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Key roles in change management theory and Company X

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<p>This thesis describes the theory of Change Management and Key Roles which are responsible for leading and implementing the change. Is entry into the change management profession largely 'accidental' due delegated change management's tasks in job description of managers, and limitations by company to choose the optimal strategy for key roles involved in change implementation and leading - has been chosen as research question. During case study research it was concluded that profession as change manager does not exist in the chosen company and change management tasks have been delegated to managers at different level within the company. The research question indicates the possible career path for individuals who are interested to work with change management.</p>	
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Contents

1	Introduction	1
2	The research question	2
3	Defining Change Management	2
4	Revolutionary change	4
4.1	The Planned Change by Kurt Lewin	4
4.1.1	Force - Field Theory of Change	4
4.1.2	Group Dynamics	6
4.1.3	Three –Step model and Action Research	6
4.1.4	Key Roles	8
4.2	Leading Change by John P. Kotter	9
4.2.1	Key Roles	10
5	Evolutionary change	13
5.1	The Learning Organization	13
5.1.1	Key Roles	16
5.2	Organizational Learning	17
5.2.1	Key Roles	20
6	Summary of Theories	20
7	Company X	24
7.1	Change Projects	24
7.1.1	Project 1: Process Change	24
7.1.2	Project 2: Cultural Change	27
7.2	Company X position as The Learning Organization	30
7.3	Critics on relationship between theory and reality.	30
8	Findings and suggestions	32
	References	35
	Appendices	
	Appendix 1. Interview questions and answers for Cultural change	

List of Figures and Tables

Figure 2.1 Lewin's Force – Field Theory of Change (Jones 2007: 276)	5
Table 6.1. Comparison between change management theories.	21
Table 7.1.1.A. Action Research theory in Company X	25
Table 7.1.1.B. Key Roles in Company X based on John P. Kotter theory.	26
Table 7.1.2.A. Eight-Step Framework for Change in Company X	28
Table 7.3.A. Company X position as learning organization	31

1 Introduction

Change Management has gained increased popularity in recent years when companies are required to change their strategies, operations, culture of the company or other important factors to survive in a highly competitive environment. The purpose of the research paper is to understand what the position of stakeholders responsible for change initiation and implementation in theory is, and what actual situation in practice is. A particular problem is that complicated change management theory affects the choice between theoretically best key roles for leading and implementing the change within the organization and chosen key roles in practice.

The research is significant to gain better understanding of the career development process in the change management field. It is important to understand for whom change management responsibility is delegated and what the reason for chosen strategy is.

The thesis will look at two main change categories, one where change is well planned and implemented when change is an essential part of survival in a competing environment and second when change is always continuing and never has an end moment.

Both change categories include particular theory developed by certain authors. Theories are described from the perspective of a process strategy, suggested key roles (internal and external) responsible for initiation and implementation of change. Then all theories are compared to see similarities and differences. First Kurt Lewin's Theory and Planned Change are described which is the foundation of change management theory. Some theories proposed by other authors in change management are supported by Kurt Lewin's theory in some degree, for example the author of the bestseller book "Leading Change" by John P. Kotter. Eight-Step Framework for Change/Leading Change will be discussed as a second theory due to the attention it has received by the audience. The Learning Organization and Organizational Learning will be discussed as following theories, which propose different views to change management.

When talking about change management some would argue that Organization Development (OD) should be discussed as an important theory; however, due to the reason that OD is a combination of many theories, it is not included in the thesis because it is important to see the roots and understand the fundamentals, not reflections.

2 The research question

The research question which have been answered in thesis is: Is entry into the change management profession largely 'accidental' due delegated change management's tasks in job description of managers, and limitations by company to choose the optimal strategy for key roles involved in change implementation and leading.

For this research Phenomenological paradigm or sometimes called as qualitative approach have been chosen, due aim to get in depth understanding of particular phenomena (Collis and Hussey 2003:56). Sample size of the research is small, due time limitations. The data collected mainly have been qualitative data to understand the phenomena better. Research have been conducted in the Company X. The name of the company is not given due confidential information discussed in the case study. Change management projects are strictly confidential within the company and a large amount of documents are confidential also for employees within the company. Case study have been chosen to be the best methodology. Explanatory case study have been used which means that existing theory is used to explain and understand what is happening. The methods used to collect data have included documentary analysis, interviews and observations (Collis and Hussey 2003:68,69). Case company have been chosen to be global organization in private sector but publically owned, with large profit margin to limit the effect of tight budget instead focusing on other factors affecting the choice of chosen change management strategy and key roles to implement and lead the change.

Data collected from case studies have been compared to theory, to see if some similarities and connection can be drawn between practice and theory. The key roles in the theories have been discussed and the key roles chosen in practice have been compared to proposed ones in the theory. Special attention have been paid to see if some mismatch between chosen strategies, the goal of the change project and the chosen key roles have been discovered.

3 Defining Change Management

"Change Management is the application of a structured process and set of tools for leading the people side of change to achieve a desired business outcome. Change management is both a process and a competency" (Creasey, n.d.2). T. Creasey definitions is the most complete definition to connect theories which are discussing the process of change.

Some of the theories focus more on the way how individuals, groups and organizations learn while other theories discuss the strategy of the process (guidelines how to reach desired results step by step). Even the theory of learning is not proposing the strategy of process how to implement the change it is still having tools how to enhance the learning which eventually drives to the change and desired business outcomes. While both categories are different their ultimate goal supports T. Creasey theory: "The ultimate goal of change management is to drive organizational results and outcomes by engaging employees and inspiring their adoption of a new way of working" (Creasey, n.d.1).

Two main categories discussed in the theory are Revolutionary Change and Evolutionary Change.

1) Revolutionary change – "Change that is sudden, drastic, and organization-wide" (Jones, 2007, 277). Theories which match the description are:

1. The Planned Change by Kurt Lewin
2. Eight - Step Framework for Change by John P. Kotter

2) Evolutionary change – "Change that is gradual, incremental, and specifically focused" (Jones, 2007, 277). Evolutionary change theories are:

1. The Learning Organization by Peter M. Senge
2. Organizational Learning by Chris Argyris

All theories discuss where the main effort needs to be addressed to change the organization. Three main perspectives were noticed in the theories:

- 1) Individual
- 2) Group
- 3) System/Organization

Individual perspective means that individual have to change first only then group and system can change while group perspective would mean that at first behavior of group needs be changed only then individual will change. System perspective address the importance for individuals to understand the systems effect on individual and group behavior.

4 Revolutionary change

Two theories of the revolutionary change have been chosen to discuss. Kurt Lewin Planned Change is one of the most important theories connected to change due its popularity and deep research. The other theory is Eight - Step Framework for Change (Leading Change) by John P. Kotter which is well received by readers of his books.

Revolutionary change management projects are projects which involves following changes within the company:

- Structural change
- Cost cutting
- Process change
- Cultural change
- Leadership change (The Essentials of Managing Change and Transition 2005: 22,23)

4.1 The Planned Change by Kurt Lewin

Kurt Lewin developed several approaches of the theory: Three-Step model, Field Theory, Group Dynamics and Action Research. All of these approaches create one theory which supports the change process and works as system (Gallos 2006:137).

Kurt Lewin theory looks from group perspective. "The group to which an individual belongs is the ground for his perceptions, his feelings and his actions" (Allport cited in Gallos 2006:137).

Kurt Lewin spent significant time of his life researching group dynamics and how group affects decisions by organizations.

4.1.1 Force - Field Theory of Change

Force – Field Theory of change - "A theory of organizational change which argues that two sets of opposing forces within an organization determine how change will take place" (Jones 2007:276).

Field or environment has important role in group behavior which shapes also individual behavior. Understanding of forces will give information what can be diminished or supported to change group behavior, and it can explain why groups behave in the way they do (Gallos 2006:137,138).

Figure 2.1 Lewin's Force – Field Theory of Change (Jones 2007: 276) illustrates that change happens when organization is not in balance between force for change and resistance to change.

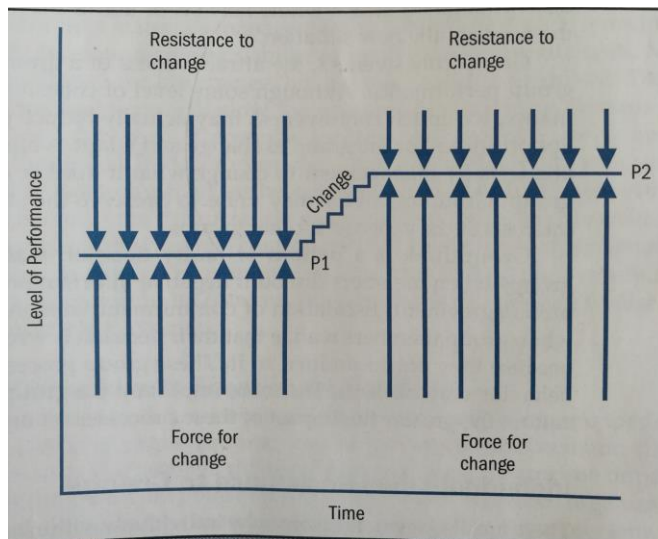


Figure 2.1 Lewin's Force – Field Theory of Change (Jones 2007: 276)

A wide variety of forces make organization resistant to change, and a wide variety of forces push organizations toward change. When the forces are evenly balanced, the organization is in a state of inertia and does not change. To get an organization to change, managers must find a way to increase the forces for change, reduce resistance to change, or do both simultaneously. Any of these strategies will overcome inertia and cause an organization to change (Jones 2007:276).

For example this is important factor if the highest level managers of the organization feel the need for change and have decided to improve the operations of the organization but job satisfaction survey shows that job satisfaction level of employees is high and they do not feel need for change. Manager task would be to bring awareness that change is needed and job could be even better, which can be very challenging in environment where employees are satisfied. However if organization is in the state where employees feel frustration of process how job is done they would be more open for change. The challenge is to understand what the forces are which drives the behavior of group.

4.1.2 Group Dynamics

“Lewin was the first psychologist to write about “group dynamics” and the importance of the group in shaping the behavior of its members” (Gallos 2006:139).

Group Dynamics study the group and forces within the group, what are specifics of the group, which gives valuable information for change. Individuals act in accordance of group norms therefore change in individual behavior alone will not bring the desired level of change (Gallos 2006:139). The understanding of the group is important however it is not enough to drive the change. Joan V. Gallos (2006:139) states that Kurt Lewin developed action research and three-step model to provide a process which would help members reach the goal of change.

4.1.3 Three –Step model and Action Research

Three – Step model has been well recognized and seen as “key contribution to organizational change” however this is one approach from full theory therefore it cannot compensate the other aspects which are equally important (Gallos 2006:141). The model shows that successful change project involves three steps: Unfreezing, Moving, and Re-freezing (Lewin cited in Gallos 2006:141).

1. Unfreezing – Lewin “argued that the equilibrium needs to be destabilized (unfrozen) before old behavior can be discarded (unlearned) and new behavior successfully adopted” (Gallos 2006:142). This process is not easy, organization could be in different states of the change, some departments might be ready due experienced daily challenges while other departments could need much more time for unfreezing stage. Lewin cited in J. Gallos (2006:142) states: “The “unfreezing” of the present level may involve quite different problems in different cases”. Unfreezing stage is complicated due involved psychological aspects of the human.

Enlarging on Lewin’s ideas, Schein (1996) comments that the key to unfreezing was to recognize that change, whether at the individual or group level, was a profound psychological dynamic process. Schein identifies three processes necessary to achieve unfreezing: disconfirmation of the validity of the status quo, the induction of guilt or survival anxiety, and creating psychological safety. ...those concerned have to feel safe from loss and humiliation before they can accept the new information and reject old behavior (Schein cited in Gallos 2006:142).

2. Moving – This is the stage when actual implementation of the change happens. It is active process when evaluation and identification of forces happens; all the options are considered, evaluated on trial and error basis (Lewin cited in Gallos 2006:142).
3. Refreezing – “Refreezing seeks to stabilize the group at a new quasi-stationary equilibrium in order to ensure that the new behaviors are relatively safe from regression” (Gallos 2006:143). At this stage it is important to ensure that group has learned the new behavior not only individuals otherwise individual could return to old behavior due group pressure (Gallos 2006: 143).

“Action Research is a strategy for generating and acquiring knowledge that managers can use to define an organization’s desired future state and to plan a change program that allows the organization to reach that state” (Jones 2007:288). Action Research is active ongoing process which seeks to research of the situation then action taken based on research and then finding facts about the results of action (Gallos 2006: 140)

The main steps in Action Research are

1. Diagnose the organization – “first step requires managers to recognize the problem that needs to be solved and acknowledge that some type of change is needed to solve it” (Jones 2007:288).
2. Determining the desired future state – at this stage managers decide what type of change to implement what would be action to support the change implementation, what are the alternatives (Jones 2007:289).
3. Implementing action – is a three-step process (Jones 2007:290).
 - 3.1. At first managers seeks the ways how to decrease the level of resistance and what would be strategy to refreeze it when organization is ready for it (Jones 2007: 290).
 - 3.2. “The second step is to decide who will be responsible for making the change and controlling the change process” (Jones 2007:290) The possible options proposed by theory are:

“External change agents –“people who are outside consultants who are experts in managing change”” (Jones 2007:290), or/and

“Internal change agents – “managers from within the organization who are knowledgeable about the situation to be changed”” (Jones 2007:290).

3.3. The third step sets the strategy for Three-Step model to implement the change. Specific techniques for implementing change fall into two main categories: top-down change and bottom-up change. "Top-down change is implemented by managers at a high level in the organization" (Jones 2007:290) This might be used when more drastic change is needed. "Bottom-up change is implemented by employees at low levels in the organization and gradually rises until it is felt throughout the organization" (Jones 2007:290).

4. Evaluating the action – the forth step evaluate the process of implementation and decide if more change is needed or the goals has been reached and organization has been refreeze. Evaluation is done based on previously set criteria which are essential part of evolution to gain the real understanding of the situation (Jones 2007:291).
5. Institutionalizing action research – Organizations have to apply action research as circular process to make it as habit. Change process is complicated therefore proper reward for employees must be set to refreeze new behavior in the organization and to stimulate action research process (Jones 2007:291,292).

Kurt Lewin Planned change can be both; revolutionary change or evolutionary change.

Organizations that change the most are able to exploit the advantage of evolutionary bottom-up change because their managers are always open to the need for change and constantly use action research to find new and better ways to operate and increase effectiveness. Organizations in which change happens rarely are likely candidates for revolutionary top-down change. Because their managers do not use action research on a continuing basis, they attempt change so late that their only option is some massive restructuring or downsizing to turn their organization around (Jones 2007:291).

Managers set the environment in the company and their knowledge of change approaches is important factor of what type of change will be experienced.

4.1.4 Key Roles

The Planned Change by Kurt Lewin mostly talks about managers who implement all necessary steps to achieve successful change. However it is not distinguish what type of managers at what stage of the process, which leaves reader to guess. The general definition of manager is: "managers are the employees who are responsible for coordinating organizational resources and ensuring that an organization's goals are successfully met" (Jones 2007:29).

Managers can be classified as:

1. Corporate managers – “The members of top management teams whose responsibility is to set strategy for the corporation as a whole” (Jones 2007:38).
2. Divisional managers – “Managers who set policy only for the division they head” (Jones 2007:38).
3. Functional managers – “Managers who are responsible for developing the functional skills and capabilities that collectively provide the core competences that give the organization its competitive advantage” (Jones 2007:38).

The Action Research Step 3 proposes key roles which are responsible for leading the change besides managers. Two types of change agents are proposed: external change agent and internal change agent. Based on situation one of the proposed change agents can be used or combination of both in respect of general weaknesses of both types.

The principal problem with using internal change agents is that other members of the organization may perceive them as being politically involved in the changes and biased toward certain groups.

External change agents are likely to be perceived as less influenced by internal politics. Another reason for employing external change agents is that as outsiders they have a detached view of organization's problems and can distinguish between the “forest and the trees”(Jones 2007:290).

The Action Research is design to help managers acquire necessary knowledge to design change program but it does not give description what skills are required for key managers who actually implement the change strategy and how they acquire these skills.

Based on theory the career path for person who is looking for change management responsibilities has two options. Person can develop himself in some position within the company to reach status of manager or develop his career as consultant. Working in the company would mean that person have to have knowledge in some other field beside the change management.

4.2 Leading Change by John P. Kotter

John P. Kotter published his book “Leading Change” in 1996, which was well received by audience (Cohen 2005:xiii). To give more of examples from real life struggles and changes Dan Cohen cooperating with John P. Kotter published book “The Heart of Change Field Guide”, where Mr. Kotter theory has been supported with tools and real life stories. The book presents the Eight - Step Framework for Change.

The Eight Steps Framework for Change has three main stages (Creating the climate for change, Engaging and enabling the whole organization and Implementing and sustaining the change), which are very similar to Three - Step model proposed by Kurt Lewin (Cohen 2005:3).

1) Creating the climate for change

1. Increase Urgency – “Change leaders must build a sense of urgency about the needed change by heightening energy and motivation” (Cohen 2005:3).
2. Build Guiding teams – “The next step is to mobilize leaders who are focused, committed, and enthusiastic and can lead the change...” (Cohen 2005:3).
3. Get the vision right – “Step 3 involves creating a clear, inspiring, and achievable picture of the future. The vision must describe the key behavior required in the future state so that strategies and key performance metrics can be created to support the vision” (Cohen 2005:4).

2) Engaging and enabling the whole organization

4. Communicate for buy-in – “During this phase, change leaders must deliver candid, concise, and heartfelt message about the change in order to create trust, support, and commitment necessary to achieve the vision” (Cohen 2005:4).
5. Enable action – “In this step, leaders must bust the barriers that hinder people who are trying to make the vision work by developing and aligning new programs and designs, and by identifying processes that are ineffective” (Cohen 2005:4).
6. Create short-term wins – “During this step, leaders must reenergize the organization’s sense of urgency by achieving visible, timely, and meaningful performance improvements to demonstrate that progress is occurring” (Cohen 2005:4).

3) Implementing and sustaining the change

7. Don’t let up – “This step is critical to ensure that the guiding teams are persisting, monitoring and measuring progress, and not declaring victory prematurely” (Cohen 2005:4).
8. Make it stick – “In this final step, leaders must recognize, reward, and model the new behavior in order to embed it in the fabric of the organization and make the change “the way we do business here”” (Cohen 2005:5).

When Eight – Step model is applied it is important to use every step, be aware that several steps may happen at the same time and continuously, the process is dynamic and steps may be revisited several times during change process (Cohen 2005:5).

4.2.1 Key Roles

1. In Eight - Step Framework key roles of who should lead change have been discussed closer in second step - Building Guiding team.
- The sponsor – the highest level individual who initiate the change.

The Sponsor is typically a senior executive in the organization and the person who is ultimately responsible for the change initiative. This person's role is to provide executive-level support and the resources needed to drive the change effort. The sponsor also chooses the members of the senior guiding team (Cohen 2005:36).

- The senior guiding team – next level team or teams to support the initiation of change by the sponsor.

The senior guiding team is composed of individuals who have sufficient influence and authority in their area to make decisions and assemble the resources and support needed to make the change succeed. This team, which should be assembled at the very beginning of the change initiative, is responsible for developing the vision, engaging and guiding the organization during the change process, and managing the change initiative to its successful completion (Cohen 2005:36).

- Field guiding teams – third level teams which are actively involved in implementation and leading process.

The field guiding team should comprise highly respected and credible people who are representatives of the constituencies in the organization that have a significant stake in the change. The role of the field guiding teams is to roll out the vision by engaging and guiding the organization in the change process as well as lead the change initiative to its successful completion. These teams will be established as the change takes shape and communication by credible leaders is required (Cohen 2005:37).

- Change teams – the teams which are implementing the change and lead their employees to successfully change.

The change teams are composed of managers and supervisors who can ensure that tasks are completed properly and on time, and can provide assistance in the design and deployment of the change program. Change teams are formed when the tasks associated with the change are determined (Cohen 2005:37).

John P. Kotter emphasizes that it is important to choose the right people for guiding teams. He suggests necessary key skills and attributes of guiding team members, which are power and influence, leadership, diversity, expertise and credibility. Every member of the team should have at least one of the key skills (Cohen 2005:38).

2. HR role in Change Projects

In 2005 Harvard Business School Press published book “The Essentials of Managing Change and Transition”, book was written for Human Resources (HR) professionals based on John P. Kotter theory which has been used to understand the role of HR in change process.

HR managers can support change project in a way other managers cannot do due their job specifics. Besides the regular tasks HR managers can assist change process with following actions:

- Help institutionalize successful change through employee development, rewards, and organizational design;
- Facilitate meetings and off-site conferences among managers to devise plans for implementing change initiatives;
- Hire and assign consultants to projects related to a change effort;
- Reassign and/or outplace personnel displaced by change;
- Design and arrange for executive, managerial, and employee training needed to secure the successes of a transformation (The Essentials of Managing Change and Transition 2005: 83):

HR can have two roles in organizational change:

- Change agents – they initiate and lead the organizational changes that a company must make to remain competitive in the face of major business shifts (The Essentials of Managing Change and Transition 2005: 10);
- Change facilitators – they support change initiatives launched by others in the organization. (The Essentials of Managing Change and Transition 2005: 10)

John P. Kotter has acknowledge the importance of people who are responsible for change management and he recognize several groups of people. Team work and right people in right place are very important for change project. He has discussed also the skills which are required for certain key roles.

Based on theory change management responsibilities are shared between leaders who are interested in change management. The level of responsibilities varies therefore the individual has growth options within the company for change manager career path. At first individual can support change in departmental level or apply to be involved in Field Guiding Team. When experience and trust is gained then person can be involved in

senior guiding team and work closer with strategy. Consulting is another option to be involved in change, however external consultant do not get responsibility to implement the change, their responsibility is to focus on creation of strategy.

5 Evolutionary change

Chris Argyris (1999:1) writes that literature has been divided in two main categories: “the practice-oriented, prescriptive literature of “the learning organization,” promulgated mainly by consultants and practitioners, and the predominantly skeptical scholarly literature of “organizational learning,” produced by academics.”

5.1 The Learning Organization

Many theories of learning organization exist, however most of authors have been using at least some of approaches proposed by Peter M. Senge, therefore his version will be chosen as foundation for theory of learning organization.

Peter M. Senge writes that learning organization is

“where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together”(Senge 1994:3).

The Learning Organization theory proposed by Peter M. Senge consist of 5 disciplines, where each of them are important and connected (Senge 1994:6). These five dimensions are:

- Systems Thinking – the discipline teach to take responsibility, “shows us that there is no outside – that you and the cause of your problem are part of a single system” (Gallos 2006:782). System thinking focuses on seeing interrelationships and do not react on situation as isolated event but see it as part of the process. It is important to understand the dynamic complexity instead of detail complexity, to find “where a change - with a minimum of effort - would lead to lasting, significant improvement” (Gallos 2006:781,782). System thinking avoids symptomatic solutions but works with underlying causes.(Gallos 2006:782)

- Personal Mastery – Discipline of personal growth and learning. “Organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning. But without it no organizational learning occurs.” (Senge 1994:139) Peter M. Senge disagrees that organizations change fundamentally only when there is a crisis like it is proposed by revolutionary change. He argues that people seeks change and fears at the same time. To show an example he asks “What is the first thing you would seek if you had life of absolutely no problems?” From his experience people very often answers “change – to create something new.” (Senge 1994:155) Personal Mastery seeks to answer two main questions: “What we want?” and “Where we are relative to what we want?” The process of finding the answer is never ending, people are responsible to clarify their position and what they want constantly (Senge 1994:141)

The juxtaposition of vision and a clear picture of current reality generates “creative tension”: a force to bring them together, caused by the natural tendency of tension to seek resolution. The essence of personal mastery is learning how to generate and sustain creative tension in our lives. (Senge 1994: 142)

- Mental Models – discipline of “developing reflection and inquiry skills to be aware, surface, and test the deeply rooted assumptions and generalizations that we hold about the world” (Gallos 2006:108) One of the most discussed aspect of mental models is Defensive Routines proposed by Chris Argyris. Defensive routines are “habitual ways of interacting that protect us and others from threat or embarrassment, but which also prevent us from learning” (Senge 1994:237) Defensive routines influence people thoughts and made assumptions.
- Building Shared Vision – discipline of “developing shared images of the future that we seek to create and the principles and guiding practices by which to get there” (Gallos 2006:108). Shared vision must be created by everyone to ensure that people will follow it. System thinking helps people see why they are where they are and that helps them to create the vision of future (Senge 1994:231)
“Personal mastery is the bedrock for developing shared visions” (Senge 1994:211) Peter M. Senge gives an example which explains shared vision very well:

Shared vision is like hologram, no matter how small the divisions, each piece still shows the whole image. The component “pieces” of the hologram are not identical. Each represents the whole image from a different point of view. So, too, is each individual’s vision of the whole unique. We each have our own way of seeing larger vision. When all pieces are added together in hologram, the image of the whole does not change fundamentally, image becomes more intense, more lifelike. (1994:212)

- Team Learning – discipline of “group interaction that maximizes the insights of individuals through dialogue and skillful discussion and through recognizing interaction patterns in teams that undermine learning (Gallos 2006:108). Teams have to learn how many minds together can create more potential, can be more intelligent than one mind, how they can complement each other, and how they can pass the team learning skills to other teams. (Senge 1994:10)

“The discipline of team learning involves mastering the practice of dialogue and discussion, the two distinct ways that teams converse”(Senge 1994:237). For successful dialog three basic conditions needs to be met:

- 1) all participants must “suspend” their assumptions, literally to hold them “as if suspended before us”;
- 2) all participants must regard one another as colleagues;
- 3) there must be a “facilitator” who “holds the context” of dialogue (Senge 1994:243).

In dialogue, complex issues are explored. In a discussion, decisions are made. “A learning team masters movement back and forth between dialogue and discussion. Failing to distinguish them, teams usually have neither dialogue nor productive discussions” (Senge 1994:247).

“Team learning also involves learning how to deal creatively with powerful forces opposing productive dialogue and discussion in working teams” (Senge 1994:237) Chris Argyris “defensive routines” discussed in theory of organizational learning explains the phenomena.

All disciplines have to be mastered and learned, which takes time and patience (Senge 1994:238).

The Learning organization emphasizes the importance of continues learning and system thinking. “A corporation cannot be “excellent” in the sense of having arrived at a permanent excellence; it is always in the state of practicing the disciplines of learning, of becoming better or worse.” (Senge 1994:11)

“At the heart of a learning organization is a shift of mind – from seeing ourselves as separate from the world to connected to the world.” (Senge 1994:12)

The Learning organization theory by Peter M. Senge looks at all three perspectives.

People are working on themselves while they are working on “their systems”. A group might be studying how their product development process might be improved fundamentally, but the way they are doing their study involves reflecting

deeply on their own assumptions and ways of operating in that system (Senge 1994: xvii).

In the learning organization it is important to work individually with mental models, work in the groups to ensure team learning and see system and personal input in the system which have had caused individual to be in the situation he/she is.

5.1.1 Key Roles

Theory of the learning organization gives some information on who should lead the change. The key term is Leaders – “they are responsible for building organizations where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models – that is they are responsible for learning” (Senge 1994:340).

3 main leader roles are very important:

- Leader as Designer – leader which has knowledge and skills to work with strategy, be a designer of the change process. “First design task - designing the governing ideas of purpose, vision, and core values by which people will live” (Gallos 2006:771). “Second design task involves the policies, strategies, and structures that translate guiding ideas into business decisions...The key is not getting the right strategy but fostering strategic thinking (Gallos 2006:772). Third key task is creation of effective learning processes (Gallos 2006:773).
- Leader as Teacher – leader which has knowledge of all disciplines and who lives based on disciplines, therefore leader is able to help others to learn the fundamentals. “Help people restructure their views of reality to see beyond the superficial conditions and events into the underlying causes of problems- and therefore to see new possibilities for shaping the future” (Gallos 2006:775). Leaders teach people by example.
- Leader as Steward – is about attitude, these leaders belief that their effort will create higher level of organizational success and personal satisfaction. They feel as part of larger purpose that goes beyond their organization (Gallos 2006:776).

Leaders in learning organization need to have both inquiry and advocacy skills which can be learned and mastered.

“Systems thinking, personal mastery, mental models, building shared vision, and team learning – these might just as well be called the leadership disciplines as the learning disciplines. Those who excel in these areas will be the natural leaders of learning organizations” (Senge 1994:359)

Change implementation is achieved by many leaders, individuals who want to learn and show example to others (Senge 1994:359,360).

Based on theory the career path within the company related to change would be through different level of leadership. This would mean that person should have some position within the company which is not directly related to change and change management responsibility is more seen as extra responsibility not as separate field of profession.

5.2 Organizational Learning

Organizational Learning theory talks about challenges which are faced during learning process, what affects individual perceptions therefore also taken action.

In Organizational Learning theory wide discussions are about concept itself if organization as entity can actually learn and therefore change. “Organizations learn through individuals acting as agents for them. The individuals’ learning activities, in turn, are facilitated or inhibited by an ecological system of factors that may be called an organizational learning system.” (Argyris 1999:157)

Organizational Learning is based on perspective of individual and system. “A theory of organizational learning must take account of the interplay between the actions and interactions of individuals and actions and interactions of higher – level organizational entities such as departments, divisions, or groups of managers.” (Argyris 1999:8)

Organizational learning theory is based on concepts of

- Model I and Single-loop learning
- Model II and Double-loop learning

Single-loop learning – learning by “devising new actions without exploring underlying motivations and assumptions” (Gallos 2006:50).

Double-loop learning – learning “by comparison, attention turns to the collection of valid information, surfacing of conflicting views, and exercise of free choice and commitment by all involved (Gallos 2006:50).

Chris Argyris states:

First, learning occurs when an organization achieves what it intended; that is, there is a match between its design for action and the actuality or outcomes. Second, learning occurs when a mismatch between intentions and outcomes is identified and it is corrected; that is, a mismatch is turned into a match (1999:67).

Single-loop learning occurs when matches are created, or when mismatches are corrected by changing actions. Double-loop learning occurs when mismatches are corrected by first examining and altering the governing variables and then the actions" (Argyris 1999:68).

Chris Argyris talks about mismatch between theory what people actually use and the theory what they think they use.

"Individuals hold two theories of action: their espoused theory – describing the way they say they behave and their theory-in-use, which describes the behavior they actually display" (Argyris 1999:179).

Model I Theory-in-use is theory people actually apply in their daily life. Chris Argyris has conducted research which showed that Mode I is widely popular and can be generalized. "Human being hold theories-in-use which make it likely that they will deal with threat by bypassing it. The bypass strategies will all tend to lead to escalation of defensiveness and error and hence are not genuinely corrective." (Argyris 1999:179)

- Model I Theory-in-use – has four governing values:
 1. Achieve your intended purpose
 2. Maximize winning and minimize losing
 3. Suppress negative feelings
 4. Behave according to what you consider rational (Argyris 1999:56).

These values require defensive routine.

A defensive routine is any action or policy intended to prevent the players from experiencing embarrassment or threat, and does so in ways that makes it difficult to identify and reduce the causes of the embarrassment or threat. Defensive routines are overprotective and anti-learning (Argyris 1999:56).

Organizational defensive routines are caused by a circular, self-reinforcing process in which individuals' Model I theories-in-use produce individual strategies of bypass and cover up, which result in organizational bypass and cover up, which reinforce the individuals' theories-in-use. The explanation of organizational defensive routines is therefore individual and organizational. This means that it should not be possible to change organizational routines without changing individual routines, and vice versa (Argyris, 1999:59).

Author writes that these skills are trained already from early age therefore people are unaware of doing it, were skilled unawareness and skilled incompetence is a result (Argyris 1999:57).

For example, when individuals have to say something negative to others (your performance is poor) they often ease in, in order not to upset the other. Two of the most frequent easing-in actions that we observe are non-directive questioning and face-saving approaches. In order for these to work, the individuals must cover up that they are acting as they are in order not to upset the other. In order for a cover-up to work, the cover-up must be covered up (Argyris 1999:58).

People are aware what they do and they become skilled incompetent. Model I affects all learning processes.

For people to learn Chris Argyris has developed Model II which in ideal situation would become a Theory-in-use when it is mastered to level to use it automatically, without thinking about it.

- Model II governing values are:
 1. Valid information
 2. Free and informed choice
 3. Internal commitment to choice made in order to monitor the effectiveness of their implementation (Argyris 1999:181)

The first step is for strategy professionals to learn to deal with threat in other ways than Model I (Argyris 1999:181).

Chris Argyris has proposed steps to learn Model II:

1. The first step is to help individuals become aware of their Model I theories-in-use and automatic reasoning processes that lead to counterproductive skilled responses.
2. The second step is to help them see how they create and/or maintain features of O-I learning systems which, in turn, feed back to sanction Model I theories-in-use...
3. The third step is to help individuals learn a new theory of actions (in our case, called Model II) in such a way that could use it in an on-line manner under zero to moderate stress, thereby providing evidence that their new theory of actions has become not only an espoused theory but also a theory-in-use. Incidentally, this does not mean that individuals learn to discard Model I. Quite the contrary. They develop rules that state under what conditions Model I and Model II theories-in-use would be preferable...
4. The fourth step is to introduce their new actions into the organization and simultaneously help others to learn them also. They may have staff individuals create learning environments to provide others with the same learning opportunity that they had. But in the final analysis, the subordinates' learning will be reinforced or extinguished by the actions of their superiors (1999:88).

The Change process first of all starts at the highest level of the organization due required autonomy and power (Argyris 1999:88,135). Second it must be in individual level:

Organizational double-loop learning must begin at the individual level and then spread to the organizational level. Individuals are walking social structures. The socialization is so extensive and efficient that individuals will normally not act in ways to undermine it. They can be left alone because they are programmed with automatic responses which as we have seen are highly skilled. The irony is that successful socialization probably cannot be altered without beginning at the individual level. The moment one focuses on double-loop learning the individual becomes the basic social structure, and supra-structures cannot be changed without beginning with the individual (Argyris 1999:89).

Chris Argyris disagree with “belief that the best way to plan a reorganization is to appoint a top committee (with all the appropriate help) to develop a reorganization plan and then “sell” it to the organization” (Argyris 1999:119). Author emphasize that change plan which is developed behind closed doors will upset people about secrecy; will make people feel uncomfortable and it can double the time to accept the plan.

5.2.1 Key Roles

The change process is done by interventionists to teach employees at the highest level of the company and then they pass down the knowledge (Gallos 2006:158). Implementation of change is done by every individual in the company as mentioned before.

Based on theory the profession as change manager does not exist within the company due expectation to behave based on Model II principles. Once Model II behavior is acquired change would happen automatically. Therefore the career could be advanced in consulting business.

6 Summary of Theories

To better understand the similarities and differences between theories Table 6.1 Comparison between change management theories was created, which discuss different aspects of the theories. First aspect is the stakeholders; where the most of the pressure needs to be applied to ensure that change will happen, with the thought that when mentioned stakeholders or groups of stakeholders change then all organization will eventually change. Second aspect opens the discussion of who should lead the change based on theory and the term used to describe the responsible person. Third aspect talks about if process strategy is applied first or people. This point discusses if theory has some set of steps to follow despites who is responsible for change or change starts with people

and then some process strategy is applied to particular case, person or group based on people need. Following process strategy would mean that when all steps proposed by theory are completed then change should be implemented successfully while in other case when following people, change would be successfully implemented only when individual itself would learn to learn. The forth aspect is showing which perspective is dominating in the theory. The fifth aspect shows to which category theory belongs based on G. Jones (2007) definition of evolutionary change and revolutionary change. For example Kurt Lewin theory can be applied as both, it depends what managers decides to do. As a last but not least aspect is the reference to the other theory which in some way has influenced author.

Table 6.1. Comparison between change management theories.

	Planned Change by Kurt Lewin	The Learning Organization by Peter M. Senge	Organizational Learning by Chris Argyris	Eight-Step Framework for Change/Leading Change by John P. Kotter
Change is implemented by:	Managers as individuals	Many individuals	Individuals	Teams
Possible Key roles in leading the change process. (Term used in the theory)	Managers Internal change agents External change agents	Leaders Consultants for leaders	Outside facilitators	1.The Sponsor 2. Teams 3. HR Managers: -as change agents - as change facilitators
Process strategy vs. People	Strategy People	Strategy*	People	Strategy
Perspective: System/ group / individual	Group	1.System 2. Group 3. Individual	1. Individual 2. System	1.Group*2 2. Individual

Category: Revolutionary Evolutionary	Revolutionary change Evolutionary change*3	Evolutionary change	Evolutionary change	Revolutionary change
Reference to other theory:		Chris Argyris	Kurt Lewin*4	Kurt Lewin

* In the learning organization there is disciplines which are expected to be used by everyone in the organization which would create constant learning and therefore organization would be up to date all the time.

*2 Responsible person works with teams but when resistance is very high from individual then works with individual. Main message is addressed to individual.

*3 When managers are always open to the need for change and constantly use action research to find new and better ways to operate and increase effectiveness (Jones 2007:291).

*4 Chris Argyris refers to Kurt Lewin theory which is not presented in thesis. However the credibility of Kurt Lewin studies have been discussed in Argyris (1999) book.

Table 6.1 Comparison between change management theories presents that change is implemented by individuals in most of the theories. Based on theories the pressure and the responsibility lays on few individuals in the company, for example managers in Planned Change presented by Kurt Lewin. These group of people are expected to learn the new behavior first. The meaning of who are those individuals differs between theories. Individuals in Planned Change are different level managers within the company. Individuals in The Learning Organization are leaders who change their behavior and inspire others to follow them despite the status in the organization. Individuals in Organizational Learning are everyone in the company but the change starts with up. At first the change in the mindset have to be done in upper level and only then it is effective to change following people mindset. John P. Kotter propose to create the guiding teams who are responsible for different aspects of the change implementation during process, therefore at first group of people have been prepared for change and then they help to lead others through process as a group.

People who lead the change and who are implementing the change not necessary are same people. The main difference between leading and implementing the change is the aspect if individual have to apply the implementation rules to himself or not. For example, Kurt Lewin propose that external change agents, internal change agents and managers

can be involved in process of making the change and controlling the change. Internal change agents and managers can be the same people who implements the change but external change agent will follow the process of implementation but will not be the individual who implements the change himself. In theory of the Learning Organization leaders have responsibility of leading process and implementation process. They can acquire the skills and knowledge in trainings provided by consultants outside of the company but the leading process within the company is done by leaders. The Organizational Learning theory propose to use outside facilitator due complexity of being aware of our own behavior. In theory proposed by John P. Kotter responsibility of leading the change is given to several teams who are also responsible for implementation of change. Theory shows that one term for individuals who leads the change do not exist same as believes who should be responsible of leading the change.

Most of the theories provide guidelines for change implementation - process strategy. Process strategies includes the steps to indicate what behavior or processes needs to be changed to reach the goal. Process strategy involves the step to set a goal, the future state where company would like to be. For Planned Change or Kotter Eight Step process the goal could be very precise while in the Learning Organization the ultimate goal is to become a learning organization. The only theory which focus on people is Organizational Learning. Theory focuses on the way how people learn, therefore change starts with people, this means that when training on organizational learning starts people would learn to be aware of what they think they do and what they actually do, therefore the whole strategy of the company could change, or the process how company operates. Then more precious strategy can be created to reach the new goal of the company. Strategy based theory has following flow: Need for change -> Choose the process strategy -> Implementation. People based theory has following flow: Need for change -> Learn to learn -> Choose the process strategy -> Implementation.

Authors argue if change should be implemented in the individual level, group level or system/organizational level. Authors agree that learning have to happen in all levels however which level is responsible for change to happen they have different views. For example, Planned Change by Kurt Lewin suggests that when groups are changing within the company then all organization will change. The effort needs to be made to change the behavior of group. While in Organizational Learning the main effort needs to be addressed to individual who learns how his actions affects the system. In the theory of the Learning Organization author emphasizes the importance to show the importance of the system to the groups and then to the individuals. Individuals are expected to act and learn in respect to group and system.

Some of the theories in direct or indirect way have been presenting some ideas from already existing theory. For example Peter. M. Senge uses Chris Argyris theory of defensive routines in his theory of the mental models discipline for example in Senge 1994.182, 191. John P. Kotter has grouped the Eight-Steps of Change in three groups which are representing the same idea as Kurt Lewin Three-Step Model.

Change manager as separate position within the companies does not appear to be supported in the theories. Change management responsibilities are mostly seen as extra responsibility not position.

7 Company X

Case organization is global company, with matrix type structure, with great profit margin and leading position in the market. Company X has reasonable resources to invest in development and budget is not considered as constraint. To better understand the change projects several employees and managers were interviewed, observation in one of the sites were done and documents which were shared by managers and available to employees internally were analyzed. In the Company X straight hierarchy does not exist, therefore for thesis report reasons managers have been divided in the levels based on number of people between CEO and manager. First level managers report directly to CEO, second level manager has one person between and so far till level 6. Level 6 manager had one team to lead with employees in entry level positions. Interviews were conducted with managers up to level 3. During observation in the company managers from level 3 were involved.

Company had two main projects which can be observed as Change Management projects. Projects will be described in respect to sensitive information of the company therefore some generalization is applied; however the importance of the information is not lost. Process change project was mostly analyzed on observation while Cultural change project was based on interviews as the first input then documents and observations.

7.1 Change Projects

7.1.1 Project 1: Process Change

Goal of the project is to improve or change completely daily processes performed by employees across the whole company (communicated in AHM(meeting hold to all office employees)).

The change was initiated by CEO of the company based on yearly employee engagement survey. The strategy was to have bottom-up approach. Everyone in the company was asked to submit ideas what should be improved. Managers had responsibility to lead meetings where ideas were discussed and found the best solution for improvement in their daily work. After the team work, ideas were submitted for valuation. Valuation process is still ongoing as response of improvement ideas was higher than expected. One part of the ideas is chosen for stage to be tried and evaluated. At this stage the responsible people are assigned to the project (information gained from meeting with level 6 manager). The biggest challenge is to encourage people to try and implement ideas what they have suggested and could be tried at department level. At the beginning of the change project high energy and excitement were present while it changed during the valuation process (communicated in AHM). To energize people for further action meetings held by highly appreciated manager are kept where importance of project is presented (observation by author).

During observation two main theories were recognized in the project implementation. Kurt Lewin Action Research as closest strategy for change implementation and John P. Kotter Key Roles for people responsible of change project. Table 7.1.1.A. Action Research theory in Company X compares Action Research theory and Process Change project.

Table 7.1.1.A. Action Research theory in Company X

Action Research suggestions	Action taken for Process Change
Diagnose the organization	Problem was recognized from engagement survey, as many employees were not satisfied with processes done in their departments.
Determining the desired future state	Strategy for change project was created, communication channel created and environment for free flow of ideas created.
Implementing Action	Data was collected, evaluated and assigned to project teams. Higher managers were responsible for validation of ideas and consideration of resistance and challenges. When idea is accepted as valid then managers are responsible to assign the idea to project teams. Higher managers also decide if project will be top-down or bottom-up. Some of the projects involve high budget therefore these projects are assigned to be top-down and use

	<p>also external consultants to ensure risk mitigation. While some of the ideas are pasted back to the departments with green light to try and report the success of the change.</p> <p>Project teams are working on evaluating further the idea to consider all risks, benefits and lead the trial work.</p>
Evaluating the action	<p>This stage is not reached yet.</p> <p>This will be the stage where success of the project will be evaluated and will require the change management skills. Even the ideas have come from down, not all departments are excited about change due to possible change in their positions or daily tasks. Some projects are essential advantage for some department which creates fear of losing job for other departments, therefore resistance will be present despite the fact that idea comes from down.</p>
Institutionalizing action research	This stage is not reached yet.

Key roles of John P. Kotter could be recognized in the project. Table 7.1.1.B. Key Roles in Company X based on John P. Kotter theory compares the key roles in the theory and in the reality.

Table 7.1.1.B. Key Roles in Company X based on John P. Kotter theory.

Key Roles in theory	Key Roles in reality
The sponsor	CEO of the company initiated the change and he matches the description of the sponsor described by John P. Kotter. CEO is very committed to Process Change project based on information presented in meetings.
The senior guiding team	<p>Second and third level managers with assistance of consultant created strategy.</p> <p>For office where observation was conducted one particular person was used as senior guiding person. This person was very highly accepted, with authority and people were very inspired by leader, therefore person came to office to deliver the main message and keep positive energy in the office. This person was supervisor of field guiding team.</p>

Field guiding team	Each region had their own people to lead their employees through process and assisted them when necessary. Person closes to the employees applied for the position therefore it was his/her own choice to take extra responsibility.
Change teams	When decision of some ideas was made to try it, then change team was assigned to ensure the successful process of trial period of idea.

Special positions and adjusted work descriptions have been done for Process Change project, which are temporary positions, therefore this indicates that the project is seen as revolutionary change.

Project has been taking more than a year and is still in the process of validation of ideas. Some first ideas which involves high investment have been taken forward and few smaller ideas have been implemented. The implementation of small ideas have not been causing wide discussions as most of them could be implemented in departmental level, however some of the big technological ideas have been causing discussions and fear at ground level for some departments. Therefore some resistance to the project implementation process might be seen.

The biggest challenge will come to implement the chosen projects. People are eager to give ideas but resistant to ideas proposed by other departments. Proper communication to address their fears, clear guidelines how their work will change and ability to see their own contribution to reality can be seen as essential aspects of the change process at this stage.

7.1.2 Project 2: Cultural Change

The goal of the change project is to intentionally develop the culture which helps to ensure the company success in the future. Cultural Change project was initiated to ensure that culture supports new strategy of the company. Even employees of the company are happy to work for company, more strategic move is necessary to ensure future success. Cultural change project has top-down approach.

At first ExCo opened conversation about culture, where current and future position were discussed. Then CEO opened discussion with next level managers about why culture should be discussed. Next step was to understand what the culture within the company is and identify what needs to be evolved. When clear future state is defined, step by step

culture workshops are passed down to the employees (based on internal documents). Managers are responsible for implementation of the Change Project. Based on interviews and observations the closes theory to compare is John P. Kotter Eight Steps of Leading Change from process strategy perspective. Table 7.1.2.A. Eight-Step Framework for Change in Company X presents reflection between theory and reality.

Table 7.1.2.A. Eight-Step Framework for Change in Company X

Actions suggested by John P. Kotter	Action taken for Cultural Change
Increase Urgency	After ExCo conversion about culture, CEO gave introduction to next level managers about why they are talking about culture. This was step to increase urgency and show managers that culture needs to support strategy, therefore research on present culture is needed.
Build Guiding teams	At this stage it was decided who will create the strategy. HR had major role in the strategy creation. Consultant from one of the world leading consulting companies were used during process of strategy creation. However the key roles proposed by theory was not used in this project. Managers were given responsibility of implementation process.
Get the vision right	Several activities were taken to understand what needs to be improved, what is already supporting the strategy and what needs to be diminished. Activities were created for managers down to the level 4.
Communicate for buy-in	When clear vision was created, managers were left to analyze and create buy in story for their responsible area. Workshops for teams were created to support the change project.
Enable Action	Project is in process for this stage and following stages.

In the Cultural Change Project few main roles can be indicated. At strategy level HR plays the change agent role and on implementation level managers have the highest responsibility. Strategy was created by people who have previous experience leading the change projects, have Organizational Development Consultant experience. Interviewed level 3 and level 4 managers have had some experience or change management training in leading change. These managers felt more confident than lower level managers who did not have experience or theoretical knowledge on leading change.

Based on interviews (Appendix 1) managers felt confused to some level what exactly they can apply for their region, how to effectively deliver the information to the managers below. Managers at the last level were very confused and felt that they do not have enough of supporting tools to deliver the right training for their employees.

The other aspect which could influence the level of confidence of higher managers was the available information. Lower level managers had less information on whole project and they heard first time about cultural change project more than a year later. Some managers agreed that it made them feel that something behind closed doors are happening and it is scary for them.

Few important terms were used during meetings and in internal communication materials to understand what type of change company try to implement. Employees are encouraged to ask "Why?" in their daily processes, level 3 managers' use terms and phrases: learning organization, learn from failure, and try. All these words indicates that company eventually wants to reach the state of the Learning Organization however the strategy chosen for implementation of change indicates that it is revolutionary change. When asking level 3 managers what is the important factor to help implement the change one of the managers responded that "Buy-in" story is important. This indicates to John P. Kotter Eight Steps. Therefore high risk of mismatch between the goal and strategy exist. The learning organization requires much deeper work with teams and individuals than revolutionary change.

Based on interview results employees did not feel any change toward the cultural change on their daily processes. They admitted that the biggest challenge in the moment when interview were conducted was to understand what all "fuss" is about. Employees did not have personal attachment to the change and most of the employees thought that main responsibility to implement change is on managers. They did not feel that change starts with their behavior, which is the one of the most important factors for learning organization.

If company eventually wants to become learning organization more emphasize have to be addressed to disciplines of learning organization. Research shows that most of the entry level employees do not connect themselves to system, managers are waiting for more clear directions, and some advice how to implement the change. Most of the communication have been addressed what is the outcome they want to reach, but guidelines of implementation process is missing. Lower level managers do not have change management knowledge which would help them to create their own strategy how to support vision within their own departments therefore confusion is present, which creates unnecessary tension and negative energy. Employees at entry level see change as threat for

their positions which is not discussed. More practical aspects of the change have been addressed but general feeling and fear is left for employees to deal with.

7.2 Company X position as The Learning Organization

Due reason that the Learning Organization was one of the goals for Cultural Change and would give necessary support to Process Change project as well, interviews were made to understand the position of company regarding to the Learning Organization.

None of the managers agree that work with mental models is essential part of learning process in the company. It was generally accepted as “it would be nice but it cannot work in our organization”. They saw it as problem, for example explaining that it would conflict with positive environment they have in the organization, that it would be too “painful” process, they prefer to ease up in performance feedback to keep positive atmosphere.

When asking question to team if they would tell team mate about his annoying habit in task completion which affects all team, people strongly agreed that they would not want to deliver bad feedback to their team mate but at the same time they agreed that they would want to know honest feedback on their behavior. Based on discussion people are willing to work with their mental models but they are afraid to hurt others due knowledge gap of how to do it correctly.

Employees at entry level jobs were asked if they avoid embarrassment and all employees answered yes which indicates the presents of defensive routines. Also managers were asked the question and only one manager from all answered that embarrassment is part of learning process and it is not avoided in her/his daily life.

7.3 Critics on relationship between theory and reality.

Company X has two ongoing change projects which has not reached the closure yet. Both projects are very different but both projects follows revolutionary change principles. Based on research the link between the chosen strategy and chosen stakeholders to be responsible for change implementation and leading is not found. Case study showed that chosen strategy does not determine the key roles.

Three main factors should be connected for successful change project: strategy, key roles and goal of the project. In Company X the Process Change project is well established. It has complex structure to understand the needs of employees, well established

communication channel for submission of ideas, it has several key roles which are responsible for different aspects of the project and employees at ground level very well know where they can look up for information or to who they can talk if any question arise. The challenge of implementation of the ideas are present, which could be solved if employees learn the disciplines of the Learning Organization. This project is good example where two theories support each other, the process strategy is taken from Kurt Lewin Planned Change which is supported with key roles suggested by John P. Kotter. As John P. Kotter have been fundamentally influenced by Kurt Lewin the synergy between process strategy and key roles is good. The goal of the project is simple and clear: to simplify the process of daily tasks, therefore revolutionary change fits well for this project.

Cultural Change projects is confusing and arise some concerns.

Based on official communication in the organization the goal of the project is to reach the most complicated stage of the change - the Learning Organization which is evolutionary change, however the process strategy to accomplish this goal is based on principles of John P. Kotter Eight Steps theory and is implemented by managers as suggested by Kurt Lewin. The first concern arise from mismatch between evolutionary change goal and revolutionary change tactic to reach the goal. Cultural Change project is looking to change the way people behave, to change the way how people behave the thinking have to be changed. Table 7.3.A. Company X position as learning organization shows the mismatch between the chosen strategy and desired goal.

Table 7.3.A. Company X position as learning organization

	Company X Cultural change	The Learning Organization
Change is implemented by:	Managers	Many individuals
Key roles (Term used in the practice)	ExCo Managers Consultant	Leaders Consultants for leaders
Process strategy vs. People	Strategy	Strategy
Perspective: System/ group / individual	Group	1.System 2. Group 3. Individual

Category: Revolutionary Evolutionary	Revolutionary	Evolutionary change
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Strategy focuses on groups but the ultimate goal is to change the individual who behaves in respect to group and system. This raise the question how managers who do not feel confident on leading the change, do not have experience or knowledge on change management and do not have complete understanding of what the Learning Organization is can deliver the desired results? Based on theory the leaders who are passionate about change should lead the change instead of managers who are forced to take it as extra responsibility.

8 Findings and suggestions

Process Change project based on results and people engagement (hallway talks, referring to project in daily conversations) have been proceeding better than Cultural Change project. Process Change project aims to affect the tasks while cultural change the way how tasks will be done, however people feel more danger for their positions from cultural change then process change. Both projects would benefit from proper implementation of learning organization based on 5 disciplines and theory of Chris Argyris about defensive routines. In the Process Change employees will have more valid ideas on improvement as system thinking will be learned and will adapt easier to the changes caused by suggested ideas.

Based on situation concerning Cultural Change observed within departments and company key to success of the change projects will be ability to address employee concerns. Managers alone are not able to give people necessary training and comfort due their own concerns and established relationships with team. Managers will have to change first to gain trust of their teams to deliver any change. To learn and to teach at the same time is not effective way to approach the process. Teams have to learn together despite of the position within the company. When manager is seen as equally vulnerable and imperfect then team can start to learn together. Professional help is needed for everyone in the company.

The answer to the thesis question - if entry into the change management profession is largely 'accidental' due delegated change management's tasks in job description of managers, and limitations by company to choose the optimal strategy for key roles involved in change implementation and leading - is yes.

Based on theories and the practice the position called Change Manager is not suggested and applied, rather change management responsibilities are delegated to different employees internally or externally to consultants. Professionals interested to work with change management have two options for career development. First they can enter consulting business, second they can develop some other field of knowledge for example HR, which feels to be connected to change the most in the practice. Case study has showed that project managers and HR managers are chosen people to work with change project strategies therefore these are assumed to be the desired position for next change manager. Based on theory and case study author of thesis has been proposing the key role which would help to drive Company X to desired level of cultural change.

Company have overlooked the importance of professional involved in assistance of employee development on personal level. New position within the company should be created to support change efforts at all levels. Professional of change should be a person which, knowledge wise, connects any employee with originator of change project, person would hold the knowledge of desired goals and could advise any person in the company how they can proceed when they are confused. Employees would have chance to talk with person about any challenges they have regarding to implementation of change in their daily work. This would allow detect if manager is the one who actually delay the process of learning. Person would be responsible to keep facilitator role in the meetings and help people be aware of their mental models and defensive routines. Person could always advise managers if they have understood the message of change goal clearly and help them to deliver the message forward. All question about change project could be address to person, therefore managers would have less pressure of answering questions they don't feel comfortable due confusion. Information tend to be filtered when going through several levels of employees therefore the whole idea might be lost when it reaches the level of decision makers or implementers. The differences between consultant and the change professional are level of position of the company. Change professional is able to talk and advise any person within the company and it is his/her responsibility to be available. Person is skilled to make anyone in the company to feel that he/she is at the same level with person he/she is talking to. Change profession is not creating the strategy it helps deliver the strategy to all levels of employees. It is person who listens and helps everyone to reach the vision. Change professional holds the widest

knowledge of change theories, learning theories, is up to date for newest trends and is able to understand the challenges of information flow at all levels. This is person who can work with his/her own defensive routines and can help others to do it. It is important that change professional is employee in the company not consultant because it creates responsibility to the company and responsibility of success of the company. Consultants might deliver satisfactory results to ensure they have contract for next period while employee is interested to help reach the vision which means that deep problems can be discussed without fear of losing the job. Performance of the employee is measured of change of people communication style, change process movement.

Findings and suggestions have been based on information acquired during research and observation within the company. Some limitation have been affecting the quality of research, for example the time. The interviews were on average hour long due busy schedules of managers. Some of the interviews required special attention due professional skills of managers. Higher level managers tend to analyze the information they tell therefore standard questions are not always helping to get the real feelings of managers. Interview question attached in appendix are more general question but besides them each interview included more specific question designed on place to open up the person. Due limitation to conduct research in one company the results are not describing the overall market situation.

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Interview questions and answers for Cultural change

The answers of the interviews have been simplified and presents the dominant attitude of the employees on that certain level.

When did you hear about cultural change first time?

Employees: June 2018

Level 6 managers: June 2018

Level 4 managers: January 2018

Level 3 managers: October 2017

Do you feel any change in your daily processes related to cultural change?

Employees: No

Level 6 managers: No

Level 4 managers: Yes

Level 3 managers: Yes

What is your challenges to work in accordance to new culture?

Employees: Understand what all is about.

Level 6 managers: To understand how to implement the goal of projects on departmental level.

Level 4 managers: To understand what exactly to forward for their region.

Level 3 managers: To make experiments and feel free to act.

What do you think will be the biggest challenge to move towards the new culture?

Employees: Adjust to change.

Level 6 managers: Work with resistance.

Level 4 managers: Encourage people to take responsibility.

Level 3 managers: Encourage people to take responsibility.

How do you think, who is responsible for implementation of cultural change?

Employees: Managers

Level 6 managers: Employees

Level 4 managers: Everyone

Level 3 managers: Everyone

How do you think what is going on at the moment in process of cultural change?

Employees: Endless discussions

Level 6 managers: Clarification of what to implement.

Level 4 managers: Implementation

Level 3 managers: Implementation

How do you think what is your role in the cultural change?

Employees: Accept the change.

Level 6 managers: Train my team.

Level 4 managers: Driver

Level 3 managers: Driver of the change.

How do you feel about cultural change?

Employees: Scared

Level 6 managers: Confused

Level 4 managers: Positive

Level 3 managers: Positive

How do you deal with embarrassment and threat?

Employees: Avoid

Level 6 managers: Avoid

Level 4 managers: Avoid

Level 3 managers: Face it and Admit

What is your position in the company?

Employees: Entry level position

Level 6 managers: Manager in department

Level 4 managers: HR related position, project manager

Level 3 managers: Director of region, HR related position

Who initiated change project?

Employees: -

Level 6 managers: -

Level 4 managers: CEO

Level 3 managers: CEO

How do you think what is the challenges for successful project implementation?

Employees: -

Level 6 managers: -

Level 4 managers: Buy in story

Level 3 managers: Vision

What is your challenges to support change projects?

Employees: Missing knowledge

Level 6 managers: Missing knowledge

Level 4 managers: Missing knowledge

Level 3 managers: -

How did you get in the role what you have in change projects?

Employees: -

Level 6 managers: It is my manager responsibility

Level 4 managers: I have HR related position, it is in my job description.

Level 3 managers: I have global leading position, it is in my job description.

Have you had any training on change management?

Employees: No

Level 6 managers: No

Level 4 managers: Not directly

Level 3 managers: Yes

Do you feel you would need more knowledge to do your role better?

Employees: -

Level 6 managers: Yes

Level 4 managers: Yes

Level 3 managers: Yes

Who is responsible for implementation of the project?

Employees: Managers

Level 6 managers: Managers

Level 4 managers: Managers

Level 3 managers: Managers

