kick-off the new team".*

10.7 Consolidating gains and producing more change

No matter how well planned, there probably will not be the complete sense of all the changes at the beginning of a change process. This is also where the importance of a clear overall vision, good communication and empowered employees will be realized. The executives of the company will not be able to control all the interdependent changes. They will need an empowered group of people striving for a common goal (Kotter 2012 p. 140-149).

The team

When asking if the team has recognized something else that would need to be changed after the new organization has been implemented, the answers were more about adding resources to the new organization than about changing initial processes or organizations. One respondent said that she has experienced enough change and wants to learn the current process before changing something else. This step in the eight-step model seems to serve the purpose for the management of the company rather than the employee level.

The internal customers

The replies from the internal customers had more variation. One of the respondents suggested a physical change, where the project coordinators would be placed together with the marketing team at the office. Currently they are sitting on different floors. *"The Project Coordinators should be sitting together with the business. That would connect the Project Coordinators closer to the business. That would also with getting the marketing people on board".* This respondent thought that seating the Project Coordinators together with the marketing team, would increase the possibility that marketing would overcome the change and start collaborating with the support team even better.

One of the respondents thought that the Project Coordinators should work on local level with multiple business groups, instead of working on a Nordic level with one specific business group. *"A country specific project coordinator could be more efficient in specific projects".*

10.8 Anchoring new approaches in the culture

"Culture changes only after you have successfully altered people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement" (Kotter 2012 p. 164-165).

The ADKAR model does not emphasize the cultural aspect as much as Kotter's eight steps. In the ADKAR model this phase would be reinforcement, where the organization would make sure the change sticks by celebrating success, measuring performance and correcting unwanted behavior (Hiatt 2006 p. 37-39).

Kurt Lewin's three-step model differs very much in this aspect from Kotter's eight steps. Lewin also emphasizes the importance of culture in a successful change process, but according to Lewin the cultural aspects should be taken in to consideration already in the very beginning of the change process (Mindtools, 2017).

<u>The team</u>

When asking about how the team members have perceived the training and managerial support linked to the change process, the answers from them was that the training has been virtual and on their own responsibility to attain that. The training has consisted of a set of virtual project management courses on the development portal provided by the company. *"I took the development course in project coordination". "The only training has been a self-development course, which I have taken advantage of".* The training needs that the interviewees highlighted were more on a hands-on level related directly to the work that they are supposed to do. *"I would need training on how to request purchase order numbers, how to order samples if needed and how to work across borders when coordinating projects".* There were also comments about training that would relate more on the specific business group that they are supposed to work with. *"More business-related training." "I would want to get to know the products more".*

Although they felt that they would need more hands-on training, they felt that they get enough support from their manager. *"If I have had any questions, they have been answered. I feel that I have been supported."* One of the respondents felt that she has support from her manager, but that the manager is very busy and working under pressure. *"I feel supported, but I also feel that my manager is working under pressure, and that he does not seem to have enough time".*

<u>The internal customers</u>

The internal customers have a different outlook on the training needs and received training. They feel that they have understood the project coordinator role, which is the most relevant thing to understand in their role. They do not have the same kind of need for specific detailed hands-on training as the project coordinator team has. *"There has not been any specific training provided for me, but ongoing discussions and meetings about the change and the new roles".*
The internal customers also feel that they have the support from their manager to work with the new organization model. *"I keep my manager updated and he supports the participation of the project coordinators".*

11. SUMMARY OF THE INTERVIEW RESULTS

The interview results show that there are slight differences in how the change has been experienced based on the role in the company and how directly the respondents have been impacted by the change.

Within the project coordinator team there has been an awareness of that things are happening and changes are coming, but the understanding of what the changes will mean to them and what the real need for the change is, could have been on a deeper level. The common understanding was that the team should have been involved more in an earlier phase of the planning. The sense of urgency has been based on a communicated tight schedule to get the project closed, rather than a common understanding of the reason for change.

The team has seen that a guiding coalition, in the form of the senior leadership team, has been supporting the change. They however felt that the guiding coalition could have been more active in promoting the change and that they could have been more involved in the details around the change. There has been a vast amount of communication about the change vision, but the use of different communication platforms could have been wider. The team also felt that more stakeholders, i.e. sales and other support functions could have been involved in the communication. The team has understood where the company wants to go with the change, but there was still a lot of uncertainty about the path to get there.

The team members felt that they were empowered to find the best possible solutions. They also felt that the new organization had a positive impact on their careers. Where the more experienced team members where happy that they were considered as valuable employees and still given new challenges, the younger team members saw the new organization as a step further in their career.

The interview results showed that there could have been more visible milestones set during the project. There could also have been more emphasis on highlighting and celebrating short-term wins. The team members saw the improved team feeling and collaboration both within the team and with the internal customers as positive wins. They mentioned the announcement of the new organization as a milestone, but could not give specific examples of milestones during the project. They had not yet seen need for additional change for the new organization to be successful. They wanted to keep the current status quo for a while before starting to change something else.

From the team members point of view there should have been more hands-on training on their new tasks in an earlier phase of the project. The overall training had been virtual and the responsibility to attend the virtual training had been on each of the team members. However, they felt that they had the support from their manager and that the questions that had risen during the change process were answered.

The Nordic marketing managers, i.e. the internal customers had been involved in the project in an earlier phase compared to the team members. They had the possibility to participate in the planning phase and take part in several meetings during the project. Despite this one respondent saw the change only as an alignment to a global organization model. They also saw that the senior leadership team had an informative role instead of a promoting role. This corresponded well with the view that the marketing support team members had. The lack of active participation was viewed as a positive thing, as there was a feeling of empowerment within the Nordic marketing manager group. This is where the marketing support team was hoping for more active participation and more detailed knowledge from the senior leadership team.

The Nordic marketing managers had a good understanding about the vision for the change. Also, the strategy on how to reach the vision seemed to be clearer for the marketing manager group than for the marketing support team members. The communication was perceived as sufficient, but the marketing managers were also stating that a wider group of stakeholders should have been involved. An aspect that played an important role communication wise was that the marketing teams were involved in other time-consuming projects at the same time. This meant that some parts of the communication may have been missed out on within the marketing teams.

The marketing manager group felt that sufficient tools and processes were in place and that there was empowerment from the senior leadership team to work with the new organization model. They felt that they were empowered to start transferring some of their existing tasks to the marketing support team. This is where the marketing support team also felt empowered by leadership, but were looking for more detailed training and knowledge about what was expected from them.

The marketing managers felt that the new set-up had added value to their teams and made them more efficient. They were missing clear milestones, which was the experience from the marketing support team as well. However, the marketing managers felt that the project was taking too long to implement, whereas the marketing support team members felt that the changes were made in a fast tempo. The marketing manager group also had some suggestions on further change that could be made, whereas the marketing support team felt that there had been enough changes for a while.

The marketing managers had not received training for any specific skills, but they felt that they understood the new organization model and the roles that were introduced as a result of that. They also felt that they had the support from their managers to promote the new organization and make sure that the change was successfully implemented.

12. CONCLUSIONS AND RECOMMENDATIONS

The essence of a successful change initiative is clarity and communication. The model below is developed based on the existing theories researched, interviews made with the stakeholders of the project and authors own observations. It is the core of the recommendations for the case company. At the same time, it is an extension to existing change management frameworks, by highlighting phases of a change process, that the existing models are not emphasizing.

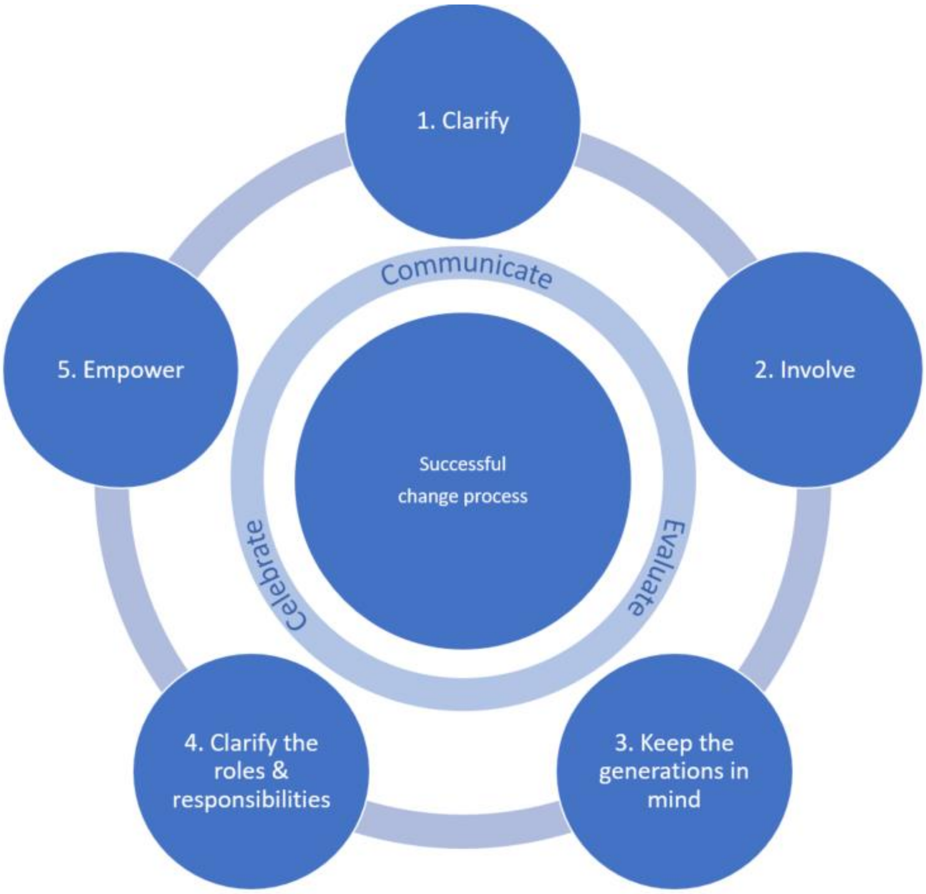

Figure 12. Successful change process

The model that is developed based on the theoretical framework, the interview results and the own observations is basically a set of areas to continuingly monitor that they are on track. It is not meant to be a linear process or a checklist, but a guideline where each step can be revisited during the change process.

The five steps are Clarify, Involve, Keep the generations in mind, Clarify the roles & responsibilities and Empower. These steps circle around Communicate, Evaluate and Celebrate, which should be considered throughout the change process. The model is mostly influenced by the eight-step model by Kotter, but is emphasizing the importance of the different steps in a new way.

12.1 Clarify

The first step is all about clarity. By clarifying the purpose and need for change, it is possible to get people on board in a change project. This is also very clearly stated in the existing models that have been researched for this thesis. In the eight-step model Kotter states that a sense of urgency needs to be created as a base for any change activities. (Kotter, 2012 p. 37). He also highlights the importance of a clear vision and strategy for the change.

A clear vision is essential in a change process as it gives clarity to the organization. Clarity gives the organization a purpose, makes people understand their roles and makes sure that the change process does not stop in countless meetings. With a clear vision, the organization can function with enough autonomy to stay efficient. (Kotter 2012 p. 71-73). Lewin's three-step model is emphasizing communication in this phase. Communication is key in the unfreeze phase. According to Lewin's model the communication should be around telling a compelling message about why the existing procedures cannot continue. According to Lewin this is done by linking the message to declining sales figures, poor financial results or unhappy customers. (Mindtools 2017). According to Hiatt's ADKAR model, people need to be aware of the reason for change and the consequences of not changing. The communication should be directed to the individual that will be affected by the change and that needs to fully understand the need for change. (Hiatt, 2006, p. 10-16).

This all comes down to clarity. If the need for change is understood on both organizational level and individual level, the resistance will be lower. This means that the communication needs to be done on different levels and by using multiple sources, such as intranet, email, individual meetings and group meetings. The communication should be relevant for the intended audience, when communicating to different stakeholder groups. Clarity should be emphasized more at 3M Nordic region during change processes, as the common feeling after the marketing support optimization project was that the change was presented as given and that it was something that leadership wanted to push through. There were also comments about the change only being an alignment to a global organization model, which actually was not the initial driver for the change.

12.2 Involve

The existing models are not emphasizing enough the involvement of the impacted persons. Kotter's eight-step model is pointing out the need for creating a guiding coalition. According to Kotter (2012 p. 59) the guiding coalition needs enough power in order to get the buy-in needed from the organization. The guiding coalition needs to include enough influential persons and people with good reputation in the company. (Kotter, 2012 p. 59). This feels like a top-down type of communication, which might not work in modern times as effectively as before. A clear message from the interviews with the marketing support team was that they would have wanted to be involved in an earlier phase. By involving the persons that will be impacted of the change, they will be much more likely to accept the change and they will have the possibility to come with valuable input in an early stage of the change process.

As important as it is to involve the employees in a change process that is affecting them, there is naturally a fine line between when a person in being involved and when a manager might be promising too much or gathering input that cannot be made reality. This is why it is so important to make sure that there is enough clarity about why the change is needed and where the company should be heading, before the employees can be fully involved in giving their input.

12.3 Keep the generations in mind

Currently there are a few different generations in the workplace. The generations that are usually seen in the workplace today are Baby Boomers, Generation X, Millennials and Generation Z. This might lead to a generation gap in the communication. Traditional change management models are not highlighting the generation gap, although communication is a vital part of successful change. The communication challenge comes from the fact that the different generations in the workplace have been different times seen from a political, economic, educational, technological and social perspective. This evidently leads to that the different generations have different beliefs, expectations and ways of looking at the world. (Robert Murray, 2017).

When communicating about change, it is important to understand the differences, as the message can be viewed in a totally different way depending on which generation the receiver belongs to. Studies are showing that Millennials want more feedback from their managers than earlier generations and that they want to receive the feedback more frequently. Millennials also appreciate authenticity in their interactions with supervisors. This means that managers should increasingly open up about successes, struggles and failures. (HBR, 2015). This also goes well together with clarifying the need for change and involving the employees that will be affected by it, which also came through in the interviews with the Project Coordinator team.

The table below illustrates a generalized outlook on how three of the four different generations communicate. This gives an idea of how the different generations process information, what they focus on and prioritize.

	Baby Boomers	Generation X	Millennials
Communication	Face-to-face	Email or IM	'Just text me'
Attitude to Work	Loyal to my job	I work to live	Play then work
Information	Print me a copy	Send me a copy	I'll Google it
What they want at work	Respect my title	Respect my ideas	Respect my skills
Areas of Focus	Focus on process	Focus on results	Focus on involvement
Priorities	Work comes first	Family comes first	Friends come first

Table 2. Communication with different generations (Robert Murray, 2017)

12.4 Clarify the roles & responsibilities

Clear roles and responsibilities are critical for employees to act within the new organization or processes. In the ADKAR model this is described as following. To become knowledgeable enough to be a part of the new, proper training is needed (Hiatt 2006 p. 23-29).

What Hiatt wants to highlight is that there are two types of knowledge in a change management context. The first type is knowledge on how to change. The employees need to know what to do during the transition period. The second type is knowledge on how to perform effectively in the future state. This means that the employees need to know what skills and what kind of behavior is needed to support the change (Prosci, 2017).

According to Lewin's three-step model there should be a stable organization chart and consistent job descriptions in place. There should also be good support mechanisms implemented and success should be celebrated (Mindtools, 2017).

Clarifying the roles and responsibilities are also visible in Kotter's theories about empowering employees for broad based action and anchoring new approaches in to the culture. However, in this new model the roles and responsibilities are highlighted as an own separate step.

12.5 Empower

Empowerment of the employees is a subject that is clearly visible in the existing change management theories that were researched for this thesis. Supervisors can have a big influence on the behavior of their employees. If a supervisor is not understanding or accepting the change, there is a great possibility that the organization will not be empowered to implement the change efforts. This is again linking back to "walk the talk". If the supervisor does not live the change, so will probably not the employees either (Kotter 2012 p. 117-119).

According to Hiatt this is where the importance of support and coaching is very visible. (Hiatt 2006 p. 32-36). Supporting and coaching the employees makes it possible for them to take advantage of the skills they have learned and act according to their roles and responsibilities.

In the interviews empowerment came through as a factor that was already well taken care of at 3M. Both the Project Coordinator team members and the Nordic Marketing Managers felt that they were empowered by their managers to work within the new organization model and to take own decisions. However, the Project Coordinators were also asking for more directions and guidelines to feel enabled to do a good job.

12.6 Communicate, evaluate and celebrate

The inner circle of the model features the words communicate, evaluate and celebrate. These are placed in the inner circle as these should be included in all phases of the change process.

Communication is a key in all phases of the change process. According to Kotter (2012 p.92-93) a good way of communicating the change vision is by keeping it simple and direct. It should also be free from company or profession specific jargon, as using such jargon might make the communication understandable and inclusive for some people, but confusing for others. The communication should be rolled-out in multiple sources and should be directed to the individual. The communication should also take the generational aspect in to account, as different generations interpret communication differently. At 3M the change communication should involve more stakeholder groups than in the thesis project. There were still some unclarity about the changes made among some teams within the company. There was also a comment from one of the Project Coordinators that they felt unimportant, as the change was not communicated widely enough. More different sources of communication should also have been utilized for ensuring a wider audience.

Evaluation should also be done during all phases of the change process. There should be clear milestones that can be evaluated during the project. This is something that was clearly lacking in the 3M project, based on the interviews. No one of the interviewees was able to give clear examples of milestones set for the project. Evaluating the phases or milestones of the project would also give a good indication on whether there would be a need to revisit some of the project phases. If for instance there would not be enough clarity about the need for change or people would not feel involved enough, evaluation of these steps would give an indication of that more communication would be needed or that the communication should be done differently. According to Jeff Hiatt reinforcement will be reached by celebrating success, rewarding, correcting undesired action and measuring performance. In this phase organizations should start realizing the value added of the change initiative, given that the reinforcement efforts have been strong enough (Hiatt 2006 p. 37-39).

Evaluation of clear milestones would also give a good indication on whether there has been success that should be celebrated. Kotter is talking about generating short-term wins. The short-term wins show that the sacrifices are paying off. They also offer an opportunity to celebrate and take a few moments of breath. Short-term wins also help building the necessary momentum, which is needed to implement the change (Kotter 2012 p. 123-128). The short-term wins need to be visible, unambiguous and clearly related to the change effort. They should be visible during the first six to eighteen months depending on the size of the organization and the project (Kotter 2012 p. 123-126).

13. LEARNING OPPORTUNITIES AND FUTURE RESEARCH

As future research about this topic, it would be recommended to run an organizational change project based on the recommended model, following the steps identified as steps for successful change. By conducting similar interviews and observations, it would be possible to find out whether the employees would overcome the change differently, if the new recommended model would be followed. By including other internal stakeholder groups in the interviews, it might have been possible to get a wider scope of how the change process has been viewed. On the other hand, the interviews were conducted with the directly involved or impacted stakeholders to find out how they have experienced the change.

As the author has been involved in the change project, it has been easy to access data and make own observations during the project. It has also been fairly easy to schedule and conduct the interviews. This would of course have been more difficult if the research would have been done by someone outside the organization. However, an outside view could also have resulted in slightly different recommendations.

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APPENDICES

Appendix 1. The interview guide

The interview guide was built to give answers to the research questions.

1. How to ensure a smooth transition for employees that will get new assignments within the organization
2. How to minimize change resistance within the Internal Customers I.e. Sales and Marketing

The interview guide is based on Kotter's eight-step model, as it gives a thorough visibility in to the different aspects of a change process. Each element of the eight-step model is considered in the questionnaire.

Establishing a sense of urgency

1. Do you feel that you really understand the need for splitting the SMO organization in to Marketing Support and Sales Support?
2. In what ways has the company explained the need during the process?
3. Have you felt an urgency to get the change implemented?
4. Do you feel that there would be a crisis if this change would not have been made?

Creating a guiding coalition

5. Do you feel that this change has been promoted by senior leadership?
6. How could senior leadership have promoted this change in a different way?
7. Do you think that the ROC members have been kept up-to-date during the change process?

Developing a vision & strategy

8. Have you seen a clearly stated vision for what is expected after the change has been implemented?

Communicating the change vision

9. Do you feel that there has been enough communication about this change?
10. Where have you received communication about the change?
11. What other type of communication would you have needed?

Empowering employees for broad based action

12. In what way you feel that you can take advantage of the new organization structure?
13. Do you feel that you have the sufficient tools to work in this new way?
14. Do you feel empowered to find the best possible way of working with the new process?
15. Do you think that the current organization will be able to drive the change?

Generating short-term wins

16. Have you seen any positive effect of this change?
17. Has there been clear milestones to reach?
18. What would you do differently to get through the change?

Consolidating gains and producing more change

19. What else would in your opinion need to be changed in order for this organization model to be successful?

Anchoring the change

20. Have you received training that is linking to this change process?
21. What kind of training have you received?
22. Do you feel that you have received enough training?
23. Do you feel that your manager supports the new ways of working?