CHALMERS

Leading organizational change

An exploration of the journey between establishing and realizing a vision: a case study at Platzer Fastigheter AB

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

MICHAIL MAVROMATIS

JOHAN OLOFSSON

Leading organizational change

An exploration of the journey between establishing and realizing a vision: a case study at Platzer Fastigheter AB

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

MICHAIL MAVROMATIS

JOHAN OLOFSSON

Department of Civil and Environmental Engineering
Division of Construction Management
CHALMERS UNIVERSITY OF TECHNOLOGY
Göteborg, Sweden 2013

Leading organizational change

An exploration of the journey between establishing and realizing a vision: a case study at Platzer Fastigheter AB

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

MICHAIL MAVROMATIS
JOHAN OLOFSSON

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

Leading Organizational change

An exploration of the journey between establishing and realizing a vision: a case study at Platzer Fastigheter AB
Master of Science Thesis in the Master's Program Design and Construction Project Management

MICHAIL MAVROMATIS

JOHAN OLOFSSON

Department of Civil and Environmental Engineering
Division of Construction Management
Chalmers University of Technology

ABSTRACT

Organizations embark on a journey through an ever-changing environment in conquest towards fulfilling a vision. During this journey, the organization has to adapt to the changes that they are facing, wherefore it is interesting to study how they are managing these challenges. In this thesis, the authors have examined how Platzer Fastigheter AB has managed a transition that aimed to prepare them for what the future has in store for them. The transition comprised the implementation of new core values, new key performance indicators and a new organizational structure. These organizational changes involved the whole organization, from the owners through the board of directors, the CEO, the middle management and down to the employees, wherefore a major part of it was change leadership. During the work with this thesis, the authors conducted a series of interviews with key personnel at Platzer Fastigheter AB that was supported with theory in order to give the authors a deep understanding of how the change process was conducted. Their study revealed that the link between establishing and realizing a vision is the ability to lead a constantly changing organization. Also, a more case specific conclusion was found which shows the importance of a project leader that has the overall responsibility for the process and can establish commitment through communication within the organization, and that leaders have to adapt their leadership to different situations.

Key words: organizational change, leadership, journey management, change management, strategy, vision, core values, key performance indicators

Att leda organisationsförändringar

En explorativ studie av hur ett företag förändras i sin strävan mot att förverkliga sin vision: en studie av Platzer Fastigheter AB
Examensarbete inom Design and Construction Project Management

MICHAIL MAVROMATIS, JOHAN OLOFSSON

Institutionen för bygg- och miljöteknik
Avdelningen för Construction Management
Chalmers tekniska högskola

SAMMANFATTNING

Organisationer kan sägas vara ute på en resa genom ett ständigt skiftande landskap i deras strävan mot att nå sin vision. Under den här resan behöver organisationen anpassa sig till de utmaningar den möter, varför det är av stort intresse att studera hur de klarar av att förändra sig. I den här uppsatsen har författarna studerat hur Platzer Fastigheter AB har hanterat en förändring vilken syftar till att förbereda dem inför framtida utmaningar. Förändringen bestod i att de har infört nya kärnvärden, nya nyckeltal samt en ny organisationsstruktur. Dessa organisatoriska förändringar involverade hela företaget, hela vägen från ägarna via styrelsen, VD och mellancheferna ned till de anställda, vilket innebar att stora delar av förändringen kom att handla om ledarskap. Under arbetat med den här uppsatsen har författarna genomfört en intervjuserie med nyckelpersoner på Platzer Fastigheter AB, vars resultat analyserades genom en teoretisk referensram för att författarna skulle få en djup förståelse för hur organisationsförändringen genomfördes, sett ur en ledares perspektiv. Studien visade på att länken mellan att upprätta och nå en vision är förmågan att leda en ständigt förändrande organisation. Författarna fann även att det, i den här specifika undersökningen, är mycket viktigt att ha en projektledare som har det övergripande ansvaret för att planera, genomföra och följa upp förändringen. Vidare är det viktigt att skapa engagemang samt att ha en konstant kommunikation ut mot organisationen samt slutligen att ledare måste vara beredda att anpassa sin ledarskapsstil efter de situationer som uppkommer.

Nyckelord: organisationsförändringar, ledarskap, strategi, vision, kärnvärden, nyckeltal

Contents

Preface

This master's thesis is a result of four months hard work during the spring of 2013. The thesis is a part of the master's program Design and Construction Project Management at Chalmers University of Technology, Gothenburg and represents 30 hec.

This master's thesis was conducted in cooperation with Platzer Fastigheter AB, for which we are very grateful to for having accepted us as one of them and for sharing this part of their journey together with us.

We would like to address a special thanks to those who were extra involved in the contribution to this thesis by giving some of their time to share their experiences and opinions during our interviews: Ulrika Sjöswärd, Lars Backman, Andreas Theander, Agneta Timhagen-Meier, P-G Persson, Caroline Johansson and Gustaf Lindman. Also, we would like to give a special thanks to Erik Fischer who gave us the opportunity to write this thesis at Platzer Fastigheter.

Furthermore, we would like to thank: our opponents Louise Trens and Veronica Johansson, Connie Larsson and Shea Hagy for proofreading.

Many thanks also to our tutor Christan Koch at Chalmers University of Technology, for his great support and guidance throughout the process.

Thank you!

Göteborg May 2013

_____   _____

Michail Mavromatis   Johan Olofsson

1 Introduction

This chapter presents a general background on change management with emphasis on the importance of this topic. Thereafter, the chapter will present the purpose, aim and the research questions, the delimitations as well as the disposition of the thesis.

1.1 Background

It is said that the only constant is change. Changes occur in all aspects of life, from the smallest to the largest decisions and actions (Higgs and Rowland 2005, Lorenzi and Riley 2000). This is especially true for today's businesses and organizations. It has been said that today's business environment is changing in a fast pace (Pryor et al 2008), wherefore organizations have to quickly adapt to avoid falling behind their competitors and to prevent being caught by external forces (Tichy 1982). They have to change their business strategy to accommodate a changing environment and to be ready for what the future has in store (Burnes 2004). Also, it is vital that organizations quickly adapt to any changes to stay alert and to be better equipped when embarking on the journey towards the fulfillment of their vision (Carnall 2007).

This has made change management an important focus of today's management strategy (Todnem By 2005). Leaders and managers have to cope with internal and external changes ranging from small-scale reforms such as employee's job role change (Byrd and Thornton 2013), changes of the workplace location (Allard and Barber 2003), or implementing new processes or programs (Beer 2003) (i.e. as sustainability programs) (Millar et al 2012), and all the way to large-scale changes such as a major reconstructions of the whole organizations (Hayes 2010). Moran and Brightman (2001) stated that change is the process of continually renewing an organization's direction, structure and capabilities to meet the expectations from both external and internal customers that makes an organization as successful as possible. Another vital component of organizational success is leadership (Bass and Bass 2009). Competent leaders can be the difference between success and failure, not only for the organization itself, but also for internal projects such as business or strategy development (Jacobsen and Andersson 2005). Leaders and managers have important roles to fill, such as influencing and encouraging employees that may rank from top management to lower level, regular workers in striving towards the fulfillment of the organization's vision (Daft 2008). Gill (2002) states that the foundation of effective leadership involves defining and communicating an appealing vision of the future within an organization. Leadership during the changing process is vital for its success, but leaders must also have a specific goal to work towards (Woodward and Hendry 2004), which mostly encompass the fulfillment of a clearly formulated organizational vision, wherefore the link between setting and realizing a vision is of great interest to study.

1.2 Purpose and Aim

The purpose of this thesis is to explore the link between setting and realizing an organization's vision, with focus on the process of Platzer Fastigheter AB leading specific changes, which aims to enable them to be better prepared for the future and to take them one step closer to the realization of their vision. To better understand the events that occurred during this change, the authors frequently asked the following questions:

- What is the link between setting and realizing a vision?

- What are the most important aspects of leadership driving the changing process of an organization?

The aim of this thesis is to evaluate Platzer Fastigheter AB management of this specific change event, as well as providing recommendations for future changes. Furthermore, it can be seen as a contribution to the general knowledge of how leaders manage organizational change.

1.3 Delimitations

This thesis will solely focus on a specific case of a change process that occurred within the Platzer Fastigheter AB organization. There is no attempt to produce 'the handbook of successful change' but to document the process and relate it to the existing theories from a leadership angle.

1.4 Disposition

Theoretical frame of reference – this section provides the theoretical basis for the thesis. The theories presented will describe and explain organizational strategies, leadership methods, and change management.

Methodology – this section describes the method that the authors followed throughout the process. An abductive approach was adopted, and accompanied by a series of semi-structured interviews.

Empirical findings – this section presents the empirical findings collected during the interviews. They are in raw form, as no commentary or personal reflections were involved in this section.

Analysis and discussion – this section analyzes the empirical findings and how it correlates with the theoretical frame of reference.

Conclusions – this section presents the authors' conclusion and meets the purpose and aim of the thesis.

2   Theoretical frame of reference

This part of the thesis presents the theoretical framework, which is used to understand the change process that is presented in the empirical findings. The theories presented were selected on the authors' consensus of relevance and applicability in understanding and analyzing the specific transformation in study. The theories are found to be relevant when understanding how the journey between establishing and realizing a vision is conducted within an organization. Furthermore, the theories described reflect the different approaches frequently adopted by leaders during the change process that aim to improve the likelihood of success in the outcome of the project. The theoretical framework is divided into three parts: organizational strategic tools, leadership methodology, and change management.

The first part of the theoretical framework concerns strategic tools utilized by organizations for business development. The selected tools are the vision, core values, organizational structure, and key performance indicators. These tools were selected on the assumption that they reflect the link between the desired ends of the organization's journey and the transfer down the organization, ending in the method regular day-to-day work is carried out.

The second section presents the different aspects of leadership, starting out with the distinction between leadership and management. Following is a presentation of different leadership styles that are chosen by leaders to cope with change in the most sufficient way and lead to project success.

The last section is a description of the change management process, where several grounding theories of how to manage change are presented. The authors have chosen to present a vast variety of theories to provide insight and a better understanding of the most important business aspects when leading change that generate a state of continuous improvements for the organization. Following is the section that identifies the type and level of change, since this is important for understanding the perplexities of the transition process. The transitional process is described in the next section, which emphasizes the importance of the time required for people to adapt and cope with their emotions during the changing process, considering that leaders and managers want to keep productivity at the highest rate possible during the process, in addition to minimizing the organizational anxiety and employees' resistance to change. The last section describes how change is sustained in the context of institutionalizing the changed process, so that the risk of project failure and employee failure to adapt to the new standard is minimalized. Failure to implement such change may result in loss of all the obtained organizational benefits from the change.

2.1   Organizational strategy tools

Strategic tools are vital for organizations to succeed with their business. The different aspects presented below are chosen on the basis that they are used at the top management level in order to guide the organization through their journey. They range from the linchpin of existence of the organization, the vision, down to how the organization uses KPIs in their daily work in order to keep the right course towards the fulfillment of their vision.

2.1.1   Vision

A vision statement is a statement of what the organization wants to achieve (Johnson et al 2011). The statement provides the desired future state of the organization. Fur-

thermore, the vision statement should motivate, stretch performance, and gain commitment among employees.

2.1.2 Core values

Core values encompass and communicate the underlying core principles that guide an organization's strategic plan (Johnson et al 2011). They also define how the organization should operate. Furthermore, core values should remain in highest regard, even during circumstantial change; otherwise, they are not 'core' values.

2.1.3 Organizational structure

The organizational structure provides the personnel with formal roles, responsibilities, and line of reporting (Johnson et al 2011). The organizational structure is often presented via an organizational chart. This chart defines the levels and roles within the organization (i.e. who is responsible for what). The organizational structure is also crucial when the structural lines of reporting, communicating and the exchange of knowledge are drawn. Furthermore, it provides the possibility to identify the skills required to move within the organization and helps to identify whether the organization has a specialist or generalist approach. There are many different structures, where the most common are the functional, multidivisional, matrix, transnational and project (Ibid). However, none of these structures can be seen as universal, since all organizations face different challenges and, therefore, all organizations must evaluate which structure is most suitable for them (Ibid). Changes in the organizational structures might be necessary when organizations are evolving.

2.1.4 Performance indicators

Performance indicators are a way to measure whether an organization performs the correct function and to assess if employees are working in the direction that is best for the organization, which is aligned to fulfill its vision (Parmenter 2010). Performance indicators can be measured at both the individual/departmental level or at the organizational level. At organizational level, the performance indicators should quantify, measure, and reflect how the organization is achieving its goals. For the individual or department level, it is important that encouragement and help are provided to employees so that their attitude and values are aligned with the organizations overall strategy. A common critique towards performance indicators is that the parameters that are measured are the only tasks that are accomplished (Ibid), which means that employees might focus their activities just to fulfill the performance indicators. On the other hand, measurements ensure commitment and highlights important aspects and objectives that are critical for organizational success (Ibid). Well-formulated performance indicators also lead to organizational strategic success (Ibid), which occurs as a direct result of the employees acting to meet the expected performance indicators criteria. Therefore, it can be said that performance indicators is the circuitry that links the organizational vision with employees' individual action through the identification and fulfillment of the critical success factors.
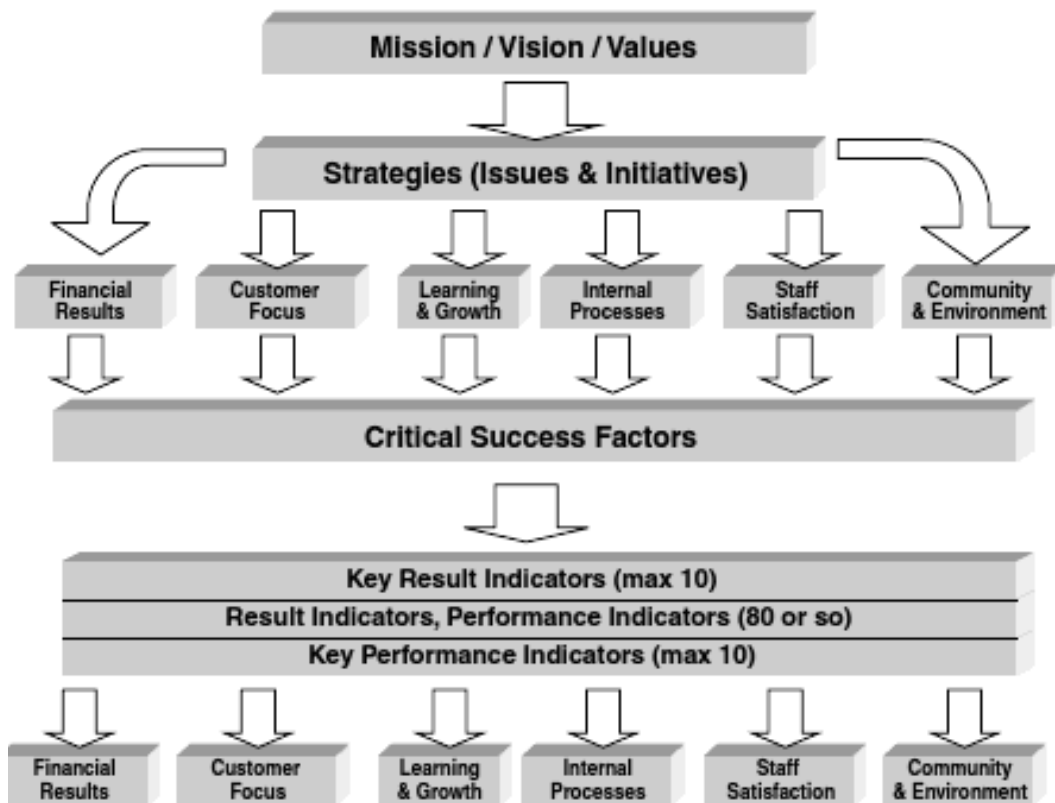
Figure 1 The link from setting a vision and working towards its fulfilment (Parmenter 2010, pp. 35)

There are four different performance indicators that are relevant (Ibid): Key Result Indicators (KRIs), Result Indicators (RIs), Performance Indicators (PIs) and Key Performance Indicators (KPIs). Figure 1 shows how these indicators are linked together with the organization's vision, strategic plan, critical success factors, everyday work, and even factors influencing personnel well-being.

KRIs measure, for example, customer satisfaction, net profit before tax, profitability of customers, employee satisfaction, and return on capital employed.

KPIs represent a set of measures focusing on those aspects of organizational performance that are the most critical for the current and future success of the organization.

RIs measure the activities behind KRIs such as sales, or the organization's result and, therefore, only concern financial aspects. They can include net profit on key product lines and sales made yesterday.

PIs are not keys to business and are, therefore, non-financial. Rather, they complement KPIs by helping to align teams with the organization's strategy, Examples of PIs are percentage increase in sales with top customers, number of employees' suggestions of improvements during the last year, customer complaints, or late delivery to key customers.

Parmenter (2010) suggests that successful implementation of KPIs begins with senior management commitment and education, with focus on the critical success factors. Thereafter, the KPIs must be communicated to the employees through a cultural and processual context, where focus is directed towards team performance measurements and its reporting framework. Re-evaluation and refinement are also important because it improves personal satisfaction by encouraging employees to embrace themselves and strive towards their fulfillment.

2.2   Leadership

Leadership and management are prototypical components of any organization and are arguably, the most important aspects for organizational success. A successful leader can stimulate and lead the organization towards success. Therefore, it is important to understand what makes a good leader. The following sections will attempt to explain some of the most common theories of leadership and how they are connected to change management. The first part discerns transactional versus transformational leadership, which is connected to economical and organizational leadership in the sense that both focus on the hard versus the soft side of management. The last section focuses on the evolution of a great leader from a good leader.

2.2.1   Management versus Leadership

Management involves a set of processes intended to keep a complicated system of people and technology running smoothly (Kotter 1996). According to (Ibid), the most important aspects of management include planning, budgeting, organizing, staffing, controlling, and problem solving. Management is often identified as leadership, but that is not the case. Leadership, according to (Ibid), is a set of processes that creates organizations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles (Ibid). Zaleznik (2004) stated that management is tasked with creating stability, while leadership seeks to create change. Kotter (1996) says that management produces orderly results, which keep something working efficiently, whereas leadership creates useful change; neither is necessarily better or a replacement for the other, but both are needed if organizations are to prosper (Gill 2002).

2.2.2   Different styles of leadership

One of the most important aspects during a change program is leadership (Eisenbach et al 1999). A good leader is, many times, vital in order to maximize the chance of success (Yukl 2012, Millar et al 2012), wherefore this part is describing some different leadership styles and trying to explain what good leadership is and how it can be related to change processes.

2.2.2.1   Transactional versus transformational leadership

Transactional and transformational leadership are based on the assumption that the transactional leader relies on bureaucracy and legitimacy within the organization whilst the transformational leader focuses on motivating followers by appealing higher ideals and moral values such as a well-defined vision for the organization that are attainable (Burns 1978). The most common leadership in business is transformational leadership, due, in part, to the notion that transformational leaders are said to be inspirational because they expect the best from all teams. These attributes and expectations lead to higher overall productivity and inspire the creation of value, adding activities (Brown 2012). For managers, the most common leadership is transactional leadership, because they ensure that routine work is accomplished in a reliable and sufficient way (Avolio et al 2009).

Bass (1990) characterizes transactional and transformational leadership; where a transactional leader is as one that uses contingent rewards, manages by exception, and uses elements of laissez-faire, whilst transformational leaders uses charisma, inspiration, intellectual stimulation and individualized consideration.

The characteristics of transactional leadership are defined as:

Contingent rewards: leaders rewarding employees in one way or another, it can be either a monetary reward for certain achievements or an express of good performance (Jackson et al 2012).

Management by exception: a way of managing through rules, regulations, standards and corrective actions (Bass 1999). An interesting aspect of this is presented by McGuire and Hutchings (2006) who examine how managers can handle challenges in an organization through a Machiavellian thinking, inspired from his most famous book 'The Prince'. They find that transactional leadership based on rules, regulations and punishments e.g. powerful, or strong, leaders can have an impact on forcing organizations to change.

Laissez-faire: a leadership style described as a hands-off approach, meaning leaders try to avoid excessive involvement and decision-making. This means that the leader is unavailable when needed and delays responding (Xirasagar 2008). This leader allows total freedom to all employees through a non-interference policy and non-existing goals (Spinelli 2006).

The characteristics of transformational leadership are defined as:

Charisma: a personality trait that is beneficial for creating affiliation within an organization. Leaders that are charismatic create a shared identity within the organization through gaining trust, affection and also through generating excitement and motivation amongst the employees (Flynn and Staw 2004). The three core components of charismatic leadership are identified as envisioning, empathy and empowerment (Choi 2006), where envisioning influences the followers need for achievement, empathy stimulates the employee's need for affiliation and empowerment enhances the employees need for power.

Inspiration: a way of communicating high expectations, enlighten important aspects, being sensitive towards the employees, and being knowledgeable (Bass 1988). Inspirational leaders tend to communicate through symbols and are said to express important purposes in simple ways.

Intellectual stimulation: promotes intelligence, rationality and careful problem solving to employees (Bass and Avolio 1995).

Individualized consideration: a style of leadership where leaders give employees individual attention, advice and personal coaching in order to reach the organizations goals (Bass and Avolio 1995).

2.2.2.2 Economical versus organizational leadership

The idea of change leadership was developed by Beer and Nohria (2000) and it focuses on the differences between economical leadership and organizational leadership, herein referred to as Theory E and Theory O, respectively. Theory E is based on the creation of quickly obtained economic value for the shareholders and focuses more on the hard side of management. Conversely, Theory O is a more patient approach and is geared at the development of a long-term organizational culture. Theory O focuses on the development of corporate culture and human capital, or the soft side of management. The most preferred way is to combine and balance these two leadership approaches so that both economical as organizational growth are obtained. This will boost both profit and productivity as well as achieve sustainable, competitive advantages. The outline of each theory are presented in Figure 2, where the different

dimensions of change are presented and aligned with their equivalent within Theory E, Theory O, and in combination between Theories E and O.

Dimensions of Change	Theory E	Theory O	Theories E and O Combined
Goals	maximize shareholder value	develop organizational capabilities	explicitly embrace the paradox between economic value and organizational capability
Leadership	manage change from the top down	encourage participation from the bottom up	set direction from the top and engage the people below
Focus	emphasize structure and systems	build up corporate culture: employees' behavior and attitudes	focus simultaneously on the hard (structures and systems) and the soft (corporate culture)
Process	plan and establish programs	experiment and evolve	plan for spontaneity
Reward System	motivate through financial incentives	motivate through commitment—use pay as fair exchange	use incentives to reinforce change but not to drive it
Use of Consultants	consultants analyze problems and shape solutions	consultants support management in shaping their own solutions	consultants are expert resources who empower employees

Figure 2 Explanation of Theory E and Theory O and how to combine them (Beer and Nohria 2000, pp. 135)

2.2.2.3 Successful leadership stage model

This model is developed by Collins (2005), and relies on the fact that great leaders have a paradoxical combination of deep personal humility and intense professional will. A professional humility is defined as where the person demonstrates a compelling modesty towards others including not blaming other peoples or external events if projects fail to deliver, acting with quiet and calm determination and not inspiring charisma to motivate the organization, channelling ambitions into the organization instead of taking own advantage of it and preparing the succession for even more greatness within the next generation of leaders. A professional will is defined as one creating superb results during the transformation from a good to a great organization, demonstrating determination to what must be produced in the long-term even if the process is hard, setting high standards of what is needed of the organization to succeed, and giving credits to those contributing to the success of the company.

Leadership can, according to this model, be divided into five stages or levels, with level one as the not so good leaders and level five as the ones transforming good organizations into great ones. The different levels, according to (Ibid) are:

Level one: high capable individual; makes productive contributions through talent, knowledge, skills and good work habits.

Level two: contributing team member; contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.

Level three: competent manager; organizes people and resources towards the effective and efficient pursuit of predetermined objectives.

Level four: effective leader; catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulation higher performance standards.

Level five: executive; builds enduring greatness through a paradoxical blend of personal humility and professional will.

Another view of this is presented by Miller (2001), who has made a four-stage model directly referring to change leadership. This assumption is based on personal change adaptability, which leads to a four-stage framework ending in successful change leadership behavior.

The top-line indicators for personal adaptability are optimism, self-assuredness, innovative, collaborative, purposeful, structured and proactive. Optimism is defined by an upbeat about the future, learning from situations and does not allow problems to dampen enthusiasm and the person's genuine optimistic view of the world. Self-assuredness is defined by a high self-esteem grounding in the knowledge of one's own abilities and confidence, ending in a feeling of being in control of upcoming events. Innovation is defined as having a fresh look at occurring problems and challenging status quo. Collaboration is defined by a look at others as resources to be called upon when encountering problems or difficulties. Purposeful meaning that one has an understanding of priorities and an ability to maintain focus and discipline towards goal achievement. Structured persons are organized, methodical and use existing systems. Proactive, meaning that one takes quick decisions and seizes opportunities due to fast thoughts and reactions.

These indicators of adaptability can be combined with different leadership change beliefs, or different change leaders. Change leaders can be clasified in four stages, where stage one leaders is not so good and stage four leaders are the one preffered for leading a change program to success. The different stages is presented below.

Stage 1. Leaders at this stage do believe that personnel will change as soon as they understand the logic behind the change or that people will change when told to change. These leaders also rely on written business cases in the communication, resulting in an assumption that little planning are necessary, but that the communication has to be very clear and logic. The underlying assumption for the leader is that people are rational and will follow their self-interest when it is presented to them, and if they do not understand then will organizational power or sanctions ensure them to do it.

Stage 2. Leaders at this stage believe that people will change through using of powerful communication and symbolism. They also believe that change itself will make people change, wherefore the planning will focus on different change techniques, such as group meetings and change symbols like t-shirts or videos. The underlying assumption is that personnel will change once the benefits of the change is presented to them, also here will organizational power or sanctions ensure them to change if not adapting to it by own will.

Stage 3. Leaders at this stage believe that people may not be willing, able or ready to change, wherefore they prefer the use of external consultants that will build a change plan that they can implement within a clearly defined budget and time-frame. As a result of this, they tend to dislike the change plan if they have to change themselves or their behaviors or skills. The underlying assumption is that personnel will become committed to change when time passes and the plan is implemented.

Stage 4. Leaders at this stage concern of the personnel's ability to absorb the change and that they may not be willing, able or ready to change. A vital part of the planning is to plan how people shall implement the change, wherefore leaders are involved in the planning themselves, being willing to devote their time and energy when developing it. The underlying assumptions are that commitment must be built and that sanctions will not be effective and that different people needs different amount of time to adapt what is changing.

2.3 Change management

When organizations face change events, there are many aspects to consider when maximizing the chances for success. For example, Beer and Nohria (2000) state that as many as 70% of the change initiatives fail to deliver the estimated result. Keller and Aiken (2009) suggest that the chance of project success can be improved through close management of employee's attitudes and the management's behavior. This section therefore describes the general theories about how to manage a change process. Thereafter a description of how leaders can identify the magnitude of the change event and another section that describes how change shall be implemented in order to minimize the anxiety within the organization. Lastly, there is a description of how to sustain the implemented changes.

2.3.1 The change process

The change process can be seen as a journey between a current state and a future state. The most common model is the Lewin model (Higgs and Rowland 2005), which is seen in Figure 3. The model suggests that there is a current state that is unfreezing, followed by a movement phase and thereafter a refreezing of the desired outcome.
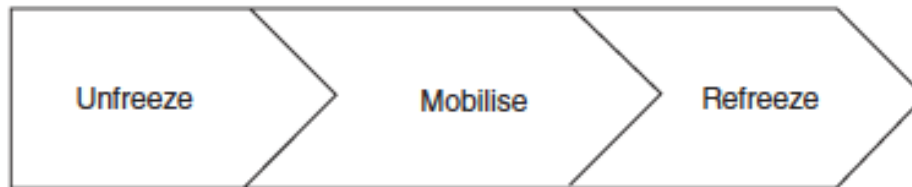
Figure 3 Lewin's three-phase model of change (Higgs and Rowland 2005, pp. 122)

This model is supported by Nadler and Tushman (1997) who suggest that the change process is ranging from a current state to a future state, via a transition state, as seen in Figure 4 where the current state needs to be changed in order to meet the organizations vision, the so-called future state. This is done through a transition of the organization, or an implementation of the desired changes. It is during this phase that many of the problems occur, and is therefore vital to manage.
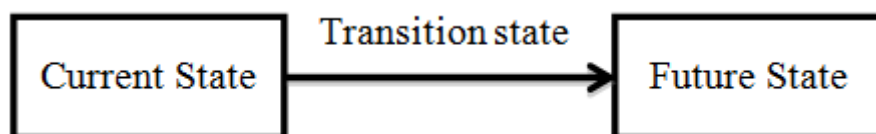
Figure 4 The model of organizational change as transition (Nadler and Tushman 1997, pp. 596)

Both these models propose that the first step involves an identification of the current state, and those aspects that need to be changes through picturing a desired end-state, or a vision for the organization. During the next phase, the movement, or transition phase, participation and involvement amongst the personnel leads towards a move to a new state, which is followed by a stabilization, or refreezing of the result or the new state of affairs, through setting new policies, rewarding successes and establishing new standards (Weick and Quinn 1999). A vital part of the change process is the change agents that shall, according to Armenakis and Bedeian (1999), lead and influence the change process through handling the resistance, lead the exploration and gain commitment within the organization. These agents can be either external consultants or an internal leading person (Saka 2003).

The risk of thinking of change as a straight line of events, instead of seeing it as a journey which does not has to be a straight chain of events (Cameron and Green 2012), is that the organization might use the models as a planning tool instead of an development process (Ibid). The unfreezing phase becomes planning, the transition becomes a sole implementation and the refreezing phase becomes a review, which leads to ignoring the fact that it is people that change and not just the organization (Ibid). Alänge and Steiber (2009) state that the board and the chief executive officer have an important role during the whole process; but that they shall take a step back after the implementation and let the organizational structure and its governance go through working behaviors.

In order to manage the transition phase there are three grounding theories about how to manage change, namely Kanter et al's (1992) ten commandments for executing change, Kotter's (1996) eight steps for successful organizational transformation and Luecke's (2003) seven steps. These theories are supported and validated by Oakland and Tanner (2007), who have developed these theories into seven steps to reinforce the cycle of change and obtain continuous improvements within the organization.

Kanter et al's (1992) Ten Commandments are:

1. *Analyze the organization and its need for change*
   Understand the organization's operations, how the business environment is, what its strength and weaknesses are and how they will be affected by the change.

2. *Create a vision and a common direction*
   Unite the organization around a central vision that reflects the core values of the organization, it will articulate what is about to come and guide behaviors that will help achieving the vision.

3. *Separate from the past*
   Disengage the current behaviors and engage into a new reality through embracing the new vision and isolation of past structures and routines.

4. *Create a sense of urgency*
   Convincing the organization that change is necessary for rallying the organization behind the change initiative. If there is not an immediate risk of bankruptcy or similar, there is a need to artificially generate some kind of emergency.

5. *Support a strong leader role*
   An advocate of change that guides inspires and drives the process through setting the vision, creating the organizational structure and motivation of employees to embrace the vision.

6. *Line up political sponsorship*
   A major change must have broad support throughout the organization to succeed. Not just only leaders and managers have to support the change, it is also important that change implementers and recipients of change accepts and embraces the changes.

7. *Craft an implementation plan*

A detailed plan which specifies how the implementation shall be conducted, consisting of everything from meeting times and dates through which efforts that is needed and how these shall be made, to the exact date when the vision of the change hopes to be achieved.

8. *Develop enabling structures*
Challenging the status quo through the creation of mechanisms for implementation, which are crucial for the organizational transformation. The new structures can be both parts of the already existing corporate structure or a free-standing part and they shall highlight the practical and symbolical necessity of change, such as workshops, kick-offs, training programs and new reward systems.

9. *Communicate, involve people and be honest*
Change leaders shall communicate as openly as possible to involve and gain trust from the peoples throughout the organization, creating involvement, communication paths and minimizing disclosures and to overcome resistance.

10. *Reinforce and institutionalize change*
Leaders and managers has to make it their top priority to prove commitment to the transformation process, reward risk taking and reinforcing and incorporate new behaviors into the day to day work within the organization.

Kotter's (1996) eight steps for leading change are:

1. *Establish a sense of urgency*
Examine the existing markets and competitive realities in order to find potential risks or possibilities, convince managers that status quo is more dangerous than change, and understand the risks of driving people out of their comfort zone.

2. *Create a guiding coalition*
A dedicated group shall be assembled, which share commitment and has enough power to lead and influence throughout the change effort.

3. *Develop a vision and a strategy*
Create a vision focused to the change and develop strategies to reach that vision and keeping it simple and easy to communicate.

4. *Communicate the change vision*
Use all possibilities there are to communicate the vision of change and the strategies developed, teach new behaviors through the guiding coalition.

5. *Empower broad-based action*
Empower others to act on the vision through removal of old structures that undermines the change vision, also removal of powerful individuals that resist change and encourage risk taking.

6. *Generate short-term wins*

Identify and create short-term wins, which do not have to be monetary, make them visible as performance improvements for the employees and recognize and reward those who reach these improvements.

7. *Consolidating gains and produce more change*
Use creditability from early wins to change structures, policies and systems that hinders the fulfillment of the vision, develop employees that can implement the vision, strengthen the process by new projects and change agents. Be careful to declare victory too soon.

8. *Anchor new approaches in the culture*
Express the connections between newly developed behaviors and the change success for the organization and create a leadership and leaders that is consistent with the organizations new approach.

Luecke's (2003) seven steps are:

1. *Mobilize energy and commitment through joint identification of business problems and their solutions*
The starting points for change efforts are to identify what the business problem is and ask the question, why do we have to do this? This question shall lie as foundation for motivation throughout the organization. It is important to convince at least 75% of the managers that the status quo is more dangerous than change, and also to identify the urgency for change, which is necessary for the change to start. Change efforts have to start in the top management, at the board of directors or through the CEO, but then it must permeate down through the organizations levels, creating commitment and motivation for change. It is vital for success that the CEO is an active supporter and not only figuring as a controller. The second part of this step is to develop a solution to the problem, through involvement of the employees.

2. *Develop a shared vision of how to organize and manage for competitiveness*
Those in charge of the change process must develop a clear vision that shall provide a clear picture of the desired future. The vision shall be easy to communicate and explain how it improves the business and how these improvements shall benefit employees. An effective vision gets most of the employees ready for, and on the side of, change wherefore it is important that the vision is anchored in the company's core values.

3. *Identify the leadership*
Ensure a visible leader and sponsor of change, someone that owns and leads the change processes. The leader shall act as a champion, assembling resources and takes responsibility for project success or failure. An important aspect of this is to not put the human resources department in charge of the change, since they have know-how about personnel and behaviors, but might lack competence of operation. Also, it is important that the unit undergoing change is responsible for it, and that the unit leader has control and responsibility over the process.

4. *Focus on results, not on activities*

A common mistake made by changing organizations is to focus on measurement and management attention towards soft and long-term activities such as training and team-creation, which supposes to generate desirable results. These activities are said to sound good, look good and allow managers to feel good, but produce little or nothing in terms of bottom-line performance i.e. measurable performance improvements. Therefore, it is important to focus on short-term wins like measurable performance improvements goals, even though the change program is long-term.

5. *Start change at the periphery, then let it spread to other units without pushing it from the top*
A change process has better odds to succeed if they are initiated in small, and fairly autonomous, groups, wherefore managers shall not try to change the whole organization at once. Instead they shall accomplish change in a small scale and let it be witnessed by employees in adjacent units making the change diffuse throughout the organization.

6. *Institutionalize success through formal policies, systems and structures*
When the objectives of the change are achieved, it is important to institutionalize the success in order to preserve the gains and not let them slip away. Therefore, the gains must be consolidated through work policies, information systems, new reporting relations and performance measurements that is keeping the organizations focus on the metrics. The goal is to get the employees to concern as much about institutionalizing the changes as with the implementation process itself, reaching continuous improvements.

7. *Monitor and adjust strategies in response to problems in the change process*
Leaders and managers must learn that change programs almost never go according to the plan, there are always unexpected problems occurring, both internal as external. A need of flexibility and adaption is important, as well as being prepared to occurring problems, wherefore their change plans must be robust according to schedules, sequences and personnel. This can be done through self-diagnosis after the change, leading to organizational learning.

Oakland and Tanner's (2007) framework for reinforcement of change is:

1. Gain commitment to change
2. Develop a shared vision of what is needed
3. Define measurable indicators of success
4. Identify critical success factors to move forward
5. Break down success factors into key processes and gain ownership
6. Break down the key processes into sub processes, activities and tasks and form teams around these
7. Monitor and adjust the process as problems arise

The steps within the model is similar to those presented in the theories above, wherefore the model is used as a framework that aims to reinforce change and obtain continuous improvements within the organization, as seen in Figure 5.
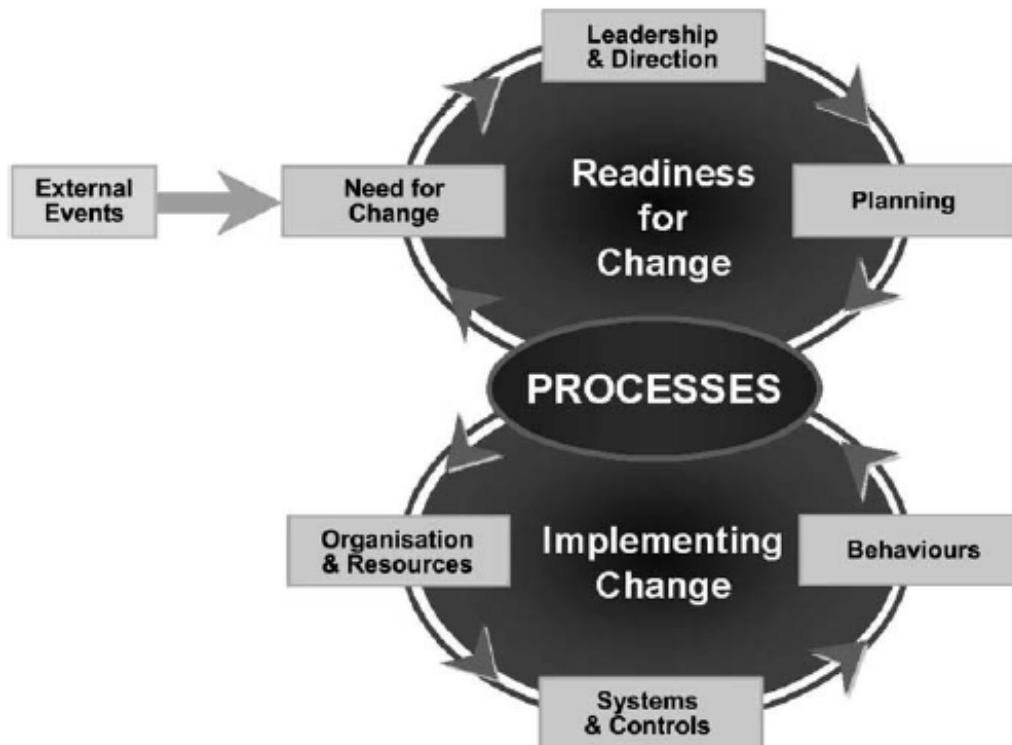
Figure 5 The framework for reinforcement of change as continuous improvements (Oakland and Tanner 2007, pp. 584)

Another way at looking at change is described by Senge et al (1999). They state that most change programs fail to deliver despite a high resource allocation, talented managers and the board's support due to the lack of the organizations ability to learn. Instead, a learning organization is of great importance. An organization that is ready for and accepting changes will welcome change initiatives and by that giving the project a much easier start, that is more likely to deliver project success in the end. Change is initiated through three simultaneously on-going supportive processes which are committed people working with the process, achieving a personal gain for peoples involved and that the whole process shall end in positive results for the organization. The objective for commitment is to focus on goals rather than on detailed plans. (Ibid) claims that the internal change and evolution is inevitable and depending on the relation between strengthening and limiting elements of the organization. Authority driven change may prove fast and great results in the short run, but to the cost of lower productivity, profitability and morale. These changes will lose momentum, since they are being pushed forward. To make changes not lose momentum, it is suggested that changes shall be learning initiatives, which is based in widespread commitment. Starting in a small scale, which will increase until reaching a large number of peoples and activities where the participants learn from their successes and mistakes. Also, by not being dependent on a single person, the initiative will be self-perpetuating, being more of a cycle of continuous improvements.

2.3.2 Identifying the type and level of the change

When planning for the implementation of a change program, one has to identify and diagnose the type and level of change, in order to be able to decide what type of leadership that is most suitable. Balogun and Hope Hailey (2008) have developed a framework for identifying the type of change depending on the level of change, see

Figure 6. This framework combines the nature/speed of the change with the extent of the change, explaining what type of change to expect.

		Extent of change	
		Transformation	Realignment
Nature/Speed of change	Incremental	Evolution	Adaption
	Big Bang	Revolution	Reconstruction

Figure 6 Framework for identifying change depending on the nature/speed and the extent of change (Balogun and Hope Hailey 2008, pp. 21)

The nature/speed of change identifies how the change is implemented; it ranges from an all-at-once, Big Bang, implementation to a step-by-step incremental implementation. The extent of change ranges from a transformational to realignment, where the transformation entails the changing of the organizations culture while realignment does not.

The different types of change defined are evolution, revolution, adaption and reconstruction. Evolution is a change that is implemented gradually through interrelated activities, likely proactive actions for the need of future changes. Revolution is a change where simultaneous activities are occurring on many fronts, most likely to be forced as a reactive action. Adaption is a change in realignment of how the organization operates, implemented through a series of controlled steps. Reconstruction is like an adaption, but that many actions are implemented simultaneously, often forced by a change in the competitive context.

Balogun and Hope Hailey's (2007) model is based on the Dunphy and Stace (1993) change matrix, see Figure 7. The Dunphy and Stace model is a bit more extensive than Balogun and Hope Hailey's model, also taking into consideration the style of change management when defining the type of change.

Style of Change management	Fine Tuning	Incremental Adjustment	Modular Transformation	Corporate Transformation
Collaborative		Type 1 Participative evolution		Type 2 Charismatic transformation
Consultative				
Directive		Type 3 Forced evolution		Type 4 Dictatorial transformation
Coercive				

Figure 7 Identification of change depending on leadership and level of change (Dunphy and Stace 1993, pp. 908)

This model has a contingency approach towards change management, challenging the view of one best way of managing change. It takes into consideration the size of the organization, how big the change is and who will be the recipient of the change program. The Dunphy-Stace model depends upon two factors: the scale, or size, of the change and the involved leadership styles when implementing the change.

The different scales of change are fine-tuning, incremental adjustment, modular transformation and corporate transformation.

The *fine-tuning* is characterized, as an on-going process where the organizations fit i.e. the match between the organization's strategy, structure, people and processes are fine-tuned in order to increase the organizations departmental/divisional effectiveness. For example: refining policies, creating specialist units, fostering commitment or clarifying established roles.

An *incremental adjustment* is characterized by modifications, or incremental adjustments, of corporate business strategies, structures and management processes in order to adapt to environmental changes. For example: expanding sales territories, improving production processes, articulating modified mission statements or adjustments to the organizational structures.

A *modular transformation* is characterized by a focus on realignments of departments or divisions rather than at an organizational level. For example: major restructurings of particular departments, changes in key executives, reinforced goals or introductions of new processes.

The *corporate transformation* is a radical strategic shift of the whole organization where revolutionary changes are found throughout the whole organization. For example: reformed mission and core values, altered power structures, reorganizations i.e. major changes of structures and processes, revised interaction patterns i.e. new procedures and decision making patterns or new executives in key managerial positions from outside the organization.

The different styles of leaderships during the change are collaborative, consultative, directive and coercive.

The *collaborative* approach involves widespread employer participation during important decisions.

The *consultative* approach involves consultation with the employees, where their involvement is limited to their area of expertise or responsibility.

The *directive* approach involves managerial authority and directing as the main decision making form.

The *coercive* approach involves executive, managerial or external parties who imposes or forces change of key groups.

Altogether, this leads to four different types and levels of change. These are the participative evolution, charismatic transformation, forced evolution and dictatorial transformation of organizations.

This suggestion of change/leadership approaches can be used to identify which type of leadership approach that is most suitable towards a certain need of organizational change. Higgs and Rowland (2005) have identified four approaches to change management, which support that view, and corresponds with the magnitude of change and

how complicated they are to manage. These four approaches are: directive or simple, master or sophisticated, self-assembly or DIY and emergence.

The *directive changes* is a combination of a one look and straightforward changes, which suggests that the change is driven, controlled, managed and initiated from the top management or a small influential/powerful group. Simple change theories, few targets set, and small range of interventions, tightly controlled communication and where engagement is about control of objectives characterize it.

The *master changes* are a combination of a one look and complex changes, which suggests that a small group or the top management drives the change. They use complex change theories with a lot of elements, a wide range of interventions, extensive engagement and explicit project management.

The *self-assembly changes* are a combination of local differentiation and straightforward change, where the directions are tightly set and the accountability for change emerges from local managers. It focuses on capacity or capability development and has strategic direction but local adaption.

The *emergent changes* are a combination of local differentiation and complex change, relying on few big rules and loosely set directions where change is initiated anywhere in the organization which aims to share the best practices and include new peoples.

Another view of identifying changes is made by Todnem By (2005), who suggests a framework based on the rate of occurrence and how it comes about.

The changes characterized by the rate of occurrence are based on the assumption that change can be discontinuous, incremental, bumpy incremental, continuous and bumpy continuous.

The changes characterized by how it comes about are based on the assumption that the dominant approaches are planned and emergent change complimented with contingency and choice changes.

2.3.3 Implementing change

All changes involve people, wherefore the human behaviors during change processes are important to understand, not just only to maximize the chances for success but also to minimize the anxiety amongst employees within the organization. As Bridges and Mitchell (2000) state, all changes cause losses wherefore leaders has an important role to play in the process of transition during the change process. They shall act as guides for the employees during this process, and they must therefore understand how the dynamics of people's behaviors affects the organization (Ibid). The difference between change and transition is, as Austin and Currie (2003) state, that change is situational and external, something management tend to focus e.g., a new boss, new policies or a new workspace whilst transition is psychological and internal, or something that people experience e.g., feelings towards the new boss or workplace or policies. This difference is important to understand as a leader, since human behaviors affect the outcome of the change process, and the process can be shortened and put through more effectively minimizing organizational anxiety and loss of efficiency (Ibid).

The process of transition is shown in Figure 8, where the different states of mind, or people's emotions, are noted on the grey line, with important feelings accented and identified as announcement, shock, denial, anger, bargaining, depression, testing and acceptance. The person's productivity is noted on the black line, depending on the emotions shown. Cullberg and Lundin (2006) divides these phases into four moods or

phases, namely the denial phase where employees says "it won't affect me", the resistance phase "I don't want to", confusion "what is it all about?" and the commitment phase "ok, I'm in!". The transition process can be divided into three phases, the letting go-loss phase, the neutral zone and the new beginnings.
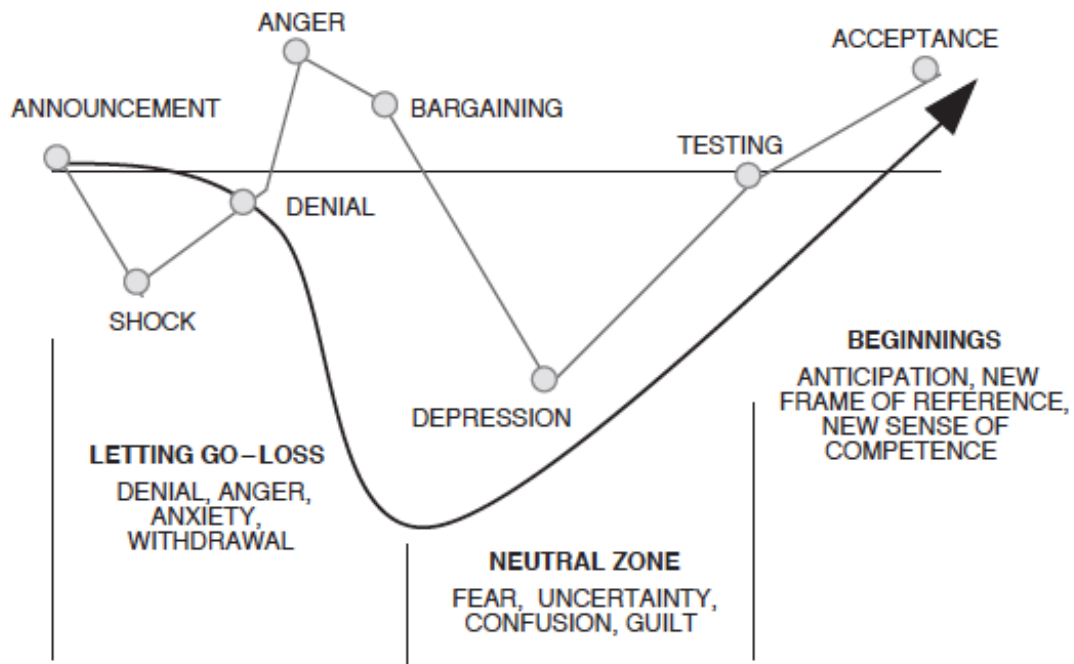
Figure 8 Emotions during the transition phase (Austin and Currie 2003, pp. 233)

Another view is presented by Janssen (1996) who divides the change process into four rooms, which also can be seen as phases. The first room is where the employees are satisfied and don't want to change, the next room is denial or censoring where the satisfaction decreases and a defense for the existing arises, leaving a feeling of denial for what is about to come. The third room is confusion where one is not letting go of the old and is somewhat unsure about the new. The last room is the inspirational or where one is realizing the new opportunities that come with the change.

The most difficult part for leaders is to manage the neutral zone, or the anxiety and fear that will arise amongst the personnel (Austin and Currie 2003). Much of it depending on the different time, or pace, it takes for different persons within different levels of the organization. This is called the marathon effect (Bridges and Mitchell 2000) and it says that the higher a leader sits in the organization, the more quickly is he or she tending to move through the change process because they can see the intended destination long before the rest of the organization even know that the process has started, see Figure 9, which might lead to that senior management forgets that others will take longer to make the transition and therefore might rush the organization which might lead to failure of the change program.
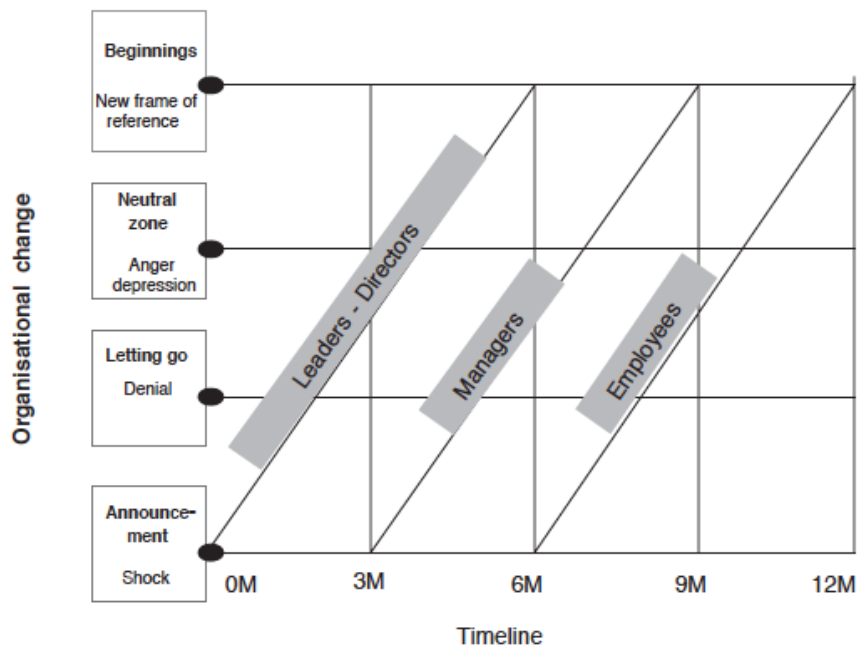
Figure 9 Timeline of change, as perceived on different levels of an organization (Austin and Currie 2003, pp. 237)

In order to manage the transition process Bridges and Mitchell (2010) suggest a seven-step plan that leaders shall adapt and use towards the employees. First: learn to describe the change and why it must happen. Second: plan all details carefully, assign responsibility for each detail, and establish a timeline and a communication plan. Third: understand who is going to let go of what, what is ending in people's work life and career, and what people should let go of. Forth: help people to respectfully let go of the past, mostly by communicating and giving a constant stream of information. Fifth: help people through the neutral zone with communication, rather than information. Use the four P: s of transition communication: purpose (why), picture (what the goal is), plan (how), part (what you need to do). Sixth: create temporary solutions to temporary problems and the high level of uncertainty in the neutral zone. And finally: help people to launch the new beginning by articulating the new attitudes and behaviors needed to make the change work. During the neutral zone, leaders might also set short term goals so people feel achievement, review the policies and procedures, develop the temporary roles and celebrate small wins through a non-overpromising culture and also provide training on teamwork (Ibid).

Important aspects of maximizing the chance for a successful transition are communication of (Goodman and Truss 2004) and commitment to change (Brown and Cregan 2008). Communication is a very important aspect, both internal as external (Daft 2008), and needs to be managed to gain commitment amongst the employees (Simonsson and Halvarsson 2006). Goodman and Truss (2004) emphasize the importance of choosing the right method, and also the most suitable timing and media for communication, saying that there are four level of communication, suitable for different types of change, ranging from routine to complex. These are face-to-face, interactive, personal memos and general bulletins. This view is supported by Clegg et al (2011) who state that there are four different levels, similar to Goodman and Truss' (2004), of communication, dyadic, small-group, organizational and mass communication. Each method, and chosen media, of communication is more suitable for different situation, with the common denominator of stating that it is important to communicate to and inform all employees as much as possible (Clampitt and Berk 1996). Commu-

nication during transitions is of high importance since it reduces the employees' anxiety and increases their acceptance to the change implementation (Hartley and Bruckham 2000), which will lead to a much higher commitment towards the change program, which in turn leads to a much higher chance of organizational change success (Lorenzi and Riley 2000).

A well-managed transition process is shown in Figure 10, where the leaders have managed the organizational anxiety and employee's emotion properly. The result of a well-managed process of transition, or change process, is that the organizations productivity does not decrease in any great extent (Austin and Currie 2003).
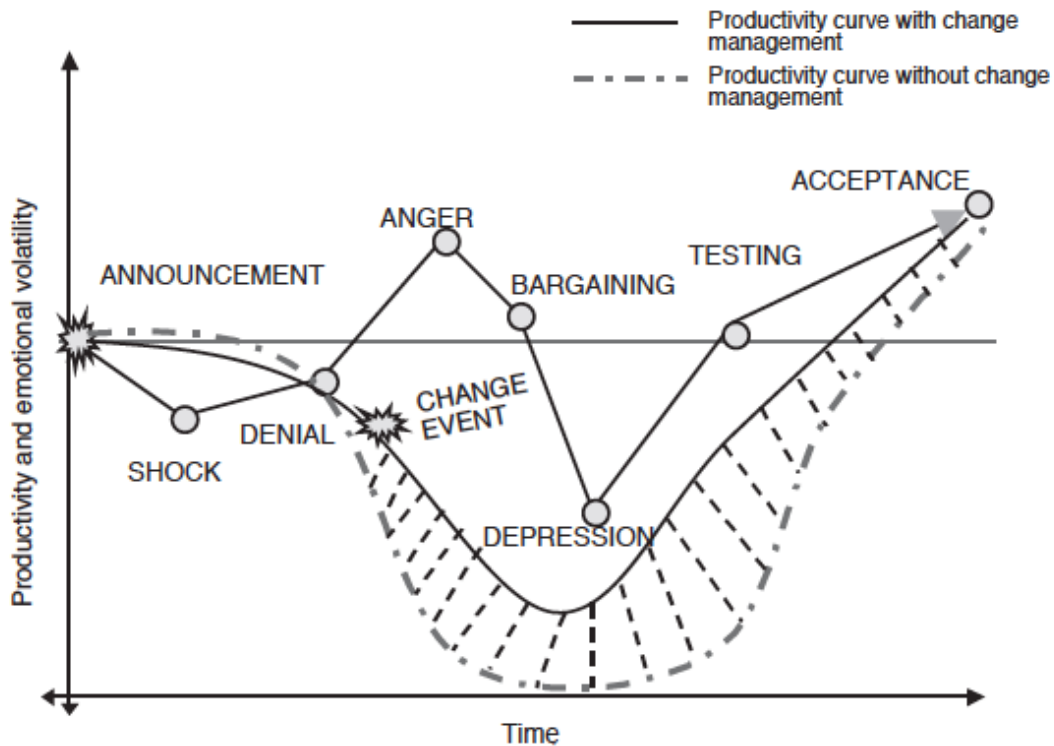
Figure 10 The impact of a well-managed organizational change (Austin and Currie 2003, pp. 242)

2.3.4 Sustaining change

After the implementation phase, it is important to monitor how the change is perceived within the organization. This is important due to the need of sustaining the change so that the organizations do not fall back into the state that existed before the change, with the risk of not obtaining the expected outcome. In order to monitor how the change has affected the organization, one has to establish the change, or sustain it, and thereafter assess, follow up, the process in order to receive organizational learning.

To make an organizational change successful the change must be sustained over time within the organization, which is reflected in Lewin's concept of refreezing. Some organizational changes persist, while others decay when the gains from the change are lost, due to that the new practices are not sustained over time. According to Buchanan et al (2005), there are some concerns about the focus of change theories. They argue that the focus on episodic change, where periods of relative stability are followed by periods of adaption to changes, is problematic since the times of stability might be seen as organizational inertia or a lack of paying attention and reacting to signals of a changing environment. Furthermore, they argue that the ideal organization shall be

able to be capable of on-going adaption; whether the organization faces either episodic or on-going change, wherefore the leaders might see sustaining changes as losing momentum. Also, sustaining changes i.e. establishing routines is not seen as an interesting part or a career value for most managers (Ibid), wherefore it might be seen not as a condition to be achieved but more as a problem to solve. The personnel might see the desire to sustain the current methods as prevention from gaining new skills and experiences, which might lead to a loss of morale (Ibid). Therefore, it is important that the managers and the staff share the same objectives or goals. According to Rimmer (1996), the CEO has an important role; he needs to be a supporter and communicator of the change, seeking to achieve best practice for the organization, and also for achieving the financial goals.

Despite this, the preservation of change programs and sustaining the new routines is most vital in order to gain success for, and achieve advantages from, the organizational change program (Burke 2010), wherefore leaders cannot skip this phase.

Senge et al (1999) argue that sustaining a change process requires a fundamental shift in thinking, with focus on understanding the limiting processes that must be coped with. These are: the easy addressed problems which hinder the focus from the real or tough problems, reaching the limit of commitment amongst the managers, reaching undiscussable issues which might lead to conflicts and a lack of systematic thinking, or tackling the symptoms rather than the problems. In order to cope with these problems, Senge et al (2000) identify three main challenges that leaders have to deal with, namely fear and anxiety; performance measures and that old habits gain cult status and become isolated from the organization. In order to meet these challenges Senge et al (1999) suggest four approaches: individual; where those involved accepts that fear is a natural response, managerial; where managers are prepared to tackle the difficult or high risk problems, cultural; where cultural institutions within the organizations has to be changed, and processual; where sustainability can be seen as a discrete issue or as an extended process of implementation.

Kotter (2007) talks about anchoring change. In his model, he argues that change shall be institutionalized as a new approach and therefore produce still more change. (Ibid) identifies a threat to this as declaring victory too soon, where managers celebrate the first clear improvements, which might lead to slower momentum and not achieving the expected performance improvements. Furthermore, (Ibid) argues that institutionalizing changes has to dimensions, first as a link between changes in behaviors and attitudes, and performance improvements and second as a management succession, where the next generation of managers personifies the new approaches (Buchanan et al 2005). Kotter's (2007) perspective emphasizes five categories of important aspects of influencing sustainability. These are: managerial, leadership, cultural, political and temporal.

Another important aspect when sustaining change is presented by Jacobs (2002). He argues that change has to be institutionalized, meaning that change shall last until the goals are achieved i.e. becoming a part of the everyday activities within the organization. (Ibid) identifies five categories to institutionalize changes: substantial; where the change must be seen as consistent with the organizations fit, individual; where competences, commitment and rewards are adequate, leadership; where goals are clear, consistent, stable and challenging, processual; where change has internal support and is monitored and contextual; where trade unions accept the change.

In summary, according to Buchanan et al (2005), the most important perspectives when influencing on sustainability is the:

- Substantial: perceived centrality, scale fit
- Individual: commitment, emotions, expectations
- Managerial: style, approach, behaviors
- Financial: contribution, balance of costs and benefits
- Leadership: setting vision, values, goals, challenges
- Organizational: policies, procedures, structure
- Cultural: shared beliefs, perceptions, norms, values
- Political: stakeholder and coalition power of influence
- Processual: implementation methods
- Contextual: external conditions, stability, threats
- Temporal: timing, pacing, flow of events

Pettigrew et al (1992) argue that these perspectives have three dimensions, the internal context, the external context and the past and current events and experiences, which affect how the process of sustaining the change is perceived. Buchanan et al (2005) argue that much of the acceptance and the sustaining of change are depending on how the processes were implemented within the organization.

2.4   Theoretical summary

The link between an organizations vision and how the employees are working towards its fulfilment is of great importance to understand when leading an organization. All organizations can be said to have embarked on a journey towards reaching its vision, and as a result of this, there is a constant need of organizational changes, in order to meet environmental changes, both external as well as internal. If organizations fail to adapt to these changes, there is an immediate risk of them being outrun by competitors that are much more in shape to adapt and accept the new demands.

When setting a vision, it is up to the owners to define where they want to see the company in a determined future. This vision is communicated to the board of directors, which authorizes the chief executive officer to implement certain strategies to reach that vision. The strategies are communicated to the different departments, which has responsibility for achieving these through the identification of critical success factors that has to be met. These critical success factors can be broken down into key results indicators, results indicators, performance indicators and key performance indicators, which the employees can relate to in their daily work.

The aim is to create an organizational environment that encourages continuous improvements in the organizations strive towards the fulfilment of its vision. The organizations that manages to create such environments do have competent leaders, wherefore the authors of this thesis has tried to understand what makes a good leader, or more precisely, what makes a good change leader. In order to understand this, an examination of different leadership styles has been carried out. It has been noticed that the most commonly used leadership styles during change processes are transactional and transformational leadership, where a transactional leader is as one that uses contingent rewards, manages by exception and uses elements of laissez-faire and transformational leaders uses charisma, inspiration, intellectual stimulation and individualized consideration.

Another way of looking at change leadership is the theory about the E and O leadership and the problem of balancing between them. Theory E concerns the hard side of management, namely the economic aspects and theory O concerns the soft side of management, namely the organizational behaviours. The aim is to balance between them, so that the leaders can achieve the benefits from both of them and in that way maximize the chance of a successful organizational transformation. Another way of looking at successful change leadership is the stage model, which can be seen as a practical method of the Theory E and O. Leaders can, by using the stage model, identify how to work towards balancing the hard and soft side of management and become a better leader, both for the personnel as well as for the organization's needs. When reaching the highest stage of leadership, one can be seen as a truly effective and empathetic leader that has the abilities to obtain and manage a successful transition of the organization.

As mentioned above, the owners set a vision for where they want the organization to be in a defined future, and to meet this vision the organization as to go through a transition phase, or a journey towards the future. The theories about journey management start with the model of unfreezing, movement and refreezing. This model has been adapted to a more modern view where organizations cannot refreeze, or they will not be able to reach a state where they are adapting continuous improvements and constant changes. Nowadays the theories state that there is a current state, that is how the organization is functioning today, and then there is a future state, which is what the organization strives towards. In order to reach that desired future, the organization has to go through a transition, where they change operations and behaviors that are not in line with the vision of the desired future state.

When leading a transition from the current state to the future state, there is most often a need make changes within the organization. There are many theories concerning organizational change, and how to lead those. The most influential ones are presented in chapter 2.3.1. Below there is a list in which the authors of this thesis have tried to identify the 10 steps that these theories about leading organizational change has in common. The aim when conducting organizational changes is to adapt a learning organization that is in constant change through continuous improvements. The 10 steps of leading change, compiled by the authors of this thesis are:

1. Identify and understand why and what shall be changed
2. Establish a sense of urgency
3. Encourage people to join a guiding coalition and assign a project leader i.e. a change agent
4. Develop a change vision and common goals for what to achieve
5. Create a detailed change plan
6. Communicate extensively about the change and what's happening in the process
7. Empower employees to act on the change
8. Create short-term wins
9. Reinforce and refine the change in order to sustain it and not lose momentum
10. Consolidate and produce more change

Another important aspect when leading change is to be capable of identifying the level of the change, and adapt ones leadership after that situation. A corect identification of the change can help to adapt a sufficient leadership for that change event, since a small change demands amuch lower amount of leading than a large one. The level of change ranges from a fine tuning of small parts within the organization to

a total transformation, where the whole organization is reengineerd. The leadership styles reccomended for those changes ranges from a collaborative to a coercive style, where the collaborative leader can be ssen as a transfomrational leader that focuses more on the human side, whilst a coercive leader is more of a transactional leader focusing more on the execution of the change.

During the implementation phase of a change program, it is important to consider people's behaviors and feeling. All humans reacts different to changes, where some tend to neglect them, some welcomes them and some worries a lot of what is about to come. Almost all humans react in the same way, but to different extent, to changes. They go through four phases, which are denial, resistance, confusion and commitment. These phases have to be managed properly by leaders in order to upkeep the productivity in the highest extent possible and hindering people from worrying too much and therefore resist to the changes. By managing the neutral zone, which is the time between the old habits are let go and the new beginning, the change process can be smoothened. Due to the different times that different level of the organization are aware of the changes, all employees within the organization is at different places of the transition curve at all the time, wherefore leaders must be able to adapt different leadership styles to different peoples all the time. The most sufficient way to manage the neutral zone, and make the transition phase is communication and commitment from leaders. By being change agents that communicates what's good with the changes and have a true commitment to it, the rest of the organization will be willing to follow them.

After the change has been implemented and the organization has adapted the changes, it is important to sustain, or institutionalize, the changes. If not doing so, there is a risk that the organization falls back into the state that was before the change, and therefore loses all the made progress. The best way of sustaining change is to incorporate the new behaviors into the everyday work of the personnel within the organization.

1   Methodology

This section describes how the authors have conducted the research process for this Master's Thesis, wherefore the chosen methodological approach will be defined and critically explained. The methodology for this specific study is a qualitative single-case study where primary data was collected via semi-structured interviews and secondary data was collected from official and un-official documents. The research method was inspired by abductive principles. In studies relying on abduction, the original framework is successfully modified, partly as a result of unanticipated empirical findings, but also of theoretical insights gained during the process (Dubois and Gadde, 2002).

The method that was followed for this thesis was an abductive approach to a case study. The first step was to collect literature and opinions about our topic, namely change management. After a generic overview of the organizational change management literature we decided to place our focus on leadership. The literature that we focused on varied; from handbooks of leadership to in-depth articles regarding leaders and behaviors of the organizations. However this literature part was not sufficient for our research. Therefore, we turned towards a Gothenburg-based real estate company, which was about to undergo an organizational change process. After meeting with an executive by the side of the company we modified the scope of our case study and found a common ground for our research to be useful to the company. The next step was our presentation to the rest of the company and a short introduction in our research. The core of our case study is a series of interviews conducted with a representative sample of employees. This sample of employees consists of the following:

- The CEO
- An area property manager
- Two project managers
- A property manager
- A technical property manager
- The Communication Manager

Except for the semi-structured interviews we conducted an informal study of the company by having almost daily contact with the rest of the employees. This way we attempted to access the 'corridor-talk' of the company and get an unofficial overview on how the employees experience the change. Particularly, we followed closely one of the property technicians, which belong to a department that was highly affected by the process. We conducted three series of interviews with the personnel mentioned above. The first interview had an introductory character, meaning that we tried to familiarize ourselves to the interviewees in order to gain their confidence. Confidence was really important to gain since our questions were touching upon sensitive issues of relations within the organization. The first interview also attempted to examine the past of this organizational change and how the company reached to the point of performing it. Furthermore, this initial interview attempted to examine how the employees see the company in the future. The second one was shorter and it was an attempt to follow-up on the process and compare with the answers of the first interview. After the second interview, there was a need for a customization of the process so one more person was interviewed. The reason was that it came up that this person belonged to the most change-affected group of employees so their opinion was critical. The third interview was conclusive and another attempt to follow-up the whole process. Fur-

thermore, we attempted to get some external opinions and points of view regarding leadership and change management, so we had the chance to conduct short interviews with two consultants in two respective consultant companies and one experienced CEO and member of various boards. During the whole process we kept a daily case log where we kept track of the activity within the company. Our everyday presence in the company was documented and the results of our observations were orderly kept in the daily log.

1.1   Research approach, process and case selection

The case study selection was based on the current situation of the company that we investigated. They happened to undergo a change process exactly at the time that the authors selected to conduct this study. Therefore, the situation was phenomenal in order to be able to follow the process in 'real time'. After contacting the supervisor by the side of the company and after some productive discussions the authors reached the conclusion to investigate the leadership during the change.

1.2   Data collection

Semi-structured interviews were selected as the means of data collection because of two primary considerations. First, they are well suited for the exploration of the perceptions and opinions of respondents regarding complex and sometimes sensitive issues and enable probing for more information and clarification of answers. Second, the varied professional, educational and personal histories of the sample group precluded the use of a standardized interview schedule (Barriball & White, 1994). The data collection was divided in three parts. The first part was a series of semi-structured interviews with certain individuals throughout the company, the second was the informal observations that the authors conducted during their time in the company's offices, and the third was the documentation provided to the authors by the company. This documentation was annual reports, workshop minutes, and a research regarding the employee satisfaction in the company. The last was conducted by external consultants. The authors chose to focus the interviews on individuals that had a direct effect on the change process, namely a number of executives including the CEO. However, in order to validate the results and be able to view the subject from a different angle, the authors interviewed a few individuals, which were not located on a leader position. There were three series of interviews with six different individuals. The first interview attempted to create an environment of trust between the interviewers and the interviewees, since the questions asked were addressing private opinions. In order to achieve that, the interviewees asked questions about the background and the career of the interviewees as well as their personal perception of the company. The second interview attempted to follow up on the first, while the third attempted to confirm what the interviewees stated in the first two interviews. After every series of interviews the authors had new data and theory, which complemented the interview cycle. The second interview also showed that there is another group that is also affected heavily by the change, so the authors contacted one member of this group, which got interviewed after that. The interview guides are to be found in the appendices.

1.3   Trustworthiness

The interview questions were formulated on the basis of theory and previous findings. Every interview added new data, which fed back to the process. The derived data from the interviews were then matched to the equivalent theory to produce a trustworthy result and provide a solid ground for the analysis and discussion part. After dis-

cussions with the CEO and the rest of the interviewees we agreed on keeping the empirical findings private. The way the empirical findings are exhibited is designed in order to make sure that answers are not identified with certain persons.

2 Empirical findings

This section presents the empirical findings gathered by the authors during 20 face-to-face interviews with 7 employees at different positions within Platzer Fastigheter AB. Initially, a case description is presented, followed by the four phases as conceived by the authors. These phases are:

- Establishing the vision
- Planning for change
- Implementing change
- Sustaining change

Each phase is described separately by presenting the most important and relevant parts of the interviews. The use of the word 'phase' refers to the attempt of the authors to give the reader a clear picture of how the change evolved. Dubois and Gadde (2002) suggest that the researcher, by constantly going 'back and forth' from one type of research activity to another and between empirical observations and theory, is able to expand his understanding of both theory and empirical phenomena. Below follows a description of the company and the substantial organizational changes that were conducted.

2.1 Company description – Platzer Fastigheter AB

Platzer's history reaches back to 1914 when Sven Platzer was born in London. In the year 1948 he became partner in the construction company Widmark & Platzer, which became Platzer Construction through a series of mergers in 1969. The company becomes publicly listed at the Stockholm OTC stock exchange in 1983 and in 1991 it is listed at the OMX A-list. During 1996 and 1997 the company refines its business through selling its subsidiaries, two construction firms in Stockholm and Gothenburg. During these years Ernströmgruppen is starting to buy stocks in the company, and becomes the principal shareholder in 1998. The new owners changed the company's strategy via renaming it to Platzer Real Estate, and relocated the head office from Stockholm to Gothenburg.

During the following years, the property portfolio is concentrated to commercial properties in the Gothenburg area. In the year 2001, Platzer Fastigheter AB becomes a wholly owned subsidiary to Ernströmsgruppen, and is delisted from the stock exchange. Until today, the ownership structure has been expanded to 8 shareholders. Platzer has a leasable area of approximately 400 000 m^2 divided on 55 properties, and their EBITDA is 258 MSEK and the profit after taxes are 157 MSEK, compared to 73 MSEK in the previous year (Platzer 2013). The company is fast growing; during the last year their property management result were increased by 50 percent to 130 MSEK, the property portfolio value was increased by 108 MSEK, they acquired 9 properties to a value of 1499 MSEK and sold 4 properties to a value of 171 MSEK (Ibid).

Platzers vision is to become "the leading commercial real estate concern in the Gothenburg area, the natural first hand choice", and they will try to reach that via their business case which states that they shall "from a leading position, with efficiency, sustainability and high quality, develop and manage commercial properties in the Gothenburg area for the benefit of customers, employees and owners" (Ibid).

2.2   Case description

In the progress of fulfilling their mission and vision statements, Platzer is today on a journey towards expansion and later on to be re-introduced into the Nasdaq-OMX stock exchange. In order to be prepared for the future, they have recently conducted a series of changes within their organization, consisting of a new organizational structure, new core values and an implementation of key performance indicators. The aim is to adapt the organizational structure towards new challenges concerning a larger property portfolio and support that expansion through a more specialized support function and focus more on rental, customer relations and property development (Ibid). The new core values are: Freedom through responsibility, Openness and Long-term development.

The change in the organizational structure aims to re-organize the organization from a matrix organization where "everyone knows a little about everything" (Platzer 2013) to a more linear structure with more delegated responsibilities and more of a specialist organization, both within the operational as well as the supporting business areas.

The organizational structure before the change is presented in Figure 11 and the structure after the change are presented in Figure 12.

Legend to the organizational structure:

BD – Business developer, E/A – Economy and administration, PM – Property manager, TM – Technical manager, CT – Caretaker, O – Operations, MO – Market operator, PL – Project leader, P&O – Project and operation
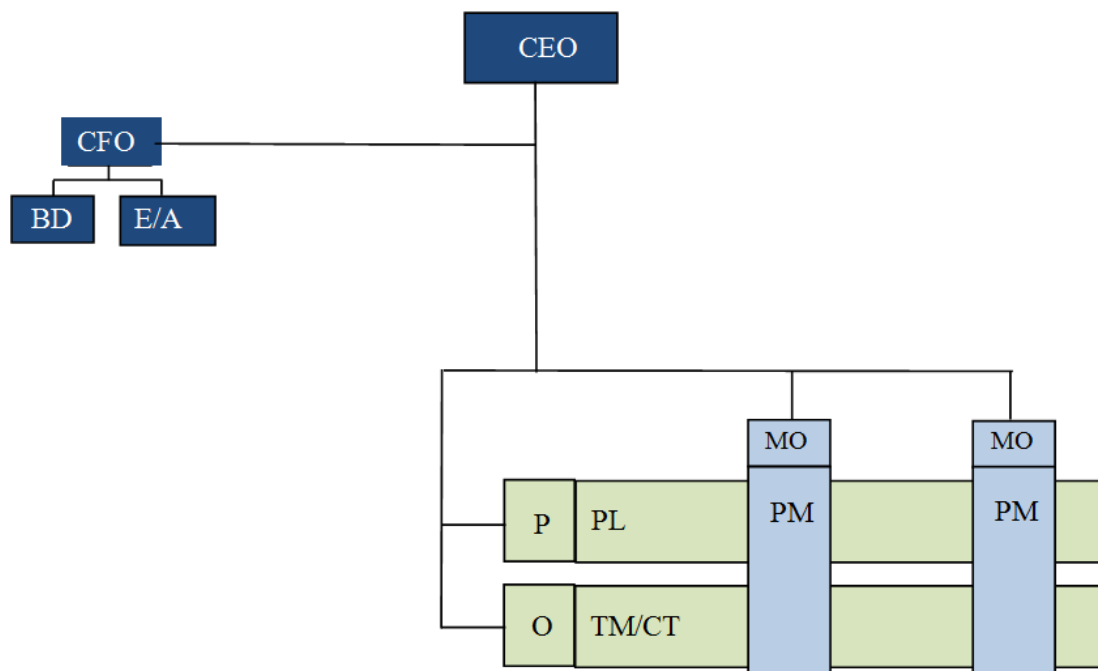

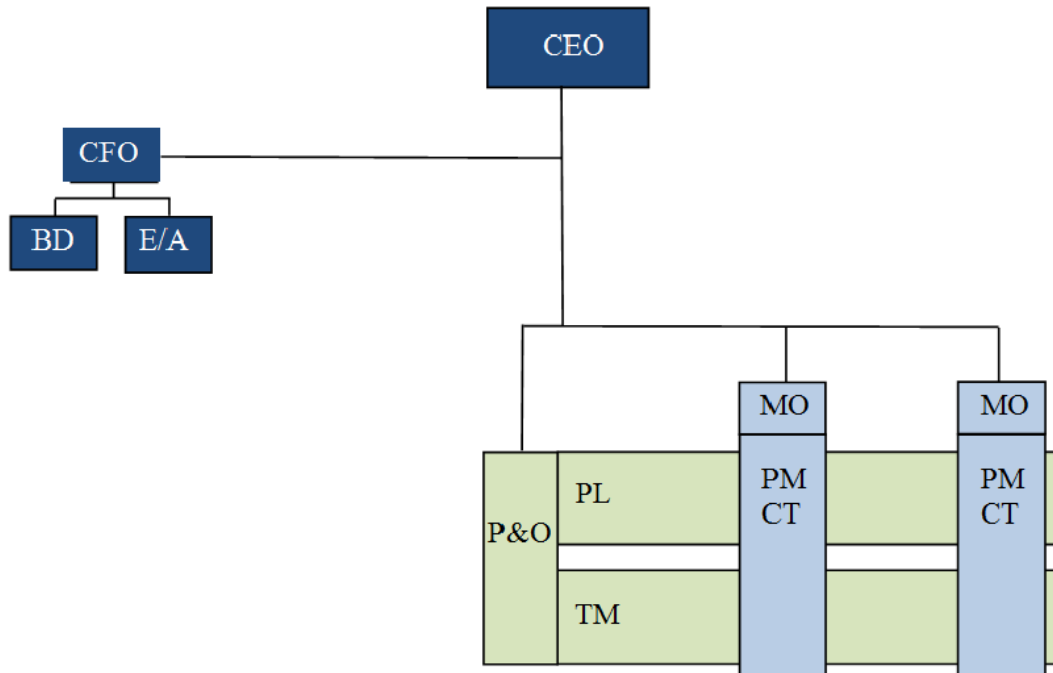**Figure 11 Platzer's organizational structure before the change**

Figure 12 Platzer's organizational structure after the change

In order to have a better understanding of the time aspects of the change, Figure 13 presents a timeline of how the events evolved and which were the most important milestones.
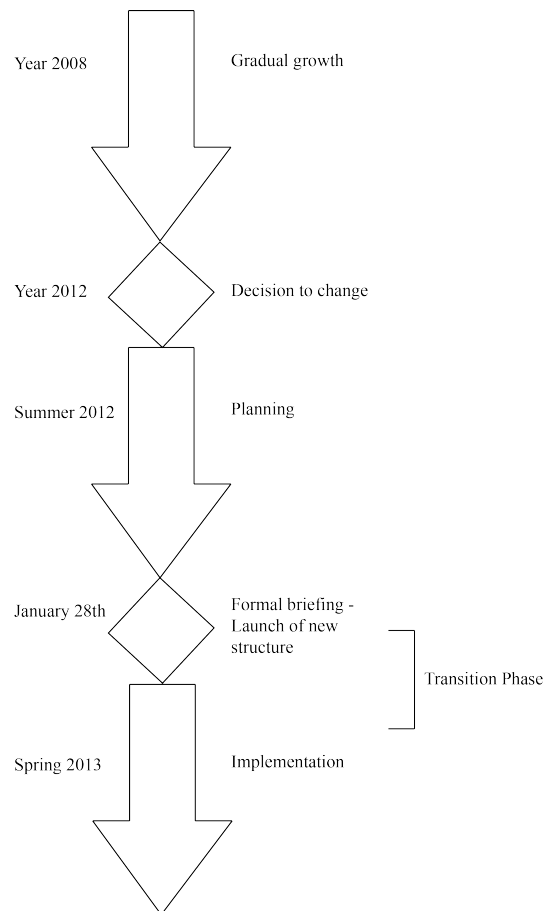

Figure 13 Timeline of the organizational change

2.3 Employees' perception of the change

The interviews focused on how the employees perceived the change. The questions attempted to unveil the main worries and thoughts of the interviewees. The following sections present the specific findings.

2.3.1 How do the employees perceive the company

The company is characterized by the big amount of properties, which are managed by a few people. As they describe, their work is meaningful and value generating in a quite profound way. The corporate culture is not clearly defined but the interviews show that the company is functioning under an umbrella of consensus and openness. The employees help each other, the older generations support the younger ones and in general the everyday routine is rather pleasant. Another important factor is the increased attention of the leadership to the well-being of the employees by providing breakfast and coffee every day. When they were asked about the best thing about working for the company the employees pointed out the following:

- Friendly environment
- Positive working atmosphere
- Everyone knows each other
- Informal communication
- Good leaders

In the question 'what would you like to change in the company', the employees did not really have serious concerns or issues that need to be changed. All the minor issues that want to be changed are believed to be solved after this organizational change.

2.3.2 How the employees see the change

The employees are aware of where the change is leading them according to the interviews. As they narrate, they are on board on this 'journey'. As for their readiness to change, most of them think that they were ready for it, even if some of them did not expect such big changes in their way of work. The significance of the change is rather high for most of them but at the same time they don't think that it is a great event for the company. Furthermore the employees are no strangers to change since all of them have been through change processes before. The lessons that they have taken from previous change procedures are:

- One should not remain silent but speak up
- Involvement makes them more motivated instead of just receiving orders
- Respect for those who have difficulties in adapting to the change
- Clear information distribution
- The transition period should be as small as possible
- Participation is very good but someone needs to step up and take a final decision
- Some employees need time to think before they accept the change
- Change must take its time
- A leader should be sensitive but give clear instructions at the same time
- The leader should listen and be patient. Even if people are negative, a leader must find a way to break that barrier by letting them influence the process

The third round of interviews showed that the employees underestimated the change. It was only the middle management that pointed out that it was bigger than anticipated. The middle managers believed that the rest of the employees were affected more than expected by the change. The employees themselves however, did not see any difference. At the same time, the CEO narrated that he 'passed the ball' to the middle management and was not willing to be more involved with the process.

2.3.3 How the change was communicated

The interviewees were first asked in which way they would like the change to be communicated. Most of them, regardless of position, answered that the change should be communicated in an orderly fashion. Some of them would like to have quite frequent updates and others would not really be interested in knowing everything in detail. The kick-off was much appreciated as a communication channel. Some of the employees would like to have at least one more kick-off which should be solely focused on the organizational change itself.

How was the change actually communicated? The employees were satisfied by the communication of the organizational change in general. They would however appreciate a more clear delegation of the new roles in the new structure. Those that appeared to be discomforted by the new delegation of roles and teams were the caretakers who are the front-line of the company's operations. They seemed to experience a lack of direction and clarity regarding their new areas of responsibility. As for the technical managers, they appeared to be quite satisfied with the communication and the level of information received throughout the process. In fact one of the interviewees narrated that the amount of information can actually be 'too much' sometimes. As for the CEO, he thinks that the best way for him to communicate is via the middle management. He also thinks that the monthly meetings are sufficient for him to communicate. The strong point of this change process is considered to be communication by most of the interviewees.

2.3.4 Leadership development throughout the process

One of the elements that were under the spotlight during the interviews was the development of every employee as a leader as well as the development of their managers. All the interviewees responded that their leadership attributes were going to develop because most of them are taking more responsibilities after the organizational change. Especially the interviewees who were in leading positions regarded this organizational change as a good way to improve their leadership skills. Most of them will get more persons in their teams as well as a bigger amount of responsibility. As for the CEO he is considered to improve as a leader after this organizational change. His subordinates mostly note the fact that he could emphasize more on the informal aspects of communication, which are an important factor of leadership. As the CEO himself notes, one of the reasons behind this change was to delegate more responsibilities through the hierarchy and develop leadership in multiple levels. The interviewees were asked about which attributes they appreciate on a change leader. In this question particularly, it is important to distinguish between the employees in leading and non-leading positions. Starting with the employees who don't have a leading position, these are the qualities that they appreciate on a leader:

- Relaxed personality
- Good in communicating
- Clear, concrete decisions

On the other hand, the ones who hold leader post expressed the following regarding the qualities of a leader:

- Openness
- Freedom through responsibility
- Coaching leadership
- 'Selling' something to the subordinates only if you believe in it
- Clear decisions
- Accept mistakes
- Reward of excelling employees

It should be noted that in this answer the leaders responded by using the following words: *'Freedom through responsibility, openness'*

These two keywords along with *'long-term development'* are the products of the kick-off in which the company decided their core values.

2.3.5 Employee participation in the process

The employees were asked on how they perceived their participation in the process. Were they spectators or active participants? The range of answers varies between the ones who have leading positions and the ones who don't. The ones who possess leading posts seem to feel active in the organizational change process. Furthermore, those who are members of the board can be considered as the 'architects' of this change process and this reflects to their answers. The rest of the employees, feel that their opinions influenced the process, but not in a significant way.

2.3.6 Use of external consultation in the process

The company did not use any external consultants in any stage of the organizational change. The board did not consider it necessary to use any external help. The basic argument was that this process had to be born and raised by the employees themselves in order for them to be more committed to it. Some of the employees who do not have leading posts however, think that some external help might have enriched the process. The CEO saw the use of external consultation as not necessary for the process to be successful. As he narrated, he believed that a process that is 'born and raised' in the company itself is much easier to identify with. Furthermore, the employees, according to him, would receive the change in a better manner if it came from their supervisors, the board members. This process is according to him: *'our own product'*

2.3.7 Resistance to change

The interviewees were asked about the resistance towards the change and how they experienced it throughout the process. The ones in leading positions did not really think that there was any serious resistance against the organizational change. One minor issue that one member of the board located was the initial complaints expressed by some in the company. However, as they narrated, the increased information helped to cure these early 'symptoms'.

2.3.8 Amount of influence by the process

The interviewers attempted to uncover the effects of the organizational change process to each one of the interviewees. The amount of influence for every employee was different. One of the interviewees revealed that they were under stress in the very beginning of the procedure, due to uncertainty and lack of information. However, after a

short period they got to overcome the initial stress and get on board with the change. Another employee found the effect of change quite positive for their everyday routine. The reason was that this process added interest and expectations to the office routine. It has to be mentioned that none of the employees found themselves in a continuously unpleasant situation.

2.4   Establishing the vision

The main source of evidence for the understanding of how the vision was established came by the interviews with the CEO as well as by those of the members of the board.

As the CEO narrated: *'Platzer is on a journey; the owners who brought together the company set a goal, to make the company triple as big'* and he continues: *'The vision is that Platzer will become the leading company for commercial real estate in Gothenburg'*

Talking about the current goal-setting, the CEO described that the company should gradually be bigger, with a bigger company structure where the leaders take more responsibility. Particularly, the Market Areas should take more responsibilities and be 'stronger'. The roles should be clear; who takes responsibility for the transactions and the special competences. The company should be more specialized instead of outsourcing certain functions. It is a big advantage to have in-house competences when it comes to the competition. To summarize, the CEO believes that the goal is that more employees in the structure should get more responsibilities. One of the goals that were set is the introduction to the stock market. The positive effect of the stock market introduction is that the company will become more visible, hence more attractive to tenants. How are the goals and the strategies created? They are ignited by the board but implemented and realized by the company itself. The goals are set in a three-year basis and are revised quarterly with Key Performance Indicators, which are one of the 'products' of the organizational change.

However it is not only the CEO who talks about vision. The interviewees drew a picture of the expectations they have about the company in the coming years. So what are the expectations of an employee of Platzer? The main desire as expressed in the interviews was to have simpler and shorter decision paths. Some of the leaders also express this as a desired outcome of the change. Furthermore the leaders are expected to be clear and distinct when it comes to decision-making. From an organizational structure point of view, they expect that the project and technical departments are coming closer to each other communication-wise. As for the relationship between the customers and the company, the expectations are to improve the efficiency and make the company more visible to the wider public. The optimism of the interviewees was expressed by the belief that the company is going to be bigger and stronger. A few new Market Areas are thought to be on the way as well.

The second series of interviews attempted to identify shifts of opinions and a feedback on the ongoing process of organizational change. The CEO described the vision in a more detailed level in comparison to the first interview. He narrated that the company is working with benchmarking and he is meeting other CEOs of similar companies of the same group and even competitors. He mentioned another Swedish Real Estate company as an example of where he wants the company to reach. The mentioned company managed a great rise of capital within only a couple of years. He also thinks that a company needs to have reached a certain size before it is divided to smaller companies. The rest of the employees and the board expressed the same motive of an-

swers with the addition that they would like Platzer to have a 'big company philosophy' and think that they are on their way towards realizing this vision. As the CEO narrated, every decision that he takes is based on a two-year horizon. The CEO stated also that one factor that affects his decisions is the long-term urban development of Gothenburg. This might not be directly conceived as vision but it definitely has an amount of influence to his decisions and in the long run, the interaction of Platzer with its context. What is the way of thinking of the CEO when setting up a goal? This is represented in Figure 14:
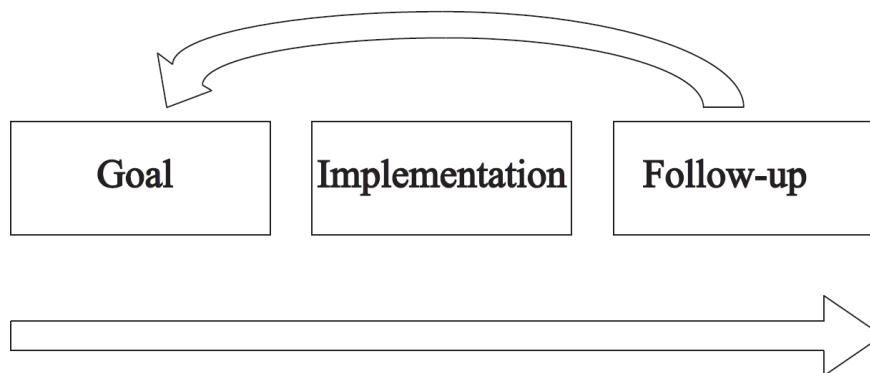

Figure 14 Goal setting method by the CEO

The first step is to set a goal. This goal usually derives from a vision. The second step is to work your way towards the achievement of this goal. An important component however is to make sure that the achievement is followed-up and new goals are set. These goals might aim higher or lower depending on the previous goal fulfillment. As he narrated this process is continuous and constantly fed back, as an ongoing loop of continuous improvements.

One of the members of the board emphasized the fact that Real Estate companies focuses on the value of the properties while for example, a consultant company focuses on the competence base of the employees. Therefore, the company focuses on raising the value of the property. The other member of the board expressed uncertainty about the future of the company when asked how they see the company in five or 10 years. It has to be mentioned though that this uncertainty was not negative; on the contrary rather positive.

The entities that set the vision in the case of Platzer are the board and the owners, which in this case are almost the same people. The vision is then communicated to the company by the CEO and the board, who make sure that the employees understand and strive towards this direction.

2.5   Planning for change

The process was planned starting from the summer of 2012. The CEO and the board created a 'core' group, which planned this change that would eventually satisfy the desires of the owners regarding the size of the company. In order to achieve the vision and goals mentioned above the company needed to overcome a number of obstacles.

As the CEO and the members of the board said, the previous structure was slightly rigid and the decisions followed long paths before being taken. A more flexible struc-

ture was needed, with clearly defined roles and decision paths. By applying the new organizational structure the leadership anticipated to achieve the desired vision component of flexible structure. The perception of the employees about the change is that it was well planned but possibly communicated in a better way. Another part of the planning process was the kick-off, which will be described extensively in the next section.

Looking at the change process from a time point of view, the CEO and the previous board started planning the change by the end of spring 2012. This continued over the summer and passed on to the new board over fall 2012. This process was a product of numerous meetings and dialogue until the end of November 2012 when the process took shape. After that point, the change was communicated informally until the Christmas break of 2012 when the first official notification arrived to the mailboxes of the employees. The change process was described by the CEO as top-down, while other processes in the company, like the budget are circulated bottom-up.

Reflecting on the planning procedure, the CEO narrated that it would have been better if the process went faster. He recognized a few time periods that could have been minimized to reduce uncertainty and 'gossip-talk'. Asked on why the false rumors arose, he responded that they are clearly a product of ambiguity. As he narrated, there were formal sources of information available to all the employees (e.g. mails and presentations), which clearly stated what the organizational change meant. One member of the board stated that a kick-off similar to the one they had in the spring of 2013 would be necessary in the fall of 2012. This would have helped the employees to understand and get on-board with the change more easily.

Another element of the organizational change was the reduction of the board from seven to five members. This movement 'shuffled the cards' in the company and changed the pace of planning of the process. Some members of the board went out of it halfway in the planning phase due to the effects of the change process, and some others were added into the new constellation. The vast majority of the employees believe that one of the elements of success for the change was the orderly communication throughout the planning. At the same time almost all agreed that the information amount could be even bigger and even better distributed.

In the third round of the interviews, one of the leaders narrated that the lead times in the planning process could have been smaller. The long lead times produce anxiety, speculation and cause discomfort even in the most harmonic work environments.

Regarding the flow of information, one of the leaders confessed that there were some miscommunications and uneven flows in the process.

2.6   Implementing change

Speaking on a time basis, the implementation of the change began in the end of January 2013. The employees who were not in the board were notified just before the Christmas break, formally and informally. The official ignition of the change of the organizational structure went along with an info meeting where all the employees gathered in the lunchroom to receive the briefing. Furthermore, the CEO gathered all the technical managers and the caretakers and briefed them one hour before the info meeting. The reason for that was that these two groups of employees were clearly affected by the upcoming change. The next two weeks that followed the official launch of the change were characterized by uncertainty and unclear role definition as the employees and some of the board narrated. The kick-off followed a few weeks after.

There the employees and the board got the chance to discuss the newly established core values. As the interviewees narrated, it was an interesting team-building experience, which helped them understand the change and the reasons behind it. On top of that, came the kick-off of the project group. A symbolic move was the presentation of the core values that were discussed on the kick-off on the wall of the main entrance of the office as wallpaper. During the first two months after the official ignition of the change, the leadership had a number of 'utvecklingssamtal' (personal evaluation), which as the employees say, were very helpful for them to 'embrace' the change.

In the second interview, the employees were asked to evaluate the process until a certain point. Almost sixty days after the official launch of the process, one of the leaders commented that the process 'is going a bit too slow'. One factor that is thought to contribute to that is the uncertainty about the change of headquarters to a new office space. The other member of the board considered the progress of the process as positive emphasizing the fact that the new teams had already started to work harmonically. The rest of the employees also believe that the process is moving forward in a harmonic manner with only a few minor issues on the table. One of the interviewees, a member of the board, stated that they changed their leadership style throughout the implementation process. The main change was that they now needed to describe the decisions in a more detailed manner. The reason was that new people arrived to the group; hence different personalities and habits were to be faced. Another remark on the implementation process was that it went too fast. As they narrated, some people take more time to accept a changed environment than others, and this has to be respected. Some of them who were not in the board, stated that sometimes various information came from various leaders and this created misunderstandings.

2.6.1 Perception of the change by the clients

'Platzer prioritizes good relations with the tenants and to offer services that are characterized by proximity and engagement'

The above is a part of the Annual Presentation of the company for the year 2012. How did the tenants perceive the change? Did they perceive it at all? The interviewees stated that the tenants did not really notice the change since it was internally oriented. However some of the interviewees believed that the tenants were aware that a change was undergoing in the company, simply because their contact persons changed. The 'face' of Platzer to its tenants is mostly the caretakers, who were assigned to different properties during the process. Some caretakers had created a tight relationship with some of the tenants and they were 'suddenly' assigned to different properties. This is thought to have created discomfort among the tenants. Another factor was the technical managers who were also reassigned. This had as a consequence that suppliers and external partners had difficulties in locating the correct person.

2.6.2 Expectations matching reality

Most of the employees believe that the change brought them more or less what they expected. It has to be noted that this impression diminished while the process went on. The more time the less matching were the expectations. At the first interview they believed that their roles remained the same but after the second interview, when they 'landed' to their new roles, the first signs of surprise started to appear. The surprise was not only unpleasant though. Some of them believed that their work will turn to the worse but it actually became better. This is directly connected with the amount of information that they received before the change regarding their roles. It seems that

the description was not thorough enough and the roles were not clearly defined. Therefore the implementation was characterized by an exploration during three or four weeks. To whom should I report? What is my responsibility regarding the X issue? Many employees throughout the process experienced such questions. However, the process did not go wrong. Having in mind the informal, hands-on experience of the authors, it can be said that the professionalism as well as the positive atmosphere in the company prevented any serious issues during the process.

2.7 Sustaining the change

The main tool that the leadership will use to sustain the change is the establishment of the Key Performance Indicators according to the interviewees. This way the leadership wants to keep a constant eye on the performance of the groups and the individuals.

2.7.1 How do the employees see the future of the company

The employees on their vast majority were very optimistic for the future of the company. They could see a bigger property portfolio and expansion towards new market regions. It has to be noted that they were also uncertain about where the company is going to land in the following years.

2.7.2 Rewards after the completion of the process

As one of the external interviewees, an experienced CEO, narrated, rewarding the employees in monetary terms after a change process is quite usual in the United States. However, in the case of Platzer, the board as well as the CEO himself was against this kind of reward. What they believed as being more important was the oral and everyday rewards. They also stated that the employees receive their wages to do their job, and one part of their job is to undergo such administrative procedures. It is not only the board that believes that though. The rest of the interviewees also believed that a monetary reward is not vital for them. They stated that preferred rewards are the recognition by the supervisor, as well as the fact that their work routines were improved significantly.

2.7.3 Overall impression after the implementation

The overall impression derived of the interviewees was that they were satisfied with the organizational change. They would like to have some more information and shorter lead times between the events. They also stated that the organizational change would be a waste of time if it was not sustained and carefully fostered after its completion. On the question 'how to institutionalize the change', some responded that the first step is to produce a 'personnel hand-book' which contains updated directives and how-to's for every position in the company. Some of them also noticed the positive effect of the new core values and at the same time raised the awareness by saying:

'They should not be just wallpaper on the reception wall. They should be kept and implemented on a daily basis'

Furthermore, the CEO noted that in comparison with previous years, the level of dialogue between the board and the company itself has been improved significantly. Some of the employees believe that this change process should be followed-up closely in order to allocate and improve the mistakes of the past. The next organizational change process should, according to the interviewees, be more detailed when it comes to the description of duties. It is conceived that the information about change of roles

and leaders is not enough if not accompanied by detailed description of the new status quo.

2.7.4 What about the next organizational change?

The interviewees were asked on a time horizon for the next organizational change. It is generally conceived that the next change will come rather soon, since the company is 'fast-growing' as the CEO narrated. Some interviewees believe that the current organizational change is a stable ground for forthcoming organizational changes. One of the interviewees who has been quite a few years in the company estimated that the next organizational change would be exactly by the time the company is introduced to the stock market. Some of the employees expressed uncertainty on whether the company will be able to rise up to the high demands of a stock market introduction. It has to be noted that the CEO thinks that the company is undergoing changes constantly and this is the way it should be.

2.7.5 Lessons learnt

This organizational change has provided the company with a lot of lessons learnt. As the interviewees mentioned, the change takes time and does not always go according to the time schedule. The leadership should respect the fact that some employees need some more time than others to accept the change. The CEO mentioned that it went quite fast to integrate the new departments and this is mostly due to good leadership by the middle management.

2.7.6 Factors that the interviewees found to be positive in the process

The interviewees stated that the positive aspects of the process were: the fact that the CEO informed the operations department first, before the main info meeting of the 28th of January, the kick-off where the company discussed the core values, responsibilities were distributed more evenly throughout the structure and the workshop where they all discussed the effects change, even though it should be more than one morning.

2.7.7 Factors that the interviewees found to be less positive in the process

The interviewees stated that the less positive aspects of the process were: unclear information, the process took too much time, too long lead times between the events, uneven distribution of information by the board and not detailed planning.

3 Analysis and Discussion

This section of the thesis is analyzing the empirical findings supported by the theoretical frame of reference in order to gain an understanding of what have happened during the change process of Platzer Fastigheter.

3.1 Organizational strategy tools

Platzer's vision is to become the leading commercial real estate corporation in the Gothenburg area, the natural first hand choice. According to Johnson et al (2011) the vision shall answer what the organization wants to achieve and gain commitment throughout the employees. We find that the CEO is clearly developing the company in line with this vision. The board is communicating it both internally, and externally, which is necessary. They are striving to evolve towards a future state where they are a much bigger company, which is clearly in line with the recent changes of the organization. We find that the vision is relevant, and easy to communicate. It is also a vision that the employees can gather around and accept as a future state of the company. We believe that the owners, together with the board of directors and the CEO has put down a lot of effort on where they want the company to be in the future. We also find the vision to function as guidance for the employees, all interviewees state that they are well aware of the vision and identify themselves as working towards reaching it.

The core values developed is focusing on the journey they are embarking towards becoming a larger, and leading, actor at the commercial real estate market in Gothenburg. Their new core values are identified as freedom through responsibility, openness and long-term development. According to Johnson et al (2011), the core values shall communicate the guiding principles of the organization; they are to be seen as the "moral" values of which the organization is based upon. All actions considered within the organization must be according to those values; they shall always be in the back of the head of those who makes decisions and those who are working in the organization. In Platzers case, we have seen that many of the employees are referring to them during the interviews, wherefore we can say that they truly are core to the organization. The disadvantage might be that they are fairly new to the organization, that they have not been settled yet. What might outweigh this is that many in the organization has not been there for a long time, wherefore they can adapt to new values fast and are not stuck in old habits. Also, we have noticed that the kick-off that the company held had a very large impact on the employees concerning the use of, and the support during decisions from, the core values.

One of the major aspects of the change was that the whole organizational structure was changed within the company. The goal was to achieve a structure that let the employees to work more specialized than before. They have gone from a form of matrix structure to a more linear, or silo, structure. This was made through the merger of two departments into a new department that is to work as a supportive function to the rest of the organization, not unlike internal consultants. This change of the structure aims, as the CEO states, to prepare the organization for a future where they are much bigger, and maybe has added a new market area. This is one of the advantages of the new structure, that it is easy to add new departments after need, as the interviewees state they might soon need both a communication and a human resources department. Furthermore, many of them expressed an understanding of that this was not the organizations final structure, that it might be changed many times in order to fit more to the environment. An interesting aspect was that the structure was designed without

names; that the roles were identified first, and then the board put in the names of the employees into their roles. Many of the interviewees mentioned that this created a sense of insecurity, rising questions like "where am I to fit in the new organization?" One negative effect of the lead times was that there was a significant time span between that the structure was drawn and that the names were fit into it, which could have been managed in a better way, minimizing the organizational anxiety.

Platzer has never had KPI's before, so it was a new way to work for the employees. The CEO notes that it is in line with the company's strategy to have a more professional way to work, and also to be more on par with listed companies since they strives towards being listed at the stock exchange in a near future. All interviewees noted that they were satisfied with the new way of measuring their way of work, some were even very excited since they identified themselves as competitive persons wherefore they probably will try to "break some records", through turning the KPIs into some sort of competition between the employees. One implication about the KPIs is that they are not applicable on all departments as a whole. Some of them are irrelevant to some business areas, whilst the same parameters are crucial for others. This might turn out to be a problem since the personal evaluation is based on how they perform, relating to the KPIs. The managers stated that those parameters that are not that relevant is more to see as how the employees work can be set into a whole, meaning that if they do their work well, the rest of the organization can prosper from that work and that the company as a whole might reach their targets. Another important aspect of the KPIs is that they must be linked to the critical success factors, which in hand shall reflect the organizations vision (Parmenter 2010). The interviewees all stated that they are able to see the link between the vision and how they are working, which also the CEO stated was of great importance. Furthermore, it is important that the senior management is committed and educative with the KPIs, putting them into context and implementing them in a cultural and process perspective. The two departments that were merged into one had a half-day where they sat together and discussed how they shall use the KPIs in their daily work. This was said to be much appreciated and in many ways vital for the employees to understand and adapt how they shall use the KPIs. Despite this, we found that there were some implication, some of the affected personnel stated that they had wanted a much more extensive workshop, maybe ranging up to two days. This can be a result of the newly set up department, that they had not get to know each other and how they shall work together, nevertheless we would like to suggest that all departments that has new KPIs shall have some kind of workshop where they are about to discuss how they shall work with them, and what will happen if they manages to reach the set values of them and also what will happen if they fail to deliver. In the case of Platzer, the incentives, or bonus system, is based on that the employees reach the set numbers, making them committed towards fulfilling them. Altogether, we can state that Platzers everyday work is in line with their plan to achieve their vision.

3.2 Leadership

This section discusses how the leadership handled the organizational change issues throughout the process. It all started from the point that the owners and the board set the vision. The company was on a fast growing pace with new challenges and a rising need to stay competitive. The CEO and the previous board brought the change on the table for the first time the spring of 2012. The CEO attempted to create a guiding coalition as suggested by Kotter (1996), by selecting out a certain number of individuals

who would support and lead the process. In comparison to the theory (Kotter, 1996), the CEO applied the following:

1. Position power: The 'players on the board' were clearly the board and especially the middle management. Some of the members of the board did not follow, but the empirical findings do not show any attempt to block the process by those who were left out.
2. Expertise: It was clearly extracted by the empirical findings that the CEO 'invested' on certain members of the board. These members were believed to have the expertise to carry out the organizational change in the best way. One of the reasons of the change as believed by the authors was to 'prepare' certain individuals in the middle management, to take higher leading posts when the company has grown in size.
3. Credibility: The group had clearly enough people with good reputations in the company circles as the empirical study shows. These individuals were in a firm position to decide and implement the change.
4. Leadership: The leaders of the group were proven leaders and the CEO had big trust for them. As the results show, the CEO was right on his decision.

Which style of leadership was used throughout the process? In the theoretical background were presented different styles of leadership. The authors believe that the most used styles of leadership throughout the process were the transformational and the transactional.

Attempting to draw a picture of the leadership profile of the CEO the following can be mentioned:

- Emphasizes on delegating responsibilities top-down. One of the purposes of the restructuring of the organization was to spread the responsibilities in a more orderly fashion and attempt to point out the persons that could potentially take up a leader role.
- Comparing to predecessors, the current CEO does not focus on the details too much. There is no close control and the employees do not perceive being under close surveillance. Nevertheless, there was one interviewee that noted that the CEO is much more into details than expected.
- Keeps open communication channels with all the employees but is not considered easily approachable. This however does not seem to be negative for the employees.
- As the CEO narrated his leadership is characterized by the two-year decision horizon. Every decision he makes is 'filtered' by that.
- The leadership styles are changing constantly depending on the context as the CEO narrated.
- Believes that the leader should listen to the co-workers.
- He does not see a change leader and a normal leader as two different persons. The leader is a leader at all times.
- The CEO also believes in a close cooperation with the middle management.

In the theoretical background the authors presented the Theories E and O. After the collection of the empirical results, there was an attempt to identify where the leaders of Platzer regarding those theories are. Taking the dimensions of change as presented by Beer and Nohria (2000) one by one:

The goals of the change explicitly embrace the paradox between economic value and organizational capability. Some employees believe that the CEO's leadership is focused on the economic aspects but the empirical findings show that it is a combination of those two.

When it comes to the Leadership as a dimension of change, the tactics followed were clearly theories E and O combined. This means that the direction was set from the top and engaged the people below.

Moving on to the next direction of change, namely the Focus, Platzer lies on the combination of the two theories. As Beer and Nohria (2000) suggest, the combination of the two theories in this case signals focus simultaneously on the hard (structures and systems) as well as the soft (corporate culture).

Next follows the Process as a dimension of change. Platzer find themselves again on the two theories combined, since the plan was not strict and immobile from the first day. On the contrary, it was a plan for spontaneity, demonstrating the flexibility of the leadership of the company, as well as the ease of the employees to accept the change. The employees appreciated this spontaneity and the results show that it had a positive effect on the process as a whole.

The Reward System was not found in any of the dimensions of change. The employees did not receive any reward of any type that was related to the change. The CEO and most of the interviewees believe that this was not necessary. In this point it should be noted that the leadership attempted to keep the change as a part of the everyday routine in the company. Regarding this aspect, they did not believe that this event required any kind of reward. However, the company has already a reward system when it comes to operational goals. A surprising demonstration of engagement to the process by the employees was that some of them believe that the best reward was that their work was made easier and more effective. This demonstrates that the employees have embraced the leadership's attitude towards rewards.

The use of consultants is correlated to the previous factor in Platzer's case. The CEO as well as most of the employees interviewed, believe that the use of external consultants was not necessary. Not only it would not affect negatively the process, but it would also raise the internal involvement of the employees as well as their engagement to the process, according to the CEO. As mentioned in the empirical section, this process was a 'product' of the company itself something that makes it more self-fulfilling to them.

3.3 Change management

The transition model made by Nadler and Tushman (1997) is very representative when describing the journey that Platzer was taking. They have a stated vision that they want to reach, wherefore they have identified that certain changes of the current organization have to be made. Both the CEO and the middle management, but also the employees stated that they all were aware of that the current organization was not functioning in the way that they wanted. During the interviews we have found that the CEO has planned this change for a long time, almost a year before the implementation started. The CEO informed the board about his plans, and they started to plan for how they want the organization to be in a future state. The planning phase was extensive; they spent many hours identifying where they were now and what has to be changed. During this process, when the board had come up with new core values, new KPIs and a new organizational structure, there were several changes within the board, with

some old members leaving and some new members joining the coalition. This had both positive and negative impact, as we have found during the interviews. The positive side is that the board has a stronger focus on what has to be achieved in the future and also being seen as more representative of the organization. The number of people within the board was also reduced, which created shorter communication paths and faster meeting procedures. The negative side was the timing of the change, which was right during the planning phase of the new organization, creating a vacuum in where the old group had planned and developed the new organization and the new constellation had to implement it. Another aspect is that the new group had new ideas and were not stuck in old habits. Our suggestion would be that the change of the board should have been before the whole planning processes had started; nevertheless we do not find that the timing was harmful to the organization.

The motivation behind this change can be seen in Figure 15. The organizational change was used as a vehicle, which guided the organization from the old status quo to the new desired vision components.
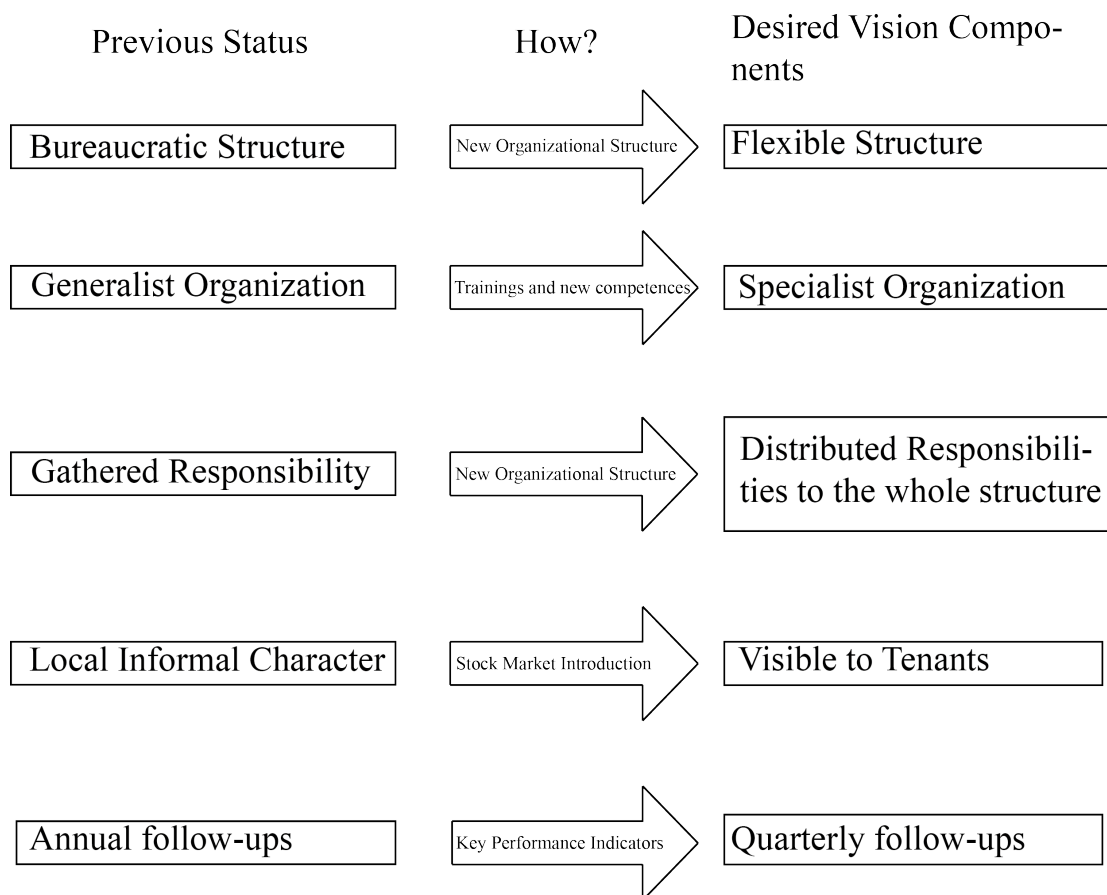
Previous Status	How?	Desired Vision Components
Bureaucratic Structure	New Organizational Structure	Flexible Structure
Generalist Organization	Trainings and new competences	Specialist Organization
Gathered Responsibility	New Organizational Structure	Distributed Responsibilities to the whole structure
Local Informal Character	Stock Market Introduction	Visible to Tenants
Annual follow-ups	Key Performance Indicators	Quarterly follow-ups

Figure 15 Reaching the desired vision components

The previous status quo as well as the desired vision are 'instant pictures' of the organization in certain times. As mentioned in the theory, change is a constantly fed back process which moves on a continuous loop. What is the way to achieve these desired vision components from a leadership perspective?

All the previously mentioned theories in combination with the empirical findings are landing to a total of ten steps. Some of these steps were followed by the company and some others were not. The authors' understanding of a succesful and sustainable transition leads to the following ten steps.

1. *Identify and understand why and what shall be changed*: The need for change was generated by the fact that the company is on a fast growing pace. The old structure and the old way of work could not continue existing in the company. The CEO and some members of the board understood that and set the scene for the change.
2. *Establish a sense of urgency*: This element was not really met by the empirical findings. The truth is that the company was not in a critical situation that would require change. The board neither created this emergency artificially. It can be said that this element was in some part absent from the process.
3. *Encourage people to join a guiding coalition and assign a project leader i.e. a change agent*: The CEO created a guiding coalition that would drive the change and 'stepped back' in the process. This guiding coalition though had no 'project leader' or 'project owner' who according to the literature could be responsible for the process.
4. *Develop a change vision and common goals for what to achieve*: The board of directors set the vision and the CEO developed the common goals. These common goals broke down to KPIs and individual goal settings. Almost all the employees had a clear picture of where the company should be in a few years.
5. *Create a detailed change plan*: The change was conceived in the spring of 2012 and the planning began in the following summer. The CEO gathered the members of the board who were positive towards this change and created the guiding coalition, which was mentioned above. The planning was not detailed, as it had a spontaneous character, which was argued to make the change more flexible. As a result of this, and also the absence of a project leader, there were severe lead times between critical events, which somewhat created anxiety within the organization.
6. *Communicate extensively about the change and what's happening in the process*: The change was communicated both formally and informally. The guiding coalition communicated the change in a satisfying manner but there were still misconceptions and misunderstandings.
7. *Empower employees to act on the change*: The empowerment is tightly connected to the sense of affiliation established by the board. Some employees felt affiliation to the process and some others not. It has to be mentioned that in general terms the change was applied by the board and not by the rest of the employees.
8. *Create short-term wins*: The empirical findings do not show any attempt by the guiding coalition to create short-term wins. This however did not seem to affect the well-being of the process in a significant manner. Nevertheless, we have identified that the interviewees said that their everyday work has been much easier as a result of the change, which is to be seen as a short-term win.
9. *Reinforce and refine the change in order to sustain it and not lose momentum*: The guiding coalition attempted to reinforce the change by producing the new core values along with the employees. However except for this 'soft' side of reinforcement, there were no empirical findings to support an effort to reinforce and refine the change. One thing that was reported to be missing for example was a detailed description of how the employees shall do their work, and what responsibilities they have, after the change.
10. *Consolidate and produce more change*: The empirical findings did not locate any attempt of consolidation probably because these lines were written during the last stages of the organizational change, when the process did not really

'settle down' yet. There have been tendencies (KPIs), which show that the consolidation of the change is under way. Also, the members of the organization were aware of that this is not the last change that will happen, wherefore they can be said to be part of the culture of readiness for change and continuous improvements.

Having good leaders and talented managers throughout the process is not enough. The organization is not a static entity; it belongs to an ever-changing context, which isolates organizations that are static. Therefore an important component of the process is constant learning as described by Senge et al. (1999). This environment, of organizational learning and continuous improvements, together with adaptable leadership creates organizational success. By examining the steps mentioned above as well as the model of Dunphy-Stace (1993), there is a possibility to identify the level of change that will occur. This is of great importance since it will give by hand what amount, and type, of leadership that must be applied on the change process in order to manage it in the sufficient way. In this case, it can be stated that the organizational change level of Platzer lies on Type 3 of the matrix as shown in Figure 16. In Platzer's case the change was not a groundbreaking event but an incremental adjustment. As the empirical findings suggest, Platzer is on a constant changing pace and this change was one bigger event of this procedure. The style was not collaborative, neither consultative. It was directive since it came as a direction from the board. The employees were not really involved in the definition of the final product. In the beginning of the process, all the interviewees believed that the change was not that significant. However in the next rounds of interviews the middle management started to realize that the change was bigger than anticipated while both the CEO and the employees still believed that the change was smaller. Therefore the impact of the change became bigger than planned. We base this assumption on the fact that the middle management perceived that the employees were affected by the change on a bigger extent.
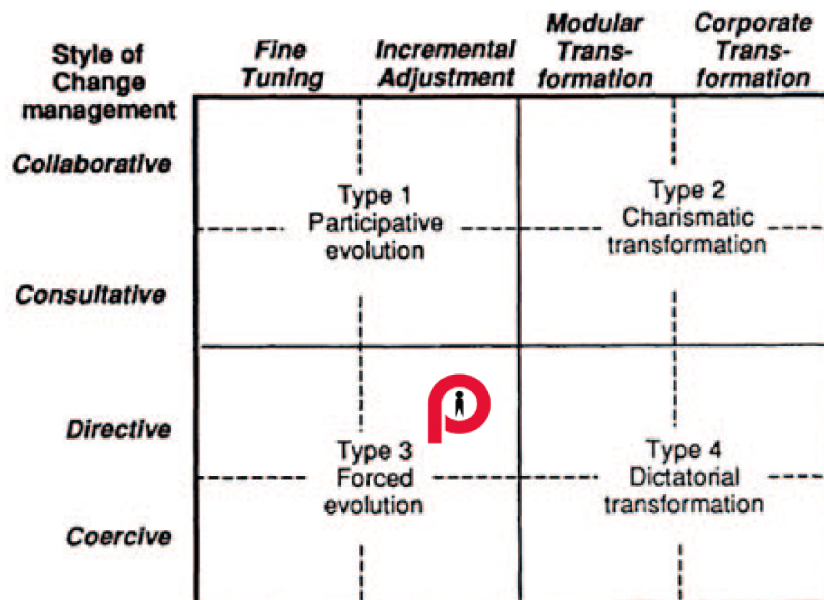

Figure 16 Identification of the level of Platzer's change

This 'journey' as the CEO chose to call the organizational change had some critical points that determined its expected success. The first critical point was the message delivered by the board and the owners regarding the vision and the long-term goals of the company. The next milestone was the establishment of the new board after the

talks on the new organizational structure. Another critical point was the first announcement of the event some time during the Christmas of 2012. This point was characterized as a mistake by some of the interviewees. The reason for that was that many employees were on vacation or in general out of the office routines. However, after a few weeks, namely at the 28th of January, the official launch came. It has to be noted that a strategic move in the day of the official launching was the meeting that the CEO had with the operations department, one hour before the meeting of the whole company. It was highly appreciated by the caretakers and the technical managers and is considered a milestone in the process. The following transition weeks, which were about four, were also very important for the outcome of the process. In these four weeks the company gathered for both a kick-off to discuss the new core values and a workshop of the newly created department where they discussed their way of working. According to the participants, those were very effective and the outcome was more than satisfactory.

During the second round of interviews we discovered that things were not that utopic in the company. After the announcement of the change, there was a confusion regarding the roles and the areas of responsibility. On top of that, certain employees did not get a position that they expected that they would get after the change. Therefore a climate of discomfort began to rise. At this certain point the kick-off came and 'saved the day'. The employees sat and discussed many issues aside of the core values. Apparently before the change many employees did not know what their colleagues are working with in the company and what was their work description. As one interviewee revealed, there were a few 'skeletons in the closet', which was revealed upon the change. Documents that no one knew that existed and positions that were very ambiguous are some examples.

In order to track and locate the various phases that the employees went through, the authors embedded the behavioural progress of the employees with the model of Austin and Currie (2003). Following the curve, the announcement came in the mid December 2012. The employees were not really shocked since they had heard about the change a few weeks before the information meeting, during informal meetings in the corridor. The interviews did not reveal any signs of denial or anger during these first weeks of implementation. However, some of the interviewees revealed that there was some uncertainty regarding the new distribution of the roles and the newly formed teams. Some employees were confused about to whom they should report to and which properties they should be responsible for. This period of turbulence lasted a few weeks, which is more than suggested time since they process were in one of these infamous lead times between critical change events. The same employees narrate that after these few weeks, when the process was resumed, the organization landed to its new structure. By the time the new organizational structure set steady foot in the company, the employees seemed to not only accept, but also really like the new way of working. So to sum up, the curve in the case of Platzer would look more like the curve shown in Figure 17.
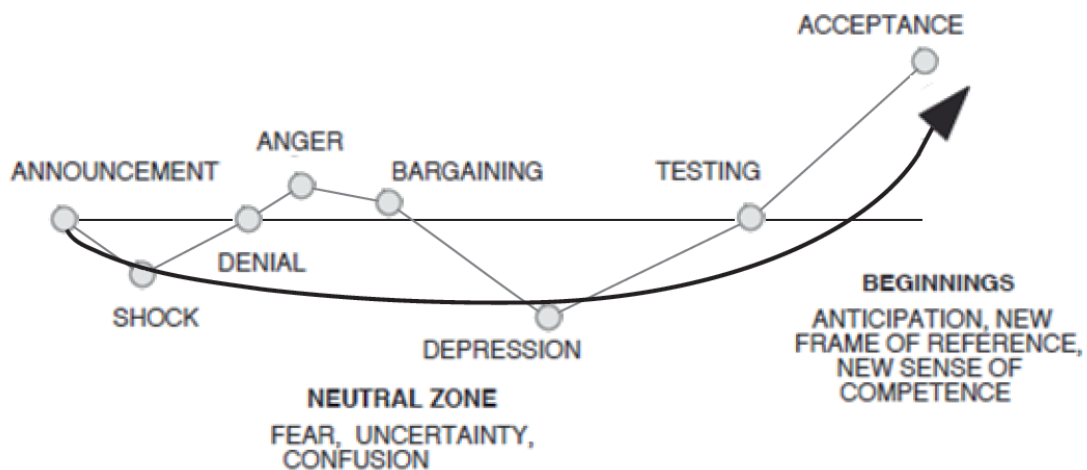
Figure 17 Behaviour evolution throughout the process

In comparison with the original curve, there is a much smoother progress of emotions and very few extremes. It has to be noted that the company is quite small in personnel and the employees know each other, therefore the extremes were absorbed in an informal manner. There was no real denial but there was uncertainty and anxiety since some employees did not know if there would be any lay-offs or dramatic personnel changes. These fears were quickly vanished by the intensive information by the side of the CEO and the board. When the management came in the picture, there was clear evidence of that the transition curve was smoothened and the organizational anxiety was minimized, as seen in Figure 18.
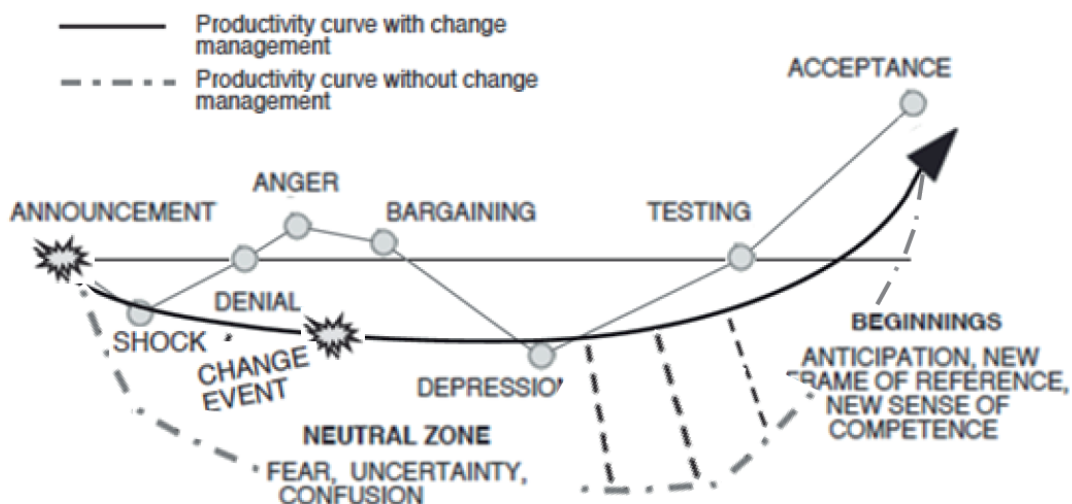

Figure 18 How management affected the evolution of behaviours

It can be understood that the curve without change management is much worse in terms of productivity. The role of the management and the leadership is to make the process as smooth as possible.

In order to keep momentum and gain all benefits from a change process, and not risk falling back into old habits, it is vital for an organization to sustain the made changes. The best way is to institutionalize the changes into the organizations culture. In the case of Platzer, this change process had not proceeded that long yet, so we had no

possibility to find how it was institutionalized. However, the interviews gave us by hand that they all know that changes have to be institutionalized. We also find that many of the changes are functioning as a foundation for further changes, for example is the implemented KPIs a way for the organization to implement the new organizational structure and the new core values. This is in line with the company's strategy towards reaching their vision. Also, we have found that the board was aware that some type of follow up should be conducted, in order to gain learnings from this process and bring them into the next one. Some of the leaders said that the possibility to conduct a follow up study is limited due to the art of it, as an not value adding activity. Nevertheless, we think that the organization can gain much learning from this process. Much of the sustaining of change aims to adapt a culture of continuous improvements, or continuous change. The CEO clearly stated that one of his aims is to incorporate this into the culture of the company. A clear evidence of this is to be found within how the CEO is working with the journey, setting goals, implementing them and then a follow up which is the basis for the new organizational goals. This results to an organization that is moving forward and not facing the risk of refreezing in a certain state that could lead to them losing against competitors that are much more capable of reaching their visions. All in all, we would like to say that the organization probably will manage to sustain these changes and adapt a culture of continuous improvements.

4   Conclusion

An organization is on a constant journey, a journey between their current state and a future state, which is the realization of their vision. All organizations strive towards the fulfillment of their vision, which means that they have to identify and work with the link that is between the establishment and the realization of it.

This Master's thesis has been exploring a specific event within a specific company, namely Platzer Fastigheter AB, which has undergone a change process in order to be better prepared for what the future has in store for them, and also to be one step closer to the fulfillment of their vision.

The authors of this thesis have, through a number of interviews and by being a part of the organization in their everyday life, tried to understand what happens in an organization during a change event. Also, they have been trying to understand what the link between establishing and realizing a vision is and which the most important leadership aspects are throughout an organizational change process.

So, what is the link between establishing and realizing a vision? We have found that one of the most important aspects for realizing the vision is that organizations can adapt to a constantly changing environment. By this, we mean that the organization must have an open mind towards organizational changes and an internal environment that has an embedded culture of continuous improvements. During these change programs, we have identified that one of the most important parts for a successful project outcome is commitment. We would say that the most vital component is that both the management and the employees are committed to the change. To create commitment, we have found that the CEO and the board have an important role as change agents, but we have also found that they must assign a project leader that has the overall responsibility for the change process. This will help the organization to keep up the momentum, gain commitment throughout the organization and to minimize the organizational anxiety through communication. Also, we have found that the establishment of way of working has an important role when sustaining the made changes. Clear descriptions of work roles, winning KPIs, a solid organizational structure and clear directions and plans before, during and after the process are components that must be put in place.

Another important aspect is leadership. We have identified a number of attributes that are important in a change process when it comes to a leader. Adaptability, which is the ability of a leader to change leadership styles depending on the context, is considered to be of high importance. A leader always needs to expect for the unexpected. The leader needs to be calm and weather the storm. The communication with the subordinates is obviously important in general, but in cases of organizational change, even more. It is understood that throughout a change processes; employees go through anxiety and uncertainty since they feel that they do not possess all the information. A leader needs to face the employees with respect, understanding and multiple communication channels. When it comes to setting goals and handling everyday operations in the company, a leader needs to apply a hard management model. However, in times of change the leader needs to balance between the hard and the soft side of management. Another key attribute is the minimization of ambiguity. Employees can be dragged into serious discomfort if their leaders or supervisors do not produce concrete and clear decisions. The final conclusion that can be drawn out of this journey is that leadership is very important for an organization to achieve their visions and goals in an ever-changing environment.

5   References

Allard, Lucy E., & Barber, Christine. (2003). Challenges and opportunities in aligning real estate and the workplace with business strategy: A survey of leading CEOs. *Journal of Corporate Real Estate, 5*(3), 213-220.

Alänge, Sverker, & Steiber, Annika. (2009). The board's role in sustaining major organizational change. *International Journal of Quality and Service Sciences, 1*(3), 280-293.

Armenakis, Achilles A., & Bedeian, Arthur G. (1999). Organizational Change: A Review of Theory and Research in the 1990s. *Journal of Management, 25*(3), 293-315. doi: 10.1177/014920639902500303

Austin, Jeff, & Currie, Beth. (2003). Changing organisations for a knowledge economy: The theory and practice of change management. *Journal of Facilities Management, 2*(3), 229-243.

Avolio, Bruce J, & Bass, Bernard M. (1995). Individual consideration viewed at multiple levels of analysis: A multi-level framework for examining the diffusion of transformational leadership. *The Leadership Quarterly, 6*(2), 199-218.

Avolio, Bruce J, Walumbwa, Fred O, & Weber, Todd J. (2009). Leadership: Current theories, research, and future directions. *Annual review of psychology, 60*, 421-449.

Balogun, Julia, Hailey, Veronica Hope. (2008). *Exploring strategic change*: Prentice Hall.

Barriball, K Louise, & While, Alison. (1994). Collecting data using a semi-structured interview: a discussion paper. *Journal of Advanced Nursing-Institutional Subscription, 19*(2), 328-335.

Bass, Bernard. (1988). The inspirational processes of leadership. *Journal of Management Development, 7*(5), 21-31.

Bass, Bernard M, & Avolio, Bruce J. (1995). *MLQ Multifactor leadership questionnaire*: Mind Garden Redwood City, CA.

Bass, Bernard M, & Bass, Ruth. (2009). *The Bass handbook of leadership: Theory, research, and managerial applications*: Free Press.

Bass, Bernard M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics, 18*(3), 19-31.

Bass, Bernard M. (1999). Two Decades of Research and Development in Transformational Leadership. *European Journal of Work and Organizational Psychology, 8*(1), 9-32. doi: 10.1080/135943299398410

Beer, M., & Nohria, N. (2000). Cracking the code of change. *Harvard business review, 78*(3), 133-141, 216.

Beer, Michael. (2003). Why Total Quality Management Programs Do Not Persist: The Role of Management Quality and Implications for Leading a TQM Transformation. *Decision Sciences, 34*(4), 623-642.

Bridges, William, & Mitchell, Susan. (2000). Leading transition: A new model for change. *Leader to Leader, 16*(3), 30-36.

Brown, Michelle, & Cregan, Christina. (2008). Organizational change cynicism: the role of employee involvement. *Human Resource Management, 47*(4), 667-686.

Brown, William, & May, Douglas. (2012). Organizational change and development: The efficacy of transformational leadership training. *Journal of Management Development, 31*(6), 520-536.

Buchanan, David, Fitzgerald, Louise, Ketley, Diane, Gollop, Rose, Jones, Jane Louise, Lamont, Sharon Saint, . . . Whitby, Elaine. (2005). No going back: A review of the literature on sustaining organizational change. *International Journal of Management Reviews, 7*(3), 189-205.

Burke, W Warner. (2010). *Organization change: Theory and practice*: SAGE Publications, Incorporated.

Burnes, Bernard. (2004). Kurt Lewin and the Planned Approach to Change: A Re‐appraisal. *Journal of Management studies, 41*(6), 977-1002.

Burns, James M. (1978). Leadership New York. *NY: Harper and Row Publishers*.

Byrd, John T., & Thornton, Joseph C. (2013). Job Role Change and Leadership Development. *Journal of American Academy of Business, Cambridge, 18*(2), 75-80.

Cameron, Esther, & Green, Mike. (2012). *Making Sense of Change Management: A Complete Guide to the Models Tools and Techniques of Organizational Change*: Kogan Page.

Carnall, Colin A. (2007). *Managing change in organizations*: Pearson Education.

Choi, Jaepil. (2006). A motivational theory of charismatic leadership: Envisioning, empathy, and empowerment. *Journal of Leadership & Organizational Studies, 13*(1), 24-43.

Clampitt, Phillip G, & Berk, Laurey R. (1996). Strategically communicating organisational change. *Journal of Communication Management, 1*(1), 15-28.

Clegg, Stewart R, Kornberger, Martin, & Pitsis, Tyrone. (2011). *Managing and organizations: An introduction to theory and practice*: SAGE Publications Limited.

Collins, Jim. (2005). Level 5 leadership: The triumph of humility and fierce resolve. *Harvard business review, 83*(7), 136.

Cullberg, Johan, & Lundin, Tom. (2006). *Kris och utveckling*: Natur och kultur.

Daft, Richard L. (2008). *The leadership experience*: South-Western Pub.

Dubois, Anna, & Gadde, Lars-Erik. (2002). Systematic combining: an abductive approach to case research. *Journal of business research, 55*(7), 553-560.

Dunphy, Dexter, & Stace, Doug. (1993). The strategic management of corporate change. *Human Relations, 46*(8), 905-920.

Eisenbach, Regina, Watson, Kathleen, & Pillai, Rajnandini. (1999). Transformational leadership in the context of organizational change. *Journal of Organizational Change Management, 12*(2), 80-89.

Flynn, Francis J, & Staw, Barry M. (2004). Lend me your wallets: The effect of charismatic leadership on external support for an organization. *Strategic Management Journal, 25*(4), 309-330.

Gill, Roger. (2002). Change management--or change leadership? *Journal of Change Management, 3*(4), 307-318.

Goodman, Joanna, & Truss, Catherine. (2004). The medium and the message: communicating effectively during a major change initiative. *Journal of Change Management, 4*(3), 217-228.

Hartley, Peter, & Bruckham, Clive. (2000). *Business Communication : An Introduction*. Florence, KY, USA: Routledge.

Hayes, John. (2010). The Theory and Practice of Change Management-3/E.

Higgs, Malcolm, & Rowland, Deborah. (2005). All changes great and small: Exploring approaches to change and its leadership. *Journal of Change Management, 5*(2), 121-151.

Jackson, Erin M, Rossi, Michael E, Hoover, E Rickamer, & Johnson, Russell E. (2012). Relationships of leader reward behavior with employee behavior: Fairness and morale as key mediators. *Leadership & Organization Development Journal, 33*(7), 646-661.

Jacobs, Ronald L. (2002). Institutionalizing organizational change through cascade training. *Journal of European Industrial Training, 26*(2/3/4), 177-182.

Jacobsen, Dag Ingvar, & Andersson, Sten. (2005). *Organisationsförändringar och förändringsledarskap*: Studentlitteratur.

Janssen, Claes. (1996). *Förändringens fyra rum: En praktisk vardagspsykologi*: Wahlström & Widstrand.

Johnson, Gerry, Scholes, Kevan, & Whittington, Richard. (2011). *Exploring corporate strategy: text & cases*: Prentice Hall.

Kanter, R. M., Stein, B. A. and Jick, T. D. (1992) The Challenge of Organizational Change (New York: The Free Press).

Keller, Scott, & Aiken, Carolyn. (2009). The inconvenient truth about change management. *McKinsey Quarterly*, 1-18.

Kotter, John P. (1996). *Leading change*: Harvard Business Press.

Kotter, John P. (2007). Leading change: Why transformation efforts fail. *Harvard business review, 85*(1), 96.

Lorenzi, Nancy M, & Riley, Robert T. (2000). Managing Change An Overview. *Journal of the American Medical Informatics Association, 7*(2), 116-124.

Luecke, Richard. (2003). *Managing change and transition* (Vol. 3): Harvard Business Press.

McGuire, David, & Hutchings, Kate. (2006). A Machiavellian analysis of organisational change. *Journal of Organizational Change Management, 19*(2), 192-209.

Millar, Carla, Hind, Patricia, & Magala, Slawek. (2012). Sustainability and the need for change: organisational change and transformational vision. *Journal of Organizational Change Management, 25*(4), 489-500.

Miller, David. (2001). Successful change leaders: what makes them? What do they do that is different? *Journal of Change Management, 2*(4), 359-368.

Moran, John W, & Brightman, Baird K. (2001). Leading organizational change. *Career Development International, 6*(2), 111-119.

Nadler, David A, & Tushman, Michael L. (1997). Implementing new designs: Managing organizational change. *Managing strategic innovation and change*, 595-606.

Oakland, JS, & Tanner, SJ. (2007). A new framework for managing change. *The TQM Magazine, 19*(6), 572-589.

Parmenter, David. (2010). *Key Performance Indicators (KPI) : Developing, Implementing, and Using Winning KPIs (2nd Edition)*. Hoboken, NJ, USA: Wiley.

Pettigrew, Andrew M, Ferlie, Ewan, & McKee, Lorna. (1992). *Shaping strategic change: Making change in large organizations: The case of the National Health Service*: Sage London.

Platzer Fastigheter AB. (2013). Årsredovisning 2012. Göteborg.

Pryor, Mildred Golden, Taneja, Sonia, Humphreys, John, Anderson, Donna, & Singleton, L. (2008). Challenges facing change management theories and research. *Delhi Bus. Rev, 9*(1), 1-20.

Rimmer, Malcolm. (1996). *Reinventing competitiveness: achieving best practice in Australia*: Pitman.

Saka, Ayse. (2003). Internal change agents' view of the management of change problem. *Journal of Organizational Change Management, 16*(5), 480-496.

Senge, Peter, Kaeufer, K, & Kellerman, Larraine R Matusak. (2000). Communities of Leaders or No Leadership at all. *Cutting Edge: Leadership*.

Senge, Peter, Kleiner, Art, Roberts, Charlotte, Ross, Richard, Roth, George, Smith, Bryan, & Guman, Elizabeth C. (1999). The dance of change: The challenges to sustaining momentum in learning organizations. *Performance Improvement, 38*(5), 55-58.

Simonsson, Charlotte, & Halvarsson, Helena. (2006). *Nå fram till medarbetarna*: Liber.

Spinelli, Robert J. (2006). The Applicability of Bass's Model of Transformational, Transactional, and Laissez-Faire Leadership in the Hospital Administrative Environment. *Hospital Topics, 84*(2), 11-18.

Tichy, N. M. (1982). "Managing change strategically: The technical, political, and cultural keys." Organizational Dynamics 11(2): 59-80.

Todnem By, Rune. (2005). Organisational change management: A critical review. *Journal of Change Management, 5*(4), 369-380.

Weick, Karl E, & Quinn, Robert E. (1999). Organizational change and development. *Annual review of psychology, 50*(1), 361-386.

Woodward, Sally, & Hendry, Chris. (2004). Leading and coping with change. *Journal of Change Management, 4*(2), 155-183.

Xirasagar, Sudha. (2008). Transformational, transactional and laissez-faire leadership among physician executives. *Journal of health organization and management, 22*(6), 599-613.

Yukl, Gary A. (2012). *Leadership in organizations*: Pearson Education India.

Zaleznik, Abraham. (2004). Managers and leaders: are they different? *Clinical leadership & management review: the journal of CLMA, 18*(3), 171.

Appendices

Appendix A – Interview Guide, Interview 1

Interview with the CEO

Why did you initiate a change program?

What are the objectives of the process?
- Which milestones do you have?

For how long will it continue?
- What determines when it is finish?

Which are the key aspects for its success?
- How do you define these?

Which are the major risks?
- How do you plan to avoid them?
- Do you have a plan B?

Have you been using external consultants?
- Why/why not?

How did you communicate the initial process to the personnel?

Have you made any change programs before?
- If yes, which lessons did you learn from it?

Interview with the personnel

What background/education do you have?

For how long have you been working at Platzer?

Describe your job tasks.

What do you like the most about working at Platzer?
- Is there anything you would like to change?

Can you describe your corporate culture?

Do you perceive yourself to be more of a generalist or specialist within your field?

Are you aware of the change program, and what it aims for? Do you understand what will change and how?

How do you perceive your role during the change program?

Are you prepared for the change?

What do you expect from the change?

Would you describe the change as huge? Why/why not?

Do you perceive the change program to be well structured?

Do you find the change necessary? Why/why not?

Have you gone through a change process before? If yes, what experiences did you bring with you?

Do you think it will be good to discuss the organization during the kick-of?

What do you find to be the keys to success?

What do you find to be the biggest risks against success?

What do you think will be better, for you, after the change?

How do you feel about changing office spaces?

Do you think that your work task will change?

Do you think that anything might change to be worse than it is now? Why/why not?

Do you perceive this change program to be part of a continuous change or is it an abrupt disruption?

In what extent do you think you will, emotionally, be affected by the change?

How do you want the process to be communicated?
  - Do you perceive the communication to be clear and sufficient?

How do you think that your leadership capabilities will develop during the process?
  - How do you think that your boss' leadership capabilities will develop?

Do you feel that you have been a part of the planning and implementing of the change program?

Do you consider your opinions to be taken into consideration during the planning process?

Do you perceive that the implementation is hurried? Why/why not?

What was your first reaction/thought when you first heard of the change?

The process has been ongoing for a while, do you think that the original plan will be continued, or do you think that there will be changes in the process?

What do you think about the fact that you do not have been using external consultants?

Have you wanted to have some reward after the change program?

Do you think that your tenants will notice the change?

How do you think that your organization will look in five to ten years?

Appendix B – Interview Guide, Interview 2

Interview with the CEO

How will the change program help you to achieve your vision?

What are the key aspects when linking together the change program and your company aim?

How will you work with the goal attainment of the change program?

What will happen when you reach your goals?

What will happen if you do not reach your goals?

Have you changed anything with the process since the last interview?

How is the acceptance amongst the personnel?

How do you work to obtain acceptance amongst them?

Have there been any sick leaves since the process started?

How does the future Platzer look? In ten years?

How do you look at leadership during change programs, which are the most important aspects? How do you work?

Do you think that you are communicating sufficiently?

How do you want to communicate?

How do you want to be as a leader?

How do you look at leadership, what is a leader for you?

Interview with the personnel

How do you perceive that the change program progresses, is it "according to plan"?

How do you perceive the leadership within the change process?

Do you think that you get/give enough information?

What do you think about the new Key Performance Indicators (KPI), and what is your opinion on target monitoring?

Have the new organizational structure started to settle for you? How does it feel?

Have any of your work assignments changed? How does it feel?

Do you feel involved in the change, is there enough communication?

Do you feel committed to the change program?

How do you identify with your new core values?

Is the new organizational structure easy to identify? Are the roles clear?

How would you identify the change process? Planned or emergent, continuous or incremental, smooth or bumpy?

Do you think that your leader does as much as it can in order to implement the change?

Have you accepted the change and advocate it?

Do you stick to the plan?

Are you experiencing any resistance towards the change? In that case, how do you cope with it?

How are you, mentally, affected by the change?

Would you describe the focus of the leadership to be on either personnel or economy? How is it in your new team?

Does the target of the process still feel relevant?

What aspects do you appreciate from a leader?

What aspects do you appreciate from a change leader?

Appendix C – Interview Guide, Interview 3

Interview with the CEO
Do you perceive the change to be completed or are there something left to accomplish?

How do you plan to evaluate the results and the process itself?

How has your leadership been during the process? Which types of leadership has been necessary to use, and why?

How have you communicated to the middle managers, and what have your expectation been on their performance? Have they met your expectations?

Are you satisfied with the result?

Do your new KPIs fulfil its purpose and haw are they connected to your core values and your CFIs? Is the connection as you want it or are changes needed?

What are your learning's from this process?

Which part of the leadership can be improved or altered?

Would you categorize the change as a success? Why/why not?

How shall you institutionalize the changes? Is it your responsibility to do so?

How shall you continue the work towards continuous change? Do you want to have that? How shall you communicate this to your middle management and the employees?

Are you satisfied between the vision for the change and the actual outcome?

How do you work to gain commitment from the employees, is it important for you?

Have you left the change process in your mind and started to focus on the next process?

What are your chances to meet your vision, does it seem far away?

Will there be a need for any major changes in the future, and how will they be connected to the one conducted?

Interview with the personnel

Have you embraced the change and accepted what has been changed?

Do you work as you as you expected, or has your job role changed in another way than you excepted? How has it changed?

Do you perceive that you got enough information to be prepared in a sufficient way? Did you know what was expected from you and what you could expect?

Did it become as you expected?

What was made properly? Name something that shall not be changed in the next process.

What was not made properly? Name something that must change in the next process.

Have you got any rewards under or after the process?

In what extent did the change process mentally affect you?

Which learning's have you made, and what will you bring into the next process?

Which kinds of leadership have you met/exerted? Have you met/used different styles? Why did you change style and in which situations?

Did you perceive any anxiety and uncertainty within the organization, during the process? How did you cope with it?

Is the new KPIs filling its functions, are they easy to work towards? Are they easy to understand and are they deducible to the vision and the CSF?

Do you experience a follow up of the process? How do you want it to be followed up?

How shall you work to institutionalize the changes?

When do you think that the next change process will be needed, and what to you think it will concern?

How was the change drawn within a timeline?

Would you call the change process a success? Have you changed as you wanted or are you still working as you did before? Why is it successful and what made it become that?

How do you perceive the leadership during the process, has it been sufficient?

As a whole, would you conceder the process to be well conducted?