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Evaluating Strategic Change Implementation
- An in-depth study of communication and roles during organizational change

Master of Science Thesis in Quality and Operations Management

JENNIE ARONSSON

SARA FRIBERG

Department of Technology Management and Economics
Division of Management of Organizational Renewal and Entrepreneurship
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Department of Technology Management and Economics, Chalmers University of Technology

Abstract

Companies today find an urgency to change due to market demands, new technology and competitiveness. As did the PD department at Auto AB (AAB) whose change initiative was driven as a project in AAB's matrix organization under the name of eBIC, Engineering Best In Class. AAB is a fictive name for the real company at which the study was carried out. *Evaluating strategic change implementation* is a study, which maps and evaluates the process of eBIC. 20 qualitative interviews were conducted, which represented 30% of the people who worked actively with eBIC.

eBIC was a top-down driven project with a financial purpose to increase the efficiency of the PD department. Jan Larsson, the owner of the project, assigned a team with full time resources to handle eBIC from June in 2008. Jan Larsson is a pseudonym. A consultancy firm who developed most of the initiatives, designed the information as well as handled the project management assisted the team until June 2009. When the consultants left, AAB had to take ownership of eBIC and implementation leaders had been assigned during the spring of 2009. The communication during eBIC was done through newsletters, workshops, a web page and information packages that were cascaded down in the organization. The head of the PD department showed his support for eBIC by keeping it on his agenda in his management letters. The results from the interviews showed that high and low levels of the organization did not share the same view of what the problem areas were or what the future state would look like. Recommendations drawn from this study is that AAB should organize future improvement projects such as eBIC with a team with full-time resources but the communication should be more fitted to suit the recipient.

Keywords: Change management, Communication in organizational change, Change agents, Roles within organizational change.

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Abbreviations

AAB – Auto AB

MORE – Management of Organizational Renewal and Entrepreneurship

eBIC – Engineering Best in Class

mBIC – Manufacturing Best in Class

PD – Product Development

PDMT – Product Development Management Team

NOMB – New Operating Model Board

HR – Human Resources

SMM – Senior Management Meeting

UMM – Unit Management Meeting

CDJ – Concept Data Judgment

PSR – Program Status Report

TTC – Time Technology Cost

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Last but not least we wish to thank all our interviewees at Auto AB for going through with the interviews. Without them this study would not have been possible and we really appreciate their availability and the warm welcome they gave us when we conducted the interviews.

Part 1 Introduction

The following chapter will describe the background to the master thesis and provide a clear framing of its purpose and aim as well as ensure validity to the empirical study.

1·1 Background

The pace of change is increasing in companies today, as are the different types of change that they experience. The reasons behind this are among others, globalization, political shifts and more rapid technological changes (Balogun & Haily, 2008; Beckhard & Pritchard, 1992). Change management has therefore become a managerial competence that is important and wanted by companies today since experience show that up to 70 % of all change programs fail (Balogun & Haily, 2008; Beer & Nohria, 2000). If a manager can inspire and get the employees to understand and commit to the new goals and procedures then the change is more likely to be successfully implemented (Kotter, 1996). Being a manager of a corporation in the past, meant working under stable, predictable premises and being in control of the company's future (Beckhard & Pritchard, 1992). Today the demands on a manager have shifted and they need to work differently when dealing with customers, suppliers and employees. The mindset of an organization needs to be set on innovation, learning and efficiency.

In 2008, Auto AB (AAB) initiated an implementation of strategic change. The implementation concerned a new way of working, Engineering Best In Class (eBIC), which had the ambition to increase the efficiency, and through this, create a robust platform for the Product Development department, PD, at AAB. The aim was also to deliver more products to an equal amount of investments. Three words that represented the implementation were focus, benefit and simplicity, which also summarize the mission of eBIC. In the beginning of eBIC AAB had help of a consultancy firm called Absolut Management, which took an active role in both the communication and the implementation of eBIC. Absolut Management is a fictive name for the real consultancy firm that was involved. Absolut Management left AAB in 2009 and eBIC took full ownership over the project. This thesis will outline what happened in terms of roles and communication for the eBIC project when the consultants left.

1·2 Purpose

The purpose of the master thesis is to evaluate the strategic change process of the eBIC project at AAB out of the two perspectives of communication and roles, this because these two perspectives stood out as key factors during the empirical study.

The main questions this thesis will answer are:

- How did the eBIC project handle the communication from an employee perspective?
- How did the different roles in the eBIC project affect the communication?

1.3 Aim

The aim of the thesis is to evaluate the change process of eBIC and leave recommendations for AAB to take in future strategic change initiatives. The thesis will present Chalmers with a case regarding the change process of eBIC to be used for educational purposes.

1.4 Delimitations

The thesis is limited at looking at the managerial aspects of eBIC. Therefore the technical issues of the implementation will not be investigated. The thesis will look deeper at communication and roles in organizational change whereas other aspects of the change process are not addressed further. The case study is also limited to the feelings and impressions of the 21 persons being interviewed.

1.5 Structure of the Master Thesis

The thesis is divided in six blocks: introduction, theoretical framework, the case, analysis discussion and recommendations, see figure 1. In the introduction aim, delimitations, structure and methodology are introduced. The introduction ends with providing validity and reliability to the study. The second block is the theoretical framework, which investigates and explains the area of interest for the thesis and addresses the subjects of the change process, communication in change and the roles in organizational change. The third block is the case study, which is divided in to two parts. The first half of the case is written for educational purposes and ends with questions, which are explained in the second half. As mentioned, AAB was supported by consultants in the beginning of eBIC. The first half of the case follows eBIC from the start of the project in August 2008 until the consultants left in July 2009. This half entails what happened in eBIC with a timeline and descriptions of the roles in eBIC and of the communication during the project. That latter half of the case is the results from the interviews to what happened when the consultants left until May 2011. The second half of the case is structured according to the eBIC roles and the communication. Added to this part are also the interviews in form of a narrative description and the identified problem areas that emerged during the interviews. The analysis chapter evaluates the case from the theoretical framework presented in this thesis. The discussion part entails how the data from the empirical study answers the research questions and it is therefore

divided into the parts of communication and roles. The last and final part of the thesis is recommendations for the future of any improvement project at AAB
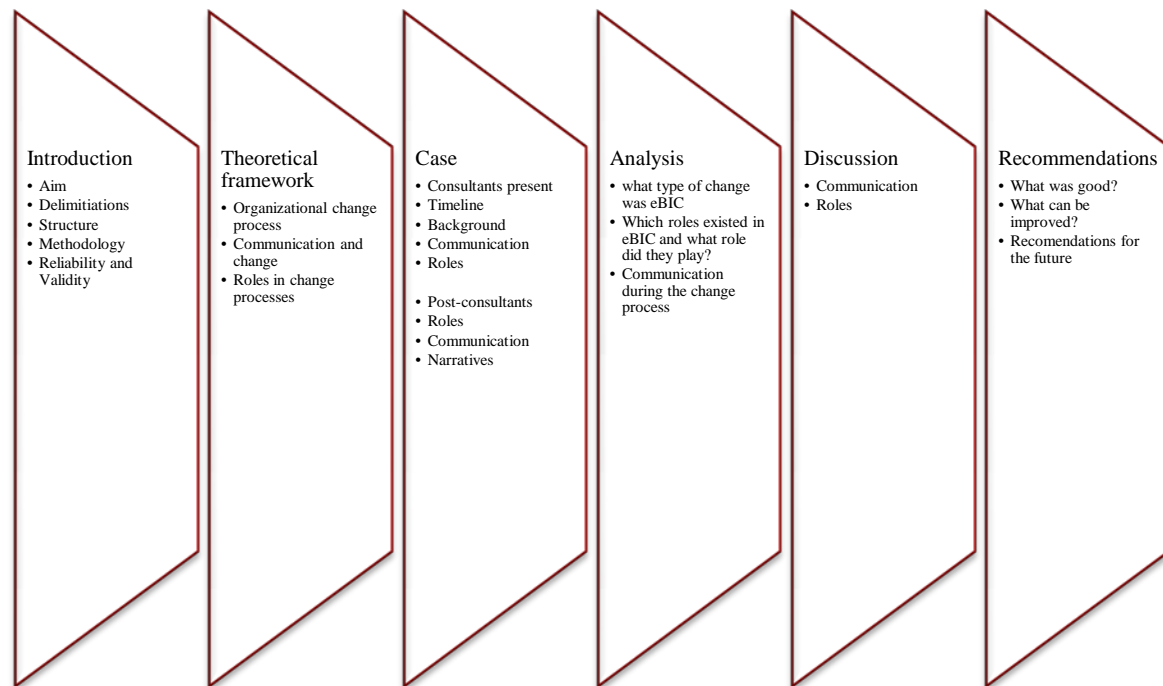

Introduction
• Aim
• Delimitiations
• Structure
• Methodology
• Reliability and Validity

Theoretical framework
• Organizational change process
• Communication and change
• Roles in change processes

Case
• Consultants present
• Timeline
• Background
• Communication
• Roles

• Post-consultants
• Roles
• Communication
• Narratives

Analysis
• what type of change was eBIC
• Which roles existed in eBIC and what role did they play?
• Communication during the change process

Discussion
• Communication
• Roles

Recommendations
• What was good?
• What can be improved?
• Recomendations for the future

Figure 1 Structure of the master thesis

1.6 Methodology

Theories on deductive and inductive methods represent two different approaches to the relationship between theory and research (Bryman & Bell, 2007). A deductive method is the most common approach and starts with what is theoretically known within a certain field, which the researcher tests empirically with a hypothesis. Afterwards the researcher either revises or confirms the reviewed theory. An Inductive method on the other hand starts with an experiment or collection of data from which the researcher forms new theories. Qualitative research has more to do with words in contrast to quantitative research which concerns mostly numbers (Bryman & Bell, 2007). When it comes to the collection of data for feelings and interpretations, the qualitative research is more applicable. The methodology behind this master thesis is a deductive approach. In the beginning of the project, literature within the field of change management was reviewed. The literature search involved theories about what pitfalls and success factors there may be when working with organizational change, what characteristics a leader should have in order to be successful and theories behind the subject of narratives. Internal documentation in the form of newsletters, power point material and management letters were also reviewed. From these materials a case study was developed for AAB where qualitative interviews served as base for the gathering of empirical data. The qualitative interview questions were reviewed together with the supervisor, see Appendix A. The empirical study enclosed meeting and interviewing 21

persons from AAB. These people represented approximately 30% of the total amount of people being involved in the eBIC organization. More in detail how representative each layer of the structure was can be found in Appendix E. When performing the interviews, one person was asking questions and one person was observing the interviewee. The observer took notes of both body language and tone of voice. All interviews were recorded in order for the interviewers to fully grasp everything, to stay focused during the interview and to make follow-up questions. The interviews were later transcribed in order to take correct citations for the analysis and the case. Most of the questions concerned the time span of 2009 up until now but some questions concerned the start of eBIC in 2008 and eBIC in the future, see figure 2.
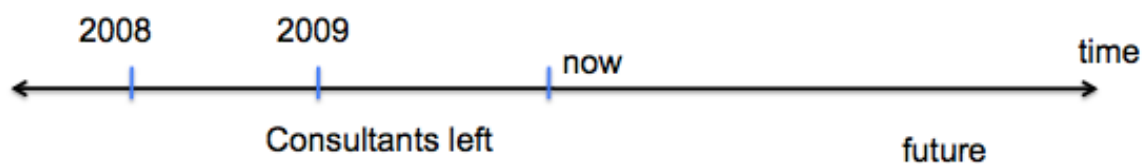
Figure 2 Important intervals of time during the course of eBIC

The people participating in the study were selected after mapping the eBIC hierarchal structure with help from internal documentation from AAB, see the pyramid in figure 3. The pyramid to the left represents the five layers of the eBIC structure with Jan Larsson at the top, the Product Development Management Team, PDMT at level two and the eBIC core team which was a team with full time resources who were project managers for the eBIC project at level three. The core team selected implementation leaders at level four which would hand over information to the engineers in level five. The people chosen for interviews were selected in order for all layers of the pyramid to be represented. Figure 4 shows the different people chosen for interviews and what layer of the structure they belong to.

During the first interviews the material was analyzed and it was decided, in cooperation with the supervisor, that the focus of the master thesis should be on communication and roles within organizational change since these stood out as problem areas. These key words also served as a base for the analysis. Literature that was not considered relevant for this study was discarded and further studies of relevant topics was made in order to secure and narrow the main focus. As a tool for analysis the NVivo system has been used. NVivo enables both sorting and filtering of the data from the qualitative interviews.
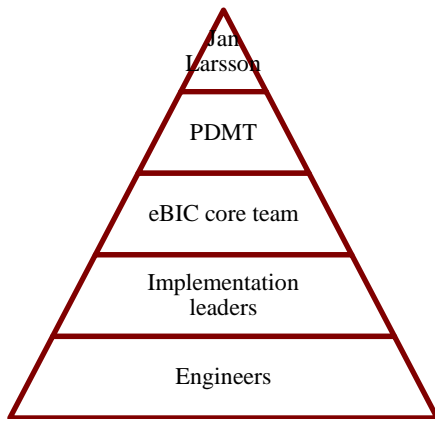
Figure 3 eBIC hierarchy

Jan Larsson (owner)	1 person
PDMT	3 people
eBIC core team	5 people
Implementation leaders	6 people
Engineers	5 people

Figure 4 List of interviewees

1·7 Recommendations for future study

The empirical study generated vast data and only a small amount was used in this master thesis. For future studies a deeper look into subjects such as setting a vision, leadership and commitment is suggested and through this other success factors might arise.

Part 2 Theoretical framework

The following chapter will address organizational change out of a theoretical point of view. First to give an introduction to the subject of organizational change, the reasons behind initiating a change process and different types of change processes are explained. After this introduction to organizational change follows a deeper look at the variables of communication and roles in organizational change and how these enable and affect strategic change. Communication and roles in organizational change were two important areas identified in the empirical study of eBIC. This is why these are highlighted and deeper explained below.

2.1 The reasons behind change

Before initiating a change process, the reasons behind the change and its impact on corporate strategy needs to be clear and evaluated (Johnson, Scholes, & Whittington, 2008). A change process can either have a purpose to change the output of the deliverables or to change the behaviors of the people in the organization. If a crisis is threatening the company then a focus on output can help drive the change and measure the results. Example of measurements and outputs can either be internal efficiency measurements such as cost reduction, or financial outcome measurements such as profitability or stock levels (Balogun & Haily, 2008).

There are two main underlying strategies often used when it comes to organizational change. Since the pace in which most companies move today is so high, the companies must either accept to change or die, says Beer and Nohria (2000).

This considered with the harsh fact that 70% of all change projects fail (Beer & Nohria, 2000). As mentioned before, a change process can either have as a purpose to change the output of the deliverables or to change the behavior of the people in the organization (Balogun & Haily, 2008). The two models to which this is referred are Theory E, which is based on economic value, and Theory O, which is based on organizational capability.

According to Beer and Nohria (2000), Theory E has, as its purpose, the creation of economical value. Its focus is on formal structure and systems. It is driven from the top with extensive help from consultants and financial incentives. Change is planned and programmatic. Theory O is in contrast to Theory E a more soft approach to change. Theory O has, as its purpose, the development of the organization's human capability to implement strategy and to learn from actions taken about the effectiveness of changes made. Its focus is on the development of a high-commitment culture. Its means consist

of high involvement, and consultants and incentives are relied on far less to drive change. Change is emergent, less planned and programmatic (Beer & Nohria, 2000).

Beer and Nohria (2000) have studied a number of companies and found that it is only a few who only commit to one of the theories. Most companies had a mix of both but without considering and paying much attention to the relation between the two theories. The authors also compared the two theories and found that they differed in the aspects of goals, leadership, focus, process, reward system and in the use of consultants. Beer and Nohria (2000) came to the conclusion that combining the two theories is the best way for a company to prosper over time. The remaining question is how to do this, because if performed badly, the combination of the two theories is likely to bring out the worst of each other. One way is to alternate the two theories; another way is to try to work with both theories simultaneously (Beer & Nohria, 2000).

2.2 Change Process

The change start-up point is where the change is initiated in the organization. It can either be a top-down or bottom-up approach. Top managers normally drive a top-down approach. The bottom-up approach is when top management has delegated the responsibility of change down in the organization. This approach is more unpredictable since it is the employees themselves that need to take all the discussions and make interpretations regarding the change (Balogun & Haily, 2008). Regardless if the change is initiated from the top or the bottom in the organization there are certain aspects of the change that can be improved by mapping and understanding the steps of the process.

Nadler and Tushman (1997) explain the complexity of a change process with three phases; current state, transition period and future state, see figure 5. This model can be compared with Kurt Lewin's change model as described by Beckhard and Pritchard (1992), which also entails going through three stages; unfreeze, change and refreeze. Balogun and Haily (2008) states that in the beginning of the change process the managers should analyze the company's competitive position at the current state and determine what changes are required for the future state. Kurt Lewin's change model has a similar view, meaning that the current situation should unfreeze in order to be analyzed and refreeze once the change has taken place. Once the goals are set the managers should look deeper at the different design options for the transition process and what leadership style, interventions and levers there should be. Balogun and Haily (2008) states that it is important to communicate a vision for the transition period when having decided on the future state. Any implementation process needs to be aware of all three different stages and understand that all three requires different leadership styles (Nadler & Tushman, 1997; Balogun & Haily, 2008).

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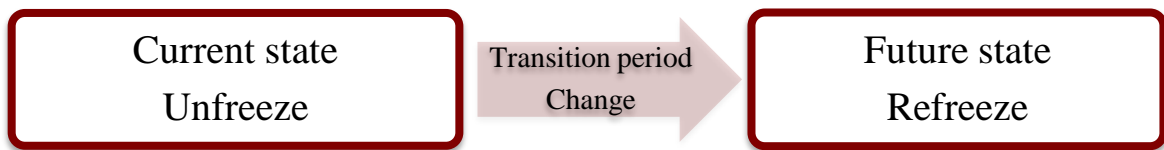| Current state
Unfreeze | Transition period
Change | Future state
Refreeze |

Figure 5 Version of the three states of organizational change by Nadler and Tushman (1997) and a model of the learning process by Beckhard and Pritchard (1992)

These two processes are linked together as "Change is a learning process and learning is a change process" (Beckhard & Pritchard, 1992). Meaning that concurrently as the managers mobilize, move and sustain the organization, they also need to come up with a process for unfreezing the feelings and behaviors of their employees on an individual level. The managers then have to let the individual process of letting go of the past, adapting to the change and moving forward to take place (Beckhard & Pritchard, 1992; Balogun & Haily, 2008).

The three phases of the organizational change model are part of the Gleicher formula, which points out that these phases have to be well communicated in order for the employee to accept and contribute to the change. Gleichner's formula (Beckhard, 1975) is $D*P*V > C$, where D= Dissatisfaction with the current state or Desire to change, P= Process for getting there, V= Vision of end state and C= Costs and lessons of the change. This means that in order for a person affected by the change to accept and contribute to the process, the vision of the future in combination with the dissatisfaction of the current state and a clear process of getting there, needs to be of greater value than what the costs are to the individual. These aspects have to be, according to Bechard (1975), clearly communicated.

2.3 Communication

How a company chooses to communicate during the change process affects the personal commitment of the employees and the success of the change initiatives (Goodman & Truss, 2004). This following chapter will discuss the role of communication through the change process. Starting with how to alter the communication during the different phases of the change process. Deeper addressed is how to communicate the future state, the vision, as mentioned important by Kotter (1996) and in the Gleicher model (Beckhard, 1975). Also, the various types of communication are explained below.

2.3.1 Communication during the change process

The different states in the change process described in by Nadler and Tushman (1997) are as previously mentioned linked to the learning model (Beckhard & Pritchard, 1992), and require different communication approaches (Goodman & Truss, 2004). During the

current state the need for mobilization and readiness for the change is important to communicate. Getting across the need for change can help the employees to unfreeze their current way of working and challenge the status quo (Kotter, 1982). The first step is to create a sense of urgency. The feeling of an emergent crisis can be a powerful catalyst as is also mentioned important by Balogun and Haily (2008). This step is common to rush through, as many as 50 % of the change initiatives fail in this phase. Kotter (1996) states that if a change process lacks motivation from the employees, they are likely not to participate and help with the process which of course affects the outcome of the change, as was also mentioned in the Gleichers formula.

During the transition state it is time to move the employees by providing them with explanations about the process and informing what the process means for them (Balogun & Haily, 2008). Communication can help them understand and accept their role during the change process. The information should be focused in order to support the change process and help reduce uncertainties (Goodman & Truss, 2004). It also helps in involving the employees, not only in setting the goals but also letting them to be involved when updates and reviews of the original plan take place. Also motivation by incentives raises the level of the motivation and commitment. The incentives can be purely financial, or involve higher responsibilities or recognition (Lewis, Romannagi, & Chapple, 2010). Kotter (1996) recommends planning for and creating short-term wins. Some change initiatives require long time for completion and it is important to communicate progress along the way and to show appreciation for those who have contributed to the success. Being committed to a process that takes long time can make the feeling of urgency disappear. With short-term goals the level of commitment can stay high during long projects. These goals and progresses can work as a source of inspiration for the employees if hit along the way with obstacles.

The future state in the change model (Nadler & Tushman, 1997) needs to be clearly communicated to the employees from the start of the change process by providing them with a change vision. Kotter (1996) states that companies under-communicate the vision by a factor of ten. Kotter recommends using all communication channels as well as symbolic behaviors. The vision should beyond numbers explain what the future state of the company should be. The managers need to break down the goals and explain what it means on a personal level to the employees. The employees need to feel that the future state is more beneficial to them on a personal basis than the current state and they need to know that what lies ahead is worth all the effort (Lewis, Romannagi, & Chapple, 2010). Having completed the change process the state to be communicated needs to be kept sustained and refreezed (Balogun & Haily, 2008). This is supported by Kotter who states that the new way of working must be viewed as the norm in the company within

the timeframe of the change, otherwise the old ways will slowly return as the pressure from the change is removed (Kotter, 1996).

2.3.2 Different types of communication

Balogun and Haily (2008) have come up with some directives regarding how to communicate the change process depending on whom the communication is for. The stakeholders affected will differ from change initiative to change initiative and also from company to company. A first step is to map the different stakeholders and their various needs for information. Some of them might need information for the purpose of awareness, other for understanding, support, to be involved or committed to the change. After that the right type of information and communication channels can be assigned. No matter which of the stakeholders are the recipients of the information, four key issues need to be taken in consideration when planning the information: timing, which communication channels to use, the content and who presents the information (Balogun & Haily, 2008).

It is hard to find the perfect timing. If asked, the employees will claim they want to know everything as soon as possible. Informing the employees early in the process also helps them to understand and to adjust to what the changes may mean for the company. It is good to inform about the different options that the managers face and what the change scenarios might mean (Balogun & Haily, 2008).

Balogun and Haily also investigates different type of communication channels, which are described below. Communication can be both planned (briefings, news letter etc) and unplanned (ad hoc conversations at the coffee machine for example). More planned types of communication can be intranet, cascade briefings, which is a way of spreading information by letting recipients of the information spread it further, notice boards, seminars, internal magazine, weekly news, notices and e-mail bulletins (Balogun & Haily, 2008).

The intranet and emails are good communication tools to use when aiming to spread awareness of the change or informing of updates in the company. However the employees cannot be forced to take part of the information if using such communication channels. Using workshops and/or briefings might leave the employees puzzled with what was really communicated as such information might be hard to remember and understand. A lot of support through additional written communication and mobilization are needed if using such information tools. Even so, face-to-face communication has proven to be the best communication channel during change, especially since it allows the employees to ask questions and allowing them to express their concerns (Balogun & Haily, 2008).

This is supported by a study made by Goodman and Truss (2004), which showed that face-to-face communication during focus groups or at staff meetings are the most preferred communication channels when it comes to organizational change but it does not entail if those channels are the most effective ones. Another communication channel is cascade briefing, which is popular in many organizations as it allows managers to brief the managers below them with information, which the middle managers then continue to spread along the organization. This type of communication channel requires the middle managers to be good presenters, to have grasped fully what they are informing others about as well as being able to answer the questions from the employees. Instead of using the middle managers to carry the information down the organization, a specially trained group of communicators can be used. To conclude, the managers needs to look at who is the recipient of the information and what information do they need when choosing the right communication channel (Balogun & Haily, 2008).

The content of the information must also be matched with the needs of the employees. The employees need more than the company vision delivered to them. They need to know and understand what this change means for them on a personal level. They are not only interested in knowing what has been decided by management, they also want to know reasons behind the change and what went on in the decision-making process. Without this kind of information the employees are confused with why a certain initiative was chosen and why not other options were taken in consideration by management (Balogun & Haily, 2008).

Once the parameters of who should receive the information, how the information should be spread, and which information to communicate are all set, it is time to decide who in the organization will have the responsibility to handle the communication (Balogun & Haily, 2008). Harkness (2000) believes that the presenter of the information has a big role in walking the talk, as the employees will listen more to body language and behavior than spoken words. The persons educating and communicating the change process must then be aware that there are a lot of things not spoken or written that is part of communication. Such symbolic activities might also be rituals and stories. Managers can use symbolic behaviors to convince the organization of the importance of a change. Rituals can be a powerful tool to help mobilize, move and sustain a company through a change process. If the process is of dramatic nature involving the entire company then it is preferably the senior management who informs the employees. As mentioned above sometimes the size and/or the geographical spread of the company can make it hard for one or two persons to inform everybody in person. In these cases information cascaded by middle managers or trained communicators can be appropriate

(Balogun & Haily, 2008). So the appointed roles in organizational change affect the communication.

2.4 Roles in organizational change

This section will deal with what different roles there may be when going through organizational change. The roles will be introduced and discussed in terms of positive and negative facts as well as success factors.

During a change process many different roles are present and they all have different functions. Starting at the top of a company are the leaders, which run the organization. If a change is needed they are likely to be the ones who initiate it. One step down in the organization is the change managers whom the leaders will inform about the change and then delegate to run it. Underneath the managers in the company hierarchy the change agents are found who are the ones that performs the change according to the directives of the change managers (Balogun & Haily, 2008). Change agents may come in the form of a change champion, a change action team or a functional delegation that will handle the change. When performing a change it is also highly likely to use external means, like consultants who will facilitate the change process. A deeper review of all roles is found below.

2.4.1 Change Leaders

Change leaders are the ones who initiate the change in the organization but are not likely to be the ones who actually perform it. Change leaders are usually senior executives in the top of the organization. A top-led organizational change process has a far greater chance of achieving success than change driven by lower levels. Senior executives are better in comparison to junior leaders in the sense that they have more knowledge of the business and the strategy. They possess many of the attributes that a leader should have and they also have power over the organization (Beer & Nohria, 2000). Other attributes of success that a change leader should have are inspiring vision, entrepreneurship and, integrity and honesty, which will create trustworthiness among the employees. Other success factors for change leaders are to be able to learn from others and to have openness to new ideas. They should be flexible and creative and use their power in a suitable way (Caldwell, 2003).

There are also some counter-arguments towards change leaders which are that if they use their power in the wrong sense and they lack of integrity and honesty then they might not be credible or believed. The leader may not have a track record of delivering what is promised or they may lack in skills or expertise. In some cases the leader may

be part of the problem where self-perception might be an issue (Balogun & Haily, 2008).

2.4.2 Change Managers

Change managers are the ones who are usually told by the leaders to handle and supervise the change throughout the process. Managers are not too different from change leaders since they are also leaders in some sense and there are some qualities that they need to possess in order to succeed. They need to have the ability to empower others and serve as a team builder. They should have the ability to learn from others and just like the leaders be flexible and adaptable. To have openness to new ideas is important and to be able to manage resistance from employees when it appears during the change. They should be able to resolve conflicts that arise and solve other problems related to the change. Change managers should have knowledge of the business and network between different parts involved (Caldwell, 2003).

The important managerial skills are the analytical judgment and implementation skills (Balogun & Haily, 2008). Analytical judgment is important when it comes to not accepting best practices but instead finding a suitable change process for the company and judging which the most crucial step to take first is. The implementation skill is important to have in addition to the analytical judgment since the change agent also needs to get the change done and not just analyzing what to do. Part of a good implementation skill is to identify what to change and in what sequence to perform them (Balogun & Haily, 2008).

2.4.3 Change Agents

Balogun and Haily make an extensive analysis of the change agent role. According to Balogun and Haily the change agent is the person who performs the change in the organization according to the directives of the change manager. It is the change agents' role to not accept best practices but instead to ask the right questions and adapt the processes to suit the context of the company. In order to assess the context, the change agent needs to possess certain managerial and personal skills (Balogun & Haily, 2008).

Balogun and Haily list a number of characteristics of change agents, which are the following. The personal skills required of a change agent are self-awareness, the ability to deal with complexity and to be good at inspiring people to sell change. Self-awareness means understanding that everyone in the organization sees the company in different ways and the first step to understanding this is to know in which way the change agent views the organization (Balogun & Haily, 2008).

There are different roles in a change process, where the most important role is the one being responsible for the change, meaning the change agent. Without this person or persons, the change is not likely to succeed. A change agent role needs to be accompanied by more change agent roles, which together make the change happen.

There are different kinds of change agents. A change champion is one single person who is responsible for the change. If the company is dispersed geographically or if the company has a large number of employees, the main change champion might be accompanied by other change agents (Balogun & Haily, 2008).

When a group of staff is asked to lead the change process they are made the change action team. This team acts as a steering committee and is composed by either very influenced, important people in the organization or being supported by them. Positive aspects of a change action team are that they have good ownership for the change initiatives and they have knowledge of the organization and issues to be handled. A change action team usually has sustainability and follows through on what they have started and they can involve individuals with change expertise. Since a change action team is a group of people their work might be time consuming and lead to compromises in the design (Balogun & Haily, 2008).

A functional delegation is when the responsibility of a change process is delegated to a specific function or department in the organization. An advantage with a functional delegation is the use of expertise and knowledge within the area. A negative factor might be that the functional delegation does not have the expertise required or individuals within the team may lack power to intervene in other parts of the organization. People may also only focus on their area of expertise at the expense of others (Balogun & Haily, 2008).

Change agents can also be of external kind such as consultants. Consultants may play a big role in the change process; it can either be as advisors or trainers or sometimes they can take an even more participative role. There are both positive and negative factors to pay attention to when it comes to consultants. A positive thing is that they are experienced, they can be objective since they do not carry any organizational baggage and they can serve as a deliverer for bad news. They can also open up for conversation about the need for change and overcome organizational barriers. Negative things are that they are expensive and have no accountability since they usually do not have knowledge of the business. They may not be able to lead the change since they have no say in the vision of the organization's future (Balogun & Haily, 2008). Richer and Niewien (2005) claims that consulting practitioners argue that they add value to their clients by providing knowledge or expertise that is unavailable or hard to access in their clients' organizations. Consulting is widely recognized as a knowledge-intensive

activity. Interaction between consultants and clients involve both explicit and tacit knowledge. Richer and Niewien (2005) focus on the tacit knowledge and examines which particular knowledge requirements lead clients to seek advice and support from external consultants. They come to the conclusion that if functional or industry-specific knowledge is required clients tends to favor external consultancies with which they have a loose or no relationship. The evidence gathered from their interviews suggested that clients make increasingly well-informed decisions when selecting their consultants (Richer & Niewien, 2005). Consultants can be used as expert resources to empower employees. They provide specialized knowledge and technical skills that the company does not have, particularly in the early stages of organizational change (Beer & Nohria, 2000).

Part 3 Case

The 1ˢᵗ of July in 2009, Jan Larsson, head of the PD department at Auto AB, AAB, is in a tough situation. Auto AB has been hit by the financial crisis from 2008 up until now and his PD division has demands on improvement. Jan Larsson's solution to the problem was to initiate the eBIC (Engineering Best In Class) project. Contracted to help with communication and project management was the consultant agency Absolut Management. They have now left the project and Jan Larsson has to regroup the project structure and hand over all responsibility to the in-house organization. Given the things you learn from the case – how would you organize the process?

Jan Larsson was facing a difficult decision. He was sitting in his office at Auto AB looking over the factory thinking about how he should proceed with the eBIC project. He and his core team, together with Absolut Management, had been working hard for almost a year now and they had accomplished a lot but they were far away from finishing. Jan Larsson and his core team had been working side by side with Absolut Management during their time at AAB and sometimes he had felt that the consultants were the ones driving the project forward. It was now time for Absolut Management to leave and Jan Larsson was worried that his employees would lose motivation and pace. Absolut Management had also been handling large parts of the project regarding design, management and how the communication worked and Jan Larsson was now unsure of how to structure the work.

eBIC had started out as a project due to the high demands the PD department had on improvement but Jan Larsson was determined that eBIC would continue to exist as an organizational development system. The purpose of the eBIC project was to increase the efficiency of the PD department and this was to be done by introducing new tools and changing the working structure. Absolut Management helped designing some of the tools and came up with suggestions for how the structure could be changed. Some of the tools had already been implemented in 2009 and some are still in the design phase. In terms of communication the PD department consisted of approximately 3500 employees and there have been packages of information sent out to everybody involved. The question now is how Jan Larsson should structure the organization so that the process of eBIC can continue.

During mid 2008 the world was hit by a financial crisis regarding the housing market mostly initiated in the United States of America. The whole world was affected and not to mention the car-market and AAB (Finanskrisen 2008-2009). *Due to these difficult times AAB initiated a rightsizing project when 1200 people were let go in 2008 (more than 20%).*

AAB faced in 2008/2009 a reduced budget and a reduced staff and Jan Larsson felt the pressure to show improvement in efficiency by the PD department, especially since other departments at AAB had started internal improvement projects and shown great success.

3.1 Background to eBIC

In 2007 and 2008, Jan Larsson had to show progress of efficiency for the PD department in a difficult time. The car industry and AAB had been showing bad results for a couple of years and so far it had affected the other departments at AAB with savings but PD had so far been spared. This because the development of new cars had to continue no matter the cost. The PD department was affected later in 2008 when the financial crisis hit the car industry. The crisis served as a catalyst to change and the PD department had to reduce the budget with 30% but still deliver as much as before i.e. generate the same output with 30% less resources. Something had to be done in terms of efficiency, smarter solutions and cheaper work procedures.

One of Jan Larsson's colleagues from the manufacturing unit had a couple of years earlier initiated the mBIC (Manufacturing Best in Class) project. A project influenced by Lean manufacturing that yielded great success in terms of saved money and elimination of waste during the manufacturing process. Employees at AAB saw mBIC as a success at Auto AB and it quickly became a project to talk about with pride and admiration.

Jan Larsson was impressed with mBICs success. As he felt the increased tension from his manager he decided to group all improvement initiatives currently active in PD and run these as a separate project called the eBIC project. Borrowing some suggestions from the mBIC project as well as the name, which was already established at AAB. Some groundwork of determining what needed to be changed and improved in PD had already been done five years earlier with another project, which was not set out to be an

improvement project, instead it was initiated to be a root cause analysis project. Identified areas to work with were control and governance at department levels. Jan Larsson also felt additional outer factors, which helped determining the scope of eBIC, which were tougher pre-requisites, tougher customer demands and tougher competition on the market. So in August 2008, Jan Larsson initiated the eBIC project by appointing a project manager and together they set up the eBIC project structure.

3.1.1 eBIC objectives

To summarize the objectives of eBIC, the overall aim of eBIC was to generate more output to the same amount of resources. This was to be achieved by focusing on the governance and control of the middle managers. This entailed a change in the organizational structure to a more defined set-up with clear deliverables between sub functions and a more significant customer focus. The new organizational structure can be seen below and the areas are further explained later in the case:

Figure 6 The new organizational structure as done by eBIC

The eBIC project also generated new tools and meeting structures, which can be read about in appendix B.

3.2 AAB and eBIC structure

AAB is a matrix organization with line responsibilities where the development of new cars is run in projects. The management structure of the AAB organization consists of five levels, see figure 7, with Jan Larsson at top and with PDMT at the level below. PDMT is the Product Development Management Team, which consists of managers from all the different units. The unit managers have each a line responsibility, for example electronics or engine and the units are then divided into sections, which are controlled by a section manager. The engineers are part of the line organization as well as they participate in projects. Jan Larsson is head of PD and in charge of PDMT.

In order for the employees to understand the importance of eBIC Jan Larsson appointed Peter Björklund, member of PDMT, as the manager of the eBIC project. Peter Björklund is also a pseudonym. With that symbolic act, Jan Larsson wanted to show the

employees that management was taking eBIC seriously. Previous improvement initiatives had been with a lower ranked project manager and the outcomes had been less successful. Peter Björklund was in July 2008 a unit manager and he helped form a team, the eBIC core team, with people from his own unit to run the project with him. Expert help were also taken in by a former participant of the mBIC project, who would not only provide expert information but also work as a communication bridge between product development and manufacturing. External help by Absolut Management were also brought in as part of the core team. eBIC was from August 2008 run as a co-owned project by the consultant firm and AAB. The number of people involved in the core team fluctuated a bit but stayed between 8-10 people and together with the consultants the core team reached a number of approximately 20.
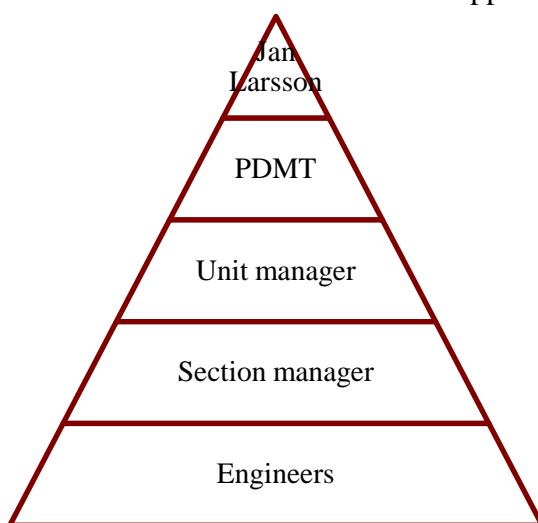

Figure 7 AAB structure

Peter Björklund was the project manager for eBIC and had overall responsibilities for program results and effects. Since Peter Björklund was part of PDMT, he acted as a liaison between the core team and PDMT. The rest of the core team had different responsibilities. One of the core members were assigned to be execution manager and dealt with the coordination between the activities, managed the action list and risk management. The consultants contributed with lots of energy to the core team and helped design the information, setting the eBIC agenda and benchmark internally from the mBIC project. They also used a lot of philosophical knowledge and theories when helping to determine the eBIC initiatives. Change Management roles were assigned to one person from communication and one from HR. One person from the eBIC core team expressed the importance of the communication plan and the structure of communicating eBIC from a top down as:

> *"At an implementation of an earlier change initiative that took place in the beginning of 2000 did AAB have a different principle when they educated all users from the direction of bottom up. They talked to everyone who was supposed to work in the system and at some point did*

they not have the energy to go all the way through the management structure. So it ended with the persons working in the project, the constructors, the project leaders at a lower level knew the process really well but the managers had disengaged themselves so the management structure had not understood how to work and that went so wrong, that is why we wanted to do the other way around with top down"

For the eBIC project this meant that a new more strategic approach of communication was set in place and eBIC had one person working almost 50 % with communication issues within eBIC. All communication was decided to go top down out in the organization. One person assisting change management from HR was in charge of change network coordination and monitoring and reporting the change readiness status at AAB. Peter Björklund and his core team set up a communication plan and project strategy and started to communicate them to the rest of the organization at the project launch in September 2008.

3.3 eBIC communication channels

The eBIC project has been communicated in many ways. Some strategies of communication were present throughout the process while some strategies emerged during the project. The main strategies that were used were:

- eBIC newsletters
- Information packages
- Management letters
- eBIC web page
- Workshops
- Meetings

3.3.1 eBIC newsletters

The eBIC newsletters were sent out approximately once a month by the eBIC core team. The letters were not sent out by paper but in the form of an email or other electronic ways. The purpose behind the newsletters was to give everybody at PD an update on the situation regarding eBIC; how far along in the process the project was, what the next step was, general update of the main departments involved and feedback regarding previous activities and how the eBIC information had been received. Already, in an early stage of the eBIC project, it was decided that most of the communication would be spread in the local language in order to make sure that everybody would understand and absorb the information.

The format of the eBIC newsletter varied but the main structure was intact. The letter usually started with some general information regarding eBIC with information. This was followed by a part discussing the communication around the eBIC project and the different departments involved. There were four main parts, or five at the beginning, that divided the eBIC project. These five focus groups were:

- Concept Factory – pre development
- Industrial Factory – development of programs
- Technical Development – front-end development
- Focused Partnership – working together with the suppliers in an effective and profitable way
- "Quick Wins" – short term goals (this parts was cancelled out in the latter part of the eBIC process)

Later two more factories were added to newsletters, for more information regarding the eBIC initiatives, see Appendix B.

- Annual Factory – yearly model changes
- Maintenance Factory – quality and warranty

Updates of the seven focus groups were given, sometimes only some of them were covered. A short summary of the eBIC process would usually end the eBIC letter.

Also part of the eBIC newsletters was the eBIC communication plan. This was a plan on how the information should be spread in the company. Not all parts of the communication plan were revealed in the eBIC newsletters but some of the steps were described. The main purpose of the communication plan was to create a deeper dialogue between the core team and the department's management teams, which would give a more detailed picture of the changes that eBIC suggests.

3.3.2 Information Packages

During quarter one and quarter two of 2009, three information packages were sent out in the form of power point presentations. The packages were extensive in the excess of 75 slides. The first package included general information about eBIC, what the goals were and what the time plan looked like. The second package included detailed information about the implementation plan that stretched all the way into January 2010. The third, and final, package described the financial principles and the governance structure and what different types of meetings that would occur in the process. The information packages was created and cascaded by Absolut Management and the core team in cooperation with Jan Larsson.

3.3.3 Management letters

Management letters written by Jan Larsson was sent out during the course of eBIC, these were sent out electronically as well. Jan Larsson showed his support for eBIC by keeping it on the agenda in his management letters. These letters were mediating updates regarding eBIC and the process of AAB in general.

3.3.4 eBIC web page

The eBIC web page was a site that everybody at AAB could log on to and read about recent updates regarding the eBIC project and upcoming events. The purpose behind the web page was to engage everybody in the process and allow people to read more about the project and the different activities. All information regarding the eBIC project was put on the web page including strategies, implementation plans, presentation of solutions and general information.

3.3.5 Workshops

Workshops were held with the implementation leaders and the head of each unit in order to increase an understanding for eBIC solutions, to initiate a dialogue and to get started with the preparations for the implementation. Workshops were also held in order to let everybody involved understand how the new operating models would work in practice.

3.3.6 Meetings

Meetings were held in many different forms in order to reach out with information and inform about progress, updates and upcoming events. There were different kinds of meetings, which aimed at different people and departments within the eBIC project. The different types of meetings were:

- New Operating Model Board (NOMB), a high-level decision meeting where the top managers are present.
- Senior Management Meeting (SMM), a meeting held among the senior managers within PD. The eBIC core team always tried to have somebody from PDMT to present.
- Unit Management Meeting (UMM), a meeting held within each unit in order to inform the unit in question about what was about to happen. This was done either by a representative from the eBIC core team or the information was cascaded out in the organization.

The consultants and the core team had developed most of the communication in cooperation with Jan Larsson. The contribution from Absolut Management was both in relation to the underlying philosophies and to develop the material to be cascaded.
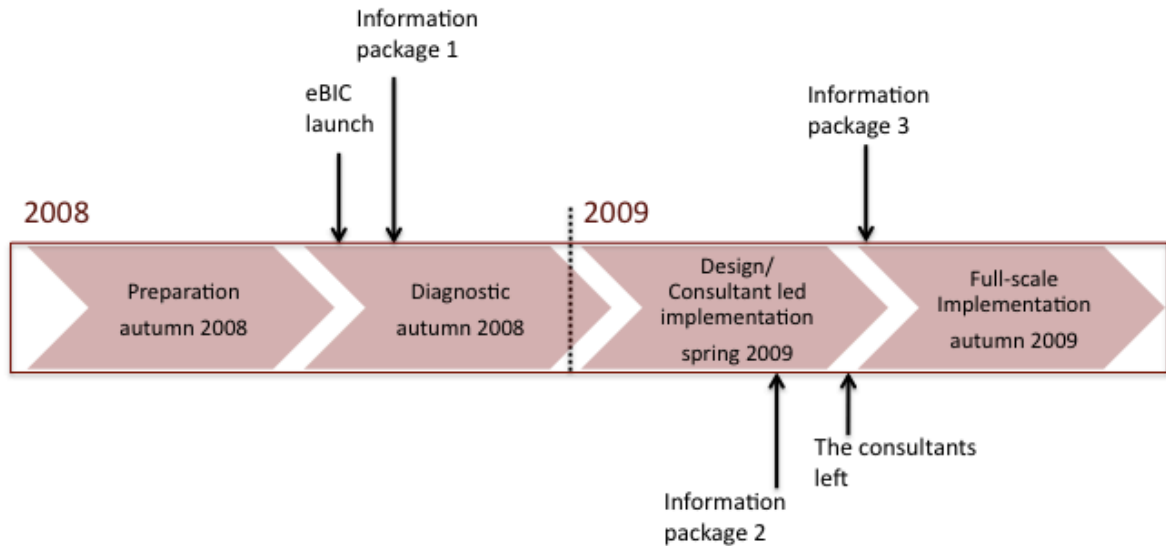
3.4 Time line for eBIC

Figure 8 eBIC time line

As can be viewed in figure 8, the eBIC project was officially launched on September 1st 2008 in purpose for the PD department to save money and become more efficient. Peter Björklund started by setting an agenda for the project and divided eBIC into four phases and assigned them with start points. The core team gathered and set the scopes for the different phases. The scope for the preparation phase was to identify the objectives for PD and to map the current state in order to determine the gaps. Quite early information package one was sent out to all PD employees. The purpose of the package was to give general information about the goals of eBIC, what the project included and a time plan. The package included information regarding the negative publicity that Auto AB had received due to the financial crisis. Auto AB and the PD department had no choice but to improve and become more efficient. An analysis of what had gone wrong in previous initiatives was also presented in order to take these factors into account during this project. The diagnosis phase implied an analysis of the current situation and to identify gaps in the process. It also meant finding and defining solutions to the gaps and prepare for implementation. It was also said around the same time that all employees should have the chance to climb the ladder of understanding, which imply that you go from message to contribution and development with different steps in between, see Appendix C. Everybody part of the eBIC project should reflect upon what eBIC would mean for them. Information package two was then cascaded. The package presented an implementation plan that stretched all the way to January 2010. The package was pretty big, it consisted of approximately 65 power point slides. The main topics of the agenda were an introduction to the annual factory, the core team and how the management was

utilized. In June of 2009, right before the consultants left the eBIC project information package three was cascaded. The package included information about financial principles, governance structure and the annual process. The package also included information about what different meetings there were in the process and what their purpose was. Before the summer of 2009 the consultants from Absolut Management left the eBIC project.

3.5 Autumn 2009

After the consultants had left in June 2009 the eBIC core team and Jan Larsson had to design solutions for how to proceed with the work. Since the consultants had handled a lot regarding communication and project management, action needed to be taken in these areas. The eBIC project had completed all pilot studies and the eBIC initiatives were ready for implementation. The consultants had left and a lot of energy within the core team had left with them. The consultants had also been in charge of setting the directions for the eBIC project, writing a lot of the information and advising how to communicate it and the question left with Jan Larsson the first of July in 2009 was, how to proceed.

3.6 Post Consultants

When the consultants had left, Jan Larsson together with Peter Björklund and the core team restructured eBIC in July 2009 to continue with the implementation. Implementation leaders were chosen to lead and carry on the work within the different units. In April 2009 some of the implementation leaders had already been assigned within the different units. A unit is a field of responsibility that usually covers some area of the car such as electricity or body & trim. The consultants assisted the implementation leaders and when they left, their responsibility increased. Jan Larsson reflected:

> "When the eBIC project started I had a project team who, in the beginning, was supported by Absolut Management. Peter Björklund was the project leader of the team and I was the buyer and owner of the project. I handled a lot of the communication and explained why this project was so important. When you are the leader of a project it is important that you visit the organization from time to time and show your support. I practiced a lot of visual leadership. Absolut Management created a lot of energy in the project. In September 2009 we had a formal transition of the project when the ideas left the core team and were communicated to the rest of the organization. Some parts were finished

and some tools were ready to be used. Implementation leaders were assigned and had the responsibility to drive and lead the rest of the changes and through them the change reached the lower levels of AAB."

Regarding the communication, information packages was still cascaded in the organization but attempts were made to ease the amount of information. After the consultants left, two problem areas were noticed: communication and implementation leaders.

3.6.1 The new roles within eBIC

During the autumn of 2009, the organization took ownership of eBIC and the core team continued to proceed with their work with no extra people added to the core team to replace the consultants. Each member of the core team continued with their original tasks but the rest of the organization around eBIC was changed. The implementation leaders who were assigned different units got more responsibility. Absolut Management had supported the implementation leaders from April until June 2009 and now they had to carry on the work themselves. The implementation leader was in charge of a unit and was given the information first hand and they were to drive the change management activities at a unit level and handle the communication according to plan. The implementation leaders were not volunteers, they were assigned to that position by the core team who selected people with special knowledge and who had change management training.

3.6.2 Communication

Regarding the communication, information was still spread through information packages that were cascaded to all employees. The core team wanted to spread all communication on their own, but the number of the members were reduced and the recipients of the information was the entire product development department with a total number of 3500 people. Before Absolut Management left they had already designed and written information package 4, 5 and 6 and these packages was cascaded as planned down in the organization. Since the information packages were so massive, attempts were made to lighten the information. Other communication packages were sent out with less information that was easier to get through. Presentations of the packages were held one level down in the organization were all information was explained. If there were time and available people from the core team the information was explained two levels down as well but after that, it was suppose to cascade down in the organization through the implementation leaders and the train the trainer concept. At some point skip-level meetings were arranged implying that the top had a meeting with people several levels down in the organization skipping those in the middle. This was done in order to have a direct dialogue regarding how well eBIC reached out to people further

down in the organization. The purpose of the workshops was to give feedback on the process up to this point.

3.6.3 Different perspectives of eBIC

A narrative is a story from a certain point of view. In eBIC's case the narratives are opinions and perspectives from the different layers in the eBIC structure and two people outside the structure, see figure 9. The following narratives will address how the communication throughout the project was handled and how people interpreted it. The narratives will also address how the employees interpreted the different roles of eBIC and their leadership characteristics. For leadership characteristics, see Appendix D. Each one of the narratives is represented by opinions from 1-6 persons within the same layer of the structure. In appendix E, a table can be found describing how representative each of the samples were.
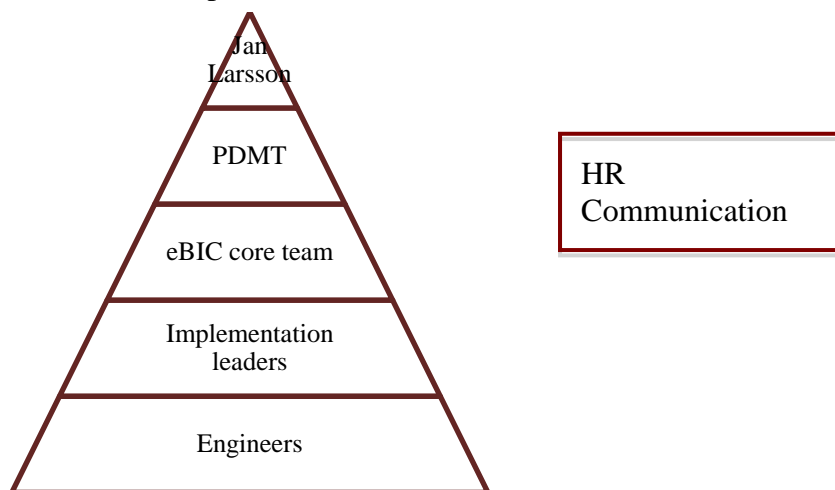

Figure 9 eBIC structure

3.6.3.1 Jan Larsson

Jan Larsson saw the eBIC project as an opportunity to combine all improvement efforts that existed in the PD department. Jan Larsson said that eBIC affected everyone in the PD department but the focus was on the middle managers that are above the engineers, see figure 9:

> *"This because working as a middle manager, means that you have worked in this environment for a long time and understand how your part of the puzzle interacts with the other parts around you"*

This, according to Jan Larsson, prevented the people above middle managers from seeing their active part in eBIC. Jan Larsson also believed that even the core team and himself had trouble defining what these manager's roles in the process were. As efficiency was hard to define, the goals of eBIC were hard to set and communicate. Jan

Larsson states that the consultants had pushed for setting goals and three numbers were set, a certain amount of money, people and products were defined. The consultant's whished for the goals to be communicated but AAB did not. This because, as Jan Larsson stated:

> *"I was not convinced that the numbers set where right… I could not stand up and defend why these goals existed"*

Regarding the financial crisis, Jan Larsson believed that it helped and made everybody understand that something had to be done. But the crisis also made it difficult to measure the amount of money and working hours that were cut back as a result of eBIC.

3.6.3.2 HR

One person from the HR department said that HR had not been working hands on with the eBIC project at all times but they were brought in for the start-up phase of the project to inform the core team and parts of PDMT about change processes and how people are likely to react. The interviewee felt that the vision of eBIC was clear in terms of improving efficiency and save costs but that no measurable goals existed which expressed how much the PD department needed to save. This was a request from the interviewees' side during the process of eBIC, to have more concrete numbers. One person interviewed said:

> *"When the eBIC project started it was a very small amount of people who worked with it. It was mostly Peter Björklund and he picked some people for his team and then Absolut Management came to help. The core team and PDMT had great power over the project since much work was carried out exclusively between them and behind closed doors. Many people on lower levels experienced that the core team and PDMT had all power over the project but I do not think they misapplied their power in any way. Regarding communication there was too much one-way information, the power point presentations were too heavy and boring and the packages were stressed out in the organization."*

The communication packages during the implementation were made as an attempt to light up the information packages and these consisted of lighter reading material that was less time consuming to get through. One expressed feeling was that

> *"The communication packages were made to be less boring."*

The person interviewed believed that the implementation leaders also made an attempt to open up for two-way communication but it was still mostly one-way information sent out through presentations and the intranet. The interviewee experienced the workshops to be high on energy but could do with more interactive communication. The respondent experienced that the project was highly criticized since this was a product created by a small team and external consultants and therefore it became difficult to implement in the line. It was the respondent beliefs that the people working in the line never felt part of the project but that their role in the project increased when the consultants left in 2009. The feeling was also that people got more engaged at this time and the implementation leaders were given huge responsibility to carry on the work both to managers and engineers. Regarding the consultants the person from HR thought that Absolut Management had been very expensive and kept a very high pace in the project, which made the line organization frustrated. They experienced that things moved too fast and they were afraid that the product would turn out sloppy. As an example, the person from HR said:

> *"The line organization was happy when Absolut Management left because now they could work with everything in a speed they found comfortable."*

This was said to be a key success factor by the person from HR; being able to receive the information and have time to think it through. For the future it was said that if the eBIC project could be redone or if there is a similar project coming in the future, the group that has an idea should finalize it to 50-75% and then go out in the organization and find out what opinions people have on the idea in order for it to better work in the organization. It was also said that:

> *"We need to stop viewing eBIC as a project that runs in parallel with the organization and start viewing it as a part of our daily work."*

3.6.3.3 PDMT

The vision of eBIC was considered by some of PDMT to be clearly communicated. Regarding the rest of the communication, the core team reported to PDMT who also took part in spreading the communication out into the organization. One person from PDMT expressed the importance of rich communication as:

> *"We wanted to inform every week even if it meant saying that we have nothing to tell. That is the only way to stop the gossiping around the coffee machines."*

One person from PDMT believed that it was difficult for the employees to separate the eBIC project from right sizing project, which allowed the employees to see a lot of threats with eBIC. The distinction between the two projects was also hard for the core team to communicate. Several of PDMT looked at Absolut Management as people with great entrepreneurship and that is something AAB could learn a lot from. It was also expressed by some of PDMT that Absolut Management were good at problem solving and they had a vision for the project but that vision disappeared when they left. As one of PDMT said:

> "They had their own agenda and when they disappeared we were not that pressured anymore."

Some of PDMT saw that after the consultants left, the core team took over with Peter Björklund in front and that the core team had a great ability to solving problems and to network. The core team was believed by several people from PDMT to have used their power in a good way but in some areas their knowledge of the business was lacking. One of PDMT believed that:

> "When running a project you have to have some sense of entrepreneurship but the core team did not have this, neither did they have creativity nor the ability to empower others."

One member of PDMT compared them with the core team and believed that PDMT are better when it comes to entrepreneurship and learning from others. For the future one person in PDMT wanted to continue working with the parts of eBIC that had not yet been implemented since some things had turned out to be disappointing. It was also stated that there should be more work done with Lean and work flow as one person said:

> "We do not get it, we do not talk about resources and we do not talk about work flow."

3.6.3.4 eBIC core team

Several of the people in the core team believed that Absolut Management contributed to the eBIC project with a lot of energy. They drove the project forward and had a lot of time with the top managers and Jan Larsson, which enabled them to exchange ideas throughout the process. One person in the core team believed the core teams' main characteristic were their openness to new ideas in the sense that they used knowledge and solutions gathered from external companies. Also, in some cases their ideas seemed a bit visionary and they did not connect with the business and some ideas were not established well enough in the company. The same person believed that the core team tried to push through solutions that people were not comfortable with. Several people in

the core team believed that the transition period, when Absolut Management left, was pretty difficult. As one of the core team members expressed it:

> *"The Absolut Management had been here full time, and just like that, we had to run everything ourselves."*

Regarding the vision of eBIC, one of the core team members believed that the goals of eBIC was clear to him but perhaps the overall goal was too distant and smaller goals along the way would have been desired. Another person from the core team believed the financial goals to be very clear, but some goals were hard to measure. The same person thought that when the right sizing project came, it made it even harder to show progress for some initiatives. The majority of people in the core team thought Absolut Management's biggest contribution to the project had been speed and focus. One member of the core team said:

> *"When they left we got a better balance between the different activities and some of us became more engaged"*.

The core team took over the initiatives when the consultants left. This worked out fine but when they came to the implementation of the work streams they got a little ahead of themselves and one member of the core team claimed that some things had to be redefined and clarified. The core team had weekly meetings and the project was mainly kept at a managerial level. When it comes to other communicational aspects of the eBIC project the core team used all communication paths available and it was expressed by the majority of the core team that the communication in eBIC was richer in comparison to other change projects. The core team wanted to ensure credibility to the project by letting people from the top show their support for the project. As expressed by one member of the core team:

> *"When eBIC was on the agenda at the SMM we tried to have someone else from the top, from PDMT to do the presentation. We forced the governance structure down in the organization to educate according to train the trainer concept. What we wanted to achieve with this was to let the organization see that other people believed in eBIC and explain why they wanted to work like this. Because of this we got the governance structure on board fast, and also the crises helped. We had never invested as much on communication as we did in eBIC, but the difficulty is to have something to communicate."*

One person in the core team thought it was difficult to communicate much in the beginning since they had nothing new to say. This changed as the project moved forward but still in the analysis phase, one person of the core team believed it was hard to see what the decisions were, at that point it was all about building knowledge and coming up with ideas. But during the implementation phase things changed for the better. One person from the core team said:

> "During the implementation phase when we knew what it was all about, eBIC as a phenomenon was widely spread. "

One of the core team members thought that there were too much information in some areas and too little in others. This was supported by another person from the core team who thought next time it would be a good idea to put a lot of energy on what the essential things they like to communicate are, and not communicate everything they know. Several of the people in the core team thought they could have been clearer about the goals of eBIC and tailored the information to suit the different recipients. The anticipation of eBIC was that it was set in place to make the work more efficient for all individuals but eBIC did not work with individuals, it worked with the efficiency of the whole way of working. As one person from the core team said:

> "We wanted to do the right things, not to do things right."

Many of the core team members thought it was a problem that they did not communicate what eBIC meant properly. Another concern regarding communication was raised by one member of the core team who said:

> "We made a mistake when we used the principle of cascading information and involving the top managers. When the information packages were too big, a lot of managers were not comfortable with talking about all that information."

The core team in itself was a mix of many different characters, Peter Björklund picked a number of senior coworkers with different backgrounds. It was intentional to bring in senior managers in order to ensure credibility in the organization. One person in the core team expressed:

> "We had some conflicts within the team and sometimes some of us drifted off but Absolut Management helped us to stay focused."

Some of the people in the core team believed themselves to have worked a lot with inspiring vision and integrity and honesty. They also thought they had openness to new ideas, good knowledge of the business and an ability to network. They believed they also worked a lot with team building, risk taking and using power and they got the sense that they were well established in the whole organization. Regarding the future work of eBIC one person thought that the concept phase of the project should be redone, that is, how work is done in the early phases. There were also some work streams that did not go all the way and this work should be resumed. One person from the core team stated that eBIC need to settle in the organization and that it could take up to five years before it does and that work should continue with the parts of eBIC that still are relevant. The same person also stated that:

> *"I still do not have the complete understanding to why we did it."*

When asked what the next step of the eBIC process is, one person said that eBIC as a project is dissolving and that:

> *"We knew that eBIC was not an organization but a project, and a project must end."*

In order to continue the work with eBIC one person stated that a completely new eBIC project should be initialized.

3.6.3.5 Implementation leaders

Several of the implementation leaders believed that the role of Absolut Management was to define and create solutions, which was something that was done in collaboration with the core team. The general view was that Absolut Management was not supposed to be there for the implementation parts. Regarding the vision and the goals of eBIC the impressions were vastly spread among the implementation leaders. Two of the implementation leaders thought that the goals of eBIC were clear, and that it was done to improve efficiency but it was difficult to see if the solutions made things more efficient. It was especially hard to show the engineers that the solutions made by eBIC improved their efficiency, that they spent less time in meetings or that they now worked in more efficient systems, which were their expectations from the beginning. One person believed that the goals were clear on a high level but that they needed to be broken down. Another person believed the goals were not clear for him and he did not feel affected by the project. One person who was interviewed believed that the goals of eBIC became clearer as time passed, but that the prioritizations of eBIC was wrong from the beginning. The project started out with grand plans but ended up in almost nothing. The same person thought some changes had been successfully implemented but

some had been toned down, and became forgotten. Regarding the consultants, some of the implementation leaders expressed that, before the consultants left, they made some interviews with people from the organization but that this is something that AAB could have done on their own. Absolut Management did not need to do that. Among the implementation leaders there has been some differences in attitude toward Absolut Management. Some thought that the consultants were drifty and good at what they did, that they were very structured and kept a high speed. The attitude of others has been pretty skeptical. As one implementation leader said:

> *"… they just came and copied something they had done at some other company and did not really have any knowledge of the business. During the time Absolut Management was here a lot of decisions were made behind closed doors and we were not informed."*

Several implementation leaders expressed the feeling that Absolut Management had no knowledge of the business. One person who was interviewed felt that when Absolut Management left, AAB could move on and start focus on the parts that they considered important but some of the pace was gone and it became difficult for the core team to keep the same speed. Some of the implementation leaders got the role simply for not being present at the meeting. One person was on a ski trip, for instance, and got the news when he returned to work. The feelings towards eBIC as a project shifted between good and bad among the implementation leaders. One person did not like that eBIC was kept as a dialogue behind closed doors in the analysis part and expressed:

> *"As an engineer it is important to know the problems and understand the analysis, but the analysis for eBIC was performed at the highest level at AAB and we did not agree with that analysis. The communication in that phase was a disaster."*

Another person did not agree with the core team's view of the problems of efficiency and had no chance to influence the process. But afterwards, in the implementation phase, a couple of big exercises took place where a lot of the people were given information about eBIC. It was communicated on the senior management meetings, at town hall meetings and by the implementation leaders. Many of the implementation leaders believed that the communication at that time was very good. One implementation leader said that the level of information was not always understandable for the engineers, they had a hard time understanding what this meant for them, what they should do. Another implementation leader experienced that some people did not think they were affected by the project. All of the interviewed implementation leaders saw eBIC as a project, which did not help the individual engineers with construction but

instead a project for the governance. This lead to that a lot of people was distanced and critical. As one implementation leader expressed it:

> *"Of course it will have an impact if 2000 people were distanced and critical. This might have been a mistake in the communication. To be improved it, should have been more clearly communicated what eBICs purpose were and it should be really clear that it was not a project that would help most people in their daily work, but that eBIC was a governance and control project. This was not communicated and people got different expectations."*

The general view of the interviewed implementation leaders was that information could have been more tailored to suit the different recipients before being cascaded. One of the interviewees felt that the information was spread to the implementation leaders by one-way communication and that they were suppose to spread it further with one-way communication This became difficult if someone wanted a dialogue since they did not know what to say. The general view among the implementation leaders was that the power point presentations were too massive, too difficult and sometimes loaded with new information. One implementation leader heard at an implementation meeting that there were other implementation leaders saying that they would inform everything but in reality they did not. When asked more informal they said that they would only spread approximately one third of the material. Also one of the implementation leaders believed that the decisions made at NOMB could have been communicated better, there are protocols that anyone can review if they want, but no one did. One of the implementation leaders thought eBIC was communicated on a reasonable level, both through the cascading packages and all the way down. Some of the implementation leaders though it was hard to find measurements showing where they were in the progress of eBIC and that it were also hard to communicate them. One of the implementation leaders said that the core team made an attempt to map the different initiatives on a "valley of despair" picture and coloring the initiatives with yellow, green and red depending on their implementation status. Unfortunately the core teams' prognosis was too positive at times, which made some of the implementation leaders upset. Supported by a comment by one of the implementation leaders:

> *"It is not fun to sit at meetings where some initiatives are said to be implemented and given the color green when they have in fact just been communicated and no one in the organization are working according to them."*

According to one implementation leader:

> *"I would like to redo eBIC a bit now when the level of ambition is higher than before. We could have a look on the things we have done and enhance the things that turned out good and begin from there.*

According to one of the implementation leaders, in order to continue the work with eBIC, an evaluation of the lessons learned should be done and eBIC should be integrated with the standard organizational development. The project should come to a clear ending and information should be sent out regarding what actually has been achieved in the project.

3.6.3.6 Engineers

It was the general opinion of the engineers that when the consultants left, the project lost a lot of speed but on the other hand it allowed AAB to become more realistic and nothing had to be done according to the consultants anymore. As one engineer said:

> *"Some of the tools that they had developed could be thrown away."*

Several engineers said that they had received information about the eBIC project mostly through the intranet and the department managers but they did not speak much of it. The goals of eBIC that one engineer thought to be clear on a high level was unclear broken down. Some of the engineers did not think the vision and goals of eBIC was clear. One of the interviewed engineers expressed that it was hard to separate eBIC from the right sizing project, which meant that 1200 people were let go in 2008. The majority of the engineers thought everybody at AAB knew of eBIC and was familiar with the name even though they did not know what it meant. And one engineer said:

> *"The amount of information was definitely enough, if you wanted to know something you could probably find out about it."*

Another engineer supported this by saying that the amount of information felt massive for this company. During the cascading packages one engineer communicated 3 out of 71 slides. Several of the engineers felt that they could not cope with all information and it was too unfiltered, there were not enough substance. One engineer said:

> *"If you wanted to know something you probably could but I did not have the energy."*

One engineer expressed a desire that the people responsible could have focused more on what they actually needed to communicate, instead of just communicating everything

they had, leaving the person who received everything, with a lot of difficult information. Some of the engineers believed that most of the information was one-way and it could have been better if there had been more of a dialogue. As an example, one engineer said:

> *"They had a suggestion box and I tried coming with suggestions once but got the question why I had contacted this person. I replied that that I found the name on the homepage and the person replied back that he was no longer active within the eBIC project and he had not been active for a while."*

Several of the engineers felt that they had a hard time telling the managing teams apart and could not really tell the difference between PDMT and the core team but it was clear that the managers at the top had more knowledge of the business than Absolut Management but they did not have any sense of teambuilding. One engineer believed that the consultants contributed with an inspiring vision but it was pretty limited. One of the engineers believed that the managers had some sense of entrepreneurship and worked a lot with networking. Some engineers believed that in the beginning the managers' openness to new ideas was a bit limited but through the process there were a great deal of creativity. One engineer stated this for future work:

> *"A clear feedback of the project should be made where we examine the good and bad outcomes of the project and how the things that did not turn out so good can be improved."*

One person thought that the core team should be replaced and that they could go out in the organization and ask people how their everyday work could be more effective.

3.6.4 Problem areas

When going through the narratives, two problem areas stood out more than others and these will be focus on in the analysis of the master thesis.

3.6.4.1 Communication

During the course of eBIC there has been some difficulties regarding communication of the vision. During a majority of the interviews people have mentioned that it was hard to see the goal of eBIC and understand what the project was trying to achieve. Some goals were stated on paper but according to Jan Larsson these goals were more like a vision than a measureable realistic goal. Therefore some people had a hard time seeing what the end state of the project would look like. It was also the common understanding that the project had the aim to help the single engineer in his/her everyday work. This

was not the case and due to poor communication from the top, people understood this to be the case for some time. It was said in meetings at higher levels that this project was aimed to help the management and governance structure. There was also a lot of communication that took place behind closed doors. The core team together with Absolut Management worked very closely with PDMT and they had a continuous dialogue throughout the project. Once a decision was finalized the rest of the organization would be informed, which in some cases occurred too late. The people that would execute the project were then unaware of what was going on and in some cases they heard about it too late. Another problem area regarding communication, and this probably being the most crucial one, was that most of the information was spread through one-way communication. The people who received it were neither able to respond nor to question it. Not all information was like this but the majority of the information was one-way and the receiver had to pass down the information to the next level.

The cascading of information was a problem area mentioned by many of the interviewees. The information that was sent out was supposed to reach approximately 3500 people by being cascaded down in the organization. The problem was that the implementation leaders and the middle managers that was suppose to spread the information further, was not able to communicate the information since they did not understand all of it. Some of the information packages were very big and some areas had been discussed in the presentations mentioned before, but some topics were completely new to the implementation leaders and therefore they were not comfortable speaking about them. In some cases the core team held a presentation regarding some of the information to be cascaded one level down in the organization and in some cases two levels down but due to lack of time and people presentations was not able to be held at lower levels.

3.6.4.2 Implementation leaders

When the consultants left, eBIC had to be restructured and delegated to the in house parts of the organization. Each unit, mentioned before, got an implementation leader to lead and structure the work. The problem with just assigning people to these positions was that they were not prepared for this type of work and in some cases they were not aware of their position before the implementation actually took place i.e. they were simply handed the position without asking for it. This type of behavior from the core team generated a lot of uncertainty among the workers and the trustworthiness of the core team decreased.

Part 4 Analysis

This part will provide the reader with an analysis of the Case, both before and after the consultants left in terms of the reason behind eBIC, communication and roles. The analysis will be made with regards to the eBIC hierarchy as seen below in figure 10.
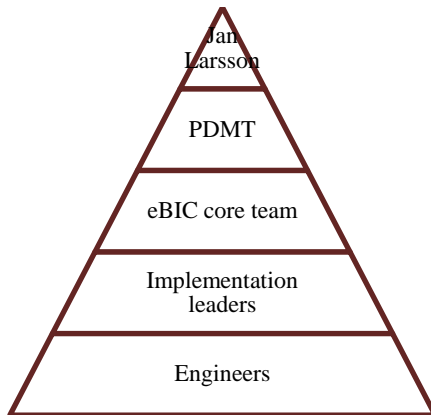

Figure 10 eBIC hierarchy

4.1 What type of change is eBIC

According to the empirical study performed at AAB many of the interviewees claimed that eBIC was the result of the financial crisis and the difficult times the car industry was facing. Therefore, in order to survive in these difficult times an economic approach to the problem was first taken. According to Beer and Nohria (2000), in a competitive market, if a company is facing difficult times they must either change or die and this was also the case for AAB since something had to be done if they did not want to face bankruptcy. An economic approach to the problem is said, by Balogun and Haily (2008), to be Theory E where the purpose of the change is to create economical value. Theory E is also said to be driven from the top and sometimes with the help of consultants and that is just the way eBIC was carried out. The economical purpose of eBIC was to create more with the same amount of resources. It was a planned change that started out as Theory E but after a while AAB, just like many other companies, changed the perspective into Theory O since the core team and Absolut Management wanted to involve everybody in the PD department, and make them part of the change. According to Balogun and Haily (2008) a Theory O change is characterized by high commitment and high involvement. These two change theories differ in aspects of goal, leadership style, focus and process and Beer and Nohria came to the conclusion that a combination of the two theories would be the best way for a company to prosper over time. The eBIC project did not really combine these two theories but started out as one theory and during the latter parts of the process the change was more characterized by the other approach.

4.2 Communication process

The analysis of the communication has been divived and analyzed according to the three different phases, current state, transition and future state, defined by Nadler and Tushman (1997).

4.2.1 Current state

Through the reviewed internal documentation concerning eBIC early documents have shown that a communication strategy and a communication plan was set up and played a big part in the eBIC project. This was also supported by the interviews held with the people from the core team. According to Goodman and Truss (2004), having a strategy for communication is key for project success. The communication plan should vary according to the different phases of a change process (Goodman & Truss, 2004; Balogun & Haily, 2008). Looking at the phases of a change process made by Lewin in Beckhard and Pritchard (1992) and by Nadler and Tushman (1997), the communication during the current state should be focused on what changes are required to reach the current state (Nadler & Tushman, 1997) and to challenge the current state in order to unfreeze the current way of working (Beckhard & Pritchard, 1992; Beckhard, 1975: Kotter, 1996; Goodman & Truss, 2004).

During the first phase of eBIC, during the analysis phase the eBIC project had help by the financial crises of 2008 to create a sense of urgency for the change as well as help the employees to challenge the status quo. This is supported by Balogun and Haily (2008) and Kotter (1996) who states that a crisis can act as a powerful catalyst. This found correct as every one of the 21 interviewees believed that a change was necessary, however, there were different opinions to whether the right things were changed. Among the interviewees a majority of the recipients of information was critical to the communication since they did not understand what eBIC meant in terms of what needed to be changed. Even several members of the core team had difficulties expressing what type of change eBIC was. This was not clearly communicated and this was the reason for creating different anticipations to the project than what eBIC delivered. This is supported by one implementation leader who said:

> *"There might have been a mistake in the communication. To be improved it should have been more clearly communicated what eBICs purpose were and really be clear that it was not a project that would help most people in their daily work, that eBIC was a governance and control project. But it was not, and that generated other expectations on the project."*

The core team was aware that they had trouble communicating in the beginning. But, as one person in the core team said, it was difficult to communicate much in the beginning, as they had nothing new to say. This was experienced by some of the engineers and the implementation leaders since eBIC was at first conducted behind closed doors. We believe that the lack of information in the beginning led to that the employees made their own perception of what eBIC was. Due to the fact that that some of the interviewees did not agree with what the core team said to be problems with efficiency, some employees anticipated eBIC to be something else. An explanation to this is that the analysis behind the initiatives of eBIC was never communicated and this made some of the employees never wanting to accept and understand the changes of eBIC.

The core team had different views upon what the problems with efficiency were, compared to the views of the implementation leaders and engineers. As well as failing to inform the organization about their failure mode analysis the implementation leaders and the engineers did not recognize themselves in the current state presented by the core team. Theory does not explain what happens if there is a gap in perception between the management and employees' point of view regarding the current state. However, the interviews showed that there was a lot of skepticism and lack of commitment towards the project since the employees did not agree with the view the core team had on the current state.

4.2.2 Transition

The transition/ change period needs to provide a vision (Balogun & Haily, 2008; Kotter, 1996; Lewis, Romannagi, & Chapple, 2010). The communication should also entail what the change process means for the employees and explain the employees' roles in the process in order to reduce uncertainties, and it should inform employees of updates and possible reviews of the original plan (Lewis, Romannagi, & Chapple, 2010).

The eBIC project's vision is something that is understood differently between the hierarchal levels of eBIC. At the top of the eBIC triangle PDMT and the some of the core team members thought that the vision and goals of eBIC was clear. Several of the core team members did however not believe that the goals were perfect as both sub targets and more measurable goals could have been formed. The opinion that eBIC lacked measurable goals is something occurring down the hierarchal levels of eBIC. As an example is the lack of measurable goals commented as one reason for making it difficult to show progress for the different initiatives of eBIC. One implementation leader said it was especially hard to show the engineers that the solutions made by eBIC improved their efficiency, that they spent less time in meetings or that they got to work in bigger systems, which were their expectations of eBIC. One implementation leader

and one engineer said that the goals were clear on a high level but that they needed to be broken down. Another implementation leader who thought that the goals of eBIC were not clear supported this. We believe that the lack of sub goals and measurable goals are connected and that this leads to difficulties in showing progress for eBIC. We also believe that since the department affected by eBIC is the product development department, whose biggest cost are man hours and where development of cars takes years, makes it hard to set measurable targets in order to improve efficiency.

Another implication on communicating the vision could be that the rightsizing project was made at AAB at the same time as eBIC was launched. This is supported by the fact that one of the interviewed engineers and one of the implementation leaders expressed that it was hard to separate eBIC from right sizing project. Also PDMT believed the core team to have difficulties in separating the two projects. This confusion existed since the reduced costs resulted by eBIC was also affected by the right sizing initiative since these two projects were run in parallel. This was supported by one of the core team members who said that when the right sizing came, it became even harder to show progress for some initiatives. The eBIC initiative meant efficiency improvements in more ways than just a reduction of man-hours and therefore it became difficult to measure the result. So we believe the concurrency with right sizing is a reason for the complexity of coming up with measurable goals for eBIC and to show and set sub targets.

Due to the concurrency with right sizing and the lack of measurable goals it was hard for the core team to steer the employees in the same direction and to show progress during the transition period. We believe the difficulty of showing a clear end state resulted in miscomprehensions and different views of what the future state was. This also affected the transition period which due to lack of sub targets made it difficult for the core team to show credibility. We also believe this to be connected with the different anticipations there were on the project as described above.

The information channels played a big role for updates and for enabling transparency of the vision of eBIC, further explained below. Even though the core team used many of the communication channels available there were some obstacles acting as filters that interfered with the communication flow. As the core team delegated the responsibility of communicating eBIC to the implementation leaders and to the managers in the company by their train the trainer concept, the roles of those acting as change agents in the company became of great importance. This is supported by one engineer who said that they had received information about the eBIC project mostly through the Internet and the department managers. The problem was that the department managers did not speak much of it. The roles of the employees have already been explained above. We believe filters hindering and/or altering the communication affected the view the

employees had on the project as well as the outcome of the project. These filters made the transition period easier in some cases as they removed unnecessary information. But in some cases we believe that they made the transition period longer and harder as not all vital information passed down through the organization. The implementation leaders and the middle managers in charge of the cascading information had a huge responsibility as information carriers. We believe that since these people were not selected carefully and made comfortable with spreading all information, the transition period was experienced differently among the engineers depending on from whom they got the information.

To the original three phases of the change model two are added in eBICs case, as seen in figure 11 below. One for the current state and one for the future state out of the perspective of the implementation leaders/the engineers, as it differed from the view of the core team and PDMT. This misalignment created confusion in the organization and hinders the change process. We believe that this happened when some of the implementation leaders and the engineers did not see the problems identified from the core team. The time from awareness to contribution took longer, especially since the analysis behind the eBIC initiatives were never communicated out in to the organization. We also believe the purpose behind eBIC could have been communicated better and earlier. The future state as seen by the engineers and the implementation leaders were different as to what the core team saw. We believe this has to do with both the fact that the problems with efficiency differed between the groups as well as the lack of measurable goals. The eBIC project was constructed according to theory E with the purpose to be more efficient but very few of the interviewees knew what this meant when broken down. This affected the possibility of proving progress in the transition period. We believe the difficulty for the core team behind this was to give measurable goals for the development department. Since it is working hours that are the biggest cost in the department, reductions are hard to show. We also believe the right sizing project created urgency for change but it also made it even more difficult to show progress.

4.2.3 Future state
The different views of the future state lead to the fact that people do not know what the state the project is in today. According to two persons in the core team, the eBIC project is now closed and it is now part of the organization. One member of the core team believed the next step of eBIC to be that the new way of working must settle in the organization equivalent to the "refreeze" in Lewin's model. Parts of PDMT, the implementation leaders and engineers claimed that they did not know that eBIC had been closed and wanted to redo the things that had not turned out to be successful, and take into account the lessons learned. We believe that due to the fact that the goals of eBIC were unable to be measured and communicated it was difficult for people to know

where the project is today. We also believe that this is connected to the information package that never got cascaded.
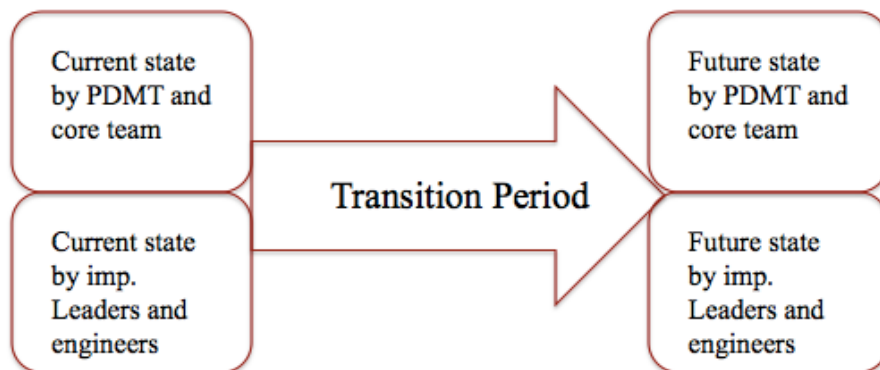

Figure 11 eBIC's change model

4.2.1 Support for change

The interviewees were asked to estimate their level of contribution at different times on a support for change picture, further explained in Appendix C. As can be viewed in figure 12, the majority of the interviewees had reached a level of awareness when eBIC was initiated. The fact that everybody was aware of eBIC when it was about to be launched was a result of good communication. When the consultants had left in 2009 many had reached a level of acceptance and some were contributing. In order for eBIC to be more successful during the transition period more people should have reached a level of contribution. Simply accepting eBIC as a project is not enough for the project to move forward. Some of the implementation leaders who were suppose to drive the implementation after the departure of the consultants, had only reached an acceptance level and that was also the case for parts of the core team. The fact that the core team was only at an acceptance level is dreadful since they were suppose to supervise and lead the change at this time. In 2011 there was quite a spread among the interviewees. Some had barely reached an acceptance level while some had passed contribution. The reason for this is probably that nobody really knows where the project is today and whether it has been closed or not.
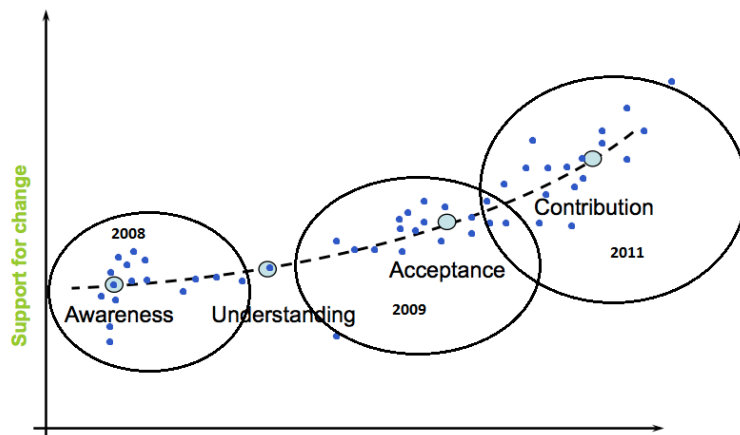
Figure 12 Graph with results regarding the support for change

4.3 Communication channels

Below the different communication channels used during the eBIC project are analyzed in terms of content, by sender and recipient.

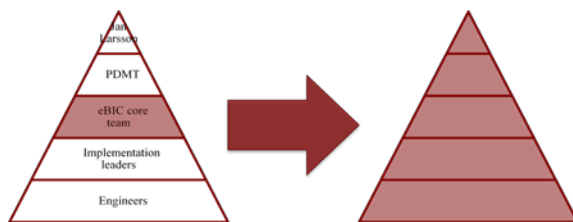### 4.3.1 eBIC newsletters

Figure 12 Communication paths for eBIC newsletters

The eBIC newsletters were communicated from the eBIC core team to all levels of the eBIC hierarchy as seen in figure 12. The information was created by the core team in cooperation with the consultants from Absolut Management. The eBIC newsletters were planned communication. People received the newsletter by email and they were also posted on the eBIC web page. Using the Internet and emails is a good communication tool when you wish to spread awareness and updates of the change in a company. A problem with using the Internet is that the receiver of the information is not forced to take part of the information and therefore it might go unnoticed. This was the case for some of the people that were interviewed. As one of the engineers said:

> *"If you wanted to know something you probably could but I did not have the energy"*

The content of the newsletters should have been more aimed for the receiver. Balogun and Haily (2008) state that the information should be matched with the needs of the employees. The information that went out with the newsletters was the same for everybody and therefore some of the recipients claimed it was information that they did not need to know about. As one person said:
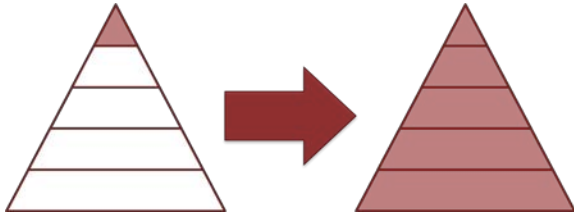
48

4.3.2 Management letters

Figure 13 Communication paths for Management letters

Management letters were written by Jan Larsson and sent out to everybody in the organization, see figure 13. They were, just like the eBIC newsletters, communicated through the Internet and by email. This piece of information was also planned but not as consistent as the eBIC newsletters. The management letters had a positive effect since they showed that Jan Larsson still was interested and took part in the project and that he always kept eBIC on his agenda.

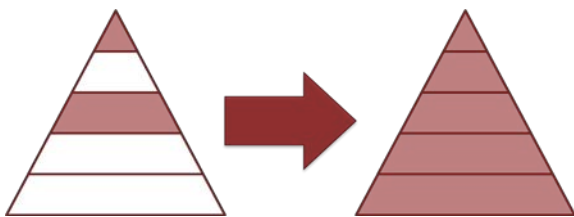### 4.3.3 Information Packages

Figure 14 Communication paths for Information Packages

The information packages were created by the core team and Jan Larsson and to a large extent by the consultants. They were cascaded down into the whole organization, see figure 14, as massive power point presentations. This was done six times during the course of eBIC. According to Balogun and Haily (2008), cascading of information allows for the managers to brief the managers below with information and then the middle managers can continue to spread the information further in the organization. According to the core team, this was the purpose of the information packages. They wanted to apply the "train the trainer" concept in the organization but the problem with this was that many of the managers who were suppose to present this information did not know enough, or was not informed well enough to speak about it on their own. In some cases the information to be spread had been presented for the managers and implementation leaders and in those cases there were no trouble passing the information further, but when the information was brand new some of the managers were not comfortable with speaking about it. The people in the core team was aware of this as one person said:

The problem was not that the managers were bad presenters but that they had not seen the information to be presented before hand. This lead to the fact that both the managers and the implementation leaders filtered the information. They chose themselves what parts of the information was necessary to communicate. A perfect example of this was what one person said during his interview:

"Out of 75 slides, I communicated 3 of them"

The consequences of this type of behavior are that people in the organization receive different type of information depending on who the communicator is, which may create misalignments between the different departments and units.

4.3.4 eBIC web page
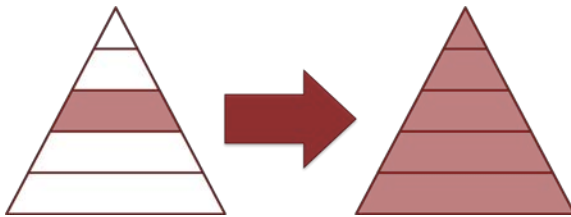
Figure 15 Communication path for eBIC web page

The eBIC web page was a site that everybody could log on to and read about eBIC. The information was posted on to the web site by the eBIC core team as seen in figure 15. The web site was also an electronic and planned type of information. The web page have one fact in common with the newsletters and management letters and that is that nobody was forced to log on to the site and read, and therefore people might miss important information. All information was there but people did not have the energy to go through it all.

4.3.5 Workshops

Figure 16 Communication path for Workshops

The workshops were interactive meetings held by the eBIC core team and the representative from the HR department and communicated to the implementation

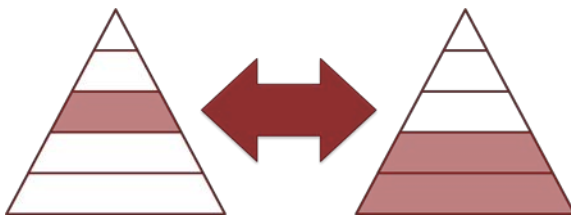leaders and engineers see figure 16. The purpose of the workshops was to have a discussion about the solutions that eBIC had come up with and to give feedback on the process in general. The reason the arrow in the picture is two-way is because it was suppose to be a discussion but it did not turn out this way. The HR representative said that:

> *"The workshops were high on energy but could do with more interactive communication."*

According to Balogun and Haily (2008), the use of workshops might leave the employees puzzled with what was really communicated and such information might be hard to remember and to understand. This was exactly the case with the workshops since people did not really see the purpose of them. They thought it would be a discussion but sometimes they experienced it as pure receiving of information. The intention of the workshops was to use face-to-face communication, which is proven to be the best communication channel since it allows the employees to ask questions and express their concerns. If the workshops actually had turn out to be of this kind they would have worked better.

4.4 Roles in eBIC

The roles of eBIC are analyzed and presented according to the different layers in the eBIC hierarchy, see figure 9. When analyzing the roles the different type of leaders as explained by theory are taken into consideration as well as their positive and negative aspects. The roles are also analyzed in terms of their communicative responsibilities.

4.4.1 Jan Larsson

Jan Larsson had the role of change leader in eBIC. He was the one who took the initiative to eBIC and launched it in the beginning of 2008. Beer and Nohria (2000) states that the change leader is usually one of the senior executives in the organization and that were just what Jan Larsson was. They also state that change leaders usually do not perform the change but Jan Larsson was highly participative in eBIC during his time in the project. He created much of the information that was to be cascaded and he worked together with the core team and the consultants and they made many of the decisions regarding eBIC together. According to Caldwell (2003), a change leader should have the ability to be open to new ideas and by taking in Absolut Management, who provided different view of things; we believe Jan Larsson possessed this quality. Jan Larsson was also a well-known name at AAB and since many people knew of him, he created a sense of trustworthiness and credibility among the employees.

4.4.2 PDMT

PDMT took on the role of the change managers since they were appointed by Jan Larsson to handle and supervise the change throughout the process. According to Caldwell (2003) there are some qualities you need to possess in order to be a good manager during change. You must have the ability to learn from others and, according to PDMT themselves, they possessed this quality. A change manager should also have knowledge of the business, which is something we believed PDMT had since they were all people from high levels of the organization. According to Balogun and Haily (2008), a change manager should also have some implementation skills but since PDMT did not take part in any implementation we cannot verify that they had any implementation skills.

4.4.3 eBIC core team

The core team served as both change managers during eBIC and as change agents. Change managers are, as stated above, the ones who supervise the change and the change agents are, according to Balogun and Haily (2008), the ones who drives the change process. The core team was change managers in the sense that they delegated some of the work to the implementation leaders. A change agent is likely to be accompanied by other change agents and together they make the change happen. The eBIC core team was accompanied by the consultants from Absolut Management and the implementation leaders. There are many types of change agents and the core team served as a change action team. The change action team is supported by the organization; in this case they were very supported both by Jan Larsson and PDMT. The eBIC core team was a mix of different personalities and according to Balogun and Haily (2008) a change action team usually consist of individuals with different expertise. Change agents should have an inspiring vision and, according to the core team themselves, they worked a lot with inspiring vision and integrity and honesty. They also believed that they had good knowledge of the business and an openness to new ideas. We think that they did have openness to new ideas in the sense that they worked very closely with the consultants from Absolut Management. It was said during the interviews that the consultants came up with many ideas and solutions to the problems that the PD department was facing. Some of the implementation leaders claimed that the core team had the ability to learn from others and openness to new ideas but some also claimed that they did not have any knowledge of the business. This point of view differed from the ones of the engineers since they claimed that the core team neither had any knowledge of the business nor any openness to new ideas. The fact that different levels of the organization had different perceptions of the core team did not work to their advantage. Since the implementation leaders, who actually performed large parts of the implementation, did not believe the core team had any knowledge of the business

they had a hard time believing in the solutions that the core team came up with, to be credible. As stated in the personal stories some problems were addressed that the implementation leader did not claim to be a problem. It also turned into a negative spiral since the implementation leaders did not believe in the core team, they experienced that it was difficult to talk to the engineers with trustworthiness. Some perceptions of the core team did on the other hand match and we can simply state that they did possess these qualities.

The consultants from Absolut Management also served as both change managers and change agents during eBIC. They were change managers in the sense that they worked closely with the top management and made many decisions regarding eBIC and supervised the process. According to Balogun and Haily external consultants can either be advisors or trainers during the change or they can take on a participative role. In this case, the external consultants took on a participative role. Some of the positive things with having the consultants were that they were objective in their vision and they could use knowledge gained from other projects and apply on eBIC. Several people from the interviews did not like this approach, they claimed that the consultants did not have any knowledge of the business and therefore they did not know what a suitable solution to the problem would look like. This is one of the pitfalls with bringing in consultants and also the fact that they are usually very expensive. Richer and Niewiem (2005) state that consultants are brought in because they provide knowledge or expertise that is unavailable to access inside the organization and this was just the case for eBIC. Jan Larsson believed that the consultants from Absolut Management did provide valuable insights when designing eBIC. Another success factor with bringing in consultants, stated by Beer and Nohria (2000), is that they empower the employees. One of the implementation leaders said that the consultants were very skilled and that she liked them very much.

4.4.4 Implementation leaders

The implementation leaders definitely served as change agents in the eBIC process. They were appointed to their positions by the eBIC core team together with PDMT and Jan Larsson. The implementation leaders served as change champions where much of the responsibility lied in their hands. Some of the implementation leaders were appointed without knowing about it. As one of them said:

> *"I was on a ski trip and got the information about my new position when I got home"*.

Just giving people positions like this is not a very smart move since people were not ready to take on this kind of responsibility.

4.4.5 Engineers

The engineers served mostly as recipients of eBIC. They received most of the information from the implementation leaders and did not actively participate in the process of eBIC.

Part 5 Discussion

The discussion will show how the results from the empirical study will answer the research questions. The discussion is divided into two sections, one describing the communication and the other describing the different roles within the eBIC project.

5.1 Communication

It was the common view of all interviewees that the communication during the eBIC project was redundant but not suited to fit the recipient. This led to the fact that everybody had heard of eBIC and was aware of the project, but the perception of what eBIC meant was diverse throughout the company.

The eBIC project driven by the eBIC core team and Jan Larsson did, according to us, many good things when implementing the project. It was good because AAB ventured a lot on communication and engaged people in the change process. It was initiatives that created awareness in the company and enabled training and face-to-face contact between change agents and employees. Face-to-face communication is said by the reviewed literature to be one of the most effective ways to communicate. The eBIC project did some information, such as workshops and "train the trainer" according to this method but they failed in making it two-way communication.

Many interviewees believed that the vision of eBIC was not communicated properly. Nobody had the same view of what the aim for the project was and what eBIC would look like in the future. Not many understood the goals on a personal level since it was too visionary. This was the common view throughout the whole process and mostly due to the fact that no sub goals were communicated.

According to the literature, a mapping of the stakeholders should be done at an early stage and then the information during the project should be suited to fit the stakeholder. This was not the case with eBIC, there were no extensive mapping of the different stakeholders and the information that was sent out was the same for all recipients.

5.2 Roles

It was the common view of the interviewees that the eBIC project got a lot of support from AAB. This because the members of the core team were selected from high positions in the AAB hierarchy and Jan Larsson frequently showed his support through his management letters. According to the literature it is important to have senior managers as change champions in the projects because they ensure credibility to the project.

It was the common view of the interviewees that Jan Larsson took an active part in the eBIC project. The fact that the owner of the project is so participative is unusual according to the reviewed literature and we believe this was important since the people involved saw the project as of high prioritization.

A general view of the lowers levels of the AAB hierarchy was that people had a hard time separating the eBIC core team from PDMT, mostly because some of the members of the core team were former PDMT. Both PDMT and the core team served as what the literature calls change managers, though the core team was a bit more participative. PDMT worked closely with the consultants from Absolut Management and the core team and they took part in the decision making process. They also helped creating information and acted as presenters of information in order to ensure the lower levels that the project was supported from the top.

The core team also served as change agents in the form of a change action team. They were accompanied by the consultants who also served as changed agents but in the shape of what the literature calls external consultants. It was a common view among the interviewees that the consultants contributed with a lot of energy in the project but sometimes they were not familiar with the business. Many if the interviewees also expressed relief when the consultants left since they could now carry on in their own pace. The consultants created most of the information and kept it at a very theoretical level. We believe this had to do with the fact that they did not have any knowledge of the business.

It was the common view of the implementation leaders that the communication to be cascaded was too massive and it was each implementation leader's responsibility to present this information further. According to literature on the subject of communication it is important that carefulness is needed when selecting people to handle communication. It is also important that the presenters of the information are comfortable with what they should present and that they understand the subject such an extent that they can answer questions. This was not the case with the implementation leaders since they were appointed without much consideration by the core team. Since the information packages were redundant and the level of information was mostly theoretical, some of the implementation leaders were not comfortable with what they were suppose to communicate and acted as filters instead. They did not understand the information completely and therefore they were not able to answer questions, which led to that the intended two-way communication became one-way communication.

Part 6 Recommendations

This part will give some recommendations on how the project of eBIC should proceed and how future improvement projects should be carried out.

For the future of eBIC we recommend to get people to the level of contribution before moving on with eBIC. It is important that the people who is suppose to continue the work with eBIC is at a contributing level, as explained in section 4.2.1, so that the project does not reach a point where it does not move forward. Everybody participating should be aware of what needs to be done and have the urge to help. They should also understand that eBIC is now terminated as a project and is now part of the organizational development in order for people not to associate eBIC with an ongoing project. We suggest doing so by cascading a last information package involving information regarding the status of eBIC today and what plans there are for the future. Even though the project is closed we recommend that clear measureable goals are set for the remaining process and that these goals are well communicated both in terms of end state and progress update. A risk that may occur is that things might be over communicated and people then lose their engagement.

For future improvement projects we believe it is good for AAB to have senior managers as champions for improvement projects as done with Jan Larsson in the eBIC project. This gives the signal to the employees that the project has high priority and is important to the company. We also think it is good to have a full time team to handle the implementation if the size of the project is big and/ or needs to be implemented with speed. The team needs to consist of people representing the higher layers in the pyramid in order to secure credibility for the project. Having a full-time team is expensive but required since a change process demands time and commitment. Involving consultants is expensive but positive as they often bring high energy and focus to a company. Careful attention needs to be made to ensure that they do not stay too long and hinders the implementation as they can be viewed as non-understanding of the company business. As consultants work fast and develops a lot of the information spread down the organization the core team members from AAB should ensure that they understand all information and that it is the thoughts of AAB that is cascaded out and not the ideas of the consultants.

When appointing implementation leaders or middle managers to be part of the implementation process we believe that this should be done with more attention than in the eBIC project. Simply appointing people because they are absent from meetings does not ensure commitment and engagement from the employees; it is more likely to do the opposite. AAB should ensure that the people appointed have the right mindset as they

consciously or subconsciously will act as filters and influence the communication to be spread. We believe this can be done by training and educating the appointed leaders.

If the management and founders of eBIC have had Theory E and Theory O in mind when designing eBIC the result would probably have turned out better. They should have been more familiar with what Theory E meant since the project started out with a financial goal. These goals should also have been broken down to a more understandable level for everybody. They should also have had more knowledge of the success factors of Theory O when switching to this strategy as they did when involving everybody in the process.

For further improvement projects we recommend that the managers take more caution when setting the goals early in the process. We believe measureable goals are important as they allow a common picture of the future as well as they show progress during the transition period. It is even more important to know what to measure. Progress should be communicated throughout the whole process in order to ensure commitment. We recommend that weekly newsletters, emails be sent out or meetings held in order to inform about the updates in the project. This will also ensure that the new way of working will become norm in the company. Also, it is important that everybody has the same view of the problem areas when the project is initiated. Everybody involved should also share the same vision of the future state.

Regarding the communication for future initiatives, we believe in engaging people in the organization and informing them about the project at an early stage to open up for two-way communication. This will anchor the project in the organization from the beginning and ensure a common view of the current and future state. Involving people who will work with the future results on a daily basis could help with the transition into the organization as well as ensure the sustainability of the initiatives. Further information should be tailored to suit the recipients. We recommend, in the beginning of the project, that a mapping of all stakeholders be made as well as their required level of information. We are aware that this required extra time and resources but we believe that it is necessary in order for the project to be successful. If workshops or other interactive activities are held during the process we recommend that additional written communication be sent out to sum up the things being said during the workshop. We also recommend for the future that high levels of the AAB structure communicate their commitment and engagement in the improvement project as done during eBIC. We recommend lower levels of the organization, such as engineers, to have a say in the newsletters and updates that is sent out. This will increase commitment from same level recipients and it is also a way for AAB to show best practices.

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Appendix A Interview questions

Background information

1. Male/Female

2. Age

3. Role today?

4. Years at AAB?

5. Role before eBIC?

6. Did you have an active role within the project? Show picture (factories, see figure 17 + graph regarding where you and the company is)

7. Role within eBIC?

Start

8. Describe the situation AAB was in 2008 when eBIC started?

9. Why was eBIC needed? / Why was eBIC important?

10. Can you describe eBIC?

11. When can you tell about eBIC?

      a. What type of change was is? (big/small?)

      b. How spread was the change? What different levels in the organization did eBIC concern?

12. Who started the eBIC project?

13. How established was the eBIC project in the company? Did it get much support?

14. Who was champion?

15. Was it a Ford or AAB initiative?

16. Who was responsible for the project in the beginning?

      a. Did that change over time?

17. Were the goals and priorities clear to you? Give example!

18. What parts of eBIC was most demanding?

      a. For you?

      b. For AAB?

19. How was the coordination between activities within eBIC/rest of AAB? Give example!

20. Describe the feeling towards eBIC in the beginning?

      a. For you?

      b. For AAB?

21. Has this feeling changed? What happened that made it change? Was there any special event you can describe that will illustrate this?

Communication

22. In what ways were eBIC communicated?

        a.   What parts did you take part in?

23. Describe you roll in the communication? Did you receive, write or spread the information?

24. In what ways does this differ from earlier projects? (communication wise)? Give example!

25. Did the communication change over time? If yes, in what way?

26. Was progress and decisions communicated in the process? Give example!

27. Did you read the eBIC newsletters?

        a.   If yes, how often?

        b.   Do you know how often they were sent out?

28. Did you read the management letters from Tony Tire?

        a.   If yes, how often?

        b.   Do you know how often they were sent out?

29. Was the communication sufficient?

        a.   If no, describe what you were missing.

30. Could this have been done differently to increase the contribution from the employees?

Leadership

31. Leadership characteristics: Show picture (circle the characteristics you believe the core team and PDMT possess)

32. In theory, natural resistance to change is something that always occurs. Can you describe how this was related to eBIC? What did you do to handle it? Did it work?

33. Have you experienced any problems with anxiety, power or control in the organization during eBIC or due to eBIC? Describe!

34. Was you department aligned with the decisions and changes that eBIC came up with throughout the process? If not, how did you express this?

35. How did the leadership and implementation change when the consultants left? Give example!

Transition period and results

36. Can you describe what the consultants did during eBIC?

37. When did the consultants leave the project?

38. Who was the project affected when the consultants left (in terms of timing, content and motivation)?

39. Did your perception or involvement in eBIC change when the consultants left? If yes, in what way?

40. What is the best outcome of eBIC?

        a.   For you?

        b.   For AAB?

41. Was there anything that did not turn out so good?
   a. For you?
   b. For AAB?
42. Where you educated in some way to better handle the change to eBIC?
   a. If yes, did the education help?
   b. If no, were you aware the education existed?
43. Has the purpose of eBIC changed from the start in 2008?
   a. For you?
   b. For AAB?
44. if you compare the expected result 2008 with the real outcome today, do they agree?
45. Has the meeting structure changed?
   a. Less time spend in meeting?
46. If you compare eBIC to other change projects at AAB, how is eBIC different? If yes, in what way?
47. In what way have eBIC affected your work?
48. Is there anything you wish to ad regarding eBIC?
49. Are there any person you might think would be valuable for our study to interview?
50. What is the next step in the eBIC process according to you?
51. Did eBIC turn out as you expected? Describe!

Appendix B – eBIC initiatives

eBIC was a project for improving efficiency at PD in AAB. The project was a governance and control project affecting mostly the middle managers operative in PD. eBIC changed the organization in PD, implementing new factories, see below and assigning new roles. eBIC changed the meeting structure and gave PD new tools and methods, see examples of the different initiatives below.

Obeya – Was an initiative for getting people together during an early phase in product development. Instead of having a virtual program for organizing projects were information easily got lost or hidden started eBIC one room for people and information to gather in. With relevant information posted on walls is Obeya a physical communication tool, which allows live interaction and communication. The Obeya rooms were all decorated in the same standardized ways with areas assigned for the customer, the planning and program status, finance, customer offer, concept description and industrial structure.

CDJ – Concept Data Judgment was an initiative to visualize the product and business to be created, secure compatibility between systems in the concept factory and to confirm program target feasibility.

PER – Program Status Report. A visualized tool in form of a board for the projects to gather around and discuss progress.

PCM-boards – Boards in the office by which all employees affected were gathered around Monday morning to go over the week. The board allowed for everybody to see in what areas work was needed to be done and in what areas work had started and where work had been finished. It also allowed for people to see how other parts of the factory were doing.

TTC contract – creating a running start of the industrialization factory defining the solution space for section factories.

Appendix C Support for change picture

During the interview this picture was shown to the interviewee, see figure 18. The interviewee was asked to mark where he/she claimed to be on the scale at different times. The times being 2008 when eBIC started, 2009 when the consultants left and 2011, which is present time.
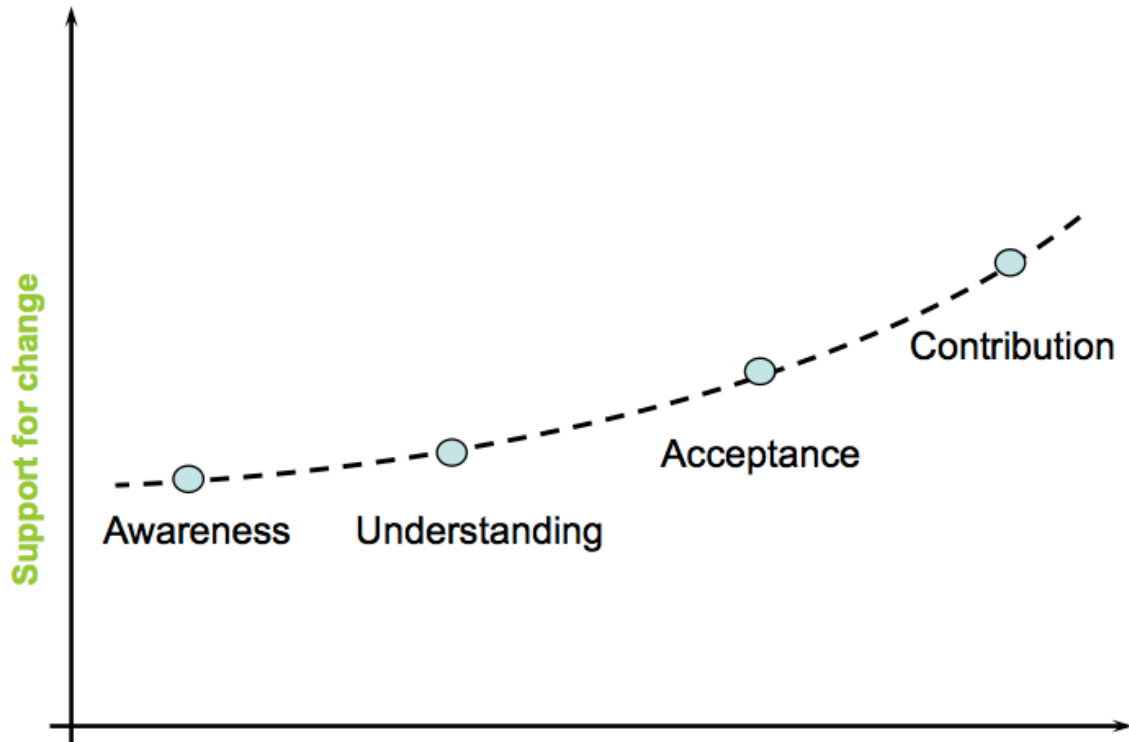

Figure 18 Support for change

Appendix D Leadership characteristics

This picture was shown to the interviewee during the interview, see figure 19. The respondent was asked to circle the characteristics he/she claimed the core team and PDMT possessed with two different colors.

Using power

Risk-taking

Managing resistance

Integrity and honesty

Inspiring vision

Openness to new ideas

Learning from others

Entrepreneurship

Empowering others

Creativity

Problem solving

Adaptability and flexibility

Experimentation

Team building

Conflict resolution

Networking

Knowledge of the business

Figure 19 Leadership characteristics

Appendix E The Sample

Figuren 20 illustrastes ho representative each layer of the eBIC structure is.

Owner	100 %
PDMT	25 %
eBIC core team	42 %
Implementation leaders	55 %
Engineers	0,2 %

Figur 20 Table illustrating how representative each layer of the eBIC structure is