

# **Barriers to Achieving Complex Change in Large Organizations: A Qualitative Case Study**

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## **ABSTRACT**

Complex change may stimulate employees to express cynicism. This qualitative case study helps to better understand which barriers organizational restructuring processes face during the change process, and gives an outlook on possible interventions. Using systemic theory, this qualitative study analyses the restructuring process within a large organization in the manufacturing segment. The analysis is based upon 28 in-depth tape-recorded interviews. It was found that past failed change and uncertainty about the future led to expressions and experiences of Organizational Change Cynicism which can slow down and hinder change processes.

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## **Keywords**

complex change, organizational cynicism, restructuring, barriers to organizational change

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## 1. INTRODUCTION

The topic of organizational change has been part of management research for decades. Change management is a broad subject with many realms for application, the most common being “technological evolution, process reviews, crisis, and consumer habit changes; pressure from new business entrants, acquisitions, mergers, and organizational restructuring.” (HUCMI, 2014). Every change process affects people, challenges their personal comfort zone and the status quo of how things are done. Change becomes complex, when many individuals and layers of activity are involved. For organizational change to be successful, certain conditions are necessary before employees are able to change their behaviour effectively. First, a compelling story has to be set in order for employees to see the benefit of changing. Moreover, Management has to model the desired behaviour to encourage and lead change by example. Reinforcing mechanisms must align with incentives to encourage the new behaviour and lastly capabilities need to be built to enable employees to acquire the skills needed to make the desired changes (Lawson, & Price 2003). Despite given consistent attention in the management literature, close to 70% of all change initiatives fail (Miller 2002, Higgs and Rowland, 2005). Hence, we seem to lack more knowledge about practiced skills, hidden conflicts and cultural baggage working against effective change (Maurer, 2010).

## 2. RESEARCH QUESTION

This research paper is conducted as a case study (Gillham, 2000). It analyses the organizational change efforts of a business segment (hereafter called CIS) of a multinational conglomerate company. The change efforts undertaken by the CIS are a direct response to the in depth restructuring processes which took place within the organization from 2015 onwards under the agenda “HP Masterplan” and continue to do so in the time this case study was undertaken. The reason for the restructuring originates from bad operational performance, leading to negative profits from 2010 to 2015.

The goal of this case study is to provide the reader with a snapshot of the ongoing Change Management efforts undertaken by the CIS administration from 2015 to 2018 while identifying change-related barriers to the achieving of successful change. The restructuring processes taking place within the CIS form a complex change process within an organization as they are affecting around 600 employees directly in their daily environment, and can have consequences for the overall around 50,000 employees. As organizational restructuring is one of the common change phenomena where attitudes related to cynicism can be frequently identified (Andersson & Bateman, 1997, Bommer, Rich & Rubin, 2005), this case study can serve as an addition to related literature, especially to the work of Anderson (2000) and Wanous, Reichers, and Austin (1994), by observing how and when cynicism develops in such a context.

## 3. CASE STUDY DESCRIPTION

Prior to the current restructuring initiative, several management changes and restructuring efforts had already marked a turbulent time in CIS history. Management has been replaced several times in a two to three year interval. The new management teams rolled out different strategic approaches which were adapted or replaced by the following management cohort. This led to some cases where programmes were prematurely stopped or not acted out sustainably. Under the current administration taking office in 2015, a restructuring directive, namely the “HP Masterplan”

(Figure 1) was established which marks the beginning of this paper’s point of analysis.



(Figure 1 – The HP Masterplan)

The Masterplan has four operational pillars in its outer circle and change management related soft-topics in its inner circle (Figure 1). The plan’s long-term goal is to increase performance, lastingly reduce the cost position and sustain competitive capacity (Raza, 2017). More concrete action steps were set under the Masterplan which all aim at rightsizing the CIS structure to current market demands and guiding the organization from a project-based system where each order inflow is handled as a unique project towards working within a commodity-based business model. Concerning the outer circle, the four key strategies form around:

- 1) The reduction of fixed costs and improvement of material efficiency, in addition to the implementation of more environmentally-friendly products as well as a simplification of the overall-product portfolio.
- 2) The optimization of global supply chain processes through a roll-out feeder concept and major restructuring, closing and rightsizing of more than ten locations under a new foot-print<sup>1</sup> strategy.
- 3) A more externally oriented go-to-market strategy, supported by a new sales setup which includes the development of a configuration tool enabling standardised order intake and concepts for decentralized sales hubs.
- 4) The optimization of core business processes in order to create cost transparency and reduce the complexity of workflows.

The operational goals of the Masterplan also include quantitative targets which measure profitability. These are key indicators for rating the Masterplans’ success. The inner circle of the Masterplan mentions “People, Culture, Skills, Change, and Motivation”. These topics are connected with the outer circle, as the aspect “people” should be seen as central to each of the four operational pillars.

<sup>1</sup> Answers the questions what and how much products and services are produced where.

Measures regarding culture change, organizational behaviour and other change management activities were decided to be independently undertaken by each business segment (e.g. CIS). The Change Initiative of the CIS started after the development of the HP-Masterplan in 2016.

### 3.1 2016

The cultural CIS change process started in February 2016 with town hall meetings (Gray, 2011) and information days. A typical information day grouped topics of interest together into several rooms (e.g. current Financials, Strategy, Lifecycle, Quality, Innovation, Sales). In these rooms, a condensed information stall with visuals and whiteboards was shown and presentations were given. Employees were able to ask questions and give written suggestions. These events primarily served the purpose to foster informal communication and information exchange between employees and managers, increase understanding of the restructuring plan and the measures taken in its context and to communicate the change efforts in a reciprocal manner. In these events, topics of mission and vision were approached and a common set of values, applicable for all members of the CIS were co-created together in a workshop setting. The elaborated CIS values are articulated through five statements:

“We, as the CIS workforce:

- 1) Live responsibility by tackling tasks solution-focused and completing them in a sustained manner.
- 2) Listen and understand the concerns of our customers and partners and act according to those.
- 3) Have the courage to walk new ways, speak up openly about topics, let failures happen (accept it) and learn from them.
- 4) Have a respectful attitude in interpersonal dealings and support each other in those.
- 5) Communicate constructively, honest and direct and give feedback as well as receive feedback.”

(CIS\_Vision-Mission\_KeyVisual, p. 3).

In order to multiply reciprocal communication about change and collect feedback from within the organization, a concept for change agents was established in 2016. The change agent’s role was to function as specialist contact person for change relevant feedback and questions coming from his or her regular work environment (e.g. colleagues). The agent then took this feedback upstream to relevant positions. Later, management decided to enrol more change agents and a re-kick-off, through a workshop, was organized in which the LK<sup>2</sup> and the change agents went into an information exchange to deepen their co-operation. Since then, around 15-20 change agents are active within the organization and hold regular meetings. In late 2016, top management, with the support of the CFO as the identified change sponsor, recognized that the internal capacity for enabling change processes was not sufficient enough and thus decided to reach out for external consulting.

<sup>2</sup> LK stands for “Leitkreis” which is a German word describing the middle to upper management reign of a company.

<sup>3</sup> A management style focusing on empowering employees to act independently.

### 3.2 2017

Such a consultant (identified as the main change implementer) of the organizations internal HR (strategy intervention) unit started working with the CIS segment at the beginning of 2017. The consultant performed a situational analysis, several one on one interviews were held and workshops and LK - as well as Masterplan meetings were analysed according to structure, communication, barriers, and culture. Thereupon the assignment and goals of the Change Initiative were clarified: Enabling collective behavioural change in the segment and working on issues related with “Values of the CIS; Learning culture of the LK; Mission and Vision; The prioritization of strategy and Leadership competence” (17\_10\_23\_Übergabe Projekt XX XX, 2017). Four cultural events were held in 2017, and the LK was regularly trained in “Management & Culture” (17\_10\_23\_Übergabe Projekt XX XX, 2017). Additionally, relevant staff was trained in seminars about dealing with emotions and “Leading-by-Objectives<sup>3</sup>”. The “dealing with emotions” workshop was structured in two parts. The second event as well as more in-depth trainings about Leading-by-Objectives are planned to be undergone in 2018. In one of these workshop settings, the LK elaborated upon leadership competencies and wrote down desired behaviour for managers in a designated workshop held in 2017.

The archetype of a CIS manager was set to have the following traits

- Competent and intellectually capable
- Puts the individual before the cause
- Takes away fears and give grounded safety, is patient
- Communicates openly and honest
- Is emotionally predictable in his/her leadership role
- Allows for and values open and critical opinions
- Trusts the capabilities of employees and colleagues, gives them space to work and stands behind the end-result towards the outside, on the inside giving critique and feedback to the employee.

(Führungsverständnis\_XXX\_XXX, 2017).

In order to communicate relevant operational and cultural aspects of the restructuring process and offer a stage for networking and teambuilding, nearly all CIS managers with direct line authority were invited to a two-day workshop in 2017. Around 20 employees from the factory site working as shift or team leaders also took part in this event. Overall, more than 200 managers joined and attended seminars, informational presentations and teambuilding events. This event is marked as one of the most resource-intensive change event in CIS history. Managers were able to network and returned to their positions with new input regarding the strategic and change related direction of the organization.

The work on change continued but soon experienced a disruption when the consultant and main change implementer left the organization following the dissolution of the Strategy Intervention Unit in the last quartile of 2017. The project was handed back over to the CIS management in a project handover meeting, citing the current state as “offer and cost-planning are handed in to XXX (...). The “CIS” (is) informed about their specific planning and current state of affairs.” (17\_10\_23\_Übergabe Projekt XX<sup>4</sup> XX, Slide 2).

<sup>4</sup> To protect the confidentiality of the case company, some words or letters are replaced by an “X” as a filler-symbol.

### 3.3 2018

In 2018, CIS top-management declared the operational restructuring process for completed. Town Halls<sup>5</sup> and information events are held, as planned in prior years. These focus on reciprocal communication as promoted by the Change Initiative. Talks are held for working with a new change consulting professional. Additionally, a new concept for the involvement of Change Agents is planned to be rolled out in the summer months.

### 3.4 Change Aims

After presenting the history of the CIS Change Initiative, now it is important to know its main objectives. The primary goal of the Change Management Initiative was to support the change within the CIS which was commenced by the HP Masterplan. The underlying goals of the change efforts are to 1) create a culture of open, respectful, honest and transparent communication, 2) move from a top-down driven management style to empowering employees on all levels to act more entrepreneurial<sup>6</sup> in their realm of responsibility 3) foster a speak-up mentality in which employees bring up improvement opportunities or problems experienced directly to management decision makers by thinking holistically about processes in their work environment instead of solely following directives.

## 4. THEORY

Having described the case study, the following section takes a look at relevant theory regarding complex change processes in the context of large organizations and restructuring.

### 4.1 Senge et al's Change Framework

Brunsson and Olsen (1993, p. 34) state that organizational changes are polar, so that "each reform invokes a single set of consistent values and perceptions of the world, in contrast to organizational practices which often have to deal with inconsistent values and perceptions." Thus, organizational changes are occurring in a mismatch between the laid out objectives and the day-to-day work environment in which they should be implemented. As a consequence, the gap between theory and practice should not be seen as bridgeable through highly structured change guidelines (e.g. Kotter, 1995; Lewin, 1951). Senge et al's (1999) framework is noticeably different from many of the other classical perspectives on the change process within an organization which focus on a process plan which guides a change initiative from start to finish. Senge et al. avoid step-by-step guides but focus on ideas and suggestions for dealing with organizational resistance to change. These resistances come up in meetings, discussions and interviews through specifically phrased emotions. Statements like "We don't have time for this stuff!" express the need for extra time outside of the day-to-day for working on change initiatives. Claims sounding like "We have no help!" indicate the need for coaching and support to develop new skills and mind-sets. All change needs reinforcement of new behaviours from management. They have to "walk-the-talk" or cynicism can built up. When first visible results of the change efforts appear, questions like "Who's in charge?; Where are we going and what are we here for" indicate that more resources have to be invested in communicating new ideas, processes and information as well as engaging employees in the design and purpose of the novel strategy and behaviours.

<sup>5</sup> A town hall meeting is an informal public meeting between citizens (in this case all employees in one working in the same location) and public figures (senior-management) ([www.reference.com](http://www.reference.com)).

### 4.2 Roles in a Change Process

Similarly, O'Neill (2000) identifies four important specific leadership roles which aid and need to be present in order to achieve successful change in an organizational context instead of giving a fixed process-plan. Neill's (2000) model offers a flexible and simple definition of "who does what" in a process of change.

#### *Sponsor*

A Change Sponsor has line authority over employees responsible for change implementation and control over resources to enable the change. A sponsor needs a clear vision for the change initiative which is strengthened through goals and measurable outcomes.

#### *Sustaining Sponsor (or Change Implementer)*

The role of the Sustaining Sponsor is to enable the change process in their own area of management while top-level responsibility lies above in the hierarchy. A sustaining sponsor must avoid telegraphing cynicism about change to his or her team.

#### *Change Agent*

A Change Agent forms a triangular relationship with the sponsor and implementer. He facilitates the change, keeping sponsors and implementers informed and aligned. The Agent can also act as a "data gatherer, educator, adviser, meeting facilitator and coach." (Cameron & Green, 2015, p. 151) but has no authority of the implementers of the change.

#### *Advocate*

An Advocate is an employee with an idea on how to improve the effectivity and efficiency in reaching the organizational goals (especially related to change) but needs a sponsor for it and thus must create an appealing concept for a sponsor.

The roles within a change process are of relevancy for this study because all of the above described roles are present within the case analysed. Top management, represented by the CFO, together with the supporting change consultant, act in the role of being the Change Sponsor because they control resources, conceptualize and drive implementation of the Change Initiative. Middle management majorly perform the role of being Sustaining Sponsors, because of the structure of the organization (See Figure 3). Additionally, a Change Agent programme was created by management fitting to the role assigned by O'Neill (2000). Finally, the role of being a Change Advocate resemble one aspect of the Change Initiative in that employees from all positions within the organization should speak up and bring forward themes and topics of improvement about operational or change related systems.

<sup>6</sup> Meaning to constantly ask the question "If this is my own company, would I make this decision, would I act in this way?"

### 4.3 Role of Change Agents in Management Models

In a management model context (Caldwell, 2003, Balogun, 2003), the role of a change agent includes middle level managers and functional specialists who adapt, carry forward or build support for strategic change within business units or key functions. The middle manager with line management responsibility has a special and very specific role to play in every organization. In the vast majority of change initiatives, “managers at middle levels in organizations may be able to make a strategic contribution... middle managers fulfil a complex change intermediary position during implementation (...) [They] engage in a range of activities to aid their interpretation of the change intent. This interpretation activity then informs the personal changes they attempt to undertake, how they help others through change, how they keep the business going during the transition and what changes they implement in their departments.” (Balogun, 2003, p. 69-83). A middle manager acting as agent of change is a change implementer. In this, his role is to translate the strategic vision to local actions. In his position as a manager, he needs to know what works and what doesn't and engage in immediate feedback with change agents on the level of leaders and executives upward in hierarchy. But, there are things to watch out for. Middle managers have a necessary attention on business as usual as well as for the changes. In this dual role, they may be not equipped with the necessary skills and resources. Lacking skills and resources are often a cause of lacking senior management support (Caldwell, 2003).

### 4.4 Complexity Science and Change

Change which is highly structured by e.g. IT-systems and technical elements, is handled more efficiently if details are planned out. Complex change on the other hand “involve(s) so many individuals, layers of activity, areas of focus and so many factors that cannot be pre-thought out that there will be a need for people to struggle and argue and work their way through to an unpredictable outcome.” (Cameron and Green, 2015, p. 368). Complex change happens in for example outsourcing, mergers, cultural change initiatives, strategic-led change and restructuring programmes. Complex change is studied within complexity science. It is made out of multiple interdependent and connected elements which learn from experience, and transform continuously, even without a designated designer or project plan. Thus control doesn't always need to be centralized (in the hands of top management). Complex change happens decentralized, as “the whole system's behaviour appears to arise from competition and cooperation among the local agents in the system coupled with sensitivity to amplifying or dampening feedback.” (Cameron & Green, 2015, p. 369). Systemic views such as the concepts promoted by Senge et al. (1999) are heavily influenced by complexity science. The principles of complexity can have a significant impact on how to view and deal with organizational change. They describe how every organization, like any organism, constantly changes, evolves and seeks organization while absorbing information through learning and feedback processes. This may all happen effectively without central authority being in control. Instead, explicit and implicit behaviour changes as experience is accumulated. This is a bitter pill for management who seek direct influence on local behaviour as it seems unlikely to be effective. Top-down change efforts may instead stifle creativity. Communication in complex systems such as large and dispersed organizations is short-range. Actions and behaviour are responded to locally. Thus, the day-to-day interactions have a greater weight in what influences an employee to act in a certain way than the grand vision and mission of the whole organization. Like in biology and physics,

every individual in such a system adapts behaviour according to the most dominant “attractor” in his or her environment. Attractors are unpredictable and emerge naturally. As the focus shifts to one attractor from another, the attention to the prior fades away and its influence vanishes. Individuals moving from attractor to attractor can experience struggles or paradoxes. These arise when new ways of doing things are the opposite of what was the prior status quo. Arising tensions may sometimes need to be managed directly. It then has to be acknowledged that polarities cannot exist without both extremes (e.g. top-down change cannot exist without bottom-up change) and thus they function interdependently, co-existing and needing each other in all dimensions, good or bad (Cameron & Green, 2015).

### 4.5 Restructuring and Redundancy

A restructuring or “rightsizing” process seldom comes without the termination of employment for positions which have become redundant in the new way of doing business. Redundancy affects not only those made redundant but also their colleagues and new hires. Noer (1993) describes the short and long term impact which redundancy can have on the individual and the organization itself. In the short to medium term, individuals might experience job insecurity, unfairness, distrust, stress, fatigue, guilt as well as optimism. Most importantly, they feel the psychological contract between employee and employer is broken and needs to be renewed. The organization as a whole can experience reduced risk taking, reduced motivation, an increased focus on short-term objectives, a dissatisfaction with planning and communication, sense of permanent change, anger over the process but continued commitment to move forward. In the medium to long term, individuals are likely to experience insecurity, anxiety, fear, numbness and increased levels of stress and fatigue. The organization might be impacted by extra workload, increased self-reliance, decreased motivation and employees might feel a sense of loyalty towards the job but not to the company. Many of the above described emotions are not necessarily disclosed but can also be solely experienced internally. Either way, they have a distinguishable effect on motivation and morale. Undisclosed feelings are not openly expressed but might leak out in other day-to-day activities. Disclosed feelings about redundancy can manifest in blaming others for poor performance and constantly requesting information. Noer (1993) further elaborates a four-stage redundancy intervention model to tackle above mentioned emotions. At its first level, all interventions should form around establishing an efficient and effective communication strategy and a process aligning with the set of organizational values which were agreed upon. Level two involves working on the resolution of disclosed and undisclosed feelings about redundancy and restructuring. Especially in this phase, managers need support and self-awareness, allowing time for the expressions of feelings and clarity about future steps for moving on. The third stage or level re-establishes the self-control, self-esteem and empowerment of those surviving the redundancy. Involvement in shaping the future of the organization is critical as greater engagement is followed by commitment. The fourth level of Noer's model deals with making the change sustainable. According to Weinberg (1997), an organization can redress the change initiative easily by rejecting foreign elements, trying to accommodate foreign elements in the old way of doing things or failing in transforming the old model to receive and adapt to the initiated change. Noer argues, to make change stick, there is a need for structural systems and processes that deal with survivor syndrome symptoms (e.g. dealing with emotions), the psychological contract needs to be readdressed and newly defined HR practices and management and leadership styles have to be aligned with the espoused culture. Redundancy might be

overlooked in dealing with resistance to organizational change because management might not acknowledge the negative influences rightsizing has on the surviving employees. Noer's (1993) model also approaches the sustainability of change efforts. The above presented model connects to the case study not only because of frequent changes in management personnel up to 2015 but also because redundancies took place as several sites were right-sized or closed.

#### 4.6 Cynicism about Organizational Change

Andersson (1996) defines organizational cynicism as strong negative emotions which result out of the violation of the psychological contract between employers and employees. These may lead to emotional detachment and discontent about the work environment. Psychological contracts "are individual beliefs in a reciprocal obligation between the individual and the organization" (Rousseau, 1989). "Organizational Change Cynicism" (OCC) is created by companies embarking in quality initiatives, rightsizing and re-engineering which follow "the predictable sequence of lofty pronouncements, rapid implementation, and inevitable failure, to be followed immediately by the next new program." (Abraham, 2000, p. 272). OCC ultimately is a reaction to failed change efforts which have as a result created pessimism and distrust about the future success of change. Management is seen as having violated the psychological contract as they didn't follow their obligation to continuously strive for enhancing corporate performance. Pessimism then serves as protection against further disappointment. In this context, cynicism can reduce ambiguity which accrues from bewildering buzzwords that accompany change programs and the lack of change in day to day job responsibilities after changes in strategic direction. An interesting addition to the model of cynicism is the work of Karfakis & Kokkinidis (2011) in which they describe the cynical employee in more detail. The cynical employee is well aware of the asymmetrical power relations within his or her organization. With this awareness, he (she) chooses to stay within his comfort zone and experienced security of internally disagreeing with methods and processes in his or her environment. Cynical behaviour reinforces itself because it tends to prevent employees from openly participating in new change efforts and thus increasing their chance of failure (Wanous, Reichers, & Austin, 1994).

## 5. METHODOLOGY

After introducing relevant theory, the following section details the applied methodology. This paper deployed a mixed-method design, meaning quantitative as well as qualitative data integration was applied in the research (Stentz et al., 2012). In total, 28 in-depth and tape-recorded interviews of about one-hour length were held. The majority of respondents were men of age 30 to 50. Research participants are sourced from a range of more than 5 line-hierarchies<sup>7</sup>. All interviews were conducted from May 2018 until July 2018, at a state in which the HP Masterplan was in its last year of implementation. The interviews began with a promise of anonymity and an assurance by the interviewer that the research would not be treated as an evaluation of the performance of the interviewed. Therefore, the name, position or function of the interviewed is not specified in the text and the order in which participants were interviewed does not match chronologically with the numbers given to each interview. In order to ensure that the same general topics were covered during the interviews, a common interview guideline was used. Each

interview was structured in three sub-sections. The first section dealt with questions around function-specific topics of interest. In the second section, the personal experiences, assumptions, estimations and beliefs about past, current and future change processes were elaborated upon. In the third section, questions relating to the style of transformational leadership behaviour, organizational cynicism and goal clarity were framed. These were leaned on the widespread conceptualization of Wanous, Reichers and Austin (2000) and the confirmatory factor analysis of the model by Albrecht (2008). The interviews were later paraphrased to ensure that as little information as possible is lost in the analysis of the data. In order to tackle acquiescence bias and reduce social desirability bias which "occurs when a respondent provides an answer which is more socially acceptable than his / her true attitude or behaviour" (Dodou & De Winter, 2014, p. 3), questions were partly phrased in a way that aimed to show respondents that it is accepted to disagree or answer in ways not socially desirable. Each interview was paraphrased to a focus-script so that each interview had a final summarization of 3-5 pages. These were created solely for the purpose of this research and not replicated. All scripts were studied multiple times, questions about the written text were cross-checked with the interview's tape material before related audio material was deleted. Excel was used for quantifying interview results and establishing indicators about change relevant observations across the sample population. All interpretations of the interview data and observations were made with the intent to come from a position behind "the veil of ignorance" (Rawls, 1971), meaning that all analysis is motivated to be rational and equalitarian<sup>8</sup>.

The "XX XX Global Employee Survey 2017" was analysed as a quantitative source. This annually conducted survey inter alia asks questions around the topics of ownership culture, health and work safety, work environment, integrity and diversity. The survey specifies statements such as "I can be myself at work" and then asks respondents to rate to which degree they agree with the statement (strongly disagree; disagree; neither; agree; strongly agree) and has a response rate of 71% and 1154 overall respondents. Finally, a literature review on the topic of organizational change and restructuring has been carried out. A literature review is defined as "the selection of available documents (published and unpublished) on the topic, which contain information, ideas, data and evidence written from a particular standpoint to fulfil certain aims or express certain views on the nature of the topic and how it is to be investigated, and the effective evaluation of these documents in relation to the research being proposed" (Hart, 2001, p. 13). The academic online research portals Web of Science, Google Scholar and Scopus as well as the Corporate Intranet have been utilized to gather relevant material.

## 6. FINDINGS

The analysis of interviews showed that statements made about the respondent's situation, emotions as well as the description of the changes that had taken place did not differ significantly across the organizational structure. The themes found in the analysis of the interviews largely coincide which makes it possible to group the findings into 7 subsequent categories. These categories form around the topics that were prevalently expressed (meaning having the highest frequency of occurring through interviewee expressions).

<sup>7</sup> See Figure 2

<sup>8</sup> Equalitarianism - the doctrine of the equality of mankind and the desirability of political and economic and social equality. (<https://plato.stanford.edu/entries/egalitarianism/>)



## 6.1 Communication

The communicational aspects and the sense of togetherness and community are expressed to have developed positively since the Change Initiative started in 2015. Respondents described the culture in years before 2015: “we were constantly in a mode to justify our actions, and we pointed fingers at each other, arguing why one-self is not to blame for the mistake.” (Interview 5), “I believe in the past there was very little to no communication taking place, it was more command & control.” (Interview 23). The majority of respondents felt that this has significantly changed towards a more respectful, honest and open way of communicating and working together. “The finger pointing in the past changed so that now we see each other more as a community” (Interview 24) “What I perceive, especially in the management tier (...) a very strong development. Now it is much better possible to address uncomfortable things or emotions which was not possible to that extent before” (Interview 9), “What fundamentally has changed is that now there is an open communication and it is also communicated that a “speak-up” mentality is wished for” (Interview 6), “The communication among the managers and also to superiors is better (...). In the past it was like: ‘do I really go to him now, speak to him now?’ Today you basically can go and o.k. he listens to you, so you can talk, whatever it is” (Interview 21). Some respondents expressed uncertainty about open communication to superiors because of the hierarchical nature of the organizations structure. “Yes (open communication) is welcomed (...) I am sceptic if you don’t have to pay the bill (negative consequences) for that at the end, that’s what I am not sure about” (Interview 11). Respondents, especially those closer to blue collar positions often talked about how they communicate a lot with employees but seem to not be able to reach them as desired. “(...) for these purposes I use my (...) meeting in which I repeatedly notice that they are not at all interested because they don’t listen. Then I say, okay If you don’t listen then you cannot live the change like the rest” (Interview 21), “What I heard is that some employees still are frightened to communicate honest and openly because in the past, when someone addressed an issue they were punished immediately, that’s what I hear, that’s what my employees tell me (...) then I can come as a new manager and say that they can communicate openly now but the fear is still there. Then they say that it cannot be done just by saying but this is a process which they (the employees) have to go through until they have trust” (Interview 16).

## 6.2 CIS Values

Respondents generally acknowledged the CIS Values as a desirable guiding principle to which everyone can agree and commit to. Some respondents argued that the values are “nothing different than how I behave in my normal life too and I believe that the majority would agree” (Interview 25). The majority of respondents stated that the extent to which these values are lived by differ from person to person and that they are not fully embraced by all parts of the organization yet. “The acting according to these values takes a certain amount of time until the people have internalized it really” (Interview 15), “Regarding the implementation (of the CIS Values), I believe we are on a good way and there were a lot of positive changes in the last two to three years regarding that topic, but we definitely have potential for improvement with some of those values” (Interview 25). The majority of respondents had the congruent opinion that the values were not well-received further down the line authority as “change is noticeable, especially in the LK and the way they work together (...) does the same count for us in XY, also how we are treating our employees and especially how our employees treat

their employees, then I would say no, there I actually see the biggest demand for action” (Interview 7)

## 6.3 Empowerment

All respondents likewise understood empowerment as a culture in which decisions can be made and projects driven by everyone in their respective arena without too many hierarchical and bureaucratic constraints, and that as a manager it means to give employees the freedom and trust to let them work and embracing a culture in which failure is accepted and can be learnt from. “Empowerment for me also means having the possibility to fail and then say: hey I need to do it differently!” (Interview 11). When asked if the respondent feels empowered, the majority expressed cynicism resulting from a lack of empowerment contrary to what was promoted by the CIS Change Initiative. “I can live it (empowerment) only in the boundaries which were given to me. If they are small, then I can live it only a little bit. Then the word empowerment maybe is a little too big for what we actually can do with it” (Interview 6). Constraints on empowerment are often seen to be present when it concerns monetary clearance for project plans and such. “In my own area of responsibility I am completely empowered. At the moment where I have to go to interface-partners, it stops. There I am dependent upon understanding (...), there I am completely dependent from everyone else, and I don’t think that it is lived and understood the way it is presented to us. (...) Then it starts with budget clearances (...) of course my interface-partner has to understand it (...) but these are infinite discussions which are held, topics are chewed on over months and we do not reach the mode to move and change. (...) Suggestion(s) are blocked, but it also isn’t said what should be done to implement it.” (Interview 24), “I never experienced before that you get so many Emails. I always have between 800 and 1000 unread E-Mails in my mailbox because everyone tries to safeguard themselves (...) all topics and requests are carried to the management level (...) this is to safeguard because then everyone is informed and no one can come and say I didn’t inform you (...) Inherently I feel trusted and empowered but on the other hand I have to say that we have so many topics which are micro-managed. When you address this issue and ask why such topics are discussed at higher management level, (the answer is) we do it to protect ourselves. I actually have the feeling that from top-down there are breathing rooms (to act out empowerment) but at the same time there are topics and projects where everything really has to be checked five and ten times” (Interview 16), “My range of freedom is pretty big. In the moment when it comes to making decisions which have monetary implications, it is minimal. I have a budget clearance for up to 5,000 Euro. This for someone with a budget of 23 Million Euro. This is nonsense. (...) the feeling that I am not trusted deciding about these 5,000 Euro is a little conflicting. (...) Do I have to go six, seven rounds for 50,000 Euro? Until everyone understood what I want and then I am still unlucky when the person who has to make the decision in the system says it is not rewarding enough, then the project is dead.” (Interview 20). Respondents in management functions who were asked about empowerment in general, stated that they already tried or try to use empowerment and believe in its effectiveness. “Empowerment has a big advantage. When I have someone who constantly leads me hierarchically, I can never try something out or find out by myself if it’s right or wrong. Then I also don’t develop the experience to say ‘I made a mistake’. I would never do that, if I just listen to my superior’s directive and then at the end I justify my actions behind something like ‘I had no choice, he told me so’” (Interview 20).

## 6.4 Operational Pressure

The majority of respondents felt that the current operational pressure because of weak sales performance and forecasts, affects managers negatively in acting according to the values and manager guidelines such as empowerment which were set by the CIS Change Initiative. "You can also feel the amount of stress many people face and thus the "how" gets less attention" (Interview 6), "Yes I see that by myself also. The more details I have to explain to my superior, the more details I want from my people (...) If the top management doesn't support making mistakes and not knowing certain things, then the below levels fall back instantly into micro-managing" (Interview 8), "In such a phase in which the change drive flattened a little, we have to be careful not to fall back into old habits" (Interview 3).

## 6.5 Cynicism

The majority of respondents felt that past, majorly operational change initiatives failed frequently or weren't sustainably completed or implemented. Projects were partly cancelled by management without proper reasoning to relevant stakeholders within the circle of employees. This had negative effects on respondent's views about the value of their work, the current change initiative, the future of change efforts and change in general. "I believe the CIS has suffered a lot in the past years because of the many management changes (...) because there was a new direction repeatedly and also the programmes were logically solely established by the prevalent management circle. Before the programmes (restructuring initiatives) were finished or implemented, there was a new formal management who said that the whole thing is not good enough and does regime a different type of change. Thus the results of the programmes were not tangible" (Interview 6), "We had a new management every two to three years with different approaches (...) I believe there definitely is a sort of cynicism. If there should be another different approach coming, I'm already asking myself how that can still be communicated." (Interview 1). Respondents especially from line authorities closer to the blue collar workforce recounted cynical attitudes towards change efforts: "Yes I see that. That means (people say) 'yes now they have thought up a new alteration, I do nothing for now, in two months they will do something different again anyway'" (Interview 4), "From my perspective, there are too many things which are started and not finished. (...) Projects were partly stopped due to management change but also by management which initially started the project. Then you ask yourself, did they think this even trough? We want to improve on that, it burns a lot of motivation of my colleagues and also money, that doesn't make sense" (Interview 15), "Then we had two or three meetings which did not take place and, at the end, we did not change (...). I believe this is the biggest problem, that we do not sustainably design out and implement a project before we start the next one" (Interview 16). Respondents frequently expressed concerns about the current change initiative coming to an end trough e.g. a shift in management personnel: "Because if we now set the sail again in the other direction, then it's exactly what the employee says. Then his opinion is confirmed if in some way something changes but then we don't continue with it because the employee is still nothing worth anymore. It is really like this, when there are certain management and leadership changes, they have different expectations, (...) and then it goes the other way again (...) that's then also how it comes from the team, like "No this will not last long anyway until the next manager comes and then he does it differently again and everything is forgotten again. That's the problem" (Interview 21). Cynicism could be identified among the respondents according to the methodology described by Wanous, Reichers and Austin (2000). The prime factor

indicating if a respondent would express cynical behavior were 1) the amount of years the respondent would work within the CIS, and 2) the distance to the conception and implementation of the Change Initiative. The more years and the further the distance by work environment or position within the organization, the more likely the respondent indeed mentioned cynical behaviour.

## 6.6 Uncertainty

Respondents, predominantly working in an environment closer towards the blue collar workforce, articulated feelings of fear and uncertainty towards the future. "The atmosphere is that here and especially in the manufacturing, the colleagues notice the poor order entry performance very very clearly. (...) The people who add value along the production chain notice that of course. And there is an atmosphere, which is built upon worry. Many really worry about how it will continue with this site here. Definitely" (Interview 23), "(More transparency) that would we wished for sure. I think the problem is rather that it is unclear where the journey goes to (...) they say systemic business (...) fundamentally I would put that in quotations, because I believe that the understanding of this is not clear with everyone regarding what is really meant by that. (...) Product-business means I buy products from a catalogue. I think the most products we sell are not at this point at the moment" (Interview 15). Some respondents felt a lack of change efforts reaching them in their local environment: "Of course there are info-rounds which are led by above managers but directly it is not happening from our superior. This was done more in the past and it decreased" (Interview 17). Respondents predominantly working in an environment further towards top management, tended to be more positive about the switch towards a systemic business model and only expressed the need for more communication in all layers of the organization. "If you start improvement processes you have to always communicate so clearly and continuously so that you understand why I do that (...) the communication today, is not clear enough in my opinion." (Interview 4) The majority of respondents expressed that the change towards a systemic business is almost not or not at all tangible at the moment.

## 6.7 Change Agents

When asked about their touching points with the CIS Change Initiative, most respondents did not mention the change agent concept. When asked directly about the role of the change agents and their impact within the environment of the respondent, the majority had no direct contact points with their work. "(We also asked in this meeting), who actually knows a Change Agent? Because they originally should play a central role. The answer was 'yes the Change Agents aren't really anchored in the company'" (Interview 3). Respondents recognized the concept "change agent" but majorly had no direct experience with change agents. "I didn't really hear much about it. Just last year I heard that two colleagues of us did it (referring to the work as change agents). So that they now are supposed to be a communication vehicle to outside (upwards the hierarchy) for us. That's how it was presented. Then you heard that they were in those workshops (referring to the two-day workshop with all employees with line authority) but like directly communicated to us, they didn't. This was a bit overlooked. The colleagues (change agents) didn't say 'hey let's sit together sometime and we can talk about what we actually did so far and are doing in your interest'" (Interview 17). Change Agents described their role in various degrees but homogenously referencing to the function of facilitating change related communication beyond line authorities and driving change related content in their environment. The role of a change agent was generally seen as important: "I think it is important that (...) a voice out of the direct situation is carried further (...) that the opinions and emotions of colleagues are also represented,



I still think this is important” (Interview 28). Some respondents felt that their work is not fully acknowledged within their environment: “But apparently it is not adopted or accepted by the colleagues at manufacturing levels. If you then ask why this is the case, I do not really have an answer. Somehow it is tried to communicate a lot through such initiatives... (mentions negative experience as change agent)... then you see that it is really made fun of partly. And then you ask yourself, is this instrument from (areas of) change management understood, respected and recognized by all? (...) one half takes it seriously and the other half doesn’t have an ear for it, they are not interested” (Interview 24).

## 6.8 Summary

After the presentation of the findings in detail, this section summarises the found elements. Communicational aspects and the sense of togetherness and community have been expressed to have developed positively since the Change Initiative started in 2016. Prior, the culture of the organization was associated with seeking security and justifying one’s own action to deflect possible criticism. The majority of respondents showed positive feelings about the direction of the Change Initiative and described the new communication efforts as positive. Respondents generally saw the CIS values as a desirable guiding principle for collaboration and communication. The values of empowerment and ownership were described equally by respondents. The majority of participants felt a lack of empowerment contrary to the cultural move towards empowerment which was agreed upon at relevant change events<sup>9</sup>. Slow progress of self-driven projects through extensive controlling, no clarity about the status of projects and the lack of trust in the disposability of monetary means are restricting the empowerment-culture. Some respondents saw the operational pressure of day-to-day business negatively affecting the progress of the Change Initiative. The majority of respondents felt that past change initiatives often were not acted out sustainably, aborted before completion or failed to bring promised results. This led to attitudes related to cynicism about change in general. The cynicism about past failed change can be seen to hinder the commitment to the CIS Change Initiative and thus slow its progress. Years of employment at the organization and the distance to the conception and implementation of the change initiative by work environment or position within the organization indicated, if respondents experienced or expressed Organizational Change Cynicism (OCC). Respondents, especially in environments closer to blue collar positions, expressed feelings of fear and uncertainty about the future. The switch to a systemic driven business model was seen as being only minor or not tangible in daily work. The majority of respondents knew about the concept of change agents and their presence within the organization but expressed a lack of connection to those. The majority of respondents had no direct contact points with change agents and thus saw the roll-out and implementation of the concept as poorly or described it as a failure. Change agents generally described the programme as positive but expressed the need for more time for change work and partly expressed that the change agent concept is not adopted among employees. Overall, the cynicism about past failed change, the lack of empowerment in the work environment and the uncertainty about the future are the three most dominant barriers to achieving successful cultural change.

## 7. IMPLICATIONS

In this section, practical implications of this case study are presented. As complex change is difficult to not manageable as a

whole, it should be considered to break down change aspects into smaller systems. Cameron and Green (2011, p 126) reflect on the ideas of change from Senge et al. recommending “running a pilot for any large-scale organizational change”. A pilot project is resource efficient, flexible and of great value for internal marketing purposes. Director of Client Consulting at Sundog Interactive Greg Ewing-Lee, describes the three main benefits of pilot projects in managing risk, validating benefits in a limited but representative scope and in evangelizing change efforts. To the latter he states: “The biggest hindrance to change in any organization, are the people within it. Regardless of how much you sell the solution (...) there are always those that will only believe it when they see it” (Ewing-Lee, 2012). It is difficult to achieve a bottom-up communication strategy (Speak-Up!), when its drive comes from top-down. A successful pilot project might be an incubator for large scale organizational change as it can spread the positive success story about the change efforts of the pilot group to other parts of the organization, demonstrating management commitment to change and tangible results. These examples can be used to evangelize change, boost morale and to gain more support for change from within the organization. Reflecting on the interview data gathered, one of the most watched and a key activity determining the tangible success of the change and restructuring efforts is the Sales department. Establishing a pilot project in this department could be considered a valid option for a company-wide focus group of change. Next to the beneficial effects of being able to present a tangible and directly noticeable success story about change, pilot groups are great providers of frequent feedback and fast growth.

Reflecting on the change process, the majority of respondents identified the two-day seminar in early 2017 (in which everyone with line authority participated) as the most memorable contact point to the Change Initiative. Respondents generally acknowledged the time and effort which was put into its organization and saw the established communication guidelines and values as positive. Thus, a co-creational approach to workshops and change in general, which fosters the participation and commitment of management and workforce may work as a tool for preventing the cynicism associated with past failed change. The effects of engagement and contribution to organizational strategizing positively correlate with middle management strategic commitment. They increase the ties to the outcome of the new organizational direction (Li & Butler 2004; Brown & Cregan 2008). Co-creational practices can also be used by middle management directly to form empowering operational and change related goals for employees. In a field study about employee participation in a manufacturing setting, participatory development processes and the resulting jointly developed performance measures did increase the departmental performance and “perceived capability to take initiative” (Groen, Wouters, & Wilderom, 2012). The CIS is already taking steps in this direction. An online management-tool gives the opportunity for managers to set smart goals for employees. In this process, real co-creation can happen. Employees should have to ask critical questions like “How can I contribute to the bigger progress of the organization as a whole?” before writing down meaningful goals. The resulting goals need to be likewise understood by all relevant parties. Co-created goals will generally benefit the performance and creativity of employees, especially because motivated and capable employees will be rewarded for good performance with challenging yet interesting goals. Hereby, it has to be made clear that failure is natural and part of making progress. Failed goals should be followed up by post-mortem meetings in which the questions “what were the

<sup>9</sup> Such as Workshops, Town-Halls, Meetings, Informal Meetings.

reasons for the failure? What have we learnt in the process? What can we do to avoid those mistakes in the future?" should be answered. Uncertainty about the future and operational pressure through poor performance can lead managers to take more risk-averse decisions about projects and budgets. It can result in managers micro-managing employees instead of leading them or feeling the need to safeguard oneself for every bigger decision. A standardised process for dealing with projects (e.g. a StageGate<sup>10</sup> process) can mitigate uncertainty and give a framework in which management can empower and employees can work according to their capacities. The following Project Mapping Framework provides an example-framework for dealing with projects. It should be seen as food for thought regarding the structure of managing projects and improvement suggestions.

In this model, all projects can be categorized in a two-by-two matrix (Figure 4). The matrix defines a project after the time it takes from start to finish and the resources (time, money, and people) needed for the project. All upcoming projects are defined through a standardised short and presentable format (e.g. ppt.). This format is written by the project lead. The project lead is the sponsor of the project. He or she establishes consensus between all project-members about time, resources, efforts and pitfalls before proceeding with the project according to the matrix below.

	Time efficient	Time intensive
Resource intensive	<b>Empowered Project</b> (mediocre risk, timely completion)	<b>Green-light Project</b> (high-risk, high impact)
Resource efficient	<b>Just-Do-It Project</b> (fast, low risk)	<b>Scale or Discard</b> (undesirable zone)

Managers generally do not engage in resource-expensive projects without the intent of likewise impact. Thus it is assumed that projects which require more resources, have the potential to have a likewise greater positive impact on the overall performance of the business. Projects are categorized in the following sections:

*Green-light Projects (resource and time intensive)*

Green-light projects are high-impact, resource-, and time-intensive projects (e.g. Improving supply chain efficiency through new IT-Infrastructure on the shop-floor). These projects should get approval from a gatekeeper (supervising board or line manager) and might be tracked along the process like common in the StageGate framework. After establishing a team and creating a framework for the project, a pitch is presented by the project lead for first approval. After successful approval, a project-plan is established by the project team which is approved by the relevant gatekeeper(s) or handed back for improvements. Gatekeeper and project lead can co-create a project timeline which should include trackable milestones at which the current progress and direction of the project are re-evaluated by both parties.

*Just Do It (resource and time efficient)*

Just-Do-It Projects are resource and time efficient. They represent the proportion of projects which improve processes through small and sometimes obvious changes, structure communication and information-flow and can be implemented in a short period of time.

Just-Do-It projects make processes in the direct environment of the project lead more effective and efficient and should proceed without barriers.

*Empowered Project (resource intensive but time efficient)*

Empowered Projects are resource intensive but show results faster than Green-light Projects. Here, no Gatekeepers are in place, as the project lead, together with the project team is empowered to undertake the process at his or her own responsibility. The project lead is responsible for driving the project and allocating resources. The project lead presents the project to his or her supervision in a short briefing and has the option to get feedback or ask for assistance.

*Scale or Discard (resource efficient and time intensive)*

Projects which are resource efficient but take an intensive amount of time until implementation are in dangerous territory. Factors might change over time which can change the outline of the whole project or make it more resource intensive. Project teams might be occupied with repetitive work for longer periods. Here, two questions should be asked. Can the project be turned into a time efficient Just-Do-It Project? And if not, can the project be scaled to be of high impact and be worked on under the Green-light framework? If neither is the case, the project should be discarded.

While names and factors of such a framework can be adapted to the specific circumstances of a business, coherently categorizing projects has several advantages. First, it establishes a clear psychological contract between employee and employer as it defines a tangible setting in which both parties can navigate in. As this framework is consistent, a new psychological contract does not have to be established if personnel changes. Individuals can be part of more than one project team, or lead more than one project. The fact that all project leads start with connecting people to form a project team and then collectively commit to time, money and people expected for the project to be successful, means that employees gain control over the amount of projects they are participating in. Employees can regularly update management about how many projects and what sort of projects are currently worked on. Finally, the manager has a framework which guide him on empowering employees yet managing risk.

Efficient project management needs efficient and effective communication. Respondents near and at upper management positions often mentioned how daily workload doesn't allow freeing time for change related projects. An indication for Peer to Peer or Peer to group communication being not efficient enough. The primary used methods for communicating relevant information and updates, face-to-face meetings, conference calls and Emails are interrupting people's workflow. Time is lost with meetings and reading and writing Emails. The manager is found in a position of constantly needing to communicate updates and planning actions. This time could also be invested in implementing and sustaining projects. A resource intensive but potentially valuable solution in the long-term, could be the implementation of necessary IT-infrastructure through B2B project management software such as Scrum, Kanban or Trello.

<sup>10</sup> A system in which an innovation project runs through a chain of processes and decision points in which gatekeepers decide on continuing or cancelling a project ([www.stage-gate.com](http://www.stage-gate.com))

A resource efficient solution would be to implement a “currently working on the following topics” list on the Organizational Chart found in the corporate Intranet. In this way, project planners can see the utilization of key positions for their planned project beforehand. Chosen IT-Infrastructure should also enable a more frequent and still resource efficient reciprocal communication which is needed to reduce uncertainty and cynicism about past failed change. Effects from redundancy, as described by Noer (1993), can also be a reason for experienced cynicism. Therefore, all interventions should form around establishing an efficient and effective communication strategy whose core is aligning with the set of established organizational values.

As a culture of ownership and empowerment ultimately aims at a highly autonomous yet highly aligned method of working and collaborating on projects, it might be also worthwhile to look at how a global software company established an agile engineering culture to stay flexible and give employees the required freedom to thrive. Spotify sees the primary job of a leader to clearly communicate what problem needs to be solved and why. Work-teams (called Squads) of up to eight employees then have full end to end responsibility for their work as they decide what to build, how to build it and how to work together while doing so. Members of such teams are also grouped into Chapters. A Chapter connects employees with common competency areas throughout several working-teams. Each Chapter is led by a formal line manager which makes it possible for employees to rotate between Squads without having to get a new manager. Spotify also cross-pollinates best practices instead of using standardization, meaning that processes and tools become the path of least resistance when they are used by enough Squads. No central control checks software releases as agile at scale requires trust at scale. Instead, software is rolled out to a limited amount of users first. Failure because of novelty is encouraged. Spotify argues that if failure gets punished, the resulting fear of failure will kill trust and innovation. The focus is lied upon recovering from failure rather than avoiding it. All mistakes are usually followed up by a post-mortem meeting in which the following questions are discussed: “What happened? What did we learn? What will we change? How will we avoid the same mistake in the future?” Product development and process improvement follows lean<sup>11</sup> start-up principles. A narrative is worked out for each project showing the benefits of improvement. The in the following created minimal viable product (MVP) is released on a small scale. After release, feedback is gathered, analysed and used for improving the process. This is repeated until projects are ready to be scaled. While the system at Spotify clearly empowers the employee, the natural differences between software and brick and mortar manufacturing have to be recognized and acknowledged, because it might not be feasible to implement such system in a different environmental context.

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<sup>11</sup> The core of lean is to maximize customer value while minimizing waste. A lean organization understands customer value and focuses its key processes to continuously increase it.

<sup>12</sup> The most common of which are the change sponsor, implementer and change agent.

<sup>13</sup> Meaning, each member of a society sees him or herself as individuals which strive for progress of the inherent community as a whole rather than for progress of the individual itself.

## 8. CONCLUSION

This case study found that past failed change, uncertainty about the future and the feeling that change efforts do not follow through on promised statements, positively correlate with expressions and experiences of Organizational Change Cynicism (OCC) and this acts as a barrier to change. Due to the scope of this research, participants focused on their perspective about the implementation of change. The implementation of change is always driven by some sort of leadership. According to Northouse (2010) “leadership is a process whereby an individual influences a group of individuals to achieve a common goal.” Each Change necessarily is built and implemented through a leadership-role<sup>12</sup>. Leadership emerges out of the cultural context of an organization’s values, history and environment. Thus, the overarching organizational culture (community-culture or country-culture) is relevant for how an individual will be open, resistant or cynic to particular change. The new-age, less structure-focused Anglo-American change theories and systems, which propagate visionary leadership and employee empowerment, are created from a cultural framework which values individual conformity<sup>13</sup>. Thus, these change methods might not give enough attention to potential agency problems<sup>14</sup> in the process. They assume, instead, that every employee flourishes under empowered freedom to be creative in the best interest of the organization as a whole. This perspective aligns with American leaders which score above average in charisma, humane orientation, team orientation and participation while at the same time below average on self-protection and autonomy (GLOBE, 2004, 2014). Lewis (2006) describes the American manager as optimistic and confident individuals who are ready for change and value corporate spirit and individual freedom. These traits synergize with transformational leadership behaviour<sup>15</sup> which then again works well with Anglo-American change theories. In practice, most companies in mature markets (e.g. construction and manufacturing segments) successfully lived for decades, using hierarchical top-down leadership styles instead of the Anglo-American empowerment. Taking Germany as an example, the countries’ highest capitalized organizations stem from the industrial manufacturing sector or the automotive industry. These corporations emerged long before the internet-age. German leaders are highly autonomous and below average in terms of their humane-, and team-orientation (GLOBE, 2004, 2014). Lewis (2006) sees German management as having a clear chain of command in each department. Information and instructions are communicated from the top but considerable value is placed on consensus. Employees in such organizations which, supported by social-democratic employment protection laws, often are employed for longer periods, thus are adapted to being managed through a more transformational<sup>16</sup> leadership style. Taking these differences into account, following research and consulting agendas should also ask the question, to which extent change efforts struggle because of a misfit of change theory to the predominant culture at the point of implementation.

<sup>14</sup> An Agency Problem is a term from Agency Theory, describing the potential conflicts arising, when one person or entity is able to make decisions and/or take actions on behalf of, or that impact, another person or entity

<sup>16</sup> Transformational leadership is all about initiating change in organizations, groups, oneself and others.

## 9. LIMITATIONS

This paper is conducted with great care. It's function is not to form a precise representation about the average cultural situation of the organization researched. Perceptions are subjective, statements have to be interpreted precisely, habits of the unconscious play a role every day and at the end there is no control variable for the researcher him or herself nor the current situational, organizational and emotional situation of the respondent at the moment of the interview. Unfortunately, the Change Consultant (identified as the major change implementer) was not reachable for an interview or information exchange. Thus details about the change processes had to be sourced from several interviews and given corporate material (e.g. PowerPoint Slides, Project-pdfs). The sample population is randomized as far as possible. The sample size of 28 is small in comparison to the around 600 employees directly affected by the Change Initiative. The limitations of this study make room for future research. Future academic research should be undertaken with the focus on qualitative research design like used in this study. Anonymity assurance gives respondents the opportunity to express their thoughts more freely. The interview setting enables a free flow discussion. Complex change involves many different actors, factors and layers of communication. It's nature lies in its decentralization. Thus, to gain a more in-depth understanding of which commonly found factors in restructuring processes trigger cynical behaviour among employees, personality tests and more statistics could be used for comparing the respondents and their statements with each other.

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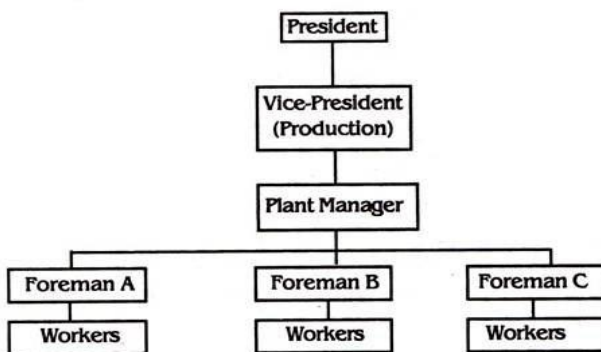
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## 12. APPENDIX

Figure 2: Line-Authority



Source: <http://www.businessmanagementideas.com/organization-structure/5-main-types-of-organization-structure/3448>, Accessed 26/06/2018