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How organisations can increase the success and sustainability of undertaken change initiatives

A research project identifying best practices in Change Management

Master of Science Thesis

in the Management and Economics of Innovation Programme

ROBERT INGEMARSSON
LINNÉA PETERSSON

Department of Technology Management and Economics
Division of Innovation Engineering and Management
CHALMERS UNIVERSITY OF TECHNOLOGY
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ROBERT INGEMARSSON
LINNÉA PETERSSON

Tutor, Chalmers: Jan Wickenberg
Tutor, Management Consultancy: Associate
Director

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R. INGEMARSSON

L. PETERSSON

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

Cover: Picture shows a word cloud that was created using transcripts from the study's semi-structured interviews

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Abstract

The reality for today's organisations is that they are operating in a fast-moving and highly competitive business environment. A continuous development of new technologies, new market entrants and an alternating competitive landscape today implies that organisational change is now part of organisations' every-day life. This has resulted in that organisations need to be able to adjust their processes, products and behaviours along with the constantly alternating business environment to remain competitive and relevant on the market. However, even though most organisations today have realised the essentiality of continuous change, few organisations manage to successfully implement undertaken change initiatives, which leads to value erosion and failure to meet established project objectives.

This thesis was initiated due to this problem, and aims to investigate how organisations can increase success and sustainability of undertaken change initiatives by utilising Change Management concepts. This study was conducted in co-operation with a medium-sized Management Consultancy mainly operating in Australia. The first part of this thesis, which has been the main focus of this study, has been identifying best practices in Change Management. This was accomplished by conducting a two-phased empirical investigation of both semi-structured interviews with industry and Management Consultancy, and a market survey investigating industries view of Change Management. The empirical investigation of best practices in Change Management concludes that investment to develop an organisation's Change Management capability increases the likelihood of achieving successful change initiatives. This thesis further proves that having a standardised Change Management Approach within the organisation increases the success of undertaken change initiatives. However, in order to maximise success, the Change Management Approach must provide thorough detail and allow for tailoring of tools, methods and activities. Furthermore, it is concluded that in order to increase the likelihood of achieving successful change initiatives, organisations should focus on ensuring staff perceives the change as beneficial, enhancing competencies and having engaged leadership.

The second part of this thesis investigates Management Consultancy's current change delivery methods and compares these with identified best practices in Change Management from the first part in a Gap-analysis. The aim of this analysis is to highlight potential improvements which will ultimately generate final recommendations to the Management Consultancy. This part concludes that Management Consultancy is recommended to extend its current Change Management Approach to become a firm-wide approach, applicable in all types of change projects. Management Consultancy is further recommended to increase the level of documenting of when to use each tool included in the Change Management Approach, as well as increase the documentation of previously undertaken client projects to avoid large parts of their intellectual capital being tied to specific individuals. Finally, Management Consultancy is recommended to further inform staff about their Change Management Approach in order to increase utilisation of it during client projects.

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1. Introduction

This report investigates how organisations can increase the success and sustainability of undertaken change initiatives by utilising Change Management concepts. This study was conducted in collaboration with a mid-size management consulting firm mainly operating within Australia. The findings from the first part of this research will subsequently generate recommendations on how the Management Consultancy can improve their current Change Management methodologies, with the ultimate aim to deliver more sustainable value to their clients.

This introductory chapter first presents the background, which motivates the importance of the chosen topic. The purpose of the study, as well as the research questions to be answered, will also be presented. Furthermore, the introduction will include delimitations of this report, confidentiality aspects and an explanation of the disposition of the report.

1.1 Background

Today's organisations are experiencing a fast-moving and highly competitive business environment. New technologies, new market entrants and an alternating competitive landscape, results in the fact that organisational change is now part of organisation's every-day life (The Public Service Commission, 2009). Organisations need to be able to adjust their processes, products and behaviours along with the constantly alternating business environment to remain competitive and relevant on the market (Cameron & Green, 2004). This development has resulted in a dramatic truth for the majority of companies; "organisations must either change or die" (Beer & Nohria, 2000, p. 133).

Even though most organisations today consider change to be the new "normal", few organisations manage to successfully implement undertaken change initiatives, which leads to value erosion and failure to meet established project objectives¹. In fact, current research shows that 70 % of undertaken change initiatives fail (Beer & Nohria, 2000; Kee & Newcomer, 2008; Miller, 2002). One reason for this large proportion of failed change projects is that despite the fact that most organisations anticipate substantial change in the near future, few feel they have the ability to successfully manage change (IBM Corporation, 2008). Hence, there is valuable time, such as speed to market or first mover advantages, and money to be saved by focusing on effectively managing change and enabling certainty of outcome. Firms' competitiveness builds upon being able to deliver on strategic intent.

Change Management is an essential part in effectively managing a change initiative, and primarily aims to manage the people-side of change (Hiatt & Creasy, 2012). As organisational change is becoming an increasing part of organisations every-day life, business leaders are investing more resources in Change Management. In recent years, this has led to a substantial increase in Change Management popularity, much due to awareness that Change Management is at least as important as Project Management in order to achieve successful and sustainable change results (IBM Corporation, 2008). Change Management has further been proven to increase project performance and help meet established objectives (PwC, 2004).

¹ Exploratory interview with management consultant on January 28, 2013

This study has been conducted in collaboration with a medium-sized Australian management consulting firm, hereafter denoted as Management Consultancy due to confidentiality reasons. They provide services within business and operational improvement, business systems and processes, corporate advisory, organisation effectiveness, and strategy. The Management Consultancy believes that the best consulting results are those that are able to be sustained by clients. This is contributed to by clients having a great sense of ownership of the recommended changes. A significant part of the Management Consultancy's value proposition is delivering sustainable performance improvement to their clients. In line with this company goal, the authors were contacted with a request to strengthen the Management Consultancy's delivery methods. The aim was to investigate how organisations can increase the success and sustainability of undertaken change initiatives by utilising Change Management concepts, to evaluate the Management Consultancy's change management methods based on these insights, and then propose areas where these approaches may be enhanced or further developed to more effectively achieve the desired outcomes. The urgency of this project was enhanced by Management Consultancy's awareness of "incubator" practices in large consulting firms trying to address the issue of sustainability in consulting-supported business change programmes.

1.2 Purpose

The purpose of this thesis is to identify recommendations for product innovation to Management Consultancy's current change delivery methodologies, in order to maximize their ability to deliver successfully undertaken and sustainably implemented change initiatives to their clients. The first step in achieving the purpose is to discern how organisations can increase the likelihood of achieving successful change initiatives and sustainable results through utilising Change Management concepts. Thereafter, the Management Consultancy's current Change Management methodologies will be investigated and compared with the findings from the first step in a gap analysis. The aim of this analysis is to highlight potential improvements, which ultimately generate final recommendations to the Management Consultancy.

1.3 Research Questions

In order to achieve the purpose of this thesis, three research questions to be answered throughout this study have been established. The research questions are organised in a pyramid-structure according to below, with the main research question, denoted as RQ3, on top of the pyramid.

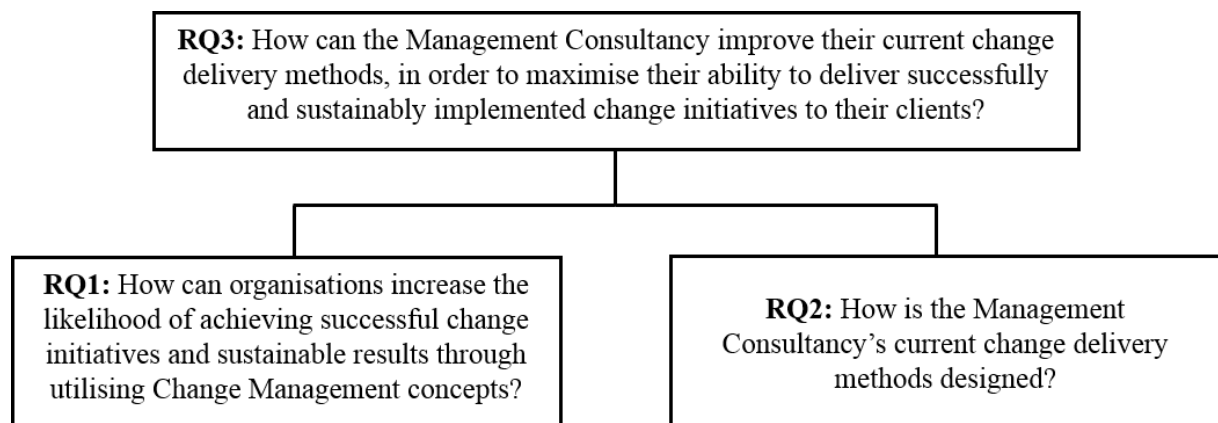


Figure 1 - Layout of research questions

Reflecting on the three research questions, it was prior to engaging in the project anticipated that the focus between the different questions would be unevenly distributed. RQ1, the first research

question, was expected to receive the most attention. This anticipation was based on the reason that it needed to be thoroughly covered in order to be able to guide the investigation of the subsequent research questions. Also, given the vital nature of Change Management to Management Consultancy, Change Management was expected to already have received much focus. The first question is hence answered more thoroughly than the second and third.

1.4 Analytical Framework

The analytical framework presented below, will form the basis of the following analysis of how the Management Consultancy can improve its current Change Management Methodologies. The analytical framework is significantly inspired by “The Basic Framework for Strategy Analysis” demonstrated in Robert M. Grant’s book “Contemporary Strategy Analysis” (2010). The framework will be utilised in order to conclude how organisations can increase success and sustainability by adopting Change Management concepts, which thereafter will be used to identify how the Management Consultancy can improve its current methods.

However, according to initial interviews with employees at Management Consultancy, literature often provides a far too simplistic view of reality. According to Management Consultancy, literature often suggest sequential change models on how to successfully implement change initiatives, but rarely take the specific initiative and the situation into consideration. Initial interviews indicated that reality is more complex than literature suggest, since every change initiative is unique and often several change initiatives occur at the same time. A reason for the literature to be inadequate can possibly relate to most being written by consultancies and published via their channels rather than via peer-reviewed articles and journals. This legacy could potentially be the reason behind the lack of reflective discussions weighing pros and cons with doing things in different ways, instead of providing just one way forward. Having one way is beneficial when writing is aimed towards practitioners as it provides the audience with unambiguous directions for action, although not living up to the standards of academia. Partly, the unambiguous nature of the publications could also potentially be derived from the legitimacy seeking of the consultancies.

Hence, it was considered necessary to conduct interviews and an online survey in order to obtain current practitioners’ view on best practices in Change Management. That is therefore the second part of the analytical framework, as presented below. The subsequent part of the analytical framework, and equivalently the first part on the internal side of the framework, will investigate the Management Consultancy’s current Change Management methodologies. The ensuing gap analysis will establish potential gaps between primarily the findings from the empirical market study, but also findings from the literature study, and the Management Consultancy’s current Change Management methods. The identified gaps will thereafter make up the recommendations on how the Management Consultancy can improve their current methods.

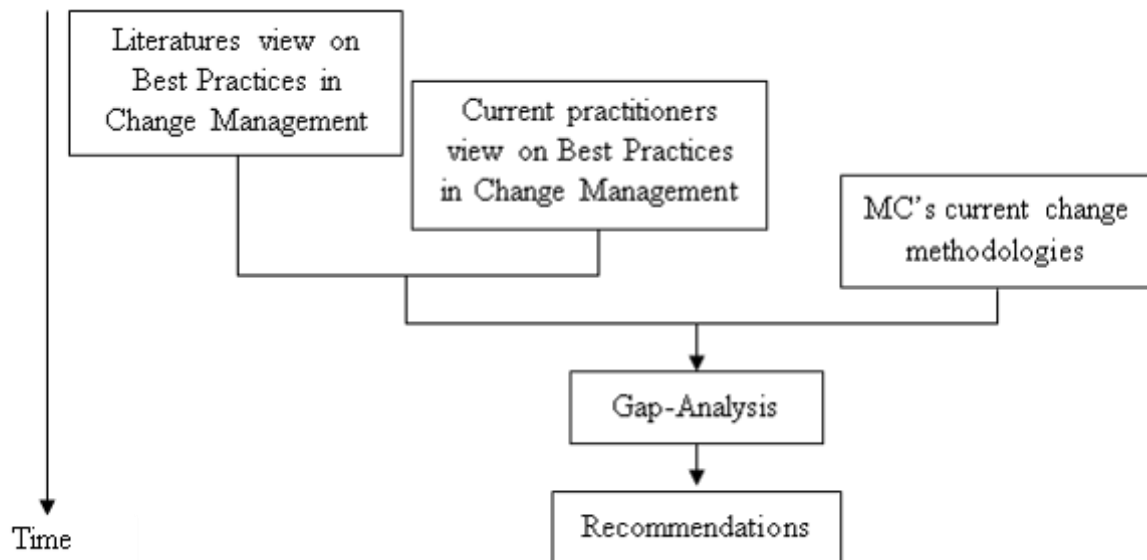


Figure 2 - The research project's analytical framework

1.5 Delimitations

This study has been conducted in Australia, and the research only includes Australian organisations. Thus, there is a risk that the findings are not applicable in all cultural contexts, and countries. Furthermore, this thesis will deliver recommendations on areas of improvement at the Management Consultancy, but it will not, however, give recommendations on strategies to put the delivered recommendations in place.

Furthermore, it is recognised that Management Consultancy and their clients are two separate legal entities. This study however, does only take firm boundary considerations and related complexities into account to a limited extent.

1.6 Confidentiality

Due to confidentiality reasons the name of the Management Consultancy, which this study was conducted in collaboration with, will not be published. Throughout this report they will be denoted as “the Management Consultancy”. Furthermore, a non-disclosure agreement with the large financial institution taking part in workshop and interviews has been signed by both parties. Finally, due to an expressed desire to remain anonymous, the organisations who have participated in this study will not be disclosed.

1.7 Disposition

The disposition of the chapters in this report is illustrated in the figure below, followed by a short description of the content in each chapter.

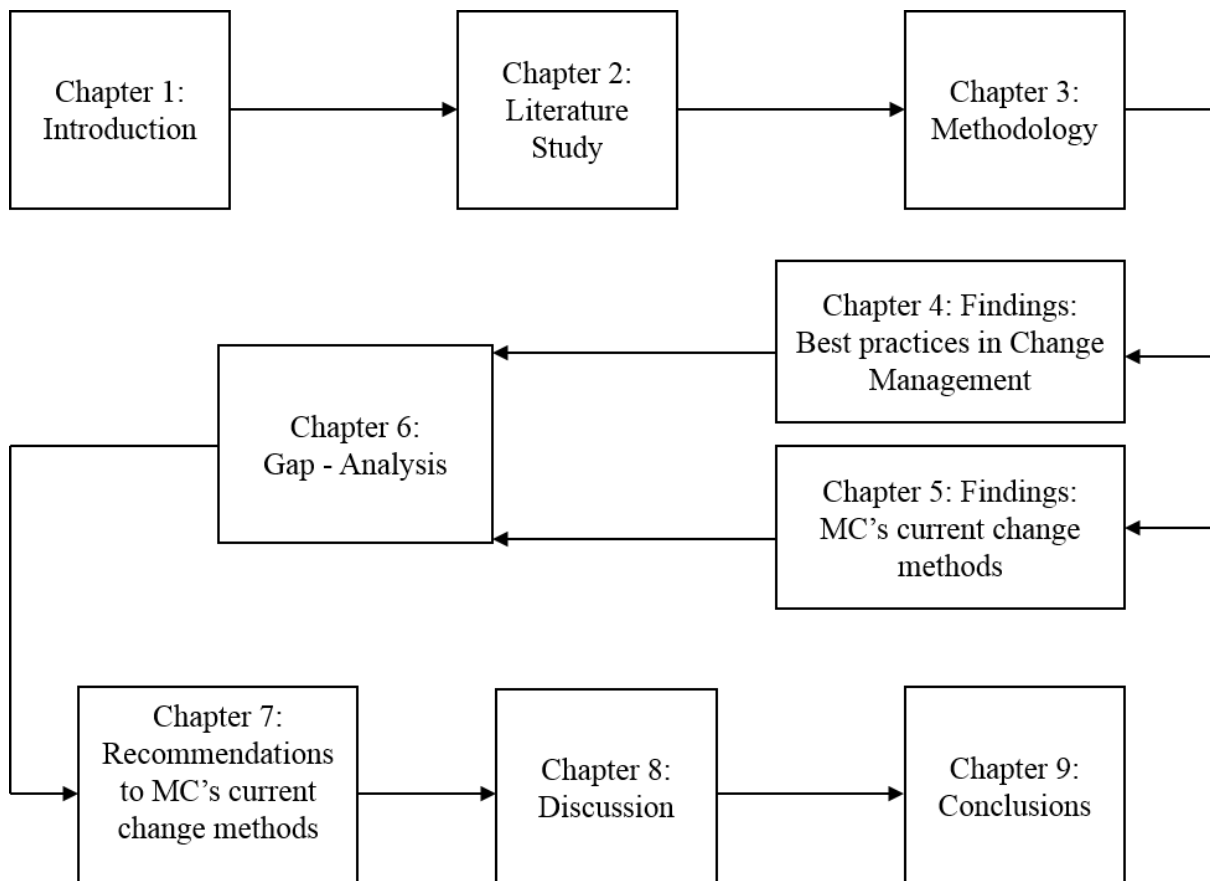


Figure 3 - Disposition of report

Chapter 1 – Introduction: This report begins with an introduction which provides a brief background to the investigated problem and an outline of the purpose of this thesis. The research questions to be answered throughout the thesis are also presented in this chapter, followed by an illustration of the analytical framework utilised during this study.

Chapter 2 – Literature Study: The literature study forms a theoretical foundation of the subsequent study and analysis. This chapter provides a general description of organisational change and the concept of Change Management. Thereafter follows an explanation of the most frequently used Change Management Approaches. This chapter also includes what literature say about how to shape a Change Management Approach to a specific change initiative. Finally it presents the most important success factors within Change Management according to literature.

Chapter 3 – Methodology: This chapter aims to present the ways in which this research project has been undertaken. The chapter begins with introducing the research strategy and research design as well as the research process traversed. Thereafter it elaborates on the research methods having been made use of and how the data have been collected and analysed.

Chapter 4 – Findings: Best Practices in Change Management: This chapter will present the empirical findings from the semi-structured interviews and the online survey. The chapter begins with a brief description of the context of the semi-structured interviews and the online survey. The following section will focus on investigating how mature organisations are in the field of Change Management. This chapter will also investigate how organisations shape their Change Management Approach according to the context of a specific change initiative. The final part of this chapter will present what factors increase the success and sustainability of change.

Chapter 5 – Findings: Management Consultancy’s current change methods: This chapter will present the empirical findings on Management Consultancy’s current change delivery methods. The chapter begins with a brief description of Management Consultancy’s current change methods. Thereafter their methods are described in further detail according to three topics which are all related the best practices in Change Management.

Chapter 6 – Gap-analysis: This chapter provides a gap-analysis between Management Consultancy’s current change delivery methods and findings on best practices in Change Management. The gap-analysis is based on a number of assessment criteria related to two main areas of evaluation; level of Change Management maturity and success of change initiatives. The first part of this chapter presents a thorough description of the areas of evaluation which the analysis is based upon. The following part will highlight correlations, and most importantly gaps between Management Consultancy’s current level of Change Management Maturity and best practices in Change Management. The final part will be an equivalent assessment of the second area of evaluation, success of undertaken change initiatives.

Chapter 7 – Recommendations to Management Consultancy’s current change delivery methods: This chapter will present the final recommendations given to Management Consultancy. The recommendations are based on the identified gaps between their current change delivery methods and best practices in Change Management, identified previously in the Gap-analysis. The recommendations provided are less of a detailed nature, but rather highlights overarching areas of potential improvements.

Chapter 8 – Discussion: This chapter aims to discuss how the results of the research may have been affected by the design of this study. It will further discuss if other choices than the ones made throughout the research process, could have given other results. Finally, interesting aspects of the topic of this thesis will be discussed.

Chapter 9 – Conclusions: In this final chapter of the thesis, all the insights will be summarised and the three research questions will be answered.

2. Literature study

This literature study aims to form the theoretical foundation of the subsequent empirical study and analysis, which will provide the answer of the research questions of this Master's Thesis Project. The outcome of the literature study will thereafter be combined with the empirical findings in order to provide insights on how Change Management can be utilized to increase success and sustainability of change initiatives. The first section in this literature study, Organisational Change, aims to provide a solid knowledge of the term, which is necessary in the continued study. The second section defines the term Change Management and also presents a number of Change Management Approaches, which will be frequently addressed throughout this research. The following section provides insight on what factors to consider when shaping a Change Management Approach, which will be investigated in more detail in the empirical study. Finally, key factors for success and sustainability of change initiatives are presented. These factors will be combined with findings from the empirical study, in order to identify what factors have the largest impact on the success and sustainability of change.

2.1 Organisational Change

Today's organisations are experiencing a fast-moving and highly competitive business environment where Organisational Change is apparent in their every-day life. For some organisations Organisational Change is a thrilling opportunity to improve their current way of doing business. However, for many organisations change is a time of uncertainty and resistance. Despite these mixed feelings regarding Organisational Change, today's organisations need to realise the importance of continuous change in order to remain relevant on the market (The Public Service Commission, 2009). As Beer & Nohria (2000, p. 133) expresses it "organisations must either change or die."

Much literature has made the attempt to define the term Organisational Change, and in many definitions time is a central concept (Van de Ven & Poole, 2005). Change is something that occurs over time, and implies that a comparison between (at least) two states on (at least) two occasions can be made (Jacobsen, 2005). In order to fully understand a change initiative, it is important to understand how the change initiative develops over time and the effect time has on the initiative itself (Van de Ven & Poole, 2005).

Organisational Change can occur for many different reasons. Change can derive from external sources, such as economic crises, political pressures and threats from a new competitor. Organisational Change can also originate from internal sources, as for example an identified new market potential, alternating client needs or a performance issue within the organisation. In addition to different origins, change initiatives can have different natures. It can be a large or a small scale change initiative, with impacts ranging from one business unit to the entire organisation (The Public Service Commission, 2009). The outcome of the change can differ significantly between various change initiatives. The intended outcome of a change initiative can be to improve financial performances or quality of products/services, reduce risk or a restructuring of the organisation, just to mention a few (Raineri, 2009). One change initiative rarely has the same nature and intended outcome as a previously undertaken one. However, all Organisational Changes involves a transformation from one state to another new state by adopting new processes, practices and behaviours (The Public Service Commission, 2009).

2.1.1 Change is the new normal

Early Change Management theory suggests that change is the action which moves an organisation from one stable state to another. An acclaimed example is Kurt Lewin's change model, published in 1951, which involves three simple steps; unfreeze, move and re-freeze. Lewin advocates that in order for a change to occur the first step is to unfreeze the current situation, thereafter implement the change, and finally re-freeze the newly created state (Levasseur, 2005). However, this model implies that organisations strive to be in equilibrium, which is considered to be the "normal" state for an organisation (Burnes, 2004). Modern Change Management theory is moving past this outlook on organisational change and instead views change to be a continuous process. In today's complex and rapidly changing society, where technological development is growing in an increasing rate, organisations need to be able to continuously adjust their processes, products, and behaviours to survive (Cameron & Green, 2004). This development has resulted in organisational change being considered the new "normal" (Alvesson & Svenningsson, 2008).

2.1.2 The Change Gap

Even though organisational change is now part of all organisations every-day business, few organisations master the ability to successfully undertake change which leads to value erosion and failure to meet project objectives (IBM Corporation, 2008). Today's reality is that about 70% of all undertaken change initiatives fail (Beer & Nohria, 2000; Kee & Newcomer, 2008; Miller, 2002), regardless of the nature of the change or the established objectives. This brutal fact proves that successful change is difficult to accomplish, and that many organisations need help to manage change effectively (Beer & Nohria, 2000). In addition to this, IBM Corporation (2008) conducted research concluding that the vast majority of organisations anticipated substantial, or very substantial, change in the near-time future, but rated their ability to successfully manage change significantly lower. This finding represents the "change gap", which has nearly tripled since 2006, mainly due to the fact that change today is more uncertain, more complex and occurring at an accelerated pace compared to earlier (Buckingham & Seng, 2009). An inability to close this change gap leads to failure to meet objectives, to stay on budget and to stay on schedule. Hence, there is valuable money and time to be saved by focusing on effectively managing change. (IBM Corporation, 2008)

2.2 Change Management

Change Management is an essential part in effectively managing a change initiative. The definition of the term Change Management according to Prosci, a consulting firm specialising in Change Management research, is "The application of a structured process and tools to enable individuals or groups to transition from a current state to a future state, such that a desired outcome is achieved" (Prosci, n.d.a).

One of the greatest challenges when it comes to undertaking change is managing the soft factors of a change initiative, such as achieving acceptance of the change and shifting mindsets and corporate culture (Hans, Owen & Neus, 2009). Change Management, unlike Project Management, emphasises managing the "people-side" of change, partly through increasing employee engagement and eliminating resistance to change (Prosci, n.d.a). Today Change Management is increasingly being adopted by organisations, largely due to awareness that effectively managing the soft factors of a change initiative is both difficult and, at least, as important as other aspects of the change in order to achieve successful results (IBM Corporation, 2008).

2.2.1 Why Change Management is important

To adopt Change Management when undertaking change initiatives has a strong positive correlation with increasing performance of the initiative (PwC, 2004). One reason is that the success of a change initiative depends as much, if not more, on how the initiative is being undertaken as on the change initiative itself (LaClair & Rao, 2002). An underlying prerequisite to this statement is that people's perception of the change initiative can be impacted by how the change is being presented to them. If the people who are performing the change are not fully aware of the reason behind the change and its potential benefits, they can create resistance towards the change making it difficult to successfully implement the initiative. However, if the change is presented in a way which ensures that the people involved feel as if they are a part of the change, it significantly increases the likelihood of a successful change initiative (The Public Service Commission, 2009). Another reason to why Change Management drives performance is that it helps to decrease the productivity gap following from new job roles and responsibilities. Furthermore, Change Management helps reduce the risk of employee turnover as a result from uncertainty and stress due to the change (PWC, 2004).

Change Management further helps organisations to meet their established objectives. Research proves that organisations who lead their people through change with effective Change Management have a significantly higher likelihood of achieving their objectives than organisations who do not take Change Management into consideration. A similar strong positive correlation between incorporating Change Management and staying on budget, and on schedule, could be identified (Prosci, n.d.a).

Furthermore, Change Management can have financial benefits for organisations. A study of 40 organisations performed by McKinsey concluded that the organisations presenting the lowest financial returns corresponded to the organisations that incorporated the least amount of Change Management in their change programmes. The same study further proved that when effective Change Management was utilized an ROI of 143% of the expected value of Change Management could be identified. (LaClair & Rao, 2002)

2.2.2 Change Management Approaches

One way to incorporate Change Management concepts when undertaking a change initiative is to adopt a Change Management Approach as a part of the change programme. A Change Management Approach provides a definition of the activities, roles, processes and tools necessary to successfully achieve the objectives of the change initiative. Change Management Approaches most often suggests a preferred sequence, in which the activities should be performed (Prosci, n.d.a).

In previous years, organisations have emphasised the importance of detailed Project Management, and generally used a more improvised solution for Change Management. The result has been that the Change Management approaches have had more of an ad-hoc nature. However, the increasing volume of change, and its level of complexity, that characterizes organisations everyday has generated an accelerating need for increasingly formal, and structured Change Management Approaches as an integral part of managing a change initiative (IBM Corporation, 2008). As the IBM Corporation (2008) study *Making Change Work* expresses this phenomena; "Change Management is transforming gradually from an art to a profession" (p. 24). Prosci has found a similar trend in their Change Management research. The percentages of organisations that have a

formal Change Management Approach within their organisation have nearly doubled between 2003 and 2009, from just over 30% to 60% of the responding organisations.

Current research further concludes that having a formal Change Management Approach increases the success of undertaken change initiatives. In particular, organisations that follows a specific and highly detailed Change Management Approach generates higher success rates than organisations that improvise and develop an ad-hoc Change Management Approach to each individual change initiative. In fact, the first mentioned group of organisations had a 52% success rate of undertaken change initiatives, in comparison with the latter group that reported a 36% success rate. In addition, organisations that improvise for each change initiative, and do not have a formal Change Management Approach all presented success rates below average (IBM Corporation, 2008).

There exist a vast amount of different Change Management Approaches, all with differing level of detail, formality and governance. Prosci's Change Management benchmarking research from 2009 including 575 participating organisations identified 64 different Change Management Approaches. Despite the large number of varying methodologies used for Change Management, 80% of the respondents cited the same five Change Management Approaches. These were; ADKAR, Kotter, La Marsh, Internally developed and consultant provided approach, which will all be further described in the following section (Creasey & Hiatt, 2009). McKinsey's 7s and the Booz Allen Hamilton Change Model are two additional frequently used Change Management methodologies (The Public Service Commission, 2009).

There are a number of different reasons for why organisations choose a specific Change Management Approach when they undertake change initiatives. The most common deciding factor is that the Change Management Approach has to be easy to use, meaning simple to understand and easy to communicate to employees. The second most considered factor is previous experience with the chosen Change Management Approach. Other factors that organisations typically value when evaluating the choice of Change Management Approach is whether it has proven to be effective and if it is flexible and allows for them to shape it according to a specific change initiative (Creasey & Hiatt, 2009).

In the following sections a number of existing methodologies within literature will be further described. This theoretical depiction will constitute part of the foundation of the empirical findings and analysis.

2.2.2.1 N-step Models

The most elementary Change Management Approaches are called N-step Models. These models consist of a number of sequences which most often follow a linear process. The rationale behind these Change Management Approaches is that a change initiative can be undertaken in the following order; diagnosis and analysis, planning, implementation and evaluation (Alvesson & Svenningsson, 2008).

In the following section the most commonly employed sequential Change Management Approaches, as identified by Creasey & Hiatt (2009), will be described. Thereafter, these models will be contrasted to cyclical Change Management Approaches and a comparison matrix will be conducted in order to identify similarities and differences.

2.2.2.1.1 Kotter's Eight Steps

One of the most renowned, and frequently cited, Change Management Approaches is Kotter's Eight Steps. Kotter's Change Model consists of eight steps to be followed in a predetermined sequence apparent in the model (Appelbaum, Habashy, Malo, & Shafiq, 2012). Kotter emphasises the importance of finish all steps in the intended order, since eliminating one seldom generates successful results (Kotter, 2007).

The first step in Kotter's (2007) Change Model is *Create a Sense of Urgency*. Kotter believes that an essential part in successfully implementing a change initiative is achieving a broad sense of need to change across all levels in the organisation. This action is, by some, denoted as the "heart-attack", due to its dramatic message, aiming to create a feeling of "if we don't change our ways, and soon, we may die" (Covington, 2001). The message is often founded in a new competitive market situation, a threat of an emerging new technology, or poor financial performance. According to Kotter, the main risk of failure is underestimating employees' resistance to step out of their comfort zone (Kotter, 2007).

The second step is denoted as *Form a Powerful Guiding Coalition*. Kotter emphasises the importance of not overestimating one person's capability to lead a change initiative. According to Kotter, a guiding coalition has significantly higher possibilities to successfully lead the change initiative, compared to a single change leader. In order to create a successful guiding coalition it is essential that the group has enough power to reduce the risk of people resisting the change, proven effective leadership skills, and that the coalition shares the same vision of the future state. Kotter means that their expertise creates the credibility needed to bring the majority of the organisation on board the change. (Appelbaum, Habashy, Malo & Shafiq, 2012)

The subsequent step is *Create a Vision*. This step emphasises the importance of bringing clarity to the change initiative, and establishing what the future successful state looks like. Successfully achieving this step facilitates organisational awareness of the change initiative. Without a clear vision, the risk for confusion is significant and that the change initiative takes the wrong direction (Appelbaum, Habashy, Malo & Shafiq, 2012). According to Kotter, the requirement for successfully completing this step is to develop a vision that is not too complicated and can be communicated within five minutes (Kotter, 2007).

The fourth step in Kotter's Change Model is *Communicate the Vision*. Kotter means that effective communication reduces uncertainty and resistance towards the change initiative. Successful communication of a change project can furthermore make the employees response increasingly positive towards the change (Appelbaum, Habashy, Malo & Shafiq, 2012). In order to successfully complete this step it is essential to utilize all existing means of communication within the organisation. Kotter further emphasises how essential it is that the change leaders behave in line with the established vision (Kotter, 2007).

The subsequent step is *Empowering Others to Act on the Vision*. In his article, Kotter (2007) argues that communication is never enough on its own; it has to be enforced by empowering employees to achieve the vision of the change. Employees need to be encouraged to try new ideas and to provide leadership for the change (Appelbaum, Habashy, Malo & Shafiq, 2012). This step further includes eliminating obstacles in the way of reaching the change vision. These obstacles could be inefficient organisational structure, systems or other employees resisting the change initiative (Kotter, 2007).

Kotter's (2007) Change Model denotes the sixth step *Planning for and Creating Short-Term Wins*. Change initiatives are most often long processes requiring continuous time and efforts to be successfully implemented. There is a significant risk of people not following through the entire change project if they do not see progress and positive results. According to Kotter (2007), one critical factor to avoid this situation is to create short-term wins, which provides the employees with a sense of satisfaction and that their strong efforts have not been in vain. In order to successfully complete this step, it is essential that the change leaders plan for visible performance improvements, and that the employees involved are recognized for their efforts (Kotter, 2007).

However, Kotter (2007) implies that leaders and employees should not be tempted to declare victory after seeing the first signs of project success. The seventh step in Kotter's (2007) Change Model emphasises the importance of *Consolidating Improvements and Producing Still More Change*. The aim of this step is to utilize the increasingly positive reception towards the change acquired in the previous step, in order to tackle other issues that are not in accordance with the objectives of the change initiative (Appelbaum, Habashy, Malo & Shafiq, 2012). Kotter suggests that the best way to accomplish this step is to give employees with the ability to implement the change more responsibilities, and to further enhance the initiative with new projects and change leaders (Kotter, 2007).

The eighth and last step in Kotter's (2007) Change Model is called *Institutionalizing New Approaches*. In the final step of the Change Model, Kotter (2007) emphasises the importance of making the change initiative last. According to Kotter (2007), a change initiative will not be sustainable unless it becomes "the way to do things around here" (p. 8). In order to accomplish this, the change has to be anchored in the organisation's social norms and values. The first factor Kotter (2007) emphasises is the importance of demonstrating to the employees how the change initiative has contributed to organisational improvements. The second factor addresses the need to ensure that new managers embody the benefits in order to not revert to the old way of doing things (Appelbaum, Habashy, Malo & Shafiq, 2012).

The figure below provides a summary of Kotter's (2007) Change Model, including each step described in the text above.

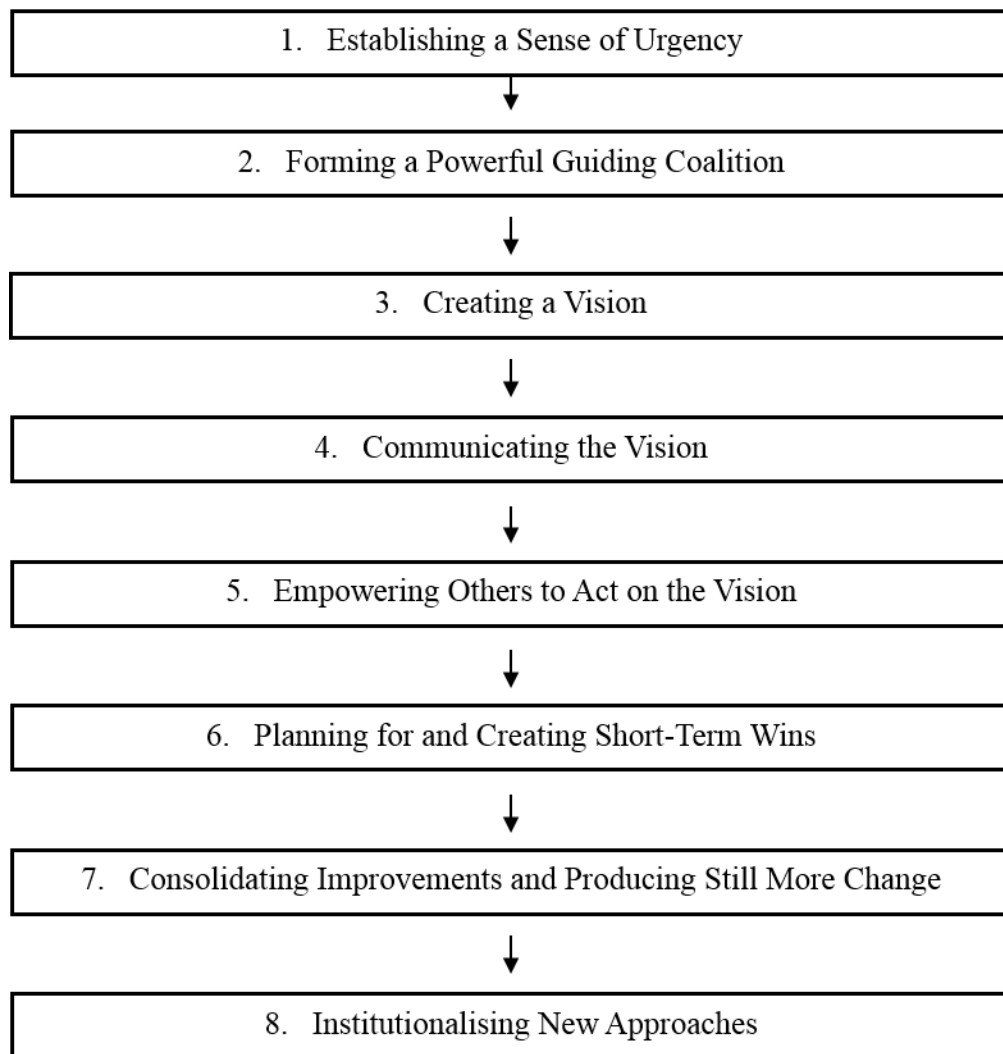


Figure 4 - Summary of Kotter's (2007, p. 4) Change Model

2.2.2.1.2 ADKAR

The ADKAR Change Management Approach was developed by Prosci, a firm researching within the field of Change Management (Prosci, n.d.b). The Approach is based upon five key elements, or goals, you need to achieve in order to successfully implement a change initiative. These are awareness, desire, knowledge, ability and reinforcement. ADKAR is one of the most cited Change Management Approaches existing today, much due to its easily manageable and action-oriented nature (Creasey & Hiatt, 2009). Following below is a brief explanation of the key steps in achieving each individual goal.

The first goal in the ADKAR Change Model is *Awareness of the need to change*. This step emphasises the importance of making the employees understand why the change is initiated and why it is unsustainable to precede with the current way of doing things. It is further essential to focus on communicating the employees' individual benefits in order to eliminate resistance towards the change initiative (Educational Business Articles, n.d.).

The D in ADKAR represents Desire to support and take part in the change. The ADKAR Change Model clarifies that awareness of the need for change is not enough to successfully implement a change initiative, it is equally crucial that the employees want the change. ADKAR highlights effective leadership as on factor essential for bringing people on-board the change and achieving a successful change initiative (Educational Business Articles, n.d.). Other factors influencing the

success of a change initiative is the organisational environment and the impact the change has on each individual employee (Creasey & Hiatt, 2009).

The following step in the ADKAR Change Model is Knowledge of how to change. In addition to employees feeling desire to support the change it is essential that they know how to, which according to ADKAR is generated by training, education and an understanding of new roles and responsibilities (Educational Business Articles, n.d.).

The subsequent step is denoted as Ability to implement required skills and behaviours. This stage in the Change Model involves eliminating employees' psychological blocks and enhancing their intellectual skills by providing access to guidance and mentoring during the implementation (Educational Business Articles, n.d.).

The final step in the ADKAR Change Model is Reinforcement to sustain the change. This step emphasises the importance of keeping the momentum of the change going by celebrating and rewarding contributions to the benefits achieved through the change initiative. One key factor influencing the success of this final step is demonstrating how the change initiative has contributed to organisational progress and how it has benefited the individual employee. According to the ADKAR Change Model this will increase employees' willingness to keep sustaining the change initiative (Creasey & Hiatt, 2009).

Below is a summary of the ADKAR Change Model, including all the steps described in this section.

A = Awareness of the need to change

D = Desire to support and participate in the change

K = Knowledge of how to change

A = Ability to implement required skills and behaviour

R = Reinforcement to sustain the change

Figure 5 - The ADKAR Change Model (Creasey & Hiatt, 2009)

2.2.2.1.3 Managed Change by LaMarsh

LaMarsh is a consulting firm specialising in Change Management and are the developers of the Change Management Approach Managed Change (LaMarsh, 2005). According to Prosci's research on Best Practises in Change Management, Managed Change is one of the top five most cited Change Management Approaches among the 575 participating organisations (Creasey & Hiatt, 2009). Managed Change provides overarching guidance for change leaders and project teams to follow when undertaking a change initiative. Managed Change consists of five main critical elements to focus on when undertaking a change initiative. Each individual element includes a number of different factors essential for a successful completion of each main part of the Change Model (A key to success, managed change(TM) (presentation), 2009).

Identify the Change

The first key element is denoted as Identify the Change, which emphasises the fact that each change initiative consists of three different states; the future, the present and the delta. The Managed

Change Model implies that each of these states have unique characteristics, which are required that the Change Agent understands and use in order to achieve a successfully implemented change initiative. This Change Management Approach starts from the end and focuses on the future state of the organisation. It highlights the importance of setting a vision for the future state, a framework for the future, in order for employees to buy-in to the change initiative. The vision should define what the organisation's processes, structure, people and culture will look like in the future state post-implementation of the change initiative. However, it also discusses the risk of a too detailed definition of the future state, which according to LaMarsh would be limiting and eliminate future opportunities (LaMarsh, 1995).

After developing a vision of the future state, LaMarsh's (1995) Managed Change model suggests the Change Agent goes back to the beginning to investigate the present state of the organisation. Before initiating a change initiative it is advocated that current processes, structures and organisational culture are identified, in order to provide an understanding of what needs to change and what should remain the same. Besides mapping the current state of the organisation, this step of the Change Model highlights the importance of understanding why it became that way. In order to successfully complete this step of the change model, it is further essential that the Change Agents communicates the reason for why the change initiative is required and why the current state is no longer viable (LaMarsh, 1995).

The final state, of the three states of a change initiative that comprises the first part of Managed Change; Identify the change, is the Delta state. The Delta state is defined as the state where the movement from the present state to the future state takes place; it is where change occurs. Chaos and uncertainty characterises the Delta state, which is largely generated by the unstable definition of the future state and the fact that it is constantly redefined. In order to minimize the chaos during the Delta state, LaMarsh (1995) emphasises the importance of allowing for a degree of flexibility for the employees to test new ideas and alternate the future goals. However, the flexibility needs to be balanced out by a clear vision defining the boundaries which the employees can operate within (LaMarsh, 1995).

Prepare the Change

The second key element in LaMarsh's (1995) Managed Change is *Prepare the Change*, which primary focus is on the people side of change. LaMarsh divides the people who are part of change initiatives into three different groups; Change Sponsors, Change Agents and Change Targets. An essential factor in successfully achieving the second step in Managed Change is that all three groups are aware of their individual responsibilities and have the skills to perform them. The second step further explains how the responsibilities of the three different groups are affected by the organisational culture, the change history and resistance towards the change initiative (LaMarsh, 1995).

LaMarsh (1995) defines Change Sponsors as primary initiators and owners of the change initiative. According to LaMarsh (1995), Change Sponsors main areas of responsibility are setting a clear vision of the future state and allocating sufficient and appropriate resources to successfully implement the change initiative. Effective sponsorship involves the following three key responsibilities; understand the change, manage the change resources, and deal with people (LaMarsh, 1995). Change Agents are defined as "the people who plan and support the change" (LaMarsh, 1995, p. 91). Change Agents main areas of responsibility are helping targets transition

from the current state to the future state, and minimize resistance. Change Targets, are the people taking part of the change initiative (LaMarsh, 1995).

Plan the Change

The third key element in LaMarsh's change model Managed Change is *Plan the Change*. This element focuses on how the change processes can be facilitated in practice, and suggests three tools; a communication system, a learning system, and a reward and reinforcement system. The communication system is essential to achieve a full awareness among the employees of why the change is required and how the future state will look like, which are critical factors in obtaining a successful change initiative. However, according to LaMarsh (1995) awareness is not enough; the Change Targets also need to have the knowledge, skills and tools to manage their new job roles and responsibilities. This is what the learning system is intended for. Despite being aware of the need to change and having the skills to succeed in the future state, employees might still not feel the urge to take part in the change process. The aim of the reward system is to manage this situation by placing the rewards in the future state, in order to make the current state seem less attractive (LaMarsh, 1995).

Implement the Change

The following key element in the LaMarsh's change model is *Implement the Change*, which is where all the previous steps and actions are put together in an implementation plan. LaMarsh emphasises the importance of a structured plan, which decreases the risk of failing to successfully implement some parts of the change initiative. The implementation plan should include the following parts, explained in further detail above; a vision of the future state, an assessment of the current state and a plan for how to manage the uncertainty characterising the delta state (Changing the Way We Change – Gaining control of Major operational change, LaMarsh).

Sustain the Change

The final key element in LaMarsh's (1995) change model is *Sustain the Change*. This final step of Managed Change focuses on eliminating the risk of falling back into the old way of doing things. LaMarsh (1995) suggest introducing a monitoring system, which continuously measures the progress and ensures that the organisation is still adopting the implemented changes.

Below is a summary of LaMarsh's (1995) change model Managed Change, including the five key elements of the model.

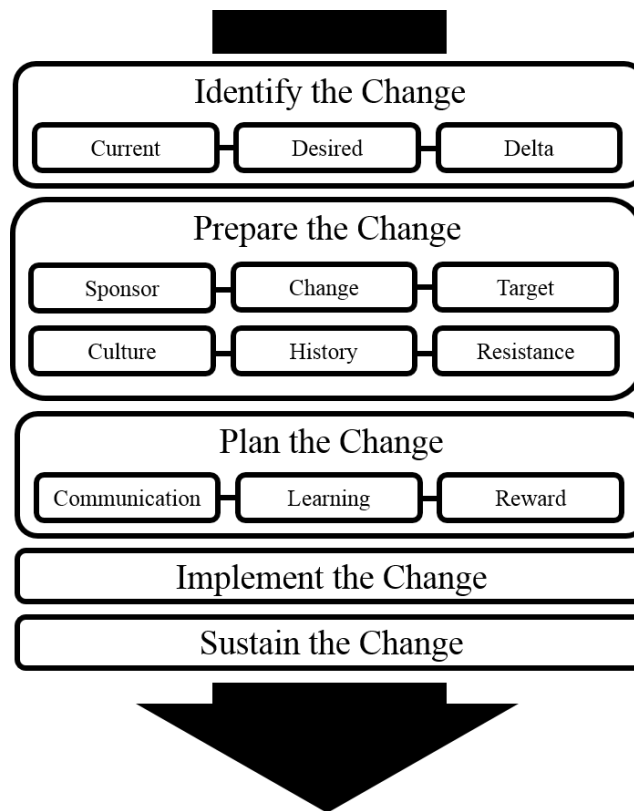


Figure 6 - Authors' depiction of LaMarsh's (1995) Managed Change model

2.2.2.1.4 Criticism of the N-Step Models

N-step models have received major criticism throughout the past years. The criticism primarily implies that N-step models are a simplification of reality since the Change Management Models often seem to underestimate the complexity of change initiatives. As described in the section above, N-step models assume that a change initiative can be successfully implemented by following a few key steps in a specified order. However, critics mean that these key steps are often too overarching, and do not provide sufficient detail on what activities or methods to use in a specific situation, which does not reflect the complex reality most organisations face today. Other criticism regards the fact that most N-step Models are developed to fit all organisations and all change initiatives, since this decreases the effectiveness of the Change Model given that every organisation and change initiative is unique. (Alvesson & Sveningsson, 2008) Moreover, these Change Models often receives criticism due to the fact that they are not grounded well enough within research and that the conclusions often lack empirical evidence (Appelbaum, Habashy, Malo & Shafiq, 2012).

Despite these models simplicity they do fill a purpose, which is proven by their popularity among organisations undertaking change. Above all, they represent a source of inspiration to practitioners within the field of Change Management.

2.2.2.2 Iterative Change Management Approaches

Following the criticism of the linear Change Management Approaches a number of iterative Change Models have emerged, which emphasises the importance of a circular procedure when undertaking change.

Below is a description of the Booz Allen Hamilton's Change Management Model (Aguirre, Finn & Harshak, 2007), which has adopted the iterative approach to change. Thereafter, a comparison

matrix of all the mentioned Change Management Approaches will be conducted in order to identify similarities and differences between the approaches.

2.2.2.2.1 Booz Allen Hamilton's Change Management Model

Booz Allen Hamilton's Change Management Model consists of eight main steps, which will make an organisation ready, willing and engaged to change. As mentioned above it is an iterative approach to managing change, which emphasises the importance of repeating and applying each of the eight steps over and over again, while the change initiative progresses (Aguirre, Finn & Harshak, 2007). Below follows a more detail description of each of the eight levers comprising the change model.

Defining the Change

The first step in Booz Allen Hamilton's Change Management Model is *Defining the Change*. The goal of this step is to define the purpose of the change initiative and set the objectives to be achieved throughout the change process, both on an organisational and an individual level. It is further recommended to conduct an assessment of the impact the change initiative will have on each individual affected by the change, and the organisation as a whole. According to the Booz Allen Hamilton's Change Management Model, such an assessment minimizes resistance towards the change, since employees understand how the change initiative will affect them in their every-day role (Aguirre, Finn & Harshak, 2007).

Creating a Shared Need

The second step in Booz Allen Hamilton's Change Management Approach is denoted as *Creating a Shared Need*. This is one of the most important steps in the Change Management Model, since it creates the foundation to build the continued change programme on. According to Booz Allen Hamilton, achieving a common understanding of the change objectives, and why the current way of doing things is no longer optimal, are critical factors in creating a shared need for change. It is further important to connect the rationales of the change initiatives to the overall purpose of the organisation. Booz Allen Hamilton's Change Management Model also emphasises the importance of demonstrating, in comparison to simply communicating, the need to change and how it will impact the organisation and each individual (Aguirre, Finn & Harshak, 2007).

Developing a Shared Vision

The subsequent step in Booz Allen Hamilton's Change Management Model is *Developing a Shared Vision*. This step implies developing a clear vision of the future state, which connects key actions to be taken throughout the change programme to established objectives. It is further important that this shared vision is developed in line with the established organisational values (Aguirre, Finn & Harshak, 2007).

Leading the Change

The fourth lever to successful change according to Booz Allen Hamilton's Change Management Model is *Leading the Change*. As the change process moves away from the planning phase and into the design phase, Booz Allen Hamilton emphasises the importance of excellent leadership in order to successfully execute and sustain benefits from the change initiative. The change leader must be credible within the organisation and demonstrate active, continuous engagement in the change initiative. The importance of senior executive engagement in the process of successfully implement a change initiative should not be disregarded. This fourth step in the change management model

emphasises the significance of making top executives understand the importance of Change Management, and training them in different Change Management Concepts and tools for them to utilize when leading the change process (Aguirre, Finn & Harshak, 2007).

Engaging and Mobilising Stakeholders

The fifth lever in Booz Allen Hamilton's Change Management Model is denoted as *Engaging and Mobilising Stakeholders*. The main focus of this lever is to identify a wide range of different stakeholders impacted by the change initiative, in order to engage the entire organisation and ensure maximum buy-in to the change. Booz Allen Hamilton defines stakeholders as groups or individuals who can affect the outcome of the change initiative, both positively and negatively, such as leaders on all levels within the organisation, shareholders or unions. According to Booz Allen Hamilton's change model the first step in engaging and involving key stakeholders is to communicate the benefits and the urgency of the change initiative. However, it is essential that the message is conveyed with a number of different means of communication. Booz Allen Hamilton further recommends the usage of stakeholder mapping, which purpose is to identify all stakeholders and minimize the risk of neglecting a group (Aguirre, Finn & Harshak, 2007).

Creating Accountability

The fifth step in the Change Management Model developed by Booz Allen Hamilton is called *Creating Accountability*. This step involves creating systems for monitoring and measuring the progress of the change process, and ensuring accountability for results. According to Booz Allen Hamilton, these are critical factors in achieving successful results. The first step in creating accountability is to establish clear expectations of the work effort required from the people involved in the change process. Secondly, Booz Allen Hamilton recommends establishing a reward system for individuals and teams who have positively contributed to the progress. (Aguirre, Finn & Harshak, 2007)

Aligning Systems and Structures

The seventh lever in Booz Allen Hamilton's Change Management Model is *Aligning Systems and Structures*. According to Booz, this lever is of high importance since aligned systems and structures are crucial for changes to become embedded within organisations. As the name might reveal, this step involves making sure that all systems, processes, and structures are in line with the objectives of the change initiative. There is a risk that misalignment could potentially reduce the benefits from the change, and result in a reversion to the old way of doing things (Aguirre, Finn & Harshak, 2007).

Sustaining the Change

The eight, and final step in Booz Allen Hamilton's Change Management Model is *Sustaining the Change*. One of the most common reasons for failing to implement sustainable and lasting change programmes is declaring victory as soon as the first sign of improvement appears. Often this implies that leaders do not achieve all objectives initially established. According to Booz Allen Hamilton it is essential to acknowledge lessons learned throughout the change processes and continuously improve the way of doing things, in order to sustain change and ensure results endure. Another reason for why change initiatives often fail to be sustainable is because as soon as the change initiative has been implemented the communication ends. In order to avoid reverting into old pattern, Booz recommends ongoing communication to continue motivating employees to conform to the new state (Aguirre, Finn & Harshak, 2007).

Below is a summary of Booz Allen Hamilton's Change Management Model. The figure shows the iterative aspect of the change model by illustrating the steps in a circle.

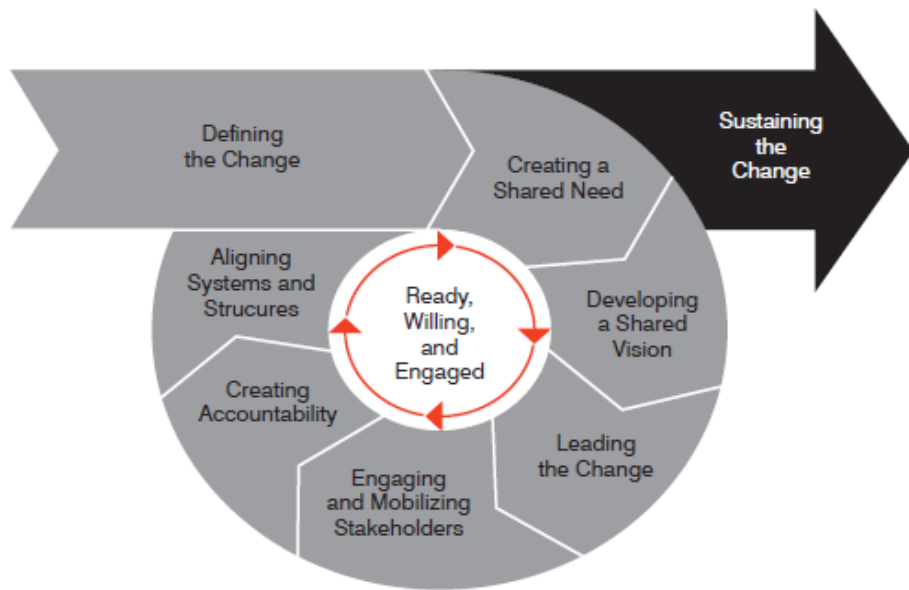


Figure 7 - Summary of Booz Allen Hamilton's Change Management Model (Aguirre, Finn, & Harshak, 2007, p. 3)

2.2.2.3 Comparison Matrix

This section aims to summarize the studied Change Management Approaches and highlight both similarities and dissimilarities. Below follows a matrix showing the studied approaches.

| Step | Kotter's Eight Steps | ADKAR | Managed Change by LaMarsh | Booz Allen Hamilton's Change Management Model |
|------|--|--|---------------------------|---|
| 1 | Establishing a Sense of Urgency | Awareness of the Need to Change | Identify the Change | Defining the Change |
| 2 | Forming a Powerful Guiding Coalition | Desire to Support and Participate in the Change | Prepare the Change | Creating a Shared Need |
| 3 | Creating a Vision | Knowledge of How to Change | Plan the change | Developing a Shared Vision |
| 4 | Communicating the Vision | Ability to Implement Required Skills and Behaviour | Implement the Change | Leading the Change |
| 5 | Empowering Others to Act on the Vision | Reinforce to Sustain the Change | Sustain the Change | Engaging and Mobilising Stakeholders |
| 6 | Planning for and Creating Short-Term wins | | | Creating Accountability |
| 7 | Consolidating Improvements and Producing Still More Change | | | Aligning Systems and Structures |
| 8 | Institutionalising New Approaches | | | Sustaining the Change |

Figure 8 – Authors' Change Management Approach comparison matrix

As can be distinguished from the comparison matrix above, of the previously described Change Management Approaches, there are both similarities and differences between the different approaches. All described Change Management Approaches mainly offer overarching guidance on how to manage a change initiative, without providing in-depth detail on how to perform it in practice. Instead these Change Management Approaches aim to inspire change leaders and highlight critical elements essential for implementing a successful change initiative. Nevertheless, Booz Allen Hamilton's Change Management Model provides somewhat more detailed and practical guidance than the other approaches.

As mentioned previously Kotter's eight steps, ADKAR and LaMarsh's Managed Change are all linear N-Steps models unlike Booz Allen Hamilton's Change Management Model which is an iterative approach that emphasises the importance of repeating essential steps.

When comparing the Change Management Approaches in terms of content, all models emphasises the importance of establishing a sense of urgency, a need to change, and inform the organisation that the current way of doing things is no longer viable. However, LaMarsh's Managed Change and Booz Allen Hamilton's Change Management Model emphasises the importance of defining the future state and establish objectives to be achieved, before communicating the need to change.

Moreover, all considered Change Management Approaches express the importance of excellent leadership, and direct and continuous communication, in order to successfully implement change initiatives. All models further emphasise the fact that the communication should be delivered through several different means of communication.

Finally, all Change Management Approaches acknowledge the importance to ensure that all employees impacted by the change have the ability to implement it. However, this is where the differences begin, since the considered models recommend slightly different ways of accomplishing this aim. Kotter's eight steps focus on empowering employees to follow through on own ideas, and increasing their possibilities to make decisions. ADKAR and LaMarsh's Managed Change, more emphasises the importance of knowing how to implement change, and hence recommends extensive training to minimize uncertainty and resistance due to new job roles and responsibilities. Booz Allen Hamilton's Change Management Model takes this aspect one step further than the other described change models, since it focuses on creating accountability for the change process and recommends introducing a monitoring system to continuously measure the progress.

The importance of implementing a sustainable change initiative is something all four Change Management Approaches discuss. However, similar to the ability aspect described above, the approaches have different recommendations for how to make change stick and ensure results endure. Kotter's eight steps and ADKAR both agree that sustainability of change is strongly dependent on demonstrating to employees how the change initiative has contributed to performance improvements within the organisation. However, ADKAR unlike Kotter's eight steps stresses the importance of introducing a reward system in order to acknowledge particular efforts throughout the change process. LaMarsh's Managed Change also recommends introducing a reward system. Although, in contrast to ADKAR it suggests the rewards should be put in the future state, instead of short-term wins throughout the process, in order to motivate employees to follow through the entire change process. In addition to the reward system, LaMarsh is the only approach that suggests introducing a monitoring system after the change has been implemented, in order to minimize the risk of employees reverting to old way of doing things. Booz Allen Hamilton's Change Management Model focuses on the importance of continuous improvement.

Another difference between the considered Change Management Approaches is that Booz Allen Hamilton's Change Management Model is the only model that stresses the importance of aligning all systems and structures with the new way of doing things, in order to minimize the risk of falling back into old patterns.

2.3 Shaping the Change Management Approach

Despite the plethora of Change Management Approaches currently available, there is no approach representing the best fit in all possible situations. Nor is there a one-size-fits-all approach, despite the promises from commercial Change Management literature. Every change initiative is unique, and every organisation, business unit or team is different from one another, which is why it is essential to be able to adjust the Change Management Approach (The Public Service Commission, 2009). Hence, one of the most important factors when selecting Change Management Approach is flexibility, and possibility to shape it according to situation and change initiative (Creasey & Hiatt, 2009).

2.3.1 Factors considered when shaping the Change Management Approach

When deciding what Change Management Approach is most suitable for a specific change initiative it is important to consider what type of change it is, what objectives to be achieved, and the context of the change initiative (PwC, 2013).

Factors with significant influence on how the Change Management Approach is shaped are the underlying reason for undertaking a change initiative, and the intended outcome. Examples of different outcomes are improve financial performance, increase productivity and improve customer experience. Different outcomes benefit from using differently designed Change Management Approaches (IBM Corporation, 2008).

Furthermore, the context of a change initiative largely determines how the Change Management Approach is shaped. Depending on whether it is a large change initiative affecting the entire organisation or if it is a small project undertaken in one business unit, has a significant effect on the design of the Change Management Approach. Also the impact of a change initiative is a factor that should be taken into consideration when shaping the Change Management Approach. What impact a change initiative has on job roles and responsibilities, processes and organisational structure could affect the implementation process, and what tools that are effective could be vastly different. Finally, the duration of a change initiative is another factor which influences the shape of a Change Management Approach (The Public Service Commission, 2009).

Burke (2002) has done an attempt to develop a number of contrasting pairs in order to categorise change based on the context of the initiative in accordance with the figure below.

| | | |
|------------------|-----|-----------------|
| Revolutionary | Vs. | Evolutionary |
| Discontinuous | Vs. | Continuous |
| Episodic | Vs. | Continuous flow |
| Transformational | Vs. | Transactional |
| Strategic | Vs. | Operational |
| Total system | Vs. | Local option |

Figure 9 – Contrasting pairs to elucidate different contexts of a change initiative (Burke, 2002).

According to Burke (2002), these pairs of contrasting contexts are useful when considering different shapes a Change Management Approach can have. The pairs describe the extremes on a scale, and the context of a specific change initiative can be located anywhere in between. The first antonym in the above figure, distinguishes between a radical change with a significant organisational affect (revolutionary), and a gradual change representing a continuous process (evolutionary). The former type of changes is often new technologies or market threats, which require a fast reaction in order to remain competitive. On the contrary, evolutionary changes often concerns less urgent operational decisions with longer timeframes. Burke (2002) further implies that all contrasting pairs would benefit from utilizing different tools and techniques in order to implement a successful change initiative.

2.4 Successful Change

Effective Change Management ultimately aims to increase the success rate of change initiatives. Despite an increasing awareness of the importance of Change Management, a large amount of initiated projects fail. Research has been conducted on what distinguishes a successful change initiative from a failed. The conclusion is that it is not processes and systems that are the most challenging to implement, instead success depends significantly on people (IBM Corporation, 2008). The same conclusion can be drawn from the abundance of literature on how to manage successful change. Many of them present a number of key success factors and the vast majority emphasises the importance of people when implementing and sustaining change (Harshak, Aguirre & Brown 2010).

However, since change is a continuous process it is difficult to determine whether a change initiative was successful or not. Furthermore, change initiatives that at first was considered to be successful, can experience difficulties ensuring that benefits endure and hence fail to be sustainable (The Public Service Commission, 2009). This fact raises the question of how one knows whether a change initiative was successful. As mentioned earlier, there is a vast amount of literature on how to implement change. However, there is a noticeable lack of literature attempting to define successful change. Prosci is one of few having made an effort to fill this gap. In their research on best practices in Change Management from 2009, they categorise successful change according to the following three dimensions: meeting objectives; staying on schedule; and staying on budget (Creasey & Hiatt, 2009).

The same research further concludes the four most common ways of measuring if a change initiative was successful. The first way is to determine if the change initiative achieved the initially established objectives, and obtained the benefits wished for. Metrics frequently used to identify if objectives were achieved are financial performance, operational performance, customer satisfaction, project budget adherence and project schedule adherence. The second way of measuring the success of a change initiative according to Prosci is collecting feedback from employees and managers within the organisation. The final way of measuring success recommended by Prosci is compliance to and acceptance of the new way of doing things (Creasey & Hiatt, 2009).

2.4.1 Key Success Factors

A lot of the Change Management literature involves key success factors on how to effectively manage change. When investigating the literature, several similarities between the key success factors presented can be identified. Following is a review of the success factors most frequently cited in Change Management literature.

2.4.1.1 Leadership

The vast majority of Change Management literature fully agrees that leadership is essential in order to successfully implement a change initiative. However, a difference in what aspects of leadership is emphasised can be distinguished between various literatures.

One of the most important characteristics of great leadership is acting as a role model for the change. This implies the requirement to lead the change by demonstrating new behaviours to employees. Managers who lead by example can achieve higher acceptance towards the change, and

increase the benefits of the change initiative (Harshak, Aguirre & Brown, 2010). Also the Queensland Government's report on best practices in Change Management stresses the importance of leaders embodying change and acting as visionaries. According to the report this increases buy-in to the change initiative (The Public Service Commission, 2009).

Another essential factor for effective leadership is executive sponsorship. Prosci's research on best practices in Change Management concludes that engaged and active executive sponsorship was the most important factor in order to successfully implement change (Creasey & Hiatt, 2009). Organisational change is driven from the top (Harshak, Aguirre & Brown, 2010) which is why it is highly important that executive leaders show their full support for the change initiative. Effective executive sponsorship implies engagement and visibility throughout the entire change process and continuous communication to everyone part of the change initiative (Creasey & Hiatt, 2009). Also other research strengthens the conclusion that top management sponsorship is the most important success factor (Smith, 2002; IBM Corporation, 2008). Smith (2002) further stresses the importance of a close collaboration between executive leaders and middle level managers in order to increase the success rate of change initiatives.

In order to achieve excellent leadership it is further important to empower people part of a change initiative, by giving them more responsibility and authority to implement own ideas and carry the change process forward (The Public Service Commission, 2009). It is key that the responsibility is delegated to managers at all levels within the organisation, as well as employees part of the change process, in order to make change happen at all levels of the organisation (IBM Corporation, 2008).

Other characteristics of a great leader are engagement, visible support and commitment for the change initiative. It is further essential that a change leader is actively involved in setting a future vision to guide the change process in the right direction (Smith, 2002; IBM Corporation, 2008). Harshak, Aguirre and (2010) also agree with above statements and further conclude that a committed leadership team is fundamental in any successful change initiative. Moreover, continuous communication is an essential part of great leadership, in order to create awareness of the need to change, and ensure employees feel the change is necessary to undertake (Creasey & Hiatt, 2009).

The following section will describe in further detail how effective communication can affect the success of a change initiative. It will focus on what to communicate, and how to communicate it to ensure change is successfully implemented.

2.4.1.2 Communication

Communication is one of the most important factors to increase success of change initiatives. Effective communication allows change to happen through employees, instead of to them, which represents a significantly higher success rate of change initiatives (IBM Corporation, 2008). Communication is key for successfully implementing change, since it strongly correlates with peoples people's perception of a change initiative, and hence positively affects how engaged employees are to carry the change process forward (The Public Service Commission, 2009).

The aim of effective communication is partly to create a sense of urgency to change, by sharing risks and concerns regarding what will happen if change is not undertaken, since this has proven to increase the buy-in to change initiatives (Rogers, Shannon, & Gent, 2003; Creasey & Hiatt, 2009). Prosci's research on best practices in Change Management further focuses on the importance of

continuous and open communication that addresses the need for change, by communicating a clear reason for why the change is taking place (Creasey & Hiatt, 2009).

In addition to ensuring that employees perceives the change as necessary, communication is an important tool in making sure the organisation is aware of the impact the change initiative will have on the organisation. This also implies communicating the benefits of undertaking the change initiative, both for the organisation as a whole and for each individual (Creasey & Hiatt, 2009). Harshak, Aguirre & Brown (2010) also agree on the importance of communicating the benefits of a change initiative. They further stress the importance of communicating what the change means for each individual, and how each person will benefit from taking part of the change initiative, since this reduces the resistance towards the change.

Besides recommending what to communicate, much literature provides guidance on how to communicate the message. First of all, it is highly important that the communication starts early in the change process, in order to minimize the risk of resistance towards the change (The Public Service Commission, 2009). The majority of Change Management literature emphasises the importance of open and continuous communication, aiming to keep employees informed throughout the entire process (The Public Service Commission, 2009; Creasey & Hiatt, 2009; Rogers, Shannon, & Gent, 2003). Change leaders are also recommended to use several different channels to communicate the change message (The Public Service Commission, 2009; Creasey & Hiatt, 2009). IBM's research on Change Management further stresses the importance to take time to understand the audience and learn what means of communication are most effective (IBM Corporation, 2008). Furthermore, it is important that the communication goes both ways, and provide opportunities for dialogue, in order to ensure people feel part of the change process (The Public Service Commission, 2009; IBM Corporation, 2008).

2.4.1.3 Corporate Culture Open for Change

The culture of a group is comparable with the personality of an individual. Similar to how personality affects an individual's behaviour, culture creates a group's social norms and behaviours (Schein, 2004). However, according to Schein (2004), culture is not fixed, but rather something that develops with meetings with new people and creation of new groups. Hence, it is essential to actively work to create an organisational culture open for change in order to achieve successful change initiatives.

Also Queensland Government's report on best practices in Change Management agrees on the affect organisational culture has on the implementation of a change initiative (The Public Service Commission, 2009). However, despite the importance of an open organisational culture, its complexity is often underestimated (IBM Corporation, 2008) resulting in a negative effect on the outcome of a change initiative.

2.4.1.4 Competence Enhancement

Part of implementing successful change is also accepting that the skills for effectively managing change are something that does not come naturally, but has to be trained (Edmonds, 2011). As a matter of fact, much literature considers competence enhancement to be a key factor for successful change initiatives (The Public Service Commission, 2009; Creasey & Hiatt, 2009; IBM Corporation, 2008).

In order to successfully implement a change initiative it is important to ensure that the organisation has a sufficiently skilled workforce. This requires an investigation of the competencies required in the future state, post-implementation, and whether additional training or coaching of current skills are required to manage the new job-roles and responsibilities (The Public Service Commission, 2009).

It is further important to assign part of the budget of a change initiative for training and coaching. It is recommended to invest in skills-enhancement, mentoring and workshops, to mention a few, in order to build employees' ability to effectively manage their part of the change (The Public Service Commission, 2009).

2.4.1.5 Change Management Approach

The final key factor for success frequently mentioned in literature is having a standardised Change Management Approach. This derives from the fact that many organisations fail to successfully implement change due to an absence of a structured approach on how to undertake change (Ackerman Anderson & Anderson, 2009). Also Edmonds (2011) believes that a well-planned and structured Change Management Approach increases the success of undertaken change initiatives.

Change Management research further strengthen this statement. Research has shown that “practitioners who always follow specific and formal change management procedures had a 52 percent project success rate, compared to a 36 percent success rate for practitioners who improvise according to the situation” (IBM Corporation, 2008, p. 22). Furthermore, the same research concluded that the vast majority of participating organisations agreed that using a structured Change Management Approach when undertaking change is required to achieve a successful outcome (IBM Corporation, 2008). Also Prosci's research on Best Practices in Change Management came to the same conclusion. Participants ranked having a structured Change Management Approach as the number one most important factor for achieving a successful change initiative (Creasey & Hiatt, 2009).

2.5 Sustainable Change

Despite the fact that many organisations perform the above described key success factors well, there are a significant amount of change projects that fail to be long term sustainable. One reason for the lack of sustainability that many articles mentions is the fact that change sponsors often declare victory before the real benefits are achieved (Kotter, 1995; Harshak, Aguirre & Brown, 2010). On one hand it is important to celebrate short-term wins in order to keep employees motivated. However, believing that a change programme is completed when the first sign of success is identified, can dramatically reduce benefits and have negative effects on the sustainability of change. In order to ensure benefits from a change project endure, it is first of all essential to acknowledge that change takes time, sometimes up to ten years, before objectives are achieved. There is hence a significant risk that people will lose motivation and revert to the old way of doing things (Kotter, 1996).

In order to achieve sustainability of change a well execution of the above described success factors is key. However, there are a number of factors often mentioned in literature that specifically aims to increase sustainability of change. First of all it is important to demonstrate to employees how the change initiative has contributed to improved performance and increased benefits within the organisation (Kotter, 1996). Aguirre, Finn and Harshak (2007) further emphasises the importance of

communicating how to continue to reinforce the change to achieve full potential of the change initiative, in order to keep engaging people part of the change.

Another key factor for ensuring that results endure is monitoring and measuring the progress (Creasey & Hiatt, 2009). This is not only important during the implementation phase, but when reinforcing benefits to ensure people stick to the new way of doing things. It is further important to control the change fatigue that often occur a few months into the project, when people do not see any sign of improvement and are hence tempted to revert to old patterns (Beaudan, 2006). This requires engaged leaders on all levels within the organisation and employees with the ability and willingness to take part in the efforts (Greenfield, 2010; Harshak, Aguirre & Brown, 2010).

Furthermore, it is highly important that change leaders work actively to fight resistance to change and pay attention to people who refuse to adopt the new way of doing things (Miller, 2004). Hence, it is of significance to provide feedback opportunities in order for people to give their opinions and concerns throughout the change process (Creasey & Hiatt, 2009). However, ultimately change becomes sustainable when employees refer to new systems and processes as “that is the way we do things around here” (Kotter, 2007) and when changes become part of social norms and organisational values (Kotter, 2007).

2.6 Summary Literature Study and Theoretical Gaps to be investigated

This literature study has investigated current Change Management research, and considered main parts of Change Management theory which will provide the basis of our further analysis. In summary this literature study conclude that organisational change is part of all organisations every-day business, but still 70% of all change initiatives fail (Beer & Nohria, 2000; Kee & Newcomer, 2008; Miller, 2002). By utilizing Change Management Concepts when undertaking change, organisations can increase performance and better meet the established objectives of the change initiative. The literature study further described four of the currently most common Change Management Approaches; Kotter’s eight steps, ADKAR, Managed Change by LaMarsh and Booz Allen Hamilton’s Change Management Model. Moreover, the literature study made it clear that it is highly important to consider the type, and context, of the change initiative being undertaken in order to determine the most effective design of the Change Management Approach for that specific situation. Finally, this literature study concluded that successful change is dependent on the following key factors; leadership, communication, corporate culture open for change, competence enhancement and utilizing a Change Management Approach. In order to achieve long term sustainability it is further essential with continuous communication and monitoring the progress to reduce the risk of reverting back to old ways of working.

However, a few theoretical gaps in the above literature study have been identified, which will be part of the focus of the continued study. As previously mentioned, much literature suggests one ideal Change Management Approach, including a number of different steps to be followed in a specified order to ensure a successfully implemented change initiative. At the same time, literature also concludes it is highly important to consider the type and context of a change initiative, that all change initiatives are unique and need to be implemented in different ways. Still there is little existing information on what characteristics of a change initiative makes organisations shape a Change Management Approach according to a specific situation. Hence, one focus of the continued study is to determine which factors have the greatest impact of how organisations shape their Change Management Approach to a specific change initiative.

3. Methodology

The methodology chapter aims to allow the reader to glean the ways in which the research project has been undertaken. The authors' goal is to achieve a high degree of transparency of the methodology having been employed so as to increase the reader's trust to the report as well as its results. The methodology chapter begins with introducing the research strategy and research design having been employed as well as the research process traversed. It then elaborates on the research methods having been made use of as well as how the data has been collected and analysed.

3.1 Research strategy

A research strategy is the general orientation to the conduct of research and there is a distinction between two different types of research strategies; qualitative and quantitative research. Qualitative research focuses on collecting and analysing descriptive and rich data in order to reach a deep understanding of the subject being studied. Qualitative research can thus be construed as being inductive research, where theory is being generated. Quantitative research, on the other hand, involves the gathering of extensive amounts of data as a means to enable statistical analysis. Thus, quantitative research can be framed as deductive research, where theory is tested. (Bryman & Bell, 2011)

The status of the distinction between the two different research strategies is, however, ambiguous. There is therefore also a third alternative, mixed methods research. By combining both quantitative and qualitative strategies in research the specificity of quantitative research can be combined with the ability to interpret complex perceptions in qualitative research (Bryman & Bell, 2011). Nowadays literature exists in the area of mixed methods research, although this is a relatively new field, with literature on the topic of conducting such research stretching back less than two decades (Creswell, 2003).

This research employs a mixed methods approach. In more detail, this research employs a sequential exploratory strategy, as outlined by Creswell (2003). This strategy is two-phased, where the initial phase is of a qualitative nature whereas the second phase is of a quantitative ditto and with the analysis integrating the findings from both phases. In this research strategy, the focus is on using quantitative data to aid the interpretation of qualitative findings. The priority of the research is therefore given to the qualitative aspect of the study. (Creswell, 2003)

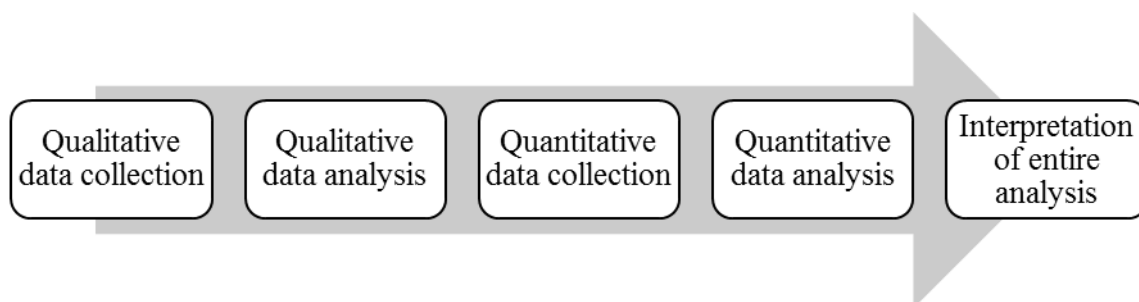


Figure 10 -Sequential Exploratory Design (Creswell, 2008, p. 213)

This research strategy is suitable as the research aims to explore the phenomenon of Change Management and enables a multifaceted understanding of how organisations are utilising Change Management concepts when undergoing change and how these concepts contribute to the success of

undertaken change programs. The quantification of findings also simplifies the communication of them as well as facilitates the elicitation of interest in a broader audience, such as practitioners. As this research was conducted while being based at a management consulting firm, with the aim to improve their service delivery methods, this was an important aspect.

3.2 Research design

There are five different types of research designs distinguished by Bryman & Bell (2011); case study design, comparative design, cross-sectional design, experimental design and longitudinal design. Every study has a research design, implicit if not stated explicitly, although qualitative research tends to require a more flexible concept of design (Yin, 2003). The case study design is widely employed when conducting business research and is often used in studies where a phenomenon is studied in its real-life context. The main objective of the research approach is often to gain an in-depth understanding at a certain point in time and in a certain location. (Bryman & Bell, 2011; Merriam, 1988; Yin, 2003)

Since this study aims to investigate the phenomenon of Change Management, its adoption as well as the extent to which it contributes to the success of undertaken change initiatives the case study design is deemed appropriate. Also, the choice of a case study design is further strengthened as the study subsequently aims use these findings to improve the service delivery methodologies of a management consultancy in Australia and all empirical data is collected within Australia. Furthermore, the research aims to answer questions of the type “how” and “why,” for which such a design is suggested.

3.3 Research process

The research process, depicted in Figure 6 gives an overall generalised view of the process this thesis employed. The process is divided into six steps that constituted this research: *Planning report*, *Generating a theoretical foundation*, *Exploratory interviews*, *Semi-structured interviews*, *Self-completion questionnaire*, *Analysis and discussion*, and *Recommendations*. Although Figure X depicts the process as linear and sequential, most, if not all, of the steps were processed iteratively and simultaneously. Being transparent in how research has been performed allows readers to interpret findings and conclusions of the report in light of it has been executed (Bryman & Bell, 2011), wherefore this is an academic goal of the study.

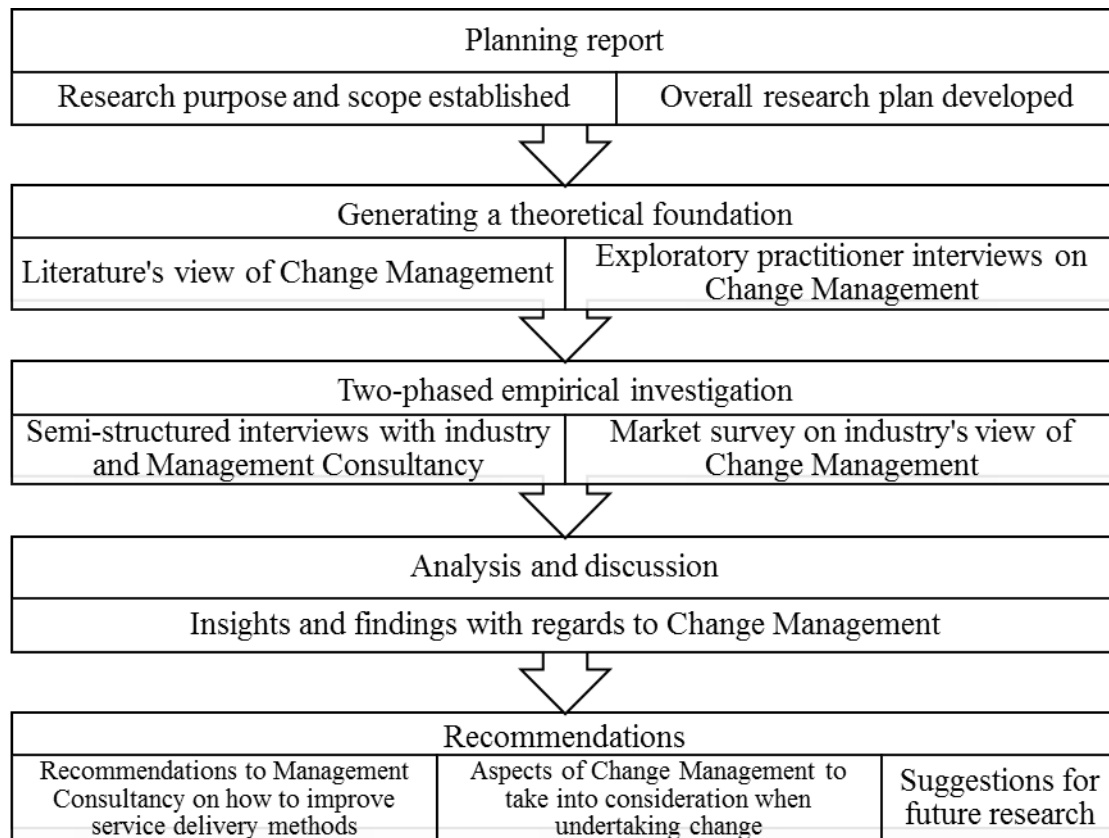


Figure 11 – Overview of the different steps in the research process

The *Planning report* was the point of departure for the work associated with the study. Presented herein was the groundwork for the research project, including research questions, the knowledge contribution aimed for as well as the aimed for outcome of the research.

The subsequent step in the process of the research was *Generating a theoretical foundation*. It was a highly iterative process, where new areas of literature had to be searched for in light of new knowledge that was discovered throughout the process. Also, the initial interviews had a major impact on the direction of the study.

Next is the *Two-phased empirical investigation*, where the two main activities were semi-structured interviews and a self-completion questionnaire. The empirical part of the study was conducted in two phases, where the initial semi-structured interviews mainly with industry laid out the topics that were further explored by the market survey. Concurrently with both phases, interviews were also held with the Management Consultancy with regards to exploring their service delivery methodology.

Within the Analysis and discussion, the empirical data and knowledge gained through the literature study materialise and is analysed with the basis in on organisations can utilise Change Management concepts to improve the success and sustainability of undertaken change programs. Lastly, these findings are contrasted to how Management Consultancy work with Change Management in order to identify gaps between their current practice and the study's discerned advantageous approach to Change Management. The analysis was partly sequential, as the semi-structured interviews with industry were analysed prior to the questionnaire was constructed, and partly concurrent with data collection. The discussion draws on and elaborates on important aspects on the analysis.

Lastly, Recommendations consists of mainly three parts: general suggestions for practitioners of Change Management to take into consideration when undertaking change, recommendations to Management Consultancy on how to improve their service delivery methodology as well as suggestions for future research.

3.4 Research method and data collection

To reach the aim of the study and fulfil its purpose, five different research methods have been employed in three different phases. The research methods employed as part of the study are hereinafter presented in the order they were utilised.

The different methods have been used in order to enable the development of a thorough understanding of the area under research and enable the identification of enablers leading to increased likelihood of achieving successful change initiatives and sustainable results as well as to be able to contrast these with Management Consultancy's delivery methods.

This chapter, hence, aim to elaborate on how the study's data was collected, how sample groups were chosen as well as explain the multiple regression analysis being employed as part of the study. The first step of the research concerned the study of a vast amount of literature that was being read concurrently with interviews being carried out, as a facilitator for deepened understanding. The ensuing part entailed semi-structured interviewing and a market survey in the form of a self-completion questionnaire to be able to identify the enablers supposed to be contrasted with Management Consultancy's methods. Lastly, Management Consultancy's service delivery methods were contrasted and recommendations were given.

3.4.1 Secondary data

On the onset of the project, a literature review immediately commenced. The most apparent rationale for a literature review is that you want to know what has been done on the area of research already and hence prevent a reinvention of the wheel. (Bryman & Bell, 2011) Also, it aims to form a foundation for the empirical part of the research as well as the analysis that aims to answer the research questions. As suggested by Merriam (1988), "theory makes sense of the information we have at hand, concludes what is known and gives a general explanation of the occurrence being studied."

The review began with an initial set of key words that were used as well as a limited amount of somewhat relevant literature. When relevant literature was found, the closing bibliographies were used to back-track their sources for additional research in the area, so called *snowballing*. This method, advocated by Bryman & Bell (2011), yielded not only a thicker bibliography but also provided more insight into the topic area as well as significantly helped to shape the research.

The databases accessible via Chalmers University of Technology's library have been used extensively for the theoretical investigation, especially ABI/INFORM, EBSCOhost and Emerald, where full text articles and journals can be found. The project supervisor at Chalmers, Jan Wickenberg, also provided articles within the area that further helped to expand our horizons. Additionally, Google Scholar and general Google searches have yielded some relevant literature, where the sources found via Google searches have been viewed upon with a higher level of scepticism due to the lack of a quality control as there is for articles published in journals.

Via using multiple data sources, triangulation of findings has consistently been applied throughout the literature review, as recommended by Creswell (2003), to ensure that the data is reliable.

The literature review within this thesis consists of three different sections: firstly, it is established what organisational change and change management entails; secondly, literature is covered with regards to Change Management methodology and how it is applied; and, finally it is investigated whether utilising Change Management methodology increases the likelihood of achieving successful change initiatives and sustainable results.

Secondary data collected also consists of documented service delivery methodologies of Management Consultancy.

3.4.1 Interviews

Early in the project, four open-ended interviews were held with professionals working with change within businesses to be able to draw on their expertise². In the interviews, much interest was paid to the interviewees' points of view and going off at tangents was strongly encouraged (cf. Bryman & Bell, 2011). The interviews were held to elicit the views and opinions on the initial scope and direction of the research project as the researchers' knowledge was limited at the time (cf. Bryman & Bell, 2011). Unstructured interviews are useful when not enough is known about something to ask relevant questions (Merriam, 1988) and was hence considered a suitable method.

Firstly, an interview was conducted with the head of an organisation's organisational transformation department whom personally had more than 20 years of experience in the field. This yielded invaluable insights and re-shaped the initial focus of the research. Also, the interviewee provided articles and research within the subject and hence aided in generating a theoretical foundation.

Secondly, an interview was held with a Project Management Officer at a technology management firm to road test the revised direction and gain consensus on the research aim and questions. The interview gave consensus on the new direction of the research and also provided further new topic areas to be explored.

The third interview was held with two partners at a large international management consultancy. The interviewees had both been working with Change Management and the discussed revolved much around their work and their developed frameworks.

The fourth, and last, interview was held with the Deputy CEO of a large organisation. After the third interview, a rather distinct shape of the research had taken form and the general direction of the project had discerned itself more clearly than before. This allowed for the identification of rather distinct areas to focus research questions on.

3.4.1.1 Sampling

Convenience sampling was the technique chosen for the interviews held. It was considered useful as, in line with Baker (2002), they mainly served to inform later stages of the research and hence had less demands on generalisability and representativeness of the sample. Furthermore, the low cost of the convenience sampling method (Marshall, 1996) proved valuable as the researchers quickly wanted to be able to leverage the knowledge of experienced practitioners.

² An extensive elaboration on the interview process and the focus group session and its influence on the project direction can be found in 'Appendix 4 – Interview and focus group process'.

The first interviewee was identified and contacted using the professional network of the project tutor at Management Consultancy. It was known to the tutor that the individual was the head of a department solely working with Change Management at a large financial institution. A position considered highly relevant for the study.

The second interview participant was known to one of the researchers prior to commencing the research project as both were part of a network for Swedish people in Australia and graduates from the same university, Chalmers University of Technology. The interviewee held the position of Project Management Officer at an Australian medium-sized technology consultancy and was through his position responsible for change initiatives as part of his daily work-responsibility.

Snowball sampling was used for the interviewees in the third interview, where an interview was held with two interviewees participating. The contact was established via the first interviewee of this phase of the research as the first interviewee recently had worked on a Change Management initiative together with these two individuals. One of the interviewees was a partner and the other a director and were working at the same firm; a prominent international management consultancy.

Also the last interviewee was introduced to the researchers via the tutor at Management Consultancy. The interviewee was Deputy CEO of a large organisation within the utility sector. He had met with the project tutor as they had been working together on a project 20 years earlier.

3.4.2 Focus group session

Prior to developing the semi-structured interview guide, a three-hour focus group session was held with three executives within the field of Change Management at a large financial institution³⁴. The individuals were all working within the Change Management discipline at the same organisation, but had different job roles ranging from mostly strategic to mostly operational. The aim of the focus group was to be able to formulate a well-structured and relevant semi-structured interview guide for further research.

Focus groups are a research method that assembles a group of people to discuss a theme based on their own experiences and opinions (Powell & Single, 1996). Focus groups can advantageously be used to generate information on common beliefs, and used in a multi-method design to explore a topic to be used in later stages (Gill, Stewart, Treasure, & Chadwick, 2008) as well as to develop a foundation for larger-scale studies (Kreuger, 1994).

In a focus group session, the interactions between participants is emphasised using a flexible and exploratory discussion format, with the interviewer assuming the role of a moderator. (Qu & Dumay, 2011) Also, the less active role of the interviewer minimises the bias introduced by the researcher (Qu & Dumay, 2011) and further strengthened the focus group as the research method of choice at this stage as it increased the chances of identifying additional aspects of the subject that previously had gone past unnoticed.

Kitzinger (1995) claims that an ideal group size when conducting a focus group session is four to eight people, which was used as a guideline for the research. Initially, five individuals were booked to participate in the focus group session, whereof four were from the same organisation and the last

³ The focus group session was held on April 12, 2013

⁴ A more elaborate description of the focus group process can be found in 'Appendix 4 – Interviews and focus group session'.

individual was the project mentor at Management Consultancy. Unfortunately, at the day of the session the mentor as well as one of external interviewees had to decline the request due to other short notice engagements.

Stewart & Shamdasani (1990) assert that there is no alternative to pre-testing the focus group interview schedule through a pilot focus group. Litosseliti (2003) further strengthens the argument, saying that not enough emphasis can be put on the benefits of pretesting. A pilot focus group enables the researchers to find out whether questions are appropriately framed, if the questions elicit thought and discussion as well as to identify questions that might be difficult to understand (Stewart & Shamdasani, 1990).

Therefore, a pilot focus group session testing the interview schedule was run in a setting with three interviewees. It was discovered that some of the questions were completely misunderstood, wherefore they had to be revised. It was also unveiled that the initial set of guiding questions was too narrow and not enough context information was provided, probing for some adjustments. Also, some questions were identified as not adding value and were consequently erased.

The pre-test also highlighted the need for an active moderator. Without active involvement, interviewees sometimes kept discussing single issues for an extended period of time and went further off at tangents not relevant for the study than wished for. Hence, the moderator has to be prepared to actively keep the session moving forward as well as keeping the discussion somewhat on topic while still allowing interviewees some leeway in going off at tangents, identified by Bryman & Bell (2011) as a balancing act between allowing a free discussing and wasting time on unproductive sub-topics.

3.4.2.1 Sampling

Out of the three individuals taking part of the focus group session, two were reached through having been recommended by the third participant. The third participant was one of the individuals being interviewed in the interview phase of the research. The participants were chosen as they were professionals working within the Change Management space and hence believed to be able to provide well-rounded and insightful thoughts on the topic. To have knowledgeable focus group participants was considered of relevance as the session aim mainly was three-fold, to strengthen the research focus, to shape the semi-structured interview guide and to increase the knowledge of the researchers.

3.4.3 Semi-structured interviews

Fourteen semi-structured interviews were held as a means to inform the self-completion questionnaire to be developed, in line with Harvey-Jordan & Long (2001). The interviews were also held to explore the interviewees' attitudes, experiences and perspectives on Change Management to be able to get a more comprehensive view than possible via the questionnaire (Adams, 2010; Bryman & Bell, 2011; Grindsted, 2005; Harvey-Jordan & Long, 2001). All of the interviews conducted were between 60 and 100 minutes long.

Several of the questions followed the critical incident method, hence focusing on the time periods just before, during and after change initiatives had been undertaken (cf. Bryman & Bell, 2011).

The interview guide was pretested with one of the participants from the interview phase, a Project Management Officer at a Technology Management firm as well as with a consultant at

Management Consultancy, in line with Bryman & Bell's (2011) recommendations. These pre-tests resulted in minor wording changes as well as restructuring of question order to a more logical sequence was attained.

Furthermore, after the first participant interview held on April 15th, 2013, the interview guide had to be overhauled. The interview guide had been constructed being too narrow-minded to understand that not everyone consciously utilised the concepts of Change Management as well as the terminology frequently applied by scholars within the field. As a result, it was revised after deliberative discussion with a manager at Management Consultancy in order to better manage to follow up on the entire space of possible answers provided by respondents. After the revision, the phrasing of some questions were adjusted to be understandable by individuals outside of the sphere of Change Management professionals or scholars and alternative follow-up questions were constructed to allow for constructive interviewing of interviewees without conscious change management practices.

As suggested by Whiting (2008), all interviews were held in a quiet, private room chosen by the participant and were tape recorded and subsequently transcribed. Whiting (2008) moreover recommends that the value of interviewees should be recognised and that they somehow should be reimbursed for their effort. Therefore, all participants invited to take part in the research as interviewees received an email expressing the value of their participation for the project as well as an enclosed letter from the thesis tutor to further stress the importance of them taking part. Furthermore, as communicated at the initial point of contact all research participants were 'reimbursed' through 12 weeks post being interviewed receiving an email containing two presentations, with the first one being a condensed version of the questionnaire results and the latter being a presentation containing analyses and inferred findings from the conducted research.

The integrity of research participants was stressed at all point of contacts and the checklist provided by Whiting (p. 37, 2008) was adhered to at all interviews. The respondents were guaranteed that no information would be publicly divulged and they were also offered to read the transcripts once written.

As the research progressed through the interviews, less new relevant data was perceived to unravel with each new interview held. Towards the end, not much new discoveries seemed to be made and thus indicated that an appropriate amount of interviews had been held.

Apart from the external semi-structured interviews, and concurrent with the self-completion questionnaire being open for respondents, seven semi-structured interviews were held with employees at Management Consultancy with regards to their service delivery methodologies. The aim of the interviews was to clarify and discern how the different aspects of Change Management practically are incorporated when delivering projects for clients through asking about previously undertaken projects. The interviews were also used to get the interviewee's input on the frameworks available internally at the firm.

As the internal interviews needed not to be booked in advance, the basis for the amount of semi-structured interviews conducted internally was to achieve theoretical saturation (cf. Bryman & Bell, 2011) and interviewing hence stopped when conducting further interviews were believed to only marginally provide new data.

3.4.3.1 Sampling

All fourteen professionals that external interviews were held with as part of the semi-structured interview phase of the research were introduced to the research, and the opportunity to participate, via various employees at Management Consultancy. The employees at Management Consultancy allowed the researchers to utilise their professional networks that they had established through working with clients and the inquiry about participation was stretched out via them.

The network reached by making use of former clients of employees at Management Consultancy is not believed to be representative of all professionals working within Australian Industry. As an example, the typical professional does not purchase management consulting services (FEACO, 2012). Furthermore, 35 percent of the interviewees were from the mining sector, 28 percent from the utilities sector, 14 percent from the construction sector, and 14 percent from the business and professional services sector, as well as 7 percent from the finance and financial services sector; this distribution is not representative of Australian industry (Australian Bureau of Statistics, 2010) and making any such claim would be conspicuous.

It was, however, not considered vital to have a representative sample for the semi-structured interviews, as the aim of the interviews was to glean the ways in which the interviewees subjectively perceived different subjects and to offer areas for further investigation.

3.4.4 Self-completion questionnaire

The, mainly quantitative, web-based self-completion questionnaire, found in Appendix 5, was sent out to approximately 350 potential respondents via an email containing a link to the survey, whereof 111 respondents started the survey and 83 respondents completed it. This yields a response rate of approximately 25%. The questionnaire was divided into three sections and aimed to obtain the respondents' view of Change Management, its utilisation within their organisations, and its contribution to the success of their undertaken change initiatives. The link to the market survey was sent out on May 1st, 2013, and the questionnaire was in the invitation expressed to close at May 10, 2013, even though that period was prolonged as a result of wanting to increase the response rate and hence stayed open until May 15th, 2013. One week after the initial survey link was sent out; a reminder was sent out to the non-respondents asserting the importance of their participation in the study.

The questionnaire content was generated mainly through utilising knowledge attained in previous steps of the research process. Initially, and especially for the background questions, inspiration was taken from a study by Smith (2002) that had similar characteristics.

After a brief investigation into different web-based survey tools, SurveyMonkey was chosen as the tool to be used. SurveyMonkey is the world's largest survey company and their customers include 99 per cent of the Fortune 500 (SurveyMonkey, n.d.). The reason for choosing SurveyMonkey was that it was perceived to be flexible enough to allow for the different types of questioning used in the survey while also having a user-friendly interface.

The questionnaire invitation was sent out via an email from Management Consultancy explaining and contextualising the background of the study, why they were invited to participate as well as their possible gain from participating.

The questionnaire invitation also contained a letter from the researchers providing a rationale for the questionnaire, explaining the research's definition of Change Management and standardised Change Management Approaches. The letter also explained the time required, that all information would be treated with confidentiality and used for this study alone, as well as what they could benefit from undertaking it. Contact information to the researchers was also provided.

Also, the same information was summarised and included at the start of the questionnaire together with the study's definition of different concepts used in the survey. These definitions of different concepts were then also presented within the questionnaire in conjunction with questioning related to the concepts.

One advantage with a self-completion questionnaire is that they are cheap to administer (Bryman & Bell, 2011), which allowed for a greater sample size than interviewing would have. A disadvantage, however, is that there is no one to help respondents experiencing difficulties (Bryman & Bell, 2011) wherefore much attention has to be given to make it clear, unambiguous, intuitive and easy to follow.

Therefore, prior to its release, the questionnaire was thoroughly pretested and meticulously scrutinised for inconsistencies, language errors and typos, but also the visual representation of the questionnaire was given much attention so that it was easily and intuitively understood by respondents.

Firstly, after the initial draft of the questionnaire had been created it was sent to an Australian English teacher to ensure the English was up to the standards of native speakers, as both researchers had Swedish as their native language. Many questions were ill-phrased and the feedback resulted in a questionnaire more easily understandable without having to have someone explaining the questions, which is a very important aspect when conducting self-completion questionnaire surveys. The enhanced language also made it possible to pre-test it.

Therefore it was subsequently pretested with three separate individuals whom all were deemed suitable for the study. The questionnaire was revised between each pre-test to take the findings from each session into consideration. One of the results from the pre-testing was that several of the multi-choice questions didn't exhaust the entire answer-space and more options had to be included and previous options had to be updated. To the extent possible, an answer structure being mutually exclusive and collectively exhaustive was sought for.

Thirdly, the questionnaire was revised after a Skype discussion with the project's academic tutor. Positive contribution was made with regards to the representation of questions, where headers were included to questions. Previously the questions had only consisted of five-level Likert-style items with text at both ends describing two extremes and asking the respondent to put themselves at the most appropriate place. The academic tutor also recommended seven-level Likert-style items as opposed to the five-level items being used for most questions at the time. Input was also given with regards to having different amount of levels on the Likert-style items would produce an analysis harder to conduct. Hence, the questionnaire was revised to have all Likert-style items be seven-levelled.

Next, a Business Analyst at Management Consultancy, who was aware of the purpose and goal of the study, scrupulously and with a highly critical stance scrutinised the survey to ensure the

questionnaire was likely to deliver on target. Much constructive feedback was received, particularly with regards to having more concise phrasing in all parts of the questionnaire, enabling the different messages to be more easily conveyed and all questions as well as answer choices to be easier to grasp for respondents.

Fifthly, a Manager and Associate Director at Management Consultancy worked through the questionnaire together with the researchers and gave feedback on structure, visual representation as well as the time required in comparison with the wished for response rate. This resulted in a slightly shorter questionnaire with a higher degree of logical structure.

Finally, the concluding pre-test was conducted with the Project Management Officer that took part in the interview phase of the study. He ensured that the questionnaire was likely to deliver on target and that it was very easily grasped. He illuminated the need for a concluding token of appreciation at the end of the questionnaire, wherefore a text expressing sincere thanks from the researchers was included to be shown as respondents pressed the button to terminate the survey.

3.4.4.1 Sampling

For the questionnaire, 347 individuals received invitations to participate via an email sent to them. Most of the respondents were invited through utilisation of a approximately 1,000 entry database of organisations that Management Consultancy had. A minority of the organisations, in the database utilised, consisted of organisations that Management Consultancy previously had worked with, while the majority of the organisations in the database had been attained via a third party. Out of the database, 320 organisations were identified to be emailed. The foremost reason for excluding organisations in the database from taking part in the survey was that the database did not have email contact information stored for the organisations being excluded. As a high number of potential respondents already had been achieved via using only organisations with identified email addresses, the time required to find contact information for additional organisations was considered scarce and outweighing the benefits of achieving a larger sample size.

Initially, the plan was to obtain adequate diversity with regards to characteristics of respondent organisations. For example, trying to have a rather even split between small, medium, and large organisations and both private- and government-owned respondents as well as having many different sectors represented. This, however, turned out to be unnecessary as the sample generated at examination was considered to already meet the criteria.

The remainder of the 347 subjects that were approached where reached mainly via contacting the participants from previous stages of the research. The amount was increased further via snowballing, as the participants from previous stages were asked for further individuals likely to be suitable for the study. It proved to be a valuable method as participants turned out to be very receptive to the thought of recommending additional participants.

As the survey invitation was send out via a web link that anyone could get access to, control could not be maintained with regards to whom that responded. It was, however, considered unlikely that anyone would have in their interest to enter the survey trying to distort the data and a more secure approach was hence considered unnecessary as one of the downsides with a more secure approach is increased hassle for the survey respondents. A higher response rate was believed to be more important, especially as conspicuous data entries manually could be deleted after the data collection period if needed.

3.4.5 Multiple regression analysis

Regression analyses mainly has two fields of application, namely forecasting and output estimates (Andersson, Jorner, & Ågren, 2007), and is the analysis of the relationship between one variable, the dependent variable, and one or several other variables, called the independent or explanatory variables (Gujarati, 2006). According to Allen (2007), simple regression analysis is a statistical technique used for explaining the relationship between one independent and one dependent variable, but is not as useful as multiple regression analysis. “Multiple regression employs a linear function of two or more independent variables to explain the variation in the dependent variable” (Allen, 2007). The formula for a multiple regression is $y = \alpha + \beta_1 x_1 + \dots + \beta_n x_n + \epsilon$, where y is the dependent variable and x is representing the independent variables with their respective β -values representing the power of the variable (Andersson, Jorner, & Ågren, 2007). The formula says, that if x_n is increased by a certain amount, then y should increase by the factor of x_n multiplied by β_n , all else being equal.

This study employs multiple linear regression analysis to test hypotheses developed with regards to the success of undertaken change initiatives. The data used in the regression analysis is derived from the self-completion questionnaire. Respondents were asked to think back on a change initiative undertaken in the past. They were then asked about a number of factors related to the context of the undertaken change initiatives, the developed Change Management Approach as well as the outcome of the initiative.

The success of previously undertaken change initiatives is chosen as the dependent variable; whereas several potential explanatory variables likely affecting the success are included and eliminated from or included in the regression model depending on significance and adjusted R squared value. The regression analysis was executed sequentially with the potential explanatory variable with the highest P-value eliminated in each step until the maximum adjusted R² was achieved, while still only having variables of statistical significance. The study hence employed a method denoted as a stepwise backwards regression (cf. Zoubir, 1993).

The probability value, or P-value, is the significance level of the test statistic. Assuming the null hypothesis is true, it represents the probability of having a test statistic as extreme or more as the one that was actually observed. It can therefore be interpreted as a measure of when it is justifiable to reject the null hypothesis. (Gujarati, 2006) Common P-values of when to reject the null hypothesis is 0.01, 0.05 and 0.15, depending on the purpose and nature of the study. In this study, P-values below 0.05 were aimed for although there was some wiggle-room allowed for.

The coefficient of determination, also denoted as R^2 or R squared, measures the goodness of fit. It tells how much a percentage increase on one side of the equation can be expressed in terms of the other side. It does, however, not by itself say anything about the statistical significance of the input variables. (Gujarati, 2006) It is fairly tricky to choose the amount of explanatory variables to include and the somewhat ambiguous recommendation is that you should include neither too few nor too many (Andersson, Jorner, & Ågren, 2007). When adding additional variables, R squared most often increases when adding additional variables, and cannot decrease, even though the variable has no real explanatory value, wherefore it can be rather thorny to know which to include. Therefore, adjusted R squared can be used to find the right amount of variables to include. Adjusted R squared takes the degrees of freedom into account when being calculated and adjusted R squared unlike R squared increases when a new independent variable is added into the equation only if the

variable improves the R squared more than would be anticipated without having any explanatory value (Gujarati, 2006). When conducting a sequential multiple regression analysis, the model where adjusted R squared reaches its maximum would be the model with the best fit. This was the method chosen for this study. After the best model had been found through finding the maximum of adjusted R², the R squared was used for describing the models explanatory value.

The variables are taken from the questionnaire and are of a 7-point Likert-style item type. Much criticism has been brought forward about employing regression analysis on Likert-style items, but was chosen as the method of choice as this criticism according to Norman (2010) effectively can be dismissed. It can be dismissed as the robustness of the answer can be maintained using Likert data, small sample sizes and unequal variances although assumptions are violated (Norman, 2010).

All multiple regression analyses made as part of the study were conducted using the Data Analysis tool included in the Analysis Toolpak available as Add-In in Microsoft Excel 2007.

Furthermore, the representation of the multiple regression analysis is depicted in a way more easily grasped by a broad audience than the traditional way, with the names of the respective variables, both dependent and independent, spelled out in the formula (Andersson, Jorner, & Ågren, 2007). This way of representing the results has been chosen as the research audience is from a non-statistical background.

4. Findings on best practices in Change Management

The following chapter will present the empirical findings from the semi-structured interviews and the online survey. This chapter follow the disposition of the semi-structured interviews and the online survey, and the chapter highlights findings important for answering the first research question. The chapter begins with a brief description of the context of the semi-structured interviews and the online survey. The following section will focus on investigating how mature organisations are in the field of Change Management. This chapter will also investigate how organisations shape their Change Management Approach according to the context of a specific change initiative. The final part of this chapter will present what factors increase the success and sustainability of change.

4.1 Context of semi-structured interviews and online survey

The first part of the market research involved conducting semi-structured interviews with a number of participating organisations. 14 semi-structured interviews were conducted, with a total of 10 individual organisations in Sydney, Perth and Queensland. The table below presents all the conducted semi-structured interviews, including date of interview, position of interviewee, industry and number of full-time employees (FTEs) within the organisation.

| # | Date | Company | Position | Industry | Number of FTEs |
|----|----------|------------|------------------------------|----------------------------------|----------------|
| 1 | 20130415 | Company 1 | Principal | Mining | >50,000 |
| 2 | 20130416 | Company 1 | General Manager | Mining | >50,000 |
| 3 | 20130416 | Company 2 | General Manager | Mining | 501-1,000 |
| 4 | 20130416 | Company 3 | Business Unit Manager | Utilities | 1,001-5,000 |
| 5 | 20130417 | Company 3 | Change Management Consultant | Utilities | 1,001-5,000 |
| 6 | 20130417 | Company 1 | Manager | Mining | >50,000 |
| 7 | 20130418 | Company 4 | Manager | Construction | 5,001-20,000 |
| 8 | 20130418 | Company 4 | Manager | Construction | 5,001-20,000 |
| 9 | 20130419 | Company 5 | Executive Vice President | Business & Professional Services | 5,001-20,000 |
| 10 | 20130423 | Company 6 | Manager | Mining | 501-1,000 |
| 11 | 20130424 | Company 7 | Change Specialist | Utilities | 1,001-5,000 |
| 12 | 20130425 | Company 8 | Change Management Specialist | Finance & Financial Services | 20,001-50,000 |
| 13 | 20130426 | Company 9 | Director | Business & Professional Services | 1,001-5,000 |
| 14 | 20130426 | Company 10 | Financial Manager | Utilities | 5,001-20,000 |

Figure 12 – Context information to semi-structured interviews conducted with industry

The second part of the market research involved an online survey⁵. A total of 111 individual respondents started the online survey, and 83 respondents completed all the questions. There were 71 individual organisations from all over Australia who responded. Below are graphical presentations of what industries the participating organisations are part of and the number of employees within the participating organisations. The third and final graph represents the distribution of the most relevant title of the respondents.

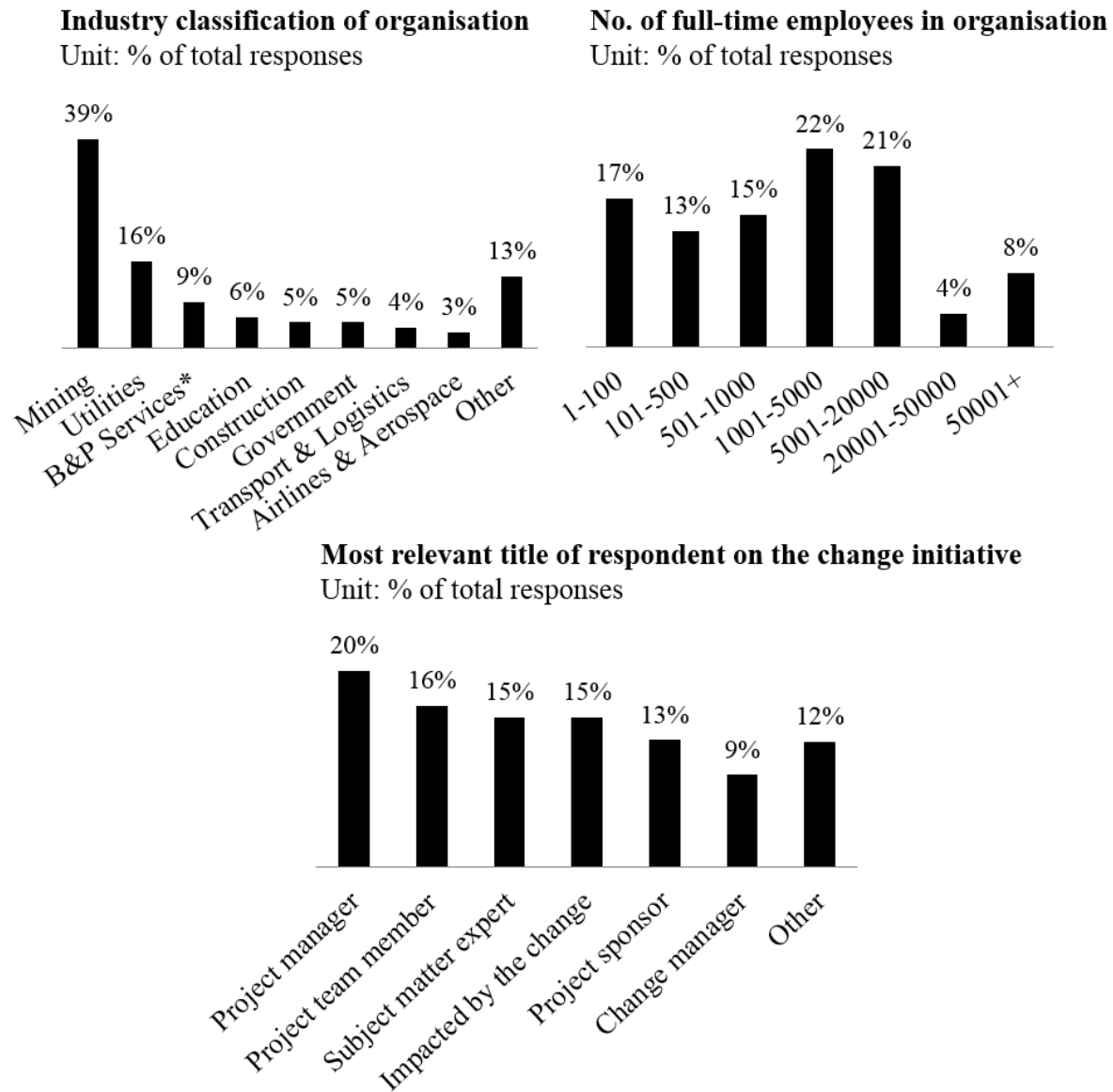


Figure 13 - Graphical representations of distribution of respondents' industries, titles, as well as the amount of employees at their respective firms

4.2 Change Management Maturity

The following section will identify how mature organisations are when it comes to Change Management. The maturity is assessed based on how much organisations invest in Change Management and if the organisations have a standardised Change Management Approach within their organisation. The last criteria concern the level of detail of organisations' standardised Change Management Approaches and how much tailoring according to a specific change initiative they allow for.

⁵ See Appendix 5

After having conducted the semi-structured interviews and analysed the result from the online survey it is clear that there exists a large spread in how mature organisations are in the field of Change Management, ranging from very immature to highly mature. A few organisations have extensive experience when it comes to managing change and invest significantly in Change Management, while many organisations are still quite immature. Below is a chart showing the summary of organisations' investment in Change Management.

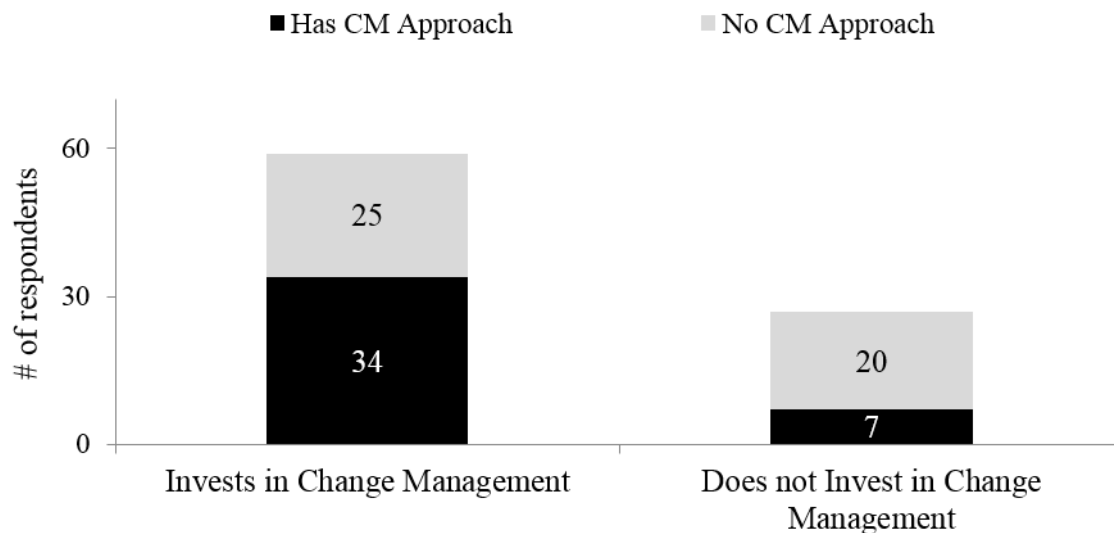


Figure 14 - Organisation's investment in Change Management depending on whether they have a CM Approach or not

The findings from the online survey, displayed in the chart above, shows that the majority of organisations invest in Change Management. Among the organisations who invest in Change Management, 34 out of 59 respondents have a standardised Change Management Approach within their organisation. Only seven respondents have a standardised Change Management Approach, but do not invest in additional Change Management concepts. At the same time, the majority of organisations who do not have a standardised Change Management Approach still invest in other Change Management concepts. As shown in the graph above, a total of 48% of the responding organisations have a standardised Change Management Approach.

Also the semi-structured interviews showed the same result. Five, out of the total of ten interviewed organisations, said they have a standardised Change Management Approach within their organisation. However, quite a diverse range in the extent to which the approach is adopted when undertaking a change initiative, and the purpose of the usage, has been identified. Among the interviewed organisations who have a standardised Change Management Approach, a few participants indicated that the approaches are newly developed and not currently performed well, due to lack of ownership of the Change Management Approach. Instead these organisations heavily rely on people, and their personal skills in the field of Change Management, who apply tools and methods they have personally used before.

The semi-structured interviews have also found that even though participants claim they have a standardised Change Management Approach within their organisation, it may not be adopted throughout the entire organisation. Semi-structured interviews with Company 3 illustrate this finding. Interviewee 1 says they adopt the ADKAR Change Management framework developed by Prosci, while interviewee 2 do not agree, and do not personally use that approach. Analysis of the

result from the online survey shows that 78% of the respondents whose organisation have a standardised Change Management Approach do not personally apply this approach when undertaking change.

Among the organisations that do not have a standardised Change Management Approach, the main perceived benefit with not implementing one is maintained flexibility. Many organisations consider change to be the norm, but still do not adopt a standardised Change Management Approach when undertaking change, due to a fear of losing agility. During one interview with Company 3, the interviewee expressed this concern; “I think it sometimes creates barriers more so than it enables”. Several of the interviewed organisations indicate that although they do not have a standardised Change Management Approach, they do have some structures for how to manage parts of change programmes that have previously been undertaken within the organisation. However, for every new change initiative that is not a standard part of their everyday life, they have to sit down and develop an entirely new change approach, which is a highly time consuming task. Hence, all organisations are positive when asked about their opinion on a standardised Change Management Approach which can be shaped according to a specific change initiative in a structured way.

Another reason for why organisations do not have a standardised Change Management Approach that emerged during the semi-structured interviews is that Change Management has a bit of a bad reputation in some organisations. In resistant organisational cultures Change Management can be perceived as a “waste of time”⁶.

Below is a graphical representation of the result from the online survey regarding the ways in which organisations invest in Change Management.

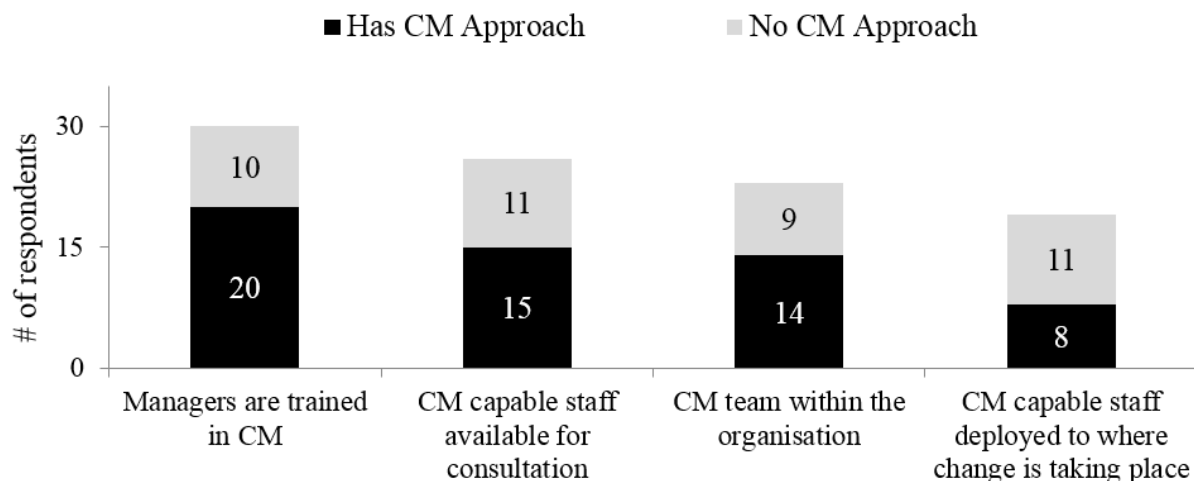


Figure 15 - Organisations' investment in Change Management

As shown in the graph above, the most common way of investing in Change Management is to train Managers in the concepts of Change Management. The semi-structured interview with Company 2 concludes that they are one of the organisations that put a lot of emphasis on this factor. The interviewee indicates that before the start of each new change initiative they sit down with the managers and go through the key-steps most important for a successful implementation.

⁶ Interview conducted on April 18, 2013, with a 5,000-20,000 FTE construction company manager

Moreover, it is apparent in the graph above that the organisations who have a standardised Change Management Approach invest more in additional Change Management concepts than organisations who do not adopt one when undertaking change. The only exception is for the category Change Management capable staff deployed to where change is taking place that organisations without a standardised Change Management Approach invest more in.

A final summarising conclusion that can be drawn from the semi-structured interviews and analysis of the result from the online survey is that the more change intensive an organisation is, the more emphasis is put on effective Change Management. The majority of organisations who are experiencing a lot of change have realised the importance of managing the people side of change, and hence invest more in Change Management.

4.2.1 Correlation between organisation size and Change Management maturity

When analysing the results from the online survey a positive correlation between increasing number of fulltime employees and maturity in the field of Change Management has been discerned. The graph below shows organisations that invest in Change Management, distributed by number of full-time employees. If the organisations have a standardised Change Management Approach when undertaking change has also been taken into consideration.

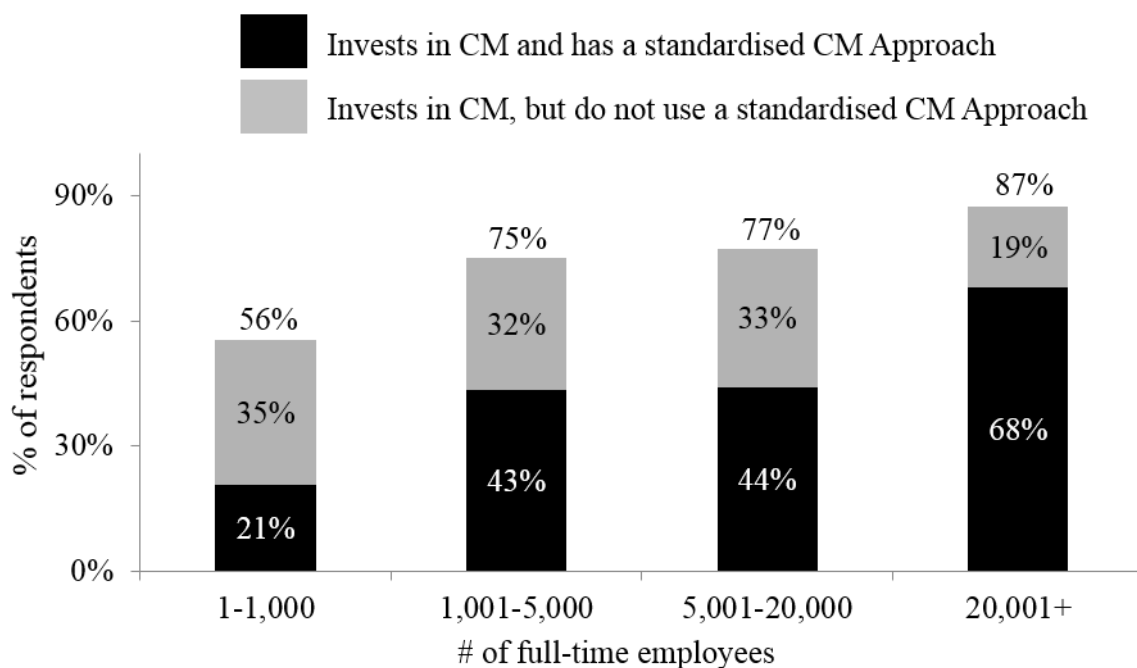


Figure 16 - Investment in Change Management distributed by the number of full-time employees

As shown in the graph above large organisations are more likely to invest in Change Management. 87% of all the responding organisations with more than 20,000 full-time employees invest in Change Management, compared to only 56% of the organisations with up to 1000 full-time employees. Large organisations are also more likely to have a standardised Change Management Approach. Out of the organisations with more than 20,000 full-time employees, 68% use a standardised Change Management Approach when undertaking change, compared to only 21% of the organisations with less than 1000 full-time employees. One reason behind this finding is that large organisations imply an increasing need to effectively manage the people-side of change in order to minimize resistance and achieve a successful change initiative. Moreover, large

organisations are often more complex, and hence require more structured Change Management Approaches when undertaking change.

Furthermore, not only do large organisations invest more in Change Management and are more likely to have a standardised Change Management Approach, their approaches are more mature than the approaches of smaller organisations. The maturity of organisation's Change Management Approaches has been assessed based on two criteria; the level of tailoring of methods the approach allows for, and the level of detail of the approach. A mature Change Management Approach is here defined as an approach that tailors methods according to a specific change initiative, but also provides much detail on what methods, tools, techniques and models to be used. In comparison, a Change Management Approach that tailors methods to a specific situation, but do not however do it in a detailed manner, is not considered to be a mature approach. Below is a matrix showing the maturity of organisation's Change Management Approaches. The organisations are categorised by number of full-time employees and positioned in the matrix depending on how each organisation have ranked the level of tailoring, and level of detail of their standardised Change Management Approach, on a seven point Likert scale.

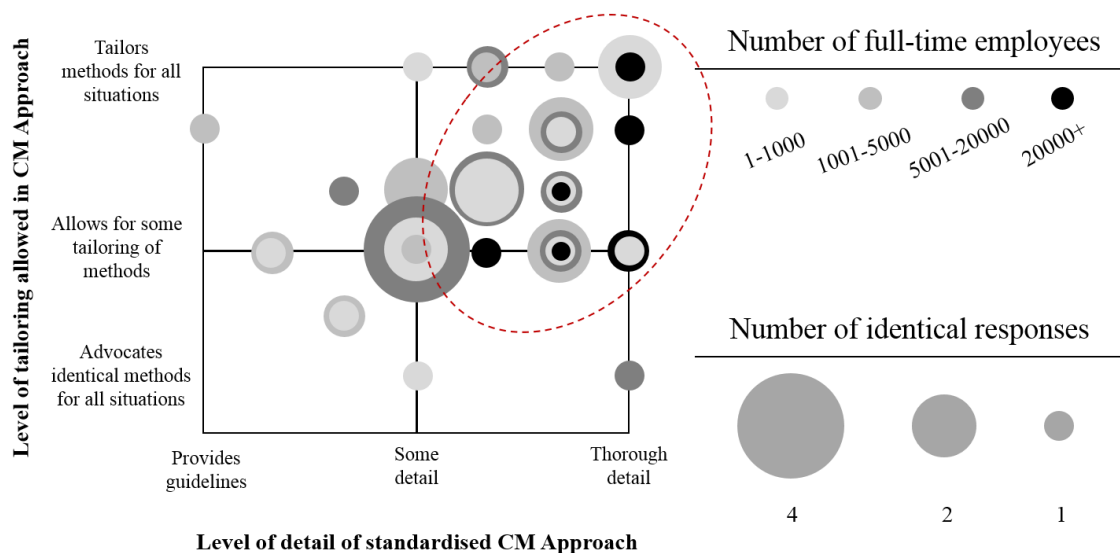


Figure 17 - Matrix of the maturity of organisations' CM Approaches categorised by number of FTEs

The matrix above shows that all organisations with more than 20,000 full-time employees are positioned in the upper right corner of the maturity matrix, indicating that large organisations have more mature Change Management Approaches compared to small organisations. Furthermore, it can be discerned from the maturity matrix that it is primarily the level of detail that increases along with number of full-time employees. One likely reason to this finding is that an increasing number of full-time employees generate a need for structure and thorough planning in order to effectively manage change.

4.2.2 *Correlation between Change Management maturity and success of change initiatives*

The analysis of the result from the online survey has identified a number of findings proving that utilising Change Management concepts when undertaking change increases the chance of achieving a successful change initiative. The following section will present the findings that constitute the basis for this conclusion.

The first finding can be distinguished in the two charts below, showing how the responding organisations have ranked their success in previously undertaken change initiatives. The charts also display how many organisations within each answer have a standardised Change Management approach.

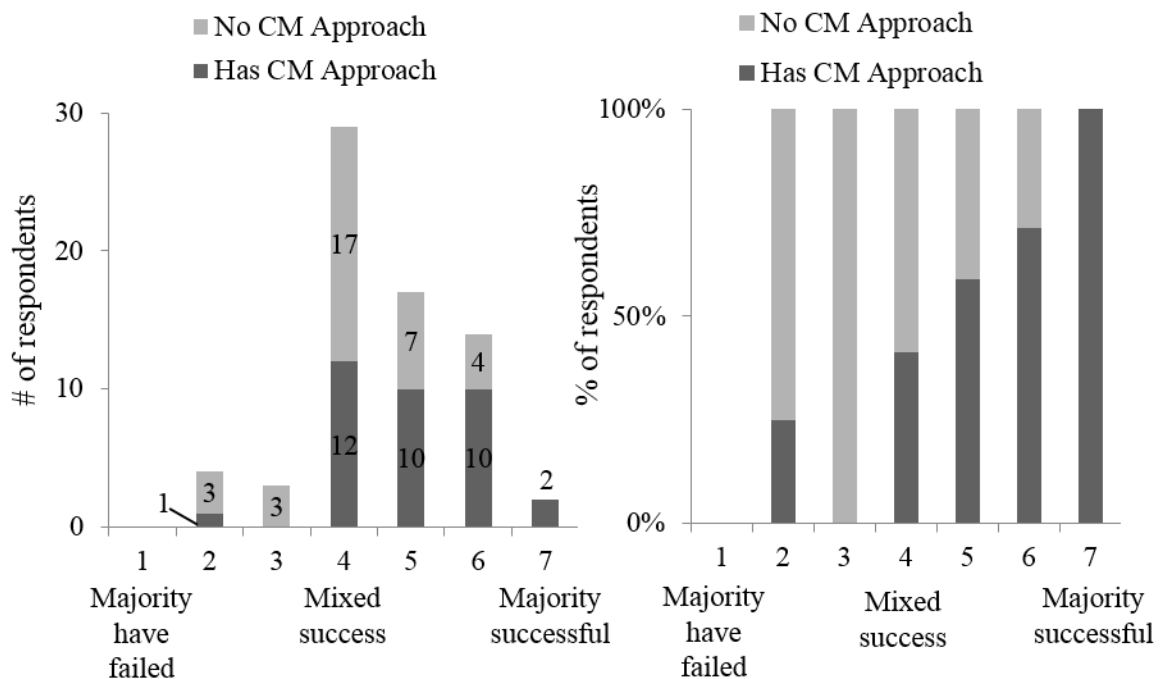


Figure 18 - Responding organisations' success rates of previously undertaken change initiatives as well as the proportion having a standardised Change Management Approach

As can be distinguished in the left chart, the majority of the respondents report having experienced mixed success in previously undertaken change initiatives and indicate a perceived difficulty making benefits endure. Furthermore, this chart clearly illustrates that among the respondents who feel that many of their previously undertaken change initiatives have failed only one organisation has a standardised Change Management Approach.

The right chart clearly shows that the percentage of organisations that have a standardised Change Management Approach increases with the success rate of undertaken change initiatives. This finding leads to the conclusion that the possibility of achieving successful change initiatives increases with standardised Change Management adoption.

The most likely reason for why having a standardised Change Management Approach increases the success of undertaken change initiatives, is because it encourages organisations to thoroughly structure and plan what activities, processes and tools that are necessary for a specific change initiative. In addition, this decreases the risk of not focusing enough on essential parts of the change initiative.

Furthermore, analysis of the responding organisations previous success rate of undertaken change initiatives, with consideration to both whether they have a standardised Change Management Approach and the size of the organisation, has been conducted. The result from the analysis is displayed in the below chart.

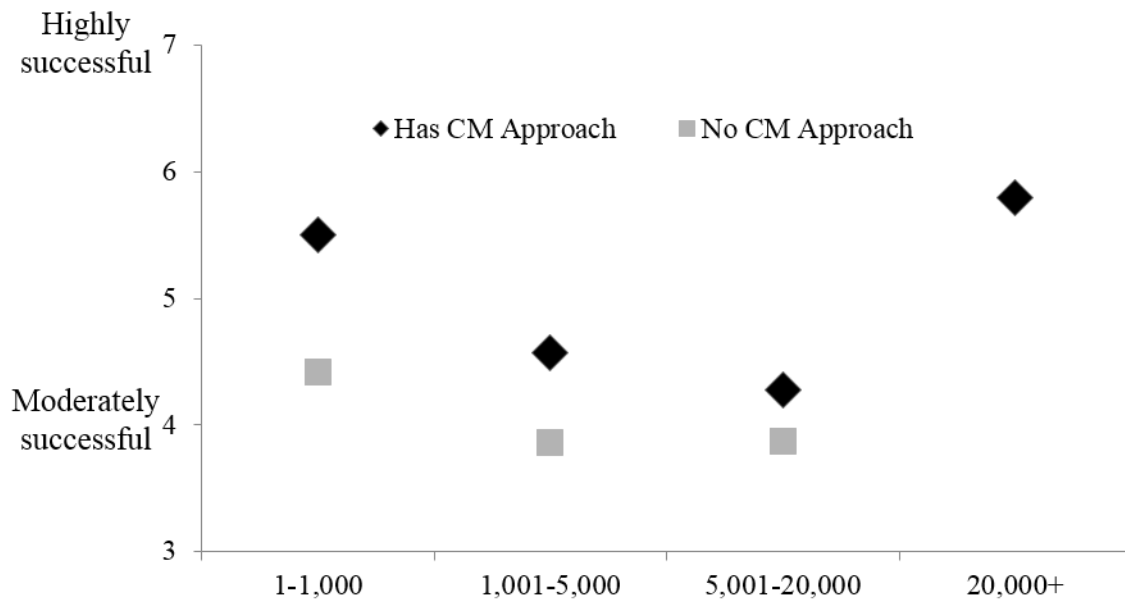


Figure 19 - Responding organisations' previous success rate of undertaken change initiatives in relation to size of organisation

The above chart shows the average rating of the respondents' previous success rates, distributed by number of full-time employees with consideration to both the organisations that have and do not have a standardised Change Management Approach. This chart clearly shows that organisations with a standardised Change Management Approach report higher success rates regardless of organisation size.

Moreover, it is apparent in the chart that very large organisations, with more than 20,000 full-time employees that have a standardised Change Management Approach report the highest success rates out of all the respondents. One reason for this is, as previously shown large organisations have more detailed and mature Change Management Approaches, and emphasise the importance of structuring and planning the change, which increases the change for it to become successfully implemented.

Out of the organisations without a standardised Change Management Approach, the very small organisations report the highest success rates. One possible reason for this finding is that smaller organisations have less of a need for a standardised Change Management Approach to help them structure the way they undertake change, due to the low number of employees. However, as the graph shows, no matter the number of full-time employees, an organisation is always more successful when undertaking change if they apply a standardised Change Management Approach.

Analysis has also been conducted regarding how organisations invest in Change Management and how that affects the success rates in addition to having, or not having, a standardised Change Management Approach. In the online survey the organisations were asked how they invest in Change Management. They could choose one to four of the following four Change Management Concepts that were most frequently cited during the semi-structured interviews. The first concept was having a Change Management team within the organisation, followed by having Change Management capable staff available for consultation. The final two were having Change Management capable staff deployed to where change is taking place and training managers in Change Management. The chart below shows the average ranking of the success rate of previously undertaken change programme, distributed by number of Change Management concept invested in.

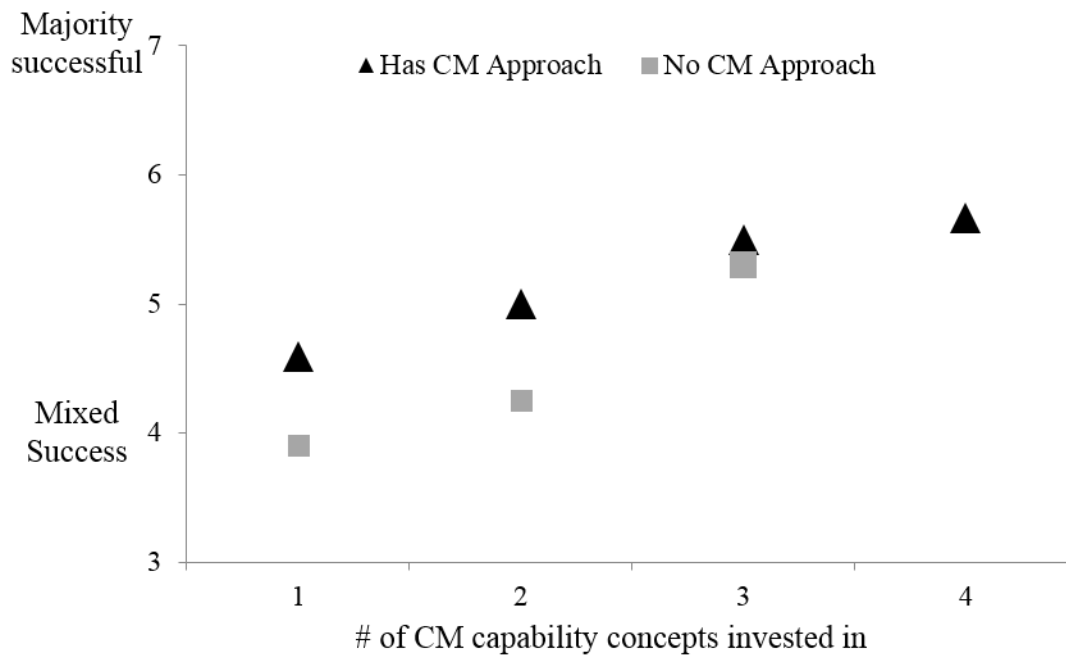


Figure 20 - Success of responding organisations' previous change initiatives in relation to the number of Change Management concepts invested in

This chart clearly shows that investment to develop an organisation's Change Management capability increases change success regardless of whether the organisation has a standardised Change Management Approach. One can also distinguish that the organisations that both have a standardised Change Management Approach, and in addition to this invest in all four Change Management capability concepts, report the highest success rates of all respondents. Hence, the conclusion is that a combination of both generates the highest success rates when undertaking change. One reason for why these organisations are so successful in undertaking change initiatives is that they are largely focusing on Change Management and have recognised that the people side of change is at least as important as other aspects of a change initiative in order to achieve successful results. As one of the interviewees at Company 1 expresses it; "it is really only people who care about change, the processes do not care if they are being changed, and the machines do not care if they are being shut down, it is the people. So for that reason Change Management is key".

One other finding that can be made after conducting the semi-structured interviews is that organisations' Change Management Approaches can be very different to one another. The results from the online survey show that 69% of the respondents have an internally developed Change Management Approach. The semi-structured interviews have primarily identified two factors which have differed much between interviewed organisations' Change Management Approaches; the level of detail and the level of tailoring. The level of detail refers to the extent a Change Management Approach outlines the activities, methods and tools to be used, while the level of tailoring refers to how much it allows you to tailor the activities, methods and tools used to a specific change initiative. The matrix below shows the level of detail and tailoring of the responding organisations' Change Management Approaches. The organisations are positioned in the matrix based on how they have ranked their previous success rate in the online survey.

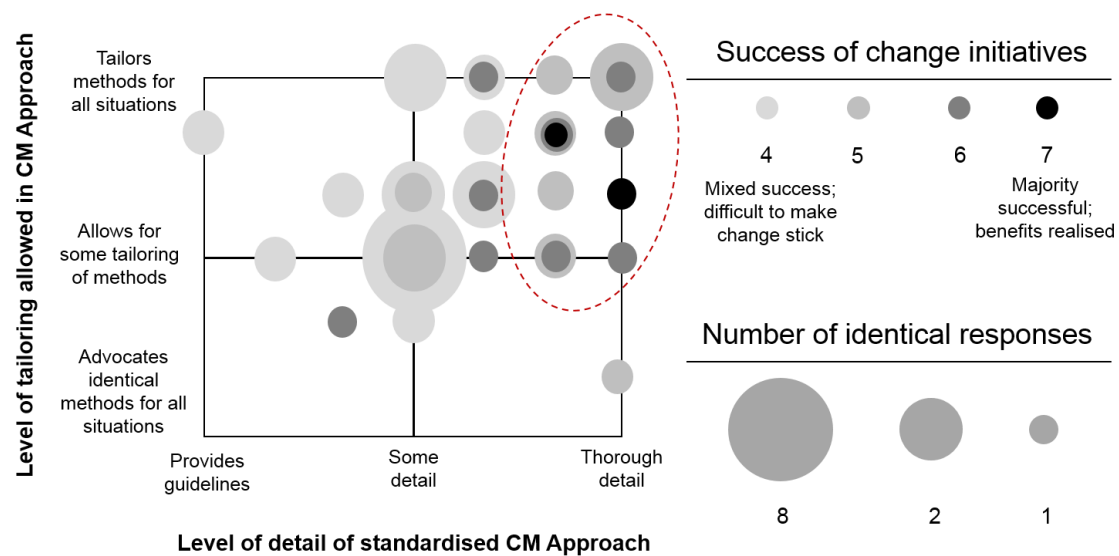


Figure 21 - Matrix showing the level of detail and tailoring of the responding organisations' Change Management Approaches

As can be seen in the picture above, the vast majority of the respondents are positioned in the upper half of the matrix. This implies that very few organisations have Change Management Approaches that advocates identical methods for all situations, and that most approaches at least allow for some tailoring of the methods used. However, what has been found to differ most between Change Management Approaches is the level of detail. The matrix above clearly shows that organisations who have experienced mixed success when undertaking change in the past have Change Management Approaches with significantly lower level of detail compared to organisations who are more successful when it comes to managing change.

The matrix further shows that the more successful organisations believe they are at undertaking change, the more they are positioned to the right in this matrix. The organisations that rank their previous success rate as a seven are all positioned in the upper right corner, which as previously explained is where organisations that have a mature Change Management Approach are positioned. These findings lead to the conclusion that having a more detailed Change Management Approach that allows for tailoring increases the success of change initiatives.

The chart below shows a further explanation of the matrix above regarding how the level of detail, and the level of tailoring, of Change Management Approaches correlates with increasing success rates. The left vertical axis represents how the respondents within each category of success have ranked their level of detail on average, and the right vertical axis shows the equivalent for level of tailoring.

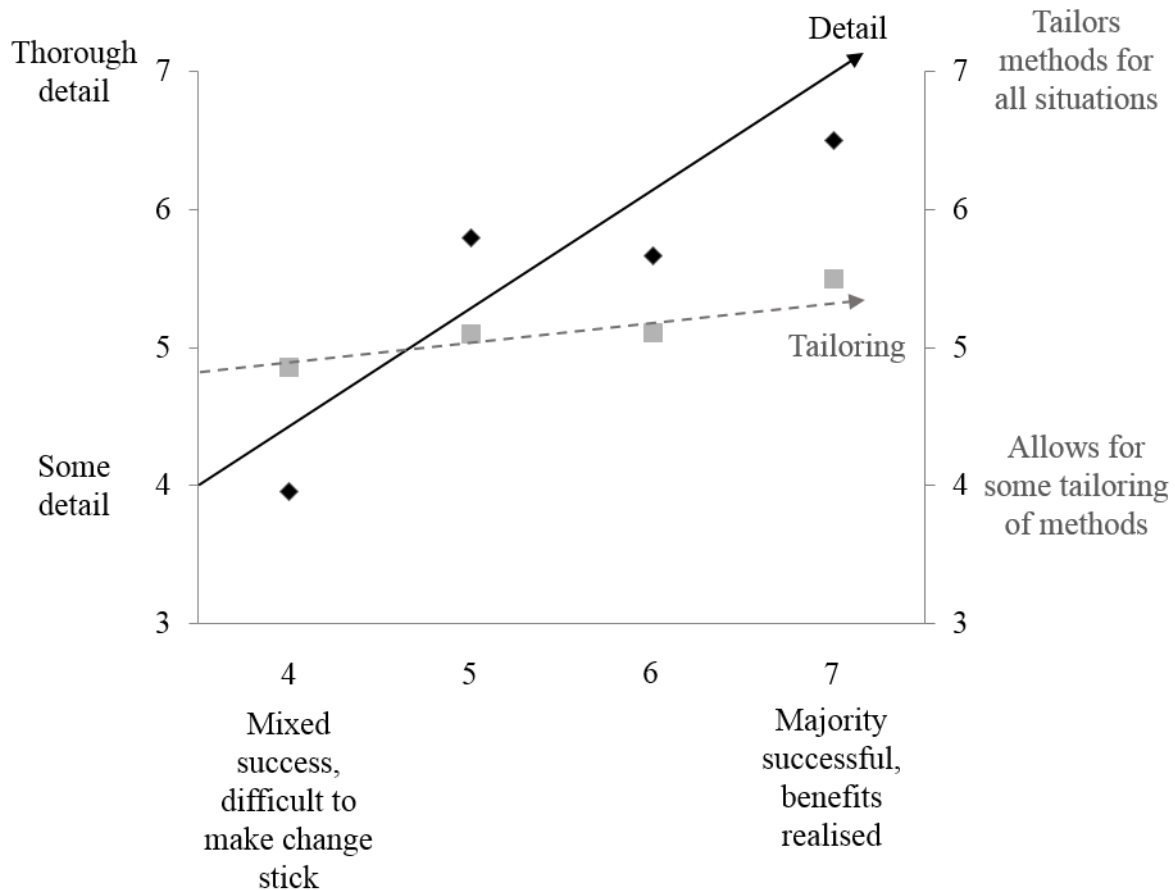


Figure 22 - Correlation between success rate of undertaken change initiatives versus the level of detail and level of tailoring of the Change Management Approach

The chart above shows clearly that the level of detail has a strong positive correlation with the success of change initiative, while the level of tailoring only has a weak positive correlation with increasing success rate. However, this chart further shows that all Change Management Approaches allow for methods, tools and activities to be tailored according to a specific change initiative, even the ones that generate mixed success. Hence, having a Change Management Approach that allows for tailoring of methods is a prerequisite for being able to achieve a successful change initiative.

These findings lead to the conclusion that it is essential that a Change Management Approach allows for tailoring of methods, tools and activities according to a specific change initiative. However, if the tailoring is not done in a detailed, and structured, way it will not result in increasing success.

4.2.3 Correlation between Change Management maturity and sustainability of change

Analysis of the result from the online survey shows that maturity in the field of Change Management not only have a positive correlation with increasing success rate, but also with increasing sustainability of change. Below are two charts showing the Change Management Approach adoption distributed by ranking of sustainability of previously undertaken change initiatives.

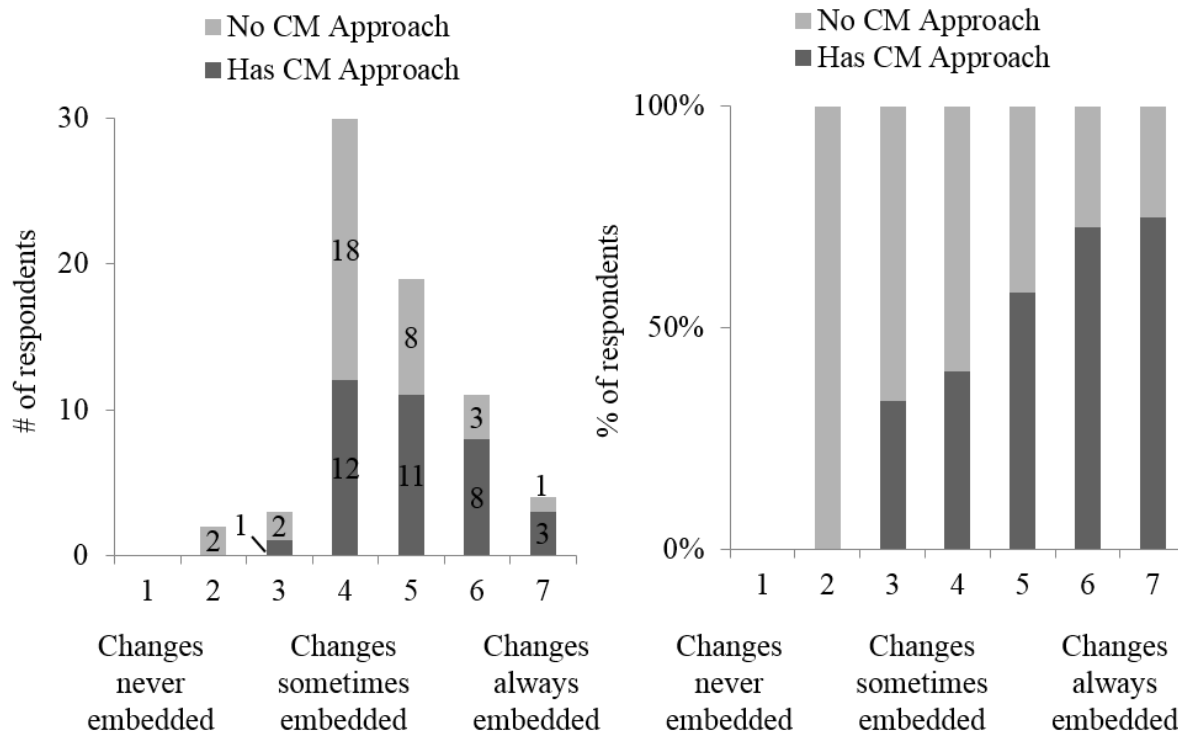


Figure 23 - Correlation between having Change Management Approach and achieving sustainability of change

The left chart shows clearly that the majority of the respondents experience change sometimes to be embedded, while no organisations feel that change is never embedded within the organisation. The right chart further distinguishes a positive correlation between increasingly enduring benefits and Change Management Approach adoption. Among the organisations who claim that changes are always embedded within their organisations, the majority also adopt a standardised Change Management Approach when undertaking change. Hence, this finding leads to the conclusion that adopting a standardised Change Management Approach not only increases the chance of achieving successful change initiatives, but also ensure benefits endure.

4.2.4 Summary of Change Management Maturity

In summary, this section of the report has shown that having a standardised Change Management Approach increases the success of undertaken change initiatives, regardless of organisation size. Furthermore, it found that investment to develop an organisation's Change Management capability increases the change success regardless of whether the organisation has a Change Management Approach. This section also proved that having a more detailed Change Management Approach that allows for tailoring increases the success of change initiatives. Finally, this section concluded that adopting a standardised Change Management Approach not only increases the chance of achieving successful change initiatives, but also ensure benefits endure. Hence, the main conclusion of this section is that utilising Change Management concepts when undertaking change increases the chance of achieving a successful change initiative, and ensuring benefits endure.

4.3 Shaping the Change Management Approach

As was shown in the previous section, having a standardised Change Management Approach increases the success rate of undertaken change initiatives as well as the sustainability of their results. Although literature, such as Prosci and Kotter (1995), tend to advocate models of an n-step

type without having described methods, tools or techniques that shape the approach to the situation specifics surrounding the change initiative, it is in reality important to take the specifics into account in order to have successful outcomes and sustainable results⁷. This discrepancy is further shown in the study as only four organisations in the survey, or eight per cent, with a standardised Change Management Approach had off-the-shelf approaches. Most organisations had rather developed their approaches internally to suit their specific needs.⁸

This chapter therefore aims to show findings with regards to why only approximately fifty per cent of organisations being part of this study do have one; which is due to a perceived decrease in flexibility when undertaking change. Quantitative data, backed by qualitative, then shows that there is no decrease in flexibility having a standardised Change Management Approach if a more holistic stance with regards to Change Management is taken. The factors driving organisations shaping of Change Management Approach is then shown followed by the parts of the approaches that they do shape.

4.3.1 *Organisations perceive decreased flexibility with introducing a CMA*

Organisations not having a standardised Change Management Approach were both in the survey and during interviews asked why they chose not to have one and if it was a conscious choice. As shown in the figure below with data from the survey most organisations without a standardised Change Management Approach only passively made the choice to not have one.

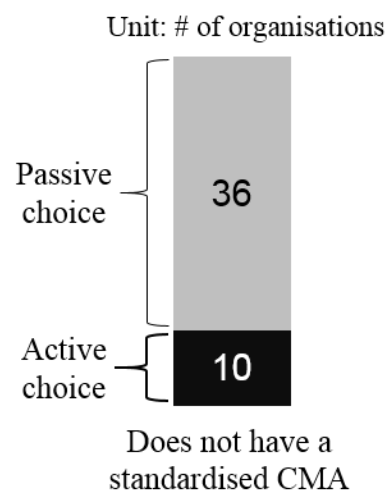


Figure 24 - Depiction of organisations actively or passively choosing to not have a standardised Change Management Approach

It hence seems like most organisations without an approach haven't actively weighed the pros and cons of introducing such an approach.

As being depicted in the figure below, a clear pattern discerned showing that out of the organisations without a standardised Change Management Approach⁹, a resounding majority expressed the benefits as maintaining flexibility when undertaking change. The organisations taking

⁷ The thirteenth semi-structured interview, conducted on April 26th 2013

⁸ Approximately 70 percent of organisations had developed their approaches internally to suit their specific needs

⁹ There were 8 organisations in the survey that provided relevant answers in the text box asking for their perceived benefits from not having a standardised Change Management Approach.

part in the survey expressed concerns with having to follow a rigid set of rules that doesn't allow for tailoring to the needs of the situation.

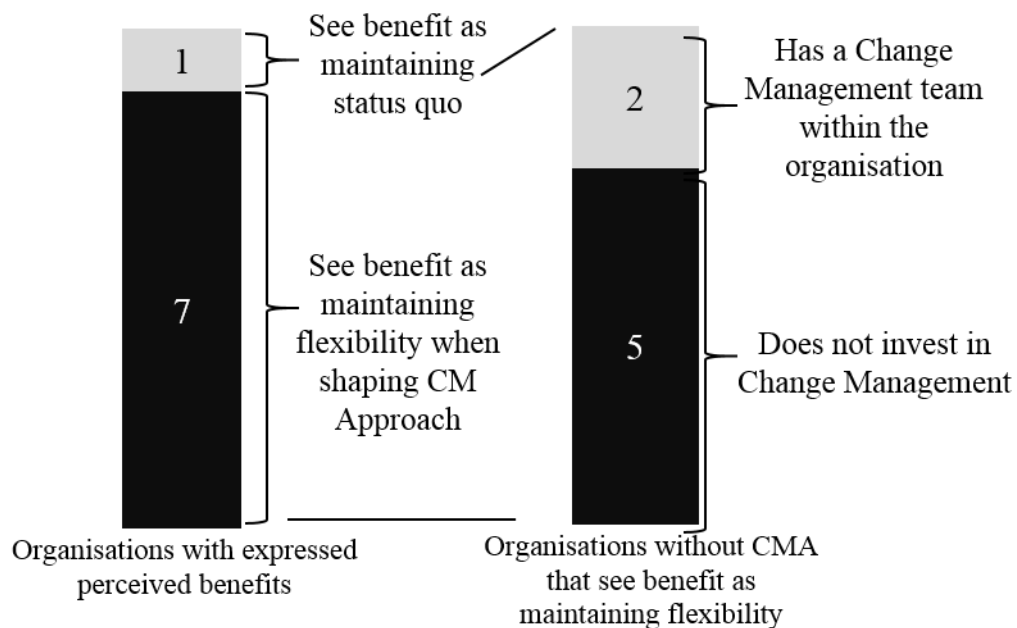


Figure 25 - Organisations without a Change Management Approach

These findings were further corroborated via the semi-structured interviewing, where organisations elaborating on the topic often brought up flexibility as a concern. Out of the organisations taking part in the survey and reporting having a standardised Change Management Approach, only eight per cent had off-the-shelf approaches. It was throughout the semi-structured interviews noted that of the five organisations having a standardised Change Management Approach, all of them had internally-developed bespoke approaches. All five organisations said that their developed approach, to various extents, were inspired from existing approaches¹⁰, but that none of them suited the specific needs of their organisation.

An interesting finding, though, was that, both in interviews and in the survey, organisations reported that having a standardised Change Management Approach that allowed for shaping to the situation specifics would in fact increase the likelihood of achieving successful change initiatives as well as sustainable results. As depicted in Figure 15, a large majority of survey respondents agree that having a standardised Change Management Approach that shapes methods, tools and techniques for different initiatives increases the likelihood of achieving successful change initiatives and sustainable results.

¹⁰ All of them said that they had found inspiration from Prosci and the ADKAR framework as well as from Kotter (1996).

Unit: % of respondents agreeing[^] that having a standardised Change Management Approach that shapes methods, tools and techniques for different initiatives increases the likelihood of achieving successful change initiatives and sustainable results

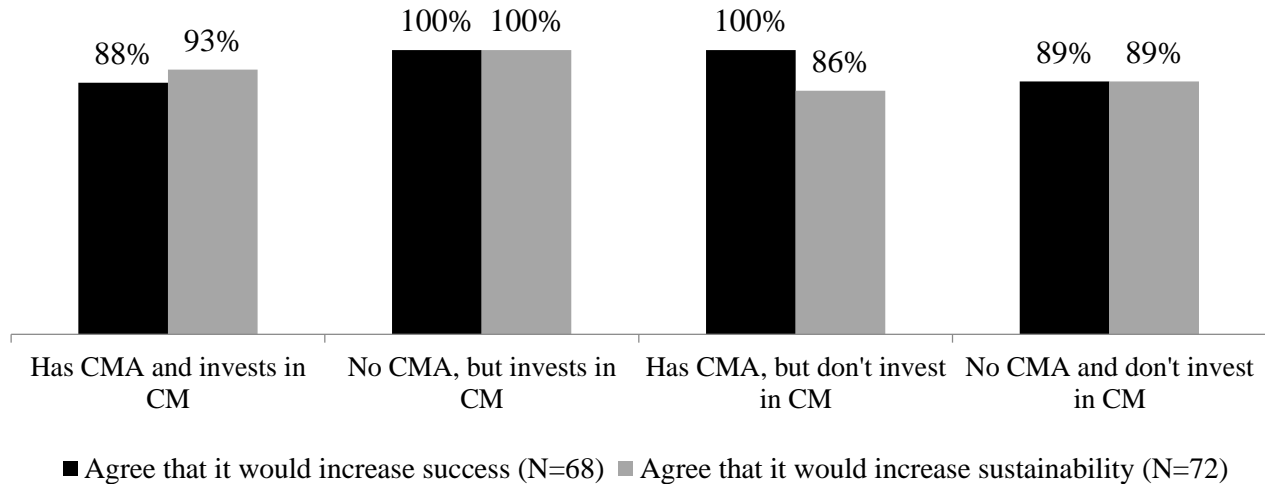


Figure 26 - Proportion of organisations agreeing that shaping to situation specifics leads to successful outcomes of change initiatives and sustainable results

It is interesting to note that, as depicted in Figure 15, organisations without Change Management Approaches appear to be very positive to the notion of having one. The least positive to the notion of having an approach are organisations that are neither having a standardised Change Management Approach nor investing in any other Change Management concepts.

4.3.2 Organisations with Change Management Approach equally flexible

As shown above, many organisations without a standardised Change Management Approach claim maintained flexibility is the reason for not having one¹¹. This assumption of decreased flexibility, however, does not correspond to the findings of this study. As can be seen in Figure 16 below, there seem to be no trend to support the notion that having a standardised Change Management Approach decreases flexibility.

¹¹ Out of the 46 organisations without a standardised Change Management Approach

[^] Rating of 5-7 with 5 being slightly agree to 7 being strongly agree

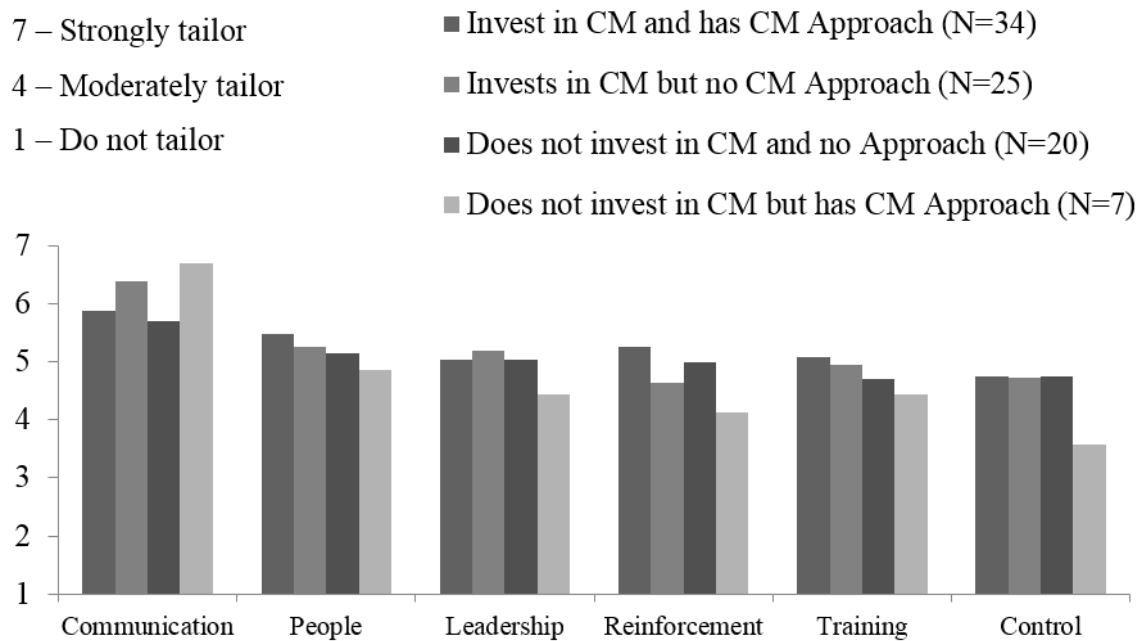


Figure 27 - Amount of tailoring of different parts of Change Management Approach to individual change initiatives¹²

This finding had already been identified via the semi-structured interviewing and was hence strengthened through the market survey. Interviews identified a trend that out of the 5 organisations utilising a standardised Change Management Approach when undertaking change, none believed that it decreased their flexibility while doing so. Rather, they said it provided a way for them to in a structured way approach the problem and provided guidelines. Without the standardised Change Management Approach, these organisations said that they would be leaving more up to chance and the individual experience of the change leader for each initiative.

The issue with flexibility was, however, brought up as an issue by the organisations that did not employ a standardised Change Management approach. "I don't believe some tick-box list being imposed on our staff would increase the success of undertaken change initiatives," as said by one interviewee.

In the interviews, a picture discerned that organisations experiencing decreased flexibility with introducing an approach seemed to be introducing compliance-based approaches. This could potentially also be deducted from the survey responses depicted in Figure 16. The organisations who appear to shape their approaches the least are the organisations that do have a standardised Change Management Approach, but without utilising any other ways to invest in Change Management. This could potentially be due to that these organisations utilise such compliance-based approaches.

4.3.3 Factors driving the shaping of Change Management Approach

As organisations see the benefits of having a Change Management Approach as well as see them as allowing organisations to remain equally flexible focus has been put on identifying the factors that make organisations shape their approach to different initiatives.

¹² A broader set of parts of a Change Management Approach was presented for respondents. This set was combined into overarching categories, as per Appendix 3.

In the self-completion questionnaire, organisations were asked what factors they considered to be most important when developing their Change Management Approach. In Figure 17, it can be seen that respondents consider three things to be the most important to take into consideration¹³: the risk associated with a change initiative; the intended outcome of an initiative; as well as the internal impacts of an initiative. These three factors were considered of highest importance both by organisations who have a standardised Change Management Approach and organisations who don't. Interestingly enough, the three factors considered the least were also common for both groups of organisations: the Change Management experience of the change leader; the change history of the impacted area or areas; as well as the cost of the initiative.

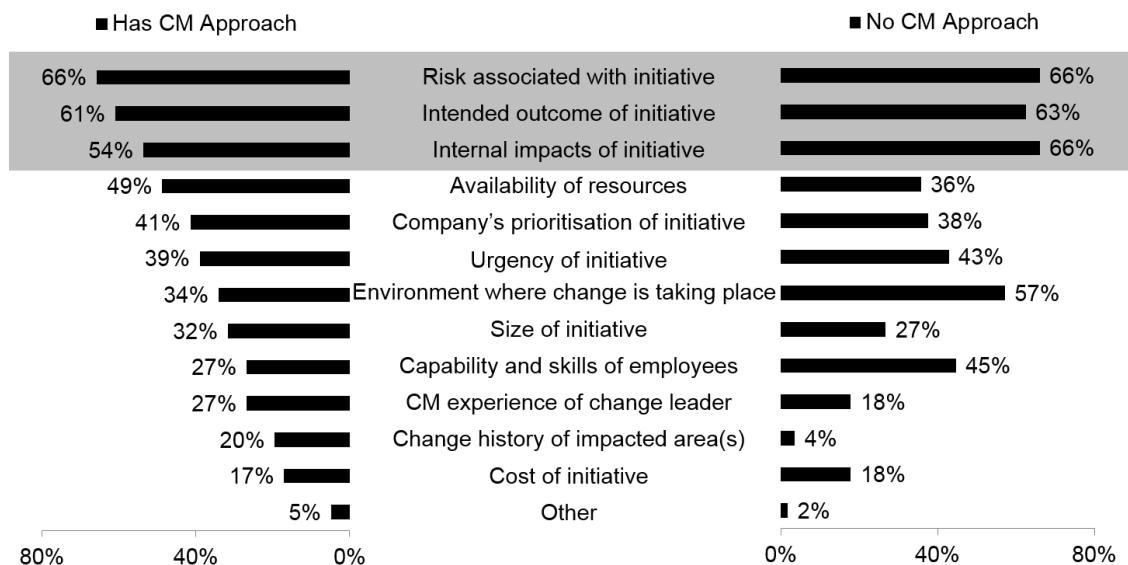


Figure 28 - Factors perceived to be most important when shaping the Change Management Approach

Several of the interviewees in the semi-structured interviews stressed a detailed risk analysis as important prior to engaging in change. The risk analysis, according to Interviewee 2, is carried out in order to understand the key risks of each initiative in order to understand how deal with them. According to Interviewee 2, the risk analysis can have a large impact on driving the Change Management to be carried out differently.

A finding from the semi-structured interviews that cannot be discerned through looking at the outcome of the market survey is the level of importance that most interviewed organisation put on conducting a stakeholder analysis. Nine out of the fourteen interviewed organisations brought up the topic of a stakeholder analysis as having bearing on the shaping of the Change Management Approach. "You will adapt your change approach to your key stakeholders," is a rather illustrative quote from Interviewee 2.

The stakeholder analysis could, however, be linked to the internal impacts of initiatives. This link was somewhat identified in the interview with Interviewee 3. "The people impact, the internal impact, is key to determine how adapted the approach needs to be. Look at who your stakeholders are. The approach will need to be adjusted to take their views into account." Also, the immediate response from Interviewee 8, when asked what factor that was the most important to take into consideration was; "Your stakeholders is one of the absolute key as well as the level of impact."

¹³ Respondents were able to provide up to five factors they see as important to take into consideration when shaping their Change Management Approach.

Another interviewee put it as, "Internal impact of the initiative. The people impact plays a huge role in deciding what type of Change Management Approach you should develop."

Another factor that was brought up in interviews was previously undertaken change initiatives. A majority of interviewees said that their organisations past experiences with handling change largely affected the approach being developed. As shown above, this link could, however, not be further strengthened via the self-completion questionnaire. The change history of impacted area, or areas, was a factor only expressed to be considered by twenty per cent of organisations with a standardised Change Management Approach and by four per cent of the organisations without one.

Organisations not having invested in having a standardised Change Management Approach seem, as depicted in the previous figure, more likely to take the environment where change is taking place into account. This was a topic elaborated on already in the focus group session, where the participants were talking about the importance of the change environment; they concluded that they did not have to give the environment a lot of consideration as they already had invested in tools and techniques able to mitigate risks associated with the environment. One interpretation that can be made is hence that organisations with a Change Management Approach might not have to take the environment equally much into account as they already have internalised these aspects via their Change Management Approach.

4.3.4 The parts of organisations' Change Management Approaches being tailored

As organisations have been found to tailor their approaches for to suit the needs of different change initiatives, this study has investigated what parts of an approach that organisations do tailor¹⁴. This section shows findings by utilising visually represented data from the questionnaire that is further elaborated on with findings mainly from the semi-structured interviewing.

¹⁴ Respondents could choose between 1 and 7 for all parts, where: 1 represented no tailoring at all; 4 represented moderate tailoring of that part; and 7 represented strong tailoring of that part of a Change Management Approach. Organisations could also choose to not indicate their amount of tailoring of individual parts.

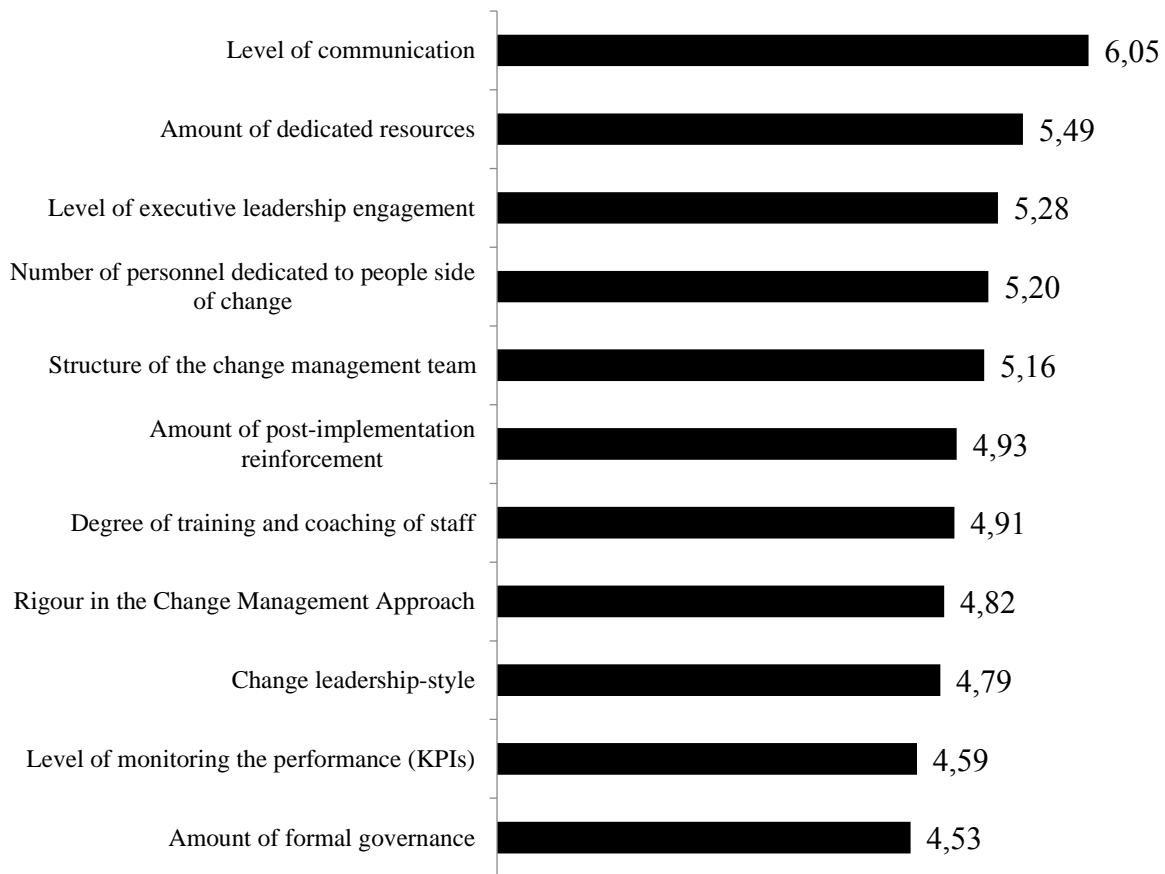


Figure 29 - The parts of survey participants Change Management Approaches that is tailored for specific change initiatives¹

The level of communication was in the survey reported as the part of a Change Management Approach being adjusted the most by organisations. On this topic, interviewees said that the focus put on communication is, however, not linear, ranging from a bit of communication to a lot. If having a different initiative than another, you should not simply increase or decrease the amount of communication channels and the amount of communication being executed. Rather, the communication channels most appropriate for different audiences should be used and the communication has to be adjusted for the targeted audience. As Interviewee 5 put it, “It has to be easily grasped by the stakeholders. Communication should be in the language of the receiver.”

Furthermore, interviewees stressed that it was not just to adjust the language used. To be able to communicate effectively to an audience, a majority of the interviewees said that you have to find out what levels to pull via a stakeholder analysis. The communication should then be adjusted so that the levers important to the people receiving the message are pulled. One interviewee exemplified this via a previous experience of his where a Texas-based organisation via acquisitions went into also having branches in Europe and Australia. He communicated to the employees that it was a great opportunity for them to leverage their career on a global scale; but they did not take the message even close to what he had hoped for. They became afraid. They never wanted to leave Texas and did not see a global career as something desirable. It created attrition within the organisation. He had pushed the wrong levers.

The next three consecutive parts being adjusted within organisations have found to be somewhat linked to each other. The first part is the amount of dedicated resources to an initiative; where resources include time, budget and personnel. The second one is the number of personnel dedicated to the people side of change. For the amount of resources dedicated, organisations have in

interviews reported that it is more or less linked to the magnitude of the change initiative. The magnitude, according to organisations, can be different based on different perspectives. One initiative might require a lot of monetary resources, whereas another can stretch over an extended period of time or it might affect a lot of people or stakeholders. All of these aspects, however, have impact on the amount of resources reported to be dedicated to a change initiative. The third aspect, the amount of people or stakeholders affected, is, however, reported to be linked to the number of personnel dedicated to the people side of change. Organisations report tending to dedicate more people working with Change Management related questions the more people that are affected by a change initiative.

As identified in the previous chapter, organisations pay attention to the internal impacts of a change initiative when developing their Change Management Approaches. Several organisations indicated something elaborated on by Interviewee 6; that changes affecting many people are in need of a deeper level of executive leadership engagement than initiatives impacting fewer people. Interviewees further reported that the leaders are vital in order to create acceptance for the change within the organisations. Change was said not to be possible without relevant executive leadership buy-in. Interviewee 13 said, “An engaged leader demonstrates for staff that the organisation view the initiative as important. If a manager does not visible show subordinates that progress is recognised and rewarded, staff is unlikely to make change a priority. Why should they? Their manager is apparently not showing support.”

It has been identified that out of the organisations with a Change Management Approach, the model always remains the same. It is the extent to which they document and adhere to tools that is the element they vary. To exemplify, a discerning trend has been that if an organisation is experiencing a smaller change they might take a lighter touch approach in terms of looking at the phases of the change and the activities they undertake in them. For a larger change, with more rigour, more risk, more impact and of higher organisational focus, they would be more disciplinary in terms of applying tools and checking back as well as having a more structured governance framework. Hence, it seems like organisations manage to stick with one approach, but the extent to which they apply tools, methods and techniques is what changes. When this notion was brought back to the open-ended interview participants, they said it by and large represented how they are working with Change Management.

A finding is that that some of the organisations, both in the open-ended and in the semi-structured interviews, have specific tools that they use for all change initiatives. These tools are used to assess the impact on different aspects, such as people, as well as other aspects such as the amount of risk associated with the initiative. The tools then provide ratings on different aspects of the initiative that subsequently guides the tools, methods and techniques to be applied throughout the change initiative.

The aforementioned two paragraphs are probably related to that the parts Rigour in the Change Management Approach, Level of monitoring the performance and Amount of formal governance were ranked in the bottom section in Figure X. Having the Change Management Approach might already internalised many of these aspects and they hence might no need the same amount of tailoring of these parts.

4.3.5 *Summary of findings on the Shaping of the Change Management Approach*

Herein, summarised findings from the 5.3 chapter on shaping of the Change Management Approach will be presented to highlight the most important trends having been discerned in the study.

It was recognised that most organisations employing Change Management Approaches use internally-developed bespoke approaches rather than off-the-shelf models. The trend was that organisations chose to develop their own approaches to maintain flexibility and to have approaches matching for their specific needs. Most organisations without a Change Management Approach chose to not have one as they wanted to remain flexible, although organisations having an approach don't report lower levels of flexibility. Rather, organisations that don't invest in Change Management while still having an approach are the organisations reporting the lowest level of flexibility due to utilising compliance-based approaches. An interesting finding was that no matter the level of change maturity of organisations, all categories reported that they agreed on that having a standardised Change Management Approach that was shaped for the situation specifics would in fact increase the likelihood of achieving successful outcomes of change initiatives and the sustainability of results. Furthermore, organisations with an approach said not having a standardised Change Management Approach would lead to leaving more up to chance when undertaking change.

The things taken the most into account by organisations when they are shaping their approaches to specific change initiatives is: the risk associated with a change initiative; the intended outcome of a change initiative; as well as the internal impacts of a change initiative. The things taken the least into account are: the Change Management experience of the change leader; the change history of impacted area or areas; as well as the cost of the initiative. Several organisations in the interviews stressed the importance of conducting a detailed risk analysis prior to undertaking change as an understanding of risk was vital to be able to mitigate those risks. Furthermore, it was identified that interviewees recommended the use of conducting a stakeholder analysis prior to engaging change.

When undertaking the change initiative, the communication is the part of an approach that is adjusted the most according to situation specifics. It is rather the communication channels used, the audience targeted, and the language used that is shaped for the specific change initiative than the amount of communication. Furthermore, the stakeholder analysis that was stressed prior to engaging in change had bearing on how the different parts of a Change Management Approach are shaped. It was used to find out whom to engage as well as the levers suitable to pull to get the targeted audience on board and positive towards the idea of change.

4.4 Success and Sustainability of change initiatives

In order to find the answer to the first research question regarding how organisations can increase the likelihood of achieving successful change initiatives and sustainable results, it was considered essential to first provide a clear definition of the terms success and sustainability. This need for a definition was further strengthened by the previously mentioned finding that literature fails to define a successful change initiative. Hence, part of the market research has been dedicated to this topic, and the findings will be presented in this section. The subsequent part in answering the first research question has been to determine which key success factors have the largest impact on the success of change initiatives. In order to find the answer, a regression model has been developed and the result from the model will be presented in this section.

4.4.1 Defining success and sustainability

After having conducted the semi-structured interviews it is clear that organisations do not have one single way of defining a successful change initiative. Instead there are several criteria that have to be fulfilled in order for a change initiative to be considered successfully implemented.

The vast majority of the semi-structured interviews indicate that a change initiative is successfully implemented when the initially established objectives have been realised. Many interviewees also mentioned that the change initiative has to be implemented on time, and on budget, in order to be considered a success. The final criterion for a change initiative to be recognised as successful is that it has to be sustainably implemented. As one interviewee said; “you want to hear people say that is just the way we do business”.

In order to identify which of the above criteria organisations believe provide the best definition of a successful change initiative, the respondents were asked to indicate to which extent they agree that the above criteria defining a successful change initiative. The chart below shows the result from the online survey.

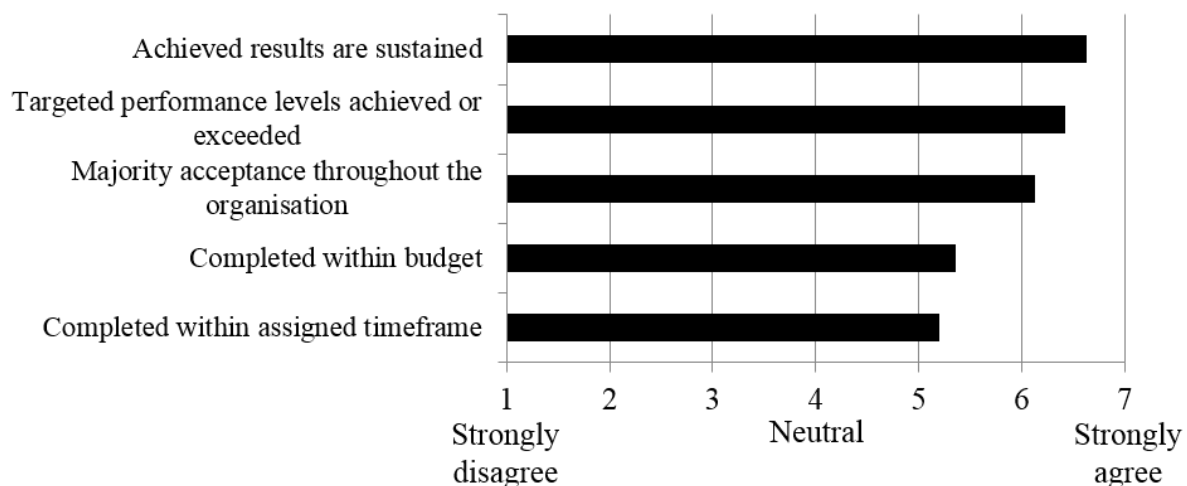


Figure 30 - The degree to which different criteria correspond to respondents' definition of a successful change initiative

The above chart shows that the definition of success respondents most strongly agree with is achieved results are sustained, closely followed by the criterion targeted performance levels achieved or exceeded. The chart further indicates that having the change initiative completed within budget, and assigned time frame, are less satisfying as definitions of a successful change initiative.

The semi-structured interviews also discerned a varying opinion among organisations on how to define sustainable change, similar to the situation when defining successful change. Many interviewed organisations indicate that a change initiative is sustainable when it becomes business as usual, while others believe that change is sustainable when the old way of working is no longer utilised.

The semi-structured interviews further found that many of the participating organisations attempt to put a time frame on sustainability. As one interviewee expresses it; “I think a good acid test is if the new way of working is still in use in a year's time that is sustainability”. Other interviewees do not believe time is a suitable indicator on if a project was sustainable or not. One reason for why participants believe it is difficult to define sustainable change using a certain amount of time as a

criterion, is that different type of projects, intending to achieve differing outcomes, require varying time before it becomes embedded. Finally, many interviewees imply that a change initiative must be successfully implemented in order to ensure sustainable results.

In order to determine which criterion respondents believe provide the best definition of a sustainable change initiative, they were asked in the online survey to indicate which criterion they believed provided the best explanation of sustainable results. The chart below shows the outcome of the online survey.

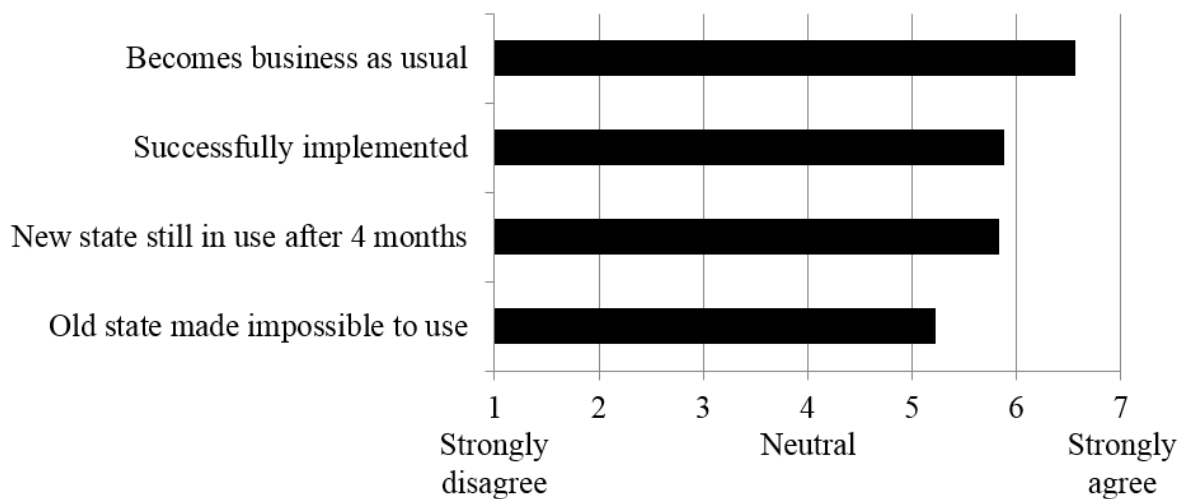


Figure 31 - The degree to which different criteria correspond to respondents' definition of a sustainable change initiative

The chart above shows that organisations most strongly agree that a change initiative is sustainable when it becomes business as usual. However, they also agree that a change initiative need to be successfully implemented in order for it to become sustainable. The criterion the respondents believe provide the least suitable definition of a sustainable change initiative is old state made impossible to use. The semi-structured interviews indicate that it is of importance that people are not left after the change not knowing what to do, which is a large risk when making the old way of working impossible to use.

4.4.2 Factors with greatest effect on success

One of the main parts in answering the first research question on how organisations can increase the likelihood of achieving successful change initiatives and sustainable results, has further been to identify what factors have the greatest effect on the success rate of undertaken change initiatives. As the first part in determining these factors, part of the literature study and the semi-structured interviews were focused on identifying factors affecting the success of change initiatives. Thereafter, the identified success factors were included in the online survey, and the result was utilised in order to develop a regression model to identify which factors have the largest positive effect on the success rate of change initiatives. This section will firstly present the factors influencing success identified in literature and semi-structured interviews, and subsequently introduce the outcome of the regression model.

Both literature and interviewees emphasise the importance of active, visible and engaged leadership. Having an experienced change leader can further increase success of a change initiative. One of the interviewees claims that “leadership is probably the most important factor in achieving successful change. If you have a leader that is really good at change while the team is not, the leader

can still go about that change seamlessly”. Other interviews further conclude that the type of leadership also is important in achieving successful results. Interviewees indicate that leadership styles can range from, autocratic, to directive and finally collaborative, and which type is the most successful is highly dependent on the context of the change initiative. In general, change initiative with large impact on people benefit from adopting collaborate leadership style, in order to make employees feel part of the change.

Furthermore, after conducting the literature study and the semi-structured interviews it is clear that effective communication is an essential factor in achieving successful change initiatives. Interviewees indicate that the change agenda has to be well communicated within the organisation. The communication should involve information on how the future state will look like. Semi-structured interviews further conclude that in order to achieve stakeholder buy-in it is important to communicate what is required from them, and the consequences of not changing.

Based on the outcome of the semi-structured interviews it is also evident that the staff must be competent in their new roles and responsibilities in order to achieve a successful implementation. Hence, training and coaching in order to reach the new competence levels is of high importance for a successful change initiative, which is further strengthened by literature.

Semi-structured interviews further conclude that employees need to perceive the change initiative as necessary. However, interviewees imply that there is a difference between understanding that the change is necessary to undertake, and believing it is beneficial for each individual. Hence, the online survey has distinguished between these two factors in order to investigate if the effects they have on the success rate of change initiatives differ. Interviewees further emphasises the importance of ensuring that the change initiative being undertaken is prioritised within the organisation in order for it to become successfully implemented.

Other factors that according the semi-structured interviews affect the success of change initiatives are the size and distribution of the change initiative, the amount of funding dedicated to the initiative, the level of formal governance put in place, and time constraint on the change process. Finally, it was considered desirable to investigate how the level of detail of organisations Change Management Approaches affects the success of change initiatives. Hence, this factor was also included in the online survey.

Based on the result of the online survey, a backwards stepwise regression model was developed, in order to identify which of the above described factors have the greatest effect on the success of change initiatives. The success of the previously undertaken change initiative was the dependent variable of the regression model, whilst the above factors were the independent variables of the regression model. After having stepwise gone backwards and removed the insignificant independent variables, there were seven independent variables in the final regression model. These variables are displayed in the chart below showing the outcome of the regression model. The numbers to the right of the bars represent the regression coefficients, which correspond to the size of the effect the factors have on success of a change initiative. The effect indicated by the coefficient should be interpreted as if the independent variable increases with one unit, the success of a change initiative increases with the size of the coefficient. Hence, the higher coefficient, the larger effect on the success rate.

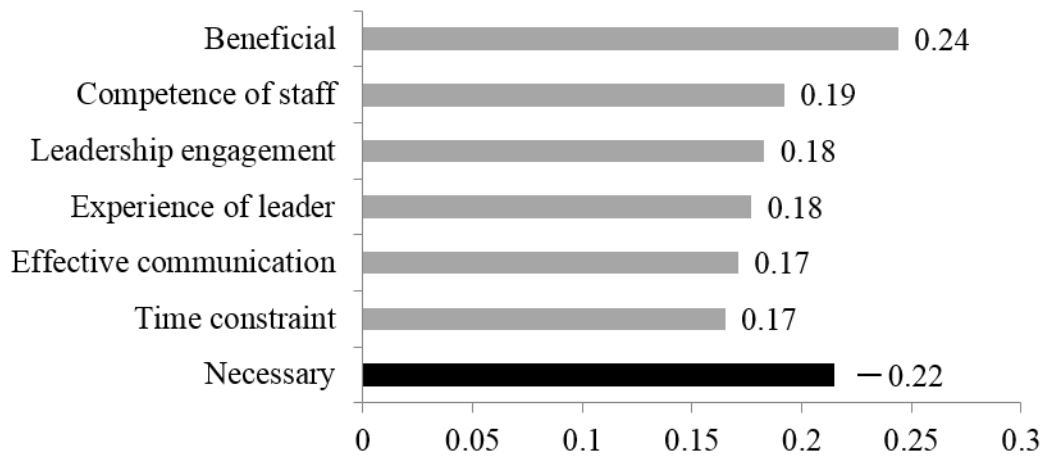


Figure 32 – Outcome of regression model

As you can clearly see in the chart above, the variable with the greatest positive effect on the success rate is that staff perceives the change as beneficial for them and the organisation. The variable with the second largest effect on the success of a change initiative is that staff has the right competence to manage their new roles and responsibilities. The outcome of the regression model further shows that having engaged leadership is the variable with the third largest effect on the success rate. One of the interviewees expressed the importance of leadership engagement as, “Change Management is all about leadership buy-in, alignment and commitment. If you do not have leadership support you are doomed. If you do, you can accomplish anything you want.

As can be distinguished in the above chart, ensuring that staff perceives the change as necessary is the only independent variable with a negative coefficient. According to the regression model, this result implies that the more necessary the staff believes the change initiative is, the less successful it becomes, which is considered a surprising result. One possible reason for this finding is that the majority of the change initiatives part of this study were initiatives with high impact on people, and often involved cutting costs and laying off people. Hence, the staff might understand that it is necessary to undertake the change initiative, but it is still difficult to successfully implement the change due to its negative impact on people.

In summary, the outcome of the regression model concludes that to maximise success, organisations should focus on ensuring staff perceive the change as beneficial, enhancing competencies, and having engaged leadership. For more information regarding the regression model, such as the R^2 -, adjusted R^2 value, standard error or correlation matrix, see Appendix 2, where also the steps taken in the stepwise backwards regression are shown.

4.4.3 Factors increasing the sustainability of change

The final part of answering the first research question was to identify what factors are most important in ensuring that change initiatives become sustainable and that benefits endure. The result from the online survey is displayed in the chart below.

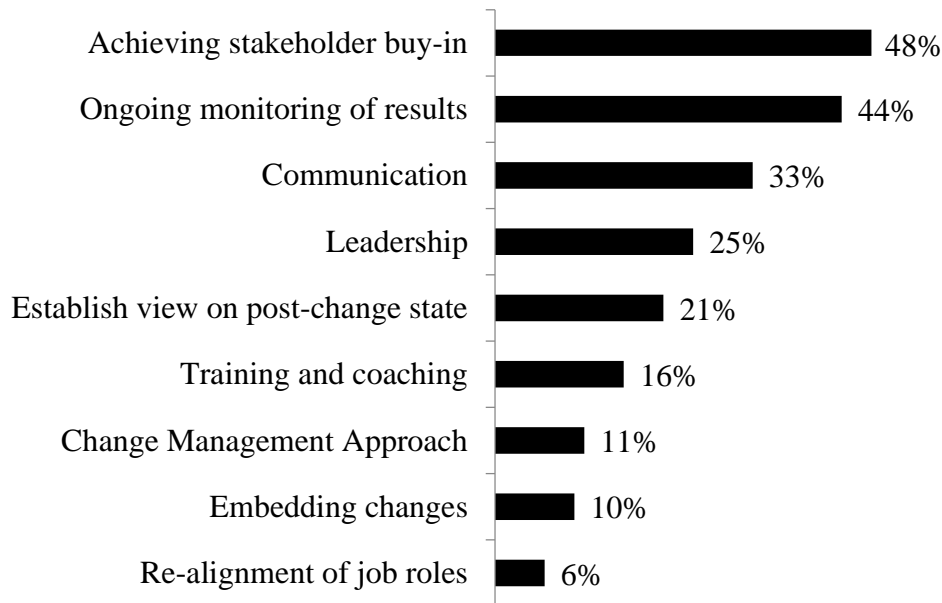


Figure 33 - Factors for sustainable change

The chart above shows that 48% of all respondents believe that achieving stakeholder buy-in is the most important factor in order to ensure that change initiatives become sustainable. A significant part of the respondents also believe that continuously monitoring results and communicating in an efficient way also are factors that increases the sustainability of change initiatives. These findings lead to the conclusion that to ensure change initiatives become sustainable, organisations should focus on buy-in, communication and monitoring of the progress.

4.4.4 Summary of success and sustainability

In summary, this section has concluded that in order for a change initiative to be considered successful, achieved benefits must be sustained. A change initiative is defined as sustainable when it becomes business as usual. Furthermore, the outcome of the regression model concluded that in order to maximise success, organisations should focus on ensuring staff perceive the change as beneficial, enhancing competencies, and having engaged leadership. Finally, this section showed that respondents believe that to ensure change initiatives become sustainable, organisations should focus on buy-in, communication and monitoring of the progress.

5. Findings on Management Consultancy's current change methods

This chapter will present the empirical findings on Management Consultancy's current change delivery methods. These findings will in the subsequent chapter be utilised in a Gap-analysis in order to identify gaps between Management Consultancy's current change methods and best practices in Change Management. This chapter begins with a brief description of Management Consultancy's current change methods. Thereafter their methods are described in further detail according to three topics which are all related to best practices in Change Management. The three areas are; (1) amount of documenting of tools, methods and techniques, (2) degree of structure of the Change Management Approach, and (3) level of staff competence within the field of Change Management.

Management Consultancy was founded approximately a decade ago and has a vision to become the leading boutique consulting firm in Australasia. One of their leading arguments for being different to other consultancies, according to themselves, is that they want to partner with clients to deliver sustainable change. The consultancy currently employs approximately 40 people.

To be able to assess the current change delivery methods of Management Consultancy, seven semi-structured interviews were conducted. The table below presents the context information to the semi-structured interviews conducted. All information presented within this chapter has, if not stated otherwise, been gathered via semi-structured interviewing and presentation packs shown to the researchers during those sessions.

| Interviewee | Position |
|-------------|--------------------|
| 1 | Associate Director |
| 2 | Consultant |
| 3 | Manager |
| 4 | Associate Director |
| 5 | Managing Director |
| 6 | Business Analyst |
| 7 | Associate Director |

Figure 34 – Context information to semi-structured interviews conducted with Management Consultancy

5.1 Description of Management Consultancy's current change methods

Being in the Management Consulting industry implies that change is part of the Management Consultancy's everyday life, and therefore it is essential to have an effective way of dealing with Change Management. This is something that the Management Consultancy has understood, since Change Management has been one of their main focus areas over the last years. Management Consultancy has developed a six-step iterative Change Management Approach including a set of standard tools and templates under this overarching framework for assessing, designing, implementing and sustaining change. The Change Management Approach includes more than 25 different tools; each tool categorised to be employed at a certain step within the six-step model. The

Change Management Approach is less of a prescriptive nature and more of a supportive nature, meaning that it is a broad framework with suggested supporting tools that relies on consultants' experience and flexibility to align it with client's business problem and organisational context. In addition to this Change Management framework, Management Consultancy also has a database containing documentation of previously undertaken client project as well as guidelines for when and how to apply the different change management tools within the six-step framework.

After having given a brief explanation of Management Consultancy's Change Management framework, their methods are hereinafter described according to three topics which are related to best practices in Change Management. The three areas are; (1) amount of documenting of tools, methods and techniques, (2) degree of structure of the Change Management Approach, and (3) level of staff competence within the field of Change Management.

5.2 The amount of documenting of tools, methods and techniques

When interviewing with employees at Management Consultancy, a common trend brought up by interviewees was that while there were documented standard approaches for conducting Change Management related activities in a change program, there were no formal mechanisms for selecting how they should alter and tailor the approach to certain types of change projects or in certain organisational cultures. Consultants rather relied on reviewing similar projects having been undertaken in the past through looking in the internal database available.

The consultants are then investigating these past cases in order to understand the process as well as the different tools, methods and techniques that were applied in previous processes, both with respect to nature of business problem as well as similarity of cultural and organisational factors. The repository of tools and approaches and prior experience base, however, lack guidelines on the key decision criteria that can help determine the circumstances in which particular approaches and tools may be best used for better results versus alternatives. Thus, while the variety of tools and approaches are comprehensive, there is no systematic approach to help select and guide the use of these approaches and tools given different change contexts.

Often in the interviews, when asked about projects and how they approached the tools to choose as well as the process developed for the change, interviewees were referring to previous experiences. Interviewees did not perceive themselves as starting from scratch when approaching change, but would rather see themselves as drawing on past experiences. Interviewees believe that their experience of similar business problems and organisational cultures and contexts aid them in providing direction for projects as they all individually have undertaken numerous change projects in the past and hence have an experience base through which they believe they can shape the right approach for a particular project and client. This process of selection is typically shaped by the senior Management Consultancy representative on a client project, typically in consultation with the client, and sometimes drawing on the peer experience of fellow leaders within the firm.

Often participants referred to a big case study master deck, where all of the projects ever undertaken by Management Consultancy were collected. The master deck was used like a "table of contents" through which staff could identify potentially similar projects, the documentation of which can be sourced from other repositories to access relevant project detail. The master deck did, however, only contain one slide per project and the process that had been gone through during the project was not easily discerned by the researchers. It did, however, contain the name of the consultant having

been in charge of each of the projects. Approaching a new project, it is hence possible to seek out the person responsible for a similar historic project in order to get advice. If consultants were uncertain of how to approach a change initiative, they were encouraged to engage with their colleagues in order to get their input and feedback on how to undertake different change programmes.

5.3 The degree of structure of the Change Management Approach

When asking about the documentation of methods, tools and techniques, it was identified that the well documented processes in Management Consultancy revolved around Business Improvement projects. For these projects, in addition to tools, methodologies and training kits, there are also documented processes for when and how to apply these.

The reason for Business Improvement type of work to have more intellectual capital available on the tools appeared to be two-fold. Firstly, Business Improvement type of work is often bigger than the average projects at the firm. Instead of the usual two or three-person engagement team in a project, Business Improvement projects were identified to often include ten people or more. Interviewees elaborated that the amount of people being involved in these projects required a more well-defined process and adequate tools as well as when to use them. Secondly, Business Improvement work was recognised as having many elements being fairly similar across different projects, according to the interviewees. Different Business Improvement projects hence have rather similar processes that they go through. Management Consultancy also has a core Business Improvement approach which they feel works well in delivering sustainable improvements for clients, and serves as a form of differentiation from other competing service providers, so that this method is often proposed to clients as it is seen as effective and efficient for Management Consultancy to deliver.

In the interviews, interviewees were asked if benefits could be reaped from increasing the standardisation of the change management methodology to facilitate effective application to other projects. Interviewees conceptually agreed that increased documentation and standardisation within the change management methodology might have some benefits. However, it was stressed that any standards must reflect the realities of consulting projects, and must therefore include sufficient flexibility to ensure the change management approach applied would remain relevant for the nature of the client, the organisational culture and the specifics of the project.

Furthermore, it was recognised by Interviewee 3 and 4 that having a standardised Change Management Approach for all change initiatives would be likely to increase client perception when submitting proposals. Part of the reason for this enhanced customer perception, they said, could be derived from being able to demonstrate for clients that you have a developed tool and that you can demonstrate past experiences where it has been successfully applied. A more prescriptive approach, like the Management Consultancy's Business Improvement methods, were seen by these interviewees as a potential source of market differentiation and benefit.

If Management Consultancy would employ a Change Management Approach on a firm-wide level, interviewees believe that it has to have a rather overarching framework rather than being a directive model. Interviewees agreed that having an approach covering all aspects of Change Management when undertaking projects could be beneficial for the firm. It would, however, need to be a model flexible enough to account for different types of change, different budgets as well as different

contexts. The model developed by Interviewee 7 within the firm was by the researchers perceived to adhere to these requirements, although not being comprehensive enough to cover all aspects of change.

Furthermore, if the model would be to be adopted, it would most likely only be communicated as a standardised firm-wide Change Management Approach internally rather than communicated to clients with such wording. This would not be an entirely new concept for Management Consultancy, as they currently employ frameworks such as Porter's five forces and the Growth-share matrix when undertaking change without communicating it to clients. The Porter five forces framework or the growth-share matrix is used as a guideline for consultants when they are conducting analysis and are subsequently sometimes included in their presentations, or proposals, for clients, but is not explicitly called by name. Although, Interviewee 2 mentioned that it is not unusual for a client to recognise a framework being employed by consultants and bring it to attention.

Interviewees noticed that, when tendering for projects, clients might indicate that they already have standardised tools for certain aspects of a change programme; such as having a developed stakeholder communication planning approach. It is then, according to interviewees, vital to take this plan into consideration and a potential standardised firm-wide Change Management Approach would have to be flexible enough to allow for that.

Also, according to interviewees, the amount of tools related to Change Management possible to include in a project depends on the client budget. Or as Interviewee 3 put it; "The appetite for clients to spend can vary considerably, resulting in a need for a flexible change management methodology which can put the onus for driving the change onto the client with direction and support from Management Consultancy." Interviewee 3 also recognises that it presents a difference between what the firm would have wanted to provide in terms of Change Management and what the client is comfortable paying for.

Therefore, considering the aforementioned, when tendering for projects, the standardised Change Management Approach, if being implemented, could, according to the researchers, be presented as a proposed model of how to work with change. It could also be communicated to clients that is just is a basic framework and that they are allowed to have a lot of input on it as well as that there is flexibility within it.

To further strengthen the argument, Interviewee 4 said that whether it is a standardised approach or whether it is tailored for a specific client is irrelevant. Instead, Interviewee 4 argued that as long as what the client sees on the proposal ticks with their boxes they are satisfied. They simply do not know if the approach has been tailored for them or if it is a standardised approach. There is neither, according to interviewee 6, a need to say to the client that it is a standardised approach; "As long as the model makes sense to the client when they are reading it and think 'that makes sense, they have covered all the things and none of that concerns me' then that is the right thing for them." If, on the other hand, don't feel that the approach is suitable for them, Interviewee 6 says that they are likely to lose that piece of work.

5.4 The level of staff competence within the field of Change Management

Interviewees have said that they believe that over time, as Management Consultancy prepares for future growth as well as grows, more standardised documents, processes and approaches will be implemented. More standardisation is partly seen as a growth enabler and partly as an aspect of brand development through being able to provide a consistent client experience. This far interviewees claim, however, that more effort has been put into recruiting competent and experienced personnel that are able to deal with change in a good way. The aforementioned growth, however, has happened with speed and therefore many new people without experience from Management Consultancy have come aboard.

According to Interviewee 1, the new people coming aboard are likely to be smart, but they will most likely not have that backload of projects that they have done and can reference. If a new Project Manager is starting, for example, Interviewee 1 believes he or she is likely to be syndicating his new project proposals with existing employees within the firm in order to ensure that what he delivers is in line with what the firm does, including alignment with the key elements of the firm's change management methods and frameworks.

As interviewees were asked if documentation could increase the competence for new employees, it was expressed that a higher level of documentation could further help fast-tracking new employees by allowing them to study and it would also allow the firm to keep bringing in people

Lastly, many of the existing tools within the organisation have through interviewing been identified as remaining unknown to employees. This could be countered by increasing the amount of training of existing tools, methods and techniques within the organisation. Increasing awareness of change management toolkits at an earlier stage in consultants' careers was recognised as being important and has been recently incorporated in induction training. The management consultancy has communicated the implementation of a new induction training package, but none of the interviewees had undergone it.

5.5 Summary of Management Consultancy's current change methods

To summarise, this section provides an overview of the application of Change Management concepts at Management Consultancy. Management Consultancy has a six-step iterative Change Management Approach containing more than 25 different tools, each categorised as employable at a certain step within the model. The approach is of a supporting character and relies on consultants' to choose the most applicable tools for each project. The Management Consultancy, however, lacks documentation or guidance for determining how to specifically alter and tailor the approach to certain types of change projects or client contexts. Instead, consultants often engage change management experts within the firm to gain guidance on the best application of available tools. This engagement is often supported by exhibits from historic cases and guidelines in their application. Each project having been undertaken by the firm also exist with their case study master deck, which is often used as a reference to find the most appropriate thought leader in the firm. It was found that the best documented applications of change management processes at Management Consultancy revolve around Business Improvement projects. The reasons for this include significant internal experience in delivery of Business Improvement projects as well as the nature of those projects requiring a long process of implementation and therefore change management. In

addition, interviewees believed that expanding the existing firm-wide Change Management Approach could be beneficial for the firm. Considerations when expanding the existing change management methodology would be ensuring that it maintained the flexibility to meet project and client requirements including the nature of the work, the context of the project, the client culture and project budget, among others. It was also a common belief that future growth or anticipation of growth would spur further standardisation, enabling a consistent client experience.

6. Gap analysis of Management Consultancy's change delivery methods

This chapter provides a gap analysis between Management Consultancy's current change delivery methods and this study's findings on best practices in Change Management. The gap analysis will be based on a number of assessment criteria related to two main areas of evaluation; level of Change Management maturity and success of change initiatives. The first part of this chapter presents a thorough description of the areas of evaluation on which the gap analysis is based upon. The following part will highlight correlations, and most importantly gaps between Management Consultancy's current level of Change Management Maturity and best practices in Change Management. The final part will be an equivalent assessment of the second area of evaluation, success of undertaken change initiatives.

6.1. Areas of Evaluation

The following gap analysis will be conducted based on an evaluation of a number of different factors identified to be best practices in Change Management in Chapter 4. The two areas of evaluation are; (1) Level of Change Management maturity and (2) Success of change initiatives. A more detailed illustration of the gap analysis evaluation framework can be seen in figure 35.

As described in Chapter 4, the level of Change Management maturity of an organisation is based on an assessment on how much the organisation invest in Change Management and if the organisation has a standardised Change Management Approach. The final criteria determining how mature an organisation is within the field of Change management is the level of detail of the Change Management Approach, and how much tailoring it allows for. The second evaluation area, success of change initiatives, consists of an assessment of how engaged and experienced leadership is, how effective communication is, and the level of staff competence, since these factors were identified as contributing greatly to the success of undertaken change initiatives.

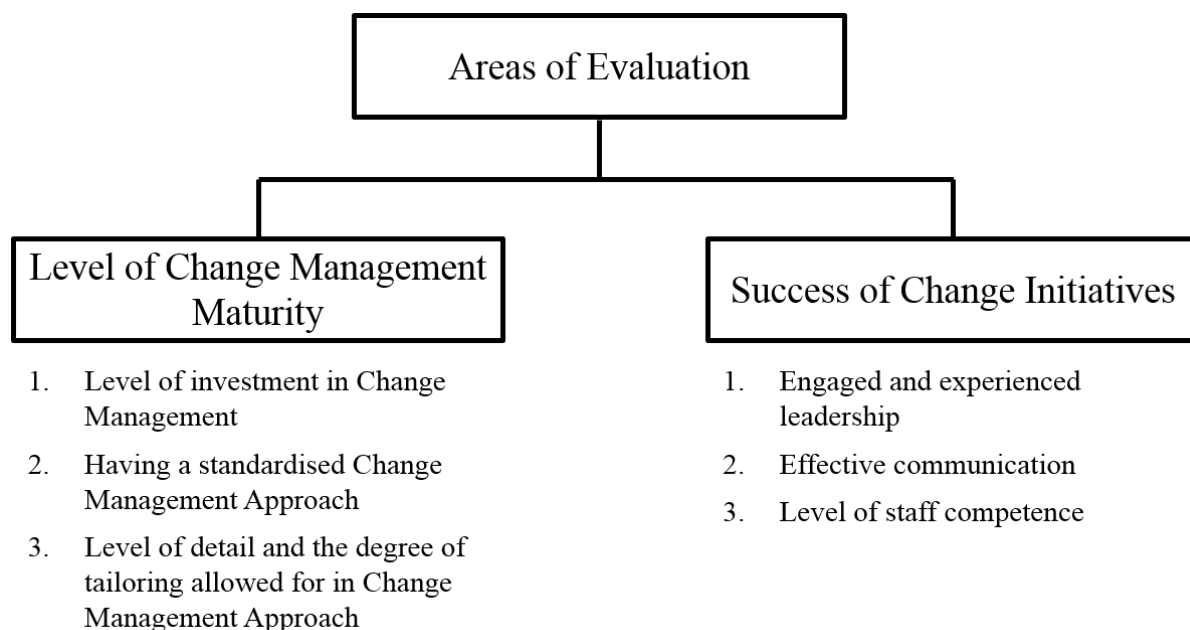


Figure 35 - Areas of Evaluation

6.1.1. Level of Change Management maturity

The first assessment factor when evaluating Management Consultancy's level of Change Management maturity is level of investment in Change Management. As described previously, the level of investment in Change Management is based on how Management Consultancy invests in four possible Change Management Concepts. The first concept was having a Change Management team within the organisation, followed by having Change Management capable staff available for consultation. The final two were having Change Management capable staff deployed to where change is taking place and training managers in Change Management. As identified in Chapter 4, the more of these Change Management Concepts an organisation invests in the more successful undertaken change initiatives become.

When analysing Management Consultancy's level of investment in Change Management in contrast to best practices it has been found that Management Consultancy somewhat invests in the identified Change Management Concepts. They have Change Management capable individuals available for consultation, and a number of individuals who are considered change management experts and are often consulted on the topic. Furthermore, Management Consultancy has dedicated Change Management capable staff available to be deployed to individual change projects. However, they do not have a Change Management team within their organisation, and no one person is solely dedicated to the Change Management aspects of a change initiative.

Furthermore it has, via the theoretical and empirical investigations, been found that having a standardised Change Management Approach increases the likelihood of achieving successful outcomes of change and the sustainability of results. Through the empirical investigation of Management Consultancy, an in-house developed Change Management Approach has been identified. Hence, Management Consultancy has a Change Management Approach which is utilised when undertaking change initiatives, which is in-line with best practices in Change Management. The approach, however, has been used mainly for projects within one of their functional business areas; Business Improvement.

The final assessment factor determining level of Change Management maturity is level of detail of the Change Management Approach and how much tailoring it allows for. As described previously, the level of detail refers to the extent a Change Management Approach outlines the activities, methods and tools to be used, while the level of tailoring refers to how much it allows you to tailor the activities, methods and tools used to a specific change initiative. Analysis of the conducted interviews and the online survey identified that detailed approaches still allowing for tailoring of methods tools and activities according to a specific change initiative, are the approaches being used by organisations that report the highest level of success. It is hence inferred that the level of detail is an important aspect of a Change Management Approach, whereas that it allows for tailoring is a fundamental requirement that must be met.

The Change Management Approach within Management Consultancy has been found to be much tailored for every change initiative undertaken. It is considered positive that Management Consultancy adjusts their approach for clients and their needs, but, as the study has shown, it is important to have an approach with a high level of detail. Interviewees at Management Consultancy have emphasised the need for not having a too rigid approach with too much detail in order to remain flexible. However, the empirical investigation concluded that there is no trade-off between level of detail of Change Management Approach and flexibility. It has also through interviews with

employees at Management Consultancy been identified that clients' perception of how an effective Change Management Approach is designed are differing. Interviewees have expressed that some clients perceive a Change Management Approach with extensive flexibility as being ad-hoc, while some clients feel that a Change Management Approach with a lot of detail is too rigid.

It has in the empirical study been shown that having an approach providing guidance for shaping the approach to different projects is essential. Management Consultancy has been found to have tools, methods and techniques addressing Change Management aspects, with most of them being included in their Change Management Approach. It has also been found that previously undertaken projects mostly have been both successful and incorporated Change Management Aspects in a, according to the findings of this study, good way. This success, however, can be attributed to the skills and experiences of the individuals having been involved in the projects. The individuals having been involved have possessed the knowledge of what methods, tools and techniques to utilise, as well as when, in order to achieve positive outcomes of the individual change initiatives. The in-house developed approach itself, however, does not indicate the tools, methods and techniques most appropriate to use for specific undertaken projects.

Taking the aforementioned in account and placing Management Consultancy (MC) in the Change Management Approach Maturity Matrix, see Figure 36 below, they hence position themselves in the upper left corner of the matrix. This position implies that Management Consultancy tailor their approach extensively for each undertaken client project. However, the Change Management Approach provides little guidance for when to utilise the tools and methods included in the approach.

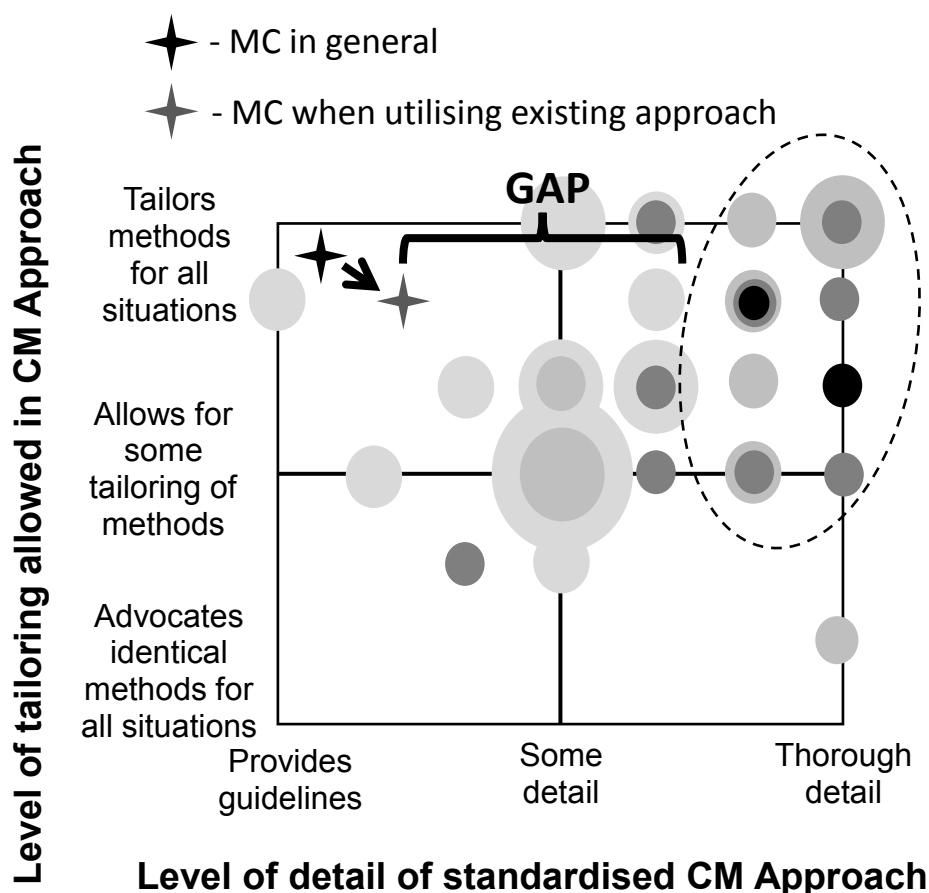


Figure 36 - Change Management Approach Maturity Gap of Management Consultancy (MC)

6.1.2. Success of change initiatives

The first assessment factor when evaluating how equipped Management Consultancy is for achieving successful change initiatives is the level of engagement and experience of leadership within the firm. Analysis of the online survey concludes that having an experienced change leader can increase success of a change initiative. Conducted interviews show that Management Consultancy put much effort in recruiting talented and experienced leaders to the company, since they are aware of the fact that skilful leadership is essential in order to achieve successful client projects.

Furthermore, empirical findings conclude that effective communication is an essential factor in achieving successful change initiatives, which is the second evaluation factor. When assessing Management Consultancy's change methods it is clear that communication between firm and client during a client project is one core focus. Management Consultancy's change methods include developing a communications plan for each undertaken client project. However, interviews with employees at Management Consultancy shows that the level of Change Management awareness of employees was variable, which somewhat highlights the conclusion that the communication of change methods within the firm is not optimal.

The final assessment factor for evaluating how well-equipped Management Consultancy is for achieving successful change initiatives, compared to best practices in Change Management, is level of staff competence. The outcome of the semi-structured interviews and analysis of the online survey concluded that staff must be competent in their roles and comfortable with their responsibilities in order to achieve a successful implementation. Hence, training and coaching in order to reach new competence levels is of high importance for a successful change initiative.

Interviews with employees at Management Consultancy concluded that the firm has well-developed change methodology practices at an individual level. The perception is that employees having been recruited above analyst levels already possess relevant Change Management skills when being employed. This is, according to interviewees, due to Management Consultancy having high standards when employing new members to their staff and hence pays attention to new recruits' Change Management knowledge. Therefore, many interviewees have demonstrated a high level of knowledge within the Change Management area. However, this fact constitutes a potential risk that skills, experiences and models used when undertaking client projects is largely bound to individuals. As mentioned previously, interviews with employees at Management Consultancy shows that the level of Change Management awareness of employees was variable. Some of the junior staff members has been said to be able to demonstrate rather good knowledge of Change Management, whereas others have been said to not have the same Change Management knowledge. Therefore, junior staff relies much on more experienced colleagues to be available for consultation when undertaking change. One reason for the somewhat inconsistent Change Management knowledge within the firm has been identified to be attributable to limited formal training in Change Management. Hence, increasing awareness of Change Management toolkits at an earlier stage in consultant's careers was recognised by Management Consultancy as being important and has recently been incorporated in induction training.

6.2. Summary of Gap-analysis of Management Consultancy's change delivery methods

This Gap-analysis was based on an evaluation of a number of different factors identified to be best practices in Change Management. The two areas of evaluation were; (1) Level of Change Management maturity and (2) Success of change initiatives. When analysing Management Consultancy's level of Change Management maturity in contrast to best practices in Change Management, it was found that Management Consultancy somewhat invests in the four identified Change Management concepts. Moreover, Management Consultancy has a standardised Change Management Approach which is utilised when undertaking change initiatives, which is in-line with best practices in Change Management. This Change Management Approach is heavily tailored for each undertaken client project, but it provides little guidance for when to utilise the tools and methods included in the approach. Regarding the second area of evaluation, success of change initiatives, interviews showed that Management consultancy put much effort into recruiting talented and experienced leaders to the company. They also have change methods which include developing a communications plan for each undertaken client project, which was identified to be best practice. However, interviews with employees at Management consultancy showed that the level of Change Management awareness of employees was variable. Hence, increasing awareness of Change Management throughout the firm was recognized by Management Consultancy and was recently incorporated in induction training.

7. Recommendations to Management Consultancy's current change delivery methods

This chapter will present the final recommendations given to Management Consultancy. The recommendations are based on the identified gaps between their current change delivery methods and best practices in Change Management, identified previously in the Gap-analysis. The recommendations provided are less of a detailed nature, but rather highlights overarching areas of potential improvements. Based on the nature of the recommendations they are considered to be potentially generalisable for some organisations active in the field of Change Management.

This chapter will only focus on providing recommendations for the areas where Management Consultancy differ from best practices in Change Management, even though Management Consultancy currently operates in-line with best practices on most areas. The identified recommendations all correspond to two main areas of potential improvement; increase level of Change Management maturity, and enhance staff competence within the field of Change Management. The recommendations will be presented below in connection with the main area of improvement it relates to.

7.1. Increase level of Change Management maturity

As presented previously in Chapter 5, Management Consultancy has a Change Management Approach within the organisation, but interviews indicate that this approach is mainly used for Business Improvement projects. Furthermore, not everyone within the organisation utilise it when undertaking change projects. However, according to findings on best practices in Change Management, organisations who always use a Change Management Approach when undertaking change present the highest success rates. Hence, Management Consultancy is recommended to customise its Change Management Approach to increase the ease of application to all types of projects without having to engage subject matter experts.

It should, however, also be mentioned that the factors that a Management Consultancy have to take into consideration when undertaking change is somewhat different to the ones of regular organisations. As presented in Chapter 4, fifty-eight per cent of the organisations taking part in the survey already have a standardised Change Management approach within their organisation¹⁵. Therein lies also the complexity of the problem. A consultancy cannot impose methods that the client organisation does not feel comfortable with, but neither do they want to give the impression of being unstructured and working ad hoc. Hence, when undertaking client projects Management Consultancy must consider the options of incorporating the client's Change Management Approach in theirs, or if they should solely use the client's approach when undertaking change in its organisation. Furthermore, Management Consultancy has to adapt to customer requirements, such as client Change Management methodologies, internal culture, project context and specifics and even specific client needs and budgets. Hence, the recommendation to Management Consultancy is to implement a firm-wide Change Management Approach, which is always utilised when undertaking internal change projects. However, when working on client projects their change methods must remain adaptable, in order to allow for shifting client requirements.

¹⁵ It was found that 34 out of 59 organisations had a standardised Change Management

As shown in chapter 4, the organisations that are most successful in undertaking change have mature Change Management Approaches, meaning they tailor methods, tools and activities to a specific change initiative, but do it in a detailed and structured way. Management Consultancy's current Change Management Approach tailors methods, tools and activities for every situation, in order to customize it to each clients need. However, as identified in Chapter 5, the approach provides little detail on what methods, tools and activities to use in different situations. This results in the change model being dependent on the experience and knowledge of individuals within the Management Consultancy. As identified in the Gap-Analysis this situation results in a Change Maturity Gap. Hence, the second recommendation to Management Consultancy is to increase the level of detail of their Change Management Approach, in order to move closer to the upper right corner of the Maturity Matrix as shown in the Gap-Analysis.

However, in order to successfully accomplish this, Management Consultancy is recommended to increase the level of documenting of when, how and why to use each tool. Furthermore, it is considered beneficial to increase the documentation of previously undertaken client projects, since a large part of Management Consultancy's intellectual property today is tied to individuals and not commoditised. By increasing the level of detail, and documenting, of Change Management activities it facilitates for newly hired employees to know what tools, methods and activities are more efficient in a specific situation. It would also enable change impact to be achieved with less reliance on content experts within the firm.

Also presented in the findings on best practices in Change Management was the fact that organisations that invest in Change Management capability concepts report higher success rates on previously undertaken change initiatives. Furthermore, although Management Consultancy has highly competent staff with much experience within the field of Change Management, they do not have a person, or a team, officially dedicated to Change Management during client projects. As the Gap-Analysis highlighted, many of the organisations participating in this research have a Change Management team within their organisation. Hence, Management Consultancy is recommended to assign Change Management capable staff to be officially responsible for Change Management during client projects. Thereby, Management Consultancy proves to their clients that Change Management, and consequently sustainability of change, is one of the main priorities for them when undertaking client projects.

7.2. Enhance staff competence within the field of Change Management

Management Consultancy has a standardised Change Management Approach within the organisation. However, as identified in the Gap-Analysis this Change Management Approach is not currently utilised during all undertaken client projects. Interviews with employees at Management Consultancy showed that, while a fundamental understanding of change management was present, there was often limited awareness of the full extent of available tools within Management Consultancies toolkit. Hence, Management Consultancy is recommended to further inform staff about the Change Management Approach, in order to increase the utilisation of it during client projects. Furthermore, the Gap-analysis highlighted that Management Consultancy has limited formal training of employees within the field of Change Management. Management Consultancy has recognised the importance of increasing awareness of their Change Management methods and has recently incorporated that in trainings. However, they are recommended to even further emphasise training in order to reach firm-wide awareness of the tools, and methods included in the

Change Management Approach, in order to increase the effectiveness of the Change Management Approach when being utilised.

Today, there are a small number of highly skilled individuals at Management Consultancy with great knowledge within the field of Change Management, who are available for personal consultation when required. However, the majority of the employees currently have little knowledge within the field of Change Management. Hence, it is not only recommended to train staff in how to most effectively utilise the Change Management Approach, but also to train staff in how the success and sustainability of change initiatives can be increased by utilising Change Management concepts when undertaking change. This will ensure that the Change Management knowledge at Management Consultancy is not tied to single individuals, but is an integral part of the organisations intellectual capital.

7.3. Summary of recommendations to Management Consultancy's current change delivery methods

This chapter has presented the recommendations on how Management Consultancy can improve their current change delivery methods. In summary Management Consultancy is recommended to implement a firm-wide Change Management Approach, which is always utilised when undertaking internal change projects. However, when working on client projects their change methods must remain adaptable in order to allow for shifting client requirements. Management Consultancy is further recommended to increase the level of detail of their Change Management Approach, in order to move closer to the upper right corner of the Maturity Matrix as shown in the Gap-Analysis. In order to successfully accomplish this, they are recommended to expand the toolkit to provide standards and decision aids to assist in the application of methodologies to any change project and to expand the documentation of previously undertaken change projects. It was further recommended that Management Consultancy invest in further training of their employees in Change Management, and that they assign Change Management capable staff to be officially responsible for Change Management during client projects. Finally, Management Consultancy is recommended to train staff in how to most effectively utilise the Change Management Approach, and how the success and sustainability of change initiatives can be increased by utilising Change Management concepts when undertaking change.

8. Discussion

This chapter aims to discuss how the results of the research may have been affected by the design of this study. It will further discuss if other choices than the ones made throughout the research process, could have given other results. Finally, interesting aspects of the topic of this thesis will be discussed.

This study has been limited by the Australian country-boarders, and has only included Australian organisations operating within Australia. One can therefore discuss how this fact limits the generalisability of the conclusions from this study. Due to similar culture as the Australian, the results from this study are believed to be applicable in western countries. However, it might not necessary be applicable in an Asian context, due to more hierarchical organisational cultures.

Furthermore, this study has a predominance of mining companies among the responding organisations, and one might question how that affect the research results. Since mining is one of the largest industries within Australia, the participating organisations are considered representative for the Australian market. However, when looking at the European market for example, mining represent a much smaller market, which could potentially imply that the result from this study is not completely valid on a foreign market with differing industry compositions. Despite this fact, the semi-structured interviews and the outcome of the online survey, have not distinguished any appreciable difference between answers from respondents within different industries. In addition, there was a conscious attempt to have respondents from a wide range of industries, from business & professional services to construction, to participate in this research. Hence, the conclusions from this report are considered to be applicable in most industries.

Since this study was conducted over a six month period it was not feasible to investigate the success of actual change initiatives. Instead, the analysis of what factors increase the chance of achieving a successful change initiative has been based on the participants own perception and how they have ranked the success of previously undertaken change initiatives. In addition, the semi-structured interviews and the online survey concluded that organisations do not have a clear common definition of a successful change initiative. Furthermore, the semi-structured interviews indicate that most organisations do not measure if a change initiative was successfully implemented. Hence, it is difficult to know what the respondents base their ranking of their previous success rate on, and if two organisations indicating they are at the same position on the seven-point Likert scale are equally successful in managing change. This is a factor that is believed to have affected this study. In order to decrease this effect, and improve the results, it would be beneficial to include a more thorough explanation of each position on the Likert scale and an evaluation could be done through psychometric qualification.

The participating organisations in this research project have all been helpful, open and accommodating when being interviewed. Many organisations have provided confidential information about their internal Change Management methodologies. However, it can be questioned if they would have welcomed any interviewer equally well, or if the researchers' position as students increased their receptiveness to taking part. The prevailing information-asymmetry between the interviewers and the interviewees suggests it would have been more difficult for someone with the same level of knowledge within the field of Change Management to obtain the same type of information.

An important note to bring up in relation to the results of this research is the relation between correlation and causation. Correlation does not imply causation (confer Toughill, 2011). Correlation is about the mutual movement of two variables, whereas causation implies that changes in variable causes changes in another. Correlation does not imply causation as a third variable can affect both variables looking as though they depend on each other. Throughout this project, correlation has been measured. But, using literature, empirical data gathering, and logical reasoning, causation has been strengthened. Also, all measuring has taken place post establishment of likely causal relationships.

Throughout this report, it has been identified that organisations working extensively with change management and have a standardised Change Management Approach report a higher degree of success of undertaken change initiatives and sustainability of their results. The report can, however, not argue strict causality as measures of their change management capabilities have been measured at the same point in time as organisations have been asked to assess the results of previously undertaken change initiatives. In order to reach a higher degree of certainty for the causal effect, one could assess change management capabilities of organisations and come back at a later point in time after change initiatives have been undertaken and then measure their results. At the same time, it has been identified that the organisations having more rigid methods and processes have given change management more thought and pay more attention to it. The authors further believe that organisations who invest in Change Management could achieve higher degrees of success when undertaking change also in more ad hoc ways, than organisations that do not focus on Change Management when undertaking change. The reason for this is that the organisations that have a Change Management Approach or invest in Change Management have devoted much time for training employees in Change Management and given the topic much thought. Hence, the authors find it likely that these organisations not only believe that they are successful in Change Management but actually undertake change in a more successful way than organisations that do not invest in Change Management.

As shown in the literature study, an abundance of literature discusses best practices on how to increase success and sustainability of change initiatives. However, few attempts to define what a successful, and sustainable, change initiative is. Thus, part of our continued research will be devoted to establishing a clear definition of a successful and sustainable change initiative. Furthermore, a need to determine which key success factors have the greatest impact on the success rate of change initiatives has been identified, which will also be one of the main focuses of the continued research. It has further been recognised that the key factors for sustainability are often too overarching and abstract, and hence difficult to practically implement. Therefore, one part of the further study is to investigate what organisations in reality do to ensure benefits endure, and subsequently identify what factors have the largest impact on sustainability.

9. Conclusions

The purpose of this thesis has been to identify recommendations to the Management Consultancy's current change delivery methodologies, in order to maximize their ability to deliver successfully and sustainably implemented change initiatives to their clients. The first step in achieving this purpose was to discern how organisations can increase the likelihood of achieving successful change initiatives and sustainable results through utilising Change Management concepts. The second step was to investigate the Management consultancy's current Change Management methodologies and compare them with the findings from the first step in a Gap-analysis. The Gap-analysis highlighted potential improvements, which resulted in final recommendations on how the Management Consultancy can improve their current change methodologies.

In order to achieve the purpose of the thesis, three research questions to be answered throughout the study were established. The first research question was formulated as: *How can organisations increase the likelihood of achieving successful change initiatives and sustainable results through utilising Change Management concepts?*

The answer to the first research question is based on findings from the semi-structured interviews and the online survey. This research has concluded that investment to develop an organisation's Change Management capability increases the likelihood of achieving successful change initiatives. The more Change Management concepts invested in, the higher success rate. The analysis of the research further proved that having a standardised Change Management Approach within the organisation increases the success of undertaken change initiatives. However, in order to maximise success, the Change Management Approach must provide thorough detail, and allow for tailoring of tools, methods and activities. The risk of a change initiative, intended outcome and internal impact are the factors with largest impact on how organisations tailor their approach to a specific change initiative. It is mainly the level of communication that organisations tailor. Furthermore, in order to increase the likelihood of achieving successful change initiatives, organisations should focus on ensuring staff perceives the change as beneficial, enhancing competencies and having engaged leadership. Finally, in order for results to endure and enable success, organisations should focus on stakeholder buy-in, communication and monitoring of the progress.

The second research question was formulated as: *How is the Management consultancy's current change delivery methods designed?*

The answer to the second research question is based on the findings on Management Consultancy's current change methods. Management Consultancy has developed a six-step iterative Change Management Approach including a set of standard tools and templates under this overarching framework for assessing, designing, implementing and sustaining change. The Change Management Approach is less of a prescriptive nature and more of a supportive nature, meaning that it is a broad framework with suggested supporting tools that relies on experience and flexibility to align to business problem and client organisation context. The amount of documenting of Change Management tools, methods and techniques is identified to be extensive as the Management Consultancy has a collective database, where information regarding previous change projects and which tools were used then are stored. However, while the variety of tools and approaches are comprehensive, there is no systematic approach to help select and guide the use of these approaches and tools given different change contexts. Regarding the degree of structure of the Change Management Approach, Management Consultancy emphasises the importance of a flexible change

model in order to account for different types of change, different client budgets and different contexts. Finally, Management Consultancy has improved their Change Management ability through focusing on recruiting competent and experienced personnel that are able to manage change in a good way. In order to further increase staff's competence within the field of Change Management, increasing awareness of change management toolkits at an earlier stage in consultants' careers was recognised as being important and has been recently incorporated in induction training.

Finally, the third research question was formulated as: *How can the Management Consultancy improve their current change delivery methods, in order to maximise their ability to deliver successfully and sustainably implemented change initiatives to their clients?*

The answer to the third research question is based on the Gap-analysis between Management Consultancy's change delivery methods and findings on best practices in Change Management. The identified recommendations all correspond to two main areas of potential improvement; increase level of Change Management maturity, and enhance staff competence within the field of Change Management. Regarding the first area of improvement, Management Consultancy is recommended to extend its current Change Management Approach to become a firm-wide approach, applicable in all types of projects. However, when undertaking client projects Management Consultancy must adapt to customer requirements, and already existing client approaches. The second recommendation in relation to the first area of improvement is for Management Consultancy to increase the level of detail of their Change Management Approach, in order to move closer to the upper right corner of the Maturity Matrix as shown in the Gap-analysis. However, in order to successfully achieve this, Management Consultancy is recommended to increase the level of documenting of when to use each tool, as well as increase the documentation of previously undertaken client project to avoid large parts of their intellectual property being tied to specific individuals. In order to enhance staff competence within the field of Change Management, Management Consultancy is recommended to further inform staff about their Change Management Approach to increase utilisation of it during client project. Finally, Management Consultancy is also recommended to further train staff in how the success and sustainability of change initiatives can be increased by utilising Change Management concepts when undertaking change.

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Appendix

Appendix 1 – Semi-structured interview guide for Perth

| <i>Interview Area</i> | <i>Interview Question</i> | <i>Probes</i> |
|--|---|---|
| <p>General information about the organisation and interviewee</p> | <ul style="list-style-type: none"> • What industry is your organisation in? • How many full time employees does the entire organisation have? • What is the revenue? • How many countries do you have offices in? • What is your position? | |
| | <p>Maturity of the organisations change management approach</p> | <p>If yes:</p> <ul style="list-style-type: none"> • What was the underlying reason for why this change initiative was undertaken? • What did you want to achieve with this change initiative? • Can you please describe as detailed as possible how you went from idea to post-implementation? <ul style="list-style-type: none"> ○ What key activities did you go through? • Would you be comfortable using the term “change programme” for these change initiatives? <ul style="list-style-type: none"> ○ If not, what would you say are the differences between them? ○ What terminology do you use internally? <p>If yes:</p> <ul style="list-style-type: none"> • Have you developed it within the company? <ul style="list-style-type: none"> ○ How does it work? ○ What are the steps included in the approach? ○ Why did you develop it internally? • Or, have you adopted an approach developed by someone else? <ul style="list-style-type: none"> ○ If yes, who? ○ How does it work? ○ Why did you adopt an |

| | |
|--|---|
| | <p>approach developed externally?</p> <p>If no:</p> <ul style="list-style-type: none"> • Is this a conscious choice? <ul style="list-style-type: none"> ○ If yes, please explain the reason for this choice! ○ What are the benefits of not having a structured change management approach? ○ If no, would you see a value in having a formal change management approach? |
| <ul style="list-style-type: none"> • Do you have a team solely dedicated to change management? | <p>If yes:</p> <ul style="list-style-type: none"> • What are their main responsibilities? <p>If no:</p> <ul style="list-style-type: none"> • Is this a conscious choice? • Would you see any value in having such a team? |
| <ul style="list-style-type: none"> • Do you consciously think about what change implementation approach would be most suitable in a certain situation? | |
| <ul style="list-style-type: none"> • Do you always use the same change management approach in every situation and for every change programme? | <p>If yes:</p> <ul style="list-style-type: none"> • Is this approach somewhat like a check-list with steps you have to follow in every change programme? • Or, does it suggest different implementation approaches in different situations? <p>If no:</p> <ul style="list-style-type: none"> • In what ways do they differ from each other? • What are the reasons for their differences? |
| <ul style="list-style-type: none"> • Plot the maturity of your change management approach on the scale below! | <ul style="list-style-type: none"> • See interview guide appendix 1 • Would you plot your approach in the same place in every change programme? <ul style="list-style-type: none"> ○ Why? Why not? Show us! |
| <ul style="list-style-type: none"> • Think about one of your recently undertaken change programmes; Describe as detailed as possible how you developed the change implementation approach for | <ul style="list-style-type: none"> • What aspects of the change programme do you consider when developing the change implementation approach? |

How do you tailor your approach according to different circumstances?

| | |
|---|---|
| that change programme! | |
| <ul style="list-style-type: none"> Does the type of change affect the way you develop the change implementation approach? | <p>If yes:</p> <ul style="list-style-type: none"> In what way? Does this mean that you believe that different types of changes benefit from having different change implementation approaches? <p>If no:</p> <ul style="list-style-type: none"> Does this mean that you believe that all change programmes can be successfully implemented in the same way? Please explain further! |
| <ul style="list-style-type: none"> In our questionnaire we are trying to categorise different change programmes in order to be able to ask the respondents if they implemented them in the same way; Do you categorise the change programmes you undertake? | <p>If yes:</p> <ul style="list-style-type: none"> Please explain! <p>If no:</p> <ul style="list-style-type: none"> How would you categorise different change programmes? What is it that characterises the different types? (Change outcome etc.) <p>Look at the list in appendix 3 and provide your opinions!</p> |
| <ul style="list-style-type: none"> Which factors of a change programme do you believe are most important to consider when developing the change management approach? | <ul style="list-style-type: none"> Look at the list in appendix2; We are trying to have a list in our questionnaire that the respondents can rank, which factors are unnecessary? Which would you keep? |
| <ul style="list-style-type: none"> Give examples of 2 change programmes you have undertaken in the past; 1 successful and 1 which failed. | <ul style="list-style-type: none"> How did they differ? What do you believe was the reason for the differing results? Did you implement them in the same way? |
| <ul style="list-style-type: none"> Purpose of the questionnaire: Give examples of two change programmes you have undertaken where you used as different change implementation approaches as possible. | <ul style="list-style-type: none"> Why did you develop different implementation approaches? How did you implement them differently? |
| <ul style="list-style-type: none"> What parts of change | <ul style="list-style-type: none"> Is it the outcome you emphasise? |

***Measuring success
and sustainability***

programmes are you changing in different situations?

- Look at the table in appendix 3 and tell us your opinion!

- The way you emphasise the outcome (the key activities)?
- Would you implement all programmes aiming for the same kind of outcome in the same way? Why?
- If no, why do you implement them differently?
 - How do you implement them differently?
- Which key activities do you prioritize for each type of project outcome?
 - Are they the same for all outcomes? Why, why not?

- What factors contributes to erosion of sustainability of change initiatives?

- Are these factors different to the factors contributing to erosion of success?

- How would you define a successful change programme?

- How would you define a sustainable change programme?

- Do you measure if a change programme was successfully implemented?

- How do you measure that?

- Do you measure if a change programme is sustainably implemented?

- How do you measure that?

- Do you believe that having a formal change management approach within the organisation increases the level of success and sustainability of change programmes?

***Identifying
correlation
between activities
and outcome***

- Do you believe that tailoring your change implementation approach according to different situations increases the likelihood of successful change programmes?

- How do you check if it was the tailoring of the change implementation approach that increased the level of success?

-
- Diagram illustrating a spectrum of approaches:
- Left: (Empty box)
 - Center: Tick-box (structured approach)
 - Right: Structured tailoring

- ### Suggestion set of key activities

- ### Table representing the change implementation process

| Outcome | Initiating | Implementing | Sustaining |
|-------------------------|------------|--------------|------------|
| Financial | Activity | Activity | Activity |
| Quality | Activity | Activity | Activity |
| Compliance | Activity | Activity | Activity |
| Quicker | Activity | Activity | Activity |
| Customer related | Activity | Activity | Activity |
| Outcome | Activity | Activity | Activity |
| Staff engagement | Activity | Activity | Activity |
| Productivity | Activity | Activity | Activity |
| Strategy | Activity | Activity | Activity |
| Risk reduction | Activity | Activity | Activity |
| Market competitiveness | Activity | Activity | Activity |
| External market factors | Activity | Activity | Activity |

Appendix 2 – Regression model

| <i>Eliminated Variable</i> | <i>P-value</i> | <i>Standard Error</i> | <i>R squared</i> | <i>Adjusted R squared</i> |
|--|----------------|-----------------------|------------------|---------------------------|
| <i>All variables</i> | | 0.8633 | 0.5943 | 0.4528 |
| <i>1st elimination: Priority</i> | 0.9929 | 0.8534 | 0.5943 | 0.4652 |
| <i>2nd elimination: Funding</i> | 0.9647 | 0.8439 | 0.5943 | 0.4771 |
| <i>3rd elimination: Level of training</i> | 0.9073 | 0.8348 | 0.5941 | 0.4883 |
| <i>4th elimination: Size and distribution</i> | 0.6193 | 0.8281 | 0.5919 | 0.4964 |
| <i>5th elimination: Formal governance</i> | 0.5887 | 0.8220 | 0.5894 | 0.5038 |
| <i>6th elimination: Similar change before</i> | 0.5300 | 0.8170 | 0.5859 | 0.5099 |
| <i>7th elimination: Detail of CM Approach</i> | 0.3310 | 0.8167 | 0.5778 | 0.5102 |
| <i>8th elimination: Type of leadership</i> | 0.3363 | 0.8162 | 0.5698 | 0.5108 |

Figure 37 - Backward stepwise regression elimination of variables using multiple linear regression

Appendix 3 – Grouping of the parts of a CM Approach being tailored for specific change initiatives

| Group | Factors tailored for different change initiatives | Has CM Approach | No CM Approach |
|---------------|--|------------------------|-----------------------|
| Control | Amount of formal governance | 4.34 | 4.57 |
| | Level of monitoring the performance (KPIs) | 4.53 | 4.73 |
| | Rigour in the Change Management Approach | 4.92 | 4.61 |
| Leadership | Change leadership-style | 4.63 | 5.02 |
| | Level of executive leadership engagement | 4.95 | 4.80 |
| Training | Degree of training and coaching of staff | 4.97 | 4.84 |
| Reinforcement | Amount of post-implementation reinforcement | 5.21 | 4.84 |
| People | Structure of the Change Management team | 5.24 | 5.00 |
| | Number of personnel dedicated to the people side of change | 5.24 | 5.32 |
| | Amount of dedicated resources | 5.51 | 5.39 |
| Communication | Level of communication | 5.87 | 6.09 |

Appendix 4 – Interview and focus group process

Approaching the interviews after the initial theoretical investigation, a notion existed that a certain set of key factors determining the success of change initiatives and the sustainability of their results could be established and subsequently adopted by Management Consultancy. Though, this notion had to be revised after having conducted the first two interviews. Especially the first interview¹⁶ provided insights showing the initial research focus had been relying on an overly simplistic idea. First and foremost, other authors had already brought forth and identified key factors for successful change initiatives and sustainable results.

Most literature existing, though, is of a prescriptive nature¹⁷ and prescribes what to do without much respect given to the different circumstances surrounding the change initiative to be undertaken.

Bearing in mind the experiences from the first interview as well as the literature¹⁸ provided during it, the second interview¹⁹ fortified the experiences from the first.

Subsequently, the part aiming to create foundation to which Management Consultancies project delivery methods would be benchmarked changed form as in the below figure.

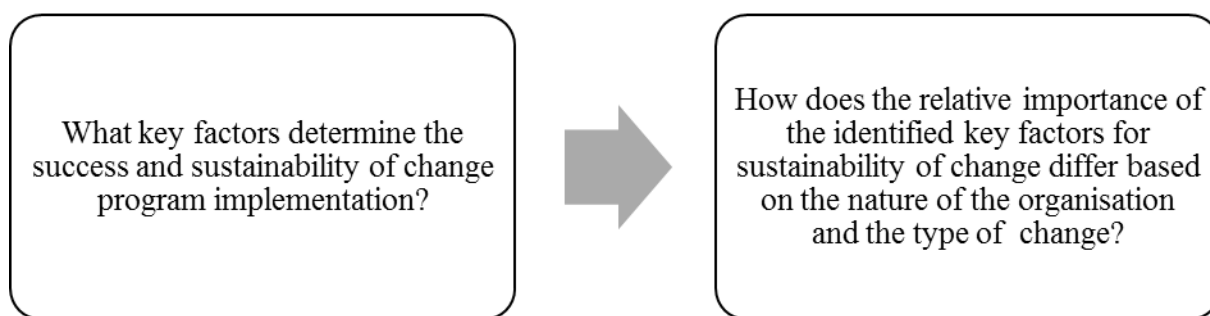


Figure 38 - Research question evolution

The first two interviews hence resulted in working towards identifying a conceptual framework, as is depicted in the figure below, consisting of three main components: the nature of the organisation undertaking change; the type of change initiative being undertaken; as well as the relative importance of identified key factors for sustainability of change depending on the nature of the organisation undertaking change and the nature of the change.

¹⁶ Two-hour interview held on March 21 with Head of Organisational Transformation Department

¹⁷ Compare with, for example, one of the most well-known pieces of literature on the subject; Kotter (1995)

¹⁸ IBM Corporation (2008) and Creasey & Hiatt (2009)

¹⁹ Two-hour interview held on March 26 with Project Management Officer at technology management firm

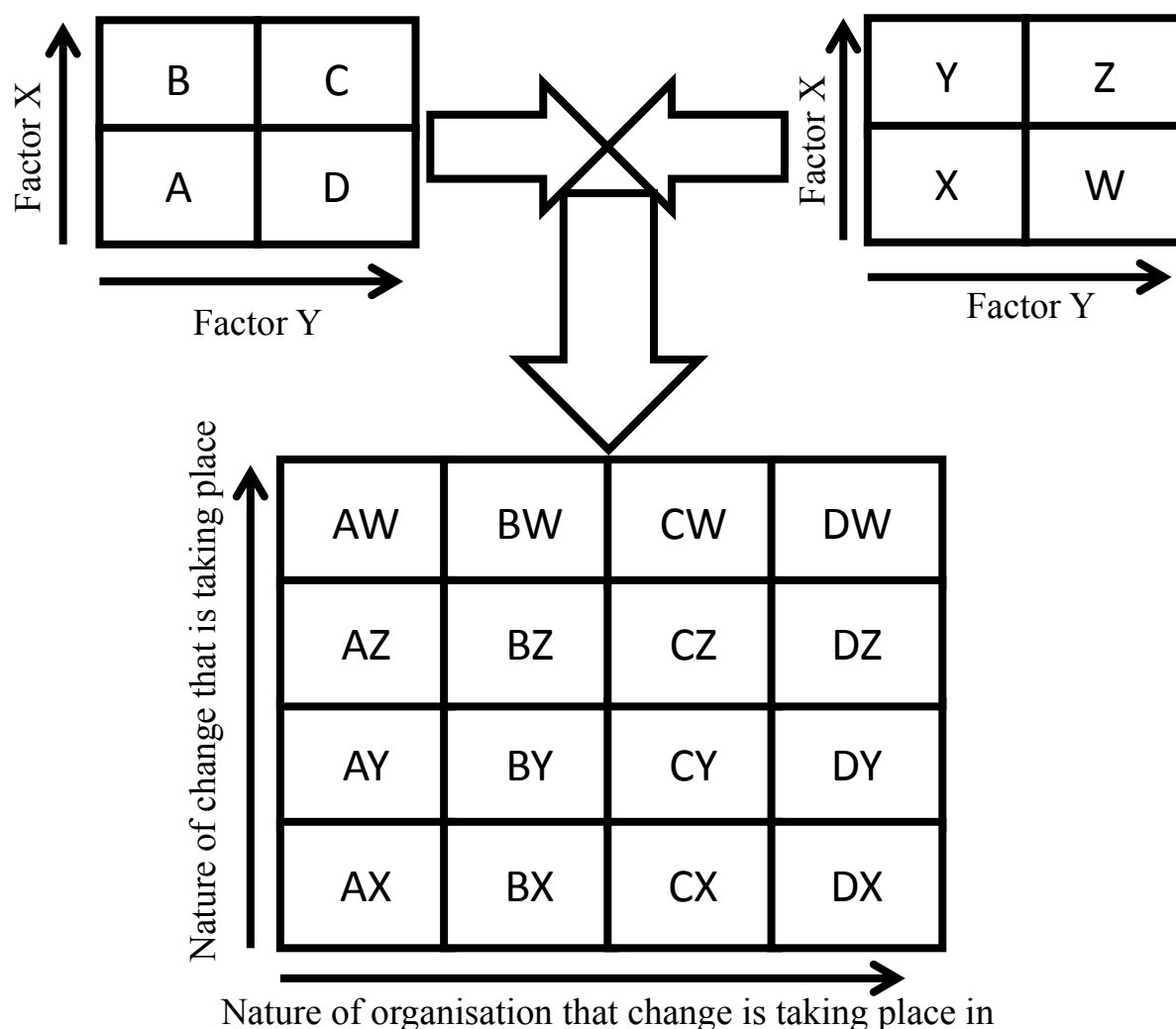


Figure 39 - Conceptual framework

It was hence identified as vital to be able to identify parameters that organisations could be inquired on that enabled categorisation of the nature of organisations as well as the type of change that they undertook. Both initial respondents were positive towards the notion of such a framework when being discussed, although both also expressed concerns regarding its feasibility.

Furthermore, during the third interview²⁰ it was expressed that segmenting based on organisational characteristics would produce fallacious results as it built on faulty logic. The interviewees said the idea of segmenting based on the impacted areas characteristics was intuitively correct. Expressed as, “It is important to do an initial diagnosis of the area of impact; ‘What soil am I planting the tree in?’” But, this segmenting was supposed to be on a lower level than organisational. An exemplification was made when a large organisation’s software development team was contrasted with their machine operators as well as with their C-suite staff; it was argued that these different groups would react vastly differently to different types of change. The fourth interviewee²¹ argued in favour for this stance, and said that for example finance departments typically are very hierarchical and structured, which might require a different type of change program implementation compared to other functional units. To summarise, the fourth interviewee said that “because the

²⁰ Two-hour interview conducted on April 3 with a Partner and a Director at the same international management consultancy

²¹ Two-hour interview with the Deputy CEO of a large organisation within the utility sector

skills, experiences and functions can vary so much between different business units. The implementation processes can vary much between functional units and on different types of change programs.”

Subsequently, the idea to make an organisational categorisation was dropped.

Similar reasoning was also brought forward with respect to the type of change. The organisations could think of several different ways that change could be classified in, but the inherent difficulty was to capture the entire depth of complexity to be able to produce something yielding insight and making it categorisable. According to interviewees, the type of change can be classified according to many different variables for various purposes, but neither of the categorisations available were believed to be applicable in the context of the study.

Throughout all four interviews, the discussion was often brought to the different key factors for achieving successful change initiatives and sustainable results. There were several often recurring themes. One particularly strong recurring theme was the concept of having a standardised Change Management Approach.

When discussing what led to success of change and sustainable results, two themes were especially recurring: a felt need for change as well as leadership buy-in, alignment and commitment.

A felt need for change; if employees don’t see the necessity with undertaking the change they won’t be as likely to go ahead with it. This factor was concretised by the partner in the third interview through, “Felt need for change is important. If people don’t feel it, they won’t change. And you want to push it so that every single individual feel a strong need for change. You need to lift the felt need for change.”

Leadership buy-in, alignment and commitment; this concept can most easily be fleshed out through quoting our first interviewee, “change management is all about leadership buy-in, alignment and commitment. If you have it, you can get whatever you like. If you don’t have the leadership support you’re doomed. If you do, you can accomplish anything you want.” One of the interviewees at the third interview almost stressed the matter further and said that “the most important factor for implementing and sustaining change is leadership alignment and commitment.”

When asked about how they measured the success of change initiatives and if they tracked the sustainability of their results, all four interviewees elaborated on the difficulties associated with measuring success and especially measuring sustainability. As one respondent expressed their situation, “There is a constant flux of change in *Organisation*²². Change is constantly occurring at several levels and in many layers, where the effect of each single initiative is hard to track. It creates an integrated complexity of change. For example, today more technological change happen within the bank every month than what used to happen in a year.”

It was hence established that all interviewed organisations expressed difficulties associated with measuring change success.

Although the measuring of successful initiatives and sustainable results was a topic perceived as difficult to answer, respondents were much faster at concretising what their definitions of success

²² Name of organisation erased from quote due to confidentiality reasons.

and sustainability were. A definition of sustainability was discerned from the interviews as, “We don’t go back to using the old way of doing things.” All interviewees felt familiar in phrasings similar to this, although none was able to give practical recommendations on how to measure the sustainability of results.

Ultimately, the interviewing resulted in a suitable and lucid research question as in the figure below:

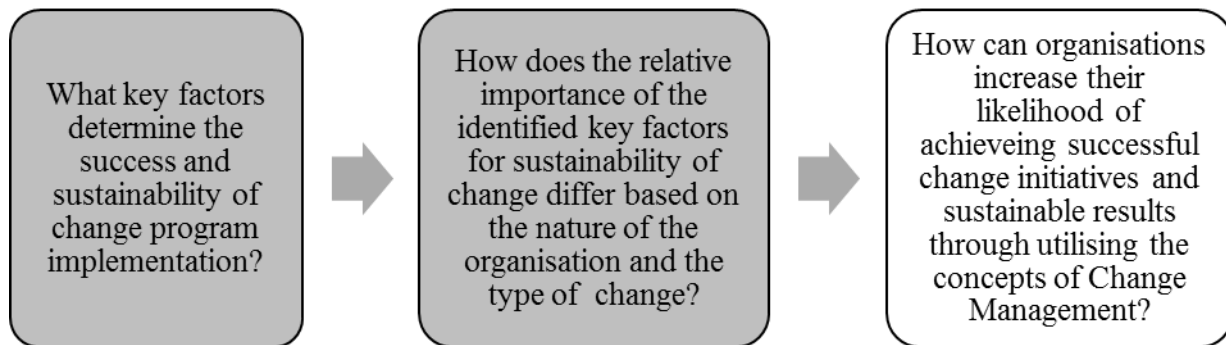


Figure 40 - Evolution leading up to the final research questions aiming to secure practical insights on Change Management

The research question validity was further strengthened during the workshop conducted²³, as participants said that it likely would prove valuable and feasible to conduct. The focus group participants were also providing feedback, resulting in further decomposition of the question structure as in the figure below.

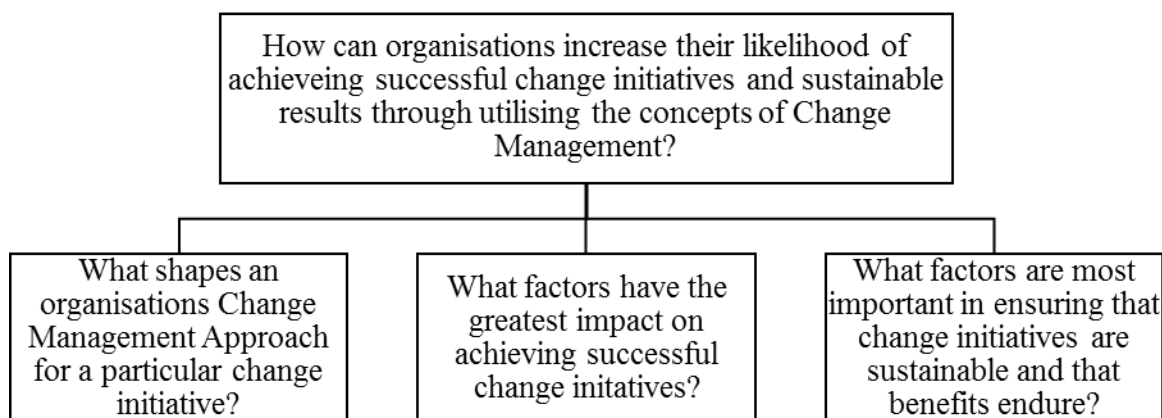


Figure 41 - Decomposition of question structure

To the focus group, twelve potential factors driving the shaping of change implementation approach was brought. The participants combined some of the factors as they were perceived to imply the same thing, whereas others were added.

The focus group session also proved valuable in yielding insights into different ways to invest in Change Management. Previously a view had been held that organisations could have a standardised Change Management Approach or not and that it was an indicator of change maturity within organisations, whereas the session participants elaborated on many ways in which Change Management can be invested in: through having a Change Management team within the organisation; through having Change Management capable staff available for consultation; to train managers in Change Management; as well as having Change Management capable staff deployed to

²³Three-hour focus group session with Change Management professionals at a large financial institution

Business Units undertaking change initiatives. The concepts were by the focus group participants not seen as mutually exclusive and collectively exhaustive and organisations could hence invest in several of them, but possibly also invest in other concepts. They were referring to this investment in Change Management as the organisations maturity of change. A key concept, as seen by the participants, was if an organisation saw Change Management as a discipline in its own right or not.

The workshop also finally established that aiming to establish generalisable measures for success or sustainability of change would be nearly impossible. To quote one of the participants, “If you managed to come up with a way to measure the success of change initiatives and the sustainability of their results you could start your own consultancy and you would shortly be millionaires.” Instead, they agreed that it would be interesting to explore how organisations define success and sustainability of success as well as how individual firms measure success and sustainability, if they do it at all.