Strategy and Change Management:

A case study of Akademiska Hus Väst

*Master of Science Thesis in the Master’s program Design and Construction Project Management*

JENNY GUSTAFSON

MALIN WIDERLUND

Department of Civil and Environmental Engineering

*Division of Construction Management*

CHALMERS UNIVERSITY OF TECHNOLOGY

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Department of Civil and Environmental Engineering
Division of Construction Management
Chalmers University of Technology
SE-412 96 Göteborg
Sweden
Telephone: + 46 (0)31-772 1000

Cover:
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ABSTRACT
The core of strategic work is to determine how the organisation is to create, use and maintain competitive advantages (Skärvad and Olsson, 2006). This thesis investigates the importance of having a well functioning strategy and the right communication skills to be able to make the organisation successful and achieve a competitive advantage.

The thesis is based on a case study that investigates how a comprehensive strategical change is implemented in the second largest property company in Sweden, Akademiska Hus. The case study examines how the change is formulated and implemented by the management and further understood throughout the organisation from a hierarchical point of view. The case study is further limited to a regional level concentrating on the employees’ interpretation of the change in the western region. All information has been gathered through eight semi-structured in-depth interviews with employees of different positions and from different parts of the region.

This study shows that the change has resulted in the organisation creating a new vision of becoming world leading in creating a good environment in the chosen niche. New core values were further created based on how the employees carry out their work, namely being an expert, an active partner and future targeted. The organisation is still in an early stage of the implementation, but some parts of the changes have already been carried out. However some of these changes have not yet landed among the employees. The employees are not completely aware of what exactly is going on in the organisation, but most of them believe that change within the organisation is something positive. It is further believed that this change will bring many good things to the organisation, such as working towards the same goals and working more closely together.

Key words: Strategy, Strategic management, Organisational change, Change management, Communication
SAMMANFATTNING

Målet med ett strategiskt arbete är att bestämma hur en organisation ska skapa, använda sig av och bibehålla ett konkurrenskraftigt övertag jämfört med dess konkurrenter (Skärvad och Olsson, 2006). Detta examensarbete undersöker vikten av att ha en väl funktionerande strategi och hur företaget behöver kommunicera förändringar för att uppnå detta försprång över konkurrenterna.

Detta examensarbete är baserat på en fallstudie som undersöker hur en omfattande strategisk förändring är implementerad i det näst största fastighetsbolaget i Sverige, Akademiska Hus. Fallstudien undersöker hur förändringen är formulerad och implementerad av företagsledningen och hur den uppfattas genom organisationen ur ett hierarkiskt perspektiv. Fallstudien är begränsad till Akademiska Hus Väst och är uppbyggd kring åtta semistrukturerade, djupgående intervjuer med medarbetare i olika positioner inom regionen.

Den strategiska förändringen har resulterat i att företaget skapat en ny vision, vilken innebär att Akademiska Hus ska vara världsledande på kunskapsmiljöer. Organisationen har även skapat nya kärnvärden bestående av att vara experter, en aktiv partner och framtidsinriktade. Organisationen är fortfarande i ett tidigt skede av förändringen och vissa delar har inte hunnit landa hos medarbetarna än. Vissa medarbetare uppgjer att de inte har full insikt i vad förändringen kommer att innebära men de flesta tror att förändringen inom organisationen är positiv. De flesta tror även att den kommer medföra många fördelar, till exempel att företaget kommer att jobba mer mot samma mål och att de kommer jobba närmare varandra.

Nyckelord: Strategi, Strategisk hantering, Kommunikation Förändringsarbete, Organisationsförändring,
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>I</td>
</tr>
<tr>
<td>SAMMANFATTNING</td>
<td>II</td>
</tr>
<tr>
<td>CONTENTS</td>
<td>III</td>
</tr>
<tr>
<td>PREFACE</td>
<td>VI</td>
</tr>
<tr>
<td>PART I</td>
<td>1</td>
</tr>
<tr>
<td>1 INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>1.1 Problem identification</td>
<td>5</td>
</tr>
<tr>
<td>PART II</td>
<td>7</td>
</tr>
<tr>
<td>2 STRATEGY PROCESS (HOW WHO WHEN)</td>
<td>9</td>
</tr>
<tr>
<td>2.1 How</td>
<td>11</td>
</tr>
<tr>
<td>2.1.1 Competitive strategy</td>
<td>12</td>
</tr>
<tr>
<td>2.2 Who</td>
<td>14</td>
</tr>
<tr>
<td>2.3 When</td>
<td>15</td>
</tr>
<tr>
<td>3 STRATEGY CONTENT (WHAT)</td>
<td>17</td>
</tr>
<tr>
<td>3.1 Five Ps of strategy</td>
<td>21</td>
</tr>
<tr>
<td>4 STRATEGY CONTEXT (WHERE)</td>
<td>23</td>
</tr>
<tr>
<td>4.1 The industry context</td>
<td>23</td>
</tr>
<tr>
<td>4.2 The organisational context</td>
<td>23</td>
</tr>
<tr>
<td>4.3 The international context</td>
<td>24</td>
</tr>
<tr>
<td>4.4 Strategic history - from war to business environment</td>
<td>24</td>
</tr>
<tr>
<td>5 SCHOOLS OF THOUGHT</td>
<td>25</td>
</tr>
<tr>
<td>5.1 The prescriptive schools</td>
<td>25</td>
</tr>
<tr>
<td>5.1.1 The design school: Strategy formation as a process of conception</td>
<td>25</td>
</tr>
<tr>
<td>5.1.2 The planning school: Strategy formation as a formal process</td>
<td>26</td>
</tr>
<tr>
<td>5.1.3 The positioning school: Strategy formation as an analytical process</td>
<td>26</td>
</tr>
<tr>
<td>5.2 The descriptive schools</td>
<td>27</td>
</tr>
<tr>
<td>5.2.1 The entrepreneurial school: Strategy formation as visionary process</td>
<td>27</td>
</tr>
<tr>
<td>5.2.2 The Cognitive school: Strategy formation as a mental process</td>
<td>27</td>
</tr>
<tr>
<td>5.2.3 The Learning school: Strategy formation as an emergent process</td>
<td>27</td>
</tr>
<tr>
<td>5.2.4 The Power school: Strategy formation as a process of negotiation</td>
<td>27</td>
</tr>
<tr>
<td>5.2.5 The Cultural school: Strategy formation as a collective process</td>
<td>28</td>
</tr>
<tr>
<td>5.2.6 The Environmental school: Strategy formation as a reactive process</td>
<td>28</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
</tr>
<tr>
<td>---------</td>
<td>-------</td>
</tr>
<tr>
<td>5.3</td>
<td>The configuration school: a process of transformation</td>
</tr>
<tr>
<td>6</td>
<td>DIFFERENT STRATEGIC APPROACHES OR CONNECTIONS</td>
</tr>
<tr>
<td>6.1</td>
<td>People strategy, business strategy and total rewards</td>
</tr>
<tr>
<td>6.2</td>
<td>The firm’s strategic archetype</td>
</tr>
<tr>
<td>6.3</td>
<td>Other approaches</td>
</tr>
<tr>
<td>7</td>
<td>ORGANISATIONAL CHANGE</td>
</tr>
<tr>
<td>8</td>
<td>COMMUNICATION</td>
</tr>
<tr>
<td>8.1</td>
<td>Levels of communication</td>
</tr>
<tr>
<td>8.2</td>
<td>Types of communication</td>
</tr>
<tr>
<td>8.3</td>
<td>Communicating change</td>
</tr>
<tr>
<td>8.4</td>
<td>Eight steps of the change process</td>
</tr>
<tr>
<td>8.5</td>
<td>Different roles of communication</td>
</tr>
<tr>
<td>9</td>
<td>CHANGE LEADERSHIP</td>
</tr>
<tr>
<td>9.1</td>
<td>The Seven S model</td>
</tr>
<tr>
<td></td>
<td>PART III</td>
</tr>
<tr>
<td>10</td>
<td>METHOD</td>
</tr>
<tr>
<td>10.1</td>
<td>Research purpose</td>
</tr>
<tr>
<td>10.2</td>
<td>Research approach: qualitative versus quantitative approach</td>
</tr>
<tr>
<td>10.3</td>
<td>Research strategy</td>
</tr>
<tr>
<td>10.4</td>
<td>Data collection</td>
</tr>
<tr>
<td>10.5</td>
<td>Validity and reliability</td>
</tr>
<tr>
<td>11</td>
<td>CASE STUDY</td>
</tr>
<tr>
<td>11.1</td>
<td>Company analysis</td>
</tr>
<tr>
<td>11.2</td>
<td>Problem clarification</td>
</tr>
<tr>
<td>11.3</td>
<td>Formulation of the change</td>
</tr>
<tr>
<td>11.3.1</td>
<td>Trademark platform</td>
</tr>
<tr>
<td>11.3.2</td>
<td>Market</td>
</tr>
<tr>
<td>11.3.3</td>
<td>Business plan, budget and strategy</td>
</tr>
<tr>
<td>11.3.4</td>
<td>Organisation</td>
</tr>
</tbody>
</table>
Preface

This master’s thesis was conducted in the spring of 2010 during a five month period. It represents 30 hec and was presented in early June. The thesis was carried out at the master’s programme Design and Construction Project Management at Chalmers University of Technology in Göteborg, Sweden. It was carried out in collaboration with Akademiska Hus region west, which was facing a comprehensive change and wanted help to see how this change had been experienced and understood among the employees.

Many thanks to Ulrica Hammarqvist and Mats Lindahl at Akademiska Hus, who provided us with information and helped us with the interviewee selection. Many thanks also to the employees who willingly shared their opinions in the interviews and making this thesis possible to carry out. Further, we are very thankful for everyone else in the organisation we have come in contact with, who has gladly helped and welcomed us with open arms, showing interest in our work.

Many thanks also to our supervisor Mathias Gustafsson at Chalmers University of Technology for great support throughout the entire writing process and for spending time on us even if the workload has been steep.

Lastly, we have been putting an equal amount of time and effort into this Master’s thesis.

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Jenny Gustafson

Malin Widerlund
PART I

Introduction
1 Introduction

Our world is constantly changing in a rapid pace (Heide and Johansson, 2008) and so is the construction market (Yudelson, 2008). New and higher demands face the organisations every day and innovative and more environmentally friendly solutions have also become necessary in the daily work within the market. The property market is a very large part of the construction business and is therefore also facing the same issues. Today’s property companies are therefore constantly faced with new and higher demands on improved buildings that are environmentally friendly but at the same time modern and desirable. Green buildings and passive houses are examples of such constructions that fulfil today’s demands. To be able to keep up with this rapid pace and constant change, the organisations need to follow and conquer the market development (Heide and Johansson, 2008).

A well structured strategy is the foundation to succeed with massive changes. Strategy is something that can be found everywhere in our society and it is a phenomenon that can be traced back thousands of years (Clegg et al., 2005). Examples of areas where strategy can be found are: within wars, where it is about how to win the war and what actions to take to do so; within sports teams, how the team should play to win the game; and within organisations, how the organisation should play or act in order to win or be successful on the market.

Based on the long history and wide range, strategy is a concept that is very complex and has many different definitions (Mintzberg et al., 1998). The authors compare the field of strategy and all its instigators to the concept in ‘The blind men and the elephant’ written by John Godfrey Saxe in the 1800s. Briefly, six blind men went to see an elephant in spite the fact that none of them could see. Each of the six men approached the elephant and by hand examined the looks of it. All of them approached different parts of the elephant and all of them were convinced that the part they had felt defined what an elephant is. Mintzberg et al. (1998) continue by explaining that the instigators or researchers of strategy are just like the six blind men and the field of strategy or the strategy formation is the elephant. No one knows the whole concept, only a small piece of it and the rest of the concept, they have decided to ignore.

De Wit and Meyer (2004) present the idea of strategy as having three dimensions. These three dimensions can be acknowledged in all strategic problems or situations and are described as:

1. Strategy process: The dimension of strategy process include the way strategies occur and regards the so called how, who and when of strategy that will be further described in Chapter 2. The subjects of how, who and when refers to the questions of: how will the strategy be formulated and implemented; who will be involved in the strategy process; and when will these actions occur.

2. Strategy content: The strategy content can be described as the result of the previous explained strategy process. It is further including the so called what of the strategy that is further described in Chapter 3. The question of what generally include what the organisational strategy is and later should be?
3. Strategy context: The third dimension of strategy context refers to the circumstances (organisational and environmental) where the strategy process and the strategy content are established. Strategy context can be referred to the *where* of strategy and will be further described in Chapter 4. This matter questions where the strategy process and strategy content will be implanted; both in which company as well as in which environment?

De Wit and Meyer (2004) stress that the three dimensions are only dimensions and not parts of strategy and that each and every strategic problem or situation always consists of all these three dimensions. Further, the three dimensions are interacting with each other and if these relationships are neglected, a complete insight in the subject of strategy will never be reached. This is explained by the reason that the way the strategy process is structured is crucial for the result of the strategy content. At the same time the content of the current strategy is further crucial for the strategy process in the future. It is additionally stressed that if these connections are not seen, the strategy will be handled as a flat concept instead of this solid three-dimensional concept (De Wit and Meyer, 2004).

Communication and strategy is critical within organisational change (Heide and Johansson, 2008). French *et al.* (2008 p.555), define change as “making things different”. Change is also something that can be found everywhere in our society since new times or new conditions requires new methods or new strategies to be able to handle these new conditions. Change is unavoidable and the sooner organisations understand this, the sooner they can come up with a strategy about how these changes should be handled (Grey, 2005). Organisational change does, according to Mourier and Smith (2001), include all modifications that make the human performance change. They further state that work of change is, just like the field of strategy, highly complex and requires time and commitment to be successful.

Since the world is constantly changing, it is not any doubt that organisations should change. Every organisation must consider why and how they must change to keep up with the environmental changes and requirements (De Wit and Meyer, 2004). Daft (2008) further state that although most change efforts meets some or more resistance, change is essential for any organisation that wants to endure and flourish in this hard environment. Organisations also have to be able to react fast and in the right way to external changes and in the meantime manage the internal changes in an effective way. It is also important to benchmark the organisation against what the customers expect, and against market leaders and competitors (French *et al.* 2008).

This paper is built upon four parts. The first part contains this introductory chapter. The second part contains the theoretical framework, which is based on the theory of strategy as well as change and communication. Part three contains two chapters, the first of which is methodology and the second illustrates the case study. The final part, four, illustrates the results and discussion that is based upon the case study. The last chapter of this part and the entire paper are conclusions that are based upon the completion of this thesis.
1.1 Problem identification

There is a large quantity of research carried out concerning strategy and work of change. The theoretical framework of this thesis brings up previous research about the importance of using a strategy and how to implement and communicate changes. However, it is one thing to create a successful strategy in theory than to carry it out practically. It is more to it than creating strategic plans; the changes need to be implemented and all organisational members must accept the changes and work towards making the most out of it.

The investigated organisation is positioned in a conservative industry where changes takes time and the demands are high on the organisation due to market requirements on issues such as environmental friendly buildings etc. How does this type of organisation handle such comprehensive work of change that takes a long time to implement? How are the changes planned and carried out, and how well have they succeeded with the strategy work of change? Most importantly, how do the organisational members embrace and have understanding for the change? Is there a difference in understanding between the members at the regional head office and the members working out in the smaller districts where they work closer to the customers? Lastly, have the employees closer to the source of information more understanding for the changes compared to the employees further away?
PART II
Theoretical Framework
2 Strategy Process (How Who When)

Strategy process is, as mentioned in Part I, the first of the three dimensions of strategy. The process of setting a strategy can be described as the way a strategy comes into existence, and involves the how, who and when of Strategic management (Price and Newson, 2003).

The strategy process can either be official or unofficial, regular or irregular, all depending on the business environment and the strategic aims of the organisation. The strategic process is often complicated and usually involves activities performed by different people over a long period of time. Examples of activities that are involved in the process can be to: identify and evaluate the competitive position of the organisation; identify the critical success factors of the organisation; develop key performance indicators; perform an in-house inspection of the organisation; and also look at expectations from the stakeholders (Price, 2003).

The strategy process exists of many various viewpoints and can be described in many ways. It can be divided into many different steps and phases, and there is no right way to create and apply a new strategy (Price and Newson, 2003). Instead, it is all about what corresponds with the needs of the organisation (Price, 2003). The importance lies within getting the right balance between the tools and techniques the organisation has chosen; the current culture of the organisation; available skills; the surrounding industry; and the desired outcome (Price and Newson, 2003). However, one quite common way to describe the strategy process is to divide it into three different phases: strategic analysis or strategic thinking; strategy formation; and strategy implementation or strategy change (Price, 2003; Price and Newson, 2003; de Wit and Meyer, 2004).

The strategic analysis or strategic thinking is focusing on the strategist and is questioning how the strategist or strategic managers structure their thoughts to ensure a successful process (de Wit and Meyer, 2004). Strategic analysis means analysing the business idea (Skärvad and Olsson, 2006) and getting an understanding of what current position the organisation has from a strategic point of view.

The organisation needs to be able to answer the questions of how they are doing, where they want to be in the future and what their stakeholders are interested in. An investigation of the business environment and industry therefore needs to be carried out. The organisation also needs to gain insight in the competition of the market. This investigation will, if it is successful, show the external opportunities and threats the business environment can offer. Also the internal strengths and weaknesses of the organisation need to be comprehended, which can be accomplished through analysing current results, skills, and competencies within the organisation. When all these factors have been identified the organisation needs to find out to what extent their current strategy is able to deal with changes within the industry surroundings (Price and Newson, 2003). The strategic analysis is the foundation of the following two steps and needs to be carried out thoroughly (Skärvad and Olsson, 2006).
The strategy formation is focusing on the actual strategy. This is a matter of how the activities of strategy are structured to ensure successful formation (de Wit and Meyer, 2004). It involves an analysis of what strategic options and what choices of actions concerning the future, the organisation have. The strategy formulation must include reflections of what type of competitive strategy is to be adopted. This can either be the cost leadership, differentiation or focus, which will be further described in Section 2.1.1. (Price and Newson, 2003).

Strategy implementation or strategic change is focusing on the organisation and is a matter of how the changes or implementation should be structured to ensure a successful implementation or transformation (de Wit and Meyer, 2004). Strategy implementation is all about translating the meaning of the strategy and turning it into actions. This can be done through design and structure of the organisation, resource planning, and change management. Managing change demands actions that improve the culture of the organisation and the processes the organisation has adopted. Further, the organisation needs to reflect over both physical and behavioural changes when managing change (Price and Newson, 2003).

The outcome of a strategy process is according to Maylor (2005) a strategy. He further state that strategy has been seen as a one way process in the past and this way of seeing it is called the traditional approach. However, there is an alternative approach, the strategic approach, which is a two way process where activities in projects can contribute to the strategy in two ways. These two ways are according to Maylor (p. 54) “through deployment of the strategy and ...through contribution to that strategy”.

Maylor (2005) states that if a traditional approach is used it is quite common that the organisation is satisfied by only minimising the negative consequences of projects, instead of aiming at creating a competitive advantage. In this approach it is the senior management that is responsible for the strategy, which is implemented at the top independently of what is possible at a project level. The strategic approach on the other hand, has various important features that distinguish it from the traditional approach. A two way communication process will make strategy more understandable and easier to adopt for the members of the organisation, who will also be aware of the opportunities and limitations the organisation is facing. In the strategic approach it is still the senior management that is responsible for creating the strategy, but there are strong links between the strategy and activities carried out in the project level. Examples of activities the project level can contribute with can be: progress on the existing work and current workloads; capability limitations and potential new capabilities; and suggestions of how new outcomes from projects can be used and developed to gain advantages (Maylor, 2005).

According to Björnström and Räisänen (2006), it is highly important to ensure the employees’ understanding and sense making of the strategies in order to be able to follow and reach them. They therefore further argue that it is essential to consider sense making in both strategic planning and implementation, but also in the plan for spreading the strategies further down the hierarchy. Sense making is according to Clegg et al. (2008) about making sense of different concepts. Within organisations this refers to the common sense making among all the employees so that they all work towards the same goals and all have the same perception of these goals.
2.1 How

The core of strategic work is to determine how the organisation is to create, use and maintain competitive advantages. Dealing with a business enterprise is all about organising resources and competencies in order to satisfy the needs of the customers. It is also about outperforming the competitors by offering better products and services, with a high value to the customers (Skärvad and Olsson, 2006).

Certain strategic alternatives are more appropriate under certain market conditions. The worst case scenario is for an organisation to fall in between two types of strategies, which often happens within the construction industry. It is crucial for the strategy to reflect the needs of the stakeholders, the capabilities of the organisation and the business environment (Price and Newson, 2003).

According to Porter (2004), no matter in what industry the organisation is positioned there are rules of competition that is represented in the five force model, see Figure 2.1. He further states that the power of the five forces depends on what industry the organisation is situated in and they change when the industry develops. New competitors entering the market, the negotiation power of buyers and suppliers, the threat of substitutes and the already existing rivalry among the competitors are all factors found in the model. The organisation’s profitability depends on their ability to negotiate prices with customers and suppliers. If the organisation possesses a qualified negotiation position compared to the competitors it can pay less to the suppliers and can therefore sell the product or service with a higher profit margin. The market’s job structure determines the negotiation power of organisations represented in the five force model. In a market with a low entry barrier and high profitability, new competitors constantly threat to enter the market. Therefore, an organisation in this type of market could choose a “limit pricing” strategy which means that they keep their profits low in order to avoid competitors (Carter et.al, 2008; Clegg et.al, 2005).

Figure 2.1: Porter’s Five Forces model  
(Adapted from Mind Tools, 2010)
2.1.1 Competitive strategy

In his book ‘Competitive Strategy’ in 1980, Porter presented three concepts or competitive strategies that organisations can use. These three advantages mean that an organisation can address their strategy to cost management, differentiation or focus (Price, 2003; Tyson, 1997; Price and Newson, 2003). The focus can further be divided into cost focus and differentiation focus (Mintzberg et al., 1998). Porter (1996, p. 64) defines competitive strategy as “being different. It means deliberately choosing a different set of activities to deliver a unique mix of value”. Porter further argues that this is the core of strategy and if an organisation does not differentiate itself their strategy will not allow the organisation to compete in the market.

The point of cost leadership is to be able to sell a product to a lower price compared to the competitors (Tyson, 1997; Price and Newson, 2003). Through a cost leadership strategy the organisation is trying to achieve a competitive advantage through offering the customers these lower product or service prices (Skärvad and Olsson, 2006).

This strategy approach will bring benefits like low initial costs, but might result in hostile relationships and not enough respect being given to the value of the product or service life cycle from the perspective of the clients. A simple yet successful strategy is achieved by being able to offer a product that can match the quality of the competitors’ products, but for a lower price. This is possible as long as the organisation is increasing the product quantity in order to decrease the production cost (Clegg et al., 2005).

Through a differentiation strategy the organisation is trying to offer the customers products with unique qualities and values that the competitors cannot achieve, by adding value or creating a brand name. Also, the product or service needs to give the clients something they need but without knowing that they do (Tyson, 1997; Price and Newson, 2003). An organisation in this strategy approach is trying to achieve uniqueness within its industry. The differentiation can be based on the product that is being sold, the system it is delivered through, the chosen approach of marketing and many other factors. This approach brands products and gives them a unique position on the market. All competitors will struggle with the clearness and uniqueness that the product will bring to the potential customers (Porter, 2004).

A focus strategy implies concentrating, on either cost or product differentiation, within a specific market niche (Tyson, 1997; Price and Newson, 2003). This type of strategy differs from the other types since it rests on a narrow application area. It can either be cost focused which achieves a competitive advantage in its targeted areas of interest, or differentiation focused which seeks deviation in its market segments. Both of these focuses build upon differences between the targeted areas of interest of the focuser and other segments in the industry (Porter, 2004).

Feurer and Chaharbahgi (1995) state that a competitive advantage is factors that make an organisation succeeding better than the competitors and the organisation needs to create factors which cannot be easily copied by others. There are different types of competitive advantages but all of them should include: the resources and capabilities of the organisation; a superior strategy implementation; time; quality; and innovation and creativity. It is further argued by Feurer and Chaharbahgi that an organisation should base their strategy on what they are good at, instead of concentrating on the external environment.
The resources and capabilities can derive from different areas within the organisation and it is the strategy that will identify what resources and capabilities that can be used to differentiate the organisation from the competitors. This can be resources which can improve the competitive advantages of the organisation through cost advantage; differentiation purposes; by making it difficult for other organisations to enter the market; or to influence the negotiation strength of the industry. Organisations that are successful within the strategic area are those who embrace new concepts, are creative and focus on strategic innovation. However, this requires strategic knowledge and involvement of many employees (Feurer and Chaharbahgi, 1995).

Andrews (1987) state that the mutually dependent relationship of purposes and polices, as well as actions are vital factors to the distinctiveness of the strategy and also its chance to create a competitive advantage. Andrews further state that the factors that positions the company on the market and also identifies the company are ‘unity, coherence, and internal consistency’ in their strategic decisions.

All organisations have to be very innovative if they want to stay competitive and the organisation is dependent on its ability to get the right balance between logic and creativity in order to develop a successful strategy that fits the existing business environment (Price and Newson, 2003).

In order for an organisation to stay competitive it is important for it to be able to respond to the changes that occur in the concerned business industry quickly. According to Atkinson and Barry (2010 p. 26) “speed is everything”, by which the authors mean strategic speed, speed that adds value both from a short and a long term point of view. To be able to accomplish strategic speed, Atkinson and Barry suggests three critical success factors that need to be achieved, namely:

- **Clarity.** An organisation needs a mutual and clear insight of what their current situation is and where they are heading. In other words ‘where are we going, and why’. The organisation needs to understand the importance of the strategy and also what actions that needs to be made in order to fulfil the strategy.

- **Unity.** It is important for an organisation to have commitment and unity both internally, teamwork within the organisation; and externally, a good relationship with the stakeholders. The most important driver for unity is collaboration. This is accomplished when the members of the organisation have understanding for a common ground and possess the required skills to be able to make the projects successful and the strategy fulfilled.

- **Agility.** Agility can be described as the fast response to arising opportunities. However, it is more important to be open to different ways of achieving a specific direction, rather than constantly adapting the direction of the organisation to what seems right at that specific moment.

An organisation that maintains strategic speed is more likely to detect when they are off course and are able to make corrections quickly. Slower organisations, on the other hand, can be less flexible and are less likely to challenge the plan (Atkinson and Barry, 2010).
Everyone, from football teams to political parties have a strategy, even universities, in order to make themselves accessible when they want someone to be interested in what they have to offer. They can also use a strategy to deal with unavoidable negative consequences. Carter et al. (2008, p.15) also mention that “strategy, like war, is a very masculine activity”. Individuals have strategies for making someone else interested in them by creating availability, and further a strategy is used to deal with the sometimes unavoidable rejection that might follow. Further, organisations have strategies, or at least they should have. Strategy has been more focused upon in the past decades due to the major changes in the business environment. The organisation is dependent of their strategy if the goal is to be market leading; and this is where most organisations want to be (Carter et al., 2008).

Fairholm (2009) argues that an organisation needs both strategic planning and strategic thinking complementing each other as tools to ensure organisational effectiveness. Strategic planning is explained to be a tool that ensures that the organisation’s business goals and strategies are met. Strategic thinking is further clarified as a tool to spread the information out through the entire organisation making sure all the employees understand and work to meet the organisational goals and strategies.

The survival of most large organisations depends on strategic thinking and planning. This is especially important for organisations within the construction industry due to complex projects, high turbulence, instability, and the highly competitive business environment the construction industry has to deal with (Price, 2003; Price and Newson, 2003). Also, the construction industry focuses on production of unique end products (Chinowsky and Meredith, 2000), and is exposed to a multi-project environment (Raiden et al., 2008). It is therefore important for all these construction organisations to maintain skills within strategic management.

A good strategy can distinguish an organisation from other organisations with a less successful strategic plan (Price, 2003). Also, a strategy is especially important within difficult economic periods since many organisations then are forced out of the industry. In these times, strategic management is particularly important and can be a way to avoid failure (Anikeeff and Sriram, 2008). Another reason for why a strategy is important is that the global view on time and distance has changed during the past decades. The boundaries between local, regional, national, and international organisations have been blurred out due to new technology and communication skills. Therefore practically any organisation can, in theory, participate in any project at any location (Chinowsky and Meredith, 2000).

According to Brandenburg et al. (2006), organisations with high levels of strategic thinking, including human resource planning, will result in better performance, higher productivity, better cost effectiveness and better efficiency for the organisation as a whole. Organisations tend to do what other organisations already are doing. They are also continuously using sudden strategies instead of intentional and well planned strategies. Planning, well carried out, and observation to details can lead to the organisation developing better strategies. Further, strategies in wars, as well as in a business environment, is according to Carter et al. (2008) driven by technology which can reduce or eliminate competition.
2.3 When

Dealing with a business enterprise is about organising resources and competences in order to satisfy the needs and demands and offer the customers better products and services compared to the competitors (Skärvad and Olsson, 2006). Strategy deals with differentiating the organisation from other organisations, by carrying out different things, in a different way. Requirements that are needed in order to develop a well functioning strategy are according to Clegg et.al, (2005, p.432) “a well articulated, stable purpose, establishing a difference with regard to one’s competitors, and developing insights about how to create more value than other companies”.

Instead of looking at the strategy structure as a linear process, it should be seen as circular, or in other words as a continuous process with a constant focus on strategic activities and maintaining the purpose of existence of these activities. Fundamental for the strategy structure is to reach an understanding of that the purpose is to provide the organisation with an environment that allows them to formulate strategic ideas (Chinowsky and Meredith, 2000).

Strategy is a crucial tool for reaching a desired outcome and outsmarting the enemy. Strategy is what links the actions together into a final decision which becomes patterns of decisions carried out over a long period of time which focuses the resources on the expected outcomes (Tyson, 1997). The strategy needs to cover the needs of the stakeholders, and the capabilities of the organisation and the business environment (Price and Newson, 2003).
3 Strategy Content (What)

Strategy content is described as the product of the strategy process and is the “what” of strategy (Price and Newson, 2003). This is according to de Wit and Meyer (2004), the ‘strategy itself’ and has to do with what it should be, meaning which course the organisation should choose to best reach its goals and purposes. The word strategy comes from the Greek language, and consists of the words stratos (=army) and agein (= to lead) (Carter et al., 2008).

There are many different definitions of strategy. Carter et al. (2008, p. 8) claim that “there are almost as many definitions of strategy as there are strategists”. There also seem to be an agreement that no true definition exists, and the more definitions there are, the more confusion arises (Price and Newson, 2003). However, Price (2003, pp. 286-287) and Price and Newson (2003, pp.183-184) suggest three definitions that describes strategy quite well.

- The first definition comes from de Wit and Meyer and says that “strategy can be broadly conceived as a course of action for achieving an organisation’s purpose”
- The second definition comes from Quinn and states that “a strategy is the pattern or plan that integrates an organisation’s major goals, policies and action sequences into a cohesive whole”
- The last definition is stated by Johnson to be “the direction and scope of an organisation over the long term: which achieves competitive advantage for the organisation through its configuration of resources within a changing environment, to meet the needs of markets and to fulfil stakeholder expectations.

Even though no true definition exists, Carter et al. (2008) state that there are four characteristics that is included in almost all definitions, namely:

- Strategy is about what is going to happen and how the organisation is about to reach their goals. Strategy can be seen as a roadmap of the future and if there is no goal, there is no possibility to score. Kaplan (2007, p.13) also states that the business strategy functions as a “roadmap” guiding the organisation in the right direction towards its goals and visions.
- Strategy involves the allocation of resources in order for an organisation to get from where they are now, to their desired position in the future.
- Strategy is necessary for being successful in a competitive environment. If there is no competition, a strategy is useless. Since other organisations fight for the same thing, you have to be smarter, faster and better than your competitors.
- Since strategy deals with the future it is very important for the survival of the organisation. Strategy can be seen as the responsibility of the top management, therefore they often consider themselves to be very important for the organisation.
Andrews (1987) presents the concept of corporate strategy and business strategy. Corporate strategy is explained as dealing with the entire organisation and identifies what type of business the company competes in. The business strategy is further explained as dealing with the individual company and the way this is lead, meaning which market, products and services will be used to compete with competitors. These two definitions or concepts are a part of the strategic management process.

Mintzberg (1987, p.11) claims that strategy has in the past been defined as “purposeful action”, “design for action” and “conception preceding action”. He also mentions that there are different definitions of strategy in different business areas.

- In the military strategy concerns drafting the plan of war, deciding on individual input and engagements.
- In game theory strategy can be seen as a complete plan which defines what choices are possible in every feasible situation.
- In management strategy can be described as a united and embracive plan that ensures that the fundamental objectives the organisation has set up are reached.
- In the dictionary strategy is a plan, method, manoeuvres or ploys in order to achieve a specific goal or result.

The purpose of using a strategy can be to reduce uncertainty and avoid miscommunication within an organisation. It demands a mutual understanding and interpretation of primary concepts. In the field of strategic management, these foundational concepts include strategy, strategic management, strategic planning, and strategic plans. A strategy will make it possible for organisations to see what their current strengths and weaknesses are. If the organisation is lacking within a certain area it is important to be aware of this in order to be able to make improvements. If this is the case it is a good thing that the gaps have been discovered so the organisation can move forward, instead of being afraid of what have been found. All organisations can make improvements at all time. An organisation that is destined to be successful will ensure to fill these gaps where it is lacking, as opposed to those who only ride the wave. The organisation needs to be clear on what its priorities are, and what available resources exist, since all improvements needs time, planning and financial assets. The organisation also has to consider that when developing a strategic concept it does not happen by itself. Instead, developing a strategy demands a surrounding that incites strategic thinking. Focus needs to be laid upon establishment, follow-ups and improvements (Chinowsky and Meredith, 2000).

Strategic management has, in comparison to strategy, a rather short history. It was introduced in the 1920s in a business course at Harvard Business School (Carter et al., 2008). They further state that in the 1970s the concepts of policy and business planning was well recognised but in 1979 these concepts were re-labelled as strategy.

Strategic management can be seen as an objective; in other words, it can be seen as gaining competitive advantages. This is achieved by positioning the organisation in the market so it can benefit from managing the competition and attract customers (Tyson, 1997). Porter (1996, p. 62) suggests that strategic positioning “means performing different activities from rivals’ or performing similar activities in different ways”. 
Porter (1996), states that the foundation of strategy is not the strategy itself but the services offered by the organisation. The focal point is to either choose a new innovative way to produce their products or execute their services, or to offer different services or products than the competitors. Porter (p. 64) further stresses that the strategy without this focal point is “nothing more than a marketing slogan that will not withstand competition”. Strategy can further be seen as a process of actions from the organisation to manage the aims of the organisation; a way to achieve the desired aims and objectives. From this point of view, strategy can be seen as what links the actions together in order to reach a decision (Tyson, 1997).

Strategic management is, according to Chinowsky and Meredith (2000), about creating a vision, a mission, and organisational goals. These will provide the organisation with a clear way of how to achieve their ambitions. A vision needs to be formulated to explain and reflect upon why the organisation does as it does and why they do it in that way (Clegg et al., 2005). The vision is a possible desired state for the future and is describing where the organisation is heading as well as what it wants to achieve in a long-term perspective (Skärvad and Olsson, 2006; Kaplan, 2007). Daft (2008, p.389) states that the vision is “an attractive, ideal future that is credible yet not readily attainable”, which means that it is a highly possible future state even though it is not applicable in today’s environment. Maylor (2005, p.53) further describes this as “we are standing on this hill here. The vision is that we want to be on that hill over there”.

Since a vision describes where the organisation is heading, knowledge of the organisation’s current position also needs to be possessed (Maylor, 2005). Daft (2008) states that the vision is a link between today and the future, which means that although the vision handles the future it has today’s environment as a starting point. Maylor (2005) also describes that the vision statement shows that the organisation is aware of where it is positioned and also know where it wants to be in the future. The organisation needs to know its market well to have an idea of where it is heading. In order to reach the vision, a strategy is required. A good strategy containing the right tools to achieve the vision is crucial for success in all organisations (Maylor, 2005).

A mission statement describes the purpose of the organisation, which means that what, why and how the organisation operates must be clarified (Kaplan, 2007). The Oxford Advanced Learner’s Dictionary (2005, p.979) defines mission statement as “an official statement of the aims of a company or an organisation”. Daft (2008, p.399) further defines it as “the organisation’s core broad purpose and reason for existence”. A mission statement will supply the organisation with a source of motivation. It should act as a guideline for decisions at every level (Clegg et.al, 2005).

The corporate mission is, according to de Wit and Meyer (2004), a driver that pushes the organisation in a specified direction. The mission describes what the organisation wants to accomplish in excess of the value that is created by the products or services of the organisation (Skärvad and Olsson, 2006). They further state that the mission does not have any visible finish line; instead it is guiding the organisation until further notice. Daft (2008) further means that the mission defines the core values in the organisation. It is also a prescription of what the organisation stands for as a whole.

In excess of the vision and mission the organisation also needs to develop a number of strategic objectives Henderson (2009). These objectives are targets the organisation is trying to achieve in order to improve the organisation’s performance (Maylor, 2005). The objectives must be realistic, easy to measure, and support the established vision.
The organisation further needs to ensure that the right resources are in place, in order to succeed with the strategic objectives Henderson (2009). The organisation must also establish strategic action plans in order to be able to meet the objectives (Maylor, 2005).

It can often be difficult to draw an obvious dividing line between the business idea, the mission, the vision, strategic intentions and goals. However, the intention is that the business idea should represent the starting position of the organisation; the vision is what the organisation is aiming for; and the mission is what the organisation wants to achieve concerning customers and other job initiators. The strategic intentions and the goals are more physical formulations (Skärvad and Olsson, 2006).

Bryson and Alston (2005, p.3) define a strategically managed organisation as “one that both defines where it wants to be and manages change through an action agenda to achieve that future”. The authors further explain three essential questions for the organisation to ask during their process of strategic planning, which they call ‘the ABCs of strategic planning’. The ABC model is visualised in Figure 3.1 and shows different methods that can be used in the different steps. The first question (A) includes how the organisation’s current state and guidelines are formed and why. It is from this state the new strategic plan or plans are developed. The second question (B) contains the organisation’s future desires and visions. Both the organisation’s and its stakeholders’ needs and visions must be considered. The last question (C) is about how the organisation will achieve the desired future.

![Figure 3.1: The ABCs in Bryson and Alston’s ABC strategy planning (Bryson and Alston, 2005)](image-url)
Even if a vision, a mission and objectives are successfully created, all organisations must understand that strategic initiatives should be continuously focused upon and that there is always room for improvements. Organisations should go through all the steps on a regular basis to guarantee that focus is kept on the right path (Chinowsky and Meredith, 2000).

3.1 Five Ps of strategy

Strategic management is, according to Mintzberg (1987), a field that is complex and can therefore not be based on only one definition of strategy. He further argues that those involved in this field need multiple and also explicit definitions to be able to handle it. Mintzberg introduces five different definitions that all define different parts of strategy, namely: strategy as plan, strategy as ploy, strategy as pattern, strategy as position, and strategy as perspective. Green et al. (2008), state that there are many different perspectives on strategy from the manager’s point of view. They further highlight the five Ps of strategy as possibly being the most influential perspective of all these.

Strategy as plan means, according to Mintzberg (1987), that the strategy is a well-aware planned route or a directive that is used to manage certain situations. Strategies have, according to this aspect, two substantial features: they are created and implemented before they are used for the actions, and they are dedicatedly developed with a high range of awareness. Strategy as plan handles the way leaders are trying to set up the organisation’s path as well as making sure that a destined course of action is followed. This aspect also focuses on understanding how the human brain visualises the intentions and turn it into value. Are people expressing their true feelings, meaning do they really say what they mean, and do the people really mean what they say?

Mintzberg (1987) state that strategy as plan can be either general or specific. In the specific sense a strategy as plan can also be a ploy. In order for a strategy to be a ploy a tactic for outwitting the competitors is required. Mintzberg explains this to be when an organisation is trying to frighten the competitors by threatening to expand their business area. The real intention of strategy as ploy is the threat, not the expansion itself.

Strategy as ploy is functioning in the domain of direct competition, where threats, ploys and other feints are used in order to get a competitive advantage. This aspect of strategy is therefore positioned in a functional setting where provoking moves causes counter-moves. A pretended strategy as a ploy can be established with the purpose of outsmarting the competitors. However, those organisations who establish them will most likely fool themselves. When dealing with this aspect of strategy it is important to really understand the intentions of the strategist.

Strategies can, according to Mintzberg (1987), be either intended or realised. The intended strategy is the plans and ploys discussed above and are explained by Mintzberg et al. (1998) to be looking ahead in the future. The realised strategy is, on the other hand, explained as looking back at old behaviour. This can also be seen as strategy as pattern. When seeing the strategy as a pattern, consistency has a central role. This type of strategy means that all actions taken by an organisation are consistent and thereby follows a pattern. This consistency can either be intended by the organisation or naturally emerge.
Strategy as position is, according to Mintzberg (1987), a way to locate the organisation in a business environment. Mintzberg et al. (1998) put this as a way to locate specific products in markets. The strategy in this aspect is situated between the environment and the organisation and thereby becomes the negotiating force between the external and internal context. This aspect of strategy can be associable with one or all of the previous aspects. Strategy as position inspires to look at an organisation in a context, especially in the competitive environment, how the organisation finds their position and how they protect themselves in order to meet, avoid or weaken competition.

Mintzberg et al. (1998) state that strategy as perspective is the primary way of working that the organisation conducts. This type of strategy is the opposite of strategy as position since strategy as perspective is handling the internal environment of the organisation. In the simplest form the strategy as perspective can be described as strategy being a concept. It is further highlighted that the essential part of the strategy as perspective is that the perspective is joint among all the members and that they in some way thinks in a ‘collective mind’ (Mintzberg, 1987).

Just as intended and realised strategies are opposites, so are the strategy as position and strategy as perspective. The strategy as position is explained as looking out at the external market, but it can at the same time be explained as looking down to the exact spot where its customers and products encounter. The strategy as perspective is thereby explained as looking in at the internal market or in other words within the organisation, as well as looking up to an imposing vision of the venture (Mintzberg et al., 1998).

Even if there are various relationships between all the aspects, there is not any relationship or aspect that is superior to the others. Since the different aspects can be seen as substitutes there is a competition between them. However it is more essential that the different aspects complement each other (Mintzberg, 1987).
4 Strategy Context (Where)

The strategy context includes the strategy making process. It is containing the formation of the strategy process as well as the strategy content. It is, as mentioned in Chapter 1, concerning the where of strategy; in other words, it is examining in which company or in which environment the strategy is positioned (de Wit and Meyer, 2004).

De Wit and Meyer (2004) state that strategy context is divided in two dimensions, which are industry versus organisation and national versus international. De Wit and Meyer have based on these created three different views of the strategy context, namely: the industry context, the organisational context, and the international context.

4.1 The industry context

MacKay and McKiernan (2004), state that the field of strategy context convulsive and less systematic compared to the fields of strategy process and strategy content. It can therefore be hard to understand the relationship between the strategy context and the other two fields.

The centre piece to the industry context is how development of the industry enacts (de Wit and Meyer, 2004). There are two main questions within this context. First, if one individual organisation has the power to influence the industry it is positioned in. Second, if the industry in some way influences any specific behaviour within the firm.

Baden-Fuller and Stopford (1992), state that it is the company and not the industry that really matters. They further highlights that a successful organisation will survive even in unsecure markets, while less successful organisations will go down with the market. De Wit and Meyer (2004) further state that it is important for managers within an industry to figure out how their organisation can be leading within the industry. To be leading the organisation must start to ‘shape’ the industry instead of only ‘adapt’ to it in order to create a competitive advantage for their organisation. If the organisation has a competitive advantage compared to its customers it will be them who set up the rules within the industry, which all the other players will have to adapt to.

4.2 The organisational context

The organisational context is composed of the development of the organisation, or more correctly how this development is established (de Wit, 2004). The development of the organisation is further explained to often be seen as a task for managers, but to include other members could be preferable. The authors also state that inheritance reduce the ability for an organisation to change.

Leadership has, within the organisational context, a central role. It is leadership that will lead to a development in the organisation. De Wit and Meyer (2004) explain that managers who lead organisational developments must have power, which means that the managers must have the capacity to influence.
4.3 The international context

In this context it is the international aspect that is in focus and how this context is developing (de Wit, 2004). More and more organisations globalise and thereby operate in two or more countries. Operating in different countries is hard because different countries do naturally have different conditions and different rules to follow. De Wit and Meyer call these different conditions ‘differing business arenas’.

Levitt (1983), states that organisations operating in global markets impel their organisation steadily, with the stance of the entire world being one large unit. This is carried out at a relative low cost, and it could be summarised as the organisation selling exactly the same products in the exact same way all over the world where the organisation operates.

4.4 Strategic history - from war to business environment

Strategy is often traced back to the time of ancient Greece and China (Carter et al., 2008). Clegg et al. (2005) state that while this is true strategy is divaricated. By this they mean that strategy can be traced back to time immemorial, but that strategy as a managerial tool is a much newer concept. Examples of strategies from the immemorial times are the Trojan horse, the development of warship and fortification of castles. All of these examples represent a solution that countered a threatening situation, foreseeing the future or featuring a method for reaching a goal (Chinowsky and Meredith, 2000).

Even if strategy can be traced back as far as the Trojan horse it does not have the same meaning as the modern strategy. The way it is seen today is according to Carter et al. (2008, p.2) “a post-Second World War invention”. Strategy has, without question, its roots within military thinking. A competitive environment, such as war, with competitors fighting for market share, all with the ambition to dominate the market has developed into a business environment. This way of operating is now classified as strategy (Carter et al., 2008).

The step from using strategy in wars is not that big from using strategy within a competitive business environment. Competitive advantage plays a large role in both the industry context as well as the international context, which both consist of positioning the organisation in the existing market (de Wit and Meyer, 2004). Strategy started to be used within the business world in the 1950s. There are many similarities between strategy in war and strategy within a business environment; the importance is to win the battle, even if the scene is somehow different (Carter et al., 2008). Carter et al. (2008, p.19), further state that “competition is war by other means and, so the story goes, you need strategy to win”.

Carter et al. (2008, p.1) claim that “strategy is everywhere”. However, they further state that a strategy is only needed if there is competition in the market. An organisation that has monopoly can sell a product or service to whatever quality they want, without thinking about a strategy. If there is a demand for the product, people have to accept the deal if they want the product. When competition is in the picture, the picture is immediately changed. Carter et al. (2008, p.5) state that “competition is the key: wherever similar products are sold in the same market there will be competition.” Strategy can be seen as a response from an organisation, reacting to turbulence within a competitive business environment (Carter et al., 2008).
5 Schools of Thought

There are ten major, so called, strategic schools of thought according to Mintzberg et al. (1998). The ten schools of thought can be categorised into three fields and will all be introduced in this section. Each school of thought constructs a field within strategic management and they have all contributed to the field of strategy, both theoretically and practically (Elfring and Volbreda, 2001). The three fields are called prescriptive schools, descriptive schools and lastly the configuration school.

5.1 The prescriptive schools

The Prescriptive schools include the design school, the planning school, and the positioning school. This field are explained as being more focused on the formulations of the thoughts and how they should be formulated than how they actually are formulated and work in real life (Mintzberg et al., 1998). Mintzberg (1990, p.171), further highlights that the prescriptive schools think that the strategy formation is “a process of conceptual design, of formal planning and of analytical positioning”. The environment within these three schools is seen as constant (Sadler, 2003).

5.1.1 The design school: Strategy formation as a process of conception

The design school is from the beginning built on the work of two books. The first book is written by Philip Selznick in 1956 and is called Leadership in Administration and the second book is Strategy and Structure and is written by Alfred Chandler in 1962. However, the General Management Group at the Harvard Business School has also had a large impact on the development of the design school (Mintzberg et al., 1998).

The design school includes analysing the organisation and defining its strengths, weaknesses, opportunities, and threats in a SWOT-analysis (Clegg et al., 2005). The SWOT analysis is an approach that is used to estimate the organisation’s strategic position (Piercy and Giles, 1989). The strengths and weaknesses are seen as internal conditions that should be used to compare and differentiate the organisation from its competitors. The opportunities and threats are, on the other hand, seen as external conditions. The SWOT analysis is the pre-work for establishing successful organisational strategies (Clegg et al., 2005). The fundamental task in this school is to find a solid balance between the internal and external conditions. It is further explained that the thought of the process must be sensible by top management. Additionally, those strategies that are formed must be completely finished and formulated in a simple and unambiguous way before they are implemented (Mintzberg, 1990).
5.1.2 The planning school: Strategy formation as a formal process

The father of the planning school is Igor Ansoff and it all started in 1965 with his book *Corporate Strategy* (Carter et al., 2008; Clegg et al., 2005). The foundation of the strategic planning school is Ansoff’s ‘Corporate Strategy matrix’ or ‘Product-Market matrix’. It is a two times two matrix that contains two fundamental components, namely Product and Market that are both divided in existing products/markets and new products/markets (Lowy and Hood, 2004). The planning school is in general about developing a clear plan for the organisation that is to be implemented and understood by the employees within the organisation (Elfring and Volberda, 2001).

5.1.3 The positioning school: Strategy formation as an analytical process

The positioning school is mainly based on Michel Porter’s work of competitive strategy, which started in 1980 with his book *Competitive Strategy* (Mintzberg et al., 1998). Mintzberg *et al.* further explain that according to this positioning school (p.83) “only a few key strategies - as positions in the economic marketplace - are desirable in any given industry”. The foundation of the positioning school is said to be built upon three so called ‘waves’, namely:

1. *Origins in the military maxims.* Generally speaking this wave is about ancient warriors who wrote about their strategies to win their battles in war. Writings from Sun Tzu from 440 B.C. and von Clausewitz from the end of the 18th and beginning of the 19th century are considered as been having a large impact on the positioning school.

2. *Search for consulting imperatives.* In this wave, the Boston Consulting Group, BCG, had a central role as they came up with two techniques that helped organisations to focus on strategy.

3. *Development of empirical propositions.* In this wave, Porter is dominant with a number of different books, models and frameworks. It started out, as mentioned earlier, with the book *Competitive Strategy* in 1980. This book was followed by another book *Competitive Advantage* in 1985, which became a basis including a number of tools and models. Among these models and tools are the competitive analysis or five force model, his generic strategies and his value chain (Clegg *et al.*, 2005; Mintzberg *et al.*, 1998).
5.2 The descriptive schools

The descriptive schools are explained as being focused on illustrating how the strategy can be used in real life. The descriptive schools are also described as trying to recognise the strategy process as it derives as well as focusing on more than just the individual. The descriptive schools thereby include the other actors in their formation (Mintzberg et al., 1998).

5.2.1 The entrepreneurial school: Strategy formation as visionary process

Vision is, in the entrepreneurial school, the foundation and focal point. It focuses on the leader and his or her vision for the organisation. It is up to the leader to formulate and implement the vision within the organisation and also to have full control over the process. This leadership, which is based on a personified matter and strategic vision as the central point, is seen as the solution to gaining organisational success (Volberda and Elfring, 2001).

5.2.2 The Cognitive school: Strategy formation as a mental process

Mintzberg et al. (1998), state that the cognitive school is based on strategists and their thoughts and experiences. The cognitive school can be divided into two approaches; one objective and one subjective. The objective approach is stated to (p.170) “flow through all sorts of distorting filters before they are decoded by the cognitive maps”. The subjective approach, however, (p.170) “are merely interpretations of a world that exists only in terms of how it is perceived”.

5.2.3 The Learning school: Strategy formation as an emergent process

The learning school is based on the thought of strategies being emergent. This means that other people than top management within an organisation also can come up with new strategies. It is further important to enrol the formulation and implementation during the process of learning, where the actions must make sense to those working in the organisation (Volberda and Elfring, 2001).

5.2.4 The Power school: Strategy formation as a process of negotiation

The power school is, according to Mintzberg et al. (1998), based on the belief that power and politics is the foundation of the strategy formulation. This school believes that the formed strategies will appear as positions or ploys. The power school is based on two approaches; micro power and macro power. The micro power approach visualises the organisation’s development of strategies as being political. The macro power approach, on the other hand, (p.260) “sees the organisation as promoting its own welfare by controlling or cooperating with other organisations, through the use of strategic manoeuvring as well as collective strategies in various kinds of networks and alliances”.

CHALMERS, Civil and Environmental Engineering, Master’s Thesis 2010:94
5.2.5 The Cultural school: Strategy formation as a collective process

The cultural school is, according to Mintzberg et al. (1998), a reflection of the power school. The authors explain culture as being divaricated. First it is explained as being everywhere and an example of that is that it is in the music we are listening to. It is secondly explained as being something that makes for example an organisation unique and thereby distinguishes it from other organisations. The cultural school believes that the strategy formulation will be based on the organisation’s members’ beliefs and their shared values. Together the members will create a culture that will later be the foundation for the strategies within the organisation.

5.2.6 The Environmental school: Strategy formation as a reactive process

The environmental school holds the environment in the centre. The organisation must put the environment into consideration for every decision and also adapt the organisation to the environment. The contingency theory and institutional theory are major parts of this school (Mintzberg and Lampel, 1999).

The environmental school sees, according to Mintzberg et al. (1998), the organisation as being passive. This school does therefore not require much strategy work and can thereby in some way be placed outside the field of strategic management.

5.3 The configuration school: a process of transformation

The configuration school is an additional school, which depends on how the organisational environment is composed. This school can be seen as a combination of all the nine schools described above. Mintzberg (1990), state that this school is descriptive, but also consolidating so it is therefore labelled as configurational. The configuration school started with the work of Pradip Khandwalla in the 1970s. He discovered, by researching organisations, that organisations become effective by organising different characteristics so that they complement each other. Mintzberg found Khandwalla’s discovers interesting and continued to research the configuration concept. He came up with the result that organisations can be characterised in two ways; firstly depending on the organisation’s structure, and secondly depending on the power relationships established within the organisation (Mintzberg et al., 2001). Mintzberg and Lampel (1999), state that this school is based on two characteristics. The first is based on an academic and descriptive approach and considers the organisation to be as configuration. This means that it illustrates which state the organisation is in and also the organisation’s perspectives. The other characteristic is based on a prescriptive and practitioner approach where the change transformation between states illustrates the phases the organisation passes through during the process of creating the organisation’s strategy.

Mintzberg et al. (2001) mention the work of Miles and Snow’s four archetypes (defender, prospector, analyser, and reactor) and Pettigrew’s study of change as important cornerstones in the configuration school.
Some of the more recent strategy approaches involves combinations of these schools in many variations and ways. One example that Mintzberg and Lampel (1999) mention is that a stakeholder analysis connect the positioning and the planning school to each other, while strategic manoeuvring links the positioning school to the power school. They further state that it is quite common to link the learning school with knowledge from the other schools.

Mintzberg and Lampel (1999) stress that no matter how clear the schools are, there is something about them that is not so clear. The uncleanness concerns whether the schools symbolise different processes, in other words different approaches to strategy, or if the schools are parts of the same process. However, the authors find both of these options too narrow.
6 Different Strategic Approaches or Connections

Strategy can, as stated in the previous sections, have many characteristics. As Carter et al. (2008) state, strategy is everywhere. This section will present a number of different strategic approaches that can also be considered within organisations.

6.1 People strategy, business strategy and total rewards

Kaplan (2007) argues that although mission, vision and values are seen as the basis for the business strategy it is not enough to flourish and impel the organisation. Kaplan highlights, in excess of these factors, issues like customers, competition, and culture as other significant matters to consider. She further implies that it is crucial for the organisation to understand their competition. Today, organisations do not solely have to compete for their customers. It also needs to compete for good employees that seek solid employers who can show their employees how valuable they are to the organisation in forms of rewards. A good total rewards strategy will ensure an organisation to be able to employ a good and efficient workforce.

Christofferson and King (2006, p.2) define total rewards as “the monetary and nonmonetary return provided to employees in exchange for their time, talents, efforts and results”. Bogardus (2009, p.276) further defines the total reward philosophy as “a high-level mission statement used to guide the development and implementation of compensation and benefit programs that attract, motivate, and retain employees”.

Total rewards strategy is highly discussed and there are a number of different types of rewards (Christofferson and King, 2006; Bogardus, 2009; Worldatwork, 2007). However, Kaplan (2005) argues that the total rewards philosophy consist of four cornerstones: (1) compensation, in form of incentives and financial rewards; (2) benefits, like for example health care or other types of perks; (3) development, comprises any form of education for the employees continuously developing their skills; and work environment, which are measures that helps the employees to balance their work life and their personal life.

Worldatwork (2007) further presents an additional category of total rewards, namely performance and recognition. This includes, as the title implies, recognition of performed tasks, meaning that the employers recognise what individuals within the organisation perform. The plan with this recognition is to reward the employee in a way that makes the employee want to perform even more.

Worldatwork (2007, p.4) furthermore highlights that the five categories will “effectively attract, retain and motivate the talent required to achieve business results”. Worldatwork further stresses that it is important that the employees recognise the rewards in order for the total rewards strategy to reach success. The financial and non financial rewards are equally important to recognise.

Kaplan (2007) on her part links people strategy, business strategy, and total rewards. People strategy is according to Kaplan the methods or supplies that is essential for the organisation to accomplish their set business strategy. This also encompasses finding the right people with the required knowledge and proficiency to meet the organisation’s objectives and values.
Total reward strategy can easily be linked with people or HR strategy, since it is a guideline that can be used to trigger and motivate the employees to want to do a good job that they can be proud of. Kaplan (2005) further lists a number of reasons to why it is profitable for an organisation to implement a total rewards strategy. One of the reasons is ‘enhanced company performance’, which means that the total rewards strategy that focuses on the employees and their wishes and needs, can increase the organisational productivity. This is explained by the fact that a satisfied employee is willing and happy to work more and is thereby more productive. It is further explained by the strong link between satisfied employees and satisfied customers (Heskett et al. 1997; Kaplan 2005). Another reason is ‘improved retention’, which contains rewards that are based on the employees’ own appreciations. It is a tool for the employers to strengthen their relationship with their employees and thereby increase the employees’ dedication and loyalty to the organisation (Heskett et al. 1997). A third reason is ‘competitive edge for recruitment’, which means that an organisation that uses a total rewards strategy is attractive for potential employees. It is an alluring quality that employees wish for in an employment relationship. By having this, it is easier to be a competitive organisation in the search for talented and highly productive employees.

According to Kaplan (2005) there are many aspects to consider when creating a total rewards strategy. Examples of factors to consider inside the organisation are the organisational vision, mission and values. The organisation’s life cycle position is also important to consider. Examples of exterior factors are stakeholders and their needs and wishes, and the customers representing the market demand.

### 6.2 The firm’s strategic archetype

Organisations that are in the same industry providing similar services, and thereby are competitors, change their behaviour (Miles and Snow 2003). It is possible to deduce and place these behaviours in four different archetypes. The different types are all methods to be used and are all based on their own strategy to handle daily matters. The four archetypes are called defenders, reactors, analysers, and prospectors.

Defenders are, according to Heery and Noon (2001), a stable firm in an established industry which constantly tries to find ways to care for its position in the market by working efficiently, with reliability and stability. The defenders are further, according to Miles and Snow (2003), recognised as providing limited product services and their top managers are therefore experts themselves within their narrow area where the organisation function. This type of organisation focuses mainly on the efficiency and is constantly trying to improve it within their existing processes. The defenders further rarely do any large changes within their strategy.

Prospectors, on the other hand, nearly always change their standpoints and are constantly trying to find new opportunities within their market. Since the prospectors put much effort in changing themselves and are always trying to be the most modern innovative organisation, their efficiency suffers (Miles and Snow, 2003). Heery and Noon (2001) further explain that marketing, research and development are important qualities in these organisations.
Analysers are, according to Miles and Snow (2003), a mixture of defenders and prospectors. They use the positive things from these two groups to create a new organisation. Analysers focus on two markets, where one is stable and one is changing. Within the changing market the top management focuses on analysing their environment and is constantly looking for innovations. As soon as they find an idea they feel are worthy they will quickly try to adopt it in their own organisation. Within the stable market the analysers use standardised methods. Heery and Noon (2001) argue that this type of organisation focuses on providing better quality than the competitors by narrowing the width of their products and services. Miles and Snow (2003) use the word balance as what the analyser can be described as.

Top managers in the reactor organisation are constantly identifying both change and uncertainty within their field, but they are incapable of doing anything to prevent or react on it. This is due to the shortage of having a reliable link between their strategy and structure. They also wait to change until they really have to, due to external demands (Miles and Snow, 2003). Heery and Noon (2001), state that reactors are not able to accommodate competition in the market.

6.3 Other approaches

Strategies can be classified by how planned and flexible they are and are divided into eight strategy approaches (Price and Newson, 2003). These strategy approaches conforms to where in the organisation the strategy is carried out and who is responsible for it. Strategy is almost exclusively seen as what the organisational leaders are planning for the future. However, the strategy process should be considered from a broader perspective; in other words, strategy can be created in a variety of ways (Mintzberg and Waters, 1985). Some examples of other approaches will be briefly introduced in this section.

Planned strategy: Leaders are in this approach the centre of authority, formulating their purposes planned in detail and over a long period of time. Their intentions are implemented into collective actions without any surprises. The leader has to form a plan and avoid confusion when implementing the plan. (Mintzberg and Waters, 1995; Price and Newson, 2003).

Entrepreneurial strategy: In this approach one member of the organisation is in control of the vision and direction (Mintzberg and Waters, 1985). However, the way to achieve the goal is flexible and mobile (Price and Newson, 2003).

Ideological strategy: This type of strategy implies all members of an organisation sharing the same vision and emphasises on the same set of values (Price and Newson, 2003). This will create an ideology, which they strongly relate to and will result in common patterns in their behaviour (Mintzberg and Waters, 1985).

Umbrella strategy: In this approach the leader only has control of parts of the other actors within the organisation (Mintzberg and Waters, 1985). They establish the general parameters that directs the strategy formation and implementation (Price and Newson, 2003), and then they let other actors operate them. This will result in these leaders framing umbrellas where actions are expected to fall (Mintzberg and Waters, 1985).
Process strategy: In this type of strategy leaders establish the rules. However, the strategy is not controlled at a general level; instead the leadership needs to indirectly influence the strategy. The leader controls the process of strategy, but the outcome of the strategy is the responsibility of others (Mintzberg and Waters, 1985).

Unconnected strategy: The decisions and the implementation of the strategy are not carried out by the leader. Instead a unit of the organisation, unconnected to the others, with significant discretion carries out the strategic decisions and implements patterns in actions (Mintzberg and Waters, 1985).

Consensus strategy: This type of strategy is not created by central directions (Price and Newson, 2003). Instead many actors come together, learning from each other and creating a mutual theme or pattern. This imprints the organisation without having the need to control or direct from a central position (Mintzberg and Waters, 1985).

Imposed strategy: The other approaches of strategy comprehends that the strategy is shaped from within the organisation. Strategic actions are in this approach carried out by external factors (Mintzberg and Waters, 1985; Price and Newson, 2003). For example, the environment can directly affect the organisation and make their actions into a pattern. The organisation is very open with the process and the content of the strategy (Mintzberg and Waters, 1985).
Organisational Change

Change is in most kinds of organisations something that is frequently existent. It can for example be used as a tool for managers to use to avoid disaster in times of setbacks. In other words, whenever managers foresee a setback he or she starts developing a change process so that the organisation is temporarily moved out from the market (Heide and Johansson, 2008). The authors further state that change can be used for a number of other reasons and it is also explained that organisational change is seen as something that strengthens the organisation and that the more often they change; the better it is for the organisation (Heide and Johansson, 2008). Additionally, Heide and Johansson state that it is highly common for leaders to initiate organisational change when they sign up for a new position. Moreover, it is explained that most leaders believe that the top management requires or/and expects them to carry out change.

According to Woodman (2008) there are two problems concerning organisational change, namely diagnosis and evaluation. The problem of diagnosis means that most organisations forget to investigate their situation and can therefore not, based on any results, consider if any change is really necessary. Woodman further argues that it is not easy to change something in an effective way if there is no understanding of what it is that is changing. The other problem, the one of evaluation, is that organisations rarely evaluate their organisational changes neither during the implementation nor when the change is fully implemented. Johansson and Heide (2008) additionally argue that it is important to evaluate the outcome of prior change processes when an organisation is facing change. This is because employees who have been around for those prior changes remember the outcomes of them, which is the foundation of how these employees will relate to and approach the new change process.

Balogun (2006) compares organisational change to a slot machine. A coin is put in the machine in hope that it will lead to a jackpot, but it is impossible to anticipate the actual outcome; it is impossible for the gambler to know if he or she will win or not. The comparison with the organisational change is that the top management can communicate something to their employees, but they cannot anticipate how well this will be interpreted by their employees in the end.

Resistance to change is very common when change is implemented in organisations. The authors state a few examples of why resistance occurs. These are: fear of the unknown; need for security; no felt need for change; vested interests threatened; contrasting interpretations; poor timing; and lack of resources. Organisations should not only see resistance as something negative. It can also be helpful, giving feedback that can help to achieve the change objectives (French et al., 2008).

Kurt Lewin’s three step change process is often mentioned as a process that is frequently used during organisational change. The process illustrated in Figure 7.1 includes the three steps of (1) unfreezing, (2) move or changing, and (3) refreezing. This model is based on peoples’ attitudes for change (Hartley and Bruckham, 2002; Cameron and Green, 2009). The purpose of the model is to first unfreeze the employees’ current attitudes towards the change by investigating the current state and by finding out what impels the change as well as if there is any resistance to the change (Cameron and Green, 2009). It further involves actions that is meant to make the involved want, or increase their will, to change (Heide and Johansson, 2008).
When the employees’ attitudes have been unfrozen, the change can be carried out during the second step. During this step the organisation is changed into the new state. In this step it is important to involve the employees in the process so they all feel that they are a part of it. Lastly, when the organisation has succeeded with the second step it is time to refreeze this stage. This means, that the new ways of working will be fixated or refrozen (Cameron and Green, 2009).

Lewin’s three step model has according to Heide and Johansson (2008) lately been criticised due to the fact that it cannot be used for smaller daily changes within organisations. This is especially because these smaller daily changes are highly common since organisations are constantly carried out by the organisation.

![Kurt Lewin's three step model](image)

*Figure 7.1: Kurt Lewin’s three step model.* (Cameron and Green, 2009)

Simonsson (2008) has created a model for change, which she calls the wheel of change. It is built upon four phases, where communication has a central role. The role of communication in the different phases of the wheel will be discussed later in Section 8.5. Simonsson’s wheel of change is illustrated in Figure 7.2 and the four phases of it are:

- **Analysis.** This step includes an analysis of an idea or some other factor that requires the organisation to take action. Based on this analysis the management decides if there is need for organisational change. This stage is explained as primarily involving the managers. The managers must in their analysis analyse both the internal and external environments. The internal analysis includes taking their employees’ thoughts and also experiences into account. It is explained that involving the employees in early stages can ease the process later on, when it is time to fully implement the changes.
- **Anchoring.** Before this stage can commence, the management team needs to decide if any change will be implemented or not. After this decision has been taken and it has been decided that a change is necessary, more time on planning and preparing takes place. It is within this phase the preparations for the implementation of the change are carried out. Everybody within the organisation has to receive all the information about the change and also learn about their involvement and what is expected of them from now on. It is in this stage the employees will potentially be castled into new positions and when structures will be changed.

- **Implementation.** This is the phase when the actual physical change is taking place. All new ways of working is implemented and must now be applied to. This phase is explained as being mentally challenging on the people involved, where many activities has to be considered at the same time as the daily work is taken care of. It can be very hard and sometimes seem impossible to reach the end of the process. It can therefore be easy to lose faith and wanting to give up. One way of avoiding this is to set up a number of sub targets that can be reached within a reasonable time and thereby keeping the people involved committed longer since they see that something is actually happening.

- **Consolidation.** This last phase is all about ending the change process and making the new ways of working a part of the daily work. It is important to sum up and investigate what the change has brought on. This can happen in a number of ways. One way that is highlighted is through discussions in workshops. It is further explained that it is important to sum it all up and based on that summary clarify what still needs to be considered and handled. Celebration is, in addition, explained to be important within this phase. A celebration is a form of closure and also gives both the employers and employees something to be proud of. This can in the end lead to the employees feeling more committed to their organisation and also to be able to believe in what the future has in store for the organisation and themselves.

![Figure 7.2: Simonsson’s wheel of change (translated from Swedish)](Simonsson, 2008)
Simonsson (2008) stresses that models or tools for enhancing effective communication should not be followed to the letter. These types of models or tools are simplified and do therefore not include all potential complexities all organisations phase every day. For that reason, these models need to be adapted into those organisations that chose to follow them. Simonsson further implies that even though these are not a complete path that should be followed to the letter, they can be used as a check list or guidance that suggests the general steps.

French et al. (2008) mentions that it is important to involve and prepare organisational members for a change by for example communicating a new vision or challenging the existing conditions, showing what the organisation are aiming at becoming. It can also be important to expose the imperfections of the organisation in order to show what the reality looks like.

In order for the managers to create relations with the employees trust is essential since the core of every relationship is trust. Without trust, fail is highly probable to come around the corner. Teams that are built on trust, where every team member feels involved and safe to trust the others are the most probable to reach success (Kouzes and Posner, 2008). They further stress the team members will innovate more and better when they are in a trusting environment. The process of learning how to trust does according to Fairholm and Fairholm (1999) take a very long time.
8 Communication

A property company is very much indeed a service company in that it constantly must serve its tenants making them happy and thereby ensure their tenants’ comfort and well-being. Communication is therefore highly important to focus on within a property company. Daft (2008, p.260) defines communication as “a process by which information and understanding are transferred between a sender and a receiver”.

Communication is used every day and everywhere in our society; within organisations, at home, in the society, and so on. Communication can also be carried out in a number of different ways. Examples of this are, verbally, nonverbally, and visually. It can either be face to face communication or through e-mails, internet or telephones. Within an organisation there are also many different types of communication that takes place. Examples of the different kinds of communication are decisions among co-workers, communication with clients or customers, with its stakeholders, and perhaps with other organisations or instances etc. This means that many different communication tools are required. Examples of communication tools are speech, writing, signals, actions, and body language (Clegg et al., 2008).

8.1 Levels of communication

Clegg et al. (2008) present four different levels of communication. The four levels of communication presented are (1) dyadic, (2) small-group, (3) organisational, and (4) mass communication. The first three levels can either be impersonal or interpersonal communication, while the last level is basically communication through media. Clegg et al. (2008) define dyadic communication as communication between two persons. The interpersonal communication is a face to face communication where the participants are influenced by each other’s behaviour and body language. Impersonal communication is, on the other hand, communication without meeting each other, through for example a letter or an e-mail.

Small-group communication includes communication between the people included in small groups (Littlejohn, 2002). It includes dyadic communication, but it also includes group dynamics in the whole group as well as in smaller sub-groups. Clegg et al. (2008), state that small-group communication is something that for example occurs in meetings, workshops and brainstorming sessions.

Organisational communication is communication through the whole organisation and includes both dyadic and small-group communication (Littlejohn, 2002). The content of the communication in this field is further described as covering everything that has to do with operating the organisation. Clegg et al. (2008, p.302) define organisational communication as “what occurs when an organisation seeks to communicate a sense of itself to various audiences”.

Mass communication is, as the name implies, information that travels from one source to many different addressees. It has, according to Clegg et al. (2008), four features: (1) the same information reaches a great number of receivers, (2) it is mostly just a one-way information flow, (3) it is often spread quickly via various means, and (4) it is mainly large organisations who are the senders. Littlejohn (2002) summarises mass communication as public communication that is most commonly spread with help from the media, meaning television, newspapers and radio etc.
Communication within an organisation can be, and often are, complicated, not the least in large organisations. Within large organisations it is not possible for top management to speak with every employee nor every department on a daily basis, especially not if the organisation is based on hierarchy. The way the communication is handled and operated in the organisation can be directly linked with the design of the organisation (Clegg et al., 2008). Clegg et al., further mention a few means that can help ease the communication flow and make it a bit more informal. These means can be to have common spaces in the office, which forces the different departments to interact with each other. Another mean can be to have informal events, where work based hierarchy does not exist.

8.2 Types of communication

Clampitt (2005) presents three types of communication that managers can use, which he calls the arrow approach, the circuit approach, and the dance approach. The arrow managers use one way communication. How well it is communicated can be referred to the firing of an arrow, meaning that the hit of the target depends on how well the shooter aims at it. It is the same way with one way communication; the clearer the message is, the better it will be interpreted by the audience.

Hartley and Bruckham (2002) state that the positive thing about the arrow approach is that managers really take time to formulate their information to make sure it is easy to understand for the audience. They want their information as plain and explicit as it possibly can be to ensure understanding. On the other hand, Hartley and Bruckham also see negative sides to this approach. They (p.13) state that it is risky to believe that the audience are “passive processors of information” and that it is impossible or at least very hard to communicate explicit information that is equally understood by each and everyone in the audience.

The Harvard Business School Press (2003) state, in their book Business Communication, that it is important to understand the audience before trying to communicate with it. If the message is to be successfully interpreted, it is important to communicate it in the right way. Different methods are required for different people, businesses and instances. Clampitt (2005) further states that the arrow managers do not take the blame for any misunderstandings in the communication. He stresses (p.6) that they “fail to recognise that effective communication is a shared commitment between senders and receivers”. This is because the arrow managers rely on the belief that everyone in the audience will receive and interpret the information at the same time and in the same way; that the message is so clear that the audience will interpret the message just like the sender intended it.

Managers within the circuit approach believe that communication is based on a two way relationship where both senders and receivers are active players. They further welcome feedback from the audience (Clampitt, 2005). Hartley and Bruckham (2002) state that circuit managers believe that both good listening and trust is highly important. The circuit managers build their communication on understanding; meaning that as long as the sender and receiver understand each other they will agree on the sender’s information (Clampitt, 2005).
Hartley (1999) also sees some limitations of the circuit manager’s way of thinking. It is highly common that circuit managers presume that possible differences only depend on poor communication. This, however, does not have to be the case at all. The circuit manager’s solution of using more communication to reach an agreement does therefore not always succeed. Clampitt (2005) further highlights that this way of managing communication, where understanding is fundamental, can be risky and may lead to a silent disagreement. Silent disagreement here refers to a situation where people within the organisation keep their real feelings and thoughts, of for example disagreements, to themselves to avoid unnecessary endless conversations. This is because these conversations are supposed to convince them to agree, but they know that they will never reach a true agreement and are therefore only pretending to agree.

The dance manager approach is, according to Clampitt (2005), the best solution in communication. In his mind there are many parallels between communication and dance. One parallel is that communication, like dancing, can be used for a number of reasons. Even though senders use the same language it does not mean that they use it for the same reasons. This together with the fact that even the simplest message is interpreted differently by different receivers gives the conclusion that communication cannot be simplified into any specific effectiveness. Another parallel is that both dance and communication entail co-orientation, which means that in order to avoid failure the partners must be able to predict each other’s movements or actions and thereafter be able to respond to it in the right way. Clampitt (2005) brings up several other comparisons that will not be further mentioned here. However, to conclude, the dance managers see the complexity of communication and therefore understand that they will be misunderstood from time to time. For that reason, they do not focus on reaching understanding as an overall goal for communication.

Johansson and Heide (2008) has, based on thorough investigation of prior research within the field of communication, found three groups to how communication can be thought of. The three groups are:

- **Within the group of communication as a tool it is stressed that communication is highly important for reaching successful change. Managers within this group believe that as soon as the employees have received the information and understand the change and also their own role in the change, all the problems around implementing it will go away. Communication is seen as a tool to inform about for example change, as well as to highlight feedback from the employees to the employers. It is further seen as a tool to create an understanding among the employees and also to change their behaviours and attitudes. This step can be related to Clampitt’s (2005) approach of the circuit manager, where the manager believes that understanding leads to an agreement.**

- **In the second group, where communication is seen as a process, understanding is in focus. Further, thoughts of change are within this group seen as being something that happens within communication. Change is also seen as something that is in constant movement and can be unpredictable based on how the employees interpret it. People within this group do not believe that communication is simply a tool for informing or representing existent matters.**
• Communication as social change is the last group. In this group the researchers put focus on the relationship between communication and action. The researchers further put focus on the matter of how the social change is negotiated and taken into account within communication. In addition, it is highlighted that the researchers within this group are well aware of the fact that people who experience the same situation will all have their own perception and understanding of this situation. It is just like the blind men and the elephant described in the introduction. Therefore it is not always the best solution to describe something in the same way throughout the entire organisation.

8.3 Communicating change

Hartley and Bruckham (2002), state that effective communication is highly important in times of organisational change. They further stress that it affects how the employees accept the change and the implementation. It is, in addition, explained that the organisation’s management team must plan how to communicate strategically. If this fails, there is a large risk that the organisation’s planned change will not be successful.

Clampitt and Berk (1996) state that, no matter how beneficial the change is for the employees, proper communication is required to convince the employees to take on the new vision. Clampitt (2005), further explains that the leaders must communicate why the organisation is changing, meaning that they need to clarify the motives behind the change. Clampitt also states that most change leaders understand the value of communicating, but not many of them create a systematic communication plan.

Grandien (2008) stresses, that it is important to clarify the goals of the change. If this is neglected, the employees will form their own goals based on their own interpretations. This can cause problems for the change process because if the employees create their own goals, they can have difficulties to comprehend the real change and thereby just keep on doing the same thing that they have always done.

Clampitt and Berk (1996) state that the instigators of the change do not understand how much the change will impact the organisation and its employees. It is therefore important for the instigators to put themselves in the shoes of the receivers and to understand their position and their point of view of the matter. Clampitt and Berk further explain that the instigators spend much time discussing back and forth before they come to the final decision of how to change. All these discussions give them more information and more understanding of the best solutions. However, these background facts are often not explained to the employees. The employees only hear the final proposal and do therefore not have the same chance to understand the positive or negative impacts of the change.

A successful change process is only possible if people within the organisation are willing to change and help. It is also said that repetitive communication about the change is necessary. Daft (2008) states that it is essential to repeat the message ten times more than what could be perceived as necessary.
Lack of internal communication, is according, to Johansson and Heide (2008), one of the large factors for failure within planned organisational changes. It is further highlighted that it is commonly perceived, within the research field, that this can be prevented by more clear and frequent communication. It is also important for employers to have a channel of communication with the employees.

Clampitt and Berk (1996), state that using several different communication channels is preferred when communicating change. This is a way to help the likelihood that every employee will notice the change process and hopefully understand the purpose of it. Kotter (1996) mentions different methods that can be used to repeat the information about the change process. It can be small things that remind the employees about the change and make them talk with other employees about it. The methods can for example be posters in the halls, a note in the lunch room, reminders in a minute or two in regular meetings and so on. Kotter argues that all these small things together can provide a good foundation to practical information, which is a good ground for persuading the employees to accept the change.

It is according to Grandien (2008) highly common that the employees within an organisation facing change feel insecure. This can be due to poor or obscure communication or even very expansive communication. It is further explained that if the communication regarding the change is poor or obscure there is a risk that the employees will feel that the managers are hiding something and thereby a rumour can start to spread in the organisation. This malicious tongue is generated due to insecurity about the change process and more importantly based on how the change will affect the employee itself. One way of avoiding this is explained to be to include communicators from the start, who knows all about the importance of communication and also when and why the communication is vital.

Johansson and Heide (2008), state that communication among the employees during change is vital and has a large impact on how they will handle the process. It is explained that this type of informal conversations among co-workers will lead to understanding. The authors further stress that managers need to understand how important their employees and the employees’ roles are during the change process. Also, the importance of involving them in the process and constantly having open dialogues instead of only using what the authors call traditional spreading of information via meetings, the intranet, mass e-mails etc. are highlighted.

Most change processes are planned and implemented based on the point of views of the management. However, in some parts of the process the employees have more insight. If the insights from the employees are not considered and the management only communicate their view of the change, it is highly possible that the employees will feel disregarded and that their opinions are neglected. This can happen even in those cases that they are actually requested (Grandien, 2008). Grandien further highlights that it is therefore highly important to include the employees’ knowledge and to explore their feelings towards the change process. Otherwise the consequence of this can be that the employees will not be able to comprehend and interpret the communication regarding the change process.

It is important to strategically choose who is going to communicate the change to the employees. This is, according to Clampitt and Berk (1996), equally important as what the actual message is about. It is further important to understand who the receiver is and how he or she will interpret the information.
One solution can be to establish some key groups in the organisation depending on the personalities and how affected they will be by the change. This will then be the foundation of what type of communication approach is necessary to use within these different key groups. The approach used for each group must ensure a successful change by involving the employees and making sure that there will not be any resistance within the organisation.

Clampitt and Berk (1996), argue that it is important to address both positive and negative sides of the change process. This is to prevent resistance due to overselling the concept. They further state that actually giving time to address and discuss the negative sides of the change provides the employees to be more involved in the process. This gives room for the employees, who have more insight in the daily work, to come with suggestions and ideas that even might help solving some of the problems within the negative sides.

### 8.4 Eight steps of the change process

Kotter (1996) has developed a change process of eight steps that are based on eight common errors that occur in organisations that face major changes. Kotter states that these steps will help to create a successful change in the organisation. It is further explained that this model can be used for all changes no matter how large, small or complex they are. Kotter further stresses that all the measures that are utilised require the essential apprehension that a vast change is not easy in any way due to many different reasons. Communication is very important and has a central role in this model. The eight steps are: establishing a sense of urgency; creating the guiding coalition; developing a vision and strategy; communicating the change vision; empowering a broad base of people to take action; generating short-term wins; consolidating gains and producing even more change; and institutionalising new approaches in the culture.

In the first step, establishing a sense of urgency, the leaders have the tough task of convincing the employees that a change is necessary. This is carried out through a research where both internal and external conditions are examined. The result from such a research will guide the managers to choose the right communication tools, which are highly important when emphasising the necessity to perform the change (Daft, 2008). Kotter (1996), states that this is vital to carry out if the managers want the employees to cooperate during the change process. Within this step it is important to research the complacency within the organisation. Based on the result of that investigation, the managers can decide upon which measures to use to get the employees involved. Simply put, if the complacency is high, it is very hard to perform change due to the employees being totally indifferent to change. If the complacency on the other hand is low it can still be hard to carry out the change properly. This is, on the contrary, due to the complexity to find the proper people to help carry out the change and communicate the change vision to the others. To conclude, the importance lies within finding the right people with the right skills to carry out the needed change. The methods and skills required for carrying out this change depends on the state of the organisation and what skill and commitment the employers and employees within the organisation have towards the change.
Creating the guiding coalition is the second step and within this stage it is important to create trust and teamwork within the organisation. Everybody needs to work towards the same goal and be equally committed in order to reach success. When this has been accomplished the guiding coalition that has been created will be able to change the organisation regardless of any possible obstacles (Kotter, 1996).

The third step is developing a vision and strategy. It is important to create a vision that will visualise the desired change. This is, according to Daft (2008), based on a comprehensive investigation and requires much time before the right vision is stated. When the vision is found, a strategy must be developed for the organisation to be able to meet the desired vision.

Communicate the change vision is the fourth step in Kotter’s (1996) model. In order for the change to be able to happen and then be successful, it is highly important to get as many employees as possible on board with the concept. It is also necessary that the employees are willing to help out and are involved in the change process. Communication is crucial to be able to make this happen. It requires massive repetitive communication to ensure that the message will get through in the right way.

Even though the fifth step of empowering employees for broad-based action is half way through the change process and many obstacles already have been defeated, Kotter (1996) states that there are still some obstacles that might be standing in the way. These therefore need to be taken care of, which they will be in this step. This is carried out by authorising many different people within the organisation to act on their own to remove all these possible obstacles in the way of implementing the change vision.

Generating short-term wins is the sixth step and includes the creation of short-term goals. Most times major change takes a very long time to implement. It can therefore be hard to see any changes and to see that all the hard work has given any results. One way of making sure that everyone understands that the change process is necessary and will result in success is to set up sub targets and thereby short-term achievements for those targets. By doing this, it will be easier to keep the employees on board and to ensure them that it is worth the wait for the change implementation (Kotter, 1996).

Consolidating gains and producing more change includes using the short-term wins that were established in the previous step. However, it is important that the managers choose not to celebrate these victories too much, but to use them to encourage their employees to handle more difficult changes (Daft, 2008). Mind Tools (2010) further stress that it is important to keep on working to ensure the success of each and every part of the change. If a company celebrate too much when accomplishing the subgoals, the employees can easily forget to keep on working to reach the other goals.

The last step in Kotter’s model is anchoring the new approaches in the culture. This last step is all about making the new ways of working stick within the organisation. These should no longer be seen as new ways of working or a change process. It is necessary that the employees treat these as normal daily tasks that are there to stay (Kotter, 1996). Mind Tools (2010) further stress that the leaders in the organisation must keep on supporting the new ways of working. If they do not support this, there is a risk that the new ways of working will not be anchored. This might then bring the organisation back to the same spot, using the same methods as it used before the change process started.
According to Johansson and Heide (2008) the eight steps of Kotter’s model fits different phases of a change process. In the first two steps of the model leaders are preparing the scene and in the third step they are deciding on what needs to be done. Step four to seven includes actions to make the change happen and the last step is about making the implemented change work. Kotter (1996) himself states that the first four steps include a sort of defrost of an obdurate unchangeable state. In stage five to seven the new ways of working are introduced and in the last step the new ways of working need to really take form and be a part of the organisation.

Johansson and Heide (2008) criticise Kotter’s model due to its simplicity. It is based on a very complex matter in reality, so this simplicity in the model will not easily work within today’s organisations. To conclude, the model is good in theory, but making it work in reality is easier said than done.

8.5 Different roles of communication

Communication is, as mentioned in Chapter 6, a central role in Simonsson’s (2008) wheel of change that was illustrated in Figure 6.2. Simonsson has presented the role of communication for all levels in the organisation and the role of communication in the four steps is:

1. **Analysis.** The top managers need to communicate how the environment is changing and how that can influence the organisation. By explaining the background to why a decision of change has a good impact on the understanding of the employees, which in turn can help increase their acceptance and thereby decrease resistance. The middle managers can be considered as mediators between the top managers and the employees. It is the middle managers who mediate the top managers’ decisions and ideas to the employees, when at the same time they mediate the employees’ experiences and opinions to the top managers.

2. **Anchoring.** In this phase it is important that the top management can transmit their vision to their employees so that the employees understand why the organisation is changing and where it is going. The managers are still mediators between top management and the employees. The main task within the mediating is however to translate the general business concept that is created for the entire organisation to something that is applicable for the local office or department etc. The role of the communicators is to be a helping hand for the managers and to keep the information flow and ease the understanding of the employees. This can be through workshops or by creating tools to enhance and ease the work for the employees. The employees’ role in this phase is to give feedback to the top management via the managers. Their experiences may give important feedback to the top management that can lead to small changes that will lead to a better end result for the change process.

3. **Implementation.** It is highly important that the top managers stay focused on this change process and that they make sure everybody is on board until the end. It is explained that many top managers have the tendency to leave the current project and race off to a new one. The managers’ task in this phase is to support and try to create some sort of security in the changing environment where it is very easy to get uncertain about everything. At the same time it is the managers who are responsible for leading the change in this phase.
The communicators’ role is to make sure that the plan is followed and also to frequently report the current state or position of the change process to the top management. The employees need to learn new routines within this process. It is also important that they still give feedback that can help the top management in their way of planning and implementing change; if not in this current work of change so at least in future upcoming processes.

4. **Consolidation.** The top management must in this phase present some sort of outcome of the process. It is important to inform all the members in the organisation about what went well but also about parts that did not go that well. The managers’ role is similar to the top managers’; they need to inform about the results within their department or local office. The role of the communicators is to first and foremost evaluate how the communication was working during the process and see if the goals for it were reached or not. It is also their responsibility to help the top management and the managers to find a way to evaluate the whole change process. The employees’ role in this last phase is to give their response and feedback to the process.
9 Change Leadership

Within each and every organisation there are a number of leaders that will lead their employees in all the everyday work within the organisation. Daft (2008, p.4) defines leadership as “an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes” and management as (p.14) “the attainment of organisational goals in an effective and efficient manner through planning, organising, staffing, directing, and controlling organisational resources”. Daft further argues that leadership cannot stand alone or be a substitute for management.

Fairholm and Fairholm (1999) state that leadership is a combination of two missions; first to create balanced teams with good teamwork and second to make sure that everybody in the organisation understand and work towards the same vision and goals. Leadership is further explained as an activity based on an equal relationship that requires that those involved in that relationship share the same values and work towards the same direction. In addition, the CIMA Technical Services (2001) mentions three characteristics a leader should acquire. (1) Leaders must have a vision, meaning that the leader should be able to see and understand where the organisation is at and where it will and have to be in the future. (2) Leaders must be able to create relationships with its followers where trust is the key ingredient. (3) Leaders must be passionate and motivating, which means that they must make their followers feel involved and important and in this way make the employees to feel appreciated and therefore wanting to work harder and achieve more.

9.1 The Seven S model

Change processes consist of stages, which all include critical steps in order to reach success. No matter what time it takes to process each stage they cannot be skipped or rushed. It is further important for the leader to personally pay attention to the stages and the change as well as making the employees, and also the organisation, a part of the change process (Daft, 2008).

The seven S-model that was created in the 1980s by McKinsey and Company is a common model when dealing with change (Waterman et al., 1980; Cameron and Green, 2004; Dearlove, 2003; Mind Tools, 2010). It can be used as a checklist to ensure that everything is thought of and that the organisation runs smoothly. The seven S’ are: staff, skills, systems, style, shared values, strategy, and structure and is presented in Figure 9.1.

The first S, staff, means that it is the people within the organisation that is the foundation for whether the organisation is successful or not. It is therefore important to find the right people with the right skills and also to place those people in the right position. It is also important to keep the staff updated with market changes and offer them training and constant mentoring. In this way, the organisation will push the employees to perform well (Mind Tools, 2010).

The key of skills investigates what expertise and capabilities the employees within the organisation possess. This can be summarised in one question; what do the company do best?
It is described that companies cannot only change their strategic focus when the company faces intermittency. Organisations also need to take in new skills so that they are capable of meeting the market changes (Waterman et al., 1980).

Systems include processes or systems that are used to carry out daily routines that fulfil the strategy of the organisation. These systems are intended to be used to ensure effectiveness and also to simplify and shorten the time to perform the tasks (Mind Tools, 2010).

Style refers, according to Waterman et al. (1980), to the culture in the organisation. It is the managers’ actions and beliefs that are the centre pieces within this key. This means that the organisational values and beliefs etc. are the foundation of how the relationships between employers and employees will flourish. In other words, the actions of the managers are far more important than what the managers are saying.

Shared values or super-ordinate goals mean that every employer and employee within the organisation shares the same values regarding the foundation of the business. This way of working makes everybody work towards the same set of goals and desire the same results (Waterman et al., 1980).

Strategy is a plan of action that helps the organisation to prepare itself for changes that can occur in its external environment. The strategy is, as mentioned before, based on three questions of what the position of the organisation is right now, which position the organisation wants in the future, and lastly how the organisation will reach that desired future state (Mind Tools, 2010).

The key of structure includes the organisational structure. Every organisation must be organised in a precise way, which for example can be based on the objectives. Most organisations have in the past been structured in a very hierarchical matter, but more recently many organisations have chosen a flatter type of organisation (Waterman et al., 1980).

Cameron and Green (2004), state that the seven S model is a good model for leaders to use when facing an organisational change. Dearlove (2003) further mentions that the seven S model is a solid model that exceeds other similar theories due to the fact that the model is rigid and that it is actually useful. This is supported by Mind Tools (2010), which explains that the popularity of the seven S model among managers in the market has been constant while other models have come and gone.

Figure 9.1: The seven S model. (Mind Tools, 2010)
PART III

Case Study
10 Method

The theoretical framework in Part II presented the main concepts that are interesting for this research in a frame of reference. This section will present the research methodology that has been used for this thesis. The assortment of methodology has been based upon the research problem and the stated research questions. Reasons to the selected methodology will be presented in this section.

10.1 Research purpose

Research can be carried out in numerous ways. However, three types of research can be highlighted: exploratory, descriptive and explanatory research (Saunders et al., 2007).

Generally speaking, exploratory research includes exploring something that is unknown. This type of research is therefore chosen by those researchers who want to get an insight in an unexplored field and after that form an understanding (Uys and Basson, 1991). The descriptive research is further described as being based on gathering data to something or a phenomenon that is already to some extent known by the researcher (Saunders et al., 2007). Lastly, explanatory research is when the researcher is trying to find and explain relationships between variables (Uys and Basson; Saunders et al., 2007). This thesis is based on a mix of both descriptive and explanatory research. It is descriptive because the field of strategy and change is already highly explored. It is further explanatory due to the fact that this investigation is trying to find relationships between these already explored fields and the real world, in form of the situation in an organisation that is positioned in a constantly changing environment.

10.2 Research approach: qualitative versus quantitative approach

Qualitative research is defined, by Remenyi et al. (1998), as research built upon evidence that can hardly or not at all be summarised into numbers. Ten Have (2004) states that qualitative research requires the results to be expressed in words and that it most of the times needs to be widespread. Within the qualitative research the researcher needs to interpret the results that have been explored during the research. This means that the results often can consist of multifaceted narratives that thereby are aiming at elaborating all the comprehensive results.

The definition of quantitative research is naturally the opposite to the one of qualitative research. Hence, the quantitative research can easily be transmitted into numbers and can thereby often be presented in form of tables (Ten Have, 2004). The quantitative research further summarises the characteristics of the study and can often be based on statistics.

This thesis is based upon a qualitative research, where the interviews and the case study are the centre pieces. The interviews and the case study are supported by a literature review, which is based on a qualitative study. The literature review brings different issues and facts to the surface, which can make it possible to get the most out of the case study.
10.3 Research strategy

A research strategy is according to Remenyi et al. (1998), a roadmap for the research that includes the plan of how the research is performed. There are a number of different research strategies that can be used, examples of these are action research, case studies, and in-depth surveys. All these different strategies can be used for so-called exploratory, descriptive and explanatory research. This research is based upon a case study and in-depth survey.

Case studies involve a deeper analysis of for example an organisation (Bryman and Bell, 2003). Remenyi et al. (1998), state that the case study strategy is important within the business and management market. A case study strategy may require a so-called triangulation, which means that the researcher uses different measures to collect data within the case. This will help the researcher to understand the data correctly.

In-depth surveys are according to Saunders et al. (2007) a common strategy in the research within the business and management sector. Remenyi et al. (1998) define this to be a way to find detailed and in-depth evidence in form of focusing on a rather small group informing about their experiences during personal interviews. Most of the times a specified questionnaire is not the foundation in these interviews, but rather the interviewees are allowed to speak freely around the researchers questions. This can either be prepared questions by the researcher or spontaneous questions that are formed during the interview.

This thesis is based on a case study that investigates how a comprehensive organisational change is implemented in the second largest property company in Sweden, Akademiska Hus. The survey examines how the change is formulated and implemented by the management and further understood throughout the organisation from top to bottom in a hierarchical point of view as well as based from a geographical point of view.

The case study is limited to a regional level and is based on a qualitative research that was carried out through two iterative methods. The first method contained an analysis of qualitative material from the organisation, in form of significant documents; power point presentations; messages from top management; results from studies carried out by the company; and documentations from business plans and analyses. These were used as a background for the case study and were also used in the formation of interview questions. The second method was interviews with eight employees in region west, which will be further presented in the following section.

10.4 Data collection

Primary data is all the data that is collected in first hand, or in other words data that is collected directly from the original source (Remenyi et al., 1998). The primary data in this research was conducted during eight semi-structured in-depth interviews. The interviewees have a number of different positions in the western region. Out of these eight interviews six were conducted in face-to-face meetings, while the other two were conducted through telephone interviews. All the interviews persisted between 30 to 60 minutes and were all audio-recorded and copious notes were also taken. Both records were later transliterated.
Secondary data is, according to McQuarrie (2006), data that already exist due to prior research. This prior research has been conducted by other researchers for another purpose, but is still useful for this current investigation as well. Secondary data for this research was conducted through a literature review that was primarily based on articles and books, but publications and other sources have also been used. Further, an internal secondary data has also been collected in form of qualitative material from the organisation in form of significant documents, power point presentations, messages from top management, results from studies carried out by and for the company, and documentations from business plans and analyses. To conclude, organisational information from the organisation that has been distributed to the members informing them about the change process.

10.5 Validity and reliability

Validity and reliability are two very important questions that are seen as highly important criteria in the evaluation of research. They are supposed to indicate the quality of the research and how it will be reviewed by a critical audience.

Validity can, generally speaking, be explained as the ability to research something correctly in an intended way. An example of this can be measuring the weight of a specific item. The validity here refers to that the measurements are accurate so that the weight of the item can be measured correctly as it was intended. The concept of validity is based upon two perspectives or rather two questions. Firstly, if the research is providing any answers to the research questions. Secondly, depending on if the answer to the first question is yes, if the methods and measures used have been proper and provided the research with the correct data (Kumar, 2005).

This research has only been based on a single case which might make the measurement somewhat insecure. However, almost all answers have been co-occurring and there seems to be a common consensus throughout the organisation, on a regional level. To ensure that this research study is valid the literature review in Part III as well as the content of the interview guides has been thoroughly selected. The interviewees have been selected on a balance basis. When selecting the employees for the interviews it was made in consultation with the contact persons of the organisation. The selection was made by trying to get all districts in the region to be represented. However all districts could not be represented due to the heavy workload and unavailability due to change. When having decided upon which districts to be represented the interviewees were randomly chosen, not by draw, but without any preferences of choice. The average age of the employees are quite high, but all of the existing age groups are represented among the interviewees. Also, the employees that participated in the interviews have been working for the organisation for various amounts of years. However, the gender distribution within the selection does not quite correspond with the rest of the region. Due to these factors the investigation can be considered as representative for the entire region.

Reliability is a matter of how replicated the research is, namely if it is possible to do analogous observations in different junctures (Remenyi et al., 1998). The research is reliable when it gives the same result every time the research is carried out (Fink, 2009). This can be explained by a scale that measures the weight of an item. The scale is reliable if it shows the same result every time the item is put on the scale.
Due to the fact that the organisation is constantly changing, especially when new stages of the change are taking place this research would most probable have ended up in a different result if it would have been carried out on a later occasion. If however, the organisation would have been in the same stages of the change but the time frame would have different nothing speaks for that a different result would have been reached.

The investigation only covers one of the regions, even if the work of change comprises the entire organisation. It is difficult to say if the results of the investigation are corresponding with the opinion of the other regions since the regions are not exposed to the same sorts of issues regarding, customers, properties, and ways of working. The different regions are dealing with different circumstances in their daily work and might have different needs regarding the change. It is also difficult to know how the communication concerning the change has been carried out on other places. Although, since the change is essential to the entire organisation and it is the same factors that are being improved in all regions the reliability of the investigated region cannot be neglected.
11 Case Study

Akademiska Hus is the second largest publicly owned property company in Sweden. The organisation has 450 employees and has divided its business into six regions and is situated in 31 cities. Akademiska Hus is orientated to focus on universities and creating environments for research, education and innovation, where they occupy 62 per cent of the specific market. This creates a possibility for the organisation to stay steady.

Akademiska Hus’ position and role on the market is that they are market leading in the niche they have decided to focus on. The organisation is also aiming at being a leading actor on a balanced local market. Akademiska hus is positioned in the larger cities in Sweden and the reason to this is that these can offer a greater stability for the activities of the organisation. Further, Akademiska Hus also possesses a high technical competence which contributes to them being market leading in complicated properties as well as in building-, energy- and environmental issues. The organisation has a high level of service-mindedness but it is often perceived as expensive. They are also very professional but are often delivering excessively. The organisation also had the view of that they did not communicate what they wanted to achieve and neither did proper follow ups on their progress.

Akademiska Hus’ core activity is characterised by a high service demand; long-term contracts with stable customers in a well diversified contract portfolio; and a good cost control. This case study is only focused on the western region investigating how the employees in the different offices experiences and have understanding of the work of change and the new strategy. The organisation is focusing on long term contracts with their clients and their specialisation towards their market niche is resulting in customers feeling safe in their properties. The organisation is not resting on speculation and it is also said that the organisation owns the customers. Other real estate organisations own the properties that they want to fill with tenants. However, the organisation thought that they were anonymous, invisible and sometimes too careful. Figure 11.1 illustrates Akademiska Hus’ organisational chart, which distinguish the different regions.

Figure 11.1: Organisational chart
11.1 Company analysis

In June 2008 a new CEO was appointed to take over in January 2009. As most often when a new CEO is appointed, as mentioned in Chapter 7, work of change in the organisational values took place. During the six months before the employment started, the new CEO did a thorough investigation of the organisation learning as much as possible about the core values and how they are met and followed. The investigation started with informal interpersonal face-to-face conversations with the co-workers in the head office and also with representatives from the different regions. These conversations that were carried out led to the decision that a comprehensive change was necessary within Akademiska Hus. In order to structure the large change and being able to bring in more views and voices into consideration, help from an external consult with a new and objective perspective was contracted.

Approximately 40 managers and employees were interviewed to give their view of the organisation and also its position and opportunities. This investigation became the foundation of how, what and why Akademiska Hus needed to change. In general, the things that were brought to light were that the organisation needed to improve its management, improve its ways of communication, and improve its identity on the market. The work of changing the strategy does not compose any changes in the direction of activity. Instead, it was about developing and clarifying goals and values throughout the entire organisation.

Akademiska Hus needed to be more clear, both internally as well as getting the message out to the customers. They had to be better at speaking out and communicate what they are doing and what they are good at. Even if communication is not their core activity, it was important to communicate what their core activity really is. The examples mentioned above will be further explained in the following section.

11.2 Problem clarification

One thing that needed consideration was that there were differences between the regions and the head office. The speed seemed to be slower out in the different regions compared to the head office. The regions also seemed to be living their own life and did as they pleased due to unclear directions from the head office. Many of the employees believed that they needed to be more united as an organisation. The head office was malfunctioning as a group, the hierarchy was clear and under the surface there was frustration. It was said that it was too much ‘us and them’. There was a will from the regions to be more independent, but the head office wanted to centralise the organisation. There was also a problem of loyalty due to the employees putting the customers before the loyalty to the organisation and were bad at charging for work carried out. Both the regions and the head office pointed out that the organisation had a consensus culture, that they were way to stiff and risk minimising, and had a too low grade of businesslikeness.

The investigation highlighted that there were problems with the feedback between the head office and the regions; that the meeting discipline had been negligent; and that it was difficult to make decisions within the organisation. However, for being a public utility the organisation had been somewhat efficient. On the other hand, the organisation could have been more profitability focused and businesslike.
Areas that could be improved were for example common buy-ins, more efficient service recovery, and to learn more from each other, not having to ‘re-invent the wheel over and over again’. The efficiency could also be improved by key performance indicators, more internal and external benchmarking, and re-introducing employee incitement plans.

Most of the regional representatives referred to that there were a clear role and responsibility distribution within the different regions. However, both the regions and the head office experienced vagueness between the roles and responsibilities between the head office and the different regions, where a dual leadership had been observed. It was unclear who was responsible to operate certain issues. There was also an opinion of that only a few processed and established clear goals should be focused on.

Almost all employees thought that there was a substantial potential in an increased internal coordination. Some of the regions thought that the head office controlled the development too much, or at least was trying to, especially when it came to implementing new systems or processes. Business likeness and the customer focus had to be what the organisation conformed to. There was a perception of too many projects going on at the same time. The use of the projects was further unclear and the demands were not properly investigated before starting new projects. The regions pointed out that there were several things that could be better coordinated in order for a better comprehensive view in the entire organisation, this could for example be standardised rental agreements, common templates, and more united guidelines for maintenance and service recovery. Several of the representatives of the regions were asking for more centralised steerage, with goals that can be applicable to regions, districts and individuals.

Both the regions and the head office stated that the organisation should be able to improve their efficiency and still work closely with the customers. However, according to the head office, this obstructs the coordination. The regions further point out that it is important to be able to form the region as the region itself desires, since there are different conditions for the different regions.

All discussions, interviews, analyses and investigations lead to several focal points that needed to be improved. Akademiska Hus needed to:

- become one united organisation and create a better common ground and improve the cooperation between regions.
- clarify roles and responsibilities, especially in the process of the business plan.
- introduce essential long term goals and put more time on follow ups.
- take advantage of the existing competence within energy and environmental areas.
- create a clear profile and communicate this both internal and external.
- focus on the customer and create long term collaboration forms with the customers.
- unravel the issue with profitability and rents being too high.
To conclude, the organisation essentially needed to do what they already could, but better. The biggest advantage of the organisation before the change was the closeness to the customer and the biggest disadvantage was that it was too much ‘us and them’ between the management and the regions.

11.3 Formulation of the change

There was a consensus request from the organisation that there was a need for development, both from executives as well as other employees. A more clear, effective and more united organisation was needed. This was the starting point for the new CEO who, when he started in January 2009, then pointed out three focal areas that should saturate the work of change. This was presented to all the employees during a two day conference, where all the employees were involved in the presentation. They were divided in smaller discussion groups with direct access to a computer, where they could give their opinion of the presentation and their view of the content of it. These three focal areas are:

- clarify mission, vision and identity
- structured work with the customers and stakeholder relations
- efficiency, organisation and profitability

From these focal areas the work was continued by four strategic development projects. The key words for all these projects are participation and rootedness.

11.3.1 Trademark platform

Akademiska Hus has gained insight in the importance of having a well known trademark and what benefits the organisation can gain from the trademark. This development project should unite the organisation’s different regional offices and thereby create a cohesive organisation. A new joint vision and new core values that guides all activities were created. A new mutual communication platform used throughout the entire organisation was also developed. This developed platform is structured, united and clarifies the role and the mission of the organisation. It should also give support when strategic challenges arise.

The communication throughout the organisation was inventoried and the result showed that the organisation was relying too much on being well-known and visible through their logotype. This was not acceptable so therefore a new visual identity was to be developed. This new visual identity should highlight who Akademiska Hus is in more ways than through their logotype. Akademiska Hus’ visual world should be a mix of symbols, typeface, colours, photographic style and logotype, which all should express the wanted image of Akademiska Hus.
The new logotype is representing the new three core values. It is a clear and uncomplicated symbol that represents a part of the entirety. It can also represent both a starting point as well as the completion of a project. The old and the new logotype are presented in Figure 11.2.

![Figure 11.2: The old and the new logotype](image)

There was a need to create a standardised communication plan and homogeneous communication routines for how, when and in what way to communicate within the entire organisation. No matter where in the country the communication is used, the same ways and basis of communicating should be found.

Akademiska Hus have many success factors such as satisfied customers, engaged co-workers, well situated properties, stable finances, and a strong long term owner. However, the organisation is always exposed to both internal and external factors that deeply affect the organisation; therefore a SWOT-analysis was carried out. Some of the factors are presented in Figure 11.3.

![Figure 11.3: The SWOT-analysis carried out in the organisation.](image)
In order to clarify where the organisation was positioned in the market, an arena-, stakeholder-, and competitor analyses were carried out. In the arena analysis it was investigated what arenas are affecting the activities and the trademark of the organisation and if there was a possibility for the arenas to benefit from the existence of the organisation.

Arenas that has been seen as especially important and prioritised for the organisation is the community arena, the economical arena, the political arena, the customer arena, the architectural arena, the constructional arena, and the user arena.

In order to carry out a stakeholder analysis the organisation needed to define the most important stakeholders and prioritise these by criteria such as power, ability to influence, legitimacy, and reputation. A stakeholder can be either direct, which has an obvious impact on the organisation and can be directly crucial for the business of the organisation; or indirect, which has an indirect effect on the organisation and its business. The most important stakeholders of the organisation are the owners, competitors, customers, users, suppliers, politicians and employees. Each of these has special demands on the organisation. Examples of demands that the organisation encounters are that the customers require high qualitative properties at the lowest possible price; the owner expects profitable results; and the users require the best possible service in the properties. The public can also be seen as a stakeholder. However in this case they do not have any opinions of the organisation as they do not know who the organisation is.

Akademiska Hus has, when creating a competitor analysis, carried out a thorough investigation of their competitors and what the competitors can offer their customers now and in the future. The customers the organisation is focusing on is attractive since they offer stable activities and long term contracts, and the customers are also interested in long term stable organisations. Other organisations have shown interest in the market, and many new competitors have emerged in the past years. However, the organisation has good properties and stands strong in weak economic climates.

Through the trademark platform a joint way of acting is achieved, which is deeply rooted in the minds of all employees. The demand of business likeness is as important as that customer and employee relationships revive the demands of ethics, moral and open-mindedness. A strong trademark will give an advantage in a competitive environment. The organisation can offer the experience and competence that is required to gain a competitive advantage and to make the customers aware of this is a part of the trademark work that was started in 2009. The demands of the customers are constantly changing and through the trademark the organisation can create and maintain long-term relationships with the customers, satisfying their needs.

The new trademark platform contains a new vision, new core values, and a clarification of the combined market and society role. The vision of the strategy comprehends being world leading on creating a good environment in the chosen niche. Due to increasing competition it is important for the organisation to be world leading in order to attract customers and help the customers to attract customers.
The core values are the foundation of the trademark and they conclude what the organisation stands for, who they are and where they want to be a long time ahead. It is important for the organisation to coordinate all activities with the core values so the focus and clearness is kept. The core values include:

- **Expert.** Taking care of the specialised competence the organisation possesses, using their skills and experiences to create efficient processes and become an attractive choice for their customers.

- **Active partner.** Being eminent at collaborating with customers; developing the business of the customer interestingly, inspiringly and open-mindedly; and at the same time take own initiatives in colloquial instances.

- **Future targeted.** Being targeted on the future and act from a long term point of view, focusing on taking good care of the existing properties, and build flexible, sustainable and energy efficient buildings.

Akademiska Hus has through, what they call, a trademark index model made a comparison between the organisational identity, in other words the perception of the organisation by the employees, and the organisation’s image, the organisation perceived by the customers, and both of these factors in comparison to a targeted level. The factors that are compared are:

- **Vision.** Being world leading on developing and maintaining knowledge scenes.

- **Mission and role.** Contributing in a clear way to Sweden’s success as a knowledge nation. Akademiska Hus properties contribute to strengthening the attractiveness of the activities.

- **Expert.** No one else has Akademiska Hus special competence when it comes to developing and maintaining knowledge scenes. The customer needs to feel that their activity can benefit from the organisations gathered knowledge and experience.

- **Active partner.** Are responsive, open-minded and interested in the customer’s activities. Taking initiative to the development of the properties the customers are renting.

- **Future targeted.** Akademiska Hus is a long term and stable partner that understands the needs of their customers. They are thinking in new ways and driving the development of the knowledge scenes of the future.

The levels of the identity and the image should be as close to the targeted level as possible, but it is also very important that difference between the identity and the image should be low. The result of this comparison was very successful, but one factor differed slightly too much than expected and that was the vision. The employees have a higher perception of how the organisation is fulfilling their vision compared to the customers. The mission and role, and the expert factor differed slightly, but the active partner and future targeted factors were spot on.
11.3.2 Market

This development project included clarifying who the core customer was and who the core customer will be in the future. It also comprised identifying and analysing potential market development routes and to determine and frame the borders of the organisation’s market. This project created a decision basis for this, and the management defined the core customers. At the same time, the management opened up for development of the core activity to segments closely related to the chosen niche, as long as they support the activities of the core customers. It was also decided that the organisation has a responsibility for the development of the urban planning and will actively participate in the development process.

Investigated market segments and suggestions of development actions were for example new market areas, and new products and services in the chosen niche; creating more attractive property areas and actively participate in the urban development; and participate in, and develop comprising research and development activities in the larger regions.

11.3.3 Business plan, budget and strategy

This development project comprised coordinating the business plan and the work of budget for the following years. It further included making the vision and the new core values to be guiding for the development of the activities, already the following year. It also comprised a more long-term approach to develop a new business plan model to be used in the entire organisation and executed in a strategy document starting in the new trademark platform. Within this development project it was important for the organisation to focus on the business plan and minimising the budget work and it was also important to clarify the roles and responsibilities, especially in the business plan process.

The organisation also needed to introduce essential, long-term goals and spend more time on follow-ups, analysis and benchmarking. In order to succeed with these changes the CEO was required to put his foot down and clearly specify goals and ambitions with goals as well as the business plan and the budget. It was further necessary for the management to take on responsibility for implementing the changes and it was also important that everyone was acting from a long-term point of view, with endurance and good communication. The parent company as well as the regional companies should live according to the same time plan all over the year and have understanding of each others’ processes in different levels such as service, economy, region and organisation.

The establishment of the business plan and the budget will deeply root the profile and core values in the organisation and make sure that the prioritised processes support the goals in the business plan. The organisation is required to determine a common structure for all business plans and develop common templates and to determine a common schedule for planning and follow-ups of business plan and budget. The goal images should contain both quantitative and qualitative goals.
11.3.4 Organisation

This development project included clarifying who decided what within the organisation. The organisation established a distinct model for the management and clarified how the distribution of responsibility, roles, mandate and authority were divided between the CEO, the vice CEO, the head office, the regions, processes and line. The purpose of working with processes is for example to: describe the core activities and describe how the organisation should work with different issues; have a good model of work to make use of new ideas and establish them in the way of working; compose a platform for the development work; and be responsible for finding and fully use the development potential within different areas.

All processes exist either to describe or develop the core activity. The way of working within processes contains clear goals for each process. The goals and activities within the processes should have a clear connection to the goals in the business plan and it is up to the executive board to determine whether the goals and activities of each process are corresponding with the business plan. The organisation and its regions has clarified the responsibilities and made it easier to find the employee who is responsible for the different questions and areas. The work of looking over what benefits can be gained and how the organisation can work even further efficient is now being investigated.

The organisation annually carries out measurements that investigate the satisfaction of the customers and the employees. This is usually carried out during the spring to work as an input for the business plan the following year. The Satisfied Employee Index (SEI) describes how satisfied the employees are with their work situation. The factors that have the greatest influence on the SEI are the employers, the work assignments, the organisation’s ability to cooperate, competence and development. The SEI was not in level with the target they reached for; however, the results indicated a high and stable level of satisfaction, which means that the employees are overall very satisfied with their work situation. Almost half of employees (47%) consider that the work conditions have improved over the last year.

The Satisfied Customer Index indicates how satisfied the customers are, and is referred to as the acronym SCI. The factors that have the greatest impact on SCI are property management, including a good cooperation concerning maintenance, properly managing fault reports, building activities, quality and environment, and also personal service. In the year 2009 the SCI for Akademiska Hus was the same as the previous year, and therefore, the goal of improving the SCI was not reached. The SCI in region west was two units below the target compared to the result of the national investigation, which was one unit below the target. Even though the targets were not reached the results are still very high.

Factors that are important for the customers when they are setting their judgement are property management, premises, personal service, price worthiness, information, environment, and building activity. The only factor that has been aggravated the past year is the price worthiness; the customers are not convinced the services have the right price. The way the organisation is to prioritise the different areas the next year is divided into three areas: preserve, improve and monitor. The factors that need to be preserved are property management and personal service. They are already at a high level but it is important to preserve those results. Also the environmental factor is affecting the customer satisfaction positively and needs to be preserved.
The premises factor is affecting the satisfaction in great measure; since it is very important to the customers it needs to be improved. The information, building activity and price worthiness factors are not in demand of any direct actions, but needs to be monitored.
PART IV

Findings
12 Results

In this chapter, all the results from the case study of Akademiska Hus Väst will be presented. Information that came up during the eight semi-structured interviews will be set against information from the managers that have continuously been distributed to all members in the organisation. All the results will also reflect upon or be connected to the theory presented in the previous theoretical framework.

12.1 Necessity

Leaders must, according to Clampitt (2001), communicate why the organisation is changing and thereby clarify the motives behind the change. This is something that Akademiska Hus has acquired according to the interviewees.

Many of the interviewed employees agree upon the necessity of the change. All of the interviewees who participated in the two day start up meeting were positive to the way the change process was introduced. It was a very unique and exciting way to gather all the employees and also to get the employees to engage in the presentation. It was appreciated and the interviewees described it as being efficient, special, creative, positive and well organised. After the start up meeting the employees has not experienced that many opportunities to express their own opinions and wishes for the change, rather they have been waiting for information they have to accept as it is. Although the information was good and easy to understand during the start up meeting, a concern of it being a bit directed was mentioned. Meaning that the employees in some way were directed to think and react to the information in a certain way. Some of the interviewees also felt that they where lavished with too much information at the same time and that they on top of it all were expected to reflect upon it then and there.

Most of the interviewed employees thought that a change was necessary. However, some of them were not convinced until after the start up meeting. Nevertheless the meeting and how it was disposed opened their eyes to that it was, and also why it was, necessary to change. Most of the interviewees left that meeting in appease understanding that a change was essential and also welcoming that change. Some employees have not yet the feeling of that the change was necessary, perhaps due to too little communication about the change. They see change as a continuous process, but have not reached understanding why some of the elements are involved in the change. All of the interviewed believes that change is positive, otherwise the organisation will stagnate.

Most of the interviewees believe that change within the organisation is something positive. However, some of them fear that the change will not actually change very much in the daily routines and that some of the employees might only go through the change process because they have to and afterwards go back to their old habits.

After the initial meeting the organisation has further informed about the change in meetings carried out quarterly. It is believed that more information will be coming up more frequently now when the change is more up to date. All information that is presented is afterwards posted on the intranet, and it is commonly perceived that it is easy for an employee to catch up on meetings he or she for some reason cannot attend.
However, there is a perception that longer meetings are harder to catch up on in this way. This is due to the great deal of information that is available and the amount of information that gets missed out on when not getting the opportunity to listen to the presenter, who is well familiar with the subject. Some of the interviewed employees expressed that better follow ups are needed, so everyone feels that they understand what is happening in the change process.

12.2 Awareness

The employees express that they are not completely aware of what exactly is going on in the organisation. They know that there is a massive change occurring and they are aware of that it takes time. However, not everyone is completely sure of what this work of change comprises and what it will mean for the employees in the future. It is in spite of this believed that the change will be worthwhile, but that it will not be an easy process. An expressed opinion is that it is good with a clear profile, but that it is actually up to the customers to answer the question of whether it is necessary since it is to them the change is directed.

The employees have reached an understanding of the change being about renewing the profile of the organisation, and how they are exposed outwards. There are different opinions whether the organisation is about to change internally. Some believe that this will not happen and that the internal communication between the regions will not be changed, but should perhaps be further focused upon in the future. Others have the perception that they will work more closely together and will try to help one another with special competences, instead of working on their own as previously. Although, many employees feel a bit stressed due to the amount of information to take in and that there is not enough time to become a well functioning team since there is so much work to do. However, there is an understanding that the organisation is in the right direction, even if the change takes longer time than wanted, and it might settle when everyone finds their role. One of the employees express that the information has only been mediated verbally and that it would be preferable if the management could help with the practical issues as well.

Concerning the issue of whether the employees feel that they are allowed to participate in the change it is expressed that there has been too much work going on at the same time, and even people in decision making roles feels insecure. There are very mixed emotions of whether the employees could affect the work of change or not. Some feel very involved and allowed to express opinions and that their opinions have been treated well. Others say that they have been allowed to express emotions, but only for that specific moment. It is also mentioned that the management can easily deal with some opinions, but not everyone’s. Some employees express that there has been little room for affecting the outcome and that the employees only had the possibility to accept the change. In the start up meeting in August there was room for expressing opinions. However, then everything was so new so it was difficult for the employees to know what was about to happen. There was a previous wish that the management would listen more and do more follow ups to the employees, but it has not been improved. However, in spite of this, the employees have trust in the management and believe that the end result will be satisfying.
Some of the interviewees have sensed that those around them have not been feeling that they have been a part of the change process. They did not feel that the top management asked or considered their thoughts or opinions at all before deciding about how to change the organisation. Some of the employees have been despondent towards the change process feeling that the top management had not listened to their ideas before so why would they now. One of the interviewees had the impression that some of the co-workers’ attitudes towards the change was slightly detached believing that it in reality would not change anything fundamental in the way they carry out their daily work anyway. However, none of the interviewees believe that there is any issue that has been missed in the change, only an opinion that the management has left these issues outside the work deliberately.

All interviewed employees knew the core values very well by heart. On the matter concerning how the employees apply the core values in their daily work most of the interviewees say that their work already, to a large extent, consist of the core values. The importance lies in having a good relationship with the customers, and that it is important with a good dialogue and to create a good atmosphere.

Many of the interviewees say that it is important to gain insight into the situation of the customers, how they are feeling, and how they would like to be treated if they were the customer. Since many of the interviewed employees has a service occupation, they claim it is important for everyone to be satisfied, treated in the right way, that they are able to express their opinions and taken seriously. It was also mentioned that all three core values are correlated to each other and often come hand in hand during the daily work.

Opinions expressed about being an active partner has been that as long as the focus is on the customers, their needs are fulfilled and problems solved, then working as an active partner is also accomplished. Another thing that is mentioned is that working as an active partner is not only regarding to focus on administering the buildings, but to also administer the tenants. It is further explained as working closely with the customers, and that the customers feel that the employees at Akademiska Hus are trying their best in everything they do. It was additionally mentioned in the interviews that the employees on their own might not always be an expert, but that the organisation as a unit has a good knowledge-base and competences. Saying that specific employees are experts can also be perceived as being cocky. It is further important not to rest on old qualifications.

One of the interviewees mentions that being focused on the future can mean that they are aware of the environment and therefore put more effort into finding long-term solutions instead of always trying to find the cheapest alternative. It is better to invest more time and money in something that will be more valuable in a long term perspective than focusing on cheap alternatives that will not last as long. Other sees this as a sideline that does not influence the daily work in the same matter as the other two core values.
12.3 Visual identity

The new logotype has created a debate within the organisation. Most of the interviewees do not like or fully agree with the changing identity regarding the change of the organisation’s logotype. Some could understand bits and pieces of the background thoughts of it but not the entire concept of it. Opinions that have been expressed concerning the logotype are that it is anonymous, meaningless, general, and that it does not correspond with the activities the Akademiska Hus actually carries out. Instead it can fit anywhere, and belong to whichever organisation, while someone stress that a piece of a puzzle only fits in one specific position and that the logotype therefore shows no flexibility. Most of the interviewees think that it is a good initiative to exchange the logotype since the old one could be seen as a bit boring, but that the new one is a bit daring.

When it comes to the new logotype the employees has not had the opportunity to affect the outcome of it. Instead an external consultant has created it and claims that the core values can be interpreted in the new logotype. Some of the interviewees do not understand how the small external group who came up with the concept was thinking. However, the employees express that it is appreciated that the trademark is more than just the logotype and instead more like an identity. It is not only the logotype that will work as recognition for the organisation, instead text, type-face and colouring will symbolise the organisation, and will show what is going on in the properties, this has been perceived as very positive.

There are mixed emotions to whether a change of logotype can be seen as something negative. Many interviewees believe that it is not negative since the old one was quite unknown, while others believe that the logotype was known by their customers and collaboration partners. On the question of whether the core values could be seen in the logotype the interviewees expressed that since the logotype is so general many things can be seen so it is up to the eye of the viewer to decide what it sees.

Even if the logotype is rather new and unknown to the customers, and the new way of working has not yet been fully introduced to the customers, they have expressed that they do not see the use in changing the organisation. They already believe the rents are too high, and the money that is spent on the change should instead be used to reduce the rents.

12.4 Communication and Akademiska Hus

The new tools that have been distributed to help the employees to communicate in the right way have almost exclusively been perceived in a positive way. Almost everyone thinks it will substantially make it easier to carry out the work; especially those who work closely with the customers definitely believe that these tools will ease and speed up their work. Most of the interviewees are grateful for getting help to communicate simple things and that they do not have to create those messages from their own imagination. It is further appreciated that there are useful material and templates that can be used in different contexts, so that all offices does not have to ‘invent the wheel over and over again’, but one of the interviewees says that it can be complicated for certain roles to keep up since many different templates are used.
Communication with other regions is quite uncommon and it is also unusual to exchange experiences over the regional border. There is a complex issue between the wish to strengthen the bonds within the organisation and the regions working independently due to different regional conditions. The knowledge is there and can be shared, but it is expressed by many of the interviewed workers that one campus is completely different from another so it is hard to literally use each other’s experiences. What might work in one region or district might not work somewhere else, with different tenants and campuses with different conditions. It is also expressed that it is hard to find time and motivation to engage in other regions and in the meantime carry out the daily chores. Although, one of the interviewed explains that process groups with representatives from each region has been initiated, but that the result of this have not yet been collected. This fall the organisation will introduce communication themes that, more or less will force the organisation to work more together.

On the question of how the interviewees predict the future for the organisation of the next five to ten years the employees sees the organisation in practically the same way as today, with the same activities and functions. It is commonly believed that some regions will most likely expand, but that Akademiska Hus Väst rather will decrease their market share in the future. This is due to the fact that many properties are currently being, and have been sold off. However no major change in the organisational activities will occur. No other change in the daily chores are discovered and it is not perceived that it will change in the nearest future, except from when the new working clothes will arrive and the workers in the properties will be visually seen in another way.
13 Discussion

Woodman (2008) argues, as mentioned in Chapter 7, that most organisations forget to investigate the organisation’s position and consider whether any change is necessary or not before they start to implement a large change process. This is, however, something that Akademiska Hus seems to be aware of since they took their time and carried out thorough investigations before they started to implement their change. In addition, they also took help with issues that they did not master themselves. As Johansson and Heide (2008) further argue, also mentioned in Chapter 7, it is important to involve the employees and to have a dialogue with them on a regular basis. This is also something that Akademiska Hus has handled very well since they involved their employees right from the start even before they decided to do any change. The new CEO has involved his employees in many different ways. Initially conversations, with the employees who were about to work closest to him, were carried out where the employees had chance to express their thoughts, visions and experiences of Akademiska Hus. Based on this the new CEO took help from an external expert, who talked to approximately 40 employees to find out their thoughts and opinions of Akademiska Hus.

The investigation that was carried out by an external consultant investigated the situation Akademiska Hus was positioned in. It involved a wide range of people from different regions and different hierarchical levels. One question that comes to mind regarding this is first and foremost if these 40 employees out of a total of approximately 450 could be representative for the entire organisation? Another question that comes to mind is how these employees could give a representative answer for all the regions since all the regions are very different. This is further something that has been stated by many of the employees as well as stated in the organisational information that was distributed to all members. Lastly, how did the top management know that it was the right answers to act upon?

Not many of the employees that were interviewed by the external consultant were positioned out in the districts maintaining the universities. Most of them were office workers that do not have the same relationship with the customers as those who work out in the districts. This might be a reason for why the employees who do work out in the districts and have daily contact with the customers feel that their opinions have not been considered, which was brought up in Section 12.2. This raises the question of how the management team knew that the change would improve the work environment for these relationships.

All the employees who were present at the company conference were involved in comprehensive group work and were able to express their impressions about the proposed work of change. However, the question is to what extent the employees were able or allowed to affect the change process. It can be hard to process all the new information and then be able to form an opinion that is expected to be discussed when massive information is distributed in a very short time. It can also be hard to really consider how to react and give a correct input on all this information. Perhaps it would be better to listen to all the information first and then have some time to form an opinion and maybe talk to the co-workers over dinner or a drink? Then everybody could sit down a day or two later to discuss and do exercises around all the questions raised in the meeting.
Of all the employees that were present during the presentation of the work during the company conference, many do not feel that the company involved them in the change and that their views were not considered. Perhaps this meeting came too late making them feel that they just had no choice but to agree with the change at that point? Some of the employees do further not feel that they were and are a part of the change, which as mentioned in Chapter 7, is highly important in order to reach a successful change. It is, however, obvious that the management have put a huge amount of time and effort into this work of change. They have come far along the way, but there are still stages that are not yet introduced and implemented. Almost everyone is satisfied with the work that has been done. Most of them also agree that this change comprises many segments and that it will take time to fully introduce them all.

It is truly interesting that many of the interviewees express that they did not get to speak out and express their opinions, but none of them think that the management has missed out on something. It is further a very intelligent move from the management to put a name on these core values, which already represent the purpose of the employees’ work. This also created awareness of what is actually being done for both customers and employees.

One thing that the management might have forgotten to consider is to make sure that everybody is up to date with what is happening in the change process. If an employee for some reason has been absent from important information occasions, the management team has not made sure that this member has been able to catch up on this missed information. All this information is available on the company’s intranet so that the employees can find it whenever they want to, which is easy if an employee is absent from a smaller information meeting. However, if the employees are absent from a meeting where very much information was distributed it can be harder to find all this information on the intranet by themselves. It can also be very hard to understand presentations in form of power points etc. when no one is presenting; all the fundamental information that the presenter provides will not be there. Perhaps a follow up meeting or a quick face-to-face meeting with either the region director or region communicator briefing the one who missed the important information could be good. This can also be a measure to make sure that everybody is on the same page and be something of value for both the one who missed important information as well as for the result of the change process.

The employees that do not appreciate the change might have missed out on information, and that may be the reason why they are not completely convinced. This is also supported by the interviewees. It is therefore extremely important to make sure that the information is communicated to all organisational members so everyone feels that they are a part of the change and then easier can accept it. It also seems like much information has only been communicated in theory and not practically. Perhaps some help with the practical issues that arises should be carried out, which is also expressed by one of the interviewees.

It would be easy to say that the closer the employee is to the information source, which in this case is the head office, the more well-aware of the work of change the employees are. However, that has not been proven to be true in this organisation. The employees at the region office are not more aware of the change process than the employees out in the districts are.
It can be hard to motivate the employees to spend time and effort on the change for two reasons. The first reason is because the employees are not really aware of where they will end up. Secondly because it is difficult for the employees to run their jobs as they are supposed to, while they already have more than enough to do even without having to consider the work of change. The toolboxes that Akademiska Hus is about to use seem like a time saver, and will hopefully make it possible to get time to gain more insight to the changes.

The new logotype is highly discussed and has caused some resistance among the employees. Many of the interviewees expressed that they did not like the new logotype at all and did not understand why it was designed in that way. It is almost like the question of the logotype has raised some sort of hatred among some of the employees. It is easy to get stuck and then have trouble to take in all the other parts of the reorganisation. However, sooner or later the employees have to accept it to be able to move on and get understanding for the rest of the change. There is a perception that this incomprehension might have slowed up the ability for the employees to take in the rest of the change. Nevertheless, most of them have realised that there is no turning back and seem to have accepted that this is the way it is from now on. Further, the new logotype will not be fully introduced until December 2010, which means that the organisation will have both the new and the old logotype for a long period of time December. There is a risk that this can make the situation of not reaching an acceptance even worse. This raises a few questions; firstly and most importantly, can this be a type of resistance from the employees’ side as was mentioned in Section 8.5.? Is this a typical reaction to something that the employees were not included in, something they were just told about and had to accept whether they liked it or not? Further would the outcome of the change be any different if more employees were involved in the process and asked to have some input on the work? Another question that comes to mind is if this in itself was a strategy in some sort from the top management; a purposeful move to create a logotype that draws attention, positive or negative, and is widely discussed to surely create awareness among the employees? Whether it was a planned strategy or not it surely created this awareness among the employees.

The creators of the new trademark have done a great job creating so much more than just a symbol, which can create a leading edge in the competitive environment. Even if the logotype is not completely accepted, the rest of the work is appreciated by the employees. In the meantime, the purpose with hiring an expert was to get a professional logotype. However, even if the creators are experts and the logotype very professional, it is necessary for the employees who are not experts on creating logotypes to feel that the logotype represents the organisation and that it represents what they are experts in. The question of getting the organisation more united is somewhat complex since there are different conditions for each district and each region. It is positive that they are about to be forced to communicate more and share experiences between the regions. Perhaps they will discover new ways to work that answers to the entire organisation’s demands, but still make it possible for the regions to be somewhat independent.

Another interesting question is concerning the target group of Akademiska Hus. Are the new changes really focusing on their target group, or is it reaching further out? The customers have expressed that they do not see the use in this change, since it is very expensive. However, it is important to consider that the customers has not yet been fully informed of what the change includes and is not aware of the pay off time.
If the customers would have been more informed, the resistance could have been somewhat avoided. This leads to a question of the awareness of the students studying in Akademiska Hus’ properties. What can the students contribute with if they were more aware of Akademiska Hus? Akademiska Hus’ new attractive way of marketing themselves might, however, attract new students. They are further doing the universities a favour when making the properties more attractive and perhaps the customers would see the change as more positive if they were aware of this.
14 Conclusion

A property company is very much indeed a service company that constantly must serve its tenants to satisfy them and thereby ensure their tenants’ comfort and well-being. Communication is therefore highly important to focus on within a property company. This is obviously something that the organisation has not been very good at and is something that they are working on during this change. To be able to answer if they have succeeded with this is yet too soon to tell. However, they are in fact on their way and have plans on how they will do this in the future that we believe will definitely make them more successful within this area.

Akademiska Hus has obviously put a massive amount of time and effort into this change process. Although they still are in an early stage of the change process, there is a common understanding among the employees and most of them seem to be working towards the same goals. In order to make the employees accept the change they need to have understanding of why the change is necessary and must be included in the process. Akademiska Hus has indeed included their employees in their work, but not in everything within the process. We believe that Akademiska Hus might have to work more upon some of the areas because some employees do not feel that their opinions have been fairly treated. There is a risk that the acceptance among employees in these circumstances can be postponed or in the worst case scenario completely absent. The resistance to the logotype might also act as a brake block for other changes that actually are appreciated by the employees since it often is the negative aspects that gets the attention.

Based on the results of this study, we believe that the fact that the new CEO really took time to both investigate the organisation and to talk to the employees made the massive work of change acceptable among the members. They understood that he did not change only because he wanted to, but also because it was time for the organisation to become more modern and to work as a twenty-first century organisation should. We also believe that if the new CEO would not have taken this time to inform and investigate the organisation as he did, the acceptance would not be this high by far.

Concerning the question of whether there is a pattern between the distance between the employee and the information source is complex and this research is not big enough to answer that question. However, a conclusion has been reached regarding this matter based upon our research. This conclusion is that we do not believe that understanding and acceptance has anything to do with hierarchical levels or geographical distance from the information source. We believe that it is based on an individual level and that each and every member of the organisation will understand and accept a massive change like this based on his or her individual interest and experiences of prior changes. Some people take on work of change easier and faster than others and individuals need various amount of time to reach acceptance. Further, our perception is that the employees that are interested in the work of change will understand rather quickly and when they do not, they will ask and search for the answers, while those who are not interested will wait until when and if he or she is personally affected to react upon the change.
15 References


Appendix A. Interview questions in Swedish

Hur länge har du arbetat på Akademiska Hus och vad har du för roll?
Ni är mitt uppe i ett stort förändringsarbete nu. Känner du att du har koll och förstår vad det handlar om?
På vilket sätt har du fått del av informationen kring förändringen?
Var du med uppe i Umeå?
Tycker du att det varit ett bra och effektivt sätt att sprida informationen på?
Vad har tagit med dig ifrån den erfarenheten?
Har ni fått information på annat sätt med?
På vilket sätt känner du att en förändring var nödvändig?
Vet du vilka de nya värdegrunderna är?
Hur har du upplevt det stora förändringsarbetet inom organisationen?
Har du känt dig delaktig i förändringen och planeringen?
På vilket sätt?
Har du känt att de har tagit tillvara på dina och dina medarbetares åsikter?
Tycker du att det är något som de glömt eller missat att behandla i den stora förändringen?
Har du hört något om vad dina medarbetare tycker om det?
Har du hört något om vad era kunder tycker om förändringsarbetet, har de lagt märke till något?
Hur känner du att den nya visionen uppskattas från dina medarbetare?
Det är en ganska omfattande förändring, tror du att de hållit fast vid ursprungsplanen eller att den förändrats på vägen?
Hur upplever du den nya visuella identiteten?
Hur upplever du den nya logotypen och vad tycker du om den?
Vad vi fått höra så är logotypen bara en del av den visuella identiteten. Hur tycker du att de skiljer sig från varandra?
Tycker du att den representerar de nya värdegrunderna?
Vi har fått uppfattningen av att den nya logotypen kommer att användas sparsamt, vad tycker du om det?
Tror du att det finns något negativt med att byta logotyp till någonting helt annorlunda?
Det är lätt att säga att ”Vi är experter, vi är en aktiv partner, vi är framtidsinriktade” men hur appliceras värdegrunderna i det verkliga arbetet?
Hur representerar du Akademiska Hus och de nya kärnvärdena mot kunderna på campus?
Har dina dagliga uppgifter förändrats något eller vet du om de kommer göra de nu under närmaste åren allt eftersom processen implementeras?
Vad tycker du om de nya verktygen som ska användas? 
Kommer de att förändra ditt arbete? 
På vilket sätt?

Vad vi har förstått så har er kommunikation inom organisationen och inte fungerat jättebra. Hur kommer den kommunikationen att förändras genom förändringsarbetet?
Vi har hört att ni börjat arbeta med team utveckling, vad tycker du om det?
Tycker du att regiondirektörens tidigare förändring har gett er ett försprång vad gäller denna förändring?
Hur ser du på organisationen om 5-10 år?
Appendix B. Interview questions in English

How long have you been working for Akademiska hus and what is your role?
You are in the middle of a comprehensive change at the moment. Do you feel that you know what is going?
In what way have you got information about the change?
Did you participate in the meeting in Umeå last August?
Do you think that meeting was a good and effective way of sharing information?
What did you bring back home from that experience?
Have you been given information in other ways as well?
Do you feel a change was necessary?
   In what way?
Do you know which the new core values are?
How have you experienced the comprehensive change within the organisation?
Do you feel that you have been a part of the change and the planning of the change?
   If so, in what way?
Have you felt that the management have listen to your and your co-workers opinions?
Do you think that they have missed out on something in the change?
Have you heard if any of your co-workers beliefs that the change has excluded an important issue?
Have you heard anything of what your customers thinks of the change? Have they noticed it?
How do you feel that the new vision is appreciated by your co-workers?
The change is quite comprehensive, do you think the management have held on to the originally plan or has it changed with time?
How do you experience the new visual identity?
How do you experience the new logotype and what is your opinion of it?
How do you think the visual identity differs from the logotype?
Do you think the logotype represents the core values?
What do you think of that the new logotype will be used carefully and instead other things will represent Akademiska Hus?
Do you think there can be any disadvantages with exchanging the old logotype into something completely new?
It might be easy to say that ”we are experts, an active partner and future targeted”, but how are the new core values applied to the daily work?
How do you represent Akademiska Hus and the new core values to the customers?
Have your daily chores changed in connection to this change, or do you know if they will change in the nearest future when the processes gets more and more implemented?

What do you think of the new tools that will be used?
   Will they change your work?
   In what way?

How will the change affect the communication between and within regions?
What do you think of the team development the organisation gently is implementing?
Do you think the previous re-organisation of the region has affected the outcome of this change?
How do you look upon the organisation in 5-10 years?