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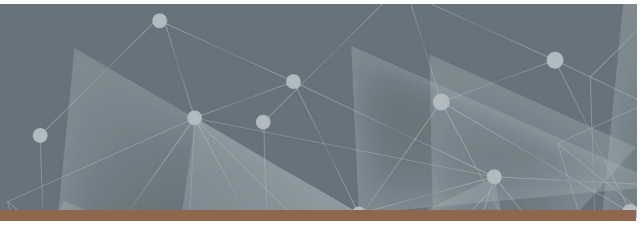

# Organizational Barriers and Drivers Influencing the Speed of Transformation

A case study in a large industrial organization

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# Summary

Large organizations today face increasing pressure to transform at a pace their existing structures and cultures were not designed to support. This study investigates the organizational barriers and drivers that managers experience as influencing the speed of transformation and how these perceptions differ between senior and middle management. Using a qualitative single-case study design, data was collected through 21 semi-structured interviews with managers across two hierarchical levels within the logistics function of a large industrial organization.

The findings reveal that the organization faces challenges spanning all three dimensions of transformation speed. *Organizational silos and structure* and *Leadership and decision-making* barriers generate friction at the level of *decision speed* and *implementation speed*. This resulted in fragmented priorities, unclear mandates and lack of transformation structure delaying both coordinated commitment and sustained execution. *Culture and legacy* barriers, including an exploitation-oriented culture, comfort after past success, and limited outside-in orientation, constrain *response speed* by reducing the organization's ability to recognize when existing ways of working are no longer sufficient. The primary drivers identified were: *shared direction and continuous communication*, and *a credible "why"*. These address *decision speed* and *implementation speed* by reducing coordination overhead and strengthening the commitment to action. The secondary drivers, including *enabling leadership*, *distributed mandate*, and *psychological safety*, reinforce these conditions by distributing the capacity to act across the organization.

Keywords: Transformation, speed of change, change management, middle management, barriers and drivers.

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Finally, we want to thank our opponents for their valuable input, and our classmates for making these years at Chalmers memorable. Thank you.

Lydia Ericson and Pernilla Branecky Nordmark, Gothenburg, June 2026

# List of Acronyms

Below is the list of acronyms that have been used throughout this thesis listed in alphabetical order:

| **Acronym** | **Meaning** |
|---|---|
| ACMP | Association of Change Management Professionals |
| AI | Artificial Intelligence |
| CI | Continuous Improvements |
| PAC | Potential Absorptive Capacity |
| RAC | Realized Absorptive Capacity |
| RQ | Research Question |
| STS | Sociotechnical Systems |

# Contents

# List of Figures

# List of Tables

# 1

# Introduction

This chapter introduces the study and establishes the foundation for the research. Section 1.1 presents the background to the problem, identifying the organizational challenges and external pressures that make the speed of transformation a critical concern for large and established organizations today. Section 1.2 defines the aim of the study and presents the two research questions, followed by Section 1.2.1, which outlines the delimitations of the study.

## 1.1 Background

Organizational change has been defined in various ways. For example, the Association of Change Management Professionals (ACMP, n.d.) describes it as *"a deliberate set of activities that facilitate and support the success of individual and organizational change and the realization of its intended business result"*. Similarly, Brightman and Moran (2001) define organizational change as *"the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers"*. Together, these definitions highlight that organizational change encompasses both planned activities and ongoing processes of adaptation. Historically, organizational change was often understood through the lens of "punctuated equilibrium", where extended periods of stability were interrupted by short and intense episodes of radical change (Worley & Mohrman, 2014). Over time, however, this view has been complemented by a recognition of change as a more ongoing and continuous process (Weick & Quinn, 1999). Importantly, contemporary research suggests that these perspectives should not be seen as mutually exclusive (Krukowski & Oliński, 2025). Rather, organizations today often experience multiple, overlapping forms of change, where continuous adjustments coexist with more large-scale and episodic transformations (Krukowski & Oliński, 2025).

The increasing pace of organizational change is not driven by a single factor, but rather by a combination of external and internal pressures. Organizations today are required to simultaneously respond to changing regulatory demands, technological development, global competition and evolving social expectations (Todnem By, 2005; Winby & Worley, 2014). Together, these pressures contribute to an environ-

ment that has been described as hyper-turbulent, in which organizations are forced to manage multiple and overlapping change initiatives at the same time (Todnem By, 2005). This situation is further complicated by the fact that change processes are often embedded within one another and unfold across different organizational levels simultaneously, meaning that disruptions in one part of the system may have consequences elsewhere (Van de Ven & Sun, 2011; Worley & Mohrman, 2014). As a result, many change initiatives fail because they are treated as isolated projects rather than as interdependent elements of a complex organizational system, where multiple change logics and approaches must co-exist and interact with each other (Van de Ven & Sun, 2011).

What makes this environment particularly demanding is not only the volume of change, but the speed at which it must occur. Global competitive dynamics are intensifying, with heavily resourced competitors accelerating the pace of industry change and leaving less room for slow or sequential responses (Verhoef et al., 2021). At the same time, digital transformation is reshaping the fundamental rules of how organizations create value, requiring simultaneous disruptions in both technical and social systems (Kherrazi & Roquilly, 2025). Unlike traditional organizational changes, which are often episodic, digital transformation creates a dynamic environment characterized by more on-going and overlapping change (Kherrazi & Roquilly, 2025). This means that the ability to transform quickly is no longer a competitive advantage reserved for agile startups, it has become a basic requirement for survival in established organizations as well (Pasmore et al., 2019). The speed at which an organization can recognize what needs to change, make decisions and translate them into action has therefore emerged as a critical organizational capability (Dykes et al., 2019).

Yet large and established organizations often face particular difficulties in accelerating the pace of change due to what has been described as organizational inertia (Weick & Quinn, 1999). This inertia is embedded in deep organizational structures where strategies, systems and cultures are so tightly intertwined that breaking established patterns requires substantial effort (Weick & Quinn, 1999). These challenges are further reinforced by traditional hierarchical structures that rely on slow decision-making processes, extensive risk assessments and centralized control, thereby constraining the speed and flexibility required in today's environments (Worley & Mohrman, 2014). As a consequence, a gap frequently emerges when leaders attempt to drive change in such inert systems, as the articulated plans for how change is intended to unfold often diverge from how change actually develops in practice (Van de Ven & Sun, 2011). Rather than adapting strategies to emerging realities, organizations may instead attempt to force employee behavior to fit into the predefined plan, which often results in misalignment and failure (Van de Ven & Sun, 2011). Moreover, change efforts are sometimes characterized by a heavy reliance on heroic leadership, where success is attributed to strong individual leaders rather than fostering collective agency and shared responsibility for change across the organization (Gjerald et al., 2025).

The gap between the need for rapid organizational change and organizations' ability to deliver such change can to a large extent be attributed to the continued reliance on outdated change management models. Traditional frameworks, such as Lewin's three-stage model (unfreeze–change–refreeze) and Kotter's step-based approach, are based on the idea that change unfolds as a step-by-step process that eventually leads the organization back to a stable state (Worley & Mohrman, 2014). When organizational change is continuous rather than episodic, the notion of "refreezing" becomes difficult to apply, making such models less suitable for contemporary organizational environments (Worley & Mohrman, 2014). These models tend to oversimplify organizational reality by treating change as a controllable process and employees as passive elements to be managed, rather than as complex and active participants in the change process (Gjerald et al., 2025). The limitations of such linear perspectives are often reflected in frequently cited claims that a large proportion of change initiatives fail, with some studies suggesting failure rates of around 70 percent (Todnem By, 2005; Worley & Mohrman, 2014). However, this figure has been debated, as change processes often evolve over time and are difficult to evaluate in terms of clear success or failure, making such estimates inherently problematic (Hughes, 2011).

A critical area where the limitations of traditional models become particularly visible is in the attempt to sustain change over time. Research indicates that so-called "initiative decay", where the gains made during a change initiative are lost when new practices are abandoned and the organization reverts to old patterns, is a recurring challenge (Buchanan et al., 2005). Buchanan et al. (2005) argue that the concept of sustaining change in a dynamic context must therefore shift from the preservation of a static state to the maintenance of a "trajectory of performance improvement". This implies that change management is not about reaching a final destination, but rather involves what Clausen and Kragh (2019) describe as "continuous redirecting". The challenge lies in the fact that the organization's deep structures and underlying social patterns create behaviors that often hinder this dynamic adaptation if they are not made visible and actively addressed (Clausen & Kragh, 2019). When organizations run too many parallel initiatives without clear prioritization, this challenge intensifies further, as frequent and overlapping change efforts can generate initiative overload, change fatigue and reduced commitment to new initiatives over time (de Vries & de Vries, 2023; K. J. Johnson et al., 2016).

Despite a growing body of research on organizational change, there remains a limited understanding of how to lead organizations specifically under conditions where the speed of transformation is critical (Winby & Worley, 2014). Much of the existing knowledge concerns how to manage change in relatively stable environments, and there is no universal model that organizations can apply across contexts (Van de Ven & Sun, 2011). In the absence of a "one-size-fits-all" solution, the focus shifts to how leaders navigate transformation in practice, what enables it and what slows it down. Successful change in this context requires leaders to move beyond top-down directives and instead engage with the complexity of organizational dynamics (Gjerald et al., 2025). Leaders must be able to diagnose not only technical problems, but also the underlying structures and mismatches between plans and practice that

may act as invisible barriers to speed (Clausen & Kragh, 2019; Van de Ven & Sun, 2011). However, managers often attempt to correct employees rather than reflecting on these systemic issues (Van de Ven & Sun, 2011). This highlights a need to investigate the practical realities that leaders face when striving for transformation momentum, specifically regarding the organizational barriers and drivers that shape the speed of change.

At the same time, much of the influential literature on change leadership has primarily focused on the role of top management, often emphasizing top-down processes (e.g., Kotter, 1996). While other streams of research have highlighted the importance of middle managers in implementing and translating change (e.g., Balogun, 2004), the concept of "middle management" remains inconsistently defined across studies. This makes it difficult to compare findings and draw conclusions about how change is experienced across organizational levels Balogun and Johnson (2004). It has contributed to a fragmented understanding of how transformation is perceived and enacted at different points in the organizational hierarchy. Given that change is interpreted and enacted differently by actors across the organization Balogun and Johnson (2004), understanding how barriers and drivers are experienced across levels becomes particularly important. This is especially relevant because the speed of transformation ultimately depends on the collective capacity of the organization to act in a coordinated way. Without this understanding, organizations risk investing in change efforts that are well-designed at the top but lose coherence, momentum and speed as they move toward execution.

## 1.2 Aim and Research Questions

The purpose of this study is to contribute to a deeper understanding of how the speed of transformation can be increased in large industrial organizations. The study investigates managers' experiences of organizational barriers and drivers that influence the speed of transformation. It also seeks to understand what conditions and support managers need to effectively manage transformation in a context where the speed of change is critical. To achieve this, the study addresses two specific research questions:

- RQ1: What organizational barriers and drivers do managers in large organizations experience that hinder or strengthen the speed of transformation?

- RQ2: How do the perceptions of the barriers and drivers influencing the speed of transformation differ between top management and other organizational levels?

### 1.2.1 Delimitations

This is a single-case study, and therefore primarily considers the perspective of the case company and its specific organizational environment. Due to the scope of a master's thesis at Chalmers University of Technology, the study was conducted over

a limited time period from January to June 2026. Consequently, the research focuses specifically on the logistics department, meaning that other functional areas within the company were not included in the primary data collection. Furthermore, the study is delimited to the experiences and perspectives of managers, focusing on their role in navigating change. While this provides a deep understanding of leadership challenges, it does not account for the direct perspectives of frontline employees or other external stakeholders. Finally, as the findings are taken from the case company, they should be viewed as context-specific rather than statistically generalizable to the industry as a whole.

# 2

# Theory

This chapter presents the theoretical framework that informs the study. The review is structured around three interconnected areas of research relevant to the speed of organizational transformation. Section 2.1 addresses organizational change, including perspectives on sustaining change, digital transformation and the concept of speed of change. Section 2.2 examines organizational learning, with particular attention to organizational ambidexterity and absorptive capacity. Section 2.3 focuses on change leadership, covering the role of middle management and the dynamics of resistance and motivation. Together, these perspectives provide the conceptual foundation used to analyze and interpret the empirical findings.

## 2.1 Organizational Change

Theoretically, organizational change can be viewed as a matter of time, focusing on how we describe the event through which something turns into something else (Weick & Quinn, 1999). In an organizational context, this implies a noticeable change in how the organization operates, how it is structured, how it allocates resources, or who its members and leaders are (Weick & Quinn, 1999). Rather than being viewed historically as a linear, one-off shift from one state to another, change in today's dynamic context is often understood as a continuous process and an organizational capability for ongoing transformation (Pasmore et al., 2019). Since organizations rarely operate in fully static environments, this capacity for continual adaptation is widely seen as a requirement for survival (McLaren et al., 2023). Organizational change can be analyzed and understood through the ongoing interplay of three fundamental dimensions: content, context and process (Armenakis & Bedeian, 1999; Pettigrew, 1987). Both Pettigrew (1987) and Armenakis and Bedeian (1999) use this three-part approach to capture a holistic view of how transformations take shape.

Content addresses what is changing, the elements of the transformation, such as a new strategic direction, new reward systems or new technology (Armenakis & Bedeian, 1999; Pettigrew, 1987). Context, in turn, explains why and where change occurs. According to Pettigrew (1987), context can be divided into an outer context (macroeconomic, political, and competitive forces in the external environment) and an inner context (the organization's structure, corporate culture, and internal

political climate). Process describes how change unfolds, that is, the actions, reactions and interactions over time through which formal intentions are translated into practice (Armenakis & Bedeian, 1999; Pettigrew, 1987). Taken together, these perspectives suggest that change efforts require attention not only to what is being changed (content), but also to the contextual conditions and the processes through which change is enacted.

To fully understand the dynamics of organizational change, research also emphasizes the importance of examining how change unfolds across a hierarchical system of levels of analysis. Van de Ven and Poole (1995) highlight that change and development processes can occur at multiple levels, ranging from individuals and work groups to organizations and broader environments and that these levels are often embedded within one another. Likewise, Pettigrew et al. (2001) argue that studying organizational change requires explicit attention to multiple contexts and levels of analysis, including how change processes at one level interact with processes at other levels over time. Much of the complexity of large-scale change therefore arises at the intersections between levels. Organization-wide initiatives are shaped by how they are interpreted by groups and individuals, while local actions and meanings can, in turn, influence broader organizational trajectories (Pettigrew et al., 2001; Van de Ven & Poole, 1995). This suggests that organizational change can be understood from different perspectives depending on the level of analysis, individual, group or organization (Pettigrew et al., 2001). At the same time, these levels are interdependent, meaning that dynamics at one level influence and are influenced by dynamics at other levels over time (Van de Ven & Poole, 1995). To practically lead and navigate such a multidimensional environment, the sociotechnical systems (STS) perspective is often highlighted as particularly important (Kherrazi & Roquilly, 2025). From this viewpoint, an organization cannot be reduced to its goals or technologies alone, instead it must be understood as two interdependent systems: a technical system (tools, digital platforms, and technologies) and a social system (people, culture, values, and routines) (Kherrazi & Roquilly, 2025). Pasmore et al. (2019) argue that a central challenge in contemporary change work is that technological development is accelerating rapidly, while innovation in how organizations are designed and led often does not keep pace. As a result, change initiatives that focus primarily on the technical system may have limited reach and effectiveness unless the social system is addressed in parallel (Kherrazi & Roquilly, 2025). Accordingly, sociotechnical thinking emphasizes balancing technological possibilities with social design and human considerations when organizations go through change (Kherrazi & Roquilly, 2025; Pasmore et al., 2019). To further deepen the understanding of how change takes shape in contemporary organizations, the following subsections examine three key perspectives: sustaining change, digital transformation and speed of change.

### 2.1.1 Sustaining change

Sustainability can be understood as the process through which new working methods, performance goals and improvements are maintained over time in a way that is appropriate to the specific context (Buchanan et al., 2005). This means that changes

and improvements are sustained when the new practices continue to be used in everyday work. In the context of continuous change, sustainment is less about reaching a final stable state and more about maintaining direction and momentum over time Brown and Eisenhardt (1997) and Weick and Quinn (1999). However, sustaining change is not only a matter of follow-up or continued attention (Clausen & Kragh, 2019). Existing structures and routines in the organization can prevent proper anchoring of change, since these often influence how the organization operates. Change may therefore be difficult to sustain when new practices are not aligned with the deeper patterns through which the organization operates (Clausen & Kragh, 2019).

For the new practices to be effectively adopted, the organization must be able to understand it and make the changes work in their own context, otherwise, the improvement risks fading away (Szulanski, 2003). Szulanski (2003) explains this risk with the concept of "stickiness", which means that transferring and applying new practices can be more difficult than expected. One challenge is ambiguity, where people do not fully understand why the change is needed or why the new way of working creates better results. Another factor is low absorptive capacity, meaning that the receiving team lacks enough relevant skills, shared language, or experience to recreate and apply the practice successfully (Szulanski, 2003). Sustaining change also requires continued use of the new practice over time, rather than returning to previous routines when early integration challenges occur. This matters not only for sustaining a single change initiative, but also for performance, as the firm performance can be reflected on the ability to reuse superior knowledge before competitors can imitate it (Szulanski, 2003).

At the same time, sustaining change does not mean that every initiative should last forever (Buchanan et al., 2005). Maintaining current methods for too long can restrict learning, limit the development of new skills, and reduce longer-term performance. Sustainment should therefore be understood as maintaining change for as long as it remains meaningful and appropriate in the specific organizational context (Buchanan et al., 2005). Additionally, today's constant flow of new demands and expectations pushes organizations to keep launching new initiatives and to maintain a high pace of change (Worley & Mohrman, 2014). However, a high pace of change may signal progress, but frequent and overlapping change initiatives can create initiative overload (K. J. Johnson et al., 2016). This may increase uncertainty around priorities and what comes next, while also increasing workload. As a result, such conditions may contribute to change fatigue and increase resistance to further organizational change (de Vries & de Vries, 2023). Change fatigue can be understood as a response to excessive change over time, where the frequency, scope, and impact of initiatives become too high for the organization to absorb (K. J. Johnson et al., 2016). The consequences are both emotional and behavioral and can include increased uncertainty, cynicism, and a reduced commitment to new initiatives (Khaw et al., 2022).

### 2.1.2 Digital transformation

Digital transformation goes beyond simple IT updates. It is a broad process that uses digital tools to change a company's business model and value creation (Verhoef et al., 2021). While digitization focuses on encoding data and digitalization aims to optimize existing processes, digital transformation is a more radical shift where technology reshapes the fundamental rules of the organization (Verhoef et al., 2021). It is not only the implementation of a single technology but rather the "combined effects" of several digital innovations that introduce new actors, structures, practices and values (Hinings et al., 2018). This shift significantly increases the pressure for organizational change, as firms must manage simultaneous disruptions in both the technical and the social systems (Kherrazi & Roquilly, 2025). Unlike traditional organizational changes, which are often episodic, digital transformation creates a dynamic environment characterized by more continuous change. This complexity arises because organizations must manage parallel initiatives that create new dependencies, for instance, the introduction of advanced digital technologies requires not only technical upgrades, but also a reconfiguration of the organization's social system including culture, values and procedures (Kherrazi & Roquilly, 2025). Consequently, established change management models used in isolation are often insufficient, necessitating a mix of planned and emergent strategies to handle the "combined effects" of these innovations (Hinings et al., 2018).

For large industrial organizations this transformation is affecting both operational efficiency and high-level governance (Boffa & Maffei, 2024). The transition toward "smart and connected factories" requires integrating information and communication technology with physical components, which in turn demands a radical change in the overarching business model. Empirical insights from the manufacturing sector suggest that successful transformation cannot be limited to the shop floor (Boffa & Maffei, 2024). It requires a holistic approach where manufacturing strategies are aligned with broader strategic components, such as resource management and value proposition. Therefore, large established organizations need to move beyond the isolated changes and also align their organizational structure and competence development to fully capture the value of digital investments (Boffa & Maffei, 2024).

### 2.1.3 Speed of change

Organizational speed can be defined as a dynamic, multidimensional capability to quickly recognize what needs to change and to rapidly adjust, reorganize and put organizational processes and activities into action (Dykes et al., 2019). Rather than merely being a simple measure of elapsed time, speed is a holistic construct consisting of several distinct, sequentially interdependent dimensions or phases (Dykes et al., 2019), as illustrated in Figure 2.1.

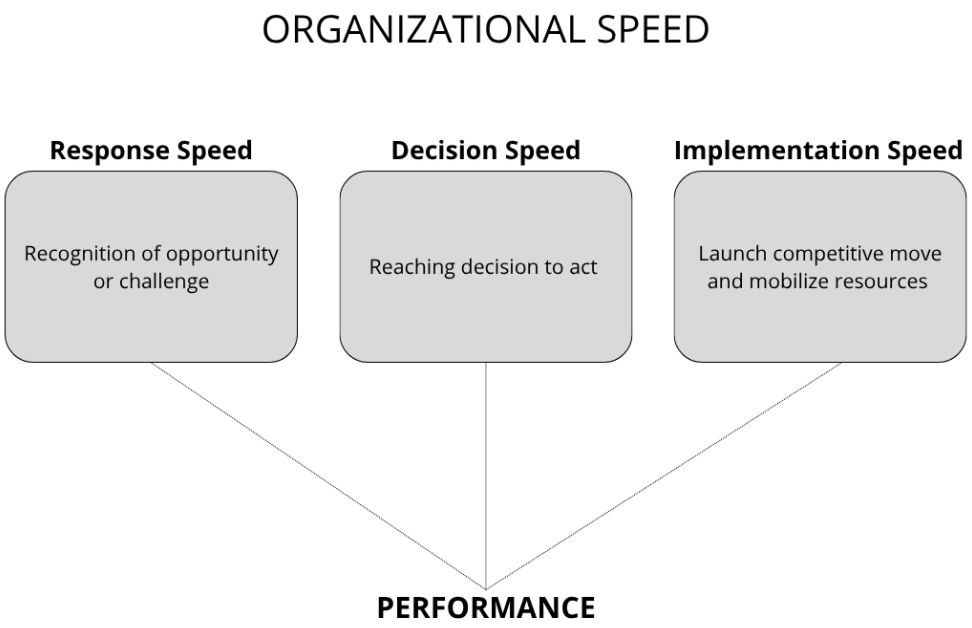


**Figure 2.1:** The three dimensions of organizational speed, modified from Dykes et al. (2019).

The first of these phases occurs at a strategic level and involves *decision speed*, which refers to the time it takes for an organization to collect information, analyze different alternatives and reach a final commitment to act (Kolev et al., 2025). It is important to distinguish this initial decision-making process from the subsequent operational phase, namely *implementation speed* (or execution speed) (Kolev et al., 2025). While decision speed exclusively handles the pathway up to the actual commitment, *implementation speed* focuses on how quickly the organization can subsequently mobilize resources, processes and activities to translate the strategic decision into action. Depending on the empirical focus, a third dimension, *response speed*, may also be important to consider. This refers to how quickly a firm reacts to an external trigger, such as a market shift or a competitor move, and is typically captured as the time between the event and the firm's concrete response (Kolev et al., 2025). When studying these dimensions of organizational speed, it is important to understand that "fast" does not automatically equal "good" (Shepherd et al., 2021). The benefits of speed are not captured by simply listing performance drivers, they depend heavily on the context in which the firm operates.

A classic problem in decision theory is the trade-off between speed and accuracy (Shepherd et al., 2021). Forcing decisions and actions can cause an organization to fall into a so-called "speed trap", acting so rapidly that it exceeds its own absorptive capacity to assimilate and process information (Kolev et al., 2025). When decisions are made under time pressure, managers are more likely to misinterpret information and overlook important alternatives, which raises the likelihood of se-

lecting suboptimal strategies (Shepherd et al., 2021). In dynamic environments, these risks become greater because the signals managers rely on (such as customer demand shifts, competitor moves or new technologies) do not consistently predict what will happen next. At the same time, the effects of a chosen response are harder to foresee, since outcomes can change quickly depending on timing and how other actors react (Shepherd et al., 2021). Firms should therefore be cautious of “speed traps”, where the push for pace is rewarded so strongly that it comes at the expense of decision quality and overall firm performance (Perlow et al., 2002).

Externally, the global competitive landscape is becoming increasingly intense, with heavily resourced competitors from regions such as China accelerating the pace of industry change (Verhoef et al., 2021). This creates a demanding market environment for organisations who operate with fewer resources than their strongest competitors. In strategic management terms, this is a low-munificence environment, one where resources are limited, competition is intense and there is little room for mistakes (Shepherd et al., 2021). While resource-rich global competitors might be able to afford a rapid "trial-and-error" approach, firms with relatively constrained resources lack the same opportunities required to absorb and correct hasty and ineffective strategic moves (Shepherd et al., 2021). Therefore, rather than pursuing speed at any cost, organizations operating under threatening conditions may be better served by a cautious, analytical decision process that prioritizes decision quality and disciplined resource use (Shepherd et al., 2021). When the margin for error is small, moving too fast can increase avoidable risks, rework and unnecessary costs, ultimately harming firm performance (Dykes et al., 2019).

## 2.2 Organizational Learning

Organizational learning can be understood as the way an organization’s knowledge base develops and changes through experience (Argote, 2013). However, organizational learning is more complex than simply adding up what individual members know. For learning to become embedded at the organizational level, insights from experience need to be translated into shared routines and practices that shape future actions, making learning both routine-based and shaped by the organization’s history (Levitt & March, 1988). In this view, organizations learn by encoding inferences from the past into routines, such as rules, procedures, conventions, strategies and technologies, that guide behavior even when individuals change over time (Levitt & March, 1988). This also implies that learning is not only reflected in what people know, but in how the organization consistently acts through established ways of working and shared interpretations of “how things are done” (Levitt & March, 1988).

Organizational learning can further be understood as a cycle in which knowledge is created, retained, and transferred over time, meaning that insights from experience not only emerge but are also embedded and shared across the organization (Argote, 2013). Importantly, knowledge can be stored in different repositories, such as individuals, organizational routines, and technologies (Argote, 2013). While individuals

often hold tacit and nuanced knowledge, routines and technologies help make knowledge more stable over time and easier to transfer across contexts. At the same time, learning outcomes are shaped by organizational conditions and context, such as structure, culture, performance feedback and other contextual factors that influence members' abilities, motivation and opportunities to learn from experience (Argote, 2013). For this learning cycle to function in practice, organizations need capabilities and supporting activities that enable knowledge to be acquired, shared and utilized in day-to-day work (D. N. Ford et al., 2000). This helps ensure that learning translates into consistent actions rather than remaining isolated in individuals or single projects. Building on this view of organizational learning, the following subsections examine two concepts central to learning in the context of change: organizational ambidexterity and absorptive capacity.

### 2.2.1 Organizational ambidexterity

For organizations to achieve lasting success, they must continuously navigate the fundamental tension between optimizing current capabilities and discovering new opportunities (March, 1991). Teece et al. (1997) define dynamic capabilities as an organization's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. Organizational ambidexterity is often viewed as an expression of such capabilities, as it requires management to actively reallocate resources and reconfigure structures in order to balance exploitation and exploration O'Reilly III and Tushman (2013). (March, 1991) conceptualized this strategic challenge as a trade-off between exploitation and exploration. Exploitation involves the refinement, efficiency, control and execution of existing knowledge, yielding returns that are generally proximate, predictable and positive. In contrast, exploration is characterized by search, variation, risk-taking and experimentation, with outcomes that are typically uncertain, temporally distant and frequently negative in the short term.

Because organizational learning processes naturally favor the immediate, precise and measurable wins from exploitation, successful companies frequently fall victim to their own historical achievements (March, 1991). In these scenarios, organizations often develop what is known (and previously mentioned) as inertia. (Perini et al., 2024) refer to strategic inertia and define it as a failure to take action to shift strategy even when the external environment requires it. This inertia can emerge because strategies, structures and routines become so tightly intertwined over time that they form a system that discourages deviations (Worley & Mohrman, 2014). Clausen and Kragh (2019) argue that such inertia is maintained through organizational deep structures, while Perini et al. (2024) also show that factors such as pride in past successes, can lock the organization into established ways of thinking and acting. Teece (2007) supports this perspective, arguing that the assumptions, information filters and problem-solving approaches that once contributed to a firm's success can eventually become "strategic straitjackets". Success often creates path-dependent routines and incentives aligned with the existing business, which makes adaptation difficult when the environment changes (Teece, 2007).

As a result, managers tend to evaluate new and more radical opportunities based on outdated but previously successful, knowledge and experience (Teece, 2007). This can make established firms overly cautious, less willing to take risks, and slower to embrace innovations that would require them to replace their current capabilities. Leonard-Barton (1992) conceptualizes this phenomenon as “core rigidities”, highlighting that the embedded systems, skills and values that form a firm’s core capabilities can paradoxically become its biggest blockers to change. Over time, companies reach a path-dependent "lock-in" phase where they persistently hold on to established routines, structures and decision-making methods (Brekke et al., 2024).

As the research field has evolved, a review by (O’Reilly III & Tushman, 2013) categorizes the achievement of organizational ambidexterity into three distinct architectural approaches. First, sequential ambidexterity is defined as organizations adapting by temporally shifting their structures and strategic focus back and forth between periods of exploitation and exploration O’Reilly III and Tushman (2013). The foundation of this perspective builds on earlier organizational research, such as the work by Duncan (1976), which suggested that firms must continuously alter their structural alignments over time to accommodate the conflicting demands of innovation and efficiency. However, this switching can be highly disruptive and too slow for firms operating in rapidly changing environments O’Reilly III and Tushman (2013).

Second, structural ambidexterity is defined as the simultaneous strive for exploration and exploitation by creating architecturally separate subunits, each with its own aligned processes, incentives and cultures O’Reilly III and Tushman (2013). This concept builds directly upon the work of Tushman and O’Reilly (1996). Arguing against the slow nature of sequential shifts, Tushman and O’Reilly (1996) established that organizations must pursue exploration and exploitation at the same time. They demonstrated that this is achieved by building highly autonomous exploratory units that are separated from the mature business, while remaining aligned through a shared strategic intent and close integration at the senior executive level (Tushman & O’Reilly, 1996).

Lastly, contextual ambidexterity offers a behavioral alternative to structural separation and is defined as the capacity to simultaneously demonstrate alignment and adaptability across an entire business unit O’Reilly III and Tushman (2013). This approach builds upon the work of Gibson and Birkinshaw (2004) who conceptualized the term. Rather than relying on dual structures they argued that ambidexterity emerges from an organizational context that empowers individual employees to use their own judgment in dividing their time between conflicting demands. They showed that the ability to balance exploration and exploitation develops when management combines clear performance demands, such as defined goals, accountability and ambitious targets with a supportive social environment characterized by access to help and a high level of trust (Gibson & Birkinshaw, 2004). Although the academic literature treats these three architectural approaches as distinct, research suggests that they often overlap and coexist in practice O’Reilly III and Tushman

(2013). In practice, successful organizations often use more than one approach at the same time, combining sequential, structural, and contextual ambidexterity. They may also switch between these approaches as their competitive environment shifts over time O'Reilly III and Tushman (2013).

### 2.2.2 Absorptive capacity

Absorptive capacity is a fundamental organizational capability that is crucial for a company's ability to innovate and learn (Cohen & Levinthal, 1990). The concept was expanded by Zahra and George (2002) into a dynamic capability consisting of two primary components: Potential Absorptive Capacity (PAC) and Realized Absorptive Capacity (RAC). PAC encompasses a firm's ability to acquire and assimilate external knowledge, whereas RAC reflects its capacity to transform and exploit that knowledge for commercial ends (Zahra & George, 2002) . Since many innovations build on knowledge developed outside the firm rather than being created entirely in-house, an organization's ability to successfully navigate both of these phases is a key driver of innovative success. Without such a capacity, knowledge from outside the firm is difficult to translate into new products, processes, or services (Cohen & Levinthal, 1990; Zahra & George, 2002). This overall capability typically develops over time, it builds on prior experience and accumulates through continued learning (Cohen & Levinthal, 1990). When a firm builds expertise in a domain early, it is better positioned to deepen that knowledge over time, since new learning becomes easier to absorb and integrate. By contrast, if the firm stops investing in absorptive capacity in a fast-moving field, it risks "technological lockout" where it gradually loses the ability to take in and use new knowledge, effectively closing off future development in that area (Cohen & Levinthal, 1990).

However, explicitly recognizing the division between potential and realized capacity is critical, as they function differently and require distinct organizational mechanisms (Ismail et al., 2026). As Ismail et al. (2026) highlight, a firm might successfully build a culture that empowers employees to scout for and acquire radically new knowledge (achieving high PAC), but this potential does not automatically translate into the actual application of that knowledge. To successfully convert potential ideas into realized innovations (RAC), the organization must actively manage the complex transition between merely understanding a new technology and practically embedding it into actual routines and products (Ismail et al., 2026; Zahra & George, 2002).

Beyond this, a firm's ability to absorb external knowledge is also shaped by its organizational structure, since it influences how information is shared inside the firm (Duchek, 2015). If knowledge travels easily across teams and decision levels, external insights are more likely to reach the people who can evaluate them, adapt them and put them into use. If the organization becomes fragmented, divisions may slip into "silo thinking" and operate in isolation creating unnecessary duplication as different units address the same problems independently (Duchek, 2015). Cohen and Levinthal (1990) initially identified that highly specialized units might suffer

from the "Not-Invented-Here" syndrome, where they actively resist external ideas because the new knowledge does not fit their established internal coding schemes.

To prevent these structural traps, Lewin et al. (2020) highlight the importance of implementing socially enabling mechanisms that facilitate the internal and external routines necessary for knowledge sharing. Centralized R&D departments can strengthen this by allowing dedicated attention to external developments rather than day-to-day operational pressures (Duchek, 2015). The idea of assigning "gatekeepers" to connect the firm with its environment highlights how specific roles can facilitate the inflow and interpretation of external knowledge (Cohen & Levinthal, 1990). In practice, appointing technology scouts can translate complex outside information into formats that are easier to understand and use internally, which helps reduce the not-invented-here syndrome (Duchek, 2015). Finally, physical interface roles, such as embedding manufacturing personnel within R&D can bridge otherwise separated "thought worlds" and ensure that innovations are not only new but also feasible to produce (Duchek, 2015).

## 2.3 Change Leadership

Leadership is critical in organizational change and influences change outcomes both directly and indirectly (Oreg & Berson, 2019). Indirectly, leader behaviors shape change recipients' emotional and attitudinal responses, such as uncertainty, stress and commitment, which in turn affect how employees make sense of the change and their attitudes toward the change. In a direct sense, top management influences change outcomes through strategic choices such as setting priorities and goals, allocating resources, and designing structures that support implementation (Oreg & Berson, 2019). Since organizational change is often fluid and unpredictable, effective leadership requires the ability to respond to uncertainty and adapt and make adjustments along the way (Cummings et al., 2016; Hughes, 2011). Kotter (2007) highlights a difference between managers and leaders, which becomes especially critical during transformation. Managers are expected to maintain order and structure, while leaders build commitment and drive renewal to implement transformation. Consequently, many transformation efforts fail because organizations have too many managers and not enough leaders during change initiatives (Kotter, 2007).

Traditional leadership approaches tend to work well in stable environments where work is standardized and outcomes are predictable (Uhl-Bien et al., 2007). However, in today's more complex and fast-changing context, leadership needs to focus more on creating conditions for learning, collaboration and rapid adaptation. Uhl-Bien et al. (2007) argue that overly top-down and bureaucratic control can limit the informal interactions and network dynamics that support learning and innovation, especially in organizations that are highly centralized, closely monitored and guided by detailed targets with little room for experimentation. In such settings, employees may take less initiative, rely more on instructions than independent problem-solving and the organization can become slower and more rigid. Within this perspective, enabling leadership becomes critical (Uhl-Bien et al., 2007). Enabling leadership

refers to leadership that creates conditions for local problem-solving and adaptive responses to develop, while also linking these ideas to formal decision-making and implementation so they can be supported, aligned with strategic direction and scaled across the organization.

This also implies the importance of distributed leadership, where coordinated leadership across several actors helps the organization stay oriented toward the new direction of change rather than falling back into established ways of working (Canterino et al., 2020). This is especially important in large organizations, where implementation requires shared priorities and coordinated action across different units and levels. If leadership is fragmented, change can easily lose momentum or remain more symbolic than practical (Canterino et al., 2020). To deepen the understanding of change leadership in practice, the following sections focus on middle managers' sensemaking and on how motivation and resistance shape change processes.

### 2.3.1 Middle management role

The role of middle managers can be described as "linking pins" between strategic intentions and operational realities, and they play a crucial role in change initiatives (Balogun, 2007; Lüscher & Lewis, 2008). Senior management's role is to set the overall plan, direction and structure, while middle managers have a central role in translating these plans into practice. Their position enables them to act as recipients and implementers of change initiatives, and as sensemakers between strategy and reality, where they actively interpret, translate, and adapt the change (Balogun, 2007). Sensemaking refers to the process through which middle managers interpret organizational change and develop an understanding of what the new structure means for their work, roles, and responsibilities (Balogun, 2007). Through this process, they create meaning for themselves and others, and help interpret the change in relation to roles, responsibilities, and relationships. This also implies that senior managers need to create opportunities for shared sensemaking, where managers can understand the "why" and build a common view of how the organization is expected to function in practice once the change is implemented (Balogun, 2007).

During transformations, roles, responsibilities, and decision rights between units are often unclear, which can create friction and slow down implementation. Therefore, creating spaces for discussion and clarification is essential to align expectations across units, clarify "who does what," and reduce interface problems that otherwise risk delaying implementation (Balogun, 2007). Senior managers should also remain visible and supportive throughout the transition, staying close to where interpretations are formed (Balogun, 2007). A key task of leadership is to create a strong sense of urgency (Kotter, 2007). Leaders need to face external realities and respond to signals from their environment, such as market shifts, competitive pressure or changing customer needs, and translate these into a shared understanding that business as usual is no longer sufficient. Without this urgency, people are less likely to prioritize the change, and the effort risks stalling (Kotter, 2007).

However, even with a clear "why" and a strong sense of urgency, large-scale transformations can still create complexity and conflicting demands that make it difficult for middle managers to know what to prioritize and how to act (Lüscher & Lewis, 2008). As work demands shift, increase, and sometimes conflict, expectations can become unclear and interpreted differently. This can contribute to hesitation and even paralysis, as managers struggle to decide what to prioritize when expectations do not align, which in turn slows down change implementation. According to Lüscher and Lewis (2008), these challenges can be explained through three types of contradictions. The first refers to the expectations placed on middle managers to stay in control while also empowering others. In practice, they may receive mixed messages from above, where trust is communicated while they are simultaneously being closely monitored, or they are asked to empower the team to make decisions while also being pushed to maximize output (Lüscher & Lewis, 2008).

Secondly, managers often need to balance being a part of the team while also acting as an independent leader. This becomes particularly challenging when openness is encouraged but fear of judgment remains, which may lead both managers and teams to withdraw and avoid difficult conversations, which, in turn, can hinder trust-building (Lüscher & Lewis, 2008). Lastly, the third paradox highlights the contradiction between stability and change during transformation (Lüscher & Lewis, 2008). Employees and managers often seek clarity, predictability and routines in order to work effectively, while the change process itself creates turbulence, uncertainty and shifting priorities. This becomes particularly difficult when top management sends mixed messages, for example encouraging managers to act independently and take ownership while at the same time requiring strict alignment to a common plan and centralized decisions (Lüscher & Lewis, 2008). These contradictions may delay action, as managers may hesitate, struggle to prioritize, or wait for stability before moving forward. Lüscher and Lewis (2008) therefore argue that ambiguity and conflict are normal conditions during change, and that progress often requires acting through these tensions rather than trying to eliminate them first.

### 2.3.2 Resistance and motivation

Motivation and resistance are frequently highlighted as central dynamics in organizational change processes (J. D. Ford & Ford, 2010; Thomas & Hardy, 2011). Studies on goal setting suggest that motivation is strengthened when individuals understand what is expected of them and when they receive feedback and opportunities to develop the capabilities required to achieve these goals (Seijts & Latham, 2012). However, Seijts and Latham (2012) emphasize that leaders need to consider whether performance goals or learning goals are most appropriate in a given situation. When tasks are complex or unfamiliar, conditions that often characterize organizational change, an exclusive focus on performance outcomes may undermine learning and reduce individuals' ability to adapt. In such situations, learning-oriented goals that encourage experimentation, skill development and feedback can be more effective in supporting engagement and capability development (Seijts & Latham, 2012). This suggests that motivating employees during transformation requires not only clear ex-

pectations but also the creation of conditions that support learning and the gradual development of competence in new ways of working.

Resistance has traditionally been framed as an obstacle that leaders need to overcome in order to implement change successfully (Thomas & Hardy, 2011). However, several researchers argue that this perspective provides a narrow understanding of it. J. D. Ford and Ford (2010) suggest that behaviours often labelled as resistance frequently consist of questioning, criticism, hesitation or requests for clarification. Rather than simply reflecting unwillingness to change, these responses may provide valuable feedback regarding how the change initiative is understood or experienced within the organization (J. D. Ford & Ford, 2010). Similarly, Thomas and Hardy (2011) argue that resistance should not be viewed solely as an individual reaction but as something that emerges through interactions between organizational actors and different interpretations of change. From this perspective, expressions of resistance may reveal tensions, uncertainties or inconsistencies in the change process that would otherwise remain unnoticed (J. D. Ford & Ford, 2010; Thomas & Hardy, 2011).

The way change is communicated within the organization also influences how both motivation and resistance develop during transformation processes (Matos Marques Simoes & Esposito, 2014). Research shows that communication characterized by dialogue and openness tends to reduce resistance and increase employees' willingness to participate in change initiatives (Matos Marques Simoes & Esposito, 2014). When employees experience this and when their perspectives are taken into account, trust in the change process is more likely to develop. In contrast, communication that primarily consists of one-way information sharing or that invites participation without incorporating employees' input, may undermine credibility and contribute to skepticism toward the change initiative (Matos Marques Simoes & Esposito, 2014). Ignoring or dismissing such reactions may further reinforce resistance (J. D. Ford & Ford, 2010). Under such circumstances, resistance may become less visible and therefore more difficult for leaders to recognize and address, particularly when participation is largely symbolic rather than genuinely influential (Matos Marques Simoes & Esposito, 2014).

# 3

# Methods

This chapter presents the methodological framework of the study. It explains the research design and strategy, details the processes of data collection and analysis, and discusses ethical considerations as well as the use of AI tools.

## 3.1 Research approach

This study adopts a constructionist view, which means that social reality is shaped through human action and interpretation, rather than seeing reality as independent of people's perceptions (Bell et al., 2022). From this point of view, experiences are understood as subjective and may differ between individuals, which aligns with the purpose of this study. Additionally, this research aligns with interpretivist epistemology, where knowledge about social reality is generated through understanding how individuals interpret and make sense of their experiences (Bell et al., 2022). This means that knowledge is developed through exploring how managers make sense of their experiences.

This study aims to explore and develop a deeper understanding of how managers at different organizational levels perceive the barriers and drivers that influence the speed of transformation. Therefore, a qualitative approach was considered as most suitable as it enables capturing individuals' experiences, interpretations, and perceptions in a nuanced way (Bell et al., 2022). Furthermore, this study aims to generate insights from a specific empirical context, which in this case was a single organization rather than to generate statistically generalizable results (Bell et al., 2022). A potential limitation with a qualitative approach is that the analysis might be subjective and may therefore be influenced by the researchers' personal perspectives, underlying assumptions and values (Miles et al., 2020). While quantitative methods can reduce such subjectivity through standardized measures and predefined variables (Bell et al., 2022), such an approach involves a risk of oversimplification, which would limit the depth of understanding required for this specific study.

Another important aspect of the research approach concerns how the relationship between theory and empirical material is understood. According to Bell et al. (2022), this can be approached through deductive, inductive, or abductive reasoning. De-

ductive reasoning starts from existing theory and tests it empirically. In contrast, inductive reasoning develops understanding from empirical material. This study, however, follows a primarily abductive reasoning, which involves moving back and forth between theory and empirical material in order to explain and better understand what emerges in the data (Bell et al., 2022). Rather than testing predefined hypotheses, the study developed understanding iteratively through continuous engagement with empirical findings, relevant literature, and the research questions.

## 3.2 Research design

The research design adopted for this study is a case study, in particular a single-case study. Case study research entails a detailed and intensive analysis of a specific case, and is appropriate when the aim is to understand the complexity and particular nature of the phenomenon in question within its real-life context (Bell et al., 2022). By situating the research problem within its organizational context, this design enables an in-depth understanding of how managers experience organizational barriers and drivers for change. A case may refer to an organization, a department or function, a process, or a group of individuals (Bell et al., 2022). In this study, the case is the logistics department of a large organization within the industrial industry. A single-case study was considered more appropriate than a multiple-case study design, as the purpose of this study is not to compare findings across cases, but to develop a thorough understanding of how managers at different organizational levels experience and navigate the factors that influence the speed of change within a specific organizational context. Multiple-case study designs are primarily undertaken for comparative purposes (Bell et al., 2022), which falls outside the scope of this study.

The research process was iterative rather than strictly linear, which is common in qualitative case study research (Bell et al., 2022). An initial literature review was conducted in the beginning of the study in order to identify the research gap and establish an early understanding of the topic. Shortly thereafter, the first phase of interviews were initiated, both to deepen the understanding of the research problem and to begin the main empirical data collection. A more extensive literature study was then conducted in parallel with the data collection in order to develop the theoretical framework and continuously refine the analytical focus of the study. After the first phase of interviews, the material was transcribed and thematically coded, which enabled the identification of barriers and drivers. These insights informed the design of the second phase of interviews, which focused on middle management's perspectives on the identified barriers and drivers. The interviews combined a small number of open-ended questions and rating-based questions, which allowed for comparison of perspectives across organizational levels. The second interview phase was followed by transcription and thematic coding. In line with the abductive approach of the study, the process involved continuous movement back and forth between theory, empirical material, and emerging interpretations.

## 3.3 Data collection

The data for this study was collected through semi-structured interviews with managers at different levels within the logistics department. The data collection was structured in two sequential phases, where insights from the first phase informed the focus and scope of the second. While both phases were based on semi-structured interviews, they served somewhat different purposes. Phase 1 had a more exploratory character, aiming to identify relevant barriers and drivers from senior managers' experiences of transformations. Phase 2 was more focused and confirmatory in nature, as it built on the findings from Phase 1 and examined how these identified barriers and drivers were perceived at another organizational level. At the same time, Phase 2 retained some open-ended questions, which allowed respondents to introduce additional reflections and perspectives beyond the predefined topics. Semi-structured interviews were considered most suitable for this study, as they create a more natural flow in the conversations and allow flexibility while maintaining a clear focus on topics relevant to the research questions (Bell et al., 2022). While a set of questions was prepared in advance to ensure consistency across interviews, the order and formulation of questions were adjusted according to the flow of the conversation. Follow-up and clarifying questions were asked throughout the interviews to deepen understanding and further explore topics raised by the respondents. If a topic had already been addressed earlier in the conversation, the question was adapted or omitted to avoid redundancy.

### 3.3.1 Interviews

The first phase of data collection consisted of ten interviews with respondents in senior management positions within the logistics function. The interviews were designed to be exploratory and broad in scope. Open-ended questions covered respondents' overall experiences of organizational change and transformation, their perceptions of what hinders or enables a faster transformation process, and their reflections on their role as leaders in driving transformation. Each interview lasted approximately one hour and were conducted in either Swedish or English depending on the respondent's preferred language. This was considered important in order to allow respondents to express their experiences as naturally and precisely as possible. Quotations originally expressed in Swedish have been translated into English as accurately as possible, with the aim of remaining close to the respondent's own formulation. It is, however, acknowledged that translation also involves interpretation, which means that some nuances may be lost when quotations are translated from one language to another (Xian, 2008). Quotations originally expressed in English are reproduced as stated. Interviews were conducted individually to create a safe environment and encourage openness. Whenever possible, these interviews were held on site, as this allowed for closer engagement with the organizational context in which respondents' experiences were formed and enabled interpretation of body language and tone of voice. In cases where respondents were based in other countries or where logistical constraints made in-person meetings impractical, interviews were conducted digitally via Microsoft Teams.

The second phase of data collection consisted of eleven interviews with respondents in middle management positions within the logistics function. While these interviews remained semi-structured, they were more focused in scope than those conducted in Phase 1. Their purpose was not only to capture respondents' own experiences, but also to examine how the barriers and drivers identified in Phase 1 were perceived at a different organizational level. Phase 2 can therefore be described as more confirmatory in character, although it still included open-ended questions that allowed respondents to raise new perspectives and elaborate on their ratings in their own words. To allow for shorter sessions of approximately 30 minutes and to enable respondents to prepare, a set of questions was sent to participants in advance via email. These included a series of rating items on a scale from 1 to 5, covering the barriers and drivers identified in Phase 1, defined as follows: 1 = not at all, 2 = to a small extent, 3 = to some extent, 4 = to a large extent, 5 = to a very large extent. Each interview began with a brief introduction to the study and a few open-ended questions about respondents' own experiences of barriers and drivers, giving them the opportunity to raise perspectives beyond those already identified in Phase 1. During the rating section, respondents were asked to assign a score to each item and were encouraged to comment on their ratings. The same procedures for consent, confidentiality, recording, and transcription as described for Phase 1 were applied.

All interviews were audio-recorded with participants' consent, which made it possible to remain fully engaged in the conversation rather than focusing on note-taking. The recordings were subsequently transcribed using AI-assisted transcription software. Due to the technical and organization-specific language used by respondents, all transcriptions required thorough manual review. Each transcript was read alongside the corresponding audio recording, and corrections were made where the transcription was inaccurate or where company-specific language had been misinterpreted by the software.

### 3.3.2 Sampling

The participants for Phase 1 were identified by organizational representatives at the case company, who provided a list of potential interviewees based on their senior managerial positions and relevance to the study's focus. This reflects a purposive sampling approach, in which participants are selected strategically based on their relevance to the research questions rather than on a random basis, with the aim of generating rich and meaningful insights (Bell et al., 2022) From this list, participants were selected with the aim of achieving variation across functional areas and types of managerial responsibility. All individuals included on the list were contacted, and all agreed to participate in an interview. The majority of respondents hold "Head of" positions across the broader areas of *Development* and *Operations*, all with managerial responsibility, typically overseeing 5 to 12 direct reports in addition to indirect reporting lines. In addition, two respondents were selected from the level below senior management due to their roles being closely related to the focus of the study.

Similarly to Phase 1, a list of potential participants was provided by organizational representatives for Phase 2 as well. From this list, respondents were selected to achieve variation in functional area and role orientation, including both strategically and operationally focused positions, in order to capture multiple perspectives and strengthen the breadth of the empirical understanding. For this interview phase, a total of 18 potential participants were identified and contacted. Of these, 11 agreed to participate, while the remaining individuals did not take part due to time constraints. This means that although the sampling was purposive in terms of selecting relevant managerial roles and variation in function, the final sample in Phase 2 was also shaped by participant availability. The majority of respondents hold '*Director*' or '*Manager*' positions across functional areas such as logistics, sourcing, transport, planning, customs, innovation, and supply chain development. Most have direct managerial responsibility, with typically between 3 and 12 direct reports, though one respondent without direct reports was included due to a role connected to organizational change and transformation. An overview of the respondents included in Phase 1 and Phase 2 is provided in Tables 1 and 2 below. To ensure anonymity, senior managers are referred to by letters (A–J) and middle managers by numbers (1–11) throughout the study. The distribution across *Development* and *Operations* reflects the aim of capturing variation in both strategic and operational perspectives.

The sample sizes in both phases were considered sufficient in relation to the purpose and scope of the study. In Phase 1, the final interviews confirmed already identified themes rather than introducing new ones, indicating that data saturation had been reached (Bell et al., 2022). In Phase 2, the confirmatory nature of the interviews further reduced the likelihood that additional respondents would have substantially altered the findings, as the purpose was not to generate new themes but to examine how already identified barriers and drivers were perceived at a different organizational level.

**Table 3.1:** *Overview of senior management respondents (Phase 1), organized by anonymized identifier and functional area (n=10).*

| **Senior Manager** | **Department** |
|---|---|
| A | Development |
| B | Development |
| C | Development |
| D | Development |
| E | Development |
| F | Operations |
| G | Operations |
| H | Operations |
| I | Operations |
| J | Operations |

**Table 3.2:** *Overview of middle management respondents (Phase 2), organized by anonymized identifier and functional area (n=11).*

| **Middle manager** | **Department** |
|---|---|
| 1 | Development |
| 2 | Development |
| 3 | Development |
| 4 | Development |
| 5 | Development |
| 6 | Development |
| 7 | Development |
| 8 | Operations |
| 9 | Operations |
| 10 | Operations |
| 11 | Operations |

## 3.4 Data analysis

The empirical material from both phases of interviews was analyzed using thematic analysis, which is one of the most common approaches to qualitative data analysis (Bell et al., 2022). Thematic analysis offers a flexible method for identifying, organizing, and interpreting patterns in qualitative data, which makes it suitable for this study (Bell et al., 2022). The analysis was guided by the six-phase process described by Braun and Clarke (2006), beginning with familiarization with the data. This phase consisted of reviewing the transcripts of all interviews and making observations and initial notes. Doing so helped develop an overall understanding of the material, brought attention back to what had been said in the interviews, and made it possible to identify aspects that had previously gone unnoticed. In the second phase of the analysis, initial codes were generated by systematically working through the transcripts and marking data considered relevant to the research questions. Coding was approached openly at this stage, with the aim of identifying relevant comments, experiences, and observations related to barriers and drivers. The third phase involved searching for themes by examining how the initial codes related to one another, with the aim of grouping codes into broader patterns or concepts. Codes that reflected similar issues or experiences were brought together and grouped according to whether they represented a barrier or a driver of transformation speed. These were then organized into named groups that captured a shared meaning across multiple interviews.

In the fourth phase, the categories were reviewed and refined. After the initial coding, all identified barriers and drivers were compiled into a joint overview in Excel. This overview was used to compare how consistently the categories appeared across the interviews and at same time refine the wording of the categories. Rather than focusing on how many times a topic was mentioned within a single interview, the analysis noted whether a category had been identified by a respondent at all. This was considered more appropriate given the semi-structured and open-ended nature of the interviews, as respondents were not asked identical questions and therefore had varying opportunities to address specific topics. In the fifth phase, the barrier and driver themes were defined and named. Based on the compiled overview, the analysis resulted in three overarching barrier themes: *organizational silos and structure, culture and legacy, and leadership and decision-making*, while the identified drivers were structured into two categories: *primary drivers and secondary drivers.*

The sixth and final phase involved producing the report. The results chapter was structured around the identified themes and related back to the research questions. Although Braun and Clarke (2006) six-phase process is presented as a linear model, the analysis in this study was more iterative in practice. Codes, barriers, and drivers were continuously reviewed and adjusted throughout the analytical process as new insights emerged from the empirical material.

The rating items used in Phase 2 were developed based on the barriers and drivers

identified through the thematic analysis of Phase 1. To structure the rating items, the three barrier themes and two driver categories were used as a foundation. Within each theme, barriers were prioritized for inclusion based on how frequently they had been raised across Phase 1 respondents. This frequency-based selection was considered appropriate given the time constraints of Phase 2 interviews, which were designed to last approximately 30 minutes in order to maximize participation. For the same reason, the driver items were limited to the primary drivers, as these had been identified by all ten Phase 1 respondents and thus represented the most consistently emphasized enabling conditions. The rating items were not formulated as direct replications of the barrier and driver labels used in the thematic analysis. Instead, they were adapted to be more accessible and, in some cases, to cover several related barriers within a single question.

The ratings were analyzed in combination with the qualitative material from Phase 2. Since all respondents were encouraged to comment on and motivate their ratings during the interviews, the quantitative scores were interpreted alongside the corresponding interview responses and thematic coding. The qualitative material was therefore primary in the analysis, with the bubble chart visualizations serving as a complementary tool for identifying patterns, differences in distribution, and overall tendencies across respondents. For the two items where both importance and current practice were rated, namely shared direction and credible "why", a gap between the two dimensions emerged naturally during both the interviews and the subsequent analysis of the visualized data. This gap was not defined as an analytical category in advance, but rather identified inductively as a recurring and analytically relevant pattern.

## 3.5 Ethics

Ethical considerations were addressed throughout the study in line with the principles of avoiding harm, informed consent, confidentiality, and preventing deception (Diener & Crandall, 1978). Participants were provided with clear oral information about the purpose of the study, how the data would be used, and what participation involved. They were informed that participation was voluntary and that they could decline to answer specific questions or withdraw from the study at any time, including after the interview. Informed consent was obtained orally prior to the interviews, including consent to audio-record the conversation. All personal data were anonymized and handled in accordance with GDPR regulations. The name of the organization was also anonymized to further protect confidentiality and reputation. The audio-recordings and transcripts were only used for this study and stored on our private computers, and were deleted after the study had been completed in order to ensure data protection.

Maintaining anonymity can be particularly challenging in qualitative research, especially when the sample size is small (Bell et al., 2022). With fewer participants, it may become easier to identify individuals or groups based on the information provided in the findings. In this study, ensuring anonymity was especially important

given the managerial positions of the respondents, as this may increase the risk of identification. To reduce this risk, potentially identifying details were removed or generalized in the reporting of findings. Particular care was also taken when presenting quotations to ensure that individuals could not be identified based on their role, background, or position within the organization (Bell et al., 2022).

## 3.6 Research quality and trustworthiness

Research quality in qualitative studies is evaluated according to criteria that differ from those used in quantitative research (Bell et al., 2022). Reliability and validity are based on assumptions of objectivity and a stable social reality (P. Johnson et al., 2006). In contrast, qualitative research emphasizes interpretation and contextual understanding, which challenges the direct application of these criteria (Bell et al., 2022). Applying quantitative quality criteria without adaptation therefore risks overlooking the interpretive and context-dependent nature of qualitative inquiry. In response to this, Lincoln and Guba (1985) and later further developed by Guba and Lincoln (1994), proposes an alternative criteria for evaluating qualitative research. They argue that qualitative research should be evaluated based on trustworthiness and authenticity (Lincoln & Guba, 1985). This perspective reflects the view that research findings are interpretations rather than objective truths and that multiple well-grounded interpretations of the same phenomenon may coexist. Lincoln and Guba (1985) propose trustworthiness as a key criterion, consisting of four dimensions: credibility, transferability, dependability and confirmability.

Credibility refers to how believable the findings are, whether the results make sense based on the data and the context in which the study was based on (Bell et al., 2022). Establishing credibility involves conducting research according to "good practice" and when feasible, seeking confirmation from participants that the researchers have correctly understood their perspectives (Bell et al., 2022). In this study, credibility was strengthened through the use of semi-structured interviews, audio-recording, and transcription, which made it possible to engage repeatedly with the empirical material during the analysis. Data collection was conducted in two phases: an initial exploratory phase, followed by a second phase that was refined based on insights from the first. This made it possible to probe deeper into the topic, clarify meanings, and compare perspectives across organizational levels. A limitation that should be considered in relation to credibility is that the sampling frame was not fully controlled, as organizational representatives provided the initial lists of potential participants. This means that they may, consciously or unconsciously, have shaped which perspectives were made accessible.

Transferability addresses whether findings may be applicable in other contexts (Bell et al., 2022). Rather than statistical generalization, qualitative research supports transferability by providing thick description with rich contextual detail that allows readers to judge whether the findings may transfer to other settings (Bell et al., 2022). This study supports transferability through a single-case study design, focused on a specific function in a large industrial organization. By clearly describ-

ing the organizational context, the managerial roles included, and the definition of which change is experienced, the study provides the kind of contextual "database" that enables readers to assess whether the findings may be relevant in similar large, established organizations facing continuous change and transformation.

Dependability concerns the consistency and transparency of the research process over time (Bell et al., 2022). Lincoln and Guba (1985) propose that dependability can be enhanced through an audit approach, meaning that the researcher keeps complete records of all phases of the research process (e.g., problem formulation, sampling decisions, interview materials, transcripts and analysis decisions). This enables a peer or reviewer to examine whether appropriate procedures were followed. In this study, dependability is supported by the systematic documentation of the research process. The study specifies a clear description of the research design, sampling logic, interview procedures, and analytical approach. The decision to audio-record and transcribe interviews contributes to a stable and reviewable data base for analysis. Dependability was further supported by keeping documentation of the research process, including interview guides, transcripts, coded material, and Excel overviews used during the analysis. In addition, both researchers initially coded the interview material independently before comparing and discussing interpretations. This helped ensure a more consistent analytical process and reduced the risk of relying on a single subjective interpretation.

Confirmability concerns the degree to which findings reflect the data rather than the researchers' personal values or theoretical preferences (Bell et al., 2022). While complete objectivity is not assumed in qualitative research, confirmability can be strengthened by demonstrating that the study was conducted in good faith and that interpretations are grounded in documented evidence (Bell et al., 2022). Lincoln and Guba (1985) note that confirmability is often supported through auditing and transparent records of analytic decisions. In this study, confirmability was strengthened by keeping clear records of the data and the analysis process. All interviews were, as previously mentioned, audio-recorded and transcribed, which made it possible to show exactly what the findings are based on. The thematic coding process was also documented, so that the reader can follow how quotations from the interviews were turned into codes and then into broader themes. In addition, informed consent, confidentiality and secure data handling helped participants speak openly, which improves the quality of the data used to build the interpretations.

## 3.7 AI

AI tools were used for two main purposes during the thesis work. First, AI was used for language editing, improving clarity, and supporting the structuring of the written text. Second, AI-assisted transcription in Microsoft Teams was used to support the transcription of the interviews. However, the transcriptions were not used without review. Due to the technical and organization-specific language used by the respondents, all transcripts were manually checked against the audio recordings and corrected where needed. The use of AI was therefore limited to language support

and transcription assistance, and did not involve the generation of empirical data, independent data analysis, or analytical conclusions.

# 4

# Results

This chapter presents the empirical findings from the interviews, focusing on factors influencing the organization's ability to increase the speed of transformation. The findings are presented from different organizational levels. The senior management section outlines the barriers and drivers identified in the interviews. The middle management section complements this by providing insights into how these are perceived and experienced at different levels of the organization.

## 4.1 Senior management

The study is based on interviews with ten respondents in senior management roles within the organization. The respondents represent a range of responsibilities, spanning strategic, operational, and transformation-related domains. All hold positions with managerial responsibility, typically overseeing teams of approximately 5 to 12 direct reports, in addition to indirect reporting lines. The respondents are distributed across different parts of the organization, reflecting a variety of functional perspectives. All respondents have extensive experience within the company, ranging from approximately 7 to over 20 years. The majority of the interviewed have built their careers within the organization, often through a range of roles and assignments over time.

### 4.1.1 Barriers

The following section presents the barriers related to transformation speed identified by senior management in the interviews. These barriers reflect factors described as hindering the organization's ability to maintain or increase the pace of transformation. Based on the analysis, the barriers are grouped into three overarching themes: organizational silos and structure, culture and legacy, and leadership and decision-making illustrated in Figure 4.1. Each theme is presented separately and includes the key barriers associated with it, as well as descriptions provided by the respondents.


**Figure 4.1:** Themes identified in the analysis

### Organizational silos and structure

The first barrier theme, organizational silos and structure, encompasses six barriers identified across the interviews and is illustrated in Figure 4.2. At the core of this theme is a fundamental difficulty, **poor cross-functional collaboration**, identified by all ten respondents. Respondents described an organization where roles and responsibilities are clearly divided between functions. However, this clarity was also described as contributing to a "not my problem" mindset, particularly at points of handover. Issues arising upstream in the value chain were described as not being carried forward with any consideration for their downstream consequences. This creates friction and misalignment between organizational units, resulting in additional time spent on rework for issues that could have been avoided through better coordination. Coordination across functions was further complicated by the large number of actors involved. The difficulty of knowing who to collaborate with, how to keep all parties aligned, and how to create structures for sustained cross-functional cooperation was raised as a recurring challenge. When many stakeholders need to agree, substantial time is often needed to be spent on coordination, alignment, and decision-making, which slows the progress of change initiatives. As respondent F expressed it: *"there are very few changes that you can drive in isolation, it is a prerequisite that we are synchronized"*.

The challenges associated with poor cross-functional collaboration were further compounded by the **hierarchical complexity** of the organization, identified by nine of ten respondents. Respondents described long decision-making chains in which problems must navigate multiple organizational layers before resolution, and where the ambition of decentralized decision-making has not been consistently realized in practice. The layered structure was also seen as a source of information loss, as strategic intent is translated downward through successive levels, the clarity and shared understanding tend to diminish. As respondent A described it, the further down in the organization one goes, the greater the lack of understanding becomes, a pattern that makes it difficult for transformation efforts to maintain coherence and momentum as they move from strategic intent to operational reality.

Another challenge raised by respondents was a broader **lack of end-to-end perspective**, identified by eight of ten respondents. While individual functions have developed strong capabilities within their respective domains, this depth of specialization has come at the cost of losing sight of the bigger picture. Respondents noted that alignment tends to exist at the leadership level but fades as it cascades downward through the organization. This was described as making it difficult to translate an end-to-end perspective into meaningful day-to-day practices for employees further down the hierarchy, while simultaneously maintaining alignment across units. The end customer was also mentioned as being negatively affected, as employees tended to focus on internal handovers rather than on the value being created for the customer. Several respondents pointed to a lack of curiosity and willingness to engage beyond one's immediate area of responsibility as a contributing factor, suggesting that the issue is not only structural but also related to individuals.

Beyond the lack of end-to-end perspective, another challenge raised by respondents was **too many parallel initiatives**, also identified by eight of ten respondents. The organization was described as running a high number of concurrent change initiatives, many of which compete for the same resources and attention without sufficient coordination or explicit prioritization. This creates a situation where individual functions develop their own priorities and negotiate alignment with others on an ad hoc basis, which several respondents identified as a barrier. The difficulty of maintaining focus was illustrated by descriptions of initiatives repeatedly set aside before completion as new priorities emerge and as respondent H said: *"we always go halfway, and then there is a new thing"*. The same respondent also highlighted how the number of parallel initiatives further complicates prioritization and focus: *"instead of driving two or three shared things, we are running more than ten, and nobody really manages"*. Equally, the parallel challenge of driving transformation while maintaining day-to-day operational delivery was raised as a tension that the organization has yet to fully resolve.

Added to this, **variation in readiness for change** across teams and functions was identified by seven respondents. Differences in how open and prepared different parts of the organization are to engage with transformation were attributed to several factors. These included length of tenure, generational differences, varying exposure to new technologies, and individual concerns about job security in the context of automation. As a consequence of this variation some respondents noted that the pace of organizational change increasingly risks outpacing employees' capacity to absorb and drive it. Respondent I said: *"we need to change faster than we can perhaps get our employees to build understanding and be part of driving and implementing it"*. This uneven distribution of readiness means that transformation efforts rarely advance at a consistent pace across the organization, generating further misalignment between units moving at different speeds.

Finally, **measuring the right things**, while identified by fewer respondents, was also raised as a barrier affecting the speed of transformation. Different functions were described as operating with different KPIs, incentivizing local optimization

at the expense of broader organizational alignment. The risk of becoming overly KPI-driven was noted as a potential inhibitor of the flexibility and willingness to reprioritize that transformation demands: *"we cannot have both transformation and keep everything we have, we need to dare to sacrifice something"*.

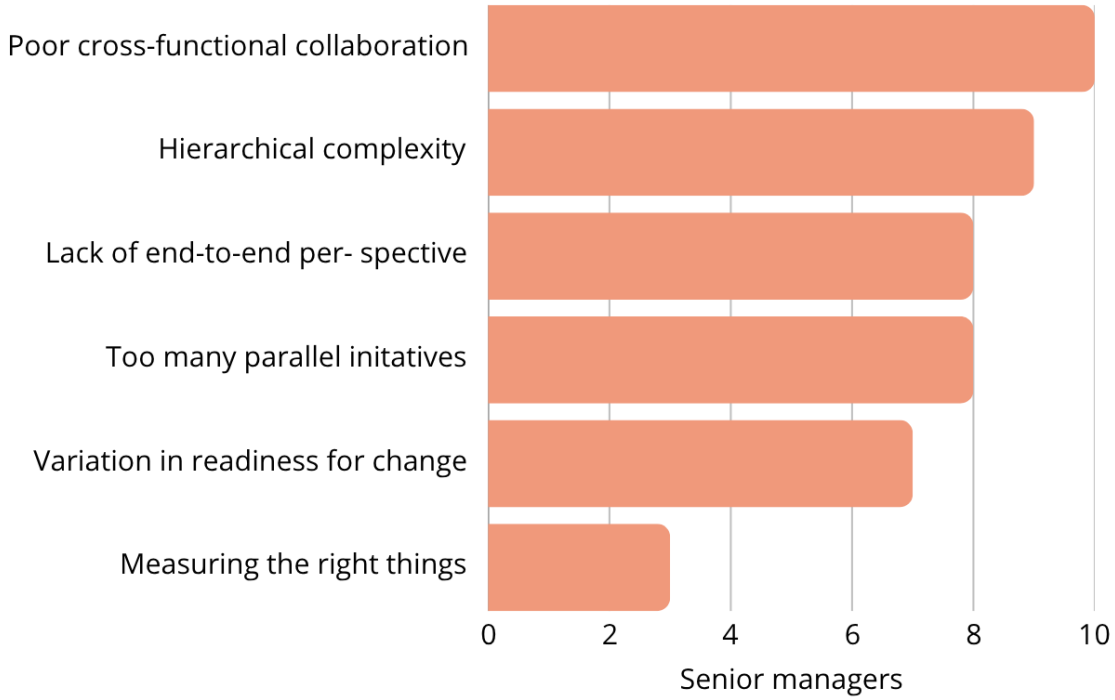


**Figure 4.2:** Barriers related to organizational silos and structure

### Culture and legacy

The second theme is culture and legacy, relating to the five barriers illustrated in Figure 4.3. This theme concerns how organizational culture and legacy may influence the pace of transformation. A central feature of this theme was **specialization and local optimization (CI)**, reflecting a strong culture of continuous improvement (CI) where the organization is used to improving and refining what already exists rather than pursuing more fundamental change. This was identified by all ten respondents and was described as both a strength and a limitation. As a strength, respondents described the organization as skilled at optimizing existing work, processes and solutions. Employees often become experts within their own area and highly capable of improving their specific part of the work. However, as previously mentioned, this was described as limiting the broader flow perspective, as fewer people see the full chain and the focus is instead directed toward one's own function. Respondents further described how this way of working can create a strong focus on details rather than on bigger or more fundamental change. The interviews further described a preference for internally developed solutions and strong trust in the organization's own competence. Respondent H formulated: *"We still have this mentality . . . we want to do things by ourselves"*. This was linked to a "not invented

here" mentality, in which the organization prefers to develop its own systems and solutions rather than make use of alternatives that already exist on the market or outside the organization.

Related to this, nine of the ten respondents identified **comfort zone after past success** as a barrier, describing the company's established ways of working and history of success as factors that may contribute to a slower transformation process. Several interviewees explained that the organization is shaped by long experience, internal competence and well-established routines, which are valuable strengths but can also make it more difficult to challenge existing ways of working. Some respondents also described pride in what the organization has built over time and a high degree of trust in its own capability. As respondent A expressed it, *"that backpack is very good as long as not too much changes around us"*, suggesting that past experience and established ways of working are valuable in a previous stable context, but may become more limiting when the surrounding environment changes. In addition, they emphasized that the current situation requires a clear mindshift and a move away from the mentality of: *"this is how we have always done it"*. One example mentioned by respondent I is the culture of extensive discussion and consensus-building before decisions are made. While some viewed it as necessary for creating alignment, others described it as a source of delay when too much time is spent in the early stages. This was seen as indicating a need to more actively challenge existing ways of working in order to maintain pace in transformation efforts.

Adding to this, the barrier **comfort zone after past success** was further evident in descriptions of how the company's long period of success had created both stability and confidence, but also a degree of comfort. Respondent C explained that the organization has a history of handling different types of crises well, which creates a sense of security and trust in its existing way of working. Some respondents suggested that the organization may have become too comfortable with earlier success, making it harder to build momentum for transformation. As respondent G described it, the company risks becoming *"fat and happy"*.

The cultural conditions that contribute to these dynamics were further reflected in the organization's **lack of an outside-in perspective**, which was identified by seven of the ten respondents. Several interviewees explained that the organization often assumes that its current way of working is the most effective one, rather than critically questioning whether it still is. This was further described as making the organization inward-looking and, in some cases, what respondents described as "blindness" within the company, as it becomes shaped by its own ways of thinking and working. Although external perspectives were not described as entirely absent, respondents explained that they are not always integrated in a systematic way and tend to vary across the organization. Respondents described that this may contribute to the organization falling behind, as resources are spent developing from within the existing way of working rather than learning more actively from external perspectives, benchmarking, and alternative ways of working. Related to this, respondents also described limited internal movement as a barrier to the transforma-

tion process. Several interviewees noted that too few people move between different parts of the organization. Respondent G expressed that, *"We are really bad at creating internal movement within the company"*, while another explained that the organization would benefit from a more natural way of rotating people across areas. According to the respondents, such movement is important for renewal, broader understanding and the spread of competence and knowledge across the organization.

Finally, an **uneven sense of urgency** was identified by seven of the ten respondents as a culture factor. Respondents described that the understanding of "why" for change is not equally anchored across the organization. This was partly linked to the fact that those most affected by the change may be less willing to engage with it, particularly when the consequences may involve losing or changing their current role. Respondents also linked "sense of urgency" to external pressure, particularly increasing competition from China and the speed of change in the surrounding market. As one interviewee expressed it, *"if we don't do it, nobody has a job"*, meaning that the need for change was described not only as a strategic ambition, but as necessary for maintaining competitiveness and securing the organization's future. However, respondents described that this pressure is not experienced equally across the organization or across regions. Some interviewees explained that the need for change becomes more tangible where the external threat is already visible, while in other parts of the organization it remains less immediate. Several respondents further explained that it can be difficult to create a strong sense of urgency when the company is still performing well. Strong financial results, together with a history of having handled earlier crises successfully, were described as making it harder for employees to fully recognize what is at stake. Some interviewees also suggested that the organization has at times been too protected from the external environment and that a clearer understanding of current performance in relation to external threats would be needed to strengthen the sense of urgency. The limited outside-in perspective described above further reinforces this, as it makes it harder to create a shared understanding of external changes and competitive pressure.

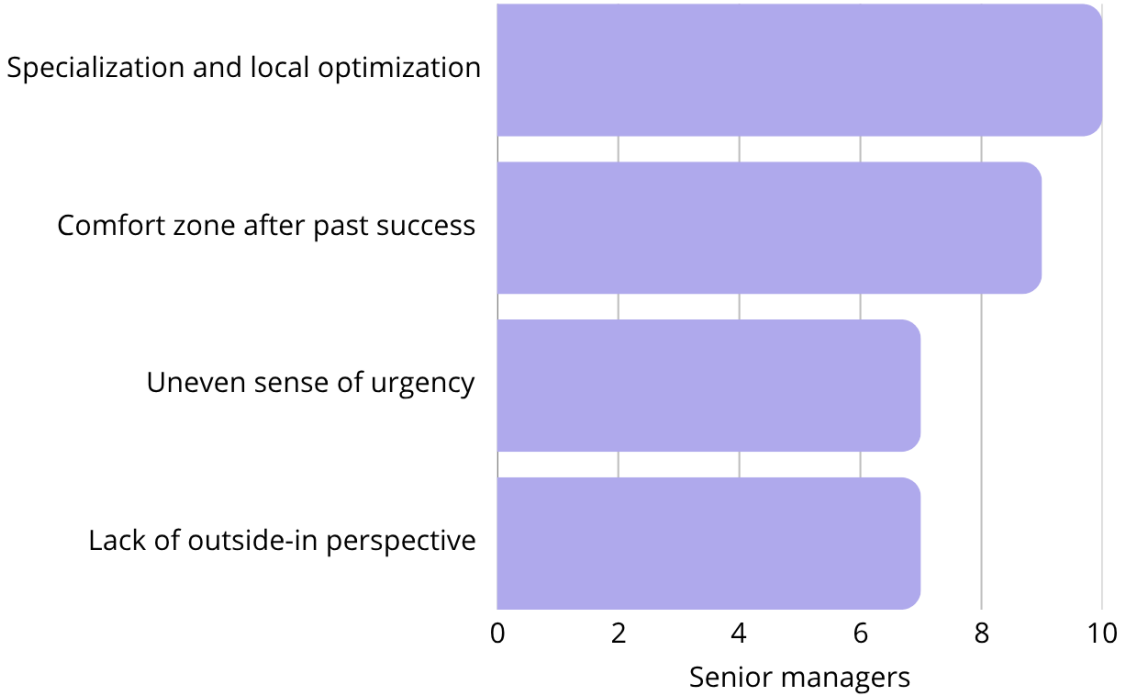


**Figure 4.3:** Barriers related to culture and legacy

### Leadership and decision-making

The third and last barrier theme is leadership and decision-making, relating to the four barriers illustrated in Figure 4.4. This theme concerns the conditions under which decisions are made, how transformation is governed and how leadership behavior shapes employees' capacity and willingness to act. The barriers within this theme range from immediate and operational challenges, such as ambiguity around decision-making authority, to more forward-looking concerns about the organization's preparedness for ongoing technological change.

Seven of ten respondents mentioned the challenge of **unclear mandates**. The barrier was described as widespread uncertainty among employees regarding which decisions they are empowered to make independently, and which require escalation upwards or managerial involvement. This uncertainty was not primarily attributed to a lack of formal delegation, but to a persistent gap between stated intent and lived reality. The organization formally emphasizes decentralized decision-making, yet leadership behavior does not consistently reflect this in practice. A recurring pattern described was one in which employees seek upward confirmation before acting, not because they lack the competence to resolve issues themselves, but because a habit of escalation has become deeply embedded. One respondent reflected on the organizational history as a reason behind this, suggesting that a legacy of centralized leadership may have left employees with a residual reluctance to act on their own. Another one, respondent G, described the unintended consequences of managerial involvement: *"every time we as managers receive an issue, we tend to mess it up,*

*instead of saying 'I trust you to make this decision', we take over"*. The result is a self-reinforcing dynamic in which empowerment is articulated as a goal but remains difficult to operationalize and where decision-making continues to be taken in ways that slow the pace of change.

This dynamic connects directly to the **lack of a clear transformation structure/process**, also identified by seven respondents. Where mandate clarity defines who can act, the transformation process defines how change is driven and managed over time, and respondents pointed to gaps in both. The organization was described as capable of initiating change, but less equipped to govern it in a way that is systematic, scalable and independent of specific individuals. As respondent F noted, *"when I leave the room, the change must continue"*. This was described as indicating that transformation efforts are, to some extent, dependent on individual actors rather than being fully supported by established structures or processes. Respondents also described how attempts to introduce more formalized ways of working, such as new frameworks and terminology related to transformation, have not consistently functioned as intended. Rather than enabling transformation, these were described as a possible source of friction. Unfamiliar language and models were perceived as creating confusion among employees who have not been adequately prepared to work within them.

**Technology shift without a clear approach**, identified by five respondents, introduces a somewhat different dimension to this theme. Rather than describing a current structural barrier, respondents framed this primarily as a risk, one that concerns the organization's preparedness for the technological changes already underway. The barrier here was not resistance to technology, but the absence of clear strategic direction for how new tools, particularly artificial intelligence and automation, should be adopted and applied. Respondents described a risk of adopting technology without a sufficiently grounded understanding of how it serves organizational goals and as respondent C noted: *"not AI just for the sake of AI, but how can I actually use it?"* The speed of technological development was noted as making strategic decision-making increasingly difficult, as the landscape evolves faster than the organization's planning cycles allow. Several respondents raised the question of whether the organization is building the competencies and ways of working needed for the future. This was described as creating a risk that the gap between technological availability and organizational readiness may deepen if not actively considered and addressed.

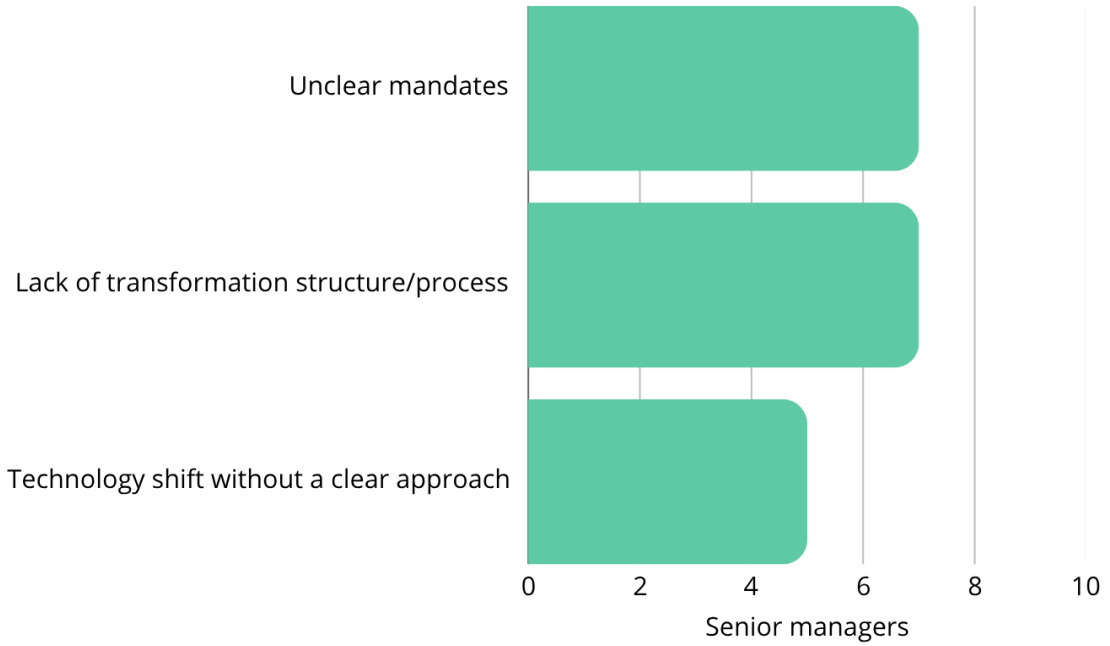


**Figure 4.4:** Barriers related to leadership and decision-making

### 4.1.2 Drivers

The following section presents the drivers related to transformation speed identified by senior management in the interviews. These drivers reflect factors described as enabling, accelerating, or supporting the organization's ability to increase the pace of transformation. Based on how consistently they were identified across respondents, the drivers are divided into two categories: primary drivers and secondary drivers (Figure 4.5). primary drivers refer to those mentioned by all respondents, while secondary drivers were identified by several, but not all, respondents. Each category is presented separately, together with descriptions provided by the respondents.


**Figure 4.5:** Drivers of organizational transformation

#### 4.1.2.1 Primary drivers

Among the drivers identified in the interviews, two drivers stood out as particularly central: shared direction and continuous communication, and a credible "why". Both were identified by all ten respondents and are therefore classified as primary drivers. Together, they were described as foundational conditions for enabling faster and more coherent transformation processes.

**Shared direction** was highlighted as essential for enabling better and faster decision-making across the organization. Respondents emphasized that when a clear and common direction exists, employees and managers are better positioned to understand what to prioritize and how their work fits into the overall picture. A recurring observation was that this shared direction needs to be consistent across all levels of the organization, to the point where it should not matter who you ask. To achieve this, respondents described the importance of systematically breaking down the overall direction across organizational levels, from high-level strategic ambitions to more specific focus areas, so that each part of the organization can understand what it means in practice for their own work. Regular communication forums, such as larger shared meetings, were highlighted as important enablers of this, creating opportunities to explain the reasoning behind decisions and build broader engagement. Respondents also emphasized the value of face-to-face interaction and dedicated time for alignment, describing this as effective for building commitment. In this context, leaders were described as playing a central role, not only in communicating the direction, but also in actively translating it into something meaningful and relevant for those they lead.

**A credible "why"** was also described as a prerequisite for transformation speed. Respondents emphasized that a shared understanding of why change is needed is fundamental for enabling better decisions across the organization. However, several

interviewees stressed that the "why" must not only be clear, but also credible and relatable, meaning something employees can connect to their own role and everyday work. Without this, the direction risks remaining abstract and failing to generate the commitment needed to sustain change over time. Respondents described the importance of returning to the “why” repeatedly and from different angles, recognizing that people process and make sense of change differently. While some may connect with the reasoning immediately, others may need it explained in a different context or from a different perspective before it fully resonates, which means that a single communication effort is rarely sufficient. The value of having someone locally present who continues to reinforce and explain the rationale close to where the change is taking place was also highlighted as important, as the message otherwise risks losing its power depending on who delivers it and how it is received.

External competitive pressure, particularly from China, was raised by several respondents as a concrete and powerful "why" that has helped strengthen the sense of urgency. As respondent C noted, the organization has historically been used to competitors attempting to replicate its practices, but that dynamic has now reversed. When communicated clearly, this shift was described as a strong basis for building a shared understanding that transformation is not optional.

#### 4.1.2.2 Secondary drivers

In addition to the primary drivers, several secondary drivers of organizational transformation were identified by the respondents. A central secondary driver, identified by eight respondents, relates to the **leadership-shift**. Respondents described a shift from decision-making leadership towards a more enabling and facilitative role, where leaders create the conditions for others to act rather than acting as primary decision-makers themselves. This transition was described as requiring leaders to relinquish control and develop trust in their teams, as continued involvement in all decisions risks creating bottlenecks. As respondent C expressed , leaders need to feel comfortable *“not being involved everywhere, because otherwise you become a bottleneck”*. Leadership was further described as increasingly centered on coaching, mentoring and supporting employees, rather than providing solutions. This includes actively listening, asking questions and helping teams reflect on possible ways forward instead of directing them. At the same time, respondents emphasized the importance of building strong relationships and trust to create buy-in for change, as well as balancing delegation with continued support. In this sense, leadership was described as both enabling and guiding, requiring adaptability and, as noted by one respondent, a considerable degree of courage in letting go of the traditional control.

Closely related to this shift in leadership, several respondents highlighted the importance of **distributing mandate** and decision-making authority, identified by five respondents. Respondents described how transformation efforts need to be driven close to where work is performed, rather than centrally managed. This was linked to the idea that decisions should be made where knowledge and data are available, enabling faster actions. As respondent G noted: *“decisions need to be taken where*

*the knowledge exists"*. However, respondents also emphasized that formal delegation of mandate is not sufficient in itself; it must be experienced in practice. Leaders were described as playing a key role in ensuring that teams feel empowered and supported in taking ownership of decisions, while remaining available for guidance when needed.

Beyond leadership and the distribution of mandate, respondents also highlighted the importance of **willingness to change** across the organization, identified as a secondary driver by eight respondents. While several respondents described a generally positive mindset towards transformation today, they also emphasized that willingness to change must be actively cultivated and sustained over time. This includes creating energy and motivation for change, beyond formal training or communication efforts. Respondents highlighted that resistance is not often the primary challenge. Rather, discussions often center on how change or transformation should be implemented. This was described as indicating that the challenge lies less in willingness to change and more in the practical aspects of implementation, with respondents highlighting a strong eagerness among employees to move forward. At the same time, respondents noted that this willingness is not evenly distributed across the organization. The ability to operate in a state of continuous change was described as an increasingly important capability, where flexibility becomes essential. As respondent I noted, *"the ones that survive best are the ones that are flexible in the way of thinking"*. This variation in readiness was described as making it important to ensure that all parts of the organization are included in the transformation journey, as uneven engagement or readiness risks slowing down overall progress.

A further secondary driver relates to the adoption of a **flow-oriented perspective**, identified by seven respondents. Respondents emphasized the importance of shifting focus from individual functions or processes towards end-to-end flows and customer value. This was described as requiring a move away from local optimization and towards prioritization based on the overall flow. It was further associated with increased collaboration across organizational boundaries and a reduced focus on functional "ownership" of tasks. Problem-solving was described as most effective when conducted collectively, involving multiple interdependent actors rather than isolated units. As respondent B explained, solutions should not be developed independently but rather through collaboration, bringing together different competencies to address shared challenges. A shared commitment to the end-to-end perspective was highlighted as necessary to achieve alignment and ensure that different parts of the organization contribute to the same overall outcomes.

**Psychological safety** was also mentioned by seven respondents as an important enabling condition for transformation. Respondents described the importance of creating an environment where employees feel comfortable experimenting, making mistakes and learning from them. This was associated with a culture that supports trial-and-error approaches and iterative ways of working, particularly in situations where the optimal solution is not known in advance. As one respondent B expressed, *"you are allowed to make mistakes, but you need to learn from them"* reflecting a

mindset where learning is prioritized over perfection. Psychological safety was also linked to the ability of teams to contribute their knowledge and perspectives, as well as to engage in open dialogue and collaboration. Creating a supportive and inclusive environment was described as fundamental for enabling participation in transformation efforts.

Five of ten respondents also identified the importance of **feedback systems** as a secondary driver. This included creating structured opportunities for reflection and learning, such as forums for sharing lessons learned, as well as increasing the frequency of follow-ups and alignment discussions. Respondent C emphasized that both giving and receiving feedback can be challenging, particularly in the absence of established routines or sufficient psychological safety. As a result, feedback may be avoided or not fully utilized. Introducing more structured approaches, such as preparing employees for feedback discussions in advance, was described as a way to normalize feedback and improve its effectiveness. In addition, more frequent check-ins were described as important for ensuring that different parts of the organization remain aligned and move in the same direction.

External **partnerships and networks** were also identified as a secondary driver, although to a lesser extent than the secondary drivers. Respondents described the importance of collaborating with external actors, rather than relying solely on internal development. This was seen as a way to access new knowledge, accelerate learning and keep pace with technological development. Co-creation was highlighted as an important mechanism in this context, where bringing together different actors and competencies enables more effective problem-solving and innovation.

Finally, a smaller number of respondents highlighted the importance of **measuring transformation** measuring transformation. While the organization was described as strong in measuring operational performance, respondents noted that the ability to measure transformation progress remains limited. This creates challenges in understanding whether the organization is moving in the right direction. Increasing the frequency of follow-up and developing more relevant ways of assessing change were described as potential enablers for guiding and sustaining transformation efforts over time.

## 4.2 Middle management

The study is based on interviews with eleven respondents in middle management roles within the organization. The respondents have both strategic and operational responsibilities, although the majority work in roles with a more strategic focus. Almost all hold positions with managerial responsibility and have employees reporting directly to them, typically between approximately 3 and 12 direct reports. One respondent did not have direct reports, but was included due to a role strongly connected to organizational change and transformation.

### 4.2.1 Barriers and drivers

When asked openly about the barriers and drivers affecting the organization's ability to transform, middle management respondents identified several themes consistent with those raised by senior management, as well as a number of themes not previously identified at that level. The following section presents, first, the barriers and drivers mentioned by multiple middle management respondents that correspond to themes identified at the senior management level, and second, the additional themes that emerged distinctly at this level.

Among the barriers, **lack of transformation structure/process** was identified by seven of eleven respondents. Descriptions centered on a gap between strategic intent and practical execution: strategies were described as often communicated at a high level without being sufficiently translated into concrete activities, clear expectations, or secured resources. Several respondents described a tendency to over-engineer change by turning initiatives into large, complex projects with multiple layers of governance, which was seen as adding coordination overhead and slowing progress. The difficulty of translating organizational change into actual behavioral change was also raised; formal restructuring was described as insufficient on its own, as individuals were noted to continue acting according to established patterns even after structural changes had been made. Low adoption of digital tools was highlighted as a particular expression of this challenge, with one respondent describing utilization as one of the broadest and most persistent difficulties facing the organization.

A **lack of end-to-end perspective** and silo-based thinking was identified by five respondents. Descriptions focused on how functional behaviors and priorities persist even following past reorganizations. Respondents noted that people tend to rely on existing relationships and networks rather than adapting to new organizational structures, and that silo-based planning leads to resource conflicts and fragmented decision-making. The size of the organization was raised as a contributing factor, and respondent 11 describing how decentralized decision-making has resulted in multiple parallel solutions across units, making coordination and standardization increasingly difficult. A related observation concerned the tendency for different workstreams to underestimate each other's complexity, which was described as contributing to misalignment and poor cross-organizational coordination.

**Too many parallel initiatives** running simultaneously was identified by four respondents. Descriptions pointed to the difficulty of maintaining focus on strategic priorities when multiple change efforts are underway concurrently. Respondents noted that long and fragmented planning horizons further slow progress, and that the combination of strategic change work and day-to-day operational delivery places pressure on available capacity. Respondent 3 noted that adding change on top of existing workloads without securing sufficient manpower negatively affects both delivery and employee motivation.

An **uneven sense of urgency** was identified by four respondents. Descriptions

centered on variation in leadership buy-in and in employees' understanding of the transformation rationale. When the rationale for change is unclear or insufficiently communicated, respondents noted that engagement and motivation are difficult to sustain. Several respondents pointed to the challenge of mobilizing the entire organization, observing that while some employees are early adopters, others require more active support to engage. Respondent 9 noted that the perceived need for change varies depending on where in the organization a person is positioned and what information they have access to, meaning that the sense of urgency is not evenly distributed.

Among the drivers, **a credible "why"** was identified by five respondents as an important enabler of transformation. Respondents described a growing awareness within the organization of the need to change, linked to external competitive pressure and a recognition that the current pace and cost-effectiveness are insufficient. Several respondents emphasized that a credible and clearly articulated rationale is essential for motivating change, not only explaining what needs to happen, but also communicating the consequences of inaction and the potential benefits of moving forward. Respondent 1 described this as ensuring that people understand both the risks of inaction and the value of engaging with the transformation, so that motivation to act is perceived as genuine rather than imposed.

**Shared direction** was identified by four respondents. Descriptions highlighted the importance of organizational alignment on priorities, goals, and roles, particularly in the context of digital transformation, where clarity about who is expected to do what was described as a recurring gap. Regular communication forums delivering consistent messages across organizational levels were raised as a practical mechanism for building and maintaining shared understanding. The need for a common technological architecture and standardized approaches was also noted as a means of reducing complexity and improving cross-unit coordination.

Middle management respondents also raised barriers and drivers that had not been prominently identified at the senior management level. One such barrier, raised by a few respondents, concerns **change competence** and its impact on the transformation process. Respondents described a gap between the competencies required to drive and sustain transformation and those currently available within the organization. This gap was reflected in both technical and managerial dimensions of change competence. On the technical side, Respondent 2 pointed to an insufficient number of internal specialists to support digitalization efforts, noting that dedicated resources had been quickly overwhelmed by demand. On the managerial side, a lack of competence and capacity among leaders to actively facilitate change was described as a bottleneck slowing the overall pace of transformation.

One enabling factor identified distinctly at this level concerns **understanding the scope and complexity of change**. Respondents described how awareness-building initiatives, such as AI training and pilot projects, help employees develop a more grounded understanding of what new tools and ways of working entail in practice.

Respondent 4 noted that when the organization has a sufficiently precise understanding of the complexity involved and is able to identify the required activities accordingly, change efforts are more likely to succeed. Understanding the scope of change was thus described as a practical enabler of more effective planning and execution, not only a precondition for engagement.

### 4.2.2 Middle management perception on identified barriers and drivers

Figure 4.6 presents middle management's ratings of the drivers and barriers previously identified at the senior management level, based on interviews with eleven respondents. Each bubble represents the number of respondents who gave a given rating on a scale from 1 to 5, where 1 indicates low extent and 5 indicates high extent, and a larger bubble therefore reflects a higher degree of consensus around that rating. Barriers are shown in the upper section of the figure and drivers in the lower section. The figure illustrates both the distribution of responses and the overall pattern across respondents, enabling comparison of how consistently different factors are perceived. This section provides an overview of how these factors are perceived in practice and focuses on four patterns observed in the data: silos as a strong perceived barrier, the presence of an unclear mandate, perceived drivers and the gap between intention and practice, and considerable variation across identified barriers. These patterns are described in more detail in the following sections.

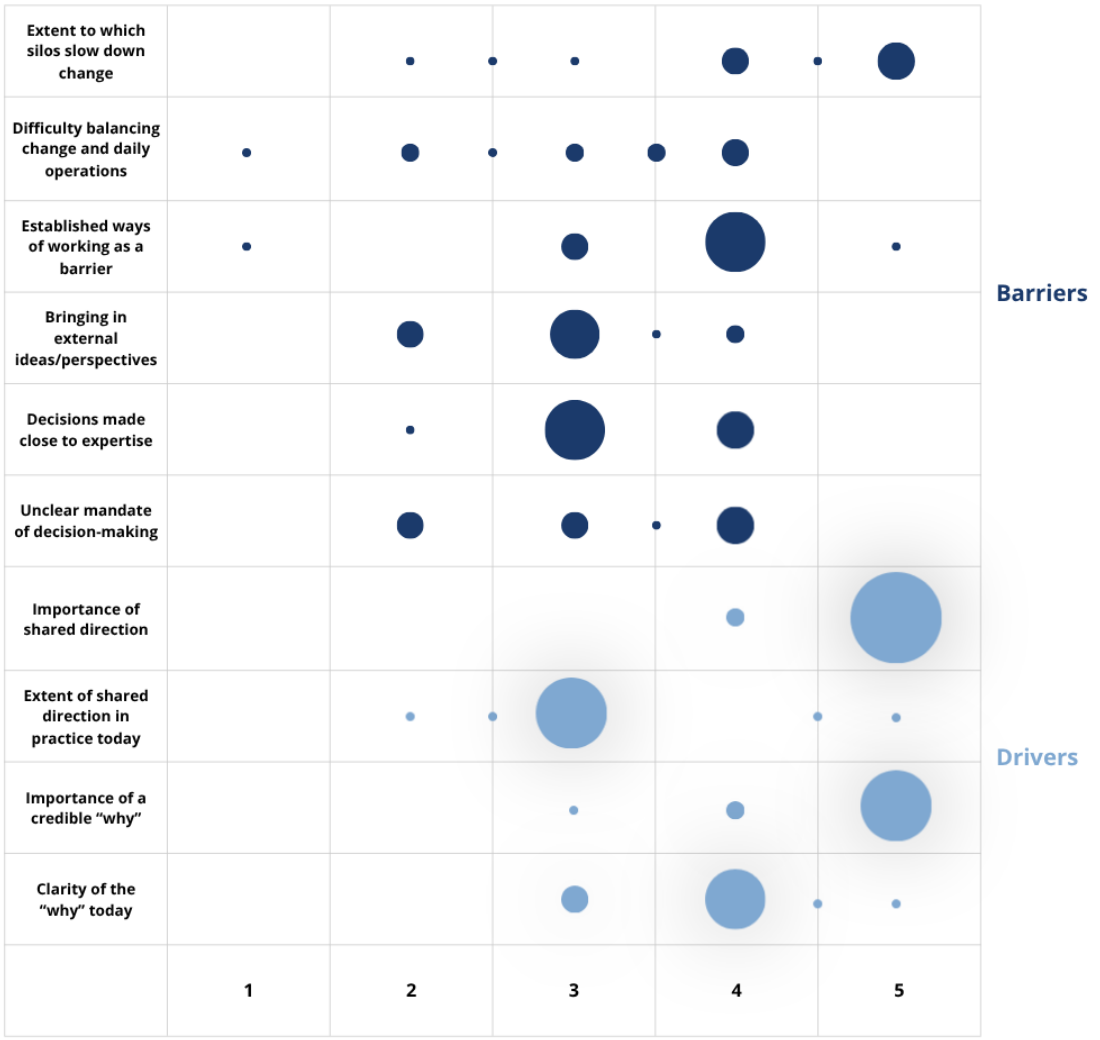


**Figure 4.6:** Middle management ratings of drivers and barriers influencing transformation speed (n=11). Bubble size indicates the number of respondents who assigned a given rating, on a scale from 1 (low extent) to 5 (high extent).

#### 4.2.2.1 Silos as a strong perceived barrier

Among the barriers rated by middle management, the **extent to which silos slow down change** had the most responses clustering toward the higher end of the scale, as illustrated in Figure 4.6. Eight of eleven respondents rated this barrier 4 or 5, describing silos as having a significant impact on the organization's ability to drive transformation. This is in line with the senior management interviews, in which poor cross-functional collaboration also was described as a central challenge. A recurring theme across responses was the presence of conflicting priorities between functions, which complicates coordination and slows decision-making when multiple parts of the organization need to act together. Several respondents also described a pattern in which cross-functional initiatives lose momentum mid-process, where initial alignment gives way to doubt among one or more parties, causing others to pause as well. As Respondent 11 described it: *"at the moment that one of them starts*

*doubting, then everybody goes in a pause mode and then you create this start-stop inefficiency and you come to very long timelines".*

At the same time, the responses were not entirely uniform. Two respondents rated this barrier at 2, perceiving silos as a relatively minor issue overall, with one noting that collaboration within certain parts of the organization functions reasonably well, even if other functions remain more siloed. One further respondent offered a mixed assessment, rating the barrier at 3 and suggesting that while silos are present and recognizable, they do not constitute a primary challenge in their experience. These differing views indicate that the extent to which silos are experienced as a barrier varies across different parts of the organization. At the same time, the overall pattern of responses suggests that silos are widely regarded as a significant barrier for transformation.

#### 4.2.2.2 Unclear mandate is also reflected in middle management perspectives

As illustrated in Figure 4.6, middle managers perceived the **unclear mandate of decision-making** as a moderate issue, with most responses clustering between 2 and 4. On this scale, 1 indicated that decision-making mandates were not perceived as unclear, while 5 indicated that mandates were perceived as unclear to a very high degree. This suggests that unclear mandate is not only identified as a barrier by senior management, but is also experienced as a concrete issue at middle management level. In the interviews, some respondents perceived decision-making mandates as relatively clear, particularly in established processes and routine work. Others, however, described greater ambiguity in change-related situations, where it becomes less clear who should make decisions and at what organizational level those decisions should be made. Several respondents emphasized that the issue is not always the absence of a formal mandate in itself, but that people do not always feel comfortable using the mandate they have. As Respondent 9 expressed it: *"I think in many cases we have the mandate to take the decision ourselves, but you don't really dare. . . "*. Respondents described that the problem often lies in how decision-making works in practice, where issues are escalated further instead of being handled where the mandate already exists.

Several interviewees further described that this becomes particularly visible in transformation work, where roles and responsibilities are often less established than in ordinary operations. Respondent 4 pointed to inconsistency across the organization, where some areas were described as having relatively clear mandates, while others were more centralized or dependent on a single decision-maker. Overall, the interviews suggest that mandate clarity is experienced as uneven across the organization, and particularly more uncertain in situations involving change, cross-functional coordination, or transformation.

#### 4.2.2.3 Perceived drivers and the gap between intention and practice

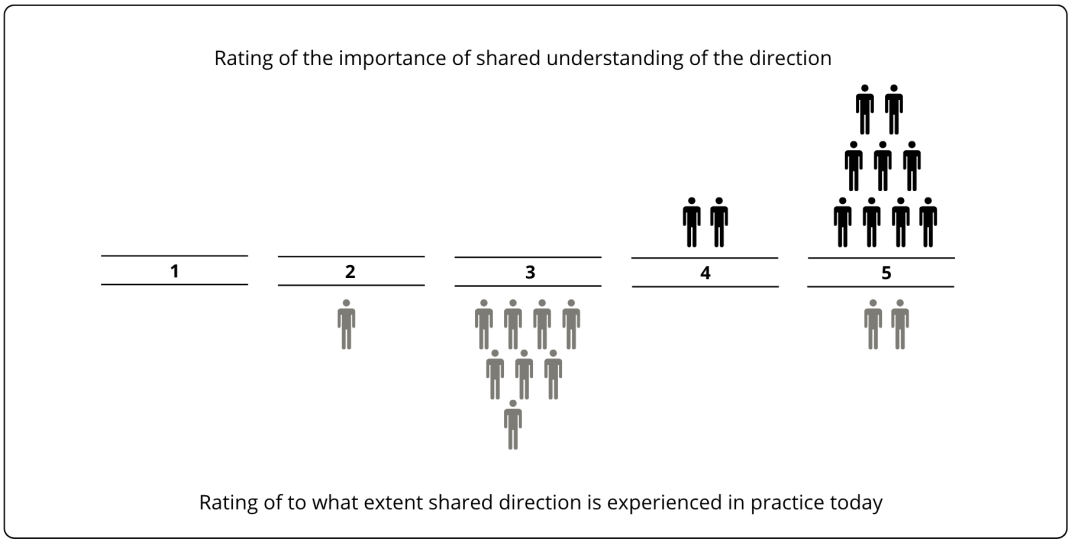


**Figure 4.7:** Shared direction: importance versus practice today

As illustrated in Figure 4.7, middle managers rated the **importance of shared direction** very highly. Nine of the eleven respondents rated it as 5, while the remaining two rated it as 4. This suggests that shared direction is perceived as essential for faster transformation not only by middle managers, but across organizational levels, as similar concerns were strongly emphasized by senior management respondents. However, when the same respondents assessed the extent to which shared direction exists in practice today, the ratings were notably lower and more dispersed, with most responses clustering around 2-3 and only a few around 4-5. This points to a gap between the perceived importance of shared direction and how consistently it is translated into practice.

In the interviews, several respondents referred to it as "extremely important" or as a requirement for knowing what to do and how to move forward. Shared direction was linked to the ability to align actions and priorities with the broader strategy, reduce uncertainty, and support decision-making in everyday work. Respondents also described that unclear direction in practice, together with frequent changes in scope and timelines, creates uncertainty about what should be done and prioritized. This was described as leading to confusion, rework, and delays, which in turn slows the transformation process. However, the ratings and interview responses suggest that shared direction is not fully established in practice. Several respondents described that an overall direction exists at a high level, but that it is not always translated into a shared understanding of priorities and execution across teams. As respondent 2 expressed it: *"the strategy needs to be translated into activities"*. The interviews suggest that shared direction is partly present, but unevenly translated into practice across the organization. In some cases, particularly in larger top-down

changes, the direction was described as relatively clear, whereas in other cases, such as system changes or cross-functional implementation, alignment was described as much weaker.

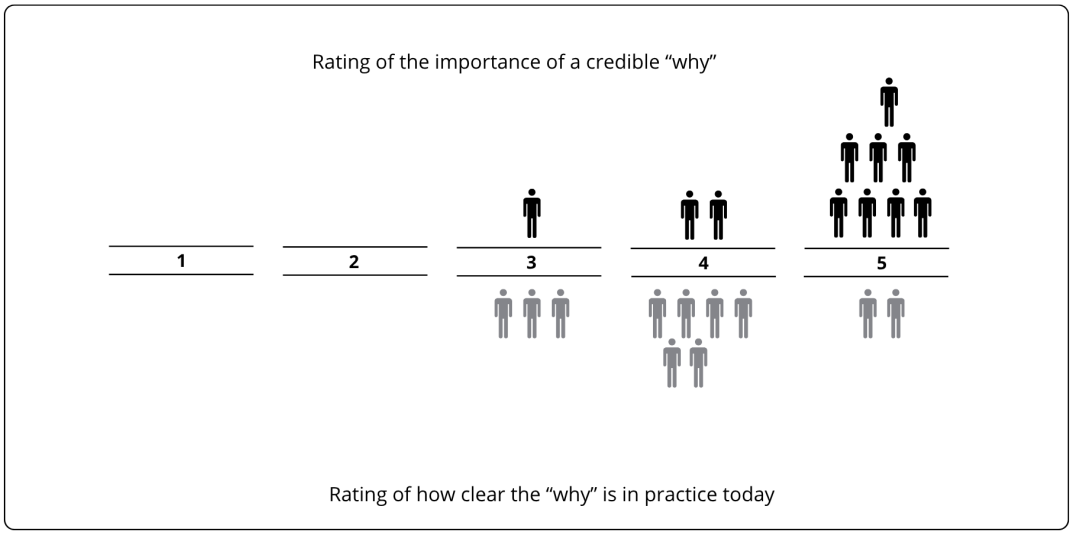


**Figure 4.8:** Credible "why": importance versus practice today

A similar pattern emerged regarding the **importance of a credible “why”**. As illustrated in Figure 4.8, this factor was also rated as highly important, albeit with slightly more variation. This reinforces the senior management findings, where all respondents identified it as a driver of faster transformation. Seven of the eleven respondents rated its importance as 5, while the remaining ratings were distributed just below that level. This suggests that middle managers also view a credible “why” as a key condition for faster transformation. When assessing how clear the “why” is in practice today, the ratings remained lower than its perceived importance, but were generally somewhat higher and less dispersed than those for shared direction, with most responses clustering around 3-4 and a few reaching 5. Several respondents described the overall “why” for change as relatively clear, particularly at higher organizational levels where competition and other external pressures are more visible. At the same time, the interviews suggest that this clarity is not equally established throughout the organization, and that people still need to understand their own contribution and how the reasoning relates to their context.

The "why" was further described as important for creating engagement, sustaining motivation, and helping people understand the reasoning behind the changes. Respondent 4 expressed: *“you don’t bring people on a journey like this if they don’t know why”*, emphasizing that without a clear “why,” people will not engage in the change journey. Others highlighted that the “why” needs to be emotionally convincing, not only logically clear, in order to create real momentum. At the same time,

a few respondents nuanced this view by suggesting that not everyone in the organization needs the "why" to the same extent, especially if the direction is already clear.

Overall, this suggests that, similarly to senior management, middle managers view a shared direction and a credible "why" as central conditions for enabling faster transformation. The interviews suggest that the "why" is generally clearer than shared direction in practice, but that its credibility and relevance depends on how well it is communicated and reinforced across different parts of the organization.

#### 4.2.2.4 Considerable variation across identified barriers

In addition to the frequently identified barriers, several barriers were characterized by a high degree of variation in how they were perceived by middle management. In particular, difficulty balancing change and daily operations and established ways of working showed a wide distribution of responses, with ratings ranging from low to high across the interviews. This indicates that these barriers are not experienced consistently across the organization.

Regarding the **difficulty of balancing change and daily operations**, senior management acknowledged a tension between transformation and operational delivery due to the number of concurrent initiatives competing for the same resources. Respondents from middle management described a broad range of experiences here. Some indicated that this challenge is relatively limited, particularly in development-oriented functions where time and resources for change activities are more deliberately structured. In these contexts, respondents described how space for transformation work is often built into the way of working, making it easier to manage both operational and developmental tasks. In contrast, several respondents described this as a more pronounced challenge in operational environments, where daily delivery demands tend to take precedence. In such cases, ongoing operations were described as limiting the ability to engage with change initiatives, particularly when multiple initiatives compete for attention and resources. Respondents also highlighted how short-term disruptions and shifting priorities can affect the ability to maintain focus on longer-term transformation efforts. Overall, the findings suggest that the perceived difficulty of balancing change and daily operations varies depending on the nature of the work and the context in which it is performed.

A similar pattern of variation was identified in relation to established ways of working. This barrier connects to what senior management described as among the most consistently identified barriers, raised in relation to the culture of specialization and continuous improvement by all ten respondents, and comfort zone after past success by nine of ten. While several respondents from middle management described existing routines, structures, and past experiences as factors that can slow down change, the extent to which this was perceived as a barrier differed across the organization. Some respondents emphasized that established ways of working create predictability and a sense of security, but may also make it more difficult to adopt

new approaches. In particular, reliance on past success and familiarity with existing processes were described as influencing how work is approached and how readily new ways of working are embraced. Others pointed to structural aspects, such as existing systems and processes, as contributing to inertia, while some highlighted generational differences and varying levels of adaptability among employees.

At the same time, a few respondents described established ways of working as a less significant barrier, noting that employees in certain parts of the organization are generally open to change and actively engaged in improvement efforts. This further illustrates that the impact of this barrier is not uniform, but varies depending on context and conditions.

# 5

# Discussion

This chapter discusses the empirical findings in relation to existing theory, structured around the two research questions. Section 5.1 addresses RQ1 by examining the organizational barriers and drivers that managers experience as influencing the speed of transformation. Section 5.2 addresses RQ2 by analyzing how these perceptions differ between top management and other organizational levels.

## 5.1 Organizational barriers and drivers influencing the speed of transformation

RQ1 asks what organizational barriers and drivers managers in large organizations experience as hindering or strengthening the speed of transformation. The findings reveal that the barriers and drivers identified in this study are not isolated factors but are interrelated. To answer this question, the following sections discuss the three barrier themes and the key drivers in relation to existing theory. Across these themes, the barriers are discussed in relation to the multidimensional speed framework of Dykes et al. (2019) and Kolev et al. (2025), who distinguish between *decision speed*, *implementation speed* and *response speed*. The findings suggest that the organization experiences friction across all three dimensions, but that the barriers and drivers are most consistently concentrated around *decision speed* and *implementation speed*.

### 5.1.1 Barriers

The barriers identified in this study are not isolated factors but form an interconnected system of constraints that collectively affect the speed of transformation. To structure the discussion, the barriers are analyzed through the speed framework proposed by Kolev et al. (2025), who distinguish between the three dimensions of organizational speed: *decision speed*, *implementation speed* and *response speed*. *Decision speed* refers to the time it takes to analyze alternatives and commit to a course of action. *Implementation speed* captures how rapidly the organization can subsequently mobilize resources and translate that commitment into action. *Response speed* concerns how quickly an organization reacts to an external trigger. As Kolev et al. (2025) emphasize, these dimensions are closely connected rather than

separate. When delays or obstacles arise in one stage, they tend to slow down the stages that follow. This means that problems early in the process can weaken the organization's ability to act, even if conditions later on are more favorable.

Applying this framework with examples from the empirical findings reveals that the organization experiences friction across all three dimensions, as illustrated in Figure 5.1. The cultural and legacy-related barriers, examined in Section 5.1.1.2, are most connected to *response speed*, shaping whether and how quickly the organization is able to react to the external signals that demand transformation. The structural barriers related to organizational silos and structure, discussed in Section 5.1.1.1, generate friction most acutely at the level of *decision speed* and *implementation speed*. They constrain the organization's ability to reach coordinated commitments and translate them into sustained action. The leadership and decision-making barriers, addressed in Section 5.1.1.3, similarly concentrate around *decision speed*, as ambiguity in mandates and governance structures delays the moment of commitment even when direction has been established. Together, these themes suggest that the organization's speed problem is not located in a single phase of the transformation process, but reflects how different phases are interconnected and shape one another.

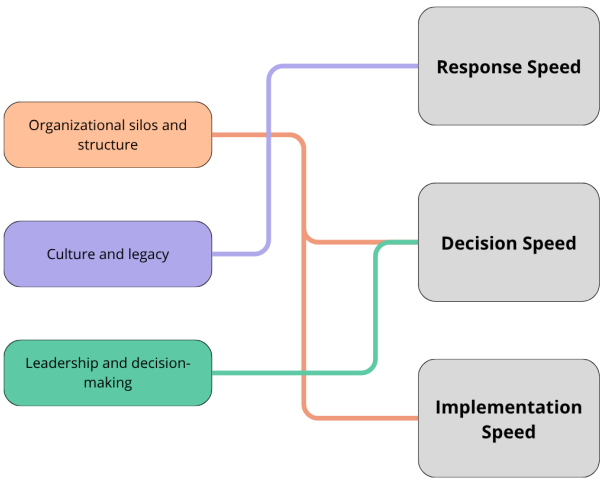


**Figure 5.1:** Barrier themes and their relation to the dimensions of organizational speed

#### 5.1.1.1 Organizational silos and structure

As outlined above, barriers related to organizational silos and structure generate friction primarily at the level of *decision speed* and *implementation speed*. The absorptive capacity literature can be used to describe why structural fragmentation produces these effects. Cohen and Levinthal (1990) argue that an organization's ability to integrate and act on knowledge is shaped by its internal structure. This

determines how information travels across units and how insights reach those who are able to act on them. When structural boundaries become rigid, Duchek (2015) shows that functions tend to develop separate priorities and, in some cases, address the same challenges independently. This makes it progressively harder to maintain the collective orientation that coordinated action requires. Over time, this produces what Cohen and Levinthal (1990) describe as the "Not-Invented-Here" syndrome, where functions resist perspectives and solutions that do not originate within their own domain. The consequence for transformation speed is that when units cannot integrate each other's knowledge and priorities, reaching the coordinated commitments required for *decision speed* becomes increasingly difficult. At the same time, mobilizing resources coherently across functions, the foundation of *implementation speed*, is also constrained. As Kolev et al. (2025) emphasize, friction at one stage of the speed sequence compounds delays downstream, meaning that structural barriers operating at the level of *decision speed* will simultaneously undermine *implementation speed* by ensuring that commitments, once reached, are not carried through with the coordination required for sustained momentum.

These theoretical dynamics were visible across several interconnected barriers related to silos and structure in the empirical material. The most consistently identified was poor cross-functional collaboration, where there seemed to be difficulty in creating shared ownership across functional boundaries. Issues arising in one part of the value chain were frequently passed on without consideration for their downstream consequences, generating rework and misalignment that consumed more time than originally planned. This reflects the mechanism identified by Duchek (2015). When knowledge and information do not travel easily across functions, problems are often discovered at points of handover instead of being acknowledged and resolved collectively beforehand. A further expression of this fragmentation was a limited end-to-end perspective, where deep functional specialization came at the cost of the broader flow perspective needed to translate strategic intent into coordinated action. This limited flow perspective can be understood as a structural consequence of the same fragmentation dynamic. As units optimize locally and develop distinct priorities, the collective orientation needed to act on a shared direction becomes more difficult. Alignment was described as present at the leadership level but fading as it moved downward, meaning that the capacity for coordinated action was not consistently realized where execution actually takes place.

The hierarchical complexity of the organization compounded these dynamics further. Long decision-making chains meant that problems requiring cross-functional resolution had to navigate multiple organizational layers before action could be taken. This is consistent with what Cohen and Levinthal (1990) describe as a self-reinforcing pattern, as units develop increasingly specialized internal routines and ways of working, engaging with perspectives from outside their own domain becomes progressively more difficult, and the organization optimizes for local rather than collective priorities. The result is a structural condition in which the same mechanisms designed to create expertise, simultaneously constrain the cross-functional coordination on which transformation speed depends.

These structural barriers do not operate independently of one another, as mentioned above, but form a self-reinforcing system. The specialization limits cross-functional knowledge integration, hierarchical complexity slows the resolution of coordination problems, and the absence of a shared end-to-end perspective prevents the organization from translating its collective capabilities into shared action. A further expression of this dynamic was the tendency for different functions to operate with separate KPIs oriented toward local performance, which was described as incentivizing functional optimization at the expense of broader organizational alignment. March (1991) identifies this as a structural driver of exploitation dominance. When measurement systems reward the refinement of existing activities within defined boundaries, they simultaneously make cross-functional coordination and more exploratory ways of working harder to prioritize and sustain. Together, these factors constrain *decision speed* by making it harder to share relevant information, evaluate alternatives, and build commitment around chosen actions (Dykes et al., 2019). This, in turn also delays *implementation speed*, as execution depends on timely and coordinated decisions. As long as these structural conditions and silos persist, increasing organizational speed is likely to remain challenging.

#### 5.1.1.2 Culture and legacy

The cultural and legacy-related barriers operate primarily at the level of *response speed*, influencing how quickly the organization recognizes and reacts to external triggers, and turns this recognition into a concrete response (Kolev et al., 2025). A central insight from the ambidexterity literature is that organizations naturally gravitate toward exploitation over exploration (March, 1991). Refining what already works often yields more immediate and predictable returns than pursuing uncertain and fundamental changes. Teece (2007) argues that, over time, the routines, assumptions, and capabilities that once drove success can become limitations for the organization. Instead of enabling renewal, they create strategic lock-ins that make it harder to think in new ways and adapt to change. Leonard-Barton (1992) captures a similar dynamic through the concept of "core rigidities", where deeply embedded competencies paradoxically become barriers to change. This makes it harder to recognize when the existing frame of reference is no longer sufficient, thereby directly constraining what Kolev et al. (2025) define as *response speed*.

This exploitation bias becomes especially limiting when combined with the limited outside-in orientation identified in this study. Cohen and Levinthal (1990) argue that recognizing the need for change depends on an organization's accumulated capacity to make sense of external signals, and that without continued investment in engaging with external perspectives, this ability weakens. Together, internal inertia and limited external orientation form a mutually reinforcing dynamic. The organization continuously reinforces its existing frame of reference while protected from outside exposure to get signals that otherwise could challenge it.

Both dimensions were clearly visible in the empirical material and were experienced as deeply interconnected. The organization's strong culture of continuous improve-

ment and specialization was widely recognized by senior management respondents as both a strength and a barrier. The same orientation that made the organization highly capable of refining existing processes also created a focus on incremental change at the expense of more fundamental shifts. This pattern relates to what March (1991) describes as the natural dominance of exploitation over exploration. The organization has become highly proficient at refining and optimizing existing capabilities. However, this very proficiency reduces the attention and resources directed toward exploration. Exploration requires search, experimentation and variation, which seems to receive less focus from what the empirical findings show.

This was further reflected in a preference for internally developed solutions over external alternatives, a pattern that several respondents explicitly linked to a "not-invented-here" mentality. A long history of successfully managing earlier crises had reinforced confidence in the existing way of working, making it harder to build genuine urgency for transformation. This captures what Teece (2007) describes as the moment when accumulated success transforms core capabilities into strategic rigidities, and what Perini et al. (2024) define as strategic inertia, a failure to shift strategy even when the external environment requires it. This limited engagement with external perspectives from the findings was also described as unsystematic and uneven across functions, contributing to what was mentioned as organizational "blindness". Cohen and Levinthal (1990) explain why this matters. Without continued investment in scanning and interpreting external developments, the organization's capacity to recognize what needs to change gradually declines. From an ambidexterity perspective, this limited outside-in orientation represents a constraint on exploration. If the organization does not invest in sensing and absorbing signals from beyond its established ways of working, it loses the very input that exploration depends on (Cohen & Levinthal, 1990; March, 1991). This limitation of outside-in was also reflected in an uneven sense of urgency across the organization, where the need for transformation felt more immediate where external competitive pressure was more visible, and remained more abstract in parts of the organization less exposed to such signals.

What the literature about ambidexterity and absorptive capacity together reveal is that these two dimensions: internal inertia and limited external orientation, are not separate cultural problems but expressions of the same underlying dynamic. An organization shaped by decades of exploitation-oriented success develops both the internal routines that discourage deviation and the limited external sensitivity that reduces the signals challenging those routines. The consequence for *response speed* is that the organization risks being consistently late in identifying what needs to change, as illustrated in Figure 5.2. As Kolev et al. (2025) emphasize, delays in *response speed* also create friction in *decision speed* and *implementation speed*, since the organization enters the later phases of transformation already behind.

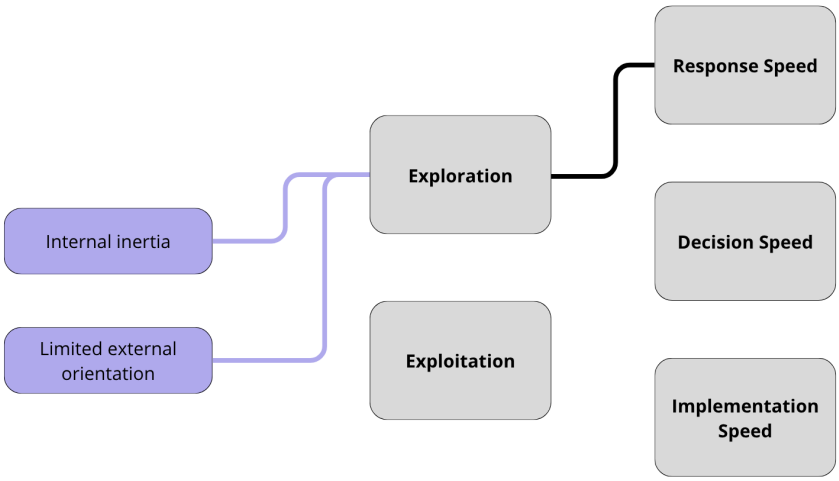


**Figure 5.2:** Internal inertia and limited external orientation as constraints on exploration and response speed

#### 5.1.1.3 Leadership and decision-making

Regarding the leadership and decision-making barriers, they are primarily connected to *decision speed*, as ambiguity in mandates and governance structures delays the moment of commitment even when a strategic direction has been established. The change leadership literature provides a useful starting point for understanding why leadership conditions are so consequential for transformation speed. Oreg and Berson (2019) argue that leadership influences transformation outcomes in both direct and indirect ways. Directly, leaders shape priorities, allocate resources and design structures. Indirectly, they influence the emotional and attitudinal responses of those expected to implement change. Uhl-Bien et al. (2007) further argue that in complex and fast-changing environments, overly centralized and top-down leadership creates organizational conditions that constrain the informal interactions and adaptive responses needed for transformation to gain momentum. When decision-making authority remains concentrated at higher organizational levels, the organization becomes dependent on a limited number of decision points, generating bottlenecks that slow the pace at which commitments can be reached and acted upon. From the perspective of Kolev et al. (2025), this directly constrains *decision speed*, when authority is not positioned where relevant knowledge exists, the path from recognizing a need to committing to action becomes unnecessarily long.

These theoretical dynamics were visible across the leadership and decision-making barriers identified in the empirical material. One of the more consistently mentioned barriers was a gap between formally delegated mandate and how decision-making actually functioned in practice. The organization formally emphasizes decentralized

decision-making, yet a persistent pattern was described in which employees sought upward confirmation before acting. Not because they lacked the competence to resolve issues themselves, but because a habit of seeking higher-level approval had become embedded as a routine. Uhl-Bien et al. (2007) explain why this pattern tends to persist. In environments characterized by close monitoring and detailed performance targets, employees are less likely to act on delegated authority even when it formally exists, since seeking confirmation becomes the rational response to uncertainty. This is consistent with findings in the study, where concern was expressed that an overly strong focus on KPIs may reinforce such behavior. A strong focus on performance outcomes may make employees hesitant to act independently, as they may fear making the wrong decision. For *decision speed*, the consequence is that formal authority may exist but decisions are still delayed when the behavioral and cultural conditions needed to use that authority are lacking.

A related barrier concerned the absence of a clear transformation process. Respondents described the organization as capable of initiating change but less equipped to govern it in a way that is systematic and independent of specific individuals. Balogun (2007) argues that middle managers play a central role as linking pins between strategic intentions and operational realities. However, this role depends on sufficiently clear structures and forums through which strategic intent can be translated into coordinated action.When such structures are absent or insufficiently established, the translation of direction into practice becomes dependent on individual initiative rather than organizational capability, which creates fragility in the transformation process. This was visible in the empirical material, where respondents described transformation efforts as vulnerable to losing momentum when key individuals were not present to drive them forward. This was reflecting the risk Balogun (2007) identifies when change governance relies on people rather than process.

These findings point to a common underlying condition, where there seems to be unbalance between formal intent and actual practice. Mandate is often formally delegated but not consistently exercised, and transformation structures are not fully in place or sufficient enough to be followed through. Kotter (2007) highlights the difference between managers, who maintain order and structure, and leaders, who build commitment and drive renewal. He argues that transformation efforts often fail because organizations have too many managers and too few leaders during periods of change. The empirical material suggests that this tension is somewhat present here as well, where the conditions needed to enable leadership, distributed authority, clear governance and the behavioral confidence to act, are not yet fully established. From the perspective of Kolev et al. (2025), this constrains *decision speed*, since leadership is central to bringing clarity and building commitment. When these conditions are weak, decisions are probably more likely to stall before commitment is reached.

### 5.1.2 Drivers

While the barriers identified above describe what slows transformation, the drivers identified by respondents reflect conditions that can enable and accelerate it. Im-

portantly, the drivers do not operate independently of one another, several of them address the barriers described above and together they point toward a coherent set of enabling conditions. Applying the speed framework of Kolev et al. (2025) to the identified drivers reveals that they cluster differently depending on which dimension of speed they primarily enable, as illustrated in Figure 5.3. Shared direction and a credible "why", discussed in Section 5.1.2.1, address *decision speed* most directly, as they reduce the coordination overhead and motivational barriers that otherwise delay the moment of commitment. Enabling leadership, distributed mandate and psychological safety, examined in Section 5.1.2.2, address both *decision speed* and *implementation speed* by distributing the capacity for action more broadly across the organization and creating the conditions under which people feel both authorized and supported to act. Together, these drivers suggest that the organization's ability to increase the speed of transformation does not depend on any single enabling condition, but on the coherence of the system of conditions surrounding the transformation process.

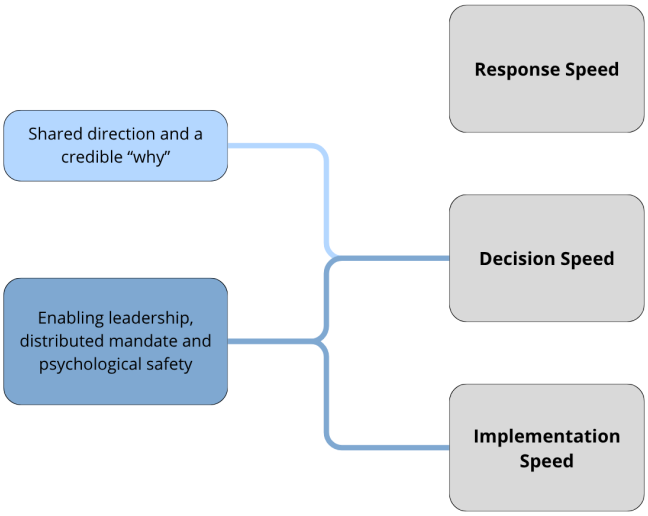


**Figure 5.3:** Primary drivers and their relation to the dimensions of organizational speed

#### 5.1.2.1 Shared direction and credible "why"

Among the drivers identified in this study, shared direction and continuous communication and a credible "why" emerged as the most mentioned and were raised by all ten senior managers. While they are related to each other, they enable transformation in distinct but complementary ways. Shared direction concerns alignment around priorities and action, whereas a credible "why" relates to motivation and commitment. Their combined presence creates the conditions for faster and more coherent transformation. Balogun (2007) argues that when strategic direction is clear and consistently communicated, managers and employees across the organi-

zation are better positioned to understand what to prioritize and how their work connects to the broader transformation agenda. Rather than being only a matter of communication, shared direction functions as a coordination mechanism by helping different parts of the organization act independently while remaining aligned toward the same overall goal. From the perspective of Kolev et al. (2025), this has an effect on *decision speed*, when a common direction is established and understood, the need for repeated upward alignment is reduced, and decisions can be made closer to where the work is performed. Shared direction can therefore enable faster movement from recognizing a need for change to committing to action.

The empirical findings confirm and extend this theoretical argument. Respondents described how a consistently shared direction enables employees and managers to understand what to prioritize and how it reduces the need for clarification and repeated alignment. A recurring emphasis was that this direction needs to be operationally present at all levels of the organization, to the point where it should not matter who is asked. To achieve this, respondents highlighted the importance of systematically breaking down the overall direction across organizational levels, from high-level strategic ambitions to more specific focus areas, so that each part of the organization understands what it means in practice for their own work. Regular communication forums, face-to-face interaction, and dedicated time for alignment were described as important enablers for building this shared understanding and translating direction into commitment across the organization. When these conditions are in place, alignment enables faster and more coordinated action, which can strengthen the organization's capacity to mobilize and sustain transformation momentum.

A credible "why" on the other hand, operates in a related but distinct way. Kotter (2007) argues that a shared understanding of why change is necessary is essential for enabling transformation, as without it, people are unlikely to prioritize change or sustain the effort required to implement it. However, the findings of this study suggest that logical clarity alone is not sufficient. Respondents emphasized that the "why" must not only be clear but also credible and personally relatable. This means it needs to be something that employees can connect to in their own role and everyday work. Matos Marques Simoes and Esposito (2014) support this, highlighting that communication characterized by dialogue and openness increases employees' willingness to participate in change and builds trust in the process. When employees experience that their perspectives are taken into account, engagement with the transformation becomes more genuine rather than compliance-based. The empirical material further illustrates how this credibility is built in practice. Respondents described the importance of returning to the "why" repeatedly and from different angles, recognizing that people make sense of change at different speeds and through different frames of reference. A single communication effort directed from the top was described as rarely sufficient. The value of having someone locally present who continues to reinforce and explain the rationale close to where the change takes place was highlighted as particularly important. Otherwise the message risks losing its relevance depending on who delivers it and how it is received.

From the perspective of Kolev et al. (2025), a credible and locally anchored “why” contributes to *implementation speed* by strengthening commitment and reducing hesitation during the translation of decisions into action. The external competitive pressure facing the organization, particularly from heavily resourced global competitors, emerged in the empirical material as a concrete and powerful foundation for building this credibility. Pettigrew (1987) distinction between outer and inner context is relevant here. Outer context forces, including macroeconomic, competitive and technological pressures, when made visible and understandable within the organization, can serve as a powerful basis for shared urgency. Several respondents described that making the current competitive shift more explicit and tangible would strengthen the sense of urgency across the organization by showing that the need for transformation comes from real external pressures, not only from internal management priorities. In this way, making outer context pressures visible and understandable within the organization can shape how employees understand the necessity of transformation in relation to their own work.

When considered together, a shared direction and a credible "why" reinforce each other as enabling conditions. Shared direction clarifies what needs to happen and how priorities are connected across the organization, while a credible "why" explains why transformation is necessary, why it needs to happen now, and what may be at stake if the organization does not act. Neither is sufficient alone, as direction without a credible "why" lacks the meaning and commitment needed to sustain transformation over time, while urgency without shared direction leaves employees uncertain about how to act on it.

#### 5.1.2.2 Enabling leadership, distributed mandate and psychological safety

A second cluster of drivers concerns the conditions under which individuals and teams are empowered to act on the strategic direction that has been established. Where the barriers discussed in 5.1.1.3 revealed a persistent gap between formally delegated authority and how decision-making actually functions in practice, the drivers identified here address precisely that gap. Enabling leadership, distributed mandate and psychological safety form an interconnected system of enabling conditions. Enabling leadership creates the behavioral conditions for people to take initiative, distributed mandate gives them the formal authority to act, and psychological safety makes them feel able to use that authority in practice. These drivers also address *decision speed* and *implementation speed* by distributing the capacity for action more broadly across the organization rather than concentrating it at the top.

Uhl-Bien et al. (2007) argue that enabling leadership creates conditions for local problem-solving and adaptive responses, while also linking these initiatives to formal decision-making and strategic direction. In this way, enabling leadership can reduce dependence on centralized control by allowing action to emerge closer to where problems are experienced, while still maintaining alignment with the broader transformation agenda. This implies that when leaders move from acting as pri-

mary decision-makers to facilitating the conditions for others to act, more parts of the organization can act simultaneously and in alignment with the shared direction. Respondents described this shift as requiring leaders to relinquish control and place greater trust in their teams, as continued involvement in all decisions was seen as creating bottlenecks that constrain the pace of transformation.The empirical material highlights several expressions of this enabling orientation, including leaders coaching and mentoring rather than directing, actively listening to their teams, supporting reflection on possible ways forward, and building the relationships and trust needed to create genuine commitment to change. Balogun (2007) connects this to the role of leaders in creating space for shared sensemaking, not only communicating direction from above but facilitating the conditions through which direction becomes understood and actionable at the level where execution takes place.

Distributed mandate reflects the structural side of enabling leadership, where decision-making authority is placed closer to where relevant knowledge resides, rather than remaining centralized. Canterino et al. (2020) argue that this is particularly important in large organizations, where transformation requires coordinated action across many units and levels simultaneously. When mandate is distributed, more parts of the organization can act in parallel and in alignment with the shared direction, reducing the sequential dependencies that otherwise slow implementation. This connects directly to *decision speed* (Kolev et al., 2025). When authority is positioned where knowledge exists, decisions can be made by those closest to the work rather than traveling upward through organizational layers, which may shorten the time between recognizing a need and committing to action. Argote (2013) further highlights that for this to translate into practice, the organizational conditions surrounding everyday work must actively support the use of that authority. Respondents described how transformation efforts are most effectively driven close to where work is performed, and that decisions made where data and knowledge are available enable faster and more informed action. Leaders were described as playing a central role in realizing this in practice, by actively demonstrating trust, stepping back from decisions that teams are equipped to make, and supporting teams in building the confidence to take ownership. It is this lived experience of being trusted and supported that enables distributed mandate to accelerate the transformation process rather than remaining a formal intention.

Psychological safety provides the social conditions needed for employees to use their mandate and engage in transformation work in practice. Gibson and Birkinshaw (2004) explains the concept of contextual ambidexterity, and argues that the capacity to balance exploitation and exploration in everyday work develops when clear performance expectations are combined with a supportive social environment characterized by trust and access to help. Psychological safety can therefore be understood as a central part of this supportive context, as it allows employees to take initiative, contribute ideas, and learn from mistakes without fear of blame, while still remaining aligned with the overall direction of the transformation. The empirical findings reflect this as well. Respondents described the importance of creating an environment where employees feel comfortable experimenting and learning from

mistakes, and where contributing knowledge, engaging in open dialogue, and collectively exploring solutions are experienced as natural parts of the work. When this environment is in place, employees are more likely to act on the mandate they have been given and engage actively in the iterative and adaptive ways of working that transformation requires. This contributes directly to implementation speed by reducing the hesitation and caution that otherwise slow the translation of decisions into action.

The empirical material suggests that willingness to engage with transformation is generally present across the organization. This indicates that the opportunity lies not in building willingness, but in creating the conditions through which that willingness can translate into action. From the perspective of Kolev et al. (2025), this matters because organizational speed depends not only on how quickly decisions are made, but also on how quickly they are translated into implementation. When people have clear direction, mandate, and a safe environment to act, both *decision speed* and *implementation speed* are strengthened.

## 5.2 Differences across organizational levels

Having established the overarching barriers and drivers that influence transformation speed, the second research question shifts the analytical focus to how these factors are perceived and experienced differently depending on organizational level. The change leadership literature emphasizes that senior and middle management do not simply occupy different vantage points on the same organizational reality, but hold fundamentally different relationships to the transformation process itself. Oreg and Berson (2019) argue that senior management influences transformation primarily through strategic choices, setting priorities, allocating resources and designing structures. Middle managers, by contrast, occupy what Balogun (2007) describes as a linking pin position, simultaneously acting as recipients of change from above and drivers of it toward those below. This structural difference in role has direct consequences for how barriers and drivers are experienced across levels, and therefore for how transformation speed is shaped throughout the organization. Applying the speed framework of Kolev et al. (2025), the following sections argue that this level-dependent experience of transformation is not coincidental but reflects underlying mechanisms that generate friction across all three dimensions of organizational speed: decision speed, implementation speed and response speed.

### 5.2.1 Senior management vs. Middle management

The literature on middle managers provides a theoretical starting point for understanding how the same organizational conditions can generate different experiences depending on hierarchical position. Balogun (2007) argues that middle managers have a unique position since they both are affected by change and expected to implement it, requiring them to actively interpret, translate and adapt strategic intent into operational reality. This sensemaking role means that middle managers do not only receive and execute direction from above, but must also construct meaning

from it and make it actionable for those around them. Kotter (2007) argues that a key task of leadership is to translate external realities into a shared understanding. This means helping people to realize that business as usual is no longer sufficient. However, this translation becomes more difficult the further one is from the original signals creating that sense of urgency. Pettigrew (1987) distinction between outer and inner context helps explain this. It suggests that *response speed*, as defined by Kolev et al. (2025), is not uniform across organizational levels. Senior managers are more continuously exposed to the outer context, where competitive shifts, technological developments and market pressures make the reason for transformation directly visible. Middle managers are more deeply embedded in the inner context of the organization, where attention is directed toward operational delivery and internal coordination. The need for transformation is perceived with different degrees of urgency, depending on hierarchical position and proximity to the outer context. As a result, the organization cannot achieve a consistent and rapid collective response to the signals that should be driving change.

This variation in perceived urgency may also be linked to how established ways of working are experienced differently across levels. The cultural barriers identified under the theme of culture and legacy, particularly the comfort zone after past success and the exploitation-oriented culture of continuous improvement, were consistently raised by senior management as one of the barriers. Among middle management respondents, the perceived extent to which established ways of working acted as a barrier varied more. This variation is connected to the urgency dynamic described above. When the sense of urgency is less strong, the need to challenge existing routines and ways of working also feels less pressing. If an employee or manager does not fully perceive that the external environment has fundamentally shifted, it becomes harder to understand why current practices, which have historically proven effective, should now be questioned. This is consistent with Teece (2007) argument that past success creates routines and incentives that make adaptation difficult precisely because they feel justified by the organization's history.

Much of the level-dependent variation identified in the study is reflected through several interrelated barriers. These were identified across both senior and middle management and many of them relate to the theme of organizational silos and structure. Beyond being a structural barrier in its own, silos appear to function as a reinforcing factor that deepens the differences in experience across organizational levels. By isolating functions, silos reinforce the inner context at the operational level (Pettigrew, 1987), reducing middle managers' exposure to wider information flows and external signals. As a result, signals that might otherwise make it easier to question or rethink current ways of working may be less accessible. Respondents at both levels also described misaligned priorities, poor cross-functional coordination and fragmented decision-making as recurring consequences of this silo-based way of working. Furthermore, respondents described how different workstreams tend to underestimate each other's complexity. As a result, misalignment occurs at handover points, creating rework and coordination overhead that slows down implementation. From the perspective of Kolev et al. (2025), silos therefore do not only slow

transformation at a single point in the speed sequence, they create systemic friction that delays in response, complicates decision-making and undermines the execution simultaneously.

A closely related finding concerns the gap between strategic intent and operational practice, which manifested consistently across multiple dimensions of the data. Balogun and Johnson (2004) argue that in organizations with multiple hierarchical layers, strategic intent may become vulnerable to being lost in translation as it moves downward. Each layer adds interpretation, and if the conditions for shared sensemaking are absent, the original intent may reach the operational level in a form that is more or less misaligned. The empirical material confirms this dynamic in several ways. The ratings collected in Phase 2 revealed a pronounced gap between the perceived importance of shared direction and the extent to which it is experienced as present in practice today. While nearly all middle management respondents rated shared direction as highly or critically important, the ratings describing its current state were notably lower and more dispersed. Respondents described how an overall direction exists at a high level but is not consistently translated into shared priorities and actionable expectations across teams. The challenge of this translation contributes directly to confusion, rework and delay, each of which constrains *implementation speed*. The gap for a credible "why" was comparatively smaller, suggesting that the rationale for change is somewhat better established in practice. However, the interviews revealed that its relevance and credibility still vary depending on how close a person is to the external pressures driving it.

The intention-to-practice gap is further expressed through the barrier of unclear mandates, which was identified at both organizational levels. The formal organizational intent is one of decentralized decision-making, yet the lived experience described by respondents diverges significantly from this stated ambition. At the senior management level, respondents described a self-reinforcing pattern in which managers take over decisions that employees are formally empowered to make, thereby unintentionally sustaining the dependence they seek to reduce. At the middle management level, the issue manifested in a different but complementary way. Employees expressed uncertainty about using their formal mandate, and several indicated that passing the issues upward often felt safer than taking action. Seijts and Latham (2012) provide a theoretical understanding why this hesitation persists. When organizations are strongly oriented toward performance goals and KPI-driven accountability, as several respondents explicitly described, the conditions that support learning and experimentation are weakened. Acting on delegated authority in ambiguous or unfamiliar transformation situations requires a willingness to take risks and potentially make mistakes. In a performance-oriented culture, this willingness is undermined if mistakes carry reputational or increased costs. The result is a behavioral pattern in which formal empowerment goes unused and decisions continue to travel upward, slowing *decision speed* even when the organizational intent supports the opposite. Senior management explicitly identified psychological safety as a driver that counteracts this pattern. They emphasized that creating an environment where experimentation and learning from mistakes are normalized is a precondition

for distributed mandate to function in practice. The fact that this driver was raised primarily at the senior management level, while middle managers experienced the mandate ambiguity more concretely, further illustrates how the intent-to-practice gap is experienced differently depending on organizational position.

### 5.2.2 The competence gap: a barrier visible from the middle but not from the top

One notable difference between senior management and middle management identified in this study is an internal competence gap. In the senior management interviews, the respondents tended to describe the organization's internal competence, long experience and well-established ways of working as valuable strengths. Several respondents emphasized the organization's strong internal expertise and its ability to develop solutions internally. Competence was therefore mainly described as an existing organizational resource rather than as a constraint. Middle management respondents, on the other hand, described another perspective. From this level, internal competence was not only described as a strength, but also as insufficient in relation to the practical demands of digital transformation in two interrelated ways. The first concerns technical competence, where respondents noted an insufficient number of internal specialists to support and drive the practical implementation of digitalization initiatives. Since these specialists were required across several parts of the organization, their limited availability constrained the practical implementation of digitalization. The second concerns managerial competence, where a lack of capacity and capability among leaders to actively facilitate and lead change was described as a bottleneck that constrains the overall pace of transformation. In both cases, the gap was experienced not as a future risk but as a concrete and immediate challenge shaping day-to-day work.

This difference can be understood through Zahra and George (2002) distinction between Potential Absorptive Capacity (PAC) and Realized Absorptive Capacity (RAC). PAC refers to the organization's ability to identify, acquire, and understand new external knowledge, while RAC concerns the ability to transform and apply that knowledge in practice. Senior management operates primarily at the strategic level, where the focus is on what knowledge, technologies, and capabilities the organization needs to acquire or develop. This corresponds to the domain of PAC, which concerns the identification and assimilation of relevant external knowledge as a strategic ambition. Middle managers, however, are positioned closer to the point where these strategic ambitions must be translated into new routines, tools, and ways of working. Their perspective therefore reveals whether the organization actually has the capacity to realize these ambitions in practice, which can be seen as the domain of RAC. Zahra and George (2002) emphasize that the transition from potential to realized capacity is not automatic. It requires organizational conditions that enable knowledge to be transformed and applied in practice. The competence gap identified by middle management suggests that this transition is constrained at the implementation level. When the people expected to lead this translation lack the technical knowledge to guide it or the managerial capacity to facilitate it, the

strategic investments made at the top remain unrealized in practice. The competence gap can therefore be understood as a barrier in the conversion from PAC to RAC. This barrier is more visible to middle managers because its effects are experienced in their everyday work of implementation, rather than in the strategic planning processes where senior management is primarily involved.

This dynamic connects directly to the broader context of digital transformation in large industrial organizations. Boffa and Maffei (2024) argue that digital transformation cannot rely only on technological investments, but also requires alignment between strategy, organizational structure and competence development. The empirical material reflects this issue. Middle managers described how dedicated resources for digitalization were quickly overwhelmed by demand, and how the lack of managerial capacity made it difficult to create the leadership conditions needed to sustain change. From the perspective of Kolev et al. (2025), the competence gap mainly constrains *implementation speed*. Even when strategic decisions have been made, the absence of sufficient technical and managerial competence at the implementation level means that the organization cannot mobilize and translate those decisions into sustained action at the required pace. The competence gap can therefore be understood not only as an issue of individual competence development, but as a barrier to the organization's ability to implement strategic direction in practice.

The fact that this barrier appears to be less visible at the senior management level has important implications. If the gap between PAC and RAC is not recognized by those in a position to address it structurally, the organization risks continuing to invest in digital transformation without fully addressing the conditions required for implementation. This further reinforces the intent-to-practice gap described in section 5.2.1. Strategic direction may exist, but the competence and capacity required to translate that direction into practice are limited at the level where execution takes place. Together, these dynamics suggest that the organization's speed problem is not only a matter of structural barriers or cultural inertia at the top, but is also shaped by a capability constraint at the middle management level, where strategic ambitions must be translated into operational practice.

# 6

# Conclusion

Large organizations today face increasing pressure to transform faster than their existing structures and cultures were designed to allow. The pace of digital transformation and global competition has made the ability to transform quickly a basic requirement for survival rather than a competitive advantage. Yet many organizations struggle to deliver on this demand in practice. This tension is one of the central challenges in contemporary management, and despite growing research on organizational change, limited understanding exists of how to lead organizations specifically under conditions where the speed of transformation is critical. This study set out to contribute to that understanding by investigating two research questions: what organizational barriers and drivers managers in large organizations experience that hinder or strengthen the speed of transformation, and how the perceptions of these barriers and drivers differ between top management and other organizational levels. The following sections summarize the answers to each research question of this study.

## 6.1 RQ1: What organizational barriers and drivers do managers experience that hinder or strengthen the speed of transformation?

The findings reveal that the organization's speed challenge is not located in a single phase of the transformation process but reflects friction across all three dimensions of organizational speed: *decision speed*, *implementation speed* and *response speed*. These dimensions are closely interconnected, meaning that delays in one phase tend to compound difficulties in the next, and together they point to a systemic rather than localized speed problem.

*Decision speed* is affected primarily by unclear mandates, hierarchical complexity and the absence of consistently shared direction. While decentralized decision-making is formally emphasized, the behavioral reality is one where employees frequently seek upward confirmation before acting, and where the conditions needed to use delegated authority are not yet fully in place. Enabling leadership, a distributed mandate and psychological safety were identified as important enabling conditions.

Leaders need to create conditions for others to act rather than acting as primary decision-makers themselves. Employees also need to feel genuinely supported in using their mandate. When these conditions are in place, the path from recognizing a need to committing to action becomes shorter.

*Implementation speed* is affected by organizational silos, the absence of a clear transformation structure and a persistent gap between strategic intent and operational practice. Alignment tends to exist at a strategic level but fades as it moves downward and the strong culture of specialization further limits the cross-functional coordination that transformation requires. When units optimize locally and develop distinct priorities, the collective orientation needed to act on a shared direction becomes progressively harder to sustain. A consistently shared direction and a credible why were identified as the primary drivers here. When direction is operationally present at all levels and the rationale for change is both clear and personally relatable, alignment is easier to sustain and the translation from strategy to action becomes more coherent.

*Response speed* is affected by the organization's limited outside-in orientation, inward-looking culture and an uneven sense of urgency. A strong culture of continuous improvement and specialization, combined with a long history of successfully managing earlier crises, has created a system in which the need for more fundamental change is less immediately visible. Where external competitive pressure is felt directly, urgency is stronger. Where it is not, the case for transformation remains more abstract. This makes it harder for the organization to recognize when current ways of working are no longer sufficient, which constrains the speed at which transformation is initiated in the first place. A critical observation is that none of the identified drivers directly target this dimension. Shared direction, a credible why, enabling leadership and psychological safety all speak to *decision speed* and *implementation speed* in meaningful ways, but none of them directly addresses the organization's ability to perceive and act on external signals more quickly. This is a gap in the current enabling conditions, and suggests that increasing transformation speed requires not only better internal coordination and execution, but also a more systematic approach to building external orientation as an organizational capability in its own right.

## 6.2 RQ2: How do perceptions of barriers and drivers differ between senior and middle management?

The findings reveal that senior and middle management broadly agree on what barriers and drivers are most significant. The way these are experienced in practice differs slightly depending on hierarchical position and where in the organization they operate. Senior managers and the more development oriented managers are more continuously exposed to the competitive and technological developments that make

transformation urgent, and tend to perceive the need for change as both clear and pressing. Middle managers, specifically operation oriented, are more deeply embedded in the inner workings of the organization, where attention is directed toward operational delivery and internal coordination. As a result, the sense of urgency is not evenly distributed across organizational levels. Where external pressure is directly visible, the case for transformation feels concrete and immediate. Where it is not, the same arguments for change remain more abstract. This variation in perceived urgency shapes not only motivation but also the willingness to challenge established ways of working, since the need to question existing routines feels less pressing when the signals demanding that questioning are less visible.

This level-dependent difference is further reflected in how the same barriers are experienced with different intensity across the organization. The cultural barriers around comfort zone and exploitation-oriented ways of working were raised by almost all senior management respondents as central challenges. Among middle managers, the perceived extent of this barrier varied more, which is consistent with the urgency dynamic described above. When the external environment does not feel immediately threatening, it becomes harder to understand why practices that have historically proven effective should now be questioned.

The most consequential finding to emerge from the level comparison, however, concerns the persistent gap between strategic intent and operational practice. Across multiple dimensions of the data, the same pattern appears where mandate is delegated but not exercised, direction is communicated but not operationalized, and transformation initiatives are introduced but not consistently followed through. This gap is experienced differently depending on where in the hierarchy one sits. Senior managers tend to describe the formal organizational intent, decentralized decision-making, enabling leadership, shared direction, while middle managers describe the lived reality, where that intent has not yet been fully translated into the behavioral and structural conditions needed for it to function and sustain. This is particularly critical given that middle managers are expected to perform a complex translation role between strategic intent and operational practice. However, the findings raise questions about whether the organizational preconditions for fulfilling this role are sufficiently in place. The ratings collected in the second phase of data collection illustrate this where shared direction was rated as very important by middle managers, yet its presence in practice today was rated considerably lower. For this translation to function effectively, conditions such as mandate clarity, shared direction, and a supportive transformation structure need to be in place. Without them the translation becomes dependent on individual initiative rather than organizational capability. A related reflection emerging from this concerns a perceived competence gap at the middle management level, further highlighting the disconnect between strategic intent and operational practice.

These level-dependent differences point to a broader organizational condition in which the same barriers and drivers are interpreted and enacted somewhat differently depending on one's position in the hierarchy and also where in the organization they

operate. This affects the speed of transformation. If those responsible for designing and communicating change operate from a different understanding of the current state than those responsible for implementing it, the result is a system that appears aligned at the top. However, it loses coherence, momentum, and speed as it moves toward execution.

## 6.3 Contributions, limitations and future research

This study contributes to the existing literature in several ways. A primary theoretical contribution lies in connecting a multidimensional understanding of organizational speed to the analysis of specific barriers and drivers. By mapping organizational conditions onto the distinct dimensions of *decision speed*, *implementation speed* and *response speed*, the study offers a more precise understanding of where in the transformation process different factors exert their effects. It also shows how friction in one dimension creates compounding delays in others. This connection between the speed framework and the barriers and drivers literature has received limited attention in prior research, where these domains have been treated separately. The finding that *response speed* goes unaddressed by the drivers identified in the study represents a gap that both practitioners and future researchers could productively explore.

A further contribution concerns the level-comparative perspective. By examining how the same barriers and drivers are experienced differently by senior and middle management, the study adds empirical depth to the understanding of these dynamics. It shows how urgency, mandate, and direction are perceived and enacted differently depending on hierarchical position. The competence gap identified at the middle management level is therefore not only a capability issue but a direct expression of the broader intent-to-practice gap. Organizations investing in digital transformation need to ensure that the capacity to realize those investments exists at the level where implementation actually takes place.

The study is, however, subject to limitations that should be considered when interpreting the findings. As a single-case study focused on the logistics function of one large industrial organization, the findings are context-specific and cannot be treated as statistically generalizable. The study also focuses exclusively on managerial perspectives, meaning that the experiences of frontline employees remain outside the scope of the analysis. Future research could address these limitations through longitudinal designs that track how barriers and drivers evolve as transformation progresses, comparative case studies across different organizations or industries, and studies that explicitly include frontline perspectives to examine how the intent-to-practice gap is experienced at the operational level.

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