

*If you are planning to change, plan the change!*

A QUALITATIVE STUDY ABOUT UNDERSTANDING OF  
CONTINUOUS CHANGE AMONG SENIOR LEADERS

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## Abstract

The fast-evolving external environment imposes a need for the organizations to be in a mode of constant change so that they can keep up with their competitors. As new tools and technologies are introduced, processes and practices need to adjust and evolve as well. The top management teams are constantly trying to improve the efficiency of their companies by planning and implementing projects that may lead to changing the way of work for some people. These changes are continuous, and they put an extra burden on the personnel. The rate that an organization can accumulate such changes depends on its change adoption capacity.

The purpose of this study is to shed some light on top management's perceptions about organizational change capacity. The study is based on current academic literature regarding change management, leadership and organizational change capabilities. Sorpanot's (2011) model of organizational change capacity was used as its theoretical framework.

This is a qualitative research and the empirical data used in the analysis part derived from eight semi-structured interviews with senior managers from top-tier Finnish companies. The study's objectives were to explore senior leaders' perceptions about their companies' ability to cope with continuous change, mainly from the people aspect of the organization, and their perceptions of their own role in balancing the planned changes with the organizations' change capacity.

The findings indicate that the senior leaders realise that people retain an inherent aversion towards change and that being in a mode of constant movement can be strenuous for the staff. However, they regard continuous change as imperative for the organization's survival. In line with the existing literature, communication and leadership ranked higher as factors contributing to success. Another notion that stood out was that every case of change is unique; therefore, it should not be approached by prescribed methods and typical change management models and frameworks.

Finally, four distinct roles were identified for the senior leaders: (1) They give meaning to change for their employees, (2) they facilitate the implementation by planning and resource allocation, (3) they assess the progress, measure success and take corrective actions if it is required, and (4) they develop change capabilities in the organization.

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**Keywords** change management, organizational change capacity, change capabilities, leadership, senior managers

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# 1. INTRODUCTION

*“Change alone is eternal, perpetual, immortal.”*

Arthur Schopenhauer

## 1.1 Background

The discussion and study of change management have been going on for a long time. However, no one can claim to have mastered all the intricacies of change, and no one doubts that it is a challenging task to deal with. Despite the plethora of studies and prescriptive models for dealing with change (Stouten, et al., 2018), change attempts keep failing (Kotter, 1995). One suggestion is that different organizations require different models (Waldersee, et al., 2003); one size does not fit all. Another idea is to create a new model every time, which will be customized to the company and the situation (Oxtoby, et al., 2002). The common ground in this discourse is the need for studying change and its implications further.

A crucial factor that contributes to the urgency of understanding and dealing with change nowadays is the fact that we are experiencing the fourth industrial revolution. The rate at which the business environment is changing is unprecedented. The level of uncertainty, even for short term decisions, is at its highest point. Therefore, studying change is quite sensible and well-timed.

Driven by the rapidly changing environment, organizations continuously pursue more effective initiatives that will give them a competitive advantage; for instance, implementing new quality management processes, optimizing a production line, reorganizing sections, adopting new sales strategies, or implementing new software.

Senior managers are caught amidst this race and are pressed to make decisions, but they also push for implementation of new projects. They appreciate the concept of project management and its importance for the success of their operations. They recognize its implications and requirements in terms of resource allocation, and typically they approach it from the perspective of budgets, timelines, and deliverables. However, the projects' outcomes often create new solutions and processes for the company, which inevitably lead to change. This change should be taken into consideration in the project's planning.

In contrast, to the planned change described by Kurt Lewin, who established the change theory model of the three-step process (unfreeze-change freeze), Burnes (2009) defined emergent change as the continuous, open-ended, and unpredictable process of aligning and realigning an organization to its changing environment. The various definitions of various types of change have led to the formation of numerous prescribed methods for dealing with any kind of change (Stouten, et al., 2018). However, the rate of failure in change implementation projects is interestingly high (Kotter & Cohen, 2002). Research has shown that managers have not always been successful in times of rapid change because they are part of the changing context itself (Blomme , 2012). Whether the evolution of an organization is intentional (Hannan & Freeman, 1989) or imposed by the external environment (Nelson & Winter, 1982), its change capability will be the determining factor between success or failure (Soparnot, 2011). To cope with continuous change, an organization must develop change capabilities which are a type of widely discussed and valued dynamic abilities (Schweiger, et al., 2016). Rather than looking for the next best prescriptive model is suggested that organizations should invest in assessing and developing their change capacity (Soparnot, 2011).

The focus of my research is on senior managers. However, in literature, usually, it is not clear whether a reference to managers' roles or perceptions concerns top management

teams or other managerial levels. Furthermore, when there is an apparent reference to high managerial level, the topic is about strategic and significant scale change. “Without leadership, planned organizational change will never be realized” (Burke, 2011, p. 247). In other words, there is a lack of relevant literature connecting senior managers with incremental changes, which creates an opportunity for potential contribution in the existing academic literature.

The interest in the senior managers comes from the fact that in the current academic literature, there has not been a connection of this level of management with low range changes. Usually, top leadership’s perceptions are examined in conjunction with an organizational change of considerable extent, often referred to as “transformational” (Kotter, 1995). On the other hand, minor and incremental changes with minimal or limited effects, have been explored only from the line or middle managers’ perspective, highlighting their stress of being both recipients and carriers of change while implementing the top management’s decisions (Huy, 2002). With my study, I aspire to add to the existing literature and provide useful insights for practice.

## **1.2 Research questions and objectives**

The scope of this research is to explore how the top management of top-Tier Finnish organizations understands the impact that continuous change has on their business organization from people’s perspectives. Their perceptions hold significant value because their decisions define the number of projects their organization is implementing. Thus,



they set the frequency and the nature of change that their organization's employees have to cope with.

In this study, I explore how senior managers perceive and define continuous change, what do they see as contributing factors for the successful implementation of change and how do they measure success?

To accomplish that, I formulated a research question with two sub-questions.

### **Research Question:**

#### **How do senior managers in top-tier Finnish companies make sense of continuous change and their role in the process?**

Sub-question 1. How do senior managers in top-tier Finnish companies perceive their organization's capability to adopt change?

Sub-question 2. How do senior managers in top-tier Finnish companies perceive their role in leading planned changes in their business organization?

The implications of this study are both academical and practical. With this research, I intend to add to the existing literature by exploring the sense-making of incremental emergent change, from the perspective of senior managers, regarding, their role in leading it and their perception of the organization's capability to adopt it. The existing literature in senior managers perceptions is limited to occasional references in other topics. Even when there is such a reference related to change it usually involves large scale transformational changes. Incremental changes are related to line or middle managers. The findings of this research will shed light on this topic that has not been studied yet.

Furthermore, the research intends to add value to empirical practice related to the topic by providing insightful conclusions that can be used in change management consulting.

### **1.3 Structure of the study**

My research is structured as follows. In the next part, I present a review of the relevant literature regarding emergent and continuous change, organizational change capacity and the role of senior managers. In the same section, I present the theoretical framework that I use to build my case. Following that, I describe the methodology that I used as well as the methods for data collection and data analysis, and I explain the philosophical implications that led to these choices. After the methodology, I present the empirical findings from the analysis of the collected data, and then I discuss my findings in light of the relevant theory and literature. Finally, I present my conclusion regarding the research questions and theoretical and practical implications.

## **2. LITERATURE REVIEW**

In this section, I present a review of the literature that I have identified as the most relevant for exploring my research questions. This section will facilitate the positioning of the present study in the current body of knowledge and promote the building of its theoretical framework. Apart from the theories concerning organizational change, there are two streams of literature that are directly related to the topic: organizational change capacity or change capabilities (the two terms are used interchangeably in the literature) and leadership and change management. During the review, I highlight some pivotal points that are linked to my research questions.

Before reviewing these two streams of literature, I make an overview of the organizational change management field with a focus on topics that are relative to the research. These topics are related to organizational evolution, the distinction between planned and emergent change and dynamic capabilities.

Second, I examine the literature on change capabilities, which is related to my research, and I present Sorpanot's (2011) framework of change capacity, which will constitute the basis on which I will analyze the empirical findings related to change capacity.

Finally, I discuss change management and leadership, highlighting topics relevant to top management and senior leaders because their perceptions are the scope of this study.

## 2.1. Organizational Change

I find very insightful the definition of change as a set of those solutions that are created within an organization as a response to the organization's interaction with its environment (March 1981, as cited in Sorpanot, 2011, p.641). The need to respond effectively to the demands of the external stakeholders drives the development of internal procedures and competencies; in other words, it creates change. This idea has created different schools of thought regarding the patterns according to which organizations evolve: on the one side, the evolutionists' emergent strategy approach, and on the other, the dynamic approach that advocates for the resource-based view and describes the dynamic capabilities of the organizations (Soparnot, 2011).

The evolutionists who argue that a company's progression is associated to its environment; thus it is guided by the constraints that external factors impose to it (Nelson & Winter, 1982). The same school of thought also includes scholars who study the ecology of organizations like Hannan & Freeman (1989, p. 7, as cited by Amburgey and Rao, 1996), and who advocate that the rate at which organizations arise, die or change forms, is connected with their environment. According to this rationale, and taking under consideration that organizations that belong in the same industry may rise, fall, or change regardless of the industry's course, evolutionists conclude that companies are somehow "selected" by their environment (Amburgey & Rao, 1996), in a manner similar to the Darwinian theory of evolution of species: *The fittest company survives*.

On the other hand, the resource-based view of the organizations offers a contradictory explanation. The company, instead of being "selected" for survival by an environment on which it has not any control, uses both its resources and also the environment to evolve (Wernefelt, 1984). The term firm-resources includes all of its assets, its processes, knowledge, and capabilities (Barney, 1991), which hold a significant role in this study. As the organization is moving towards the creation and implementation of a sustainable

strategy, it absorbs information from its environment, uses its assets and develops these capabilities that will allow it to prevail in the specific environment; thus creating a sustainable competitive advantage (Barney, 1991). Managers have the power to influence the change directly, and they act proactively. This way, they are giving to change the essence of purposeful response. Adaptation is the outcome of choices and decisions rather than being the result of a selection process (Soparnot, 2011, p. 642). Combining these two contradicting change theories and moving between the two poles “selection” and “intention” will help later on to explain the meaning of change capacity and clarify an organization’s ability to adopt change.

Understanding and accepting both of these two change approaches as a way to make sense of how an organization evolves is essential for my research because the senior managers’ points of view may also differ on this matter. Keeping that in mind, I move on by clarifying two other contradictory views: Planned vs emergent change. There are arguments for and against each one of these types of change. Planned change has been the topic of research in the field of change management since the 1950s, when Kurt Lewin (1951), established the change theory model of the three-step process (unfreeze-change-freeze). This model had been prevalent for two decades until the 1970s, when its validity was questioned (Burnes, 2006, p. 328). The core idea behind Lewin’s theory and his subsequent model is a sequence of steps and initiatives that must be assumed by organizations to alter the way of doing things both at the organizational and individual levels. Lewin’s three-step process was followed by other models that have been used by both scholars as a research base and practitioners as business practice (Beer, 1980; Cooperrider & Srivastva, 1987; Judson, 1991; Kanter et al., 1992; Kotter, 1996; Hiatt 2006; Stouten et al., 2018). However, initial Lewin’s model’s way of thinking is still relevant and consists of the basis of change management for many organizations and practitioners (Burnes, 2006, p. 36). Planned change has been regarded as prominent by many scholars: “In other words, conscious, planned change is infinitely preferable to unconscious emergent change” (Todnem By 2005, cited by Tarandach & Bartunek, 2009, p. 11).

On the opposite side of the dichotomy lies the emergent change which is defined as the continuous, open-ended, and unpredictable process of aligning and realigning an organization to its changing environment (Burnes, 2006; Burnes, 2009). As organizations develop and implement procedures in their current structures, changes emerge in the form of improvements in those structures (Stacey, 1992). Every effort to improve a process and to implement a new innovative system that will increase the organization's efficiency is a separate project that affects a particular part of the organization. Those who are immediately related to this part are experiencing a change to some extent, while others might be completely unaffected. This situation paints the picture of the incremental changes that derive from planned new projects. Organizations "operate at the edge of chaos and far-from-equilibrium" (Liebhart & Garcia Lorenzo, 2010, p. 217) where the stages of stability and instability, freezing and unfreezing are a continuous process that occurs in a different time and extends to different parts of the same organization. Perceiving as attention-needing-change only the planned change inhibits the risk of not allocating the required amount of time and resources to the new incremental changes. Failing to attend to these changes can be a contributing factor to delays or even failures at the implementation of projects (Hornstein, 2015).

Due to the high uncertainty and to the lack of predictability, the top management teams of the organizations push for action that may be disproportional to the organization's ability to adopt change. Hence the concern of how managers make sense of their organization's change capabilities and change adoption capacity. Organizational change capabilities are a crucial topic for this research, and I review the relevant literature extensively in the following chapter. However, before discussing in detail about them, I find it useful to refer to the concept of the *dynamic capabilities* since change capabilities within a company are considered as part of the company's dynamic capabilities (Schweiger, et al., 2016).

Dynamic capabilities are connected to the resource-based view of the company according to which the company's competitive advantage is created within the firm when it effectively combines its resources (Barney, 1991). Dynamic capabilities were introduced to describe the organization's capacity to deliberately adjust their resource base to adapt to a rapidly changing environment (Teece & Pisano, 1994). Teece, Pisano and Shuen (1997), advanced the concept by explaining the ways that firms develop these capabilities aiming to gain competitive advantage. Knowledge, norms, processes are some examples of dynamic capabilities, but the most important for this study is the capability to reconfigure existing resources (Barney, 1991), because resource reconfiguration prompts directly to change management. In a dynamic environment, the company plans projects and employs them aiming to improve procedures. The changes in the routines and the implementation of new methods for completing tasks is the reconfiguration of the firm's existing resources.

## **2.2. Organizational Change Capacity**

In change management literature the term "change readiness" is frequent and it refers to the mindset and the attitude that members of an organization adopt regarding change; that is how they recognize the need for change and how they prepare for it (Kerber & Buono, 2010). It is crucial to differentiate change readiness from change capacity which is "the ability of an organization to change not just once, but as a normal course of events in response to and in anticipation of internal and external shifts, constantly adapting to and anticipating changes in its environment" (Kerber & Buono, 2010, p. 81).

Sorpanot (2011) used the lenses of content, process, context and interaction to analyze the change to define change capacity. The first three variables are intertwined in a frame that explains what is changing (content), how is it changing (process), and why does it

need to change (context). Interaction connects all of them in a cycle of actions, reactions and interactions. Following this rationale change capacity can be defined as “is the ability of the company to produce matching outcomes (content) for environmental (external context) and organizational (internal context) evolution, either by reacting to the changes (adaptation) or by instituting them (pro-action) and implementing the transition brought about by these changes (process) in the heart of the company” (Soparnot, 2011, p. 642).

This definition is related to one of the research’s subquestions regarding the balance between change and the organization’s change capacity: On the one side is the organization’s ability to produce solutions which are the content of the change and on the other is the ability to implement these solutions successfully, i.e. the process of changing in a specific context. This is related to my research because one of the goals is to identify the level of alignment between what the decision-makers perceive as a reasonable and viable solution and what can be done in reality.

However, this definition has been challenged for having limited ability to explain change capacity (Soparnot, 2011, p. 642), and for being vague regarding the accurate description of the change capabilities that a firm needs. (Schweiger, et al., 2016, p. 14). Scholars have attempted to clarify, and identify these capabilities, to promote methods for diagnosing them and to suggest ways to develop them.

One way to identify such capabilities is to follow the classification of organizations in Organic and Mechanistic (Burns & Stalker, 1961) and distinguish between the different set of attributes required for every type. In organic organizations, which are the most informal ones with open channels of communication, adaptability and dynamic flexibility are the most prominent capabilities for facilitating change. On the other hand, the mechanistic organizations, which are high hierarchical, seem to rely more on the utilization of expertise and technical competences (Waldersee, et al., 2003).



Another interesting, though challenging point of view, is that change experience is itself a change capability (Stensaker & Meyer, 2012). This argument is based on the idea that individual capabilities sum up to an organizational capability according to the resource-based view of the company (Barney, 1991). The challenging part is that experience cannot become a capability when it is negative. However, successfully implemented change provides a positive experience, which facilitates the mitigation of resistance. Furthermore, it enhances the know-how of dealing with change. Members of the company are re-assuming the process to change efficiently while at the same time, they keep attending to their daily operations (Stensaker & Meyer, 2012); thus ensuring business continuity and faster adaptation.

On top of that, change experience offers the prospect to the employees to develop personal change capabilities. This fact has a positive effect on the organization which, in the resource-based view, benefits from the competences of its employees. This perspective has practical implications for the managers: Since positive change experience is a requirement for the development of change capabilities, they should recognize their crucial role in generating it (Stensaker & Meyer, 2012).

In the literature that I have reviewed, all the scholars agree unanimously that organizational change capacity is a type of dynamic capability. Schweiger et al., (2016), connected organizations' change capabilities to dynamic capabilities and defined them as "those capabilities that enable an organization (1) to recognize the need for changes, (2) to understand the likely consequences of the change, and (3) to reconfigure its firm-specific resource base to match the requirements of changing environments" (Schweiger et al., 2016, p. 13). Furthermore, combining Teece's (2007,2014) model, which distinguishes dynamic capabilities to sensing, seizing and transforming, with Sorpanot's (2011) model of change capacity led to the classification of change capabilities like search, reflection, seizing, planning and implementation (Schweiger, et al., 2016).

Sorpanot's (2011) model of change capacity extended the idea of change capacity as dynamic capability by putting weight on the implementation of the planned changes (Schweiger, et al., 2016, p. 24). After highlighting that change capacity consists of three dimensions, Sorpanot (2011) introduced a framework to be used for analyzing a company's capacity to carry out changes successfully.

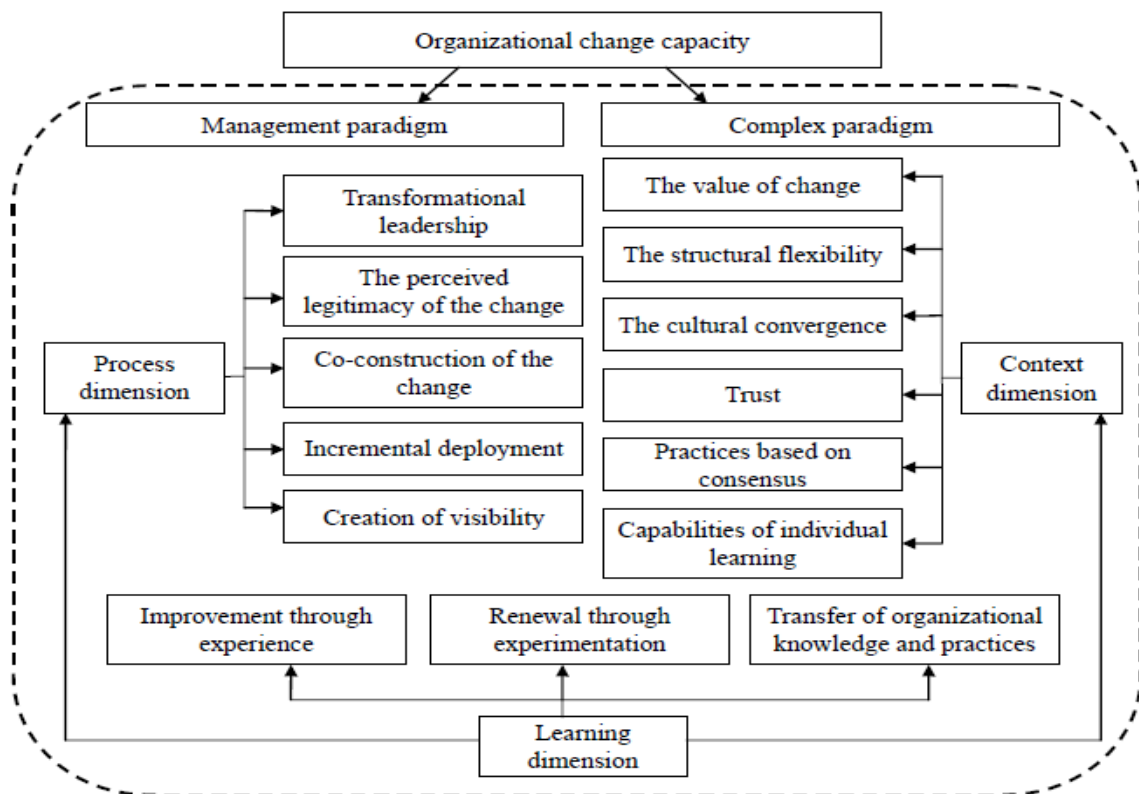


Figure.1 A model of organizational change capacity. (Sorpanot, 2011, p. 659)

“This framework is interesting in two respects. First, it shows that change capacity is as much linked to its management as it is dependent on the initial conditions. Second, it provides direction towards strategic management of change” (Sorpanot, 2011, p. 642). Manager's can uses this model to diagnose their organization's change capacity. The first

step is to identify the organization’s assets that can facilitate change. This assessment of how well the capacity can be used. Next, after defining the organization’s current position and identifying missing elements, the organization must plan to acquire or construct recourses, that has been identified as missing. This procedure is not limited to periods of anticipating change. It builds upon previous experience and intuition. Proactively prepares the organization for the next project and the upcoming planned change, but at the same time, it facilitates incremental changes that are happening in different sections of the organization (Sorpanot, 2011).

The elements that constitute each one of the three dimensions are change capabilities, and I present them in table 1. In the analysis of this research, I will explore how senior managers make sense of these capabilities in their organization and how they relate them with the outcome of the implementation of planned new projects.

| <b>Context Dimension</b>            | <b>Process Dimension</b>               | <b>Learning Dimension</b>                          |
|-------------------------------------|--|--|
| The value of change                 | Transformational leadership            | Improvement through experience                     |
| The structural flexibility          | The perceived legitimacy of the change | Renewal through experimentation                    |
| The cultural convergence            | Co-construction of the change          | Transfer of organizational knowledge and practices |
| Trust                               | Incremental deployment                 |  |
| Practices based on consensus        | Creation of visibility                 |  |
| Capabilities of individual learning |  |  |

Table 1. Organisational Change Capacity. Adapted from Sorpanot (2011)

The context dimension relates both to the change's and organization's nature. What is the change and what is the organization that this change will be implemented in. The first element is the value of change. Is the change required? Will it elevate the organisation in a higher position? Then comes the structural flexibility of the organization. Rigidly structured organization cannot follow changes easily. Lean and agile structures allow the swift adaptation in continuous change. Equally important with the structural flexibility is the cultural convergence which can be described as the uniformity of goals and aspirations in an organization. Different sections in an organization different tasks and objectives. However, all these objectives must be the components of the companies final goal. Although trust and consensus are separately listed in the model, they are integrated parts of the cultural convergence as they support synergies and promote productive cooperation amongst the different sections. The final element in the context dimension refers to the personal ability of each and every member of the organization to cope with and adapt to change.

The process dimension deals with how the planned change is introduced and implemented. The elements of the process constitute the required organizational change capabilities. Transformational leadership is the active leading of the process aiming to bring the organization to its new position smoothly. It starts with legitimizing upcoming change and justifying its necessity. The next important element is the ability to bring everyone on-board. Since every person will be affected by the change that ability to make everyone participate and co-construct it, is crucial. The last two element are related to the more practical managerial abilities of introducing the upcoming change in increment so that it is more easily accepted and creating visibility about the change so that there is a clear roadmap of what the organization is doing.

The learning dimension is mostly about how both the organization and the people in are able to learn by the process of implementing change and adapt to it. Previous experiences of implemented changes lead to improvement in the process of introducing future ones. The willingness to experiment and try new things, therefore, to adopt change, is by default

a competence that raises the chances of success in an attempt to implement change. Finally, an organization's ability to spread knowledge and practices, in contrast to organizations that operate in silos, constitutes another organizational change capability.

### 2.3. Leadership and Change Management

The last section is challenging concerning the available literature. The focus of my research is on senior managers, but in literature, usually, it is not clear whether a reference to managers' roles or perceptions concerns top management teams or other managerial levels. Furthermore, when there is an apparent reference to high managerial level, the topic is about strategic and significant scale change. "Without leadership, planned organizational change will never be realized" (Burke, 2011, p. 247). In other words, there is a lack of relevant literature connecting senior managers with incremental changes, which create the opportunity of potential contribution.

Senior manager's role and impact are indisputably significant in the organizations as is their influence on decision and plans (Balogun, et al., 2015). Senior managers and top management teams are simultaneously subjected to local and broader operational contexts, having to deal with multiple stakeholders ( Maitlis & Christianson, 2014). Therefore, their perceptions are constructed and influenced by the contextual boundaries in which they are called to make their decisions. Such boundaries can be organizational structures, resources and markets (Soneshein & Dholakia, 2012). The latter is, a highly constraining factor since the environment of the organization requires constant monitoring and effort towards the next innovative solution that will create a competitive advantage (Cawsey , et al., 2012). In such a situation, senior **managers'** sense-making of their organizations' change capabilities can influence the outcome making a difference between success and failure ( Maitlis & Christianson, 2014). However, there is a risk that incremental change can elude the decision-makers' attention. Their decisions shape the operational context by defining the work frame of the key actors by allocating resources and by drawing timelines and setting deadlines (Hornstein, 2015). If these incremental changes, which are a type of emergent change, are not identified and given the appropriate weight during the project's planning stage, there can be consequences both in the outcome

of the project (Hornstein, 2015), and also in creating negative change experiences which will hinder the organization's change capabilities in the long term (Stensaker & Meyer, 2012).

Although managers have gained experience by assuming active roles in managing planned change (Kotter & Cohen, 2002), there is no evidence that they have obtained the same aptitude dealing with change in small scale that can be easily disregarded. This is continuous, open-ended, and not so visible change; in other words, emergent change as it is defined by Burnes (2009). This sort of change is more relevant to the context of this study.

Research has shown that managers have not always been successful in times of rapid change because they are part of the changing context itself (Blomme , 2012). Hence the concern of how managers make sense of their role in *creating change* by their decisions and their actions without even acknowledging it sometimes, due to their focus on specific projects. Hornstein (2015), identified this threat and argued that project managers, and consequently everyone monitoring and controlling projects', must take into consideration the impact that change can have on the success or failure of a project.

Nevertheless, literature shows that the senior managers' role goes beyond identifying the specifics requirements. Diagnosing, assessing and developing the organization's change capabilities is a managerial task and requires long term planning (Soparnot, 2011; Schweiger et al., 2016). Moreover, even if the diagnosis is successful, there is a challenge in developing change capacity. Waldersee et al., (2003), have shown that even though managers had realized what kind of change capabilities were required, they failed to develop them. This failure was attributed to possibly inappropriate choice of the prescriptive model of implementation (Waldersee, et al., 2003, p. 78).

### **3. RESEARCH DESIGN AND METHODS**

In this chapter, I will explain the rationale that led to the specific methodological choices that I used for my thesis, and I will describe how I am planning to carry it out. I begin by illustrating the situation that motivated me to undertake this topic and by restating my research questions. I continue by justifying the use of the qualitative approach in my research and by explaining my interpretive constructionist's starting point. Next, I describe the context of the study, and I explain why an interview study is a proper choice for collecting the required qualitative data. I also elaborate on the interview design and data sample. Following I explain the reasons, the led me to use thematic analysis, and I describe the steps that I will follow during the analysis stage. Finally, I refer to ethical considerations, biases and imitations.

#### **3.1 Background and Research Questions**

Before I briefly explain my motivation and the objectives of my research, I find it useful to clarify that this study is not about large scale change which is transforming an organization and is shifting its identity. Instead, it aims to relate planned new projects within an organization with the incremental change that they create. In that respect, I explore how senior managers make sense of this relation and deal with this type of change.

Senior managers responding to a race driven by the rapidly changing environment are pressing for the implementation of new projects. For example, the leadership team decides that the implementation of a new CRM system is required for optimizing the company's operations. This project's implementation will involve resource allocation, budgets, timelines, deliverables and, most probably, some employee training. However, the project's outcomes will create new solutions and processes, which inevitably lead to change; at least for a part of the company. One question that is raised here is to what extent the organization's change capacity is taken into consideration?



Moreover, is dealing with this incremental project-related change perceived as an integral part of the project or as a completely separate task or does it elude attention? Hornstein (2015), identified the threat of ignoring the project's "side-effects" and the adverse impact they can have on the successful implementation. Senior manager's role and impact are indisputably significant as is their influence on decision and plans (Balogun, et al., 2015). However, research has shown that managers have not always been successful in times of rapid change because they are part of the changing context itself (Blomme, 2012). Connecting senior managers with minor and incremental changes contrary to their typical relation to large scale and transformational change is my research's contribution to the organizational change management literature. To accomplish that, I have formulated the following research question and sub-questions.

**Research Question: How do senior managers in top-tier Finnish companies make sense of continuous change and their role in the process?**

Sub-question 1. How do senior managers in top-tier Finnish companies perceive their organization's capability to adopt change?

Sub-question 2. How do senior managers in top-tier Finnish companies perceive their role in leading planned changes in their business organization?

### **3.2 Research Philosophy**

My research questions represent "an unstructured problem where prior insights are modest", and according to Ghauri & Gronhaug (2005 in Eriksson & Kovalainen, 2008), this fact prompts to a qualitative approach. Such an approach allows me to create knowledge by understanding the phenomenon in the social context that it is constructed (Eriksson & Kovalainen, 2008).

Before I describe the methodology that I used, it is essential to clarify my ontological and epistemological assumptions and define my philosophical position. My ontological starting

point is subjectivism. Senior managers, whose perception I will explore, are the social actors who produce reality through social interaction. On the other hand, for me, reality will be the outcome of my social interaction with the senior managers and of the cognitive process of interpreting their perceptions (Eriksson & Kovalainen, 2008). Therefore, knowledge does not exist in the external world independently, but my own observations and interpretations will construct it. In other words, my epistemological starting point is interpretivism, according to which reality is socially constructed and knowledge is created by the interaction between the social actors (Eriksson & Kovalainen, 2008), who in this research are the senior managers and myself. Overall, my philosophical position is interpretivism and constructionism.

### **3.3 Context**

The context in which I conducted my research is defined in my research question: Senior managers, in top-tier Finnish companies. This research is supported by CCEA Oy, a Finnish consultancy company which focuses on change management consulting. Some aspects of the topic, such as the possible lack of attention in dealing with incremental changes, derived from empirical observations during the twelve years that the company is operating. Its customer base contains the top-50 Finnish companies. This is a beneficial fact in terms of getting access to the top management teams of these companies. The limitation of the top-tier Finnish companies is relevant to their size and profitability. Large and competitive companies with high turn-over usually have a considerable number of projects going on at the same time, affecting different departments. Also, these companies have already a history of experiencing the kind of changes that are relevant to my study, and they can provide first-hand insights.

### **3.4 Methodology**

The next steps are to describe which method of data collection and which method of data analysis will support my study. Within the qualitative field of research, I have chosen the tradition of an interview study as the most suitable for the scope of my research. Qualitative interviews have been used extensively in scholarly research for producing primary qualitative

data (Eriksson & Kovalainen, 2008). In my study, interviews are the principal source of data as through them, I intend to learn about the senior managers' perceptions. Interview inquiries are an ideal way of collecting qualitative data like that.

According to Gray (2004), when individual and personalized data are required, the interviews' value is high because this is what they provide precisely. In my study, each one of the senior managers that interviewed provided a unique and personalized point of view which I later attempted to interpret. Combining it with the interpretations of others' opinions on the matter, I explored patterns that can facilitate conceptualization. Gray (2004), identifies another condition that may dictate the use of interviews in qualitative research. The first is the limited number of candidates that can provide this kind of data. This condition is met because my study is specifically focused on the senior managers of the top-tier Finnish companies. On the one hand, the population from where I collected data is small. On the other hand, the candidates' expected availability to provide these data was not very high.

Another significant advantage of interviews is that they have the potential to provide a comprehensive explanation of the research topic without limiting the scope of the study. They can be re-assessed during the analysis and provide insightful knowledge of the topic (Collins & Hussey, 2003).

Furthermore, an interview study can be easily aligned with my philosophical underpinnings as they were described above. An interpretive constructionist's position is related to "subjective and shared meanings" (Eriksson & Kovalainen, 2008), which in this study is interpreted by the way that I construct the knowledge of how senior managers make sense of their organizations' change capacity. Therefore it was essential to collect the unbiased (as much as possible) opinions of the senior managers and attempt to interpret them afterwards. One of the best ways to learn about people's experiences, feelings and perceptions is by asking them; "If you want to know how people understand their world and their lives, why not talk with them?" (Kvale, 2007, p. 2). I followed the *constructivist's interview approach* as it is classified and described by Silverman's (2001, in Eriksson & Kovalainen, 2008) typology of interview studies. Using pre-planned questions to initiate the discussion around the topic of the study, I assumed a

somewhat active role in the conversation. By doing so, I facilitated the interaction between my interviewees and me, which produced shared meanings (Eriksson & Kovalainen, 2008) and created knowledge.

By active role, I mean that I intended to enhance the free articulation of my interviewees' thoughts, and I encouraged them to reflect and elaborate on their opinions. According to Holstein & Gubrium (1991), the conversational view of a qualitative research interview is the pipeline through which knowledge is created. Of course, in any case, the need for keeping the interactions strictly in check was imperative so as they do not become "...a potential source of bias, error, misunderstanding, or misdirection..." (Holstein & Gubrium, 1991, p. 123).

### **3.5 Data Collection Methods**

#### **3.5.1 Semi-Structured Interviews**

The design of my interview study must correspond to the interpretive constructivist's approach that I have mentioned above. Since I am dealing with "how" questions, structured and standardized interviews, which are used mostly for answering "what" questions (Eriksson & Kovalainen, 2008), would not produce the qualitative data that I need. On the other hand, unstructured, informal, open and narrative interviews are useful for exploring a topic at a broader level. There was a risk that my interviewees would talk about the concept of change in a level different than what I am aiming for. Furthermore, unstructured and narrative interviews direct mostly to narrative analysis which is not my choice of data analysis method for reasons that I will explain later in this chapter.

A guided and semi-structured interview seems more applicable than the other two. I created a study guide with an outline of the topics to be discussed. With semi-structured interviews I retained the flexibility to vary the wording and the questions in each interview (Eriksson & Kovalainen, 2008), facilitating the free flow of conversation and expression of the participants'

opinions and thoughts (Holstein & Gubrium, 1991). At the same time, I was able to keep control of the conversation so that it does not go out of my research's frame (Given, 2008). I explained to each participant the scope of the study and the topics that I wanted to be discussed. Then I facilitated a conversation around these topics.

### **3.5.2 Questions**

The questions were open-ended and direct for enhancing reflection and encouraging speech (Eriksson & Kovalainen, 2008). I met interviewees with high cognitive level, who are experts in their field.

I designed the questions carefully to be neutral, not leading and without preassumptions. For example, I asked a participant to reflect on past experiences of change management and assess the reasons that led to failure or success. The answer allowed me to examine, e.g. which of the change capacity elements (s)he recognizes in the company. I did not describe in advance Sorpanot's (2011), model of change capacity that I use as a framework for my research. That would be a pre-given typology and would probably lead the answer (Eriksson & Kovalainen, 2008). In other words, instead of asking "does your organization demonstrate, structural flexibility, cultural convergence, incremental deployment ..." (Sorpanot, 2011), I asked the interviewee to identify the factors that contributed to the outcome. Finally, I prepared secondary questions in case I wanted to continue the conversation in a specific matter and go deeper.

### **3.5.3 Sample**

The next critical issue, while designing my interview study, was the sample. A most usual question is how many interviews do I have to take to reach safe and reliable conclusions? According to Kvale (2007), the answer is "Interview as many subjects as necessary to find out what you need to know". Siegel (1956, in Kvale, 2007), concluded that the amount of interviews is around  $15 \pm 10$ . Kvale (2007) argues that the larger numbers of this scale do not allow in-depth analysis and advocates that spending more time in the early stages of interview

preparation can provide a higher quality interview thus the required number will be smaller. He also argues that the scope of the research will determine the number of participants in the interview inquiry.

However, there is the issue of data saturation. The term data saturation is often used to describe the situation where data analysis does not provide new knowledge. In other words, the researcher can safely assume that more data would lead to results similar to the ones that already exist (Faulkner & Trotter, 2017). According to Guest et al., (2006), data saturation is expected within the first twelve interviews, while patterns can start to be identified even after the sixth interview.

Keeping this information in mind and considering the required time and the availability of the participants, I aimed to conduct eight to twelve interviews, and I managed to reach the lower limit. The participants' profile and the type of companies have been described in a previous section. There was not any other specification due to the limited number of candidates and the challenging task of gaining access to them.

I recorded the discussion with the participant's permission, and I transcribed it immediately after the interview. This process advanced my familiarisation with the data, which is also imperative for the analysis stage and allowed me multiple reviews.

### **3.6 Data Analysis Method**

After the collection of the empirical data, I proceeded to the analysis part. I have chosen thematic analysis for two reasons. First, it provides theoretical freedom, regarding epistemological approaches and flexibility; at the same time provides data that are rich, detailed and complex. (Braun & Clarke, 2006). However, flexibility and lack of attachment to

theoretical frameworks do not forbid assuming a specific position. On the contrary, defining my position within the social constructionist epistemology clarifies the assumptions that I make regarding the data and makes my thematic analysis transparent (Eriksson & Kovalainen, 2008, p. 10).

Second, it is appropriate for researchers who are at the early stage of their research career. It is easier to grasp and quick to learn; therefore, it can ensure high-quality outcomes. Overall, the definition of a thematic analysis, as it is presented by Braun and Clarke (2006), supports my research goals: I identified, analyzed, and reported patterns within the interviews that I took, and then I interpreted various aspects related to my research topic (Boyatzis, 1998 in Braun & Clarke 2006). Following I explicate some choices that I made regarding the course of my analysis.

First, my thematic analysis was inductive. This means that while I coded the data, I did not use a pre-existing frame where I tried to classify them (Braun & Clarke, 2006, p. 13). The data have driven my analysis. This is also aligned with the inductive reasoning depicted by my research philosophy: from my interpretations, I drew general statements about other similar cases (Eriksson & Kovalainen, 2008). Second, I chose a *latent thematic analysis* over the *semantic* approach. According to Burr (1995, in Braun & Clarke 2006), latent analysis stems from the constructionist paradigm. Instead of identifying themes at a superficial level, I explored the underlying assumptions of the expressed senior managers' perceptions (Braun & Clarke, 2006).

Regarding the procedure of the analysis, I followed the step-by-step guide that Braun & Clarke (2006), suggest. First, I familiarised my self with the data. During the interview, I got the first impression of them. However, it is the transcription process that helped me familiarise with them since I had the opportunity to explore them spending more time. After that, I proceeded with coding the data and then creating themes from which I kept and discussed the ones that are relevant to the research questions.

### **3.7 Ethical Considerations and Limitations**

Here I will report some ethical considerations regarding my research. The first issue stems from the fact that a private company commissions this research. However, there is no apparent bias connected to this fact. The findings of the study will shed light and provide insights to practice regarding change management. Moreover, all the participants in the inquiry were informed about the relationship of me as a researcher and the company that has commissioned the research.

Other ethical considerations concern the personal data of the interviewees. Anonymity was prerequisite for the interviews, as was the participants' consent about recording. The scope, the objectives, and the nature of the research will be explicitly described to the participants.

All data were treated according to the General Data Protection Regulation and Data Protection Legislation (Aalto/Services, 2019).

A possible limitation is that the language of the interview will be English. I am not a native English speaker, and neither were most of the participants. Therefore, the language might act as a barrier to some extent. However, a relative proficiency in the use of English countered this limitation.



## **4. EMPIRICAL FINDINGS AND DISCUSSION**

In this chapter, I present, analyze, and discuss the empirical findings of my research. I examine the qualitative data that resulted from the semi-structured interviews of the senior leaders through the lens of my research questions, and I link the results with existing literature. The following sections of this chapter are organised according to the order of the research questions.

I start by presenting how senior managers comprehend the continuous change in their organization, how do they see its effects on the business, the workflow and to the personnel. I report their perceptions and understandings of people's feelings and disposition towards constant change. Following that, I present senior leaders' ideas about dealing with continuous change. From their experience-driven testimonies relative to factors that can lead to successful or problematic implementation we can infer what they consider as good practices for managing change and also what are the special features that make an organization resilient and flexible enough to cope with constant change. These findings are connected to the change capacity of the organization. Furthermore, this section includes the reporting of the organizational capabilities that the senior managers regard as crucial for enhancing the ability to withstand the continuous change and prevail in a state of constant motion. Finally, I compare these findings with the change capacity framework that I described in the literature review section (Soparnot, 2011).

### **4.1 Making sense of continuous change**

#### **4.1.1 Senior managers' perception of constant change**

Sense-making is "the process by which people give meaning to experience (Weick, 1995 as cited in Huemer, 2012:241). In this chapter, I present my analysis of how senior

managers give meaning to their experiences regarding continuous change and how they interpret their staff's disposition to it. As I discuss at the next chapter, they define their role as change leaders; in other words, the ones responsible for influencing the way their employees think and act.

### *Top management keeps a broad view of change missing details*

Consistent with the scope of this study, I strived to explore the senior managers' view of the continuous change that is going on in the lower level of their organization. Senior manager's role and impact are indisputably significant in the organizations as is their influence on decision and plans (Balogun, et al., 2015) and "Without leadership, planned organizational change would never be realized" (Burke, 2011, p. 247). However, both in literature and in practice top management's relation to organizational change is primarily perceived at a strategic and transformational level.

The analysis points out that the senior manager has difficulties seeing incremental change as part of their work terrain. Instead, they see themselves in charge of strategic level changes. More often than not, it has been a challenging task to keep the focus on the incremental and continuous change that affects mainly the lower levels of the organization. The conclusion is that senior leaders are accustomed to perceiving the concept of change at a high level. For example, one of the participants praised the responsible employees for this success and remarked on the very successful work they had done. Still, he was not able to provide specific details about how they did it.

Perceiving change in high level and ignoring specific details of the implementation phase is consistent with other findings too, especially those which refer to the empowerment of people to make decisions and act, and it will be discussed later in this section. Moreover, senior leaders acknowledge the value of insights and cognitive intuition that their

employees have in every level of the organization. The following quotes give an idea of this claim:

*“It’s good that you talk to me, but there are smarter people in the organization to talk to about these things.” (Interviewee 6)*

*“Frankly I don’t think that the executive team is the best place to discuss about this kind of change” (Interviewee 5)*

This “helicopter view” is evident in almost every discussion with the participants. That, of course, comes as no surprise since they are ex-officio charged with the duty to keep the big picture in mind.

#### *Continuous change as an imperative for organizational survival*

Senior managers unanimously acknowledge that every organization must be in constant motion to prevail in its competitive environment because change itself is constant. One interviewee argued that the only way to survive is to adapt to the fast-moving world. Similarly, others classified business, and life itself, as a synonym to change, thus demonstrating a strong belief that change is inevitable and the planning of business practices should follow this notion. Furthermore, some interviewees believe that the current situation regarding the change in business is slow. The following quotes demonstrate this belief:

*We are in the midst of a time where change has never been as slow as it is today but less within our control of what change is; It's a much more dynamic world and therefore the changes that are coming cannot be foreseen and*

*cannot be planned for. So, it's not a world where cause and effect are clearly visible upfront for a long period of time. It's a complex world. (Interviewee 1)*

*I think that the world will not be any slower than it is today that's for sure...(Interviewee 4)*

Two main points stand out here: the first is the senior managers' perception that change is indisputably necessary for the survival of the organization, and the second is their belief that change is already slow and it is going to become faster. So, we can infer that they believe that constant change is and will be the norm for businesses and organizations.

#### **4.1.2 Interpreting employees' attitude towards change**

Having established that continuous change is a reality for the organizations, it holds great significance to explore how the top decision-makers see the effects that constant incremental change has on their staff, and how they believe that their employees think of and react to this change. Senior managers pay a great deal of attention on interpreting people's attitude towards change because they realize that a negative disposition will stand as an obstacle which can hinder and delay or completely negate the effort. In every example of a problematic implementation that they reported, We can notice that their primary reaction has been mainly to explore whether their approach was suitable for the case and the people that were affected. This observation indicates the understanding that senior leaders have of their responsibility to lead change, taking into consideration the human aspect of their organizations.

### *Different meaning*

According to the sense-making definition that we saw at the beginning, different people with different experience understand the change differently even if they act in the same context. For example, where senior managers see growth and profit, a line worker might see the possibility of becoming redundant. This fact has not eluded the senior managers' perception. The following quote illustrates this idea:

*Change can have slightly different meaning to different people depending on which aspect of change one focuses on. (Interviewee 1)*

. The diversity among the different attitudes of different people does not elude the top management's comprehension. On the contrary, they recognize the variety of anticipated reactions and take it for granted when they formulate solutions and implementation plans. For example, they may deploy the readiest and willing people at the beginning of a change implementation process and then proceed to spread the new procedure incrementally. After the first achievements are confirmed and become visible, it is easier to infuse the change to the rest of the organization.

*...you have to accept that everybody is not early adopters even though that I would like that they are but they are not ... and I think this is to understand also that we're not all the same and you have to have a bit more patient and that leads to this leadership tool also to have clarity to explain what is expected what you should do ... (Interviewee 3)*

Acknowledging the different views that their staff has about change allows the senior managers to contemplate on communication schemes and incentives that they must use

to help their employees understand and accept the change. We can see this extensively further on discussing communication.

### *Aversion to change*

Change resistance has been blamed for a lot of failed attempts to implement change, and the participants of this study are aware of that. They understand that people, in general, are change-averse a fact that is in line with a significant volume of existing literature. (Kotter & Cohen, 2002). The following quote exemplifies this idea:

*... to be honest, it's probably only a handful of people that are very open to consider change; there's probably a lot of people that are willing to consider it, but may be a bit more sceptical... (interviewee 6)*

For some participants, change-averse employees are the norm, and they use this idea as the starting point for developing their change management strategy.

*... change is constant, and it's also true that whoever tells that they like change they lie; nobody likes to change...change is painful for most people. (Interviewee 8)*

In other cases, this aversion for change may be concealed. Moreover, even when necessity to move on is so clear that people demonstrate a willingness to change, they are reluctant to take action. The following quotes show that:

*It's a funny thing change. In an audience if you ask, "do we need to change?", everybody puts up their hand and then when you ask who wants to change themselves, there are not too many hands going up...(Interviewee 1)*

*... fundamental change resistance is often not observed. I mean change means "I need to move" and not everyone is in a constant moving mode. (Interviewee 2)*

On the other hand, it is possible to have a momentum that favours change but to lack the ability and the toolbox to implement it. According to one participant, concealed aversion can spawn the idea that the organization can move on, whereas the actual situation is different.

*So the dilemma is that on the surface there's a lot of change willingness and belief that we can change, but then as you go into the change, it's much harder, and I believe that's kind of the root cause "why there's so much difficulty in change" and that senior management believes that the change can move further with much less effort than it actually does because on the surface it looks like "Ok we are ready to change" because everybody put up their hands; I know we have this rough idea. (Interviewee 1)*

### *Limitations in the volume of change*

One crucial issue that came up while discussing the effects that continuous change has on the personnel was the number of changes that are introduced to the organization. For people who are under the constant tension of permanent change, a question that can be raised is: how one can cope with all the changes and for how long? According to one participant, there is a limit to the amount of change.

*There's a certain amount of change that people are probably willing to accept, and it's not a giant number. (Interviewee 6)*

Another senior leader acknowledged that things become more complicated as you go down to the lower level because different on-going projects can generate more than one change processes that may have the same receiver:

*...the workload on some people's table is doubling and tripling with these changes ongoing ... the lower you go, the more complex it is, because don't have only the big ones [changes] on your table but you still have the tails of the previous changes or the planning of the new changes coming along, so it gets more and more complex. (Interviewee 6)*

The senior manager of the example above admitted that this situation is indeed challenging. She explained that the top management is aware of the situation, and it is prioritizing the changes that must be implemented. She also acknowledged that the primary factor for this prioritization is budget, and at the planning of a project, where you try to assess and mitigate the impact to people, you cannot go all the way down to the individual level in an organization with thousands of people.

*Yes, that's a tricky one I know, and definitely that creates also the feeling that you don't see when the change is accomplished because you are already doing the second one and the next one. (Interviewee 6)*



## **4.2 Dealing with change**

The second part of this study's research question is referring to the ways that senior leaders believe that continuous change should be dealt with. I intended to look at their perceptions of what can enhance or hinder the implementation phase, rather than seeking for conscripted methods. Five topics stood out from the participants' narratives as they described the successful implementation of continuous change in their organizations: Communication, customized approach, the involvement of change receivers, leadership and the measurement of success. Leadership and measurement will be presented and discussed further on, in the section regarding senior managers' roles.

### **4.2.1 Factors enhancing or inhibiting change adaption**

#### *Communication*

According to Barret (2002), communication can be the differentiating factor between success and failure in any case of change management. Therefore, it comes as no surprise that the level of consensus amongst the participants upon this matter and the weight they place in the idea of effectively communicating during every stage of the change process is remarkably high. Senior leaders build their communication patterns upon their comprehension of peoples' attitude toward change to formulate an approach that will prepare the ground at the early stages and facilitate a smooth transition during the implementation phase. Many of the participants used the expression "tell the right story". They explained that the differences in the way change are perceived, as well as the variety of individual motives and values, imposes a need to highlight different aspects of the upcoming changes according to their audience.

Firstly, they argue that the legitimacy of change must be established in connection with the employees' personal values and incentives. As mentioned above, change can have different meanings in different levels of the company. The end result of introducing a new, improved method may seem great to a senior manager and at the same time, be indifferent to a line worker. The following quote illustrates this idea vividly:

*Five million in savings in maintenance is a fantastic thing for a manager like me, is a fantastic thing for the plant manager, but for the actual individual on the floor shop it may not necessarily be a motivating element. Maybe a kind of "I don't care element". (Interviewee 2)*

The same interviewee continues explaining that there is a need to understand what drives the change receivers. The next step, after realizing what is that really matters for the different ranks of people, you need to translate the advantages and the necessities of the change from a motivational point of view into their language, as per the example given below:

*So, [you must say] "if we do this change, we have it easier to manage certain kind of things. If we do this change, it will help us to save money and make sure that we have the most competitive maintenance department in [the area] and also the company is safe; that we can keep up with the Chinese." You need to find a kind of language and make sure that the language issue of the receiving end is well addressed. (Interviewee 2)*

Along with the storytelling also comes the element of clarity. Senior managers highlight the importance of clarity for establishing successful communication. They believe that every possible aspect of the upcoming change must be clarified and an elaborate picture of what is that following must be given. The following quote illustrates this idea:

*I would say the best place to analyze is to be very clear. So, “what is different exactly today from tomorrow?” ... You need to exactly define what is different today vs tomorrow and who is affected. If you don't have a clear understanding of that, change and the management of change is very difficult, cause typically the individuals that will be faced by the change will have a couple open questions from the beginning. (Interviewee 2)*

As we will discuss in detail further on most of the participants favour incremental implementation over an all-at-once approach. In that case, they highlight the benefits of creating visibility for successful implementation at the early stages. This is yet another form of communicating that the introduced change is doable, and it creates value for the change receivers. When these results come from concrete examples from their own peers, it is much easier to spread the new practice to the rest of the organization. The following quotes illustrate this notion:

*As any particular change itself is launched is as early successes role in, making sure those get communicated, and people see that “ hey this change is actually making a positive impact overall in the company”. (Interviewee 6)*

*We now have this all-hand meeting every six weeks or so and, in these meetings, we highlight examples every time of how people individuals and teams by working together create one plus one equals three. (Interviewee 8)*

#### *Customized approach (one size does not fit all)*

Although the participants did not spend much time elaborating on methods and practices for successfully implementing change, there was one concept that appeared too often while they were explaining how specific cases demonstrated good results. That was the

tailored approach to every case. When one participant was asked what he would do differently in the hypothetical scenario that he was assigned as a CEO in an organization similar to his own, he replied “*Everything!*”. This is highly illustrative of the common belief amongst the participants that every case is unique. Even in the situation of two similar organization operating in the same industry, it is not recommended to copy a successful procedure from one company and try to implement it in another. Another participant conceptualized the uniqueness of change and attributed to it the challenges in dealing with it:

*Then the actual change in the ways of working, on the processes and the details get in the way, and the toolbox for this is often specific to the case and the problem is that it's not that you can kind of call up 1800 "help me change" and get kind of a template and then make the change but rather you need to tailor the approach specifically to every case and down to the culture and the history of the organization and the teams. Well, that's now, where to change the difficulty is coming from: that every change is unique. (Interviewee 1)*

This is aligned with the existing literature. Waldersee, et al. (2003), suggested that different organizations require different models. Similarly, Oxtoby, et al. (2002), argue that companies and managers should create a new model every time, customized to the company and the situation, rather than trying to implement prescribed methods and apply models and frameworks that may not be fit for the specific situation. Besides, some of the participants expressed scepticism or aversion for external help in the form of consultants or outsourced change agents. The following quotes exemplify these ideas:

*I am not a big friend of dedicating change management resources, and I am not a friend at all of external change management agents or whatever form it may have (Interviewee 2)*

*I think in a project people should lead with their own voice and own titles and own personality and if perhaps an external was doing that in front of the troops ... I'm not a big fan of that. (Interviewee 7)*

In another example, an interviewee presented a successful process of implementation that was in direct contrast with the proposed scheme from a consulting company:

*There was a comprehensive list of agile capabilities that you should be adopting but they [the team that was implementing the change] studied only one or two and then they had the path of how to get to the rest of those. That approach that we took was against the advice of the consultants who said all or nothing. (Interviewee 8)*

In this example, the interviewee explained how they decided to attempt an incremental scheme of implementation contrary to the holistic one that was suggested. Allowing one team to work at its own pace and take its own initiatives and after acquiring the know-how the same change was introduced to other parts of the organizations taking advantage both of the gained experience and the benefits of early success:

*...when people see "hey these guys are doing it and it seems that they have a result maybe we should this too". So much better way vs top-down mandated change. (Interviewee 8)*

Many other participants also agree with the idea of incrementally introducing change in a learning-by-doing manner. They gave concrete examples of how this approach led to successful implementation. The common feature in every case was that they used a case-specific and company-specific method created ad-hoc during the change process.

### *Involving the change receivers to the process*

The participants overall agreed on the significance of involving the change recipients in the process. An expression like “buy-in”, “engagement” and “co-creation” came up very often as the senior managers reported the factors that led to success. The following quotes are some of these examples:

*The whole principle was that the management team owns the content and owns the program and basically what it meant was That we involved everyone from the organization. (Interviewee 4)*

*If you consider people at the receiving end and communicate with them, you kind of create an interface between the people who will drive the change and the ones who are supposed to execute or receive the change. Naturally you can get the high level of buy-in by already involving the to-be-changed receivers in the change process early on; and that is something that always works. .... you need to involve the requester and also the change receiver early on in the process, and this will be the most important dimension around change. (Interviewee 2)*

An interesting idea that was presented was to put accountability on the receiving part. Although this refers to introducing ordered changes in organizations which is not exactly the context of this research, it brings up an intriguing issue. It raises some sort of responsibility to top management. A very illustrative example was given drawing parallels with a case of house building. The owner of the house is not only responsible of assuring that the house has been built correctly and it is usable but (s)he is also responsible that the family gets along living in this house. In accordance, when a new process or system is introduced in an organization the one end that has ordered this process, that is the top management, is responsible for making sure that it will be used. Putting

accountability at the receiving end is another form involving the change recipients in that implementation.

### *Inhibiting factors*

It is, of course, self-evident, but it has also been confirmed by the participants that the lack of the above mentioned enhancing factors can potentially lead to unsuccessful attempts. Miscommunication, lack of clarity at the beginning of the project, misconceptions regarding the employees' attitude and the overall workload are the most common reason that the senior managers reported. Some details of these cases are presented in other sections of this study.

One participant brought up an interesting issue which is worth mentioning as it affects people's attitudes towards change and also the organizational change capacity. It is the case of introducing unnecessary change. Such change can lead to increase aversion and resistance to future attempts and consequently severely decrease the organization's ability to accept change and adapt to it. The interviewee's quotes are quite illustrative:

*...especially with new managers, for some reason, they feel like their job is to make a lot of changes and in some cases that may be justified but in a lot of cases it's probably not justified, and I think sometimes this is why organizations and people aren't that excited about change...*

*...a lot of changes that roll down aren't really making any difference; they're just preference related changes and really minor but require a lot of people doing stuff in different way in the organization. At the end of it it's not really improved, and so there's a regular practise so here's a change proposed by management didn't really improve anything ....*

*...if you really want to have an organization that embraces the change you need to carefully pick what changes you're going to make. Make sure that they have visible impact that you communicate that out, and then I think you can get more people buying in. (Interviewee 6)*

#### **4.2.2 Identified change capabilities**

The participants were asked to identify those organizational traits and features that potentially enhance their company's ability to adjust in any forthcoming change, and consequently to withstand the tension of the constant and continuous change. From their answers, we can infer that the weight is placed mainly in culture and leadership. More specifically they highlight three aspects that they regard as highly contributing to the organization's ability to accept and adapt to change: company's history regarding innovation, the triad of communication, transparency and trust and finally the safe and empowering company environment.

The first is related to the organization's history, and the change capabilities are presented as being part of the company's DNA. Previous success and a tradition of innovation play a crucial role. This is how an interviewee of a highly innovative organization has put it:

*I think it has been in our DNA that to survive as a small company compared to global ones, we have to be innovative and our investments to RnD compared to our turnover have been always very high and that maybe explains that we have lot of innovative ideas, a lot of new projects and I think the biggest difficulty for me is to prioritise and to be also able to kill them if they don't fly and that is where we are not good. The appetite to start for new project is huge...(Interviewee 3)*



This participant's company history entails many successful stories of innovation and change implementation. Therefore, a positive attitude toward change is omnipresent, and it is further enhanced by encouraging people to think innovative. A system of hassle-free exchange of ideas has been created, and the company lives in a constant circle of trying to find the next new thing and then trying to implement it. Furthermore, a history of successfully implemented changes tends to strengthen the organizational change capacity and makes people accept more natural, if not eagerly, the uncertainty of the next change. As another participant put it:

*In my view one of the most important things is how successful, what's the perceived success of changes that have happened recently. (Interviewee 6)*

Next is the element of communication, transparency and trust. A culture where trust is predominant is a culture where people are not threatened; therefore are more open and less suspicious of changes. The following quote highlights this idea:

*I think that it comes back to the transparency and trust again, that if you feel safe and if you feel that there's a common goodwill in a way then it makes it easier to adapt to changing situations. If you don't have to be afraid of making mistakes so if you are not being afraid to trying out new things; (Interviewee 4)*

This participant makes a direct connection between transparency, trust and adaptability. Transparent leadership generates trust, and then trust leads to adaptability because threats and fears have been eliminated.

Finally, most participants argue that a culture that entails the element of enacting people to make decisions increases the engagement and the feeling of co-creation. They believe

that the change should not be coming top-down as an edict, but rather be introduced in the organization as a product of initiatives that were cultivated in a culture that supports leadership in lower levels. One of the participants presented a compelling case where his segment had marked a high score at an evaluation assessing employee engagement where acceptance of change was one of the dimensions that were measured. When asked, the senior leader explained that this was the result of a specific leadership style that enabled the creation of a culture-within-culture in his segment. An open-door policy, the creation of high spirit and high level of engagement and the empowerment of people to decide and act without the restraining fear of severe consequences in case of mistake, had led to a culture where people embrace change. The following quote paints a picture of how this culture has been created:

*... I'm a great believer of second chances if someone makes one mistake that's human and it's normal; so, we basically tend to give support and tools and resources so that people can succeed. There is no magic one type of KPI, a "Do you feel good? type of thing" but you just get the feedback and open dialogue with the people...(Interviewee 7)*

This participant demonstrated a high commitment to team-spirit and repeatedly stating that "management is service" he attributed people's engagement and openness to change to a leadership style that encourages leaders of every level to make decisions and allows space to act.

Another approach to organizational change capabilities was made through the lens of the triangle readiness-willingness-ability. One of the participants recognised this triad as the prerequisite for the successful acceptance and the smooth adoption of change and highlighted the need for all three elements to co-exist; otherwise, the change process will not succeed. The participant explained these three elements and how they are connected to each other:

*Ready means that you have the necessary prerequisites so there is some momentum and buy-in that you are in fact prepared to change, that you can see a better future than today, and that you can see the issues. Willing means that you in fact do want to make the change and that you believe that you can make the change because I believe that when people are not willing is often because they don't see themselves as part of the solution or they don't know how to solve it and then able is that in fact you do have the capabilities and you have a solution that you can work through. (Interviewee 1)*

An important point was made regarding the lack of one of these elements. The participant argued that there are cases where people are both ready and willing to assume a change process, but they are not able. They are lacking the specific toolbox that is needed proceeding to the implementation. Firstly, as he explained, the top management may make a wrong assessment believing that readiness and willingness alone will suffice. Then without the proper skills and knowledge, the attempt will probably fail.

*I think people are ready to change, and they are willing to change, but they are not able to change because they lack the capabilities. They do not know what the next steps are. So, even if you say "yes I know we need to change, and I want to change" and the question is what do you need to do, and you are like "I don't know", and therefore you don't change. (Interviewee 1)*

However, while some of the participants identified readiness for change as a capability, one interviewee expressed scepticism regarding this idea:

*I am not sure that I know that some organizations are more ready than the others. I found that every organization can adapt to change. It's a question of just assessing what is and how to change. (Interviewee 8)*

This answer is related to the perception presented above regarding case-by-case change management. Thus, it can be inferred that the ability to assess what needs to be changed and how to do that is an organizational change capability.

#### **4.2.3 Senior managers roles**

Senior managers are leading their organizations in every aspect. They have more authority and resources than middle managers or other employees to make decisions and enact projects (Kanter, et al., 1992). Therefore, they are the main change leaders and, in a sense, the ex-officio change agents. This idea is successfully portrayed in the following quote:

*I think business, in general, it is mostly about change. As a manager or senior leader, operations in itself is really run by senior management; therefore, the question is what senior management does, and I believe you end up with the answer that your primary role is to do change. I'd say mostly senior management does change. (Interviewee 1)*

The participants of this study explained their role in dealing with continuous change and elaborated on their perceived responsibility for its success. Even though they do not see themselves as part of the implementation, apart from some exquisite exceptions, they retain a high level of responsibility for its success since they put much weight on the planning, measuring and taking corrective actions when needed. Their role is to help the rest of the staff to make sense of the planned changes. Furthermore, they facilitate the implementation by allocating resources, and they measure the success and redirect the process in case of drawbacks. Finally, they hold the responsibility to develop their organization in such a way that it will be able to adapt quickly to constant change.

*Sense-giving to change*

According to Huemer (2012), sense-giving “consists of attempts to alter and influence the way others think and act”. It is evident, already from the previous chapters that senior managers recognize that they carry the responsibility to explain and give meaning to the continuous change for the rest of the organization. The repeated reference to the storytelling element of the communication factor is the best proof of their sense-giving task. They believe that passing down their own understanding of the potential benefits for the organization is not enough to create the necessary engagement and commitment to the change projects implementation. They strive to assess people’s values, motives and priorities and to find the proper narrative so as the change receiver to comprehend what will be his/her personal benefit. Explaining “why do I need to change”, as most of the interviewees have put it, is imperative for giving meaning to change for their people. The following quote portrays both the significance of the storytelling and how it gives sense and meaning to change:

*You always need to start from the story, and it has to be clear where we are going, why we're going there, what are then the benefits going there for the employees, but also for the business, and it's all about the communication and if you have a clear story, clear vision and clear target, [and] you're able to communicate that clearly, then basically [it] makes life much more easier for the people who are then adapting to the changes and also implementing the changes, because they can always relate to the bigger picture. (Interviewee 4)*

Apart from creating awareness, raising urgency, and motivating employees to assume a positive stance towards the upcoming change, the story also serves as a measurement for success. The following quote explains how this can happen:

*...and then it's also like when you're looking back [and ask] “How did we do? did we manage to do what we thought we were going to do?” I thought it was*

*easy to go back if you had the story the long-term story or the biggest story where you can then relate to. (interviewee 4)*

Threat mitigation falls under the sense-giving category too. Uncertainty and lack of clarity can cause fear, and the threatened individual will most probably be resisting and rejecting the change before it is even introduced. This fact was acknowledged by the interviewees. While discussing people's attitudes towards change, they recognised their responsibility to mitigate those fears by giving the right meaning to the impending change and by helping people to comprehend the situation in its real dimensions. The following quote illustrates this:

*You need to make sure that people don't feel threatened by the change. Sometimes it is resulting in unfavourable action, or they bring people into unfavourable situations. The worst kind of change is the change where they say, "Well you are opted to do this change or you tomorrow you don't have a job anymore". Even sometimes if this is not said, some people may fear about that; Especially when it comes to automation and digitalization. (Interviewee 2)*

### *Facilitate change implementation*

If we now move to the next phase, which is the implementation, the senior managers identify themselves as facilitators in terms of planning and allocating resources. One interviewee, whose core business is to deliver projects that lead to change, describes vividly this notion:

*My role as a senior manager is to set the battlefield in the right way. So, to ensure that the owner and the requester of the change as well as the people who are supposed to deliver the change are rightly set into the project from*

*the beginning. So, the other thing for me is to ensure that this project that ultimately leads to a change is equipped with everything it needs in order to operate successfully: clarity, resources, structures, target setting... So for me it's about: I create a battlefield, I put the boundaries, I allocate the resources from the beginning, I design the whole set up, the whole circus the stage in a way that all the actors are there, they know what achievement and success means and they have the resources. In the latest stage for me it is to create a cadence to understand where we are and to support but typically the better you set up the stage from the beginning the less you need to be involved for escalation and the less you need to be involved for correcting the course (Interviewee 2)*

The last quote defines the boundaries for the senior managers' involvement. The emphasis and the weight of their responsibility are on the planning. When asked about the implementation, most of the top managers clearly distinguished themselves from being directly involved as this would be out of their regular duties. Explicitly stating that they avoid micromanaging, they emphasized the benefits of inspiring and empowering people to make decisions and act, as it is depicted in the following quotes:

*I delegate everything; I don't like to micromanage because I trust my people, and I said that management is a service, it's not control. What I want to do with my team is to set the direction, the strategy and the leadership style... and get our people to commit to their jobs, be proud of what they are doing. I'm trying to push decision-making downwards as much as we can. Empower teams to make decisions bearing in mind that mistakes are allowed. (Interviewee 7)*

*...and then it's empowerment also, and then you delegate, and you keep the responsibility... (Interviewee 3)*

These quotes are also linked to another role that will be described later on: the task of developing organizational change capabilities. Inspiring and empowering people to make decisions and take initiatives is not only the way that senior leaders are managing change but also a highly effective way for the creation of the proper culture that will readily embrace change in the future, in other words, a way to develop the organization's change capacity.

### *Measuring success and taking corrective actions*

We have seen up to now, that senior managers charge themselves with the task to set the stage and then enforce the actors to act. Being in a position of high responsibility, the next role they mentioned is to assess the process and measure its success. The topic of measurement came naturally from the participants in many discussions, even without being asked about, which allows us to infer the importance that they attribute to it. As one of the participants vividly put it:

*You get what you measure. (Interviewee 3)*

An illustrative example was given by one of the participants portraying how the lack of measurements can lead to unsuccessful change implementation. In that specific case, a customer care unit consisted of several hundred people was supposed to go through specific training and shift its tasks from mere customer service to sales. However, without setting any measures for assessing the success of that shift, the outcome was rather disappointing. Despite the organization's effort without any measurements, they didn't get the desired results.

Two main issues were stood out while discussing measurements. The first is that the dominant means for measurement are financial KPIs. The second one refers to corrective



actions where we observed a prevalence of the top managements' intention to re-thinking about the initial planning and adjust the original plans and goals according to the change project's progression.

Firstly, the measures that are being used are KPIs mostly focus on financial or customer satisfaction indicators and less on people's feelings and perceptions regarding the implemented change. In other words, there is a rather direct connection to the successful implementation of change with increased profitability or other business targets, occasionally ignoring the impact on people.

...if change happens throughout these projects then we have a system how we follow up the progress of this project so is it in time is it in the budget how it is performing... (Interviewee 3)

However, another sort of KPIs have also been reported. These KPIs are linked to the end state of the implemented change process as the interviewees describe in the following quotes:

*So it is to make sure that the receiving end is from the beginning accountable and you further strengthen this by putting business targets on to the receiving end in a target setting process which basically can only be achieved if the change is implemented successfully. (Interviewee 2)*

*... What are the operational KPIs and the targets that we have to see that are changing in order to really to lead to that end results? That kind of KPIs are defined that when we [are] actually talking about "where we need to change, why we are changing and what is the wanted outcome of that change; so they are part of the process, but then again you have to be able also to adjust along*

*the way because you usually learn when you are starting doing things and so those can be adjusted as well as the process goes further. (Interviewee 4)*

The first of the two above quotes follow the idea that was discussed previously regarding putting accountability on the receiving end for accepting the change and making use of it. The second one similarly handles measurement and target setting but it also connects to the latter issue which will be discussed next and is about the top managements re-adjustment of the processes to tackle obstacles that arise in the way.

Measurement for the senior leaders serves the purpose of assessing the right implementation but also to test their own decision making. The participants identified in every case that they reported as unsuccessful, responsibility in the top management's decision or perceptions. In the case of a company that went through an agile office change process. The top management put more weight in the particular aspect of the project than on the performance management which turned to be challenging for the middle managers who lacked the tools and the training how to lead people remotely and not to meet everybody anymore every day. In this case, the peoples' perspective of the change was thoughtfully considered, and a correction was made after the top management shifted its focus. The following quote describes the situation:

*It took for a while. We were doing in regular basis these surveys measuring what people think and how they are motivated, and we got the feedback, and then HR and also the line management did a lot of workshops for what we need this more training and I think we are still on the journey in that one because the direction is still go to more and more the direction that we have to manage the performance of the people and the leadership tool has been different than it was 30 years ago. (interviewee 3)*

In the example that was presented previously regarding the shift from customer service to sales, the company went back to the planning board trying to identify the source of the problem.

*...Then we actually went back that: "OK but there must be something now underlying that we are not detecting that, what's really the core problem here" until we came up with the idea that should go a bit more deeply in the value side. What are their core values and how they see the world and what is really the motivational factors on the individual level regarding the work and then we found this survey I think that it was done Turku University that what kind of a profiles what kind of value sets are for the best sales guys... (Interviewee 4)*

They found out after conducting relative surveys that the specific employees carried personal values that were utterly contrary to what research has shown to be the typical values of salespeople. This was a significant breakthrough for the company, and it corrected that plan by assigning the proper people to the appropriate positions.

Almost every participant had similar examples to present and, in every case, it was evident that top management did not rest easy upon the idea of traditional change resistance as the core problem by they tried to discover what they had not taken into account or what they had miscalculated. I could briefly mention some cases where top management had underestimated the workload, set unachievable deadlines, did not understand the problem, or gave a wrong solution. In each one of these cases, the participants reported a high level of willingness to re-assess the situation, re-adjust the procedures, and redefine the end state. However, one interviewee mentioned that such a redirection might be easier when the project is internal and does not affect customers or external stakeholders:

*In the case of this project, the deadlines were really self-imposed; they were they were [company name] management deadlines; they weren't really deadlines driven by regulation, by customer requests. They're really just driven by us and therefore these kinds of timelines although we heed them maybe in the big scheme of things less critical than customer commitments for example. (Interviewee 6)*

### *Developing change capabilities in the organization*

From, the senior leaders' perceptions regarding the organizational change capabilities and the description of their role in managing continuous change, we can infer that they include amongst their responsibilities the development of those traits within their organization that will make it more resilient and change-tolerant. One of the participants explicitly replied, when asked about his role, that creating readiness for change is amongst his duties by building change capability:

*The issue at hand is not to forecast what changes are coming but rather build change capability so that the organization is not paralysed by continuous and constant change and unclarity but rather figure out how to have a good operation whilst everything is changing and for me the answer to that is to make sure that everybody has really good clarity of the vision and the direction that the company wants to go and then delegate as much as possible of decision making and make sure that you have the highly capable people who can then based on their understanding and their subject matter expertise make the right decisions. (Interviewee 1)*

Another participant referring to the matter highlighted the significance of developing change capability and described an ongoing process for institutionalizing change in his organization which is sponsored by the higher level of management:

*...one of the streams is around management of change and it's actually sponsor by [ ] our CEO, which I think gives the sense of importance of the topic and there is sub stream of management change involving the development of a system work for the management inbound-outbound functions and so forth. So, I think we are working on institutionalizing the change process because as you know better than many that change is constant. (Interviewee 8)*

Most of the participants agreed that organizational change capabilities are strongly connected and infused in the company's culture. To create an organization ready, willing, and able to adjust constantly to continuous change means that there are people who embrace this routine and the sum of people's attitudes and behaviours constitute the culture of the company. The idea that senior leaders' role is to inspire people and empower them to give ideas and act with the initiative is dominant in this study's collected data. Senior managers believe that creating a safe environment where people are not afraid to make decisions and to take initiatives are important for coping with continuous change. This notion is illustrated in the following quotes:

*We have very good systems also just to create innovative atmosphere ... nobody has to be afraid of failure or something; you just can be brainstorming like every moment here; And then it's empowerment also, and then you delegate, and you keep the responsibility. (Interviewee 3)*

Learning and training was another common reference amongst the interviewees while discussing how to develop change capabilities, and it was also reported as an essential element of the company's culture. The following quotes exemplify this finding:

*I'm a true believer the adults are really learning just by doing, especially in the work-life. So, the much more that we can generate that sort of culture*

*getting most learning exercises in just like doing your job and getting a bit new challenges within the job I think that's the best way to develop the competence is as well. (Interviewee 4)*

*Now we understand this [training] has to be a continuous journey ... (Interviewee 3)*

*...we put a plan together of what to do to make those changes, who is likely to be impacted and then obviously a big part of any change is communication and training. (Interviewee 6)*

Partly related to culture and mostly depended on the leadership style, another senior leader explained how by being transparent she gains trust which as she had explained previously is an important capability for the organization to cope with constant change.:

*It's all about the communication; so be transparent when you can as much as you can in a way that, that's been my at least guiding principles, that I tell everything that I know and I what I can; and then I say, if I don't know or if I can't say anything, so I would be even transparent in that; because people do understand that there are issues that you can't talk about, at least at this stage but you have to be also transparent on that.... You can't demand trust, or you can't create trust. It all comes that you have to behave in a certain way that allows other people to trust you. I would say that the trust comes really from how you behave yourself and you have to demonstrate that. You can't demand that. (Interviewee 4)*

The discussion regarding change capabilities continues at the next section where I compare this study's findings to the Sorpanot's (2012) framework of organizational change capacity.

### **4.3. Summary of Findings**

The empirical findings of this study provide interesting insights regarding the comprehension and understanding of change among senior leaders, and they answer the main research question about how the senior managers make sense and deal with continuous change in their business organization.

The *sense-making* aspect has been explored in regard with the managers' understanding of the continuous change that their organization undergo in an everyday basis, as well as with their perceptions about the rest of the employees' views regarding the matter. On the other hand, the *dealing* aspect encompasses senior managers' views of three descriptive areas: (1) The factors that contribute to successful or failed change implementation, (2) the organizational capabilities that enhance the adoption of change and (3) their opinion of their role in balancing the need for continuous change and their organization's change capacity. A summary of these findings is presented to table 1 at the end of this section.

#### **4.3.1 Sensemaking of change**

First and foremost, senior management is used to perceive the change at a high strategic level. It is often challenging to focus on the consequences of the constant and continuous change that is incrementally introduced and implemented every day in their organization, on a low scale or individual level. Nevertheless, they understand that change can have a different meaning to different people, and they also understand that their own point of view about change differs from employees at lower levels of the organization where the concept of change is more complicated.

On the other hand, this change is often taken for granted, since senior managers recognize continuous change as an essential element of the business continuity and the survival of the company. Renewal is regarded as the only way to prevail in the competitive environment, and that means either adopting successful practices that other companies have already applied or innovate and create new context or processes.

Senior leaders are aware that most people in their organization are change-averse, but they also realize that fundamental change resistance is often not observed. Finally, they recognize the significant role that they must play in telling the right story, in the right tone so that they get their people engaged and committed.

Moreover, they understand that the ability of any individual to cope with change is not unlimited. It is quite clear to them that the lower levels are facing situations where a new change starts to be implemented while the previous one might still be on-going. The element of time is taken into consideration, and a particular effort for prioritization is being made; however, budget, need for renewal and customer satisfaction seem to weight more than the people's ability to endure constant change.

#### **4.3.2 Dealing with change**

##### *Success and failure*

The participants' perceptions of what makes or breaks a change implementation process indicate the way they perceive that change should be dealt with. The common theme that arose from every interviewee was related to communication. The concept of storytelling came up almost in every case. The idea is to use clarity from the beginning, identify what matters and incentivizes the audience, i.e. the people who will have to live with the



upcoming changes, and finally to provide a clear and convincing answer to the question “Why do I have to change?”.

Another commonly accepted idea is that the methods for managing change that is sold as a package are not successful. There needs to be a context-specific approach tailored to the company and the particular case of change. The impression that one size does not fit all was explicitly stated, and a customized plan was frequently suggested and connected with incremental implementation. This approach must be developed and improved through experimentation, and afterwards, it will be infused to other departments of the company. Furthermore, some of the participants expressed scepticism regarding external help, and there was some consensus among them that change implementation is better dealt with internally.

Senior leaders give much attention to measurement. The outcome of any approach needs to be evaluated in terms of value-adding for the organization. The evaluation of any project and the assessment of its success or failure is connected to their decision making role because in cases that the results are inferior to the expectations it is their responsibility to assume corrective actions or chose a different approach.

In cases of change implementation that can be perceived as failed or partially failed, senior leaders seek the inhibiting factors firstly in their decisions and approaches. One common reason for delays or poor implementation is miscommunication and misunderstanding. A new process can be poorly adapted when people do not see value in the introduced changes. In such a case, they attribute the downfall to incorrect messaging, and they go back to the storytelling concept trying to address their audience in its own terms regarding values, interests and incentives.

Equally frequent are the cases of misconceived organizational abilities for adapting and implementing a new process. Top management may inaccurately perceive willingness to

change for the ability to change, which are two different aspects. Therefore they decide to proceed in implementation while the people lack the specific skills that are required to do so successfully. Another typical case of misconception is to underestimate the workload and to set very challenging deadlines. Finally, the wrong focus on what issue needs more resources can bring extra challenges in terms of putting more effort in one aspect of the change while another crucial one eludes attention. Proper measurement, assessment and evaluation can lead to corrective actions.

An interesting and challenging idea that has been introduced is related to assigning accountability to change receivers. When an external agency is providing services that add change the ordering part of that service must assume responsibility and take accountability of the acceptance of the upcoming change.

Finally, a remarkably interesting concept which arose is that of the unneeded and unnecessary change. This notion is highly related to the previously reported issue of proper communicating the reasons that make the change imperative and beneficial. Still, it also has some detrimental implications for the development of organizational change capability. In an organization that has gone through the turmoil of changing just for the sake of change, people become even more averse to future attempts whereas an organization that has experienced tangible benefits of a successful change implementation will be more easily prompt to assume the next challenge.

### *Change capabilities of an organization*

Overall, the results of this study indicate that the change capacity of an organization is significantly based on its culture. Firstly, an organization whose history is rich with successful change implementation has a positive attitude to future efforts. Secondly, empowering people to think innovative and creating a safe environment where they can easily express new ideas is a cultural element that leads to the formation of a mindset

attuned to continuous change. Finally, allowing the challenging traditionally frozen aspects of the business design and principles leads to the creation of a mindset where openness for change is dominant. Such a mindset enhances the adaptation of change.

### *Senior Managers' roles*

The top management must give sense to whatever changes the organization is going through. Since senior leaders identify the essence of business as change, then their job as managers is to deal with this change and their primary role is to do change. Therefore, they are the ones that can and must help the rest of the organization to make sense of this change. The top management must explain why the change is needed. Only then it can be legitimized, justified, and accepted. The values and the priorities of the audience must be considered for the right story to be told to the right persons, using the proper "language". As mentioned before, different people at different levels of the organization have different priorities and need different incentives.

The next important role that the senior managers identified for themselves is that of the facilitator of change adoption. This is done by inspiring, empowering and enabling people. They build momentum that will lead to involvement, co-creation and eventually ownership of the change process. People enforcement is not restricted only to understanding and accepting change but also to give ideas for renewal, thus creating an even higher level of engagement.

Apart from the communication aspect, senior managers recognize their role as facilitators of change adoption in practical issues regarding making decisions, designing, planning, and allocating adequate resources for the successful implementation. However, these resources in most of the cases do not involve dedicated change agents charged with specific duties regarding the change adoption. Finally, in some cases, top management's participation and ownership of a change process can significantly enhance the ratio of

acceptance and adoption. Nevertheless, there is consensus among the participants that their role must be kept high: Inspire and enable but not micromanage, decentralize, and measure but not inspect.

Measurement is another critical role that the senior managers hold. In most of the cases, measurement is realized through KPIs according to the desired end-state. An interesting perspective is to set targets achievable only if the change is successfully implemented. However, misconceptions and miscalculations from the top managements' side can occur. In those cases, the role of senior leaders is to identify the misconceived part of the plan or the process and assume corrective actions.

Although not explicitly stated, senior managers attribute to themselves duties that indicate the development of organizational change capacity. They hold themselves responsible for creating readiness and for building change capacity in their organization.

### 4.3 Discussion

In this section, I examine the findings of this study through the lenses of the Sorpanot's (2011) framework of organizational change capacity. I compare each one of the elements that constitute the three dimensions of change capacity, and I discuss whether this model holds with the results of my research.

| <b>Context Dimension</b>            | <b>Process Dimension</b>               | <b>Learning Dimension</b>                          |
|-------------------------------------|--|--|
| The value of change                 | Transformational leadership            | Improvement through experience                     |
| The structural flexibility          | The perceived legitimacy of the change | Renewal through experimentation                    |
| The cultural convergence            | Co-construction of the change          | Transfer of organisational knowledge and practices |
| Trust                               | Incremental deployment                 |  |
| Practices based on consensus        | Creation of visibility                 |  |
| Capabilities of individual learning |  |  |

Table 1. Organisational Change Capacity. Adopted from Sorpanot (2011)

### **4.3.1 The context dimension**

#### *The value of change*

The value of change refers to shared representation and social interaction between the participants of the change process (Soparnot, 2011). This sort of interaction has been highlighted by senior managers. The imperative of communication, the storytelling and the consistently arisen issue of explaining “why” and creating “buy-in”, point directly to the value of change element and its shared representation amongst the change drivers and the change receivers.

#### *The structural flexibility*

The senior managers have advocated in favour of increased autonomy in teams who are working independently. The highlighted practice of encouraging people to make decisions and assume actions, as well as the method of implementing new processes incrementally, at the chosen pace and comfort of the team that operates as a pioneer, portrays the flexibility that the participants suggested.

#### *Cultural Governance*

According to Sorpanot (2011, p.651), the values of a company resulting from the decision that management has made in the past. The participants of this study have placed much value on the company’s culture, which they explicitly identify as an organizational change capability.

## *Trust*

Trust has been characterised by Sorpanot as a relational asset and a facilitating condition of change. In this study, trust has found to be an organizational capability that creates and enhances adaptability to change.

### **4.3.2 The process dimension**

#### *Transformational leadership*

Transformational leadership is connected with the transparency, the open doors policy and the “management is a service” mindset that has been reported by the participants. It is also connected with providing inspiration and creating momentum for action, which has been identified as an aspect of senior managers’ roles. The idea that top management’s primary role is to do and lead change epitomises the concept of transformational leadership.

#### *The perceived legitimacy of change*

The participants of this study identified this element as the starting point of the change process. They argued that the only way to succeed is to explain and convince from the beginning and also engage the change receivers. Moreover, they explained how the lack of such a legitimacy could increase the dislike for change and create a negative field for future attempts.

### *Co-construction of change*

The participants emphasised the concept of co-creation and involvement. Empower, engage, give control, create ownership was the highlights of the senior leaders view regarding co-construction of change.

### *Incremental deployment*

The senior leaders support and praise incremental deployment and then infusion to the rest of the organization, even against the consultants' suggestions. They gave concrete examples regarding this process, and they explicitly advocated in its favour.

### *Creation of Visibility*

Visibility of achievements and communication of early success was reported as success factors. Moreover, the participants argued that previous success prepares the ground and creates an appetite for future change.

## **4.3.3 Learning dimension**

### *Improvement through experience*

Learning and training have been identified as an organizational capability, and specifically learning by doing was highlighted. Moreover, incremental deployment is also based on this concept. The pioneer team tries and learns from errors, and then the knowledge is spread to the rest of the company.



### *Renewal through experimentation*

This element has also been one of the findings of this study. Creating a safe environment that encourages people to generate innovative ideas has been ranked as a vital change capability.

### *Transfer of organizational knowledge and practices*

The last element of the learning dimension has also been covered by the participants of this study. Generating a culture that creates learning, sharing of best practices after trial and error through incremental deployment are some aspects of this element.

The comparison of this study's findings with Sorpanot's (2011) model shows that only two of the fourteen elements that constitute the organizational change capacity were not mentioned by the participants and are not included amongst the findings. This does not mean that they have been rendered irrelevant or rejected, but rather that the interview structure did not allow them to arise.

## 5. CONCLUSION

The purpose of this study was to explore the comprehension and understanding of continuous change in organizations among senior leaders in top-tier Finnish companies. The term “continuous change in the organizations” in this study refers to the companies’ perpetual struggle to improve procedures and practices with the ultimate goal to become more efficient than their competitors. The volume of this kind of change is high and affects the personnel who is generally change-averse. The ability of the organization to adapt fast in new procedures and adopt change has been defined by Sorpanot (2011) as organizational change capacity. Following the rationale of the change capacity concept, I explore the roles that senior managers assume as they balance the changes that they plan for their organizations with their organization perceived ability to adopt them.

The study was motivated by the lack of literature connecting the companies’ top management with low level and internally implemented changes that can affect parts of the company. In general, senior managers are related to strategic and transformational change that shifts the whole organization to a new direction. However, the top management’s decisions regarding the improvement of operational functions, create challenges to the lower levels. Middle managers, who act both as receivers of those changes, and also as change leaders, are such an example. This study sheds light on the perceptions of the decision-makers, regarding how their organization can better and faster adopt the changes that derive from their decisions.

For reaching the goals of this study, I formulated the following research question and its two sub-questions:

**Research Question: How do senior managers in top-tier Finnish companies make sense of continuous change and their role in the process?**

Sub-question 1. How do senior managers in top-tier Finnish companies perceive their organization's capability to adopt change?

Sub-question 2. How do senior managers in top-tier Finnish companies perceive their role in leading planned changes in their business organization?

In this study, an effort has been made to create a framework for identifying the features of an organization that can be listed as abilities to adopt change and in their whole constitute the organizations change capacity.

The methods of the study consisted of eight semi-structured interviews. Through these interviews, I tried, firstly, to explore the senior leaders' view of the continuous change that is going on constantly in their companies. Then I investigated their perception of their personnel's beliefs and disposition. How people see and react to change is crucial for determining the organization's change capacity. Following that, I searched for factors that can lead to successful change implementation as they point to organizational capabilities which can enhance the change adoption capacity. Finally, I inquired the senior managers' ideas about the development of change adoption capabilities in their business organizations.

As a result of the thematic analysis that I conducted, and after the comparison with the Sorpanot's three-dimensional organizational change capacity model twelve elements were identified as factors that either enhance the ability of an organization to adopt change or build the proper ground for developing such ability:

- 1) The value of change
- 2) The structural flexibility
- 3) Cultural Governance
- 4) Trust
- 5) Transformational leadership

- 6) The perceived legitimacy of change
- 7) Co-construction of change
- 8) Incremental deployment
- 9) Creation of Visibility
- 10) Improvement through experience
- 11) Renewal through experimentation
- 12) Transfer of organizational knowledge and practices

The findings of this study support that the top management regards continuous change as imperative for the survival of the organization and companies are expected to change more and change faster in the future. There is a consensus regarding the need for taking into consideration the human aspect in any attempt to change implementation. Communication has been ranked higher in terms of importance for the smooth transitioning and the overall success. More specifically, the findings suggest that the senior managers understand peoples' aversion to change and they rely on their leadership skills and models to mitigate negative feelings, explain, and give sense to upcoming changes and incentivise their personnel to achieve a high level of change adoption.

Furthermore, empowerment of people to make decisions and take initiatives in combination with agile structures that eliminate time-wasting and increase the pace of operations and of implementing new procedures is highly valued among the senior leaders. This turn to agile schemes, in a sense, is also connected to the senior leaders' idea that each case of change is unique and the application of prescribed methods for dealing with it is not valid. The more agile and flexible an organization is, the more customised the solution should be.

This study concludes that the critical drivers for deciding the next changes to be implemented, the planning of projects, and the allocation of resources are mainly associated with the available budget. Similarly, the critical tools for measuring success are financial and operational KPIs; on-time and on-budget seem to be a predominant

concern. Personnel's endurance and tolerance to constant change are taken into account, and corrective actions may be considered, e.g. re-estimation of workload and extension of deadlines. However, this seems to come secondary to the company's need for moving forward and moving fast.

From a theoretical perspective, this study contributes to the existing literature by presenting the top managements view for incremental changes in the lower level of the organization. Furthermore, it confirms that the Sorpanot's framework regarding the three dimensions of the organizational change capacity is valid not only for large scale transformational change but also for day-to-day continuous and planned changes. Finally, it comes as no surprise that well-established concepts like the peoples' general dislike for change as well as the power and value of successful communication have also been confirmed.

The finding of this research also has important managerial implications. It shows that change capacity is connected to the leadership style of the organization; therefore, management practices should also be perceived through the lens of increasing or decreasing the organization capacity to adopt changes. Moreover, by verifying Sorpanot's model validity, it presents a tool for assessing the existing change capacity. Managers of every level can check how their section's features correspond to the framework's elements and identify what they need to develop in order to raise their segment's and consequently their organization's change adoption capacity.

This study is limited to a particular context, that is high ranking companies in Finland. The societal and business environment in Finland is highly egalitarian and people-centric compared to other countries; therefore, it is difficult to conceptualise. Another limitation is that the findings are based on eight semi-structured interviews from a variety of companies. Further research could be done by incorporating case studies from different country contexts for searching how national attitudes and dispositions to the matter affect the results. Another suggestion is to combine interviews form different levels in the same

company. Such an approach could give useful insight regarding the view of the same issue from different angles.

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## APPENDIX: Interview Guide

Preliminary discussion, consent about recording, (re)description of the research's scope

Q 1: How, in your opinion, projects and change are related, if at all?  
*(follow-up)* Can the impact of a project be predicted regarding the change it is assumed to create in a specific time and towards certain sectors or the organisations?

Q 2: How can the organisation's capability of adapting to change be assessed?  
*(follow-up)* Is this assessment taken under consideration when drawing the project's timeline? *(follow-up)* How do you deal with a case where the time required for adopting the change surpasses the project's time goals?

Q 3: How can you understand that the resulting change has been successfully managed?  
*(follow-up for conceptualisation)* What are, in your opinion, the factors for successful and non-successful management of change resulting from project implementation?

Q 4: Do you have a personal experience of a change process that failed/succeeded during the implementation? What was, in your opinion, the reasons that have led to failure/success?

Q 5: How do you allocate or delegate the operational level activities needed for implementing changes derived from various projects?

Q 6: What are the key activities that you do to lead and manage the resulting changes successfully?

Q 7: How do you assess your own capability in leading and managing changes?

