CHALMERS

Organisational Improvement or Management Fashion?

A case study of Business Excellence implementation

Master of Science Thesis in the Master's Programme Design and Construction Project Management

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CHALMERS UNIVERSITY OF TECHNOLOGY
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ABSTRACT

There is an almost universal agreement on the importance of change in organisations and many companies implement new managerial concepts in order to maintain profitability and remain competitive. Some changes have a significant impact on the organisation, but many others have a low impact and are often referred to as management fashions. Furthermore, change is not easy and not all attempts at organisational change are successful. The main purpose of this thesis is to examine the implementation of the management concept 'Business Excellence' within an organisation. In doing so, the study draws upon Kotter's Eight Steps Change model, a framework that guides organisations towards a successful change. The purpose is also to review whether the reason for this implementation is based on a necessity or if it is a management fashion. The study takes the form of a case study of a Customer Service unit, in a subsidiary within a large multinational corporation. Data are collected through interviews, internal documents, academic literature and researcher participation within the subsidiary. The overall implementation of Business Excellence was perceived as quite successful, even though there were several discrepancies between theory and practice. The results show that the positive outcomes can be directly derived from the improvement efforts that were ongoing in the subsidiary before the new concept was introduced; and that this formed the foundation for the success. In addition, the previous improvement efforts have shaped the employees to become more open to change and with that, the human change resistance was more or less eliminated. Therefore, even without the concept the improvement process would continue and similarly to the previous improvement efforts, another complementary concept would be introduced. Thus, Business Excellence can indeed be considered to be a management trend, but due to its already refined structure, it has provided some important features faster than it would otherwise have taken for the management team in the subsidiary. Conclusions are drawn highlighting the need to add further transparency, a common vision and more examples of success stories, to the concept in order to make it even more appreciated and successful.

Key words: management fashion, organisational change, Business Excellence, implementing change

Organisatorisk Förbättring eller Management Trend?
En fallstudie av implementeringen av Business Excellence
Examensarbete inom Design and Construction Project Management
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SAMMANFATTNING

Det finns en nästan allmän enighet för vikten av förändringar i organisationer och många företag implementerar nya ledningskoncept för att främja och bibehålla framgång. Vissa förändringar har betydande inverkan för organisationer, men många förändringar har låg effekt och hänförs ofta som en management trend. Alla förändringar i organisationer är inte enkla och alla förändringar som implementeras är inte nödvändigtvis framgångsrika. Det huvudsakliga syftet med denna uppsats är att undersöka implementeringen av management conceptet "Business Excellence" i en organisation. Studien bygger på Kotters åtta stegs förändringsmodell, vilket är ett ramverk som vägleder organisationer till att uppnå en framgångsrik förändring. Syftet är också att granska om orsaken till detta genomförande bygger på en nödvändighet eller om det är en management trend. Denna fallstudie avgränsas till en kundtjänstenhet, i ett dotterbolag inom ett stort multinationellt företag. Resultaten i avhandlingen erhölls med hjälp av intervjuer, interna handlingar, akademisk litteratur och personlig erfarenhet inom dotterbolaget. Det övergripande införandet av Business Excellence uppfattades som ganska framgångsrikt, trots att det fanns flera avvikelser gentemot Kotters ramverk. Resultatet visade också att grunden för framgången var de förbättringsinsatser som pågick i dotterbolaget innan det nya konceptet infördes. Genom att skapa mer transparens i organisationen, en gemensam vision och delge fler exempel på framgångssagor skulle konceptet vara ännu mer uppskattat och framgångsrikt. Dessutom har det tidigare förbättringsarbetet format de anställda att bli mer öppna för förändringar och på så vis eliminerades förändringsfientligheten mer eller mindre fullständigt. Även utan Business Excellence skulle förbättringsarbetet fortsatt och på samma sätt som tidigare skulle ett annat kompletterande koncept främja förbättringsarbetet. Det visade sig att conceptet är en management trend, men tack vare sin redan utvecklade struktur har det gett några viktiga resultat snabbare än det annars skulle ha tagit för ledningsgruppen i dotterbolaget.

Key words: management trend, organisatorisk förändring, Business Excellence, implementera förändring

Contents

Preface

This study was carried out in the Customer Service department in a subsidiary within a multinational organisation. It is a part of the Master programme Design and Construction Project Management. The research started in January 2012 and was finished in June 2012.

Firstly, I would like to thank all employees in the subsidiary, especially the interviewees that participated in the research. Without their cooperation I could not have conducted this research.

Special thanks to my supervisor Roine Leiringer who helped me by inspiring knowledge, guidance and motivation during this period.

I would also like to thank my two friends and opponents Georgi Stojanovski and Joonas Pusila, who provided me with feedback and support.

Finally, particular thanks to my lovely family and dear friends, who encouraged and supported me during these final months of my Master programme.

Gothenburg, June 2012

Maja Luketa

1   Introduction

1.1   Background

There is an almost universal agreement on the importance of change in commercial organisations in order for them to maintain profitability and remain attractive on the market. New approaches and ideas are often presented as remedies that will change the perspective and guide the organisation in a better direction. During the latest decades, new management tools and techniques such as Balance Scorecard and Total Quality Management, Business Process Re-engineering and Knowledge Management just to mention a few, have been presented and adopted by organisations throughout the world (Czarinawska and Panozzo, 2008). Some of these managerial tools have had a significant impact on the organisation and its structure and practices, however, many of the tools have tended to eventually fade away. As such, these change remedies that are introduced are often reminiscent of fashion and trends.

Fashion and trends are perhaps most often associated with aesthetics relating for instance to haute couture and interior design but in the world of business and management, management fashion is associated to the current trends among the popular managerial techniques that are available and circulating in the industries (Abrahamson, 1996). Companies invest significant amounts of money in the implementation of new managerial tools but questions remain over how much these new tools or techniques differ from those previously in place and how much more efficient and effective the business becomes through their implementation. Indeed, several researchers have criticised the techniques that are promoted by current or past management fashions and claim that rationality is left behind due to organisation's need to follow the current fashion trend that is launched by management fashion setter (Czarinawska and Panozzo, 2008). However, whether it is merely a fashion or not, change is inevitable however it is not always easy to know how to create and implement a change that will be successful.

There are several theories that provide an approach to change in an organisation that will be successfully adopted and retained by employees. The change literature is broad and many are the change implementation models provided by consultants and researchers who provide companies with more or less step-by-step guides. As change is a large part of an organisation's success, these theories may be vital to use as guides when shaping the strategies for the implementation of an organisational change. Moreover, many of these theories also provide guidance of how to retain the change in the organisation without falling back to old behaviour. Even so a large number of change initiatives fail (Todnem, 2005).

1.2   Aim and Objectives

The aim of this thesis is to study the implementation of a strategic change initiative in a large multinational corporation and compare with a theoretical framework of how to successfully implement a change in an organisation. In order to do so, the introduction of 'Business Excellence' in a large multinational manufacturing firm is investigated. The company has a long history of implementing change initiatives and has in the recent past invested heavily in management tools such as Lean production and Six Sigma. At present the organisation is introducing Business Excellence. Having started

with 'Manufacturing Excellence' in the production factories, the next step is to implement the theories from Manufacturing Excellence to the business units. Thus, Business Excellence is developed from Manufacturing Excellence, but it is shaped to fit the structures and processes in office environment. This involves moving from a heavily production oriented organisational environment to organisational units that are more oriented towards service.

In order to fulfil the aim the following objectives have been set:

1) Review the strategic change literature
2) Review the management fashion literature
3) Identify critical issues for the successful implementation of change
4) Critically examine the current implementation process of Business Excellence
5) Identify discrepancies between theory and practice

Currently, Business Excellence is being implemented in several units within the Company however the subsidiary was the pilot for the implementation of Business Excellence. The main purpose of this thesis is to examine the process of implementing a change within the organisation. Furthermore, the difference in work and responsibility that the change has raised will be evaluated in order to review if the reason for this implementation is based on a necessity or if it is more akin to a management fashion.

1.3   Method

In order to achieve the aim of the study a qualitative case study approach was undertaken in a large company. The case was concentrated to a single subsidiary, whereof the customer service department was the pilot in this implementation. Information was collected from several different sources, including interviews with employees at different levels in the organisation, company documents, observations of in-house training sessions, informal conversations with employees and research articles related to the relevant topics. The method is further outlined in Chapter 4.

1.4   Scope

This research is confined to the implementation of one change initiative in a Customer Service department within a subsidiary to a large multinational manufacturing company. The case study firm offers an example of a successful manufacturing company which is both internally complex and active in variety of markets. The company is essentially a holding company, operating in over 130 countries. Historically they have competed on the basis of superior products. However, much of their current success relates to a decentralised business structure and an organisational culture that affords individual subsidiaries the room to operate autonomously. Initially it has been rolled out in the manufacturing units of the company and efforts are now in place to also implement it across other business functions. This makes it an ideal critical case for the study of change in large decentralised project based organisations. The case study background is presented in detail under section 5.2.

1.5   Outline of the Thesis

The outline of the thesis is following:

Chapter 2 introduces the literature on change in organisations and summarises some of the many reasons behind change initiatives. It also includes a review of the literature on management fashions and the phenomenon of human change resistance.

Chapter 3 presents the change implementation theory that will be used in the case study, namely that of Kotter. Eight propositions are generated from the theories which are subsequently used as the foundation of the research.

Chapter 4 describes the research methodology. An overview of the available research methods is given and the methods are evaluated and actively rejected. The chosen case study method is described together with explanations of how the research was designed and undertaken.

Chapter 5 provides general information on the organisation and the subsidiary under examination. It also includes an outline of the main features of Business Excellence.

Chapter 6 summarises the findings from the case study in accordance with the stated propositions.

Chapter 7 presents the discussion of the findings with the previously presented theories. Three main areas are discussed; Kotter's theory, human change resistance and management fashion, and applied to the case research.

Chapter 8 concludes the thesis. A summary of the discussion is provided and relevant findings in line with the purpose of the thesis are presented. A summary of proposed recommendations for the organisation is enclosed as well as recommendations for future research.

2 Change in Organisations

2.1 Introduction to Change

Transformations whether small or large are necessary for organisations to retain their reputation and success on the market; for some it is a matter of survival while others implement change to improve their position in their industry. It is evident that changes are vital for organisations to be successful but the approach for change may not always be clearly defined. There are several hypotheses that provide a framework for change but it is not unusual that the different approaches are contradictory (Todnem, 2005). Indeed, the change management literature is replete with suggestions of how such change can be achieved and many are the models and processes that have been suggested. However, before going into a more detailed discussion regarding the change management theory it is useful to first briefly explore why organisations undertake change initiatives and some of the many obstacles that exist.

2.2 Why Organisations Introduce Change

Organisations often take own initiatives to improve their strategies and processes with the reason to eventually improve the outcome and results. This effort comes naturally from a need for change due to non-functional processes or inadequate results either within the budget plan or in comparison to competitors in the same industry (Balogun, 2001). Problems may have occurred that must be eliminated to preserve the reputation of the organisation. Occasionally there are no major problems that must be eliminated. It is not unusual that an organisation seize a certain opportunity to improve the results in the organisation (Creasey, 2007). For instance, an organisation may want to change, improve that is, their status in the industry. Another example of internal reasons for change is that organisations or parts of an organisation experience cuts in funding which leads to reorganising their work.

Moreover, globalisation is a fundamental explanation for increasing organisational change by external factors. The development of technology, international co-operations and various socio-economical factors are some examples of the increased need for change. In addition, both national and international regulations affect the change initiatives. An example of this is the environmental regulations that sometimes lead to changes in the organisation. It is not unusual that the reasons for the changes come from the contemporary management fashion that is circulating, rather than the need for a change (Balogun, 2001). Management fashions have a large influence on organisational change and strategies, and are a necessity for survival especially in the existing rapid business environment.

2.3 Management Fashions

Management fashion is a fairly recent subject within organisational literature. It was firstly mentioned by among others Henry Mintzberg during late seventies but it was Erik Abrahamson who emphasized the subject throughout the nineties (Czarinawska and Panozzo, 2008). The subject has during the years been lifted, criticized and acclaimed by authors such as Fairchild, Carson, Keiser and Rueling, who have

together with Abrahamson provided some key contributions to the management fashion theories (Collar and Lee, 2002).

Abrahamson presented the theory where management fashion is seen as a phenomenon that is affected by the socio-psychological (Abrahamson, 1996). In his view the fashion is shaped by norms of rationality and progress; choices for managerial techniques are therefore made from a rational perspective and the techniques should be perceived as part of an endless progress (Abrahamson, 1999). Management fashions can be displayed as an interaction between the demanders and the providers (Birkinshaw et al, 2008). The trends and fashion of management styles are often seen as swings in the popularity of managerial tools and methods among managers and organisations (Abrahamson, 1996). These trends are incepted by a large number of companies in the world with the intention to improve the status quo in the organisation and to narrow the performance gaps. Indeed, it is seen as technical learning progress (Abrahamson, 1996). However, there are also some negative effects of management fashion. For instance, many organisations apply a new trend because it is the newest and most popular tool to keep up with the fashion rather than to apply techniques that are more suitable for the organisation. As the pace of change has increased, the variety of fashion has also increased and therefore a possibility exists that the organisation implements a second trend before the first one has reached the desired result (Abrahamson, 1991).

Management fashion is the result of an attempt to fill the performance breach or efficiency gaps in an organisation (Newell et al, 2001). These gaps are observed by different actors and stakeholders both external and internal, making one in particular group of people to rethink the current management practices and to produce a new technique or reuse old and forgotten techniques that may be used to narrow the performance gaps. This group consists of people that are professionals in organisational management, also called management fashion setters, such as management gurus, consultants, business schools etc (Newell et al, 2001; Abrahamson, 1996).

2.3.1 Fashion-setters

Management fashions are dispersed by management fashion setters, who disseminate the managerial tools and techniques that they considered to be the central techniques at the time for different organisations (Abrahamson, 1996). Management fashion setters sometimes invent new management techniques but most often they rediscover or reinvent management techniques that were forgotten, which are adopted by management fashion followers as new managerial tools (Abrahamson, 1996). These tools are often universal and adopted by organisations in various industries. However, in order to implement a change that is related to a management fashion it is necessary to design the new technique so it will be applicable in the organisation (Balogun, 2001).

In his article 'Management fashion', Abrahamson (1996) argues that fashion setters are competing with each other, in order to retain the status and be the leading management fashion setter. A fashion setter's task is to predict the next managerial tool that will be adopted by organisations and with highly developed rhetoric promote the positive features of the new tool, before any other fashion setter (*ibid.*).

Passive fashion setters tend to fall behind in this image race and therefore automatically seen as lagging (Abrahamson, 1996). Lately, business schools have

become examples of passive fashion setters. Abrahamson argues that it is important for the scholars to take part in the process of developing the latest management fashion in order to direct the development to a more useful and technique-oriented equipment for the stakeholders (*ibid.*).

2.3.2 How Organisations adopt Management Fashions

There are different theories for organisations' motives to adopt a contemporary management trend. In his article, Grant (2011) compares Abrahamson's management fashion theory with Roger's 'Theory of Diffusion of Innovations'. Rogers formulated the theory with a bell-shaped diagram that describes the how people or organisations adopt an innovation and how, if successful adaptation, the share market will increase, see figure 1.
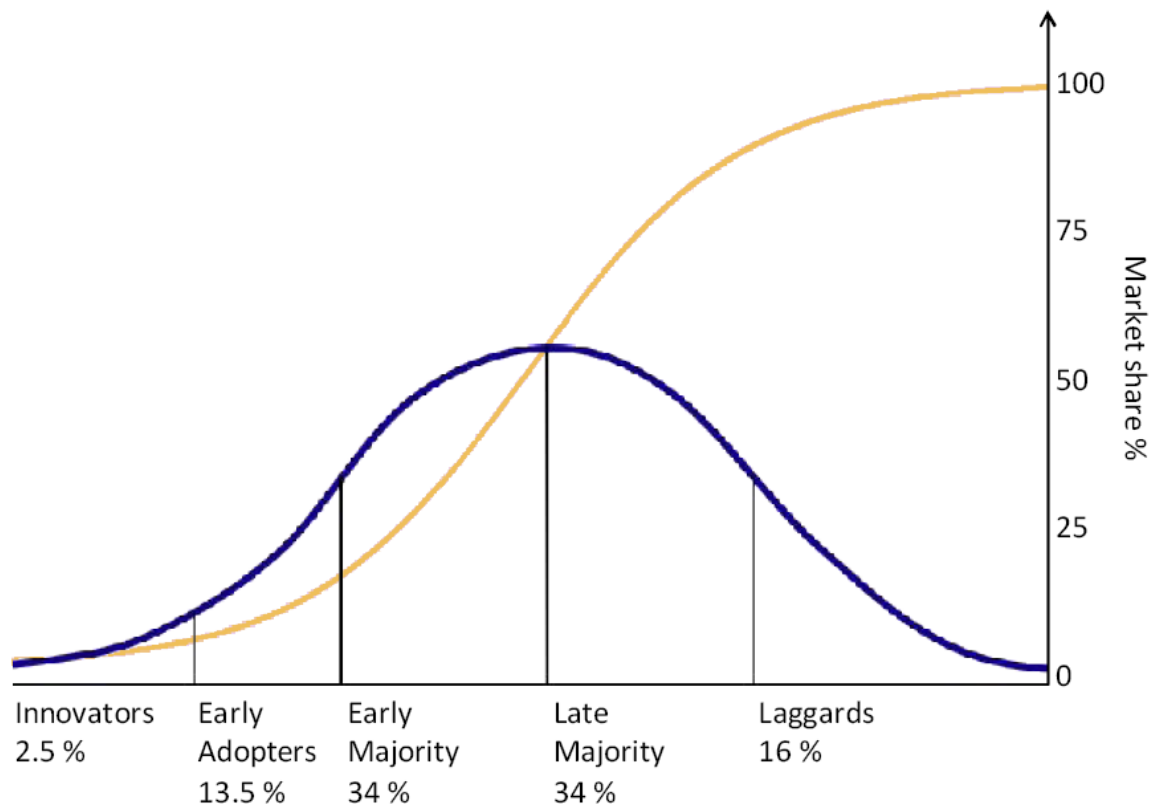
Figure 1: Roger's "Adoption of a successful invention" (Grant, 2011, p. 118)

Abrahamson, however, argues that this diffusion is based on rationality, which means that stakeholders that implement a certain innovation are knowledgeable, independent and making choices depending on technical efficiency (Grant, 2011). Abrahamson instead argues that the diffusion of management fashion has an S-shaped curve, see figure 2. The diagram consists of the adoption level on the Y-axis, over time.
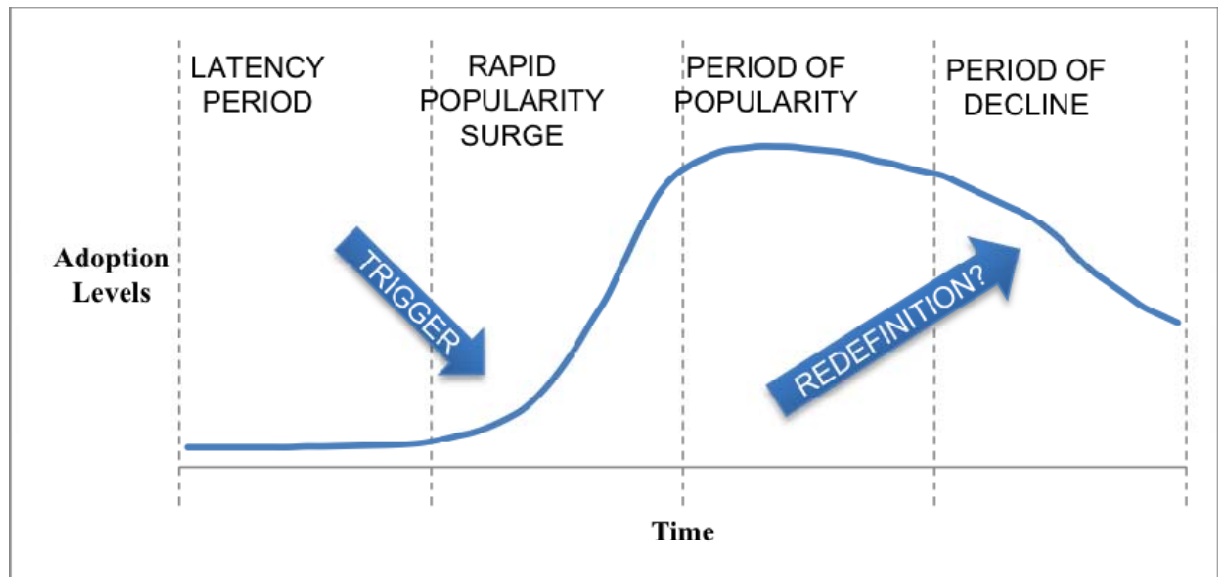
Figure 2: Abrahamson's "Lifecycle of a management fashion" (Grant, 2011, p. 119)

During the last phase, alterations to the present management fashion can lead to a recycle of the old trend with the new modifications. However, the declining phase provides the fashion setters with space for innovation and a new management fashion to take the lead in the industry (Grant, 2011).

Grant (2011) examined more than 21 studies concerning 36 different management trends undertaken during a period of 15 years, 1996-2010. According to the findings, a complete cycle, with the fashionable S-shape, can be estimated to 10 to 15 years. In this cycle, the peak of the trend is often only a year, sometimes more but in general it is a short peak. Meanwhile, the duration of the enhancement in popularity is normally 3 to 5 years. Furthermore, the latency period is often at least 5 years long and can be even longer, according to the studies. The decrement period is very stable and often has duration of 5 to 7 years (Grant, 2011).

2.3.3 The Process of Implementing a new Trend

When a management fashion is created and distributed in various industries, the idea must firstly be adopted by the organisation's top management team before effort is put on the employees to adopt the new technique in their work, in order to fully adopt the trend.

Paul M. Hirsch presented a four step process of fashion-setting by focusing on aesthetical fashion and how it is developed, which can also be applied to management fashion (Abrahamson, 1996):

1. Creation
2. Selection
3. Processing
4. Dissemination

Fashion setters start by creating new techniques that they believe will be adopted by organisation. The setters must behold an ability to recognise and predict what techniques will satisfy the demand. The new technique may be better than the

previous but it may also be just a different approach without any significant improvements. Additionally, it may also be an approach that has been forgotten but reinvented, the so called "old wine in new bottle" phenomenon (Abrahamson, 1996). Indeed, fashion setters provide organisations with cautiously selected and limited amount of innovations that are possible prospects in future management fashions. The selection process may differ where in some cases managers create new techniques that fashion-setter introduce into fashion setting communities. Fashion setters may also introduce techniques that are their own creations, where other fashion setters imitate their choice of fashion. However, the final selection is based on the preferences and demands from consumers.

Moreover, processing stage includes convincing the consumers that the techniques presented are both rational and the latest fashion by using excellent rhetorical skills. The fashion setters must persuade the consumers why this in particular technique will improve results and provide efficiency to important corporate goals. There are different ways to achieve this. For example, fashion setter attempt to scare managers by presenting and often exaggerating the performance gap with indications that unless the newest tool is implemented the organisation will be negatively affected. Another, more sustainable way is to provide the consumers with scientifically evidence for success and examples of how it will improve organisational goals and results (Abrahamson, 1996).

The last step is to disseminate the newest fashion, which is mainly done with help from mass-media, publications, magazines, books, popular management press and academic reports. Some fashion setters have even developed their own publications such as 'McKenzie Quarterly', which is controlled by consultants and academically controlled Academy Executive' (Abrahamson, 1996). According to a study done by Barley, Meyer and Gash (1988), popular management press tend to affect organisations while organisations do not affect the trends to the same extent (Abrahamson, 1996).

When the latest fashion is adopted by organisations, top management must ensure that the new techniques will be implemented on operational level as well. In order to accomplish this, it must be understandable that there are different ways to introduce a change within the organisation and that it is not always easy as obstacles that hinder may appear during the process.

2.4   Change Management Literature

The pace of change in organisations has become larger than ever in today's society as an effect of technology innovation and economical growth just to mention a few, which naturally leads to more focus on change management. Changes come in all different shapes and forms, and affect organisational processes, systems, structure and work descriptions (Creasey, 2007). This in turn unavoidably leads to an amplified demand for managers with high skill in change management (Todnem, 2005). As changes are complex, the managerial skills needed go beyond mere technical or procedural expertise and should be broad in order for the manager to create a vision for the direction of the organisational change. However, changes are necessary both on strategic level and operational level as both internal and external factors affect the organisation, therefore it is crucial to understand that strategic level cannot be separated from operational level (Todnem, 2005). These dynamics have resulted in a

vast number of models of change that can be applied and the challenge for the manager is to identify which is more suitable for the current type of change.

2.4.1 Models of Change

In simplified terms there are two main approaches apparent in the change management literature. There is an extensive consultant-orientated literature that is awash with suggestions of how organisations should move forward. These are most commonly prescriptive in nature and tend to take a top-down management approach. It seems to be assumed that top management make the decision on the basis of economic imperatives, and that they then re-organise the organisation accordingly. This approach can be termed 'planned change' (cf. Todnem, 2005).

There is also the literature that suggests that the way to achieve organisational change is not entirely straightforward. Whereas the perspective of the organisation used in most of the consultancy literature assumes that all parties strive to achieve common objectives, this literature takes a pluralistic perspective and emphasises the diversity of individual and group interests. It thereby focuses on the way that management ideas are continuously contested and takes on different manifestations in different contexts. It is therefore not assumed that the particular new practice in question is similarly interpreted by all individuals involved in its implementation. Instead consideration is given to the reasons why employees and managers within an organisation may object or even obstruct management initiatives recommending alternative practice and how the proposed change resonates with the concerns of individuals, and equally importantly groups of individuals. This approach views change as emergent (cf. Todnem, 2005).

Notwithstanding the amount of research invested in organisational change literature, there has not been sufficient research regarding framework for implementation of changes. Not only has there been lack of research, but the change frameworks available are often paradoxical (Todnem, 2005). However, there are a few researchers that have made an effort to identify issues that must be considered during a change.

2.4.1.1 Planned Change

One of the primary contributors to change management processes was Kurt Lewin, a psychologist and researcher in among others group dynamics, with his three step theory that will ensure a successful change (Todnem, 2005). Lewin suggested that in order to successfully implement change in an organisation and among people the following three steps must be applied (Clegg et al, 2009):

1. Unfreezing the Existing State
2. Reorganise to the Desirable State
3. Refreezing the Desirable State

The first step refers to the need to identify the old behaviour, processes and structure and with that the reasons for the need for change. Lewin argues that in order to implement a change the old behaviour must be removed (Todnem, 2005). The second step is to implement the changes that are wanted or needed to get to the desirable environment, structure, processes or behaviour. The final and third step is to detain and embed the change by implementing activities that will refreeze the changed state (Clegg et al, 2009).

Lewin's method is rather simple, broad and ambiguous however it is a rational approach and still used by many change management researchers as a fundamental outline in their research to create a framework that is more consistent (Clegg et al, 2009). By implementing more specific steps in every phase in Lewin's model, some researchers have developed frameworks that are less ambiguous and that provide organisations with more practical approach (Todnem, 2005).

Planned approach to change has been criticised as it is inconsistent where rapid transformations is necessary. Moreover, organisations are too unpredictable to apply planned change as changes are seen as continuous process by the critics and it is assumed that all stakeholders are committed (Todnem, 2005). This has led to increased prominence towards emergent change theory that captures the unpredictability in organisational nature where change is a process and events surrounding the organisation form the outcome of the change. The emergent change literature focuses on the complexity and in-depth learning that is necessary to understand change process rather than to develop pre-determined plans for change initiatives (Todnem, 2005).

2.4.1.2 Emergent Change

Rosabeth Moss Kanter, John Kotter and Richard Luecke are some of the researchers in change management that have contributed to emergent change framework for organisations. There are many other frameworks that have been presented and Kanter's 'Ten Commandments for Executing Change', Kotter's 'Eight Step to Transforming Your Organisation' and Luecke's 'Seven Step' are a few mentioned that provide more practical guidance for successful transformation (Todnem, 2005).

In the article 'Organisational Change Management: A Critical Review' the author has constructed a table where three well-known emergent change models have been compared in order to get an overview of the resemblance and the dissimilarities (Todnem, 2005), see table 1. These three frameworks have their own characteristics but several steps are similar. Kanter's framework, see first column in table 1, provides ten steps that will guide an organisation to achieve a successful change. Furthermore, Kotter's 'Eight Step to Transforming Your Organisation' is another renowned approach to emergent change, see middle column in table 1, and ultimately Luecke's '7 Steps', see last column in table 1. The table is structured in a certain way in order to display which steps in the theories are similar.

Ten Commandments for Executing Change (Kanter et al, 1992)	Eight Step for Successful Transformation (Kotter, 1996)	Seven Steps (Luecke, 2003)
1. Analyse the Organisation and Its Need for Change		1. Mobilise Commitment Through Identifying Business Problems and Solutions
2. Creating a Shared Vision and Common Direction	3. Creating a Vision	2. Develop a Shared Vision of Management for Competitiveness
3. Separating from the Past		
4. Creating a Sense of Urgency	1. Establish a Sense of Urgency	
5. Support a Strong Leader Role		3. Identify the Leadership
6. Line up Political Sponsorship	2. Forming a Powerful Guiding Coalition	
7. Craft an Implementation Plan		
8. Develop enabling Structures	5. Empowering Others to Act on the Vision	
9. Communicate, Involve People and be Honest	4. Communication the Vision	
10. Reinforcing and Institutionalise the Change	8. Institutionalising New Approaches	6. Institutionalise Success trough Formal Policies, Structures and Systems
	6. Planning for and Creating Short-Term Wins	
	7. Consolidating Improvements and Producing Still More Change	
		4. Focus on Result, not Activities
		5. Start the Change at the Periphery and Spread It without Pushing from Top
		7. Monitor and Alter Strategies in Response to Problems in the Change Process

Table 1: A comparison of the three emergent change theories (Todnem, 2005)

All three frameworks include the importance of creating a vision and institutionalise the new approach in the organisational culture. Both Kanter and Luecke emphasised the importance of having a strong leadership and identifying the need for a change in the organisation, which was not included in Kotter's framework who had instead

applied the need for short-term wins and consolidating gains and producing more change.

Kotter and Kanter, having more in common, highlighted how establishing a sense of urgency is crucial for a successful transformation together with creating a guiding coalition, empowering people and facilitate structures, and communication the vision. Luecke added a few steps in his theory, among others monitoring the change process and adjusting emerging problems.

2.4.2   Human Change Resistance

Human change resistance is a commonly observed phenomenon in organisational change and it comes in different shapes and forms. Changes are often seen as interruptions in the present status, forcing members of an organisation to step outside their safety zone (Clegg et al, 2009). The issue is clearly acknowledged by organisational managers however many managers forget or neglect to take into account the effects that it can result in. Indeed, it is common that managers disregard to systematically assess employees and identify who may initiate change resistance (Kotter and Schlesinger, 2008).

Clegg et al. (2009) have provided two classifications of change resistance:

1. Resistance by omission
2. Resistance by commission

Resistance by omission refers to passive acting, for instance, withholding support or displaying negative effects of the change that will diminish the legitimacy. The second classification concerns active handling where offensive behaviour is the main type of resistance (Clegg et al, 2009).

Furthermore, Kotter and Schlesinger have identified four frequent reasons for human change resistance (Kotter and Schlesinger, 2008).

1. Parochial Self-Interest
2. Misunderstanding and Lack of Trust
3. Different Assessments
4. Low Tolerance for Change

Parochial self-interest refers to people tending to focus on their own interest rather than on what is best for the organisation. The individual analyses the change and how it will affect them personally while resisting the change either directly or indirectly. An employee may resist a change with political behaviour by outlining, for instance, motives that clarifies why the change should not be implemented without mentioning the genuine and personal reason for resistance (Kotter and Schlesinger, 2008).

Moreover, it is not unusual for members of an organisation to simply misunderstand the change initiatives and naturally develop resistance towards the change. People may believe that they will be deprived rather than privileged of whatever benefits they encompass. This is not uncommon in organisations where trust is an issue therefore it is crucial for managers to clarify the reasons for change and how it will affect others (Kotter and Schlesinger, 2008).

Managers and employees having different assessment is another frequent problem that emerges during a transformation phase. It is simply the issue of people having different amount and kind of information that shapes the beliefs of how the

transformation will affect the organisation and the individuals. Employees may not see or agree with the real reason for the change hence resistance is inevitable (Kotter and Schlesinger, 2008).

The final most common reason for resisting change according to Kotter and Schlesinger (2008) is purely due to fear of being inadequate in the job description and not being able to deliver what is necessary in the new role. Additionally, even though one accepts the change, it takes time to embed the change in the behaviour and the attitude towards work which can lead to resistance (Kotter and Schlesinger, 2008).

Low tolerance for change is connected to both organisational and national culture. Edgar Henry Schein introduced three levels of culture (Clegg et al, 2009).

1. Artefacts
2. Espoused values
3. Basic assumptions

The first level concerns visible characteristics that the organisation holds, such as architecture and uniforms whereas the second level represents non-visible features that the employees possess. The second level can be defined as *"the norms and beliefs that employees express when they discuss organisational issues"* (Clegg et al, 2009, p. 225). The third and deepest level, basic assumptions, is the most important to change because if this level of unconscious behaviour is not changed, the transformation will eventually fall behind.

Moreover, Geert Hofstede, identified four dimensions of national culture that affected the relations between nations; the acceptance of power distance by members of organisations, tolerance for ambiguity, the level of individualism and whether competitiveness or modesty is part of the nation culture (Clegg et al, 2009). This is especially important in multinational organisations where the cooperation between nations is crucial for a successful outcome. It is important to understand that organisations shape the employees and some are more influenced than others.

3 Kotter's Eight Steps towards a Successful Change in an Organisation

3.1 Why choosing Kotter's Eight Steps

There are several reasons why this particular approach is chosen. It follows from the argument presented in Chapter 2 that management fashion is an important medium for the communication of new, or at least repackaged, ideas but these still need to be implemented. It is clear that organisational change can come in many forms and that the usefulness of the many models of change very much is context dependent. Therefore it is important to choose the most suitable model to the research. Notwithstanding the several models of emergent change that are presented in section 2.4.1.2, Kotter's eight steps have been perceived as most suitable for this research.

Firstly, Kotter's eight steps theory is an example of how to successfully implement emergent change, which suits this case study as emergent change emphasises the diversity of group and individual change. It is a relatively adoptive approach and can be interpreted differently and therefore capture unpredictability better than planned change approach. Planned change model is rather an effect of a non-working or badly working situation, which affects the continuous work in an organisation (Weick and Quinn, 1999). It consists of predetermined plans which are better suited for when all parties involved work with same processes; as there is little room for unpredictability. Additionally, the planned change approach is more or less entirely based on a unitary conceptualisation of the organisation and follows a top-down structure, whereas emergent change approach is more flexible to apply and allows for consideration to be taken to the employees.

Additionally, Kotter is a recognised professor at Harvard Business School with several celebrated books and articles regarding change. By following more than 100 organisations, Kotter has established a reputation that is supported by decades of research work in change theory.

What follows is a summary of Kotter's eight steps as presented in Kotter, (1995, 1996) and Kotter and Schlesinger, (2008). Each step is concluded by a proposition.

3.2 First Step – Create Urgency

Kotter argues how creating urgency is an essential part of a transformation in order to create motivation among executives, managers and employees. In many organisations, there are special groups or individuals that focus on and analyse internal and external factors that affect the organisation both consciously and unconsciously. When a potential threat appears, this group must inform and communicate the information to the executives but also to other members of the organisation. This information must be mediated in a certain way so the adapters, i.e. executives, managers and other employees, understand the urgency of a change and therefore will create the motivation and willingness to implement it. According to Kotter (1995), more than 50 % of the companies in his studies have failed in this first step. The primary reason for this is due to change resistance among the employees. The employees have not understood the urgency of the change and accordingly have not formed a willingness

to change. Impatience and the inaccurate belief that sufficient urgency has been created by the disseminators are two other reasons.

There are several ways to get the attention and create urgency among members of an organisation. For example, presenting the poor business results for the organisation is an obvious way to indicate that a change is of the essence or creating a debate around possible negative result in order to increase the urgency level. Many companies with successful transformations have used the latter mentioned approach. Another radical, but in many cases successful approach is to create a crisis in the organisation. One example of this approach is to deliberately find areas in an organisation where the results are poor and make them public. Kotter argues that in order to have a successful first step in a transformation, that is creating urgency, around 75 % of the top management team must truly be convinced that a change is inevitable (Kotter, 1995).

Proposition 1:

"Establishing a sense of urgency for the change initiatives is essential for people to take a step outside their comfort zone"

3.3   Step Two – Create a Powerful Guiding Coalition

When urgency for change is established the following step is to form a group of people that will be in charge of the implementation. The group members must be carefully considered for the task in order to be front men for the continuous implementation. Kotter argues that this coalition must consist of members of the organisation with different positions, titles and expertise. Furthermore, a change is something new or simply different from the previous and it is therefore necessary that the way of thinking is modified. This is also the reason why it is not merely the top managers who should take part in this coalition, as change resistance always exist to some extent.

The coalition's main task is to act as guides during the implementation. Firstly, a common understanding of the reason for the change must be established. This can be difficult as hierarchical levels are non-existent in the project group. Therefore it is not necessarily the senior managers that have the final say. However, the higher urgency level, the easier it is to form a coalition with more similar opinions. Another example is that many managers, especially at the top, have no or little experience in teamwork, which is crucial in a project group. This is one of the most common reasons for failure in this step. In order to have a successful coalition, the members must develop a mutual understand for both opportunities and potential problems. Moreover, the group must create a functional communication and a sense of trust, which is often achieved by arranging start-up trainings for the members to get to know each other. This is done by many companies, where they send the group to a retreat away from the daily working space for a couple of days of training.

Proposition 2:

"Communication, trust and mutual understanding of the situation within a selected group is necessary in order to create a strong enough guiding coalition"

3.4   Step Three – Creating a Vision

The third step towards a successful change implementation according to Kotter's model is to create a vision that will capture attention and is not too complicated to communicate. By brainstorming and implementing analytical thinking, the guiding coalition develops with time a strategy of how to achieve a vision that will be easy to communicate. Kotter argues that the vision developed by the guiding coalition is not complete if the vision cannot be explained in five minutes (Kotter, 1995). He continues to explain how many companies have developed directions, plans, methods and goals during their transformation in different forms such as books and guides but fail to produce a vision that creates a larger picture. The programs and guides that are provided will merely create nebulous information without a complementary vision. According to Kotter, the vision is extremely important in order to demonstrate in which direction the organisation must progress. Moreover, the vision helps employees to be guided through the instructions for change implementation but without it, the change instructions may lead to purely reduced motivation and unwillingness to change.

Furthermore, it takes time for the coalition to agree on what is most essential and should be central in the vision. In time, existing ideas will evolve and the most important features may be developed after several months of research. A sensible vision is crucial in order to understand why certain projects in the organisation are ongoing; otherwise implementation projects may be initiated without being of any importance to the original idea. The vision will be the guide for the projects within the organisation, keeping the original reasons for the project on track. It is wise to invest time and effort on this part as a clear vision is of the essence before dispersing it to others.

Proposition 3:

"By creating a clear vision which describes in which direction the organisation must progress, people will easier adopt the reasons and strategies of the change"

3.5   Step Four – Communicating the Vision

When a vision is created that shows the purpose of the change, the next step is to communicate the vision in order to attract attention. Naturally, a transformation or an implementation cannot be successful without the support from the employees, whether it is a small organisation or a large one.

There are different ways to communicate a vision. When all available and existing communication paths are used, the chance for a successful transformation is large. For example, by implementing new learning courses which support the new vision, instead of previous conventional courses that are available, it may lead to better communication. Moreover, using the functions of the intranet such as newsletters is an excellent way to promote the new vision. Additionally, having unique posts in the weekly newsletter is a creative way to attract attention. Another way is to change the way a meeting is held, and initiate discussions on the change and the new vision for the organisation.

Furthermore, a successful way to attract attention is by having front figures such as the CEO and top management teams contributing to the vision and showing change efforts that they have implemented. This can be compared to everyday situations such

as a child acting after the parent's own actions rather than to listen to their precepts. In an organisation, it is also recognised that a person will observe and take after other's behaviour rather than listen to instruction that nobody or just a few persons are following.

Kotter has recognised patterns in the behaviour of the dispersers and the senior managers when communicating the vision. For instance, in many cases the communication consists of simply one meeting which leads to a small amount of recipients. A second pattern is that a large investment is focused on forming speeches that the head of the organisation will use to encourage the employees to see the attributes of the vision. The third pattern that was recognised by Kotter was that even though a large investment was focused on the newsletters and distributing the vision, some executive managers did not implement the vision in their daily work which was detectable by the employees. This kind of behaviour creates the wrong signals to the employees and leads to less commitment. Unless the employee is convinced that the change is feasible, no effort will be put in the implementation. This will be enhanced if the change is depending on short-term scarifies that the employee must take part of. This is one of the most challenging parts of this step.

Proposition 4:

"Without credible communication, the employee will not capture the vision"

3.6   Step Five – Remove Obstacles and Empower People

The fifth step in a change is to eliminate obstacles that may interfere with the vision. In order to do so, obstacles cannot merely be eliminated by sufficient communication; instead renewal has a big part to play in this step. The employees must be encouraged to try new ways of working. It is of course not uncommon for employees to take part in developing new approaches in order to make them accustomed to the situation and enthusiastic to implement the new vision in their behaviour and way of working. However, the problem emerges when employees experiences obstacles that decelerate the implementation process.

For instance, changes in the job description such as narrowing the work diversity may reduce productivity. This may also be the case during an organisational change. Another example is that the newly implemented systems force the employee to choose whether to keep in mind their self-interest or to embrace the new vision.

Moreover, it is not unusual that the middle-manager is not fond of implementing a change and therefore is not promoting the values and the ideas of the vision in the right spirit. This is a crucial obstacle that must be eliminated. The manager may take part in the implementation with both financial resources and human resources as it is a demand from higher management, but without changing the behaviour or encouragement to change. The manager must be convinced, and be convincing that the change is necessary in order to pass on the belief to the employees. Without the support from the nearest manager, the vision may be momentary.

It is impossible to remove all obstacles immediately, but it is vital that the obstacles are identified and that the most critical obstacles are removed in the early phase in order to successfully implement a change. Many times, the obstacles are internal and it is the mind-set that must be configured which often is not so easy. However, this cannot be ignored; otherwise the outcome will be unsuccessful.

Proposition 5:

"Empower all members in the organisation to act on the vision and remove obstacles that appear during the implementation"

3.7 Step Six – Creating Short-Term Wins

One crucial characteristic of a change implementation is that it takes time. This fact is very important and must be successfully shared among the members of the organisation. Often, this change may take 1-2 years or perhaps even longer before the expected results can be observed. This is a long period for an employee to keep a high level of urgency; therefore it is crucial to implement short-term wins.

The key to have employees motivated during the whole change process is to provide them with something tangible. As mentioned before, a vision is often defined as a direction for the future of the organisation, and it is a long-term goal that will eventually improve the results and help to reach the organisational goals. In order to help reaching these goals, the employees can only provide limited but extremely vital amount of assistance in this long and large process. Therefore, the manager should create short-term wins for the employees in order to retain the urgency level among the employees as decreased level of interest often leads to some type of resistance among the employees. However, this issue is frequently grumbled by managers as it creates a pressure for them to identify short-term wins. It is evident that in successful change implementations, short-term wins lead to clearer processes and unambiguous goals, together with some type of rewarding systems where the employees will receive recognition and promotion. Furthermore, it is not sufficient to just identify short-term wins without planning for how to achieve the goals. Managers must plan for how to achieve visible and short-term improvements in order to succeed with the promised short-term goals thus receive the support from the employees.

Proposition 6:

"Short term wins will retain the urgency level and prevent the employee from abandoning the vision"

3.8 Step Seven – Consolidate Improvements and Continuous Change Production

A common problem that occurs and may end up being unfortunate for an organisation is to declare victory too early. There are examples of organisations that implement a change but due to premature declaration of victory the change slowly disappears and eventually fades away without any trace. Indeed, this is not solely the reason for failure, often other issues such as insufficient amount of urgency and not enough power in the coalition group initiates this behaviour. In order to prevent this occurrence, managers should focus on changing issues such as systems, processes and employees that are not corresponding with the vision that the changes are requiring. Managers must assure that the change is applicable to different units and not only base victory on the first successful change. Moreover, the managers should focus on employees that are promoting the vision and make sure that employees that can implement the vision are developed in the organisation.

"Realistic expectations of the change process and continuous improvements of the route for change are essential"

3.9   Step Eight – Institutionalise New Approaches

The last step in Kotter's change theory is to anchor the change so it becomes a standard and is embedded in the organisational culture. Kotter presented two approaches that are in particular important when institutionalising a change. Firstly, it is crucial to demonstrate to the employees how the changes in behaviour, systems and approaches that were required for the implementation have lead to enhanced results and better performance. Secondly, it is important that future top managers have embedded the change in their norms therefore it is of great important that enough time is devoted to institutionalise the norms of the change. Even in this phase there is a possibility for the change to revert therefore it is crucial that the two approaches presented are pursued but also making sure that employees have embedded the norms and values of the vision in their culture.

Proposition 8:

"Assure that the change is embedded in the organisational culture"

4 Research Methodology

4.1 Introduction the Research design

There are various methods that can be used in a research as well as different ways to classify it. The debates on the virtues and appropriateness of research methods are held at a variety of levels, often in the fashion of elaboration of preference between perceived opposites e.g. natural science–social science, rationalism–empiricism, induction–deduction and qualitative–quantitative. It is evident that there is no one best way to conduct research and differences in opinions of how to do so are commonplace. What is clear is that philosophical assumptions underwrite methodological approaches (Leiringer, 2003). This has resulted in plenty of proven research methods. Each method constitutes a different way of collecting, analysing and generalising data.

In choosing a method for a particular research effort there are several considerations that have to be made. The most fundamental of these is that the research method used should be appropriate for the aims and objectives of the research (Wing et al. 1998). In other words, the suitability of the research method chosen to examine the research problem is the key for a successful study. However, suitability is not the only consideration that has to be taken in choosing an appropriate research method. Practical issues also have to be incorporated in the decision. An appropriate research method is not only one that is suited to the research problem at hand; it also fulfils the practical limitations that are undoubtedly set on the study, such as constraints on time, resource and access.

In order to follow the logic of the argument presented above it is useful to reiterate the five research objectives.

1) Review the strategic change literature
2) Review the management fashion literature
3) Identify critical issues for the successful implementation of change
4) Critically examine the current implementation process of Business Excellence
5) Identify discrepancies between theory and practice

The first two objectives can be achieved through a literature review. Four primary research methods have been identified that all could be applied to objectives 3, 4 and 5. These are: action research, ethnographic research, surveys and case study.

4.2 Action research

Action research is a qualitative approach that is mostly used in non-functional situations where a change is necessary or wanted in order to become even better than before. The method involves an investigation of a specific case where the researcher is personally involved in the improvement process with the strategy to perceive the situation from different angles and context in real time (McKay and Marshall, 2011; Koshy, 2005). During this process, change is deliberately implemented with the purpose to examine the effects of the change (Bargal, 2008). Action research has been identified as an appropriate method for understanding whether processes and technologies in the organisation in question are experienced as applicable or not (McKay and Marshall, 2011). It does not merely help to improve the situation in the

organisation; it also provides knowledge for future researches as it is an approach that emphasises learning by doing. In other words, this approach has a double aim (Koshy, 2005; Kock et al, 1997). Action research has been an acknowledged method since the 1940s.

In this research, the action research method was not chosen due to the lack of time and the period of time when the research was initiated. The implementation of Business Excellence had already started which did not leave any room for 'interventions' during the process. Furthermore, as the decision came from Group level it was not possible for a master student to participate in the decision making.

4.3   Ethnographic research

Ethnographic research involves the researcher to become a part of the group rather than purely observe the situation as an external resource. The researcher becomes a both a participant and a spectator, and analyses the procedures and behaviours in order to find one or several patterns in the group dynamics (Bell, 1999). The method can be compared to studies of smaller groups which originate from anthropology; the study of human complexity and their actions (American Anthropological Association, 2012).

Ethnographic research involves a process of five steps (Sangasubana, 2009):

1. Formulating the problem/research question
2. Selecting a research setting that provides a clear the researcher a clear view of the situation
3. Gathering access and information of the group that will be examined
4. Deciding how the researcher should be presented in the group and how much influence the researcher should have in order to successfully conduct the research
5. Recording and Gathering information for the research by observing, interviewing and analysing the existent material.

One common critic that researchers have regarding this approach is that it may not be applicable to other studies as the group is unique. The researcher also must be accepted and bond with the members, which is time consuming and demands a great deal of commitment (Bell, 1999). Another critic is that it is also hard to define how much influence the researcher should have in the group during the research in order to optimally examine the situation (Fellows and Liu, 1997).

This approach was also discarded due to time limitations; the implementation of the concept started before the research was formulated therefore it was not possible to observe the process with the research objectives in mind. Additionally, this is an approach that is more suitable for research that only focuses on the cultural aspects.

4.4   Survey research

In some researches it is crucial to provide figures that are explanatory and can work as milestones in order to improve the situation. Survey research is a typical quantitative research method that often consists of questionnaires with multiple-choice answers or

yes and no answers and is used for sampling information. It is an excellent way to collect information from a larger number of participants to get statistics over a certain issue. This approach is easy to interpret thanks to the specific results; however, it is rather inflexible as it does not leave much room for sidetracks. The method cannot provide many characteristic of the human performance and behaviour as an in-depth interview which is significant in order to have a holistic view (Moser and Kalton, 1971).

This approach was discarded due to the limited amount of employees available for interviews that can provide legit and usable information to the research.

4.5 Case study research

The case study research does not have one determined definition; instead there are several researchers that have defined the method according to their methodological positions. One well-known definition that is cited by many authors is Yin's (1994:33) definition where a case study is perceived as an empirical inquiry that *"investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used"*. In other words, it is a research that describes the situation in a specific and complex situation by investigating the case with both quantitative and qualitative methods in order to provide as accurate analysis as possible. The method is flexible and therefore favourable in studies where both social aspect and organisational processes are investigated.

For this research, a case study was most suitable due to several factors. Firstly, the research consists of a pilot case where a completely new concept is introduced for the first time therefore it is hard to compare to any other study. A second reason for choosing a case study research is due to small amount of employees available and suitable for the interviews. There are only 25 employees that are based in the head office in which approximately half of the employees are working in the customer service department. In additionally, not all of the employees in customer service have been working long enough to qualify to the study. It is important that the interviewees have been with the subsidiary both before the implementation and after, in order to provide legit information that will support the research. Consequently a qualitative case study is preferable and more suitable than a quantitative research.

4.5.1 Design and Execution

The research was executed in the Customer Service department in a subsidiary, within a large multinational organisation. When the Customer Service department was chosen to become the pilot case, they already had ongoing measures for improving their work situation due to previously unsatisfying work environment. For more detailed information of the case study background, see section 5.2. The purpose of the case study was to observe the implementation of a new management tool, Business Excellence. A theoretical framework that provides guidelines of how to successfully implement a change in an organisation was used to compare with the actual case study. Focus was not only on investigating whether the change was successful, but also to examine whether the change was indeed necessary or just a trend.

The data were primarily gathered through eight interviews with employees from different hierarchical levels in the subsidiary, these include the CEO, the current and

the former manager of the Customer Service department, two Business Excellence facilitators and three Customer Service employees. Moreover, the gathered data came also from participation in daily Puls meetings and Bridge meetings, review of company documents and informal conversations with employees in order to provide a general impression of the situation. Three interview questionnaires were developed in order to fit every interviewee's expertise and point of view. The interviews took approximately one hour where the employees got an opportunity to describe the situation in their own words. What follows are examples of the general questions from the questionnaire:

- Could You describe Business Excellence in Your own words?
- How much has Business Excellence affected You and Your daily routines?
- What is Your perception of change?

Other questions that were emphasised were related to Kotter's theory concerning a successful change as it was the approach chosen for this research. In order to compare Kotter's theory to the case study, suitable questions were developed such as:

- How was Business Excellence communicated to You?
- Do You feel that the concept is providing a distinguishable vision for Business Excellence?
- Have You experienced any obstacles and how did You manage them?

The interviewees had also the opportunity to freely share their opinions regarding the level of efficiency that they have experienced and on what facts they base their opinions with the introduction of Business Excellence in order to complete the research.

During the research, different type of sources had to be used in order to get sufficient information. The main data came from the interviews but it was supplemented by observations and internal documents. The number of interviews is restricted due to limited amount of employees that have worked in the subsidiary since before the implementation of Business Excellence. Indeed, out of the 12 employees working in the Customer Service department only 5 were there before the implementation of the concept whereof 2 employees were absent during the entire research period and could not participate in the research. Hence, only three employees from the Customer Service department were interviewed. However, the department is divided in three workgroups and one participant from every group was interviewed therefore they could describe the situation from their and their group's aspect. Besides, six of the eight interviewees have personal experience in the Customer Service department as they all had worked there earlier. . It is also worth pointing out that I am working in the company. I had therefore already familiarised myself with the people and the organisation before the research. I knew who had the most knowledge and experience in order to choose the most suitable person to interview. Therefore the interviewees were strategically chosen to fulfil the aim and objectives of the thesis.

5 Case study

5.1 General about the Organisation

The organisation is a world leading manufacturing company providing products and services for aerospace-, vehicle-, railway-, wind power-, hardware- and medicinal industry just to mention a few. The company was founded in the beginning of the 20th century and operated globally by the end of 1920's. Today, the organisation has approximately 45 000 employees and operates in more than 130 countries. The company is both environmental- and quality certified, ISO14001 and ISO9001 and actively promotes research and development by cooperating with universities in different countries. Moreover, the organisation has also developed strategies which focus on reducing pollution and negative environmental effects by developing new products and changing processes in order to contribute to minimising the environmental problems.

5.2 The Subsidiary

The case study is performed in one of the organisation's many subsidiaries. The subsidiary is a company with own subsidiaries and branch offices in a majority of the countries within former East Europe as well as Middle East. The sales are done through local units and covers sales of the entire supply of the organisation's products and service for 43 countries. From the head office a range of different support functions are handled by the subsidiary, e.g. Customer Service, Business Support, Controlling, Finance, Export Control and HR.

In the Customer Service department in the subsidiary, there have been a lot of communication issues and misunderstanding that created problems and affected the employees negatively for a longer period. Not only have the employees had problems with respect and teamwork, they have not had functional processes which in turn have created even more problems. In order to eliminate these issues, the Customer Service manager initiated measures that would provide a good work environment but also employees that had improved processes that will provide better service. The initiated measures were supported by the rest of the management team and consisted of so called value meetings where the employees had an opportunity to express their feelings and concerns, time management that will eliminate waste to some extent and so called 5S; sorting, stabilising, systematically cleaning, standardising and sustaining, was also introduced in order to create common processes and ease the problems that occur during absent colleagues. As the subsidiary had already ongoing measures for improving their situation, they were chosen to be the first within the organisation to implement the newest management tool, Business Excellence.

5.3 Business Excellence

Business Excellence is the newest management tool and mindset that has been initiated by top management. The method originates from Manufacturing Excellence that has been ongoing and successful in the factory environment. The stated vision with Business Excellence is to create commonality in the whole organisation, which is

'one company', in order to deliver customer value in efficient and sustainable manners for customers, employees and shareholders. Furthermore, the organisation is striving to become "The Knowledge Engineering Company" by using possessed knowledge about cultural understanding, industrial understanding and own product and process understanding in the company.

During the past 30 years numerous quality improvement systems have been implemented that have set the foundation for Business Excellence. Channel concept, TQM, Lean manufacturing and Six Sigma are examples of previous management concepts that were implemented in the organisation.

The Bridge of Business Excellence, see Figure 3, provides the organisational values, drivers and principles, and works as a guideline for employees and managers to shape their work in accordance with the spirit of Business Excellence. Business Excellence values consist of empowering people and encouraging initiatives in decision-making based on knowledge, high ethics that will sustain an equal and satisfying work environment, openness between all parties and teamwork that will unify not only the employees that are working together daily but also employees and customers across both organisational and geographical boarders, see Figure 3. The drivers that will ensure organisational success are profitability, high quality in every process, continuous innovation that will make the company a primary innovator, increasing speed from idea to action and promote sustainability for future generations.
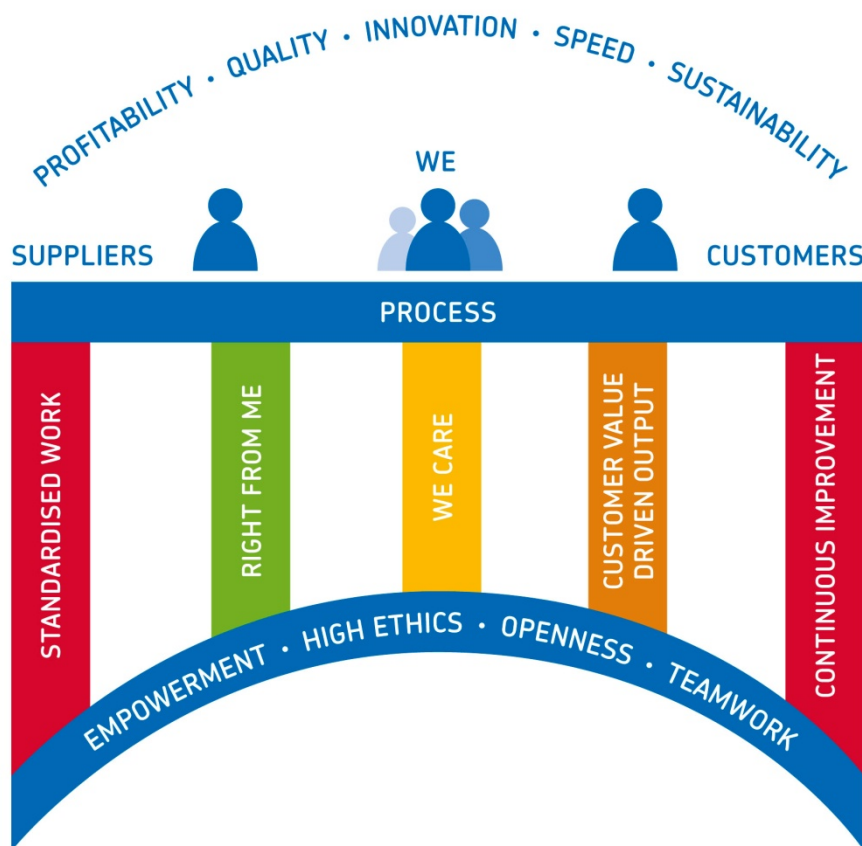

Figure 3: The Bridge of Business Excellence (Company Annual Report, 2011)

The bridge provides five principles that are the pillars which support the drivers and values of the organisation. These principles; standardised work, right from me, we

care, customer value driven output and continuous improvements, have been established to guide the employees and create an approach towards way of working in accordance with Business Excellence. These principles are believed to help employees to reshape the processes and habits that they possess which are contradictory to organisational values and drivers. Moreover, with the intention of clarifying the Bridge model the Thinking model was introduced, see Figure 4. The thinking model illuminates how the values and drivers affect the principles and vice versa, and how it further down affects the choices of methods in order to get the desires result. The methods change depending on the outcome but they are still shaped by the principles.
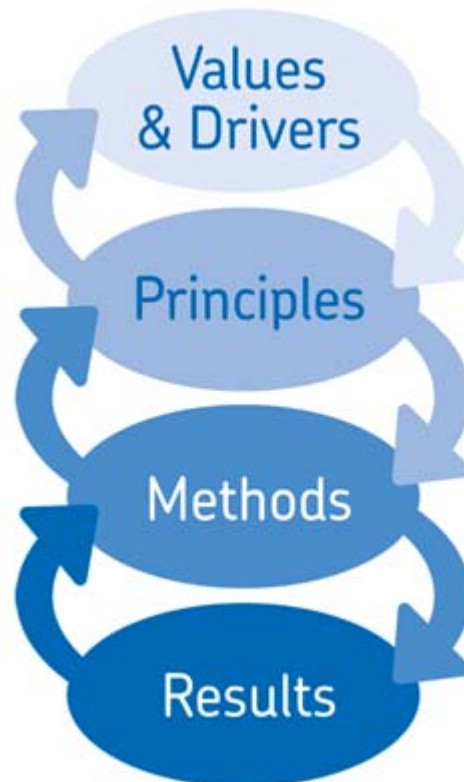

Figure 4: The Thinking Model (Company Annual Report, 2011)

There are different ways to achieve success but the organisation has provided five Business Excellence Elements that will help the units:

1. Collecting the need of Business Excellence by understanding the situation
2. Introducing Bridge meetings that will create a common vision and understanding of Business Excellence
3. Daily or weekly Puls meetings where employees can identify and visualise deviations, solve problems and discuss current issues
4. Learning from others by visiting other units within the organisation
5. Initiate regular improvement meetings

In addition, the leadership style that Business Excellence is promoting in the organisation consists of empowering employees, act immediately in order to eliminate problems permanently, encourage learning among employees and actively visit other

departments in order to be inspired in one's own work. Managers and leaders must always strive to be available to provide support. Moreover, even though Business Excellence is introduced by top management, the employees at the operating level have the opportunity to shape the way Business Excellence will affect their work therefore it is seen as a bottom-up approach. This aggravates the work for the managers as they must find a balance between the employees' desire and what is expected from the department by higher management.

6 Findings

6.1 Findings based on Kotter's theory

The findings from the interviews are here compared to Kotter's eight steps towards a successful transformation. However, it is evident that all steps cannot be explored due to the change being new and still ongoing. Therefore, only the first six propositions based on Kotter's theory were compared as it is too soon to compare the two final propositions with the current phase of the change in the subsidiary.

Proposition 1

"Establishing a sense of urgency for the change initiatives is essential for people to take a step outside their comfort zone"

The interviewees struggled with the question regarding whether there was an established urgency for the implementation of Business Excellence. Most of the interviewees referred to the fact that they now think it is urgent but did not pay much attention to it before. As they have seen some improved results already, many indicated that it in fact was necessary. Still there were problems before Business Excellence was implemented and so called value meetings, a time management approach and 5S had all been introduced in the subsidiary in order to eliminate these problems. Significantly, these alterations had already resulted in improvements before the idea of Business Excellence. Indeed, urgency for change existed and was initiated by the management team and the employees in the subsidiary so when Business Excellence was introduced no time was set to reflect over whether the concept was necessary or not as they already had ongoing improvement procedures. However it is evident that the Group management team that initiated the concept did not establish a large enough urgency through the measures they took. Instead this was a pure self-knowing initiative from the employees and management team in the subsidiary as they had experienced problems earlier.

Proposition 2

"Communication, trust and mutual understanding of the situation within a selected group is necessary in order to create a strong enough guiding coalition"

The connection between the employees on the operational level and the guiding coalition was more or less non-existing. Some could name perhaps one or two members from the guiding coalition but most interviewees did not know who the members of this group were. Furthermore, they did not know how the group was formed or whether there were inputs from employees from operational level or not. In fact, most interviewees believed that this group should consist entirely of managers and no employees need to take part as managers are the more knowledgeable and risk takers in processes like these. Therefore a limited amount of reflection was put on the formation of this group. However, the interviewees and their colleagues had and still have daily contact with their Business Excellence facilitator who provided support at all times together with their manager. This is also one of the reasons why not much attention was put in the coalition group as the interviewees pointed out that they had more than enough support from their manager and facilitator. Moreover, as the

decision to implement Business Excellence came from top management, the interviewees accepted it more or less immediately and were mostly interested in how it would affect their work and how they can contribute to the requirements.

Proposition 3

"By creating a clear vision which describes in which direction the organisation must progress, people will easier adopt the reasons and strategies of the change"

Every interviewee got the opportunity to portray the vision that Business Excellence would lead to and almost all of them had the same response; they did not see a specific and clear vision. Instead, some interviewees meant that the organisational drivers, values and principles are the vision of Business Excellence and others mentioned that the organisational vision is to become the 'Knowledge Engineering Company' which will be achieved by using Business Excellence as a tool. Furthermore, there were comments that the organisation has not provided a clear vision and strategies to support their change initiatives, and that ambiguity in change initiatives is a reoccurring issue in the organisation. One interviewee mentioned that a missing part in the presentation of Business Excellence is "if you apply this, you will get that". Moreover, a few interviewees commented on the lack of targets and felt that Business Excellence is too theoretical due to it being a mindset vision and therefore hard to apply.

Proposition 4

"Without credible communication, the employee will not capture the vision"

When it comes to communicating Business Excellence and the vision, even if it was perceived as ambiguous, there were several opportunities to gather information and explore Business Excellence. For instance, the information was shared on the intranet, in the company's news publication and in a booklet where the whole Business Excellence concept was described. Moreover, training was offered to those who wanted to become a Business Excellence champion and facilitator. The facilitator had the assignment to train the employees with the concept of Business Excellence. Even though most interviewees did not feel that they had a clear vision of Business Excellence, they had an opportunity to review the available information. Most interviewees mentioned that they did not understand much at all until they started with the Bridge meetings, at which point most was resolved. Furthermore, there were front figures that promoted Business Excellence, however little is known about the level of Business Excellence implementation in their work. Nevertheless, locally in the subsidiary, all managers were enthusiastic to Business Excellence and displayed how they were implementing it in their work. Additionally, due to the high level of ambiguity, the management team in the subsidiary arranged private meetings with a member of the guiding coalition to clarify Business Excellence and to make optimal use of the concept. This allowed the management team to get answers, but also gave an opportunity to provide input for future implementation processes.

Proposition 5

"Empower all members in the organisation to act on the vision and remove obstacles that appear during the implementation"

One main obstacle was the lack of understanding of Business Excellence. The employees did not comprehend the concept but this was resolved with the introduction of Bridge meetings were the facilitator provided all the information necessary for the employees to understand. However, even when the employees understood the concept and altered their ways of working by agreeing on certain processes, other departments working with the subsidiary did not understand why changes have been done as they had not been in touch with Business Excellence.

Another common problem that emerged was the inevitable change resistance among the employees. However, due to the value meetings that were ongoing the employees in the subsidiary had developed to some extent a reception for change. Naturally, some employees needed more persuading but with time and effort an understanding of Business Excellence was developed. One reoccurring subject was that the Business Excellence meetings were occasionally perceived as time consuming mainly due to the fact that the employees had other meetings too. This resulted in spending several hours in meetings during a week, which was taken from the time needed to provide satisfactory service to the customers. This issue was resolved by reducing the amount of time spent on Business Excellence per month and spreading it across a wider period of time, which was deeply appreciated by the employees. The facilitator had an opportunity to shape the communication structure to fit the employees' needs and preferences as they had an opportunity to give feedback to the facilitator.

All members were empowered to take more responsibility in order to manage problems more rapidly. For instance, by having daily Puls meetings the employees have an opportunity to discuss the problem and help each other if possible. In a way, they are more or less obliged to point out problems that have occurred during the day. If there is a problem that the employees do not know how to handle, the manager takes on the problem.

Proposition 6

"Short term wins will retain the urgency level and prevent the employee from abandoning the vision"

The main short-time win in this case is the improvement of the backup. This was according to all interviewees the biggest problem they were facing and just within a few months this was improved. People were working in different manners, making it hard to back-up a colleague during absence especially during a long vacation period. With the introduction of Business Excellence, the employees discussed and together created common processes that can more or less be applied to all work areas. All interviewees mentioned that they did not recall the last time the backup was so good, thanks to the standardisation of processes. Moreover, other short-term wins were the visualisation of problems in the Puls meeting room where all problems, deviations and pending cases were presented so everybody was updated at all time. This also led to an enhanced communication flow as issues were discussed daily.

7   Discussion

7.1   Introduction

In recent years, there have been both positive and negative changes in the subsidiary. Reviewing the negative issues, it is safe to state that many of the problems originated from bad communication, misunderstandings and lack of teamwork. The issues were not merely operatively oriented; it was also lack of comradeship and respect within the group. Many negative emotions ruled the corridors because people could not communicate properly and problems were not resolved. Instead negative emotions grew stronger. To come to terms with the problems, simple meetings were therefore initiated in 2008 where employees were encouraged to evaluate and share their feelings and work on attitudes by having simple tasks in order to regain fellowship and team spirit.

On the operative level, the largest problem that was observed was the non-functional back-up due to employees having individual processes that they considered to be superior to others. During vacation periods when employees were replacing absent colleagues, they experienced a high level of stress due to lack of standardised process. They could not locate the correct information, they did not know what kind of processes the responsible person had and could not provide good service which led to both external and internal complaints and unsatisfied customers. Frustration and ignorance led to bad work environment therefore value meetings were introduced with the purpose of bringing harmony and to create a satisfying work environment for the employees.

With time the relationships between employees improved and time management was introduced to remove waste and concentrate on important issues. Professional guest lecturers helped to elevate the awareness of time management and standardising work became an objective for the group. In addition, 5S; Sorting, Stabilising, Systematically cleaning, Standardising and Sustaining, was introduced to support the ongoing improvement efforts. It was during this process in 2010 that Business Excellence was announced as the newest and most up-to-date approach to be implemented in all units within the organisation. The management team in the subsidiary nominated themselves to become the pilot case for Business Excellence, which they eventually were also chosen to become. First when this decision was taken, the employees were notified that they will be the first unit to implement the concept.

7.2   Discussion based on Kotter's theory

When comparing the way Business Excellence was introduced in the organisation with Kotter's theory of a successful transformation, interesting results were observed as a few of the propositions from Kotter's theory were widely applicable whilst others were averagely executed or nonexistent.

For instance, one of the most important steps to succeed with a change initiative is according to Kotter establishing a sense of urgency for the new approach that is or will be promoted. During the interviews the employees had difficulties explaining whether they believe Business Excellence was urgent or not. Significantly, the employees in Customer Service are self-administered and had already established the urgency of dealing with the problems that they were facing. With the introduction of

value meetings and the time management approach, the work environment improved greatly and standardising work was also in progress. Later when Business Excellence was introduced and the employees became educated in the matter, they saw the opportunities of the concept even if they saw great similarities with the value meetings that were already taking place. In this way, Business Excellence provided a label for the already ongoing process, but it also gave new ideas of what could additionally be improved in Customer Service. In fact, it is hard to say if any level of urgency for the Business Excellence concept was established before they started to implement the concept as the need for a change was already detected and measures were initiated and ongoing.

The employees had more or less no contact with the guiding coalition. However they had enough support from their local facilitator who helped them in their work. The guiding coalition works on a global level and the employee's interest of how the whole organisation will be affected by Business Excellence was quite small. This could be a result of poor marketing as many of the employees pointed out that they had not heard many Business Excellence success stories in other organisations and that this was something that was missing for them to keep the interest. In fact, the employees could not provide a single specific example of how Business Excellence has improved results in other companies. There were other companies that have succeeded with applying successful waste-eliminating processes from factories to office environment before it was applied in this specific organisation. Even though the organisation has a name of the concept that differs from other companies, it is more or less the same concept. During the interviewees it was mentioned that the interest of the overall success for the whole company was low or missing as it was perceived that improved results in an organisation affect all stakeholders including employees however it has a smaller impact on the employees on operational level. Obviously good results leads to people keeping their jobs but it is mostly shareholders that will gain the most. Therefore it is not surprising if the awareness level is low. Indeed, the employees focus on issues that will affect them personally and due to high power distance, most employees did not feel that they should take part in the formation of the guiding coalition. Many interviewees mentioned that managers are paid to take these kinds of decisions; therefore no consideration was spent on whether employees from operational level should be part of it. The willingness to participate in this process was low even though it is the employees on operative level that will mostly be affected by the new concept. It is the employees that possess the most knowledge of what is necessary to change in their operative process and what initiatives may work or not, whereas managers on higher level are mostly not involved in the daily process. Therefore the managers need support from people that work with it on a daily basis. The employees need distinct line of arguments to be displayed that describe how Business Excellence will help to meet the targets that are set for the subsidiary. In addition, middle-managers have an important role as they work between higher management and operative employees and therefore have knowledge from both aspects. Nevertheless, the employees accepted the introduction of Business Excellence immediately, mainly due to the awareness of not having any power to affect the decision as it was a Group level decision but also because of the existing high level of trust in the subsidiary.

During the interviews, it was obvious that there was no common or clear vision among the employees. Every person had their own vision and mentioned different parts of Business Excellence. However, the interviewees who had taken more time to

read the available information had more knowledge about the concept, and some similarities in their vision compared to the company vision could be recognised. Yet, several interviewees stated that they believe that the vision indeed is unclear. Another employee mentioned that the company as a whole has a history of ambiguous visions in change initiatives therefore it was not surprising at all that the vision is indistinct. What was missing for many of the interviewees were examples and targets. They were well aware of the Business Excellence Bridge and the thinking model but those were considered as tools to achieve a vision that in this case is indistinguishable. It seems as if not enough time was spent on a vision that would unify all employees in their mindset. Just by reviewing the available information about Business Excellence it is hard to define the vision that the organisation wants to disseminate; which is 'a unified organisation'. There is no clear description of what it means to be a unified organisation and it can therefore be interpreted in different ways. As the whole organisation is largely decentralised, they have failed in providing 'connecting issues' that to some extent unifies the organisation. Additionally, only one employee mentioned a vision that partly included a unified organisation. On the other hand, becoming the 'Knowledge Engineering Company' was also a part of the vision and it was mentioned by one interviewee; the one who had dedicated the most time off to review the concept. However, the interviewee did not have a definition of what a 'Knowledge Engineering Company' is.

Moreover, the communication plan was somewhat different than traditional approaches. The employees got the information that there will be a new approach introduced in the whole organisation and that they would be the pilots during a meeting, but it was not until the Bridge meetings they understood the concept. Nevertheless, the information was available for all employees to explore the concept of Business Excellence with different communication tools, but it was down to their own initiative to find it. The Bridge meetings reinforced the available information so the employees could understand the concept and how to use the tools that were provided although they still lack a clear vision.

In addition to the above, Kotter mentioned how important it is to have front figures promoting the initiatives which were notable in this case as well. Within the subsidiary, the management team was supporting and promoting Business Excellence both with words and actions which motivated the employees to follow their example. Yet, little is known about the degree to which Business Excellence is used at the top management level in the organisation. Perhaps they are actively working in accordance with Business Excellence or maybe they are not taking it serious at all, either way it is unknown for the employees on operative levels. It was clear that there was lack of transparency by the Group top management, which resulted in other members in the organisation not having an example to follow.

A part of the Business Excellence concept is to empower people in their work. This was considered quite successful. During the Bridge meetings, the employees made a contract together that shaped their way of working in a manner that suited them all. The introduction of daily Puls meetings provided an opportunity to bring up problems and deviations. The person most suitable to solve the problem became responsible for the improvement and the issue was followed up daily, without neglecting or forgetting it. Problems or deviations that the employees could not solve were escalated to higher management. The employees had already started to be empowered to take responsibility in their work as a result of the value meetings and time management. However, with the introduction of Puls meetings this was enhanced. In addition, the

introduction of rotating team coordinator roles in the office has empowered the employees to have more awareness towards their colleagues and their work.

Furthermore, the main obstacle that was identified was the poor understanding of the concept in the beginning. The level of ambiguity can be displayed by the fact that even the management group had to arrange separate meetings in order to understand the concept. Indeed, the available information was ambiguous but there was a comment during the interviews that this was done on purpose. The point was to oblige managers to go through the material together with their employees instead of handing out finished material that the employees should simply read and try to implement on their own. As such, this was an unusual way to implement a new concept as it is both adaptable and ambiguous. The employees' understanding of the concept alleviated during the Bridge meetings where the facilitator made sure that nobody left the meeting without understanding every step of the concept. Another obstacle faced was human resistance among the employees because of the high frequency of meetings and the span between every meeting. Due to lack of time the facilitator and manager made sure that the period between every Bridge meeting was increased, which reduced the resistance towards the meetings as the employees no longer felt that they had more meetings than time for work.

The main improvement that the Customer Service team recognised was the improved back-up during absence of colleagues. This was also the main problem and what everybody aimed to eliminate. Other short-term wins detected was the effect of the Puls meetings where the employees had an opportunity to solve problems immediately if possible. Charters, diagrams and notes were visually displayed in the Puls meeting room which acted as a constant reminder of tasks that must be accomplished. The visual mark-ups simplified the understanding of the tasks. Thanks to these advantages, which resulted more or less in immediate improvements, the employees continued to actively follow Business Excellence principles. As improvements were spotted in an early phase, even before Business Excellence, the employees were enthusiastic and positive to try new approaches. Therefore they supported the concept and frequently reminded each other to follow the principles that Business Excellence endorse.

7.3   Human Change Resistance

When it comes to human resistance in this case study, there were no major issues that made the employees heavily resistance towards the implementation of Business Excellence. For instance by applying the change resistance classification presented by Clegg et al. (2009), there was no resistance by commission observed at all nor were any specific indications of change resistance by omission found.

When revising the four most common forms of resistance provided by Kotter and Schlesinger (2008), some level of resistance was noticed. For example, a degree of parochial self-interest was detected. There were indications that not all employees followed the agreed procedures that are guiding the work towards Business Excellence principles. Not updating working manuals and not creating a standardised process are two examples. However, this does not seem to be a conscious act instead it could be because of not enough time set aside from daily work on implementing the changes. As a Customer Service employee, the job invariably includes having to meet deadlines. This creates stress, which may lead to not enough time spent on

institutionalising the Business Excellence approach as other issues are prioritised. Even though most employees are actively trying to implement this approach, it is easy to forget or simply not prioritise the implementation of the concept. It seemed as if it is necessary to set aside some personal time on a weekly or monthly basis for a certain period in order to keep up and embed the processes and new habits in their culture as it is not completely embedded for all employees yet.

Moreover, there was no indication of a lack of trust or misunderstandings during the interviews. The interviewees claimed to get all the information they needed from their manager and facilitator, and to whom they already had established a trustful relationship. However, they did have somewhat different assessment concerning the implementation of Business Excellence. Some mentioned that the concept provided a structure for improvements whereas another interviewee saw the implementation of Business Excellence as one of the biggest changes they had experienced within the organisation. There were also some interviewees that considered Business Excellence to be just a name for something that they already had implemented and referred to the value meetings which already included parts of the concept, such as company values. On the other hand, there was a difference noticed by the employees between the value meetings and Business Excellence as value meetings was an approach to increase teamwork and trust among the colleagues in the Customer Service team whereas Business Excellence is a more customer focused approach. Nevertheless all interviewees were of the opinion that they had gone along with the Business Excellence and even though they did not receive much information before the Bridge meetings started, they considered themselves to have been open-minded.

It is safe to say that even though this group is not very fond of change, they did not display much intolerance for Business Excellence. There were no observations or statements of any fear of being inadequate for their work description. In a way, this is because the implementation of Business Excellence did not provide a vast change in their way of working. This may also originate from the value meetings and time management which created a positive mindset where success and good work was elevated instead of merely pointing out problems or looking for scapegoats. However, there is a change resistance culture among the employees due to previous instabilities caused by change of colleagues and having temporary substitutes which affected the work environment, teamwork, processes as well as relationships between co-workers. It is unavoidable to see that this group do not prefer change, especially rapid and unexpected change. Many times it seemed as if change was something negative, yet the employees were obedient and fulfilled their employee duty by giving Business Excellence a chance.

Furthermore, as the concept was perceived to be very ambiguous, most of the information that the employees got came from the Bridge meetings. The facilitator explained the concept and allowed the employees to reflect, give their input and most importantly; apply the concept on their work process and way of working in order to understand the purpose and the advantages of Business Excellence. Fortunately for all involved, the facilitator knew the employees personally, how to approach them and how to exhibit the concept in a way that would capture their attention. The facilitator knew how to stimulate an interest and motivated the employees to work in accordance to the concept. In a way, the employees' receptiveness in this group was already indirectly analysed.

7.4   Management trend

Most of the interviewees had the same opinion regarding whether the work was more efficient with the introduction of Business Excellence; they agreed that the efficiency had improved. Team coordinator meetings, Puls meetings and Bridge meetings provides reflections and feedback which constantly reminds the employees what needs to be done and what is ongoing. By visualising problems, the employees are forced to take actions when encountering problems or deviations. The job descriptions were more or less the same and most of the employees did not feel that they had more responsibility even though problem solving and measures for deviations became a daily routine. Standardised work and more or less immediate action increased the workflow which indeed increased efficiency. There are always a few people who constantly try to simplify work and increase efficiency therefore they have not experienced much difference in efficiency. However most people are content with the processes they have and do not put much consideration to continuous improvement. It is individuals with those features that have earned the most by implementing Business Excellence as they were forced to point out problems and deal with them. By having the Bridge model as a framework, the employees are constantly reminded to think in Business Excellence paths and methods are chosen with regard to the concept. Additionally, the framework generates in some manners creativity as the employees are customer focused and constantly tries to find ways to satisfy the customer's needs and requests. It is safe to say that the efficiency has increased; however, whether this is due to merely the Business Excellence concept or if it is thanks to all initiatives that have been ongoing the last 3-4 years is another issue. The changes and trainings that were ongoing before Business Excellence were in fact the foundation and the key to the success of the concept as it provided all the preparatory work for people to adjust their mindset towards new ideas. The fact that the management team applied to become the pilot case for Business Excellence shows the gumption for change and improvement in the subsidiary.

Business Excellence fills a performance gap however even if the concept did not exist, the manager or the management team in the subsidiary would have initiated other measures to complete the change process but it would take more time. Even though the measures taken before the concept were beneficial, it is certain that Business Excellence has increased the pace for the improvement process.

8 Conclusion

8.1 Theory vs. Practice

It is evident that earlier improvement efforts formed the foundation for the success of Business Excellence. In this case, there was already a high enough urgency level established for the necessity of change. However the importance of Business Excellence was not in place, which was observed by the fact that the employees did not understand the concept before the implementation, even though it did indeed provide a structure to the ongoing process. Previous change initiatives have given rise to a transformation which was already ongoing in the subsidiary, during which time the decision of implementing the concept Business Excellence was presented.

The lack of unified vision as well as lack of success stories and examples from other companies was apparent. If specific examples with measureable target were clearly provided to the employees, it would have lead to a better marketing of the concept and also increase the interest for Business Excellence and its features. A clear image of how Business Excellence would connect the subsidiary and the whole company would ultimately lead to a common vision of the concept.

Even though the lack of common vision was perceived, the communication between the local promoter of Business Excellence and the employees was excellent. Not only did the employees reach their short-term goals, they were also successful in removing barriers that hindered the implementation process. By standardising work and visualising problems along with the progress of the measures, short-term wins were observed with the enthusiasm to become even better.

An important factor to the success of achieving the short-term wins was thanks to the success of empowering the employees to take on responsibility. By choosing the most appropriate person for the task in hand, there was a higher probability that the problem will be solved more rapidly. Additionally, with the Puls meetings the employees did not neglect their tasks therefore problem solving was promoted daily. In a way, liberty with responsibility contributed to encouraging and empowering the individuals.

8.2 Human Change Resistance

Even though there were indications of some human change resistance, it did not have a large impact in this case due to the previous improvement efforts, which had created a mutable environment. Without a functional environment and recipient employees, there are no possibilities to initiate any type of change. Additionally, the implementation of Business Excellence did not involve any ground breaking changes therefore it was more acceptable.

Processes are easy to change and standardising work is easy to achieve, in comparison to changing a mindset, and with the assumption that the people involved are aware of the need for change and open for improvement. The key is to make sure that the employees are willing to change by providing them something in return. For instance, standardising work leads to less problems and less rework whereas for example incentives may lead to motivation for change.

8.3 Management Fashion

Initiators of Business Excellence did not provide enough transparency of how they work with the concept as it is supposed to be implemented in the whole company. The Group top management in the organisation did not show enough initiatives to change their ways of working. Whether if they did change their way of working, they did not give any examples of what and how they changed. Even though this is a pilot case it is necessary that initiators show that they also are affected and have taken a part in the implementation process. They should have acted as role models by providing distinct examples and transparency in order to attract interest and willingness from other employees to follow the concept with their success story in mind.

Nevertheless, the concept was acknowledged by the employees in the subsidiary as it did indeed provide structure and guidelines of what is needed to be done in order to provide best possible service and to increase the efficiency level. However, even without the concept the improvement process would continue and similarly to the previous improvement efforts, another complementary concept would be introduced. This is an effect of the work environment that promoted gradual modifications which was followed by the management team and the employees in the subsidiary.

By asking the question "What would have happened if we took away Business Excellence?" it is evident that the work situation would worsen. Due to its already refined structure, it has provided some important features faster than it would otherwise have taken for the managers in the subsidiary. On the other hand, without the ongoing change process in the subsidiary, Business Excellence would probably not have been as successful as it was, or successful at all for that matter. From this point of view, the concept is not a necessity however in order to continue in the same pace with the improvement process, Business Excellence was needed. In a way, Business Excellence came exactly when it was needed in the subsidiary to secure the ongoing process.

The question is how long this concept will stay because even though it has shown to be efficient, Business Excellence is not something ground breaking; it consists of simple and logical guidelines that people need to be reminded of in order to work more efficient. Indeed, it is merely a management fashion but it is also a mindset that should be institutionalised in the organisational culture in order to provide high quality performance for co-workers and customers at all time.

8.4 Recommendations

There were some positive results from the undertaken change initiatives however following recommendations should be taken in consideration for future change initiatives in order to secure the success of the implementation.

Firstly, in order to gain the attention of the employees it is crucial to have specific examples of how the change has improved the situation, either within the subsidiary if possible or in other organisations where the same type of change has been introduced.

Secondly, the willingness to participate in the initiate process of implementing a strategic change would make the employees more recipient to the change as they have a change to affect and provide input to the process.

Another recommendation is to ensure middle-managers as key players in the guiding coalition as they work between higher management and employees on operational level.

Transparency in the organisation is also a key issue in succeeding with a change. It is crucial that the top management team, both on local and Group level, are visually performing according to concept so other members in the organisation can follow an example rather than doing what they are told to.

It is important to realise that it takes time but also effort to implement a change. The final recommendation is that the employees must set aside some personal time on a weekly or monthly basis for a certain period in order to embed the processes and new habits in their culture.

8.5   Future Research

This research was limited to the first case of implementing the concept in a certain subsidiary, without any participation or contribution from the guiding coalition. A suggestion for further research is to evaluate how the guiding coalition planned the implementation of Business Excellence and if it was in accordance with the actual case in order to review the amount of information loss from Group level to operational level. Another suggestion that would be interesting to evaluate is to review how the feedback process of the current implementation is structured for the next implementation of Business Excellence assuming that there is a feedback process. This would provide a picture of what aspects are taken in consideration when disseminating the concept and give an opportunity to review what may be included to, if possible, optimise the feedback process.

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