

# Employees' conceptions of organizational change in a Finnish hotel

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<p>Today's organizations face, at some point in their lifecycle, a change that fundamentally affects the business in one way or another. The reasons behind it are many, such as evolving technology, new trends, or swaying consumer demands. Despite the reasons, when large scale changes happen, strong leadership is the key to success and survival.</p> <p>This thesis aims to understand employees' conceptions of an organizational change that was implemented in a Finnish hotel chain. The commissioning hotel is a part of a luxury chain, which was acquired to be a part of a bigger nordic chain in 2019.</p> <p>The theoretical part first explains the differences between two approaches, change leadership and change management, out of which leadership aspect was chosen to be elaborated. It will also explain organizational change, the leader's role during change process, change resistance, and theories of the most important change management models.</p> <p>The empirical research was done by implementing semi-structured interviews. A total of nine employees of the commissioning hotel were interviewed from different departments. The employees working on a subordinate level were only selected, meaning that the managers were ruled out from the interviews. A thematic content analysis was done to get an idea of the phenomenon.</p> <p>The results of the research suggested that the employees' conceptions and experiences on the subject varied a lot. Most employees experienced the leadership during transition adequate, but shortage was detected in communication, training, and vision. The change affected the employees' level of motivation and engagement positively, and their mental wellbeing was not disturbed notably during the process. Change resistance occurred only passively, since it was stated that some were only putting in minimum effort and contribution towards the change initiative.</p> <p>The suggestions for development were related to the problem areas. The vision needs to be clarified and brought out more often, training needs to be more individualized, and communication style and channels should be reviewed. Although there was space for improvement in leading the change, it was concluded that there is not one sole recipe for successful change leadership, since people are different, and experience things in very different ways.</p>	
<b>Keywords</b> Change leadership, organizational change, transformational leadership	

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# **1 Introduction**

The only constant nowadays is change, which is known to cause disruption in the business world. Companies must continuously cruise across an ever-changing sea of challenges – such as new trends, technological advancements and demographic shifts – just to stay afloat and respond to the consumers' needs. In order to succeed, adaptability, flexibility and originality are needed to confront the competition across different industries.

The hotel industry is no exception from others. As customers' needs and interests constantly evolve and new trends emerge, the hotel industry must find ways to adapt. For example, the constant change shows in the increasing number of mergers and acquisitions, which is one way for hotel chains to alter and expand their portfolios and secure their presence in the competitive markets. Mergers and acquisitions are seen as one of the most challenging things to manage and lead, as they often cause a major change in the organization's structure, processes, systems or job roles. Therefore, good leaders are needed more than ever to survive successfully through organizational changes.

Change doesn't usually get mentioned without its accomplice, resistance. Change resistance occurs in almost every type of organizational change where employees are involved. Successful leaders have to be able acknowledge the downsides it brings, but also see the silver lining in it. Although resistance is often used in a negative context, it can still help for example, in preventing bad ideas from being implemented. It can also allow the organization to readjust its strategy, strengthen operational outcomes, and correct biases or rumours.

Accepting change and embracing is important for any organization. Without it, businesses will lose their competitive edge and fail to meet the ever-changing needs and expectations of consumers. It is important for leaders to show example during times of change and understand different aspects when leading their employees towards smooth transition.

## **1.1 Research objectives**

The commissioning party of this thesis has undergone an organizational change in October 2019. The aim is therefore to understand employees' conceptions of the organizational change and change leadership. The main research questions are as following:

- i. What are the employees' conceptions of change?
- ii. How have the employees experienced change leadership during transition?
- iii. How have the employees experienced their wellbeing, motivation, and engagement during the change process?
- iv. What are the employees' conceptions of change resistance?

This thesis is beneficial to the commissioning party, because it gives a thorough insight of the hotel's employees' conceptions about the organizational change and it increases the new owner organization's ability to actively support its employees throughout any future changes and lead them towards a healthier workplace climate. The results of this thesis can be utilized and referred to in the future, if major changes are to be implemented in the same organization, or in organizations of the same industry.

## **1.2 Commissioning party (Confidential)**

## **1.3 Thesis structure**

The structure of the thesis will follow the traditional guidelines of research-oriented theses. After introductions to the topic, chapter 2 starts with the theoretical part explaining the

difference between two approaches, change leadership and change management, out of which leadership aspect was chosen to be elaborated throughout the thesis.

The concept of organizational change is explained next, the focus being more on mergers and acquisitions (M&As), and the challenges they bring. Because M&As are labelled to transformational changes, transformational leadership is explained for this reason, and the qualities of a successful transformational leader are listed. The role of a leader in organizational change is reviewed, detailing the most important elements that need to be addressed by the leader during change.

The psychological transition process of individuals is studied next, with some insight to the most known models of change and transition. As a last part of the theoretical framework, an argumentative summary of change resistance and the reasons behind is reviewed.

The third chapter entails the empirical part of the thesis, where the chosen qualitative method is explained (semi-structured interview), the justifications for its selection, and how the interviews were executed. The chapter also includes a thorough explanation of qualitative content analysis and how the analysis was done in practice for this thesis.

The fourth chapter explains all the results from the interviews, following the structure and order of the interview questions. Some questions were combined to one subchapter, eventually forming a total of 10 subchapters. Firstly, conceptions about change are discussed in the first four subchapters, after which the subchapters concern mainly leadership in change.

The fifth and last chapter concludes main findings from the thesis, conclusions, and development suggestions for future. In addition, the validity, reliability, ethics of research, and the author's own subjectivity are considered in this chapter. In the end, evaluation of the author's own learning is discussed.

## 2 Leading organizational change

We are constantly living in a time of change, which makes it impossible for companies or organizations to avoid it. To survive and thrive, organizations must successfully manage large and complex changes at rapid speed. Machiavelli (2014, 43) pointed out already in the early 1500s that “there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take a lead in the introduction of a new order of things”. In business context it suggests that leading change process in an organization is among the most difficult processes one can attempt to succeed in, and therefore it needs maximum effort from leaders to conduct.

Pathak (2012, chapter 3.1) confirms that change is inevitable in progressive societies and a fundamental aspect of historical evolution. If there hadn't been any changes in the past, there wouldn't have been any history to write. Change at its very essence can be defined as an alteration which tends to affect the equilibrium (Pathak 2012, chapter 3.1). For change to happen, one must increase the striving forces for change or decrease the opposing forces maintaining the change (Hussain & al. 2018, 123). The process of change often happens in stages, each stage building on the experience of the earlier ones.

Change typically happens quickly and creates the need to move from the old ways to the new ones. Getting rid of the old ways and replacing them with the new ones are often illustrated with different kinds of change models. Lewin's 3-stage Change Model is considered as cornerstone of all change models. It demonstrates change going through three different stages: unfreezing the present, moving to the new, and then refreezing the new.

Unlike change, transition is best described as the internal psychological process of adapting to a new situation. It can happen quickly or slowly and is characterized by the ending of a previous condition. Moreover, change and transition usually occur simultaneously, which makes it even more important for leaders and managers to recognize them and lead both processes successfully. (Dinwoodie & al. 2013.)

It is good to keep in mind that it is actually the employees of the organization who have to ultimately change how to do their jobs. If these individuals are unsuccessful in their personal transitions, and if they don't embrace and learn a new way of working, the change will eventually fail. If employees embrace and adopt changes required by the change, it will deliver the wished results. (Prosci 2020.)

## 2.1 Change leadership vs change management

Change leadership and change management are both large disciplines in the change management literature which can be easily mixed up although they have quite different approaches to change. For the sake of clarity, the difference between the two disciplines is discussed briefly below.

Change management, which is the term everyone uses the most, is defined by Moran and Brightman (2001) as “the process continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers” (Hussain & al. 2018, 124). It refers to a set of tools and mechanisms which are designed keep any change effort under control. The goal is to minimize the distractions and impacts of change (Kotter 12 July 2011).

Change leadership, on the other hand, is concentrated on the driving forces, vision, and processes that mobilize large-scale transformations. It can be described more as the fuel for the whole change process, which makes it go faster, smarter, and more efficiently. Change leadership is more associated with urgency and taking a big leap and therefore has the potential to get things out of control sometimes. (Kotter 12 July 2011.)

When the change context is detached from leadership and management, they can be defined more to their cores. Hodges (2016, 115) defines leadership being about creating a vision for change, while management is about translating that vision into agendas and actions. Leadership produces change, transformation and disruption, while management produces order and consistency.

Northouse (2010, 2-3) identifies four core components that are always present in leadership: process, influence, appearance in groups, and common goals. Based on these components he explains leadership as a process by which an individual influences a group to accomplish common goals. Management on the other hand controls and oversees that the group works accordingly to reach those common goals.

The difference in the roles is defined by Stoughton and Ludema who say that leaders provide a framework for change by communicating their commitment, adopting reporting systems and prioritizing issues for attention, while managers adopt the new ways of thinking to translate the vision into action. Nahavandi agrees with this distinction and develops it further by stating the difference in long- and short-term approaches: Whereas

leaders have future-oriented perspectives and provide a vision for followers that looks beyond their immediate surroundings, managers have short-term perspectives and focus on routine issues within their own departments. (Hodges 2016, 115.) Both management and leadership are dependent on each other and are needed to ensure the fluency of transition in organizational changes.

Kotter (1999) also highlights the importance of both, management and leadership. He argues that they are two distinctive systems of action with their own functions and characteristic activities, but both are necessary for success, because one can't function without the other.

## **2.2 Organizational change**

Organizational change is a concept in the change management literature that is used to describe the process by which organizations move from their present state to the desired future state to increase their effectiveness. It often results from the pressure of external or internal forces, such as global competition (external) or new company policy (internal). When a change is introduced to an organization, ultimately it is going to affect one or more of the following: processes, systems, organization structure or people. Alterations to any of these can be either strategic (transformational) or operational (transactional). (Hodges 2020, 14.)

Dinwoodie & al. (2013) confirms Hodges' definition and explains organizational change as situations and occurrences that impact organizations and individuals – such as a new boss, a move to another location, or a shift in policy. Organization Development and Research Organization (s.a., in Pathak 2012, chapter 3.1) define organizational change as the implementation of new procedures intended to realign an organization with the changing demands of its business environment or to capitalize on business opportunities. Prosci (2020) takes a different approach to the ones mentioned above by stating that organizations don't change, but people in them do. The significance of successful individual change has more emphasis because it is the only way to result in successful organizational change. If individuals are not willing to make changes in their daily work, an organizational change will not deliver results. (Prosci 2020) Also, Gilley, McMillan and Gilley (2009, 40) point out that organizational change does not occur unless individuals or groups change by adopting different behaviours, routines, goals or values.

Transformational change, or by its synonym second-order change, is characterized by discontinuity, as it happens only once. Levy and Merry (1986, in McCalman 2015, 122)

define second-order change as “a multidimensional, multilevel, qualitative, discontinuous, radical organizational change involving a paradigmatic shift”. Hodges (2020, 14) and Smith (2018) agree with this definition and explain its contrary, first-order change, which is incremental and continuous, and makes small changes and improvements without touching any of the core values of the organization.

Transformational change has been described with the widely accepted metaphor of caterpillar transforming to butterfly, including a metamorphosis – the disappearance of the caterpillar and the appearance of the butterfly. The hardest part is the stage in the middle, when the caterpillar crawls into the cocoon. It is dark and cramped and seeing forward or behind is not possible, which causes feelings disorientation and confusion. Unless one gives up what is known familiar and moves through a period of unlearning, unknowing and metamorphosis, there is no chance of discovering what one can truly be or achieve, just like the caterpillar has no concept of being a colorful butterfly. (Cairnes 2011, 205-206.) This metaphor emphasizes the importance of going through discomfort of transformation, and if refused, it will eventually lead to failure.

Transformational change includes organization-wide and inter-organizational transformations such as strategic alliances, mergers, and acquisitions. These kinds of activities have been growing the last three decades but is in contrast with its high failure rate: the evidence indicates that around 70% of mergers and acquisitions don't succeed. The growth in mergers and acquisitions is driven by companies' desire to grow and strengthen their competitive positioning in the marketplace. (Brown, Gomes, Tarba & Weber 2011, 3-4.)

Although the terms mergers and acquisitions are often used interchangeably, there is a slight difference in the meaning of the words. Acquisition happens when one company purchases another and identifies itself as the new owner, obtaining a majority stake in the acquired company. Acquisitions are often done by companies in a similar line of business who wish to use the purchased business to improve their own operations. Sometimes a company may buy a direct competitor just to control more of the markets. The new owner, in other words parent company, takes over most of the business and continues stock trading while the target company's stock ceases to trade. However, the acquired company never changes its legal structure or name in the process. (Hayes 2019.)

Mergers on the other hand, happen when two companies of relatively same size join forces to become one entity, and do not remain separately operated and owned. Usually the boards of directors of the two companies approve the unification and try to seek for

the shareholders' approval. In the post-merger phase, the acquired company ceases to exist and slowly integrates to the new parent company. (Hayes 2019.) The difference between mergers and acquisitions mainly lies in the structure of the companies involved in the process. Mergers produce one big entity, which is managed jointly as one company, whereas in acquisitions the two companies remain separately managed and the companies' own names continue to exist.

Producing successful mergers and acquisitions is clearly a challenge in change leadership. The following list determines some of the major issues that leaders and managers confront when dealing with mergers and acquisitions (Palmer, Dunford & Akin 2009, 105-106):

- *Employee retention.* If people are an organization's best asset, then keeping key employees after the acquisition is another critical challenge facing merged organizations.
- *Cultural adjustment.* The merging of different cultures and the adoption of new operating systems and procedures can often lead to conflict. The way in which this is managed can be a major determinant of the success or failure of a merger or acquisition.
- *Communication.* Communicating effectively to employees, customers, and shareholders is an important issue when undergoing a merger or an acquisition. Failure to recognize the significance of this issue can be detrimental to success.
- *Contingency planning.* Many mergers do not begin with a compelling, well-thought-through strategy. The ability to plan and set priorities and goals for the future is needed.
- *Balancing change and continuity.* A balance is needed between the disruptions caused by the change and the need for continuity of work and positions in order to retain or re-establish employee identity with, and commitment to, the new organization.

Hotel X has undergone an acquisition and is currently owned by organization X. This has resulted to an organization-wide transformational change that has, too, the prospect of failure. Therefore, the acquisition process and the aftermath of it will be reviewed throughout this thesis. The new parent comp has not, however, interfered with the name or legal structure of the acquired company.

### **2.3 Transformational leadership**

Change leadership can be viewed and applied from many perspectives, always depending on the actual change context and situation where the organization stands. Since Hotel X has undergone an acquisition, it can be labelled under the discipline of transformational change. This subchapter therefore focuses on explaining transformational leadership and the characteristics of such leader, and the critique this leadership style has received.

Leadership expert James Burns was the first to introduce the concept of transformational leadership in 1978. In his work, he defines it as a process where “leaders and their followers raise one another to higher levels of morality and motivation” (Stewart 2006). The people who engage leadership are called leaders, and those toward whom leadership is directed are followers. Leaders need followers, and followers need leaders to create real change. (Northouse 2010, 3, 11.)

Bernard Bass and Ronald Riggio further developed the definition, delineating that transformational leadership concerns transforming the way people feel about themselves and raising their motivation, resulting in performance beyond expectations. In the context of organizational change, transformational leaders personalize a vision and work closely to make it a reality. (Hodges 2016, 117.) The result is increased commitment and capacity for achieving mutual goals (Stewart 2006, 9).

Transformational leaders set more challenging expectations and usually achieve higher performances because they motivate others to do more than the bare minimum. They also tend to have more committed and satisfied followers. Moreover, transformational leaders empower followers and pay close attention to their needs and personal development, helping them to develop their leadership potential. They behave in ways by employing one or more of the four core components (Figure 1) of transformational leadership. (Bass & Riggio 2006.)

The work of Burns was developed further by Bass and Riggio, who studied the underlying psychological attributes that make a transformational leader and refined a theory and measurement that comprises of four main components (Bass & Riggio 2006). Figure 1 shows the 4Is, which are designed to convert a person from a non-follower to a committed follower. The 4Is represent the ideal qualities that a transformational leader should have.

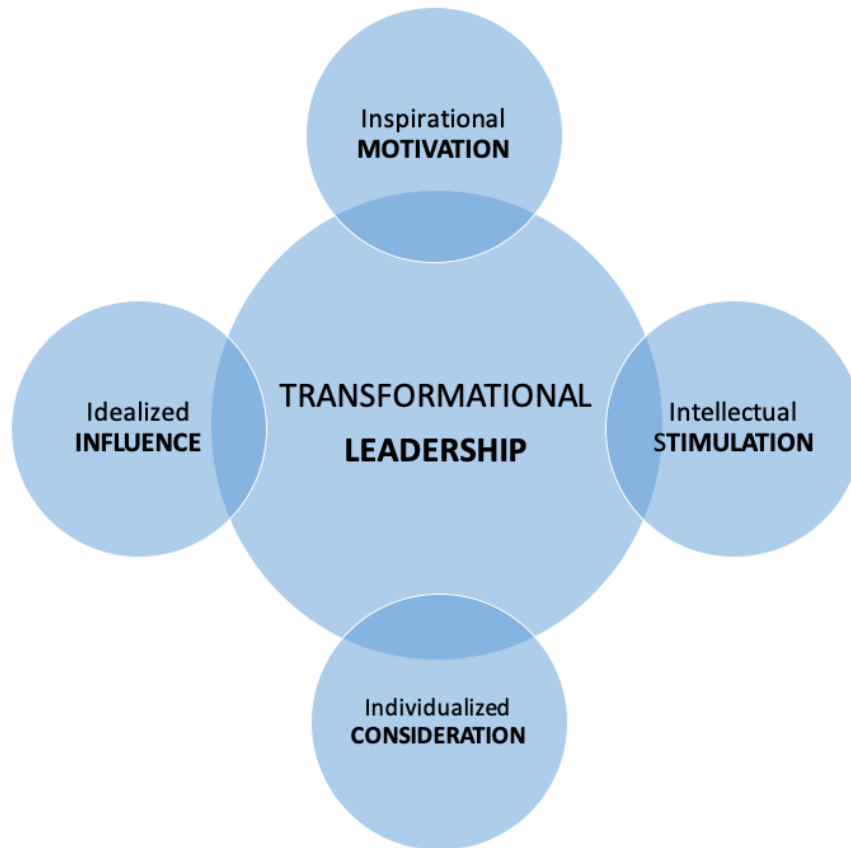


Figure 1. The 4Is (modified from Bass & Riggio 2006)

The first component is **idealized Influence**. The leader serves as a strong role model for the followers, who trust and respect them. The respect comes from showing high standards of ethical and moral conduct which drives the followers to emulate such leader. The leaders is also admired by their followers as having exceptional capabilities, perseverance, and determination. (Bass & Riggio 2006.)

When the leader has the ability to inspire and motivate followers to perform beyond expectations, it is called **inspirational motivation**. Being optimistic about mutual goals and showing the importance of all duties and responsibilities is essential. Team spirit is strongly enhanced, and optimism and enthusiasm are displayed. To get followers easily involved, the leader should envision an attractive future state the followers can imagine. (Bass & Riggio 2006.)

When the leader challenges followers to be innovative and creative and try new approaches, it is called **intellectual stimulation**. Taking risks is encouraged. The leader gets others to look at problems from different angles and encourages followers to think independently in order for them to become autonomous and take initiative when problems occur. (Bass & Riggio 2006.)

The last component is **individualized consideration**, by which the leader demonstrates genuine concern for the needs and feelings of others and acts as a mentor, coach or guide to the followers. The leader is aware of the unique talents that each follower brings to the workplace and supports them in demonstrating these skills and behaviours. In order to help with skill development of individuals, the leader needs to delegate tasks to others with consideration. This helps the followers to strive for self-development and show intrinsic motivation during work performances. Idealistically the leader uses a two-way exchange in communication and practices a “management by wandering around” -style in the work premises. (Bass & Riggio 2006.)

Transformational leadership has also been criticized by many authors and experts on the field. Marion and Uhl-Bien argue that transformational leadership is static and that it oversimplifies corporate life. Although the Four Is are easy to understand and apply, corporate life is usually much more complex and requires a leadership style that is able to deal with this kind of complexity. In addition, Alvesson und Einola summons that transformational leadership overemphasizes the positive outcomes generated by “The Great Leader” and suggests that this approach should focus towards leadership teams than individual leaders. Hutterman and Boerner add that it may courage excessive dependency on the leader in resolving problems (Hodges 2016). Also, van Knippenberg und Sitkin argues that tools to measure transformational leadership’s effects on organizational performance don’t meet scientific standards when it comes to validity. (Towler 2019.)

## **2.4 Role of the leader in organizational change**

Change management and leadership skills are linked to successful organizational change. Not being able to understand change implementation techniques or modify one’s leadership style are known barriers amongst others to success. (Gilley, McMillan and Gilley 2009, 40) Leading people is about inspiring, influencing and guiding. A good leader has the ability to persuade others to behave differently, communicate a clear vision, motivate people and secure their engagement to the organization and roles. Leaders are trustworthy and know how to involve people in decision making and thus earn the respect of their team. (Armstrong 2016b, 4.) Communication, involvement, motivation, and engagement are common themes for leaders during organizational change and are therefore elaborated in the following subchapters.

### **2.4.1 Communicating vision and direction of change**

The quality of communication has undeniably an impact on the change's success and communicating in a way that aligns with the vision is an important aspect in the role of a leader. The direction of the organization should be articulated through vision and it has to be done at an early stage in order to achieve a desirable outcome of change (Green 2007, 35). Also Witherspoon and Wohlert (1996, in Green 2007, 180) point out that the success of any organizational change depends on how well the plan and the substance of change is communicated to the targets of change.

Vision relates to the organization's goals and refers to the desired future state the organization is trying to achieve. It is an aspiration which can help mobilizing the energy and passion of employees and thus be a key driver of organizational change. Most change management perspectives emphasize the importance of a clear and meaningful vision, because without it, direction and motivation are defective. It aims to answer the question "what do we want to achieve?" (Palmer & al. 2009, 172.)

Kotter argues that effective visions are focused enough to guide decision-making but also flexible enough to enable individuals to take initiative in changing circumstances. Leaders are responsible communicating a vision that is clear, appealing to stakeholders, ambitious, and reachable. In order to avoid the failure of a vision, it shouldn't be unrealistic, vague or too specific. (Palmer & al. 2009, 175-187.)

When it comes to communication, Hodges (2016, 194-196) states that delivering key messages at the appropriate time the appropriate way is a vital component of successful change initiatives and it helps to shape employees' reactions to change. Communication about change has to be sincere, transparent, and honest. It has to go up, down and across an organization's hierarchy and be well-tailored to deliver the right imagery of change.

Marshak argues that changes fail when the imagery and metaphors do not go along with the type of change being implemented. To avoid problems rising from this matter, he advises leaders to align the language closely with the type of change. Marshak identifies a transformational imagery and language to be used in changes like mergers and acquisitions. It is based on a liberate and re-create view, where the leaders are visionary, and help discover new possibilities. Terms such as reinvention, re-creation, and adopting to a new paradigm are close to transformational change. Furthermore, Stace and Dunphy argue that the right communication strategy needs to reflect the type of organizational

change. Transformational changes require a more top-down form of communication, preferably combined with two-way communication that stimulates the emotional commitment to new ways of working. (Palmer & al. 2009, 220-228.)

## **2.4.2 Involving people**

Today's employees share a common interest to be involved in decision-making that affect them personally. Striving for maximum employee involvement is a critical factor in any change's success, because employees usually have insights on problems that occur on operational level. For that reason, leaders should profoundly increase the involvement of employees in the change process who help in supporting, evaluating, designing and implementing it. (Sims 2002, 42-50.)

Gifford, Neathey and Loukas (2005, 1) explain that employee involvement means harnessing employee potential and incorporating it into business strategy and aligning employees' interests with those of the organization. Glew, Leary-Kelly, Griffin, and Van Fleet (1995; in Hussain & al. 2018, 124) describe further that "employee involvement seeks to increase members' input into decisions that affect organization performance and employee wellbeing". Benson, Kimmel and Lawler (2013, 3) seem to agree with these definitions, but portray employee involvement as an approach to design work methods that emphasize high levels of employee decision-making authority. The very essence of employee involvement is empowering workers and giving them a say (Benson, Kimmel and Lawler 2013, 11).

Lawler (1986, in Mubeena s.a.) created an involvement framework for organizations to perform higher by emphasizing four key elements that should be present for employees in every level of the organization: power, knowledge, information, and rewards. These elements are described to be the foundation when implementing a high employee involvement program in organizations. Power is the ability to influence what happens in an organization and make decisions about one's work in all aspects. Information is about incorporating a strong upward-downward communication system, which ensures sharing information on a regular basis about processes, customer feedback, events or business results. Information should be provided in a way that allows individuals to be able to coordinate and manage themselves. Rewards mean essentially business results and employee contribution. They should be given for high performance by adjusting the compensation structure to be aligned with behaviours, outcomes and capabilities of individuals. The reward system should be also structured in a way that ensures that employees on all levels are rewarded. To fulfil the knowledge aspect, it is advisable to

provide training that focuses on economics, problem analysis, decision-making skills, and interpersonal skills. (Mubeena s.a.)

Lawler also emphasizes the importance of organizational structure, job design and information system. Organizational structure should be flat with fewer levels, thus making it easier to incorporate an information system that is open, inclusive, tied to jobs, decentralized and team based. In job design, an important component is the employees' input on how their job is performed and accomplished. (Mubeena s.a.)

Benson, Kimmel and Lawler (2013, 23) argue that the relationship between employee involvement and change is based on the psychology of involving employees in the process of change by alleviating the sense of uncertainty and fear. Participation increases employees' ability to cope with change by reinforcing their sense of control over their work during a stressful transition. Moreover, participating allows employees to acquire knowledge about the change which in turn speeds up their adaptation and supports psychological ownership. (Benson, Kimmel and Lawler 2013, 23.)

### **2.4.3 Motivating people**

Gilley, Gilley and McMillan (2009, 75) point out motivation as one of the most valuable leadership and management abilities in executing organizational change. Leader's ability to influence others to work for a common goal is a clear indication of talent to motivate and persuade others to act. Leadership is also tied to individual's internal motivation systems, and therefore a leader's ability to foster a work environment that enhances employee motivation proves to be critical. (Gilley, Gilley & McMillan 2009, 75-88.)

Deci and Ryan (2000, 54) explain that "to be motivated means to be moved to do something". The difference between a motivated and unmotivated person is that the motivated one has energy towards an end, whereas an unmotivated person usually has no impetus or inspiration (Deci & Ryan 2000, 54). Kroth's (2007, 15-16) definition seems to follow Deci and Ryan's as he identifies three qualities – energy, direction, and sustainability – that motivation consists of. He states that to sustain motivation in an organization, employees have to be provided direction or goals where to steer their energy. To arise and consume energy, employees should be allowed to do something they enjoy and then be rewarded for it. Hocine and Zhang (2014, 140) determine motivation as a psychological process, which begins with a need that transforms into positive behaviour through motives from intrinsic and extrinsic sources. To conclude in

short, motivation can be described as a driving force that makes people to act in a certain way, which leads eventually to goal-oriented behaviour in individuals.

There are various theories on motivation, but perhaps the most known is Self-Determination Theory (SDT) by Deci and Ryan (1985, in Deci & Ryan 2000, 55), which suggests that humans have three different innate psychological needs – autonomy, competence, and relatedness – which can be satisfied through self-determination. Autonomy represents the opportunity to make a choice to engage in an activity that aligns with one's values and interests, simply, to act upon one's own will. Competence is the belief that one has the ability to influence important outcomes and experience mastery. Relatedness provides the feeling of belongingness supported by strong social relationships. It is only when these three needs are satisfied, employees are fully motivated. (Deci & Ryan 2000, 55-65.)

In SDT, two different types of motivation were distinguished based on the reasons and goals that cause to action. The major distinction is between intrinsic motivation, which refers to doing something because it is enjoyable and interesting, and extrinsic motivation, which refers to doing something to attain separable outcome. (Deci and Ryan 2000, 55.) Extrinsic motivators can be, for instance, money, recognition, fame, or avoidance of a punishment. Intrinsic motivators on the other hand can cause to action because of enjoyment, challenge or satisfaction (Burkus 1 April 2020).

For leader to sustain motivation during change it is important to understand what motivates others and what individuals likes and needs in his work. When the needs are understood, extrinsic or intrinsic factors should be provided. However, it is argued that extrinsic motivators often undermine intrinsic motivators, because when individuals work for a long time through awarding, they forget the desire to engage in an activity on their own will. It is further argued that mostly intrinsic factors, such as sense of belonging, making a contribution toward a worthy goal or wanting to make a difference, lead to sustained motivation and high performance. (Hocine & Zhang 2014, 139-141.) However, Deci, Ryan and Olafsen (2017, in Fischer, Malycha & Schafmann 2019, 2) argue that employers cannot always assume that their employees are intrinsically motivated, because there are people who don't necessarily find their job interesting enough to work without getting paid or receiving rewards.

Individuals in organizations have usually a will to bring intrinsic motivation to work. Rather than trying to manufacture motivation, a leader should inspire by calling upon others' innate desire to make a difference, influence and explore their needs. This is proved in

SDT theory which is based on individuals desire to satisfy their psychological needs for competence, relatedness and autonomy. A leader that is able to create a supportive work environment with autonomy and control, will most likely get a positive response. On the contrary, if a leader fails to motivate, it will result to insignificance to work, absenteeism, grievances, lack of cooperation and resistance to change. (Hocine & Zhang 2014, 140-141.)

#### **2.4.4 Engaging people**

Organizational change can easily have an impact on employees' engagement as more and more changes begin to unravel over time. Workers who are already motivated, involved, communicated to and overall satisfied during the process, will most likely also stay engaged to their role and employer. It is stated by Young that engagement is the strongest predictor of organizational performance and therefore has also an impact on the performance and outcome of change initiatives (2007, in Markos & Sridevi 2010, 90).

Employee engagement is one of the most important aspects on the field of HR management nowadays and there are many schools of thought with regard to the definition of engagement. Kahn's interpretation of employee engagement has been used as the foundation for further reviews and works as a primary source for many authors on the field. According to Kahn's (1990, in Armstrong 2016a, 162) interpretation of employee engagement, it is the harnessing of organization's members to their work roles, and when engaged, people express themselves physically, cognitively, and emotionally during work performances. Towers Perrin Global Workforce Study (2008, 3) defines engagement in simpler terms by stating that it is employees' willingness to contribute to company success by going the extra mile and putting discretionary effort into their work. Discretionary effort signifies employees' willingness to perform above and beyond basic requirements and take extra voluntary actions without being asked. Armstrong (2016a, 162) agrees with the previous interpretations by stating that engagement takes place when employees feel passionate about their jobs, are committed to the company and put extra effort into their work to achieve high levels of performance. Furthermore, Harter, Schmidt and Hayes (2002, 269) describe engagement in three words by referring to individual's involvement, satisfaction and enthusiasm for work when fully engaged.

Recent studies seem to focus mainly on individual's engagement to work itself, but however, Saks (2006) argues that the concept of employee engagement consists of both work engagement and organization engagement, which are equally important in any today's organization. He describes organization engagement as personal attachment to

the company itself, separate from the individual's professional role within the organization. The consequences of fulfilled work and organization engagement are things such as job satisfaction, organizational commitment and lower intentions to quit or loyalty. (Saks 2006, 603-612.)

There are numerous advantages of engaged employees for organizations. For example, an engaged employee is more vigilant and more focused on their tasks and thus connected to organization's performance (Ariani 2013, 47). A group of engaged employees lead to better business outcomes, because they produce higher service quality that leads to higher customer satisfaction, which consequently leads to increased sales and higher levels of profit (Kruse 2012). Also, engagement especially in hospitality industry fosters excellent service climate, which increases customer appraisal of employee performance, and thus, customer loyalty (Salanova, Agut & Peiró 2005, 1224). In addition to the higher profit aspect, engaged employees can also produce a range of organizational benefits, such as lower staff turnover, better workplace attendance, increased productivity levels (Armstrong 2016a, 163) and high-quality relationship with their employer, showing positive attitudes, behaviours and intentions (Saks 2006, 613).

Although employee engagement is seen as a positive thing, there is also a downside to it which doesn't work for the benefit of the organization nor the employee. For instance, Halbesleben, Harvey and Bolino (2009, 1463) point out that being too engaged and overinvested in one's work leads to interference with family, because people might take work home, and thus distort work-life balance. Continuing this habit can cause lack of recovery and eventually professional burnout, where energy turns into exhaustion, involvement to cynicism, and efficacy is ineffective. When overly engaged employees put in discretionary effort continuously, it can become viewed as obligatory by supervisors and thus have a negative impact amongst workers who portray this pace unrealistic. This ultimately creates a work culture where it is difficult to retain and attract talent and diversity. (MacCormick, Dery & Kolb 2012, 195.)

There are three key elements that have to be present for genuine engagement to exist. First is the rational aspect that relates to an employee's understanding of their role, where it fits in the organization and how it aligns with business objectives. The second is the emotional aspect, which is associated with how the person feels about the organization, how much energy and passion they bring to their work, whether the job gives a feeling of accomplishment and how they relate to their manager. Lastly, the motivational aspect refers to how well the employees perform in their roles. (Armstrong 2016a, 163; Towers Perrin Global Workforce Study 2008, 3)

Crawford, LePine and Rich (2010, 842) list in their research seven different drivers for employee engagement, which should be enabled to achieve sustained and high level of engagement in organizations: (1) autonomy refers to freedom, independence and discretion allowed to employees during work performances providing ownership and sense of control; (2) variety of jobs allows individuals to use various skills and do different activities; (3) job challenge signifies that the scope of job is broad, and responsibility is high, thus allowing accomplishment and personal growth in employees; (4) feedback provides employees with direct and clear information about the effectiveness of their performance; (5) job fit is the compatibility between employee and the work environment meaning individual's compatibility to co-workers, manager or organization; (6) opportunities for development make job meaningful because they enable pathways for growth and fulfilment; (7) rewards and recognition represent compensation received from carrying out activities in employees' role description and meeting objectives. (Armstrong 2016a, 163-164; Crawford, LePine & Rich 2010, 834-842.)

In order to recognize disengaged and engaged employees, leaders and managers on all levels should be aware of the behaviours and attitudes that they typically portray at work (Table 1).

Table 1. Typical behaviors of disengaged and engaged workers (modified from Society for Human Resource Management 2017)

Engaged	Disengaged
Optimistic	Pessimistic
Team-oriented	Self-centered
Discretionary effort	High absenteeism
Solution-oriented	Reluctance to resolve
Selfless	Egocentric
Passion for learning	Prioritizes monetary worth
Passes along credit but accepts blame	Accepts credit but passes along blame

When the behaviours of engaged and disengaged employees have been recognised and the drivers of engagement enabled, leaders are more capable of sustaining engagement in organizations. Especially during unstable times, such as a change process, paying more attention to employees' engagement plays a vital role as much as the before mentioned concepts of communication, involvement and motivation. Oftentimes none of these concepts don't get mentioned without at least one of the other, which in turn tells that they are all connected to each other. For example, employees who are motivated will

probably be more involved in the change process, and consequently act as engaged members of the organization. Also Saks (2006, 614-615) confirms this by concluding that engagement should be viewed as a broad organizational strategy that includes all levels of the organization, a series of actions which require the involvement of all organizational members, and clear communications.

## 2.5 Stage models of change and transition management

Every kind of change includes always a transition phase, during which all people involved forget the old and welcome the new. Transition is best understood as the internal psychological process of adapting to a new situation. It can happen either quickly or slowly and is marked not by a new beginning but by the end of a previous condition. Furthermore, change and transition often occur at the same time, which makes the ability to recognize them even more important. (Dinwoodie & al. 2013.)

Figure 2 shows the Transition Model originally created by Bridges (2011), which demonstrates three phases that individuals go through mentally during the change process. The horizontal line represents the time and the vertical line represents the importance.

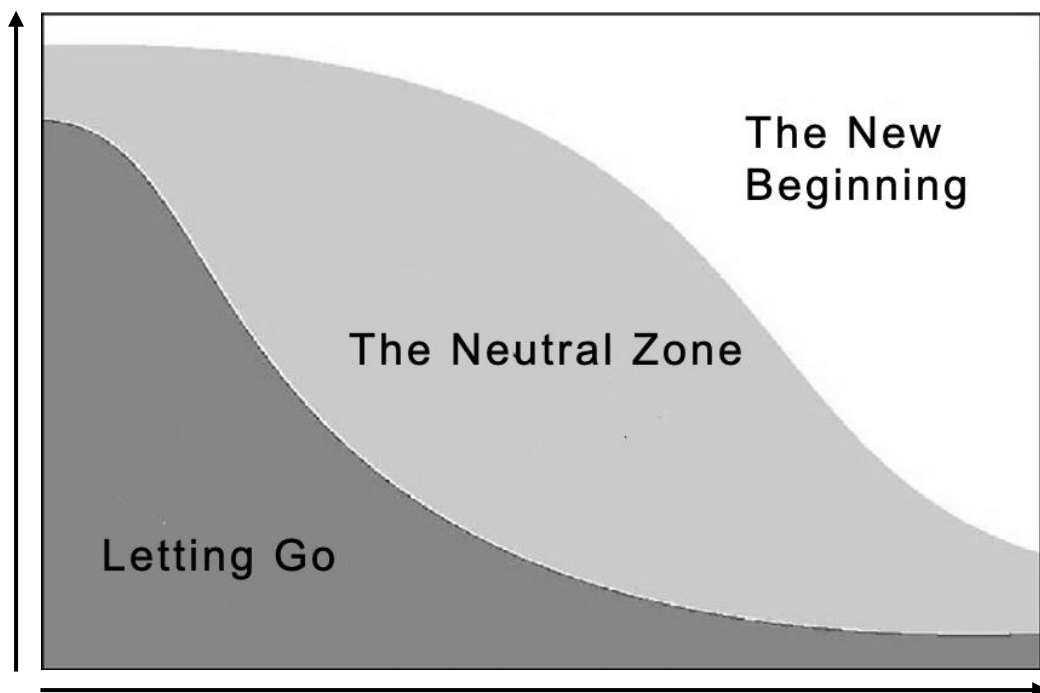


Figure 2. Transition Model (adapted from Bridges & Bridges 2011, chapter 1)

### Phase 1: Ending, Losing, Letting Go

This phase is entered initially when the change is presented to people. It is often marked with resistance and emotional upheaval, because people told to let go of something that

they are comfortable with. At this stage people might experience emotions of fear, sadness, denial, frustration, uncertainty or sense of loss. If these feelings are not acknowledged, most likely resistance will exist throughout the whole change process. To guide and lead people through the first stage, it is important to accept their resistance and understand their emotions. If a leader is able to listen empathically, communicate openly, and educate employees about a positive future, the likelier they will move to the next stage. (Bridges 2009, 23-37.) Allocating money to this stage can be a good investment, such as putting up a celebratory event, because it will soften the fall to the new (Herrin 2004, 1).

### **Phase 2: The Neutral Zone**

This stage can be seen as the bridge between the old and new and can be the most difficult, because there is no solid ground. It can be constant battle being attached to the old and adapting to the new at the same time. At this stage, the ones affected by the change are often impatient, confused and uncertain. Depending on how the change is led, the workload can increase because people are getting used to new systems and new ways of working. People might experience resentment and scepticism towards the change initiative, low morale and productivity and anxiety about their role, status or identity. In spite of these, this stage can also stimulate creativity, innovation, and renewal and is a great time to encourage people to try new ways of thinking or working. Because people might feel a bit lost, leaders should provide a sense of direction and set short-term goals, so that people can experience some sense of achievement. (Bridges 2009, 39-53.)

### **Phase 3: The New Beginning**

The last stage is about completing the transition and embracing the new change initiative. People are building skills they need to work successfully in the new way, and they are starting to reach early wins from their efforts. At this stage people are likely to experience high energy levels, openness to learning and commitment to their roles. As people begin to adopt the change, it is essential as the leader to help them preserve it. Successful leaders will remember to communicate on individual level and focus on talking about the part each employee plays in the outcome. Until this information is provided, some might feel left out and find it difficult to make a new beginning. (Bridges 2009, 57-73; Herrin 2004, 2.)

According to Bridges (2009), people will go through the stages at their own pace. Those who are comfortable with the change will likely move ahead to stage three quickly, while others might stall at the earlier stages. Some might even go backwards to previous stages if they think that the change isn't working.

Change is only successful if leaders and organizations address the transition that people encounter during change. Supporting people through transition rather than pushing or rushing them is essential for the change to go as planned. This is the key to availing on opportunities for innovation and creating organizational longevity. (William Bridges Associates 2020.)

The work of Bridges is comparable to Kurt Lewin's 3-step Change Model created in 1951, which is very often used as framework for further interpretations in change management literature. Lewin argued that change has three stages, unfreezing from the current stage, changing to a future state, and refreezing the desired state (Figure 3). However, Lewin's model only represents a general approach to organizational change and does not include the internal psychological aspect to it, which Bridges' Transition Model is about.



Figure 3. Kurt Lewin's 3-step Change Management Model (modified from Horvat 19 May 2020)

**Unfreezing** includes preparing people for change by creating awareness of the current status quo's inadequacy as well as creating the need for change. Effective communication plays a vital role in getting the support and involvement of the employees during change process. Leaders and managers usually encounter employees being stuck in denial, confusion or doubt. These are strong emotions which can lead to resistance later in the change if they are not resolved on time. (Horvat 19 May 2020; Varkey & Antonio 2010, 269.)

**Changing** is the stage when people are unfrozen, and the actual change is implemented in the organization. This stage can also be seen as the stage of transition, where people go through an in-between time, when the old is gone but the new isn't fully operational. People are in flux and might feel confused and distressed. Problems such as rising negativity, slowing momentum, and conflicts might arise. According to Kanter's Law (Kanter 2009), change is hardest in the middle, where everything looks like a failure because the middle part involves the hard work. Assigning an internal ambassador of

change at this stage is a considerable idea, because it can create a mirror effect on the resisting forces and push the implementation of change in the right direction. (Horvat 19 May 2020; Varkey & Antonio 2010, 269.)

**Refreezing** is about embedding new behaviours to prevent people sliding back to previous ways of doing things, that is, stabilizing the new equilibrium. In this stage people internalize the new ways of working and accept the change as a part of their daily working life and hence create new relationships. Leaders should be able to create short term goals, be persistent, and make the change permanent. When people reach those short-term goals, they should be celebrated, and desired behaviours rewarded and reinforced. People should also be reminded what are the direct benefits from the change to reduce the opposing forces for the change. (Horvat 19 May 2020; Varkey & Antonio 2010, 269.)

Although Lewin's many works on change management have dominated the theory and practice for many years, they have still received a lot of criticism from other researchers, especially the 3-step change model. Lewin's work on change was criticized as relevant only to small incremental changes in stable circumstances, and for overlooking issues such as organizational politics and conflicts. The 3-step model was also seen as encouraging top-down management-driven approach and ignoring situations requiring bottom-up change. However, it needs to be noted that when Lewin developed the 3-step model, it was not planned only for organizational issues and it was supposed to be applied with his other change theories. (Burnes 2004, 977-985.) It can also be argued that creating a sense of stability in the last stage is questionable, because today's world is ever-changing which results in constant changes in organizations. Why would one refreeze new ways of working if they are going to be changed anyway in near future? Moreover, refreezing stage does not necessarily work in organizations where small, continuous changes are present. On the other hand, maybe people need to have a closure for each change in order for them to process a new one.

## **2.6 Change resistance**

Organizational change efforts often run into some sort of human resistance. People tend to crave the status quo and resist things that disrupt familiar and trusted behaviours, processes and systems. Anything that disturbs the status quo can be seen intimidating, because it represents a loss of control over daily routines. Individuals or groups can react differently to change – some might passively resist it by showing non-commitment, whereas others can actively show direct opposition. (Kotter & Schlesinger 1999, chapter 2.)

Although change resistance is often rendered as a negative paradigm, Ford and Ford (2009) argue that there is a positive side to it too. Rather than seeing resistance as a threat, Ford and Ford describe it as a valuable resource which can be channelled as energy on behalf of the organization. They also point out that resistance should not be associated with failure, because it can decrease the opportunities to strengthen operational outcomes and correct biases. Moreover, Muo (2014, 103) supports this perspective, and explains resistance as a natural, acceptable phenomenon that unfolds depending on the nature, environment and conditions of change. It is further argued that instead of focusing on how to reduce and contain resistance, leaders should see it as a form of feedback, which can help in improving the quality of objectives and change strategies. When feedback is properly used, it enhances the prospects for successful change implementation. (Ford & Ford 2009; Muo 2014, 103-106.)

On the contrary to the views mentioned above, Luecke (2003, 46, 74) portrays people who resist the change as resisters, who are often inflexible, unaccommodating and lacking team spirit. They feel threatened by change and may see it endangering their livelihoods, perks, workplace social arrangements, or their status in the organization. Furthermore, Luecke states that it is important to identify people who have something to lose and redirect them towards smoother transition.

To help with recognizing potential resisters and predicting what form of resistance might take, managers and leaders need to be aware of the reasons, which Kotter and Schlesinger (1999, chapter 2) has categorized to four common ones. These include parochial self-interest, misunderstanding and lack of trust, different assessments, and low tolerance for change.

**Parochial self-interest** translates to people thinking they will lose something of value as a result of the change process. In these cases, people focus only on their own interests than those of the organization. The resistance often occurs as “political behaviour” and might result to public arguing and people making alliances with same views. (Kotter & Schlesinger 1999, chapter 2.)

**Misunderstanding and lack of trust** result when people do not understand the change’s implications and when trust is lacking between the person(s) initiating the change and the employees. They think that the change will cost them more than they will gain from it. Unless managers recognize misunderstandings and clarify them swiftly, they can lead to resistance. (Kotter & Schlesinger 1999, chapter 2.)

**Different assessments** derive from discrepancies in information that groups work with, which often leads to discrepancies in analyses, which in turn leads to resistance. Furthermore, if the analysis made by those not initiating the change is more accurate than the one made by the initiators, resistance is “good” for the organization. (Kotter & Schlesinger 1999, chapter 2.)

**Low tolerance for change** occurs when people fear they cannot develop new skills and behaviour required of them. Organizational change can require people to change too much too quickly which results to resistance. Because some people have more limited ability to change than others, it can even cause an individual to resist a change that is good by its nature. (Kotter & Schlesinger 1999, chapter 2.) Also, Oreg (2003, 680) argues that some individuals might resist changes even if they are aligned with their own interests.

To understand the reasons behind low tolerance for change resistance more deeply, Oreg (2003, 680-693) proves that there is a correlation between personality traits and dispositional change resistance. He introduces four major personality dimensions that influence the dispositional resistance to change: need for routine, emotional responsiveness, short-term focus on outcomes and cognitive rigidity. These factors suggest that individuals who are less open to new experiences, less tolerant to ambiguity, and more risk-averse will most likely show higher resistance to change. (Oreg 2003, 680-693.)

To deal with resistance, leaders and managers should be able to clarify how the change will create pain or loss in the organization and emphasize the benefits of change, which will then help shift the focus from negatives to positives. Communicating the “why” is to be done in the very beginning, because it contributes to the understanding of causal connection. If people remain reluctant and disengaged to the change, moving them out of their department and giving them new roles can work, but as a last option. (Luecke 2003, 75).

There are endless of reasons why people resist change. Someone can resist organizational change just to save their own face in the process whereas another might resist because of peer pressure or the supervisor’s attitude. Without an analysis of reasons for resistance, managers can sink very quickly during the change process and end up having costly problems in the long run. (Kotter & Schlesinger 1999, chapter 2.)

### 3 Research methods

This thesis aims to understand employees' conceptions about organizational change and change leadership. The main research questions were the following: What are the employees' conceptions of change? How have the employees experienced change leadership during transition? How have the employees experienced their wellbeing, motivation, and engagement during the change process? What are the employees' conceptions of change resistance?

Qualitative research focuses on generating meaning and understanding through human experiences. The concentration is on inductive approaches that are used to generate unique insights into phenomena and are difficult to measure quantitatively. Qualitative methods are always purposeful in nature and therefore use purposeful selection of participants who share a given characteristic. On the contrary, quantitative research methods use mostly random selection of individuals without a common factor or distinctive characteristic. (Currie 24 June 2015.)

Data collection in qualitative research happens through researcher, who is the primary instrument bringing own perspectives to the selection and meaning of data. On the other hand, quantitative research depends upon external instruments such as tests, surveys or other tools to measure and quantify a certain phenomenon. (Center for Research Quality 13 August 2015.)

The most common ways to conduct a qualitative research is to collect data with interviews, questionnaires, observations and information compiled from different documents. The data collection method always depends on the research situation. If the research setting is informal, it is logical to use observation, free conversation or autobiographies as a collection method. If the research setting is formal, it is common to use experimental methods and structured interviews. (Sarajärvi & Tuomi 2009, 71.)

After the comparison of quantitative and qualitative research methods, the main conclusion is the distinction in precise data. It is important to note what the main research question or problem is, and what one is trying to find out. If there is a clear emphasis on how, what, and why, one of qualitative research methods is the appropriate choice. On the contrary, if the aim is to answer to how many and generalize based on numbers and statistics, quantitative research method is the appropriate choice.

Since this thesis focuses on the conceptions of the employees and aims to find out their thoughts about the change they have experienced at their workplace, a semi-structured interview was chosen as a method. This theme could be studied also by using a quantitative method, i.e. structured questionnaire on a Likert-scale, but it would not give a deep understanding of the phenomenon and employees' conceptions and experiences.

### **3.1 Semi-structured Interview**

One of the first definitions of interviews appeared already in the mid 1950s by Maccoby and Maccoby, who defined an interview as "a face-to-face verbal exchange, in which one person, the interviewer, attempts to elicit information or expressions of opinion or belief from another person or persons". Many researchers of social sciences agree that interviews are mainly seen as conversations between people, where an interchange of views takes place about a mutual subject, hence *inter-view*. (Brinkmann 2013, 2.)

There is a certain conversational flow that is common in qualitative interviews. This flow can be divided into (1) question, (2) negotiation of meaning, (3) concrete description from interviewee, (4) interviewer's interpretation of the description, and (5) coda, after which the cycle can start again with a new question. The interviewer's task is to draw out all relevant responses, encourage inarticulate or shy, and be neutral toward the topic while showing interest. Mayo (1933, in Brinkmann 2013, 17) points out that a skilful interviewer follows the cycle, listens, doesn't argue and plots out tentatively what the interviewee is saying, which is then commented upon and verified by the interviewee. In addition, it is justified for a good interviewer to give out the interview questions or theme to the interviewee well in advance, in order to give chance to the interviewee to become acquainted with the topic. (Brinkmann 2013, 16-17; Sarajärvi & Tuomi 2018, 85-86; Gobo & al. 2003, 20.)

Sarajärvi and Tuomi (2018, 85) note many advantages of an interview setting. One of the most significant advantages is that the interviewer has the chance to repeat, restructure and clarify the question to correct any misunderstandings that might arise during the interview. Furthermore, the questions can be asked in an order the interviewer sees most natural. At the same time the interviewer can also utilize observation as a method, such as read the body language and pay attention to the tone of voice. However, the researcher should always clarify whether the observation method is used and whether it affected the final results. As a disadvantage, interview is very time-consuming, sometimes expensive and might have scarcity or overabundance in data. (Sarajärvi & Tuomi 2018, 85-86.)

Interviews can be divided into structured, semi-structured and unstructured interviews. For this thesis a semi-structured, thematic interview model was selected. This interview model uses pre-selected topics or themes and detailed questions, which are based on the knowledge of the researcher and the theoretical framework written about the topic. Semi-structured interview model emphasizes interviewees' conceptions about things they find significant of the subject. (Sarajärvi & Tuomi 2018, 87-88.)

A semi-structured interview model was selected for this thesis, because it is suitable for topics that deal with emotionally sensitive topics that the interviewees are not used to talk about. When conducting a semi-structured interview, usually some background information about the interviewees is often required. This background information was easily obtained by the author due to her job position in the company. Semi-structured interview also emphasizes free conversation and is based mostly on open-ended questions, which allows the interviewees more freely express their conceptions of the topic. For that reason, the author thought that this interview model was the most suitable option for this research.

Semi-structured interviews are often implemented as face-to-face interviews and recorded with a tape recorder, but all the interviews for this thesis were carried out as video interviews using Microsoft Teams video conferencing feature, which also allowed the recording of interviews. The interviews would have been implemented face-to-face, but the ongoing pandemic at the time of the interviews did not allow this. Everyone was interviewed individually in order to avoid others' opinions influencing one's own opinion and interpretation of questions.

The selection of interviewees was tendentious in order to guarantee that employees from different departments were heard equally. Nine people were selected in total from Meetings and Events, Reception, Bar, Kitchen, and Restaurant, varying between 1-3 persons from each department. Housekeeping department was excluded, because it is an outsourced department in the hotel, and it would have required another commissioning party agreement to implement the interviews. Furthermore, the author thought that housekeeping department would not give relevant material on the issues of interest.

In addition, another important factor was taken into consideration in the selection of interviewees: days spent in the company. Employees who had started working before the organizational change were targeted primarily, because the author thought that it enabled the employees to have a deeper understanding of the change and its impacts, and more easily compare the old and the new. Moreover, all selected interviewees were working on

a subordinate level, meaning they all reported to the heads of their departments. Senior managers and head of departments were not included in the interviews, because it would have required different research problems and questions, and the thesis would have been therefore too extensive.

Before the interviews, all willing participants received the research questions at least two day prior, so they could familiarize themselves with the subject. They were also told not to search answers for questions that required knowledge of the new owner or their current employer because this would have provided unrealistic and misleading responses about the subject. The interview invitations were sent to everyone's personal emails with the interview questions and a link to join a Microsoft Teams meeting. All interview questions were first checked by the hotel's general manager before sending.

As mentioned earlier, the interviews were recorded using Microsoft Teams. Interviewees' video cameras were mostly turned off because of their own will. It wasn't also necessary since observation was not chosen as an analysis method for this research. The duration of the interviews was 30 minutes at the shortest and 1 hour and 30 minutes at the longest.

The interview structure and questions were formed by following the theoretical framework part of the thesis. There were a total of 15 questions. Questions relating to the organizational change were placed first (Q1-Q6, Appendix 1). These questions were aimed to understand the employees' conceptions about the change itself and its implications, such as asking about first impressions and how the changes have affected their work and mental wellbeing. Easier and lighter questions about the change were placed first and more intense and difficult ones in the middle of the interview. Therefore, questions about vision and organizational structure were placed next (Q5 & Q6, Appendix 1), to test the knowledge they have acquired after the changes started. These two questions were also attempted to find out how well the vision and organizational structure have been communicated to the employees.

Questions 7-13 (Appendix 1), were formed based on the role of the leader(s) in the change process (Chapter 2.4). These questions were about communication and implementation of change, involvement and participation, support, and how the change has been led as a whole. Also questions about employees' motivation and engagement (Q12-13) were asked to find out if the changes had affected them in a positive or negative way, and how the leader(s) or managers have motivated and engaged the employees during the change.

The last two questions, Q14 and Q15 (Appendix 1), asked about change resistance and whether the employees think that something should have been done differently during change or what would they improve in the workplace. Change resistance can be oftentimes a difficult question and uncomfortable to answer to, so therefore it was placed at the end of the interview. Development suggestions were asked lastly, so that the interviewees could more easily analyse the whole change process and come up with ideas based on their conceptions about the change.

### **3.2 Qualitative content analysis**

The research material always describes the phenomenon, and the purpose of the content analysis is to create a clear description of it. Content analysis aims to organize scattered research material into a concise, coherent, reasonable format without losing the information it contains about the phenomenon. Miles and Huberman (1994, in Tuomi & Sarajärvi 2018, 122) portray content analysis as a 3-phase process. First comes the reduction of the research material, then clustering it, and lastly, creation of theoretical concepts or in other words, abstraction. (Tuomi & Sarajärvi 2018, 122.)

The analytic task already begins during the interviews when the interviewer attempts to understand and interpret what the participants are trying to say about the phenomenon (step 4 in the interview flow cycle). However, transcribing is usually seen as the first step into qualitative content analysis, which means translating the spoken word to a written word in the chosen approach of transcription. This can be writing down each word to a Word document for example. (Brinkmann 2013, 61.)

When the research material is reduced, all irrelevant information is eliminated by summarizing the data or clustering it into parts after transcription. For example, important expressions can be colour coded or underlined, where all the original expressions and the reduced expressions are searched from the data. This creates a layout for the clustering phase, where the reduced expressions are combined into their own groups or categories. (Tuomi & Sarajärvi 2018, 123-124.)

In the clustering phase, similarities and differences are searched from the material and the original expressions are reviewed. Expressions describing the same phenomenon are combined into categories or themes. Depending on the extent of the research, the researcher can create subcategories, categories, and main categories based on the data. This creates a layout for the research and a preliminary description of the phenomenon. (Tuomi & Sarajärvi 2018, 124.)

In the final phase, the research material is abstracted and conceptualized. Abstraction can be described as a process where concepts are derived from the research data and are connected as groups, categories, or themes. When the main groups, categories or themes are identified, conclusions are created in order to answer to the research questions. (Tuomi & Sarajärvi 2018, 125-127.)

In this thesis the recorded interviews were transcribed to separate written documents first. After transcription, all the answers to the questions were divided into groups question by question. The interview data was then analyzed by highlighting the similarities or repetitive themes that were brought up in the interviewees' answers. The highlighted sections were then commented by a reduced description of what the interviewee was saying.

When all the reduced descriptions were commented on the document, they were then categorized into themes. A new document with a table was created for this purpose (Appendix 2). The table was divided into three columns where the first left column refers to the interview questions, the middle one to the themes created, and the last one represents direct quotations from the interviewees. Direct quotations were used to make it possible for the reader to evaluate the credibility and accuracy of interpretations.

## **4 Results**

All answers and themes are further explained in the following subchapters, except for question 15, as that question was asking for development suggestions from the interviewees and is further elaborated in the next chapter. Some questions were combined into one subchapter because they had similar themes and the interviewees brought up mainly same answers.

The results are explained mainly following the interview question order, since the questions were following the theoretical framework of the thesis. Firstly, conceptions about change are discussed in the first four subchapters, after which the subchapters concern mainly leadership in change.

### **4.1 Conceptions about change**

When asked about first impressions and thoughts about the new owner and the change in general, five main themes were identified from the systematic content analysis. Those themes were unawareness, scepticism, positivity, neutrality and fearfulness. Most of the interviewees seemed to feel uncertain and unaware of the new owner, the future, and what they had to offer for them.

Because to most employees the new owner company was unknown, some felt therefore sceptical towards them and said that they would not want to work under the new owner. On the other hand, the ones who already had become acquainted with them beforehand knew their hotel portfolio and thought of not fitting in their line of hotels. When questioned further about this, some mentioned that the luxury element had been broken since the acquisition and that their hotels did not seem as luxurious as their own place of employment. Furthermore, some were scared of losing their hotel's and chain's identity and one individual was scared of losing their job in the company.

Although some individuals felt sceptical about the change and the new owner, they were still curious and excited of the new and unknown. They mentioned of having a faceless owner before and were excited to see where the new one would take them instead. Some mentioned especially being excited for new fringe benefits, new hotels, and new colleagues around the Nordics.

One of the themes was neutrality, meaning that some interviewees felt very neutral about the whole situation. They were not in favour or against it and did not have any

expectations or thoughts about the change or the new owner. For example, it was mentioned by a few that they didn't know the new hotel chain at all, and therefore didn't have any expectations or thoughts about it.

The interviewees listed concrete changes they had noticed in their work environment. Five themes were identified from their answers, which were changes in job roles, tasks, fringe benefits, systems, and finance. The change in tasks was mentioned the most, especially within the ones working in the restaurant, reception or bar departments. Some new tasks were implemented, whereas some were eliminated. Almost everyone described the implementation of new food and beverage vouchers, that are given to the guests to use for food and drinks in the hotel. This new task applied to most departments. Some mentioned also the ongoing promotion of a new loyalty programme that front line employees are pitching to guests on a daily basis. In addition, many mentioned the elimination of net promoter score (NPS) slips, that reception would ask from guests when leaving. This task was replaced with an online version, and therefore employees no longer had to ask guests directly.

A few told that after the introduction of a new loyalty programme, a new system was also put in place. This system is solely used in the reception department, and therefore this change was mainly mentioned in the receptionists' answers. In addition, they described another system that was introduced in order to respond to guest feedback from all channels.

Most interviewees described changes in job roles and positions which was one of the themes in the content analysis. For example, some positions were let go and new ones were invented, while some were rearranged in the organization. A new role was assigned to one of the employees as the "ambassador of change" who's main task was to assist other co-workers with any concerns about the new systems or tasks. In addition, a green team was created to ensure that all departments were to follow environmental guidelines in the hotel. However, none of the interviewees knew whether the green team was related to the organizational change.

All interviewees noted that their fringe benefits had been expanded after the change of ownership. They described that the owner company had already a large portfolio of hotels and therefore brought more benefits to the employees. It was also noted that this brought new job opportunities abroad for everyone.

Lastly, one interviewee pointed out the change they noticed in financing and budgeting. They explained that the new owner wanted to get tighter budget wise, and that numbers and efficiency was going to be the talk of day in the future.

## **4.2 Mental wellbeing**

Five themes were identified concerning mental wellbeing. Those themes were excitement/energy, stress, irritation, mental tiredness and insignificance, or in other words no impact on one's mental wellbeing.

All interviewees told they felt mostly the same as before mentally and that the change process didn't interfere it much. Many mentioned of having more energy, excitement and positive thoughts about everything that was coming. However, a few interviewees said being slightly irritated, stressed and tired at least once during the change(s). For example, there was some irritation when they would not get an answer from their manager to their question or if none of their more experienced colleagues didn't know either. Not getting an answer seemed to cause stress, because it was not known how to proceed with given tasks. However, they did comprehend that during the change even their managers didn't know what to answer because they were not informed about it either. Overall, the interviewees responses were quite neutral to this question.

## **4.3 Organizational structure**

The fifth question was testing the knowledge of the interviewees about the organizational structure of the organization, how they perceive it, and whether it has changed or not according to them. Three themes came up from this question that were structure of on-property teams, structure of above-property support teams, and new organizational structure.

As all of the interviewees worked as frontline employees, they described the closest organizational structure to them, which was the structure of on-property teams. They all knew to whom they responded to and to whom their managers responded to, before and after the change. This being said however, some were not sure to whom the general manager responded to, but also emphasized it wasn't relevant information for them to know it. All explained that on-property teams' structure did not change.

Even though everyone knew the structure of on-property teams, they were having a difficult time of distinguishing the structure of above-property teams. For instance, a few expressed their concern of not always knowing who to contact when in need of above-property support. They did not know either if the structure changed within those teams but stated that it was not relevant for them to know. Two out of nine people knew how the sales department was structured and one knew how finance was structured.

When asked to explain organizational structure more on a bigger scale, everyone expressed that the hotel chain was sold to another company within the same field of business, and that this new owner was on the top of the hierarchy pyramid. When they were asked to explain further everything they knew about the new organizational structure, their answers varied a lot. One mentioned of belonging to the resorts side of the hotel chain and another said of belonging to the hotels side. One didn't know there were different sides, and another did not know how it is structured. All in all, the interviewees' answers were not consistent about the new organizational structure.

#### **4.4 Vision**

Seven out of nine interviewees did not know what the new vision was or could not name the exact words. When they were told what it is, it brought up a large scale of opinions and reactions. While one thought it was terrible and far-fetched, another one thought it was approachable and fitted well with the new owner. A few seemed to agree that it did not resonate with their thoughts and didn't describe them in their daily work, for example, environmental wise. Furthermore, some commented that it was a lovely quote with fine words but promised too much and was lacking a map on how to fulfil it in practice. However, many were delighted that the vision still aimed for environmental actions and stated that it was a value close to them complimenting their current lifestyle. All in all, there was not one, unified opinion.

As stated above, most of the interviewees did not know what the vision was, hence one of the themes was communication of new vision. Overall the interviewees expressed a lot of confusion in explaining it, and it was mentioned a few times that they did not know which vision to follow, the old one or the new one. Some stated that it was showed to them once in training, but it was forgotten quickly and never heard from again. Two people described the hotel's vision, not the chain's or the company's vision, and said that it changes according to one's needs.

#### **4.5 Involvement and participation**

The first theme was a possibility for a new role or task at work, ambassador of change. Everyone described this role being an important one, because this person was to give more information to other employees about the new guest loyalty programme or any other information related to the change. In addition, many interviewees mentioned that the management was looking for people to join the green team in the hotel. However, no one knew for sure whether this was related to the organizational change.

The second theme, openness to suggestions, was also mentioned by every interviewee. They explained that the line managers were willing to listen for any suggestions the employees might have, and thus have a change to participate and influence on things. In addition, it was said that employees' ideas are taken seriously and put into practice, if it is considered as a good one. It was hard for the interviewees to name any examples, but they seemed assured that this was always the case.

#### **4.6 Motivation and engagement**

Questions 12 and 13 were asking how the organizational change has affected the employees' motivation and engagement to one's job and employer. They were also asked how the management has motivated or engaged them during changes. Their conceptions were divided into three themes in both questions. In question 12 regarding motivation, the themes were positive impact, no impact, and management motivating employees. In question 13 regarding engagement, the themes were engagement to one's job, engagement to employer, and management engaging employees.

About half of the interviewees said that their motivation has risen, because the change has done their job more interesting and versatile. Many wanted to exceed expectations, perform better and impress others. Two people said that the change has affected their motivation positively, but they find one extra task repulsive and demotivating. This task was described as giving out food and beverage vouchers to loyalty guests at check in. The rest of interviewees expressed that the change didn't affect positively or negatively on their motivation, therefore they don't feel less or more motivated than before.

The results were almost the same with the employees' engagement. They were asked separately to describe their engagement to their employer and to their job. Everyone expressed being as engaged to their job as before. When it comes to engagement to employer, the interviewees either said that they feel exactly the same as before, or that

they are even more loyal because they had more opportunities jobwise. It was mentioned once that it was a positive thing to stay employed to the original chain or owner, rather than working directly under the new one.

A few mentioned about a reward system for employees and that they would get compensated if they enrolled enough new guests to the new loyalty programme. However, this reward system was only for employees working in the reception. They said that this reward system came in place from the new owner company and was their way of encouraging and motivating their employees to outperform their colleagues in other hotels. Some interviewees also said that the owner company's management employees told about it when training took place in the very beginning, and that they were very eager to get everyone on board with it. Most mentioned being happy about the fact that their line manager hasn't pressured them too much about it but has still lightly encouraged them to participate.

Some employees told that they haven't noticed the management motivating the employees more than before but stated right after that it was because there were not many changes in their departments and thus, they felt they didn't need further motivation. However, the interviewees did mention many positive things about engagement. For instance, the employees could always express their concerns and thus influence on things happening in the workplace. In addition, when positive feedback was received from their manager, some wanted to perform even better and it made them feel very good about their jobs. One person mentioned that it was relieving to hear from the top management that everyone is in the same situation, and that only together they can tackle the challenges. The same person also explained further, that it created a feeling of togetherness and sense of connectivity with the work community.

#### **4.7 Support**

Availability, encouragement and openness were recognised as themes regarding support from the management. Availability got mentioned the most. Many explained that their managers were always there for them and that help was given to anyone in need. In addition, everyone mentioned strong peer support, meaning that if the manager was not available for questions, they could ask their co-worker or change ambassador for help.

All interviewees described their managers being open to questions and that they inform their staff about everything, as long as they know it themselves. It was said that the managers also encourage the staff to ask questions openly, because someone else might

have the same the same question in mind. It was also mentioned that no information is left out or hidden, and that all managers communicate to the employees according to one of their core values – openness.

#### **4.8 Communication**

The interviewees' answers circled around three themes, which were lack of information, overabundance of information, and sufficient amount of information. It was noticed from the answers that some comments referred to a time already before the change process started, so those comments were not taken into consideration in the content analysis.

Most of the interviewees said first that everything has been communicated well as long as the managers have had the information to pass on as well. It was mentioned that the general manager has made sure that his staff is aware and that the supervisors have done a fantastic job in communicating everything to their subordinates. Although many were satisfied with the general communication level in the hotel, they still pointed out some drawbacks that had occurred during the change process.

As one of the themes was overabundance of information, some explained feeling confused with emails that were long and full of information. They could not distinguish relevant information to their jobs from them. A few were concerned about the English-speaking staff, as they had difficulties understanding and receiving all the information because they had no extra time to translate all emails. It was also mentioned by one person that when training took place there was too much information and instructions to process for one day, which therefore resulted in forgetting the information immediately right after.

On the contrary to overabundance of information, lack of information or communication got also mentioned a few times. Communication issues were not only mentioned in this question, but came up also in other questions, such as communicating the new vision to the employees. One interviewee stated very firmly that the communication has been bad to his department. The reason to this was many bottle necks which caused the information to come too late, or everyone didn't have work emails which caused some employees to be in the shadow about possible changes. A few said that in the beginning of the change process they didn't know how proceed with new things because they had not faced that situation before, and therefore had to sometimes guess how to go forward. Although there were comments about lack of information, everyone still acknowledged the fact that

sometimes their managers didn't know everything either and therefore they couldn't inform their staff.

#### **4.9 Leading and implementing change**

In the content analysis table questions eight and eleven were assessed separately but were combined into one subchapter in this part, because they had similar answers, and they were mostly covering same matters. Two themes were identified in both questions, successes and challenges.

All interviewees said that the organizational change and the changes following it were implemented well and on the behalf of the employees the company has succeeded quite well. It was mentioned that everything had been briefed to the employees and there hadn't been too much pressure or rush from the management. A few mentioned that implementation of food and beverage vouchers was a very painless process and that they have positively affected their work. They pointed out, for example, that the vouchers attract guests to eat in the hotel and use the hotel's services instead of eating out, and waiters have the possibility to get tipped more, because the voucher is going to be detracted from the total sum of the guest's bill, and sometimes the guests end up tipping the amount of the voucher. The interviewees brought up the same successes when they were asked how the change process has been led, and explained that they have referred to this question in the earlier questions.

After the interviewees had described the successes of implementation, they brought up a few issues they had noticed. They all named very different issues, such as training and briefing not being implemented sufficiently, vision not being implemented well enough from the owner company's viewpoint, either too long waiting times or too quick implementation of some changes, and weak implementation of recycling employee-wise. These same problem areas also occurred when the interviewees were asked how the change has been led as a whole. Only one person added that sometimes communication had been scarce to front line employees.

#### **4.10 Change resistance**

Every interviewee said they have accepted the change well and that they haven't had any issues with it, but when the word change resistance was explained to them, they started to

acknowledge patterns in others behaviour that seemed resistance to them. Therefore, two themes were recognized from the answers, change acceptance and passive resistance.

About half of the interviewees recalled encountering passive resistance of some sort. They described it as co-workers doing the bare minimum of the required tasks, complaining, being sceptic or having negative attitudes. It should be noted that no one admitted being change resistant themselves, but they described others' behaviour instead.

The other half had the opposite opinion. They said they have accepted the organizational change and the changes following it well. Some mentioned change being a good thing, and that it wasn't hard to accept because the management gave enough time to get used to it and wasn't pressuring the employees to perform perfectly right away.

Change resistance was recognized in some of the earlier questions when talking about employees' conceptions about the change. For example, in the first question some admitted being fully cynical towards the new owner and the organizational change. Some made unfounded assumptions that everything was going to get stricter and more controlled and admitted hypothesising what was going to happen.

## 5 Discussion

This thesis aimed to understand employees' conceptions about organizational change and change leadership in a Finnish hotel. There were four research questions. What are the employees' conceptions of change? How have the employees experienced change leadership during transition? How have the employees experienced their wellbeing, motivation, and engagement during the change process? What are the employees' conceptions of change resistance? These questions are answered to in the following subchapters by first explaining the main findings, conclusions, and suggestions for development in the hotel. Next, the credibility, limitations, and ethics of research are discussed. And lastly, the author reflects her own learning and evaluates her professional development throughout the thesis process.

### 5.1 Main findings

Based on the qualitative data of the research, it seems that the employees experienced the change and change leadership in different ways. Their conceptions seemed to be very often controversial, for example, there was excitement, scepticism, fear, and neutrality towards the change. There could be many reasons why they have experienced the changes in different ways, such as years spent in the company, personality dimensions, education level, cultural background, the company's organizational culture, or perhaps earlier experiences of change. Green (2007, 14) confirms this by stating that people approach changes differently because of individual histories and diverse personalities. The world can be seen from different angles and people react to it in different ways (Green 2007, 14). Also, Hodges (2016, 3) agrees with Green, by stating that individuals have different backgrounds, capabilities, personalities, interests, dispositions and motivations so change can potentially impact differently on each person and cause different emotions, attitudes and reactions. Some will react positively to change, some are cynical, some are unable to cope and might feel stressed, while others oppose what is being proposed. (Hodges 2016, 3).

When asked about change leadership in the interviews, the employees thought their closest manager and the general manager had the biggest responsibilities and roles in leading and implementing the change, and therefore evaluated change leadership based on their managers' actions through the process. Leaders have many aspects to take into consideration when going through organizational change. Armstrong (2016b, 4) emphasized this by stating that a successful leader has the ability to involve people in decision making, communicate a clear vision, motivate and secure employees'

engagement to the organization and roles. The results suggested that the hotel's general manager and heads of departments had succeeded well in their roles, except communicating organizational structure and vision for future. However, no one was sure who's task it really was to see that the vision had been communicated well enough. Palmer & al. (2009, 175-187) argued that effective visions are focused enough to guide long-term as well as daily decision making, but also flexible enough to take initiative. It was also argued that leaders are responsible communicating a clear vision that is not unrealistic, vague or too specific. According to the results, communicating a clear vision had failed, because the employees did not know which vision they were supposed to follow, and some had no idea of its existence. It was mentioned that the vision did not resonate with the interviewees thoughts and they were lacking concrete information on how to reach it. When it comes to communicating organizational structure, all interviewees acknowledged how it had changed, but on the other hand were not sure how it had affected the hotel's positioning under the new chain. They were not sure either who to contact in issues relating directly to the new owner.

The results implied that the managers had found some ways to motivate and engage their employees during the change, such as a reward system and giving positive feedback to the employees. All interviewees were happy with the support that had been provided to them, and the fact that there was a go-to person or ambassador who addressed most of the questions about the organizational change. Also, it was stated by Horvat earlier (19 May 2020) that assigning an internal ambassador of change is a considerable idea, because it can decrease change resistance and promote the implementation of change in the right direction. Assigning this role also tells that the company has been resourceful in supporting their employees during transition, and it represents good leadership skills. It was earlier stated by Herrin (2004,1) that allocating money to, for example a celebratory event, is a good investment, because it will soften the employees' fall to the new. The results tell that this aspect had been fulfilled. It was mentioned by the interviewees that the new owner company had organized a welcoming party to their new "acquired" employees in the beginning of the change process, which had motivated and excited them towards the new. Therefore, it can be stated that the motivation and engagement side of the leader's role has been fulfilled well.

When it comes to the employees' individual transitions during change, questions about level of motivation and engagement, mental wellbeing, and tendency to change resistance were asked. According to the results, the employees themselves did not see that their motivation or engagement levels were affected negatively by the organizational change. Furthermore, the interviewees expressed instead being either more excited or being as

engaged or motivated as before. Also, their mental wellbeing seemed not to be affected, since only 1-2 persons mentioned feeling slight irritation, stress, and tiredness during the change.

Change resistance had been detected in, for example, not doing the allocated tasks or showing criticism towards the changes. Kotter and Schlesinger (1999, chapter 2) listed many reasons for possible change resistance in companies, but the interviewees' answers did not indicate the reason behind it. However, it was mentioned once that they resisted the change because others seemed to do it too. Maybe there was peer pressure from colleagues, which made one to act accordingly in order to fit in and show support. This behavior could be also linked to personality, because someone could have a tendency to avoid conflict and please others. Peer pressure and saving one's own face were also mentioned by Kotter and Schlesinger (1999, chapter 2) as one of the reasons for resistance. For the rest who showed some resistance, it could be assumed that they just have a low tolerance for change. Low tolerance for change can be linked, again, to personality traits, for example, preferring routines and stability over irregularity or avoiding the unknown or possible risks. Similarly, Oreg (2003, 680) found four personality factors that influence the ability to cope with change: emotional responsiveness, short-term focus on outcomes, need for routine and cognitive rigidity. In addition, Muo (2014, 103-106), and Ford and Ford (2009) argued that resistance is overall a natural phenomenon and should be seen as a form of feedback to improve the quality of objectives and strategies. The results show that feedback and ideas were always welcomed by the management, so the employees have clearly been heard.

## **5.2 Conclusions and suggestions for development**

This research suggests that the employees have experienced the change and its aftermath very differently. Some resisted it, some didn't. When one mentioned receiving too much information, another said it was sufficient enough. It seems that people perceive things differently and seems to be almost impossible to satisfy everyone's needs at the same time. There is simply not one sole recipe for successful change leadership.

Development areas that got mentioned the most were communication, communication channels, vision, training, and discrepant instructions. However, comments about communication channels seemed not to be related to the change, and therefore it is not assessed in this thesis for further remarks.

Firstly, the hotel or hotel chain should consider bringing out their vision more and more to their workplace environment, as it is not clear to the employees. It was earlier argued by Green (2007, 35), Hodges (2016, 194-196) and Palmer & al. (2009, 175-187) that the direction of change should be articulated through vision in order to mobilize energy and increase motivation. They also argued that it should be delivered at the appropriate time and way, and make sure it is not unrealistic or vague. Therefore, the vision should be communicated more often, and most importantly it should be explained which vision to follow, as the whole chain seemed to have three different ones according to the interviewees. The hotel could arrange monthly or quarterly year meetings with staff members to hear how well the vision has been fulfilled from time to time. Clearer instructions on how to achieve the vision is also needed from the management.

It is advised to organize more training for staff, when large, complex changes are to be executed in the future. Some mentioned missing hands-on training during the change process, as they would have felt more comfortable if the hotel had organized a second one after the first initial training. The second training could have been organized in a small group, where people would have had the courage to ask more questions.

The hotel should also review their communication strategy and channels. It was mentioned that most of the information comes through work email, which some of the employees don't seem to have. It was mentioned by one interviewee that everyone should be entitled to their own work email in order to receive all information possible and to avoid confusion, which seems to occur in the hotel because discrepant instructions were mentioned in the answers. On the contrary, it was also mentioned by employees who did not have their own work email that the current arrangement works well as long as the information delivered via email is put up in some common room where everyone can see it. When it comes to ways of communication, the management should consider sending compact emails that include main points. The interviewees experienced that it was sometimes hard to distinguish relevant information from emails as well as from training because they were too long and full of information.

### **5.3 Credibility, limitations, and ethics of research**

Validity and reliability are both concepts used to evaluate the credibility of a research. Validity in more detail indicates how sound the research is and whether the researcher has succeeded to bring forth findings that truly represent the phenomenon that was it intended to measure. (Neuendorf 2017, 122.) The question of validity comes down to whether the researcher sees in fact what they think they see. One might make mistakes

in, for example, seeing relationships when there are none, or rejecting them when they are correct, or asking simply the wrong questions. Reliability on the other hand measures the consistency of a research, which means that the results are the same however and whenever measured. (Kirk & Miller 1986, 14-30.)

Kananen (2011, 66-69) further explains what the credibility of a research comes down to. It can be achieved in several ways, and the author has visualized main themes on reliability and validity of a qualitative research in Table 1. Firstly, assessability, or in other words documentation, can be fulfilled by documenting each solution and choice made during different stages of one's work. The researcher should always document the reasons and grounds of every decision. Secondly, the consistency of interpretation can be reached when identical interpretations are made by two researchers. The same material can and should be interpreted from several angles and different problem settings in order to increase the credibility of the results. Thirdly, the researcher needs to include new cases as long as they bring something new to the study. The saturation point is reached when the answers start repeating themselves. Lastly, transferability means that the results of the research can be applied to other similar circumstances. To do so, the research design needs to be described well to make it possible for other researchers to come to the conclusion that the situations are parallel. (Kananen 2011, 67-68.)

Table 2. Validity and reliability criteria in qualitative research (based on Kananen 2011, 67-69)

<b>Credibility of research</b>	<b>Reliability</b>	Consistency and repeatability of measurement and research results	<b>Assessability</b>	Process documentation and justification
			<b>Consistency of interpretation</b>	Verified interpretations
	<b>Validity</b>	Research answers to questions it is intended to answer	<b>Saturation</b>	The saturation point is reached
			<b>Transferability</b>	Results can be applied to other similar situations

When it comes to ethical viewpoints of a research, Hirsjärvi and Hurme (2008, 20) point out that they don't only affect one specific area or stage, but rather appear continuously throughout. For example, the researcher should consider ethical questions when thinking about the purpose and plan of research, interview situations, transcription, content analysis, verification of information, and reporting. The most important ethical principles

when conducting a human-centered research are usually information-based consent, confidentiality, implications and privacy. (Hirsjärvi & Hurme 2008, 20; Kvale 2007, 24).

The interview structure in this thesis was solely based on the theoretical framework, all interview data was transcribed word to word, and the content analysis included direct quotations for the reader to assess the reliability of the research. The reader can evaluate from it whether the themes represent the quotations or not, and thus verify the author's interpretations. To increase assessability, all decisions – such as choosing the research method – were reasoned and justified throughout the thesis. Furthermore, it was argued in the beginning of the thesis how it can be applied and referred to in similar situations in the future.

The saturation point was reached when the author noticed that the exact same answers kept repeating themselves in the interviews. For example, when already eight interviews were done, the answers had already repeated a few times, but the author decided to do one more to be sure that as many people as possible were heard. Perhaps few more people could have been interviewed, but those employees had not worked in the hotel long enough before the change or had very minimum working hours so it was seen that they would not give much more value to the data.

When doing content analysis table, the author realized that some questions were overlapping with each other. For example, questions about change implementation and leading the change had very similar answers, so they had to be combined into one. During the interviews some of the employees said that they had addressed the question earlier, so sometimes not all questions were not answered, or they were simply just skipped.

The author's subjectivity in this thesis can be a strength and a potential weakness at the same time. The co-worker relationship to the employees could have affected the depth of answers, because the interviewees could have hold onto information or opinions that they didn't feel comfortable expressing in front of their co-worker. On the other hand, a close relationship could have been an advantage because some might have felt more open to express opinions to a co-worker rather than higher management. Other factors affecting the author's subjectivity were pre-assumptions and her own thoughts on the subject, as she went through the change process herself. However, to eliminate the influence of these factors, the author intentionally tried to take an outside perspective in the interviews and tried to ask questions as neutral as possible in order to avoid steering the answers to a certain direction. Although this perspective was taken in hope for good qualitative research practice, it seemed to confuse the interviewees and they responded in a way

that only an insider would have understood. Therefore, the perspective during the interviews ended up shifting between insider and outsider view. The author could have asked the interviewees to address herself as an outsider, but it would have probably made the interview situation odd for the employees. It could have also caused frustration in the interviewees because they would have had to explain everything more thoroughly and not use regular slang words of the work community.

This research was limited to only one time point in one of the hotels of the hotel chain. Perceptions of change might have shifted over time and the outcome of the research was based on the results at the time of implementation of interviews. Other factors, such as the ongoing pandemic may have disturbed or confused the employees' conceptions, and this way affect the final results of the research. In addition, the hotel has experienced other significant changes within the range of one year, such as replacements of managers in different departments and high staff turnover. This influenced the selection of interviewees and may have affected the final results as well.

When it comes to limitations in data collection, face-to-face interviews were replaced as video interviews, because the ongoing pandemic did not allow implementation in the usual face-to-face setting. This could have influenced the depth of the answers since the environment was not free from technical distractions, and emotions or behaviours were harder to capture. Despite of a few technical issues, the interaction seemed to work well because of mutual trust and the fact that the author knew the interviewees on a friendly level. Furthermore, knowing them on a friendly level contributed positively in interpreting the interviewees' behaviour and emotions, because the author could more easily recognize from facial expressions when a question was uncomfortable to answer to, or perhaps confusing or difficult to understand.

The theoretical part's sources were limited to mostly online material. Some academic books were not accessible due to the pandemic, which caused the inevitable use of secondary sources in the thesis. However, when these sources were used, mostly direct quotations from the original author were selected, which were cited in the secondary source. What is more, some academic articles were not accessible because the school did not have large enough rights to access them or did not have credentials to certain scientific databases.

The ethical viewpoints were taken into consideration throughout the whole thesis. It was very important for the author to maintain high confidentiality and privacy of the commissioning hotel and interviewees. Therefore, the hotel's name was not mentioned in

the publishable version and the interviewees' answers were stored in a secure location and names or genders were not mentioned at all. Although every interviewee gave verbal permission to state their department in the thesis, it was still avoided as much as possible. All answers and video interviews are going to be deleted after the thesis is published. When the video interviews were recorded, the author respected the interviewees choice of not having their cameras on, if they did not want to. Also, while selecting ideal interviewees, their denial of not participating was respected, since it was voluntary to take part.

#### **5.4 Evaluation of own learning**

The subject of this thesis ended up being more difficult than initially thought. There was a lot of literature on change management, which was beneficial for the research because many sources could be referred to, but it was hard to distinguish and pick relevant ones. The author had to react to the difficulties that the pandemic brought, such as limiting literature to only online material and replacing traditional interviews as video interviews.

There was some frustration in defining the aim, title, and research questions, because it wasn't clear what each one meant and how they were supposed to be formed. Perhaps the topic of the thesis contributed to the frustration, because it was very complex and extensive with a lot of approaches and concepts. There were also several schools of thought on most topics, which made the writing of the theoretical framework very challenging, as all of them could not be included in the theory part. However, somehow the author managed to keep the structure clear and stay in relevant topics.

Although this thesis was finished a few days after the deadline, progress was always made before every meeting with the thesis counselor. There was an initial plan to write as much as possible during the summer, but that plan failed as the author was called back to work unexpectedly and had summer courses to complete. To reflect on project management, the author recognizes herself too positive with time and she sets usually deadlines that are hard to achieve. Regardless of the strict deadlines, she feels that the overall project management was good.

Professional development throughout the process has been progressive, because each stage of the thesis offered something new to learn about. Now seeing the bigger picture, it is easy to point out what could have been done differently or where the author should have used more effort or time. For example, during the interviews the author should have given more time to the interviewees to answer their questions, rather than explaining too

much about them first. It is clear now, that the author has difficulties with silent moments and trouble in listening to others. This can be a future note, as she needs to pay more attention to this when pursuing a career. Also, the author should have documented the literature sources better from the very beginning, because some paragraphs were missing references, and they were extremely hard to find afterwards. The list of references wasn't perfectly written either, so fixing that was left to the end of the thesis process. Nonetheless, these minor defects were corrected in the end.

The most interesting finding was that change resistance can and should be seen as a positive in organizations. Resistance has a negative connotation and thus is seen as a negative stigma by many, understandably. The author admits that she was herself resistant to the changes in the organization but did not express the negative attitude or hesitations in her workplace because she did not want to be labelled as the difficult employee. After this process she has learned that there is every right and reason to do so, and that resistance is a natural phenomenon in human beings. She also discovered that her dispositional resistance to change stems mainly from her personality traits.

The results and the research gave a lot of ideas on what is advised and not advised to do when leading change. For instance, communication seems to be a complicated topic in organizations whether it is related to change or not. Maybe it is good to keep in mind that someone prefers short, straight to the point kind of communication style, while another prefers long, detailed messages. It is difficult to please both kinds, but taking into consideration the content of the message, it should be justified each time which approach to choose. Perhaps messages with instructions are better to communicate with straight forward style, whereas broad, sensitive topics can be a bit more rounded. But once again, someone could prefer the opposite communication approaches in these cases.

It was surprising to discover from the data that many people did not seem to mind about the absence of a clear vision in the hotel. As the results told, no one really knew what it was or if someone happened to know, they didn't quite understand how to fulfill it. This result can work as an example for future references and the author can pay more attention to the importance of bringing out a clear vision in companies, because it is going to steer the employees to the desirable direction or outcome.

It would have been interesting to research the impacts of the pandemic on the employees as well, because it caused a lot of changes in all hotels of the chain, and the employees clearly talked about it during the interviews. Perhaps it caused even more changes than the organizational change itself. However, it would have required different theoretical

framework and probably different selection of employees for interviews and overall it would have meddled with the original purpose of the thesis.

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## Appendices

### **Appendix 1. Interview questions**

1. What were your first impressions and thoughts when you heard about joining hotel chain X?
2. What kind of changes have been made after the acquisition and joining to organization X? How did you feel about these changes?
3. How have these changes affected you or your work?
4. How have you experienced the change process mentally or psychologically? How has it affected your psychological or mental wellbeing?
5. Can you explain the new organizational structure?
6. Can you tell me the vision of the new owner and explain how it resonates with your thoughts?
7. How do you feel important decisions and changes have been informed to you?
8. How do you think the changes made in the organization and workplace have been implemented?
9. How has the management given the employees the chance to participate in the change implementation process? Why have you or have not participated?
10. How has your supervisor given you support during the change process?
11. How do you think the change process has been led and managed?
12. How have the changes made in your workplace affected your motivation towards your work tasks?
13. How has the change affected on your engagement to your job(role) or to the employer?
14. How do you think the employees' accepted the change? How easy was it for you to accept it? What do you think about the change right now?
15. If the change process started right now, what would you do differently?

**Appendix 2. Analysis of the interview data**

Interview questions	Themes	Specific answers (direct quotes)
<p style="text-align: center;"><b>Q1</b>  <b>First impressions, feelings, and thoughts about change and new owner</b></p>	<p style="text-align: center;"><b>Unawareness, uncertainty</b></p>	<p>I did not know who or what was the new owner about.</p> <p>I wasn't sure who the new owner was and what it meant for us.</p> <p>The new chain wasn't familiar to me.</p> <p>I did not know what they had to offer and what hotels they owned.</p> <p>I didn't know anything about them.</p> <p>I thought a lot how it was going to affect my job.</p>
	<p style="text-align: center;"><b>Scepticism</b></p>	<p>I wouldn't want to work under the owner, I prefer my current employer.</p> <p>I was sceptical towards the new owner.</p> <p>The luxury element has been broken since we were acquired.</p> <p>I was thinking worst case scenarios and what would happen.</p>
	<p style="text-align: center;"><b>Positivity, excitement</b></p>	<p>I felt hopeful and curious what this all can turn into.</p> <p>I had really positive feelings.</p> <p>So far so good.</p> <p>It was really good that we were sold to the new owner.</p>

		I was excited that we had a change of ownership because the previous one was faceless, and we were just an investment for them.
	<b>Neutrality</b>	I wasn't against or in favour of the whole change.  I didn't have any expectations or thoughts about the owner or the change.
	<b>Fearfulness</b>	I was scared that we were going to lose our chain's and hotels' identity.  I felt scared because I didn't know if I could keep my job.
<b>Q2 Concrete changes</b>	<b>Systems</b>	We have a new loyalty programme and with that came a new system that we had to learn how to use.  We have a new system in place where you can respond to feedback from all channels.
	<b>Tasks</b>	I can first think of the F&B [Food and Beverage] vouchers we have to give out during check in.  We don't have to give NPS slips anymore during check out to guests.  We have to promote the new loyalty program to all guests as much as possible.

	<b>Job roles and positions</b>	<p>Some positions in the organization were rearranged or let go.</p> <p>Our hotel has now its own marketing manager.</p> <p>Every hotel has their own customer loyalty programme ambassador now.</p> <p>There is a new “green team” in our hotel.</p>
	<b>Fringe benefits</b>	We gained more employee benefits from the new chain.
	<b>Budgeting</b>	<p>Budget wise they want us to get even tighter which is absurd.</p> <p>I just hear a lot of talk about numbers and efficiency all the time.</p>
<b>Q4 Mental wellbeing during change(s)</b>	<b>Stress</b>	I have experienced some sort of stress and irritation.
	<b>Irritation</b>	I have to know who to go to for help and if I don't get an answer it's very irritating.
	<b>No impact</b>	<p>I feel the same as before.</p> <p>There has been no change in my mental wellbeing.</p> <p>I have no scruples about this.</p>
	<b>Tiredness</b>	The whole process has been tiresome, because I haven't received answers sometimes.
	<b>Excitement, energy</b>	<p>It has brought me energy and excitement for the new.</p> <p>I have felt nothing but positive.</p> <p>It has been fun.</p>

<b>Q5 Organizational structure</b>	<b>Structure of on property teams</b>	<p>The hierarchical structure hasn't changed within the hotel.</p> <p>I think I know everything else except to whom our general manager responds to.</p>
	<b>Structure of above property support teams</b>	<p>I have never understood the structure of support teams like IT.</p> <p>I sometimes don't know who to go to if I need to contact someone from sales or finance.</p> <p>I do understand how sales department is structured.</p> <p>I don't think support teams changed except us getting a marketing manager on property now.</p>
	<b>New organizational structure</b>	<p>I know organization X bought organization Y, so they must be on top of the hierarchy pyramid.</p> <p>The structure was shown to us once, but I don't remember anything of it anymore.</p> <p>I had no idea how it's built and who is in charge of what, but now I know a little better.</p> <p>I think we are just a smaller consortium in a bigger consortium.</p> <p>I know there is the Resorts side of hotel chain X and then the Hotels side which we belong to.</p> <p>We belong to the resorts side of the new owner organization.</p>

		<p>Sometimes I am confused what all the abbreviations mean, for example... but it's okay to be confused.</p> <p>My employer didn't change.</p>
<p><b>Q6 Vision</b></p>	<p><b>Conceptions of new vision</b></p>	<p>It's terrible!</p> <p>It is just fine words without a map how we get there.</p> <p>I partially understand it, but it doesn't resonate with my thoughts.</p> <p>It is over the top and doesn't feel genuine.</p> <p>It is a lovely thought but promises too much.</p> <p>I know we as a smaller consortium have our own vision as well, but the new owner's is more approachable.</p> <p>The vision is a match with the founder and owner in charge of the hotel chain.</p> <p>Courage, enthusiasm and energy doesn't completely describe us in our daily work.</p> <p>It's far-fetched and corny.</p> <p>It seems that they aim for actions environmentally.</p> <p>I can relate to the vision and it compliments my life in general.</p>
	<p><b>Communication of new vision</b></p>	<p>I honestly don't know which vision we follow.</p>

		<p>I heard the new owner organization's vision in the trainings once, but I forgot it after that because I never heard it again.</p> <p>I think the vision changes according to one's needs.</p> <p>I only know our hotel's vision, not the new one.</p> <p>I haven't heard about the vision.</p> <p>If a guest asked our vision I wouldn't know.</p> <p>Still today you don't know what the idea is, is it organization Y's vision or is it organization X's vision.</p>
<p><b>Q7</b> <b>Communication</b></p>	<p><b>Lack of information</b></p>	<p>In the beginning of this change process we didn't know exactly how to do things.</p> <p>Sometimes we had to just guess how to go forward.</p> <p>Some employees don't receive all the info because they don't have their own work emails.</p> <p>There are too many bottle necks or the information comes too late.</p>
	<p><b>Overabundance of information</b></p>	<p>Sometimes we receive very long emails and it's hard to distinguish what is relevant to our jobs.</p> <p>In training we received so much new information and instructions that I forgot everything immediately.</p>

	<p><b>Sufficient amount of information</b></p>	<p>We have been communicated perfectly well about everything as long as the managers have known about it too.</p> <p>Information has been put forward to us right away from top management.</p>
<p><b>Q8 Implementation</b></p>	<p><b>Successes</b></p>	<p>On the behalf of employees, we have succeeded well.</p> <p>The coupons have been implemented well.</p> <p>The management hasn't pressured or rushed us to get used to the changes, which is great.</p> <p>In the changes that have been done we have succeeded well, and all the info has been passed down to employees.</p>
	<p><b>Challenges</b></p>	<p>I am not happy with how the training was done in general. It was too much information at once and felt like a marathon.</p> <p>The implementation employee wise in recycling has not been as good as it should, but it's only laziness of employees, not the management.</p> <p>On the owner company's viewpoint, I think implementing their vision has not succeeded.</p> <p>I was stressed because some changes had to be implemented quickly and I wasn't sure they were going to work in practice.</p> <p>It was a long wait for the unified feedback channel and NPS questionnaire online.</p>

<p style="text-align: center;"><b>Q9 Participation &amp; Involvement</b></p>	<p style="text-align: center;"><b>Ambassadors of change</b></p>	<p>There was a role open for an ambassador, who knows more about the new stuff.</p> <p>We were asked if someone wanted to be a part of the “green team”.</p>
	<p style="text-align: center;"><b>Openness to suggestions</b></p>	<p>We can participate in throwing ideas for future and we have a possibility to change or alter how things are done.</p> <p>If someone has an idea of how to do something better, those ideas are always heard and very welcomed by the management.</p> <p>You can always add and suggest.</p>
<p style="text-align: center;"><b>Q10 Support</b></p>	<p style="text-align: center;"><b>Availability</b></p>	<p>Support is always available from whoever to whoever needs it.</p> <p>I can ask anything anytime from anyone.</p> <p>Our managers are always there for us.</p>
	<p style="text-align: center;"><b>Encouragement</b></p>	<p>We are very helpful towards each other and management encourages us to always ask.</p>
	<p style="text-align: center;"><b>Openness</b></p>	<p>I feel like we are given all the support we need, and no information is left out or hidden from us.</p> <p>Everyone is open to questions.</p>
<p style="text-align: center;"><b>Q11 Leading change</b></p>	<p style="text-align: center;"><b>Successes</b></p>	<p>The whole process has been led as well as it can be led I think.</p> <p>It was done fairly perfect as a whole.</p> <p>It has been pretty good.</p>

	<b>Challenges</b>	Everyone has done their best, but I think communication to front line employees has been a little scarce.
<b>Q12 Motivation</b>	<b>Positive impact</b>	<p>My motivation has risen because the changes have done my job more interesting.</p> <p>I am more motivated because I want to impress and adapt and exceed expectations.</p> <p>The changes have affected my motivation positively except giving out those vouchers during check in, only that is repulsive.</p> <p>I am motivated to perform even better.</p>
	<b>No impact</b>	<p>I am always motivated, so no effect on me.</p> <p>We haven't had so many changes that it would have affected my level of motivation.</p> <p>I don't feel more or less motivated than before.</p>
	<b>Management motivating employees</b>	<p>We received a new reward system that came with the new guest loyalty programme, and you can earn points and bigger rewards the more you enrol people.</p> <p>They introduced us some new programme where you can compete with other employees from other countries and see who is leading in enrolments. The best gets always rewarded with points.</p> <p>I haven't really noticed the management motivating the employees any more than before, but this is because we didn't experience much changes in my department.</p>

<b>Q13 Engagement</b>	<b>Engagement to employer</b>	<p>I don't see myself working for the new owner organization, but thankfully my employer didn't change.</p> <p>If this continues the same way we have come until now, I don't see the need to leave my job.</p> <p>I feel as engaged as before.</p> <p>Everything has engaged me way more, because now there are more opportunities for us abroad.</p> <p>I am more loyal towards my employer.</p>
	<b>Engagement to one's job</b>	<p>I feel the same as before.</p>
	<b>Management engaging employees</b>	<p>I think we can freely express our opinions and concerns about anything, and that makes me feel that I am valued and that I can affect on things.</p> <p>When I get positive feedback from my manager, I feel really good and I want to perform even better.</p> <p>I'm not sure if this is related to engagement during the change, but I feel like our managers made it clear that we are in this together, and it made me feel relieved and connected to my work community.</p>
<b>Q14 Change resistance</b>	<b>Passive resistance</b>	<p>I have noticed that others do only the bare minimum or for example avoid enrolling people to the loyalty programme as long as they can.</p>

		<p>I have seen negative attitudes and scepticism from my colleagues, which grew on me as well, so I started feeling a bit more resistant myself.</p> <p>Some have resisted, as in showing uninterest, and I think there were some rumours going around what was going to happen.</p>
	<b>Acceptance</b>	<p>I have accepted all changes well.</p> <p>We were given time to get used to the changes, so it never felt heavy to follow through.</p> <p>Change is always good; it was not difficult to accept.</p>
<b>Q15 Improvements</b>	<b>Communication</b>	<p>More openness and communication especially to people who don't have work emails.</p> <p>Our biggest struggle is to just to get the communication between departments to work, but this has been already before the change and still now during the change.</p> <p>There are more rumours than accurate information.</p> <p>I wish someone told me at the start what is exactly going to happen.</p>

	<p><b>Communication channels</b></p>	<p>I don't like to use WhatsApp or Facebook as a communication channel for work.</p> <p>Everyone should be entitled to have their own work emails.</p> <p>There should be another app, like Slack, used for urgent work matters.</p> <p>I cannot unwind properly because we use WhatsApp for informing about a lot of things. It can be a benefit but also a downside.</p>
	<p><b>Vision</b></p>	<p>The F&amp;B vouchers do not follow anyone's vision or environmental values.</p> <p>I would communicate better from the start of the process or when we got bought just a clearer vision.</p>
	<p><b>Training</b></p>	<p>There were very few proper trainings.</p> <p>There was only one day of training where one third of the company participated so people were afraid to ask questions.</p> <p>If we had more time for training, I would have felt more comfortable.</p> <p>I didn't get to participate in the welcoming party, which included probably relevant information, so I feel I missed a big part of this change process.</p>
	<p><b>Discrepant instructions</b></p>	<p>I wish we had clearer instructions in M&amp;Es when orders come in.</p>

		<p>Sometimes we have to just guess how we do things because we are not sure about the instructions.</p> <p>Different people give different guidance.</p>
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