Competence Strategies in Organizational Change focusing in a Project Office

Master of Science Thesis in the Master's Programme International Project Management

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Department of Civil and Environmental Engineering
Division of Construction Management

Chalmers University of Technology
SE-412 96 Göteborg
Sweden
Telephone: + 46 (0)31-772 1000

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ABSTRACT

This study has the purpose to investigate the employees' perception of the strategies used to manage a rapid merging process affected by the financial crisis in a consultancy firm, so as to determine what could be expected in the future strategies of the organization, while also taking into account how the deployed strategies affected organizational knowledge and competence development, culture, communication, business awareness and cooperation. It is based on a qualitative empirical approach supported by two variants of semi-structured interviews to collect data. The research concludes that the definition of a clearer focus and direction, involvement from all the levels, proper communication throughout the levels and a common culture guiding the development of the strategic plan is highly needed within organizations undergoing change. The study then proceeds to present some recommendations regarding the effects of the previous needs on various competences needed to ensure effective organizational change. Finally, further research involving all the levels of the organization is suggested.

Key words: Organizational change, change strategies, strategic competences, change implementation, organizational cooperation, communication, organizational learning and knowledge, culture development, business awareness.

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Preface

In this research, two variants of semi-structured interviews have been used to collect data in order to support a qualitative empirical approach. The interviews have been carried out from April 2010 to May 2010. The work is a follow-up study to a previous academic investigation done at an earlier stage of the organizational change processes within a consultancy firm.

This following research has been carried out with Mónica Fernández Genao as a researcher, Professor Max Rapp Ricciardi as the academic supervisor and Sandra Tillman as the company supervisor. Both supervisors are highly appreciated for their help, input and valuable support throughout the research's developments.

Finally, it should be noted that the research could never have been conducted without the co-operation and involvement of the interviewees.

Göteborg September 2010

Mónica Fernández Genao

"It is not the strongest species that will survive, nor the most intelligent, but the one most responsive to change".

Charles Darwin.

1   Introduction

Professional service firms, such as advertising agencies, accounting firms, and consulting firms, are all being transformed by the global customer. In order to serve this global customer, professional service firms are constantly renewing themselves and changes to formal structure and systems are central to such renewal (Galbraith, 2000). However, the lack of a widely agreed-upon approach leads to considerable variance in the outcomes of change initiatives. Most initiatives – downsizing, restructuring, the introduction of new technology, or efforts to change the corporate culture – have very low success rates. Research suggests that only a third of these initiatives achieve any success at all (Beer and Nohria, 2000). The success rate was not significantly different for the consultancy firm taken into account for this thesis.

This research is a follow-up study to a previous academic investigation done at an earlier stage of the organizational change processes. This preceding study was developed to provide insightful information about the perceptions of change without strategy from an employees' point of view. However, ever since this study was developed, little research has been done to foresee where this previous lack of strategies is leading the organization to.

 Approximately two years later and after being deeply affected by the financial crisis, the merged consultancy firm has adopted new strategies that intend to overcome some of the past obstacles created by the lack of strategies and to lead the way into the future. This new approach has created a new scenario within the change process that the firm is still undergoing. Similarly, this new scenario creates a new opportunity to study, analyze and learn how the evolution of the strategies have influenced and have been perceived by the people in the organization. Moreover, it provides a better view of where the company may be going, as the current state appears to be more defined and directed towards a common goal than before.

The purpose of this study is to investigate the employees' perception of the strategies used to manage a rapid merging process affected by the financial crisis in a consultancy firm, so as to determine what could be expected in the future strategies of the organization. The research will also examine how the deployed strategies affected other aspects, such as organizational knowledge and competence development, feedback culture, communication, business awareness, and interdepartmental and international cooperation.

It is important to highlight that the study focuses in a consultancy firm, based on fifteen interviews and that it is time-framed. Even though a more rigorous research on the matter would have given even more interesting data, time still represents a constraint. However, the research intends contribute where much literature is not sufficiently available: organizational changes in consultancy firms.

In addition, it should be taken into account that the study is influenced not only by literature reviews and the help of mentors, but also by the interpretation of the interviews subjected to the authors' mind-set and the interviewee's personal opinions.

On another note, the study is based on literature and an empirical qualitative approach supported by two variants of semi-structured interviews to collect data. One variant's objective was to gather background information of how the strategies had evolved so far in the organization from a managerial standpoint; and the other one's goal was to obtain insights on the perceptions of the current and future viewpoints on the strategies currently being deployed from an employee's perspective.

The research concludes that, as in most areas, there is no 'one best way' to get to where the organization wants to go to. However, a helicopter viewpoint may provide a good overview of the ground beneath and a good overview of the horizon; which, as a result, may help the organization to define a clearer focus and direction. The trick is, as Bower (2000, p. 83) said, to focus change in the direction that the organization has in mind.

Moreover, the conclusions present some recommendations regarding the need to build a stable and recognizable company culture; the need to ensure all the hierarchical levels' involvement; among others are suggested in the end. Nevertheless, given that the current strategies still do not have such a clear focus and direction, specific alternatives for the future evolution of the strategies and the strategic competences development are not provided.

2 Theoretical Framework

2.1 What is organizational change and why should it be considered in organizations?

The new competitive environment requires a flexible and adaptive organization, as well as a different pattern of work behavior. Managers and workers must be aware of what the customer wants and what competitors are doing. They must translate this knowledge into effective decisions about improvements in product, service, quality and cost and they must implement these decisions at all levels (Beer et al., 1990). However, how can an organization become more flexible and adaptive in order to survive in the constantly changing market? An option to consider is continuous emergent change.

Emergent change consists of ongoing accommodations, adaptations and alterations that produce fundamental change without a priori intentions to do so. Unfortunately, much of this change goes unnoticed, because small alterations are usually neither heroic nor plausible ways to make an effective strategy when inconspicuously lumped together. Consequently, if leaders were to take notice of emergent change and its effect, they could be more selective in their use of planned change (Weick, 2000).

It is noteworthy that revitalization or organizational change is not the only way to make a corporation more competitive. Cost reduction, acquisition and divestiture, asset rationalization, and the introduction of new manufacturing systems are also ways to create a more competitive corporation. They change the economics of the company and introduce new and valuable competences. However, they do not necessarily improve coordination and teamwork, nor do they create the commitment and competence employees must have to sustain high levels of coordination. Actually, they often cause a decrease in these valued human and organizational sources of competitive advantage, which are argued to be essential in managing continuous improvements in quality, cost and products or services (Beer et al., 1990).

As a final word, it is important to highlight that organizational change is not a static undertaking. It simultaneously involves the whole organization embracing the entire array of organizational domains, be it strategy, structure, people or processes. Equally important, it never stops. Organizational change is a never-ending process of continuous transformation as it ought to be in a world where Darwin's motto about the responsiveness to change is truer than ever (Prastacos et al., 2002).

2.2 Change strategies that meet external and internal changes in organizations

Change that is seen as strategic in one setting may well be mundane to another organization (Buchanan and Boddy, 1992), which is one of the reasons why the construction of the process of change is a creative activity. It does not simply involve the mechanical deployment of diagnostic tools, competences and stereotyped solutions; it involves also the innovative and opportunistic exploitation of other dimensions of the organizational context (Buchanan and Boddy, 1992). As a result, an integrated theory of framework for understanding change is not likely to exist (Beer

and Nohria, 2000). Nevertheless, in the following paragraphs theories that intend to understand how to approach the change process are presented so as to grasp some of the possibilities available to embrace the vital processes of organizational revitalization in a more effective manner.

2.2.1   Theories E and O

Two dramatically different approaches to organizational change are being employed in the world today (Beer and Nohria, 2000):

- Theory E has as its purpose the creation of economic value, often expressed as shareholder value, while focusing on formal structure and systems. It is driven from the top with extensive help from consultants and financial incentives that require change that is planned and programmatic since capital market expectations require a short and tight schedule for change that facilitates internal coordination, inspires external confidence and achieves rapid and extraordinary improvements in economic value.

- Theory O has as its purpose the development of the organization's human capability to implement strategy and to learn from actions taken about the effectiveness of changes made while focusing on the development of a high-commitment culture so as to create a work system in which employees become emotionally committed to improving the performance of the firm and, consequently, enhancing the organization's economic value.

Its means consist of high involvement, as it is essential for building the partnership, trust and commitment thought to be vital for long-term performance improvements; and consultants and incentives are relied on far less to drive change, as consultancies contribute to a process of discovery and learning, instead of bringing the solution; and incentives are used later in the change process to reinforce emergent behavior, rather than to drive behavior.

Finally, change is emergent, less planned and programmatic for the reason that it places less emphasis on financial incentives, particularly individual incentives.

Table 1 - Theories E and O of Change (Source: Beer and Nohria, 2000, p. 4)

PURPOSE AND MEANS	THEORY E	THEORY O
Purpose	Maximize economic value	Develop organizational capabilities
Leadership	Top-down	Participative
Focus	Structure and systems	Culture
Planning	Programmatic	Emergent
Motivation	Incentives lead	Incentives lag
Consultants	Large use of consultants/Knowledge driven	Small use of consultants/Process driven

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2.2.2 The middle ground between the Rationalization of Assets and Programmatic Change: Task alignment

When considering different change strategies, in summary, the 'rationalization of the assets' theory ignores long-term developmental needs in favor of short-term business gains, while the 'programmatic change' theory focuses in the long-term development of employee skills and fails to effectively address the short-term business demands. 'Task alignment' can be said to reside in the middle ground between the former two. It is the approach that reconciles the short- and the long-term; that is, short-term business demands are dealt with in a way that develops human resource capabilities essential to compete in the long-run. It focuses on the business' central competitive challenges as the means for motivating change and developing new behaviors and skills (Beer et al., 1990).

It is important to underline that the probability of success of the task-alignment approach increases as the influences of the asset rationalization and programmatic reorganization are properly balanced considering the context where the revitalization process is being developed (Beer et al., 1990). Still, while task alignment may combine the best of both worlds, to achieve the proper balance required by the firm's context is a difficult implementation task, as it can easily degenerate into either extreme.

This means that in order to obtain the benefits from task alignment and avoid the pitfalls of programmatic reorganization, it is crucial to involve organizational members in the process of realigning the organization with the new competitive realities. So as to avoid the drawbacks of the rationalization of the assets revitalization, the outlook and competence of the individuals should be influenced by developing a broader business perspective; and a capacity to solve problems and improve their people skills, because by allowing asset rationalization to become the sole focus for improvement may create cynicism concerning the organization's commitment to its employees, a cynicism that could well inhibit desired revitalization interventions at a later stage (Beer et al., 1990).

Nonetheless, regardless of the tendency towards programmatic reorganization or rationalization of the assets, the task alignment's characteristic of quick responsiveness and adaptability is possible because the task, rather than hierarchy, is the basis for assigning roles and responsibilities. Consequently, to achieve task alignment within a unit, fundamental changes in roles, responsibilities, and relationships can be made without first modifying the formal organizational structure. By avoiding top-down change in formal reporting relationships before new interaction patterns are established, resistance is reduced and the opportunity for people to develop necessary skills and motivation is enhanced. Changes in formal structure may eventually follow such changes in an ad hoc structure as a way of firming up and institutionalizing renewal, but by then the commitment to the new approach and the competence needed to enact the required behaviors is firmly in place (Beer et al., 1990).

The task-alignment approach to revitalization succeeds in a performance-oriented environment, where human resource programs fail, because of focus on short-term business demands. However, the performance improvements that come about through aligning the efforts of people with the task do not always affect the organization's bottom line with the same speed as do direct reductions in labor costs or the closing of facilities. It takes considerably longer to stimulate critical path renewal in all parts of a

company. Moreover, it takes time to develop trust, create innovative model organizations, and nurture the skills of people. Top management must be patient and must provide the resources needed to support renewal over a time of period much longer than the typical quarterly earning cycle by which financial markets often judge the value of the company's shares. In other words, it is easier to acknowledge returns on investment in physical assets than human assets as it is more difficult to see tangible results of a human resource development activity (Beer et al., 1990).

Lastly, support for, and actual success in, revitalization were more apt to occur in units where employees perceived that change would result in real improvements in their own well-being. Task alignment is a change strategy that integrates concern for people and concern for task, as participation in it is likely to leave people feeling effective, challenged and empowered, while organizational and financial effectiveness, as well as employee well-being can be improved (Beer et al., 1990).

2.3 How can change be perceived and how can it be influenced?

Taking into account that there is a variety of approaches available to encounter organizational change, similarly, there are different ways to make the best out of the chosen strategy to successfully implement change processes. So as to facilitate this, it is suggested to, not only understand how can change be perceived by each individual involved and affected by the deployment of the change strategies, but also to be aware of how can change be influenced in a way to optimize the benefits of the change processes for everyone around it.

Leading change is not just about individual leadership. Neither is it just about building a coherent team at the top and pressuring the levels below. Leadership is also about followership. The top get weary pushing for change if there is no reciprocal and reinforcing pressure from below. Important linkage mechanisms between leaders and potential followers arise when leaders create opportunities for a marriage between top-down pressure and bottom-up concerns (Pettigrew, 2000). However, what goes on behind these interactions between leaders and followers? What hinders and brings forward the expected results and attitudes from both in a changing environment? How can the revitalization process be optimized?

Political behavior plays a more significant role in organizational life than is commonly recognized or openly admitted. People prefer to think of the social and organizational cultures as characterized by order, rationality, openness, collaboration and trust, however, in reality competition sits alongside cooperation; informal "back-staging" supports public action; and self-interest, deceit, subterfuge and cunning, as well as the pursuit of moral ideals and high aspirations are seen as well. Nevertheless, it is uncommon to hear decisions defended in terms of political motives and behaviors as it is more common to see reason and logic prevail, while the initiatives that are pursued; the decisions that are taken; and the changes that are introduced, are all particularly liable to heighten political activity. Organizational behavior during change processes cannot, therefore, be understood without an understanding of the role of political behavior (Buchanan and Badham, 2008).

Moreover, as argued by Buchanan and Badham (2008), change creates uncertainty and ambiguity; and people wonder how their jobs will change, how their workload will be affected, how their relationships with colleagues will be damaged or enhanced. Change in one organizational dimension can have knock-on or "ripple" effects in other areas. As organizations become more complex, the ripple effects become harder to anticipate. Managing change can thus be a challenging, exhilarating and creative activity and political behavior can be used effectively to subvert, block and redirect change as well as to drive it.

According to Buchanan and Badham (2008), political behavior presents both positive and negative faces to the observers, recipients or victims and, hence, not all 'tricks' are 'dirty tricks', although clearly some ploys in some contexts should be labelled as such. Thus, a wider understanding of political behavior may advantage those who would deploy such strategies and tactics, and support those who would seek to challenge and counter such behaviors. Nonetheless, the better understanding of the political situation behind the actions and reactions does not guarantee zero change resistance, either from the change agent or from the change recipient.

In order to overcome some organizational change resistance and so as to be able to effectively manage the political behavior behind change processes, management development should help managers in general, and change agents in particular, to deal with the realities, the complexities, the challenges, the satisfactions and the dilemmas of political behavior in organizations, especially when considering that denial is unrealistic; acceptance without engagement is naive; and recognition without advice is unhelpful (Buchanan and Badham, 2008).

It is also noteworthy to consider that by assuming that only change recipients resist change, proponents of traditional approaches ignore the possibility that change agents may be resistant to the ideas, proposals, and counteroffers submitted by change recipients, which is one of the reasons why some organizational housekeeping may be required, such as restoring trust. If this need is recognized and addressed, it can provide the opportunity for agents to strengthen their relationships with recipients and vice versa (Ford et al., 2008).

Additionally, Pettigrew (1985) in Buchanan and Boddy (1992) suggests that understanding strategic changes as continuous processes, with no clear beginning or end, allows for the analysis of the front stage and the back stage decision making process. For this, the change agent is advised to pay attention to language, setting and what will be regarded as an 'acceptable argument' in a given setting.

2.4 Approaches to the implementation of change processes

The way change is implemented in an organization is highly likely to vary depending on the type of industry; not only the organization's culture and values, but also the nation's culture and values; the purpose that initiated the change; the goal that the change process intends to achieve; and the new challenges that may rise while undergoing the implementation process. Nevertheless, so as to be able to manage the revitalization process, many authors have attempted to define certain frameworks with the intention to guide the process on a more efficient and effective manner.

2.4.1 A linear approach to the implementation of strategic change processes

Buchanan and Boddy (1992) presented the implementation cycle for change projects shown below:
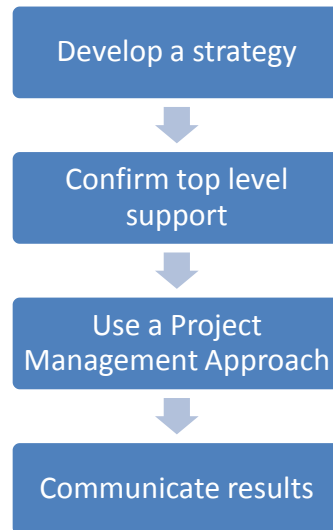
Fig. 1 - Implementation cycle for change projects (Source: Buchanan and Boddy, 1992, p. 9).

This cycle does not, however, elaborate on the skills required when managing the development life cycle nor the development of the people involved (Buchanan and Boddy, 1992).

Models of change labelled as "rational-linear" models tend to rely on the assumption that planned change in organizations unfolds in a logically sequenced manner: solutions are not identified until the problem has been clearly defined; an effective solution is not selected until the various options have been systematically compared; implementation does not begin until there is the agreement on the solution; the key actors in the implementation process each have clearly specified tasks and responsibilities; the progress is systematically monitored and deviations from plan are corrected; and the implementation process is bounded in terms of resources and time, with a clear termination or close-down date. These assumptions have attracted significant criticism (Buchanan and Boddy, 1992), since the context in which a change process is usually developed is not linear itself, and therefore, a linear approach for a non-linear reality is not necessarily the most suited option.

2.4.2 A participative approach to the implementation of revitalization processes

The participative approach to the management of change has become a well-established aspect of conventional wisdom. Few would openly argue that participative management, except in extreme circumstances, is not an effective approach to the implementation of organizational change, to overcoming resistance, and to winning commitment to new ideas (Buchanan and Boddy, 1992).

2.4.2.1 Pettigrew's perspective

Pettigrew (1985) in Buchanan and Boddy (1992) advocates a perspective on strategic change implementation that recognizes the combination of rational, cultural and political factors in decision making, and that also takes into account the influence of historical and contextual factors in relation to the continuous process of change. Moreover, he highlights the influential and potentially legitimating role of the context into which change is introduced by distinguishing between inner and outer context. The inner context of change relates to the history of the organization, its structure, its culture and its political system. The outer context of change relates to environmental factors, such as competitor behavior or customer demands, the sources from which much of the legitimacy for change is derived, in view of the fact that the manager who can point to events outside the organization as the basis for proposing internal change stands a better chance of obtaining ready support than the manager who is perceived to be championing change for personal gain (Buchanan and Boddy, 1992).

2.4.2.2 Beer, Eisenstat and Spector's perspective

On another note, taking into consideration the task alignment theory of change, Beer et al. (1990) suggest that the critical path is a general manager-led process that implements task alignment at the unit level by doing the following:

1. **Mobilizing energy for change among all stakeholders in the organization by involving them in a diagnosis of the problems blocking competitiveness.** This implies that sharing data and discussing its meaning with all of those involved is as highly significant as demanding improved performance and behavior. It is noteworthy that there does not have to be a current crisis to undergo a change, but every stakeholder has to be aware of it and on board.

2. **Developing a task-aligned vision of how to organize and manage for competitiveness.** Effective visions are not only practical statements about how the management process will change and how that change is related to business goals; they also express values that allow employees to identify with the organization and, thus, contribute to the business and to employee well-being, something financial goals alone do not do.

3. **Fostering consensus that the new vision is "right", competence to enact it, and cohesion to move change along.** The process of overcoming resistance and fostering necessary skills requires greater intervention and support than the one provided by merely letting employees participate in vision development. Other aspects to consider are team building activities after a need for them is created after the vision development process in order to improve coordination and mutual problem solving; for the previous, consulting and training support may be required so as to ensure higher effectiveness; replacing resisters, as the commitment of employees to carry out the goals or to readapt is commonly read as a sign of support to the fundamental change process and is essential to build a cohesive team committed to renewal.

4. **Spreading revitalization to all the departments of the unit in a way that avoids perception that a program is being pushed from the top, but at the same time ensures consistency with the organizational changes already under way.** The careful balancing act of the particular way each department chooses to implement the vision is important not only to build commitment, but also to ensure that revitalization is customized to meet the particular needs of each area.

5. **Consolidating changes through formal policies, systems and structures that institutionalize revitalization.** This means that the "harder" interventions, such as structure and systems changes as well as alteration in staffing practices, can prevent regression by locking in or consolidating the behavioral changes that were initially obtained by "softer" means, such as leader expectations, ad hoc team structure, and changing norms.

6. **Continually monitoring and strategizing in response to predictable problems in the revitalization process.** Change processes uncover strengths and weaknesses in an organization, therefore, it is highly important to monitor and strategize as the new challenges rise in order to continually ensure that the challenges become opportunities. These problems are not signs of failure. They represent dilemmas that have to be addressed and managed. Some examples of the challenges that may rise are loss of power, loss of discipline, maintaining realistic expectations, making mid-course corrections and continuously learning as an organization.

The authors caution against impatience in the execution of the steps as the sequence by which the critical path unfolds is as important to successful revitalization as the specific content of the interventions. The sequence should not be thought of as a rigid one, as in some successful change processes the steps overlapped substantially. However, the authors saw no examples of effective revitalization that did not follow the general sequence and, moreover, unsuccessful revitalization was often explained by improper sequencing. The power of the sequence lies in the fact that each group of interventions creates the necessary preconditions to allow the organization to move to the next step (Beer et al., 1990).

2.4.2.3 Spector's perspective

Another participative approach to the implementation of a change strategy is based on the diagnosis of the current situation that can be shaped and guided by a systemic framework, in order to target the performance of the entire organization and its ability to implement a renewed strategy. According to Spector (2010), with the facilitation of a consultant, employees can engage in data collection and a dialogue of discovery concerning those elements and their fit with each other, with the strategy, and with the external environment. However, it is important to highlight that creating dialogue within the organization is hampered by many organizational factors. Power distance encourages participants to filter information rather than to be completely open. Organizational silence discourages honesty and must be overcome by organizational leaders. Only by creating a sense of psychological safety will employees willingly

engage in a candid exchange of information and insight concerning the performance of the organization.

Once dialogue and diagnosis have been engaged, implementation can proceed. Dialogue and diagnosis likely will target patterns of behavior, asking if employees at all levels of the organization are enacting their roles and responsibilities in a way that is aligned with the demands of the strategy and the requirements of outstanding performance. The ability of an organization to create and sustain a climate of openness and honest conversation depends a great deal on the culture of the organization and the values of that organization's managers (Spector, 2010).

When design changes are informal, employees at multiple levels and from numerous units and divisions can try things out. Ideas on how to approach the challenges posed can be tested: maintained if they succeed, discarded otherwise. As experimentation and learning unfold, employees can seek to "refreeze" desired behaviors by calling on more formal design mechanisms and hence, the next step in the change implementation process involves addressing an organization's human resource policies and practices, both as a way of helping to develop required new behaviors and of reinforcing those behaviors among the organization's employees (Spector, 2010).

In the redesign stage, employees create a behavioral model for how the business will respond to those shifts in order to achieve and maintain outstanding performance. At this stage, leaders face a new challenge. Employees who have succeeded in the past may not possess the skills required to excel in the future. Companies may do an assessment to analyze "old" and "new" patterns of behavior and identify the gap that exists within their current human resource and later on, the organization should seek to help employees acquire the necessary competencies and skills. Training programs can be helpful at this stage, especially experiential training that offers employees an opportunity to learn new behaviors. The danger of experiential learning, however, is that unless the work environments to which participants return to supports and even demands that participants enact those newly learned behaviors, the impact of learning will quickly fade out and employees will retreat to their old ways. That is why training is most effective and impactful when it follows redesign to ensure that employees leave training and find a newly altered work context to support and reinforce their new behaviors (Spector, 2010).

It is noteworthy that not all employees can or will make the required transition. Once the performance requirements of the future model have been articulated through a process of mutual engagement, and employees have been offered an opportunity to develop the required new competencies, organizations will be able to identify individuals whose behaviors match the new behavioral patterns. Therefore, in the following stage, the selection process becomes a key element of that process. Attracting and hiring individuals already in possession of the desired skills – especially those competencies that are difficult to develop – will infuse the organization with employees capable of enacting the desired future model (Spector, 2010).

As a final stage, organizational leaders can seek to reinforce behavioral patterns. For that purpose, they turn to new structures and systems (Spector, 2010).
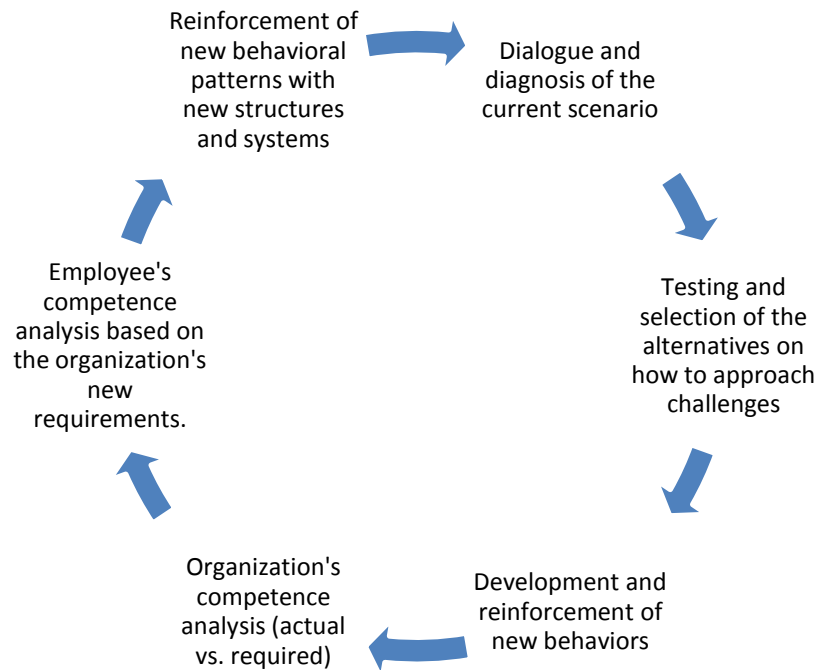
Fig. 2 - Renewed strategy implementation process (Source: Spector, 2010)

It is important to highlight that organizational culture – the values and assumptions that individuals bring with them to the workplace and the resulting behavioral patterns – has a powerful impact on the ability of organizations to implement change. Robust cultures – that is, cultures in which a consistent set of values is widely and deeply shared within the organization – can promote outstanding performance by motivating employees to behave in a coordinated manner toward a common strategy. Some robust cultures, however, provide barriers to adaptation and change implementation. Employees seek the comfortable and familiar even as the external environment is demanding new and significantly altered patterns (Spector, 2010).

Therefore, if during the implementation process, the organization decides to also take into account the cultural factor of the revitalization process, a cultural audit can surface the enacted values of an organization. Since the diagnostic process has allowed employees to determine the gap between the status quo of the organization – the existing patterns of employee behavior and the values that underlie those behaviors – and the requirements of the organization's strategic response to the competitive environment, change implementation can now move to the next stage: redesigning roles, responsibilities and relationships of employees (Spector, 2010).

2.4.3 What else should be considered during change implementation?

To foster effective and lasting change it is ultimately necessary to bring about changes in human behavior, ideally at all levels of the organization. Individuals, alone or in groups, are the ones who will identify and implement solutions to the problems facing an organization. And it is individuals who will prosper or decline as a result of the organization's success or failure. This makes individuals the most important element in the change equation (Wruck, 2000).

Nonetheless, not all employees will greet change efforts with equal enthusiasm. Employee resistance arises from a number of sources, some internal to individual

employees and other externally located in the implementation processes of change leaders. By allowing employees to participate in the formulation of change plans, however, leaders will increase employee ownership over and support for those efforts (Spector, 2010). For example, Coch and French (1948) designed an experiment with three production groups, each facing minor changes, but each given different levels of participation in introducing these changes. They concluded that it was not the people or the personality factors, but the way in which they were treated that created or overcame resistance to the changes. Employee participation has since this study been one of the standard prescriptions for managers looking for a technique to overcome resistance and introduce change smoothly and quickly.

However, if the need for change is urgent, executives may be tempted to rush toward a "solution". That instinct, while understandable, is likely to harm the effectiveness of the change implementation process. Mutual engagement in dialogue and diagnosis helps generate vital data. The process can also create commitment to learning and motivation to change on the part of participants, while building diagnostic competencies into the organization (Spector, 2010).

2.5   What makes strategic organization change successful?

Dunphy (1981) argues that successful organizational change programs have most of the following:

Clear objectives	Realistic, planned and simple scope	Informed awareness around the organization	Selection of appropriate intervention strategies
Good timing	Genuine participation	Support from key power groups	Use of existing power structure and experience
Open assessment before implementation	Majority support for perceived benefits	Competent staff support to offer temporary resources	Integration of new methods into routine operations
	Transfer and diffusion of successful innovations	Continuing review and modification	Adequate rewards for implementers and those affected

Fig. 3 - Features of successful organizational change programs (Source: Dunphy, 1981)

This appears to be a straightforward blend of rational-linear and participative management, however it is clear that, to follow this guidance, which on the surface looks like an easy prescription; and to attempt to get it right, can turn out to be enormously time consuming for those leading the process as the change management task is multilayered and multifaceted. Additionally, this prescription ignores the possibility that other managers might be pursuing different, perhaps personal, agendas through organizational change and that the politics of the organization may lead to

shifts in priorities during the life of the change process. It may well be that these guides simply do not apply in some contexts (Buchanan and Boddy, 1992).

From Ghoshal and Bartlett's (2000) perspective, the problem with most companies that have failed in their transformation attempts is not that they tried to change too little, but that they tried to change too much. The companies that were the most successful in transforming themselves into more flexible and responsive organizations pursued a much simpler and more focused sequence of actions. On the other hand, how can the change agent know how much change is too much? Before attempting to define this and understand the required approach to change, the status quo must be understood first. Many change agents fail to understand the status quo well enough to overcome it, and their failure to understand the status quo undermines their change effort (Martin, 2000).

From another point of view, Beer et al. (1990) identified the factors that separated successful from less successful revitalization efforts. They concluded the following:

Beginning change with corporate programs to alter the culture or management of people are inherently flawed even when supported by top management.	Formal organizational structure and systems are the last things an organization should change when seeking renewal – not the first, as many managers assume.	Effective changes in the way an organization manages people do not occur by changing the organization's human resource policies and systems.
Starting corporate renewal at the very top is a high-risk revitalization strategy not employed by the most successful companies.	Organizations should start corporate revitalization by targeting small, isolated, peripheral operations, not large, central, core operations.	It is not essential that top management consistently practice what it preaches in the early stages of renewal, although such action is undoubtedly helpful.

Fig. 4 - Common factors in successful revitalization efforts (Source: Beer et al., 1990, pp. 5-6)

Additionally, corporate renewal can come about only when top management creates a climate encouraging, even demanding, that all subunits follow the revitalization process. Six strategies were typically employed by top management leaders to create the necessary climate for corporate revitalization (Beer et al., 1990):

- Creating a framework for union-management cooperation.
- Demanding high performance and a significant investment in human resources.
- Developing innovative organizational models.
- Investing in learning through conferences, visits, and education.
- Promoting and developing managers committed to renewal and skilled in leading it.
- Monitoring revitalization.

Nevertheless, top management's effective leadership should also consider that the following conditions facilitate, not only the appropriate climate building, but also the corporate revitalization efforts at all levels (Beer et al., 1990):

- Balance between ambitious cost reduction and human resource investment goals.

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- Balance between concern for task and concern for people.
- A network of human resource personnel and external consultants that helps top management with the facilitation of companywide revitalization.

On a similar note, it is important to highlight that the revitalization leaders function at all levels of the organization, not only in top management, generally share a common set of attributes. At the unit level, three attributes distinguished those managers who were most successful in leading revitalization (Beer et al., 1990):

- A persistent belief that revitalization is a key factor to competitiveness. Lacking that belief, the long-term commitment, conviction and persistence necessary to oversee the complex process of system-wide renewal was missing.
- The capacity to articulate this conviction in the form of a credible and compelling vision that aligns new patterns of management with the performance of the organization's core task; and that allows employees to commit to change emotionally and intellectually.
- The ability to implement this vision through a consistent pattern of words and behaviors or actions.

The attributes of effective revitalization leaders at the corporate level overlapped, with one important exception. Consistency between words and actions was much less important for corporate managers leading successful revitalization than it was for corresponding unit managers.

2.6 Relevant aspects of strategic organizational change in the case study

Given that there are some additional aspects being considered in the case study, the following sections present some theoretical perspectives that directly relate to these aspects and to the evolution of the strategies within the organizational change process.

2.6.1 Where do cooperation, coordination and communication meet?

If there is one generalization we can make about leadership and change it is this: no change can occur without willing and committed followers (Bennis, 2000). However, a firm's ability to succeed in the marketplace is a result not only of having leaders and committed followers or a matter of the technical skills of its employees, but also of how well those employees coordinate with one another in accomplishing these core "value-creating" tasks (Beer et al., 1990).

Still, for coordination to be improved, the transformation process must be accompanied by equivalent changes in employee commitment and competence. Without commitment to the business as a whole, horizontal coordination among functional departments with different orientations and goals is not likely to be successful. Without commitment and a cooperative spirit, vertical coordination among management, employees and unions is difficult, particularly given their different interests. As for needed competencies, closer coordination requires that employees at all levels learn interpersonal skills and develop a generalist's rather than a specialist's perspective of the business (Beer et al., 1990).

It is significant to emphasize that the difficulties faced by organizations while trying to improve coordination, such as internal politics, ego-based executive decision, avoidance of conflict or self-examination in decision making; debilitate coordination, commitment and competence; and squander the potential energy people might otherwise bring to their work. This is mainly because most people care deeply about being part of a team and an organization that excels and, thus, they tend to get frustrated when they see other employees, particularly management, that are incompetent or that are not focused on the health of the enterprise as a whole. Sadly, all too often, people accept this as "the way things are", and in doing so they become resigned and to some degree withdrawn. Work then becomes a mere job rather than an exciting adventure of contributing to a mission that matters and creating value as a consequence (Senge, 2000).

Nevertheless, the most immediate difficulty is likely to be the development of top-level successors whose approach to management is consistent with revitalization goals and, simultaneously, whose expectations for coordination, commitment and competence are the same as those in lower-level units undergoing revitalization. Unless this type of top management is developed, group heads and key staff in the company will not develop the values and management skills required by revitalization; and lacking leaders, who can succeed to the top jobs, makes sustaining renewal become virtually impossible (Beer et al., 1990). However, there is still hope. By bringing together key executives in open debates and discussions of problems and what to do about them, a counter-structure that enables changes in relationships and gain emotional coordination and commitment can be created (Beer and Nohria, 2000).

Equally suggested by Buchanan and Boddy (1992), good communication and the involvement of representatives from all affected groups are mandatory for coordinated commitment. More information flow at all levels and the ability to be able to listen to ideas from lower levels in the organization also makes the communication effort a vital activity in coordination.

Additionally, if managers wish to move beyond coordination and actually integrate different tasks, activities and specialists with different functions in value-creating processes, then it is important for them to acknowledge that effective integration has both a 'hard' and 'soft' side. Even if organizational structure, work methodologies, skill development programs and IT tools for communication are important, they also tend to give few results if positive attitudes change; or if trust between team members and hierarchical levels, and commitment to common objectives fail to emerge (Prastacos et al., 2002).

Therefore, unless there is a common cognitive ground between the people whose tasks and activities are to be integrated, how can communication and cooperation alone result in a proper integration? Different participants in integrated teams working in integrated processes must also be able to understand non-articulated tacit knowledge possessed by their colleagues. In order to create this common cognitive ground and transmit tacit knowledge, learning through the alternating of work tasks within a more or less broadly defined spectrum or, in other words, applying job rotation, is a powerful managerial lever that some successful companies use. For example, Unilever rotates managers not only between functions, but through various jobs, moving them around the world especially early in their careers, while monitoring the managers' potential and progress through special committees (Prastacos et al., 2002).

2.6.2 Business awareness

According to Siemieniuch and Sinclair (2008), situation awareness can be defined as the perception of the environment, the comprehension of its meaning and the projection of its status in the near future. Taking this definition into consideration, in terms of total awareness, it would appear as if many organizations are "well equipped", when it comes to the employees' business awareness. However, the previous definition does not imply an integrated awareness. In other words, the right people may not have the right knowledge and, even worse, may not know who has the required information and, even if they did know, they may not have access to that particular person or those particular people at the right time. This proves the need for knowledge and competence management within organizations, where transferring, both tacit and formal information, can become a "life-saver".

Other related aspects to consider are the issues that indicate the need for organizations to have well-embedded processes for self-awareness, self-renewal and knowledge life cycle management in order to successfully deal with the dynamic context in which firms operate; and which also introduces the need for long-term situation awareness (Siemieniuch and Sinclair, 2008). Long-term situation awareness requires more effective prevention strategies that would not only save financial capital, but save significant amounts of lives as well. However, building a culture of prevention is not easy and while the costs of prevention have to be paid in the present, its benefits lie in a distant future. Moreover, the benefits are not tangible because they represent the problems that did not actually happen (Siemieniuch and Sinclair, 2008).

As a final note and as proposed by Siemieniuch and Sinclair (2008, p. 234), there are a series of factors that inhibit an organization's ability to exhibit situational awareness:

- Changes that affect the goals and performance of the organization, such as down-sizing or increased product complexity.
- Changes in personnel over-time, which leads to potential loss of peer knowledge and relationships concerning the process.
- Different people make decisions affecting the process.
- Different groups are responsible for different operations, e. g., design, operation and maintenance, and the communication between these is not sufficient, timely or accurate.
- Lack of wisdom and/or under-utilization of experience.

2.6.3 Evolving from feedback to feedback culture

People are generally motivated to learn about themselves and, thus, tend to strive for self-awareness, self-verification and self-enhancement. In a working environment, feedback offers this by presenting insights that may help the recipient become more effective on an employee level and even on a personal level. However, not everyone welcomes new experiences with a positive openness associated with curiosity, reflection, introspection and willingness to consider new approaches. Due to the previous and in order to better understand feedback, it is important to consider how it relates differently to each individual's personality traits (London & Smither, 2002).

The extent to which people welcome willingly feedback, guidance or coaching depends on how much they like receiving feedback or how high or low their

evaluation apprehension is; their propensity to seek feedback and to process it mindfully and deeply; their sensitivity to other's view of oneself; a belief in the value of feedback; and the feeling of accountability to act on the feedback. It also depends on how oriented to learning it is, as well as how focused on developing competence it is. These recipients or learners are more willing to acquire the information and reflect upon it in order to make feedback an opportunity for improvement (London & Smither, 2002).

When it comes to feedback, it is also important to consider that the way people embrace feedback may evolve over time as feedback becomes more meaningful and valuable to the individual; and as the different experiences with feedback and the organization's feedback culture shapes the individual's mental frame. It tends to develop from a general perspective that influences anticipation and reactions, to a more situation-specific construct that makes an individual selective in judging which types and sources of feedback are important and deserve attention and concern (London & Smither, 2002).

Some organizational practices and interventions that create a feedback culture are (London & Smither, 2002, p. 85):

- **Enhancing the quality of feedback** by providing training for supervisors about to give useful feedback; creating clear standards concerning valued behaviors that are relevant to organizational goals; giving clear performance measurements; and providing time to review and clarify feedback results with others, such as the individual's supervisor.

- **Emphasizing the importance of feedback in the organization** by expecting managers to serve as role models about how to seek, receive and use feedback; ensuring that everyone receives feedback and uses it to guide development; and by encouraging the importance of informal feedback.

- **Providing support for using feedback** by helping recipients interpret formal feedback, set goals, and track progress and training; encouraging feedback recipients to discuss their feedback with other colleagues to help clarify the feedback and reach a shared agreement concerning the general behavior expectations and changes; and by providing feedback recipients with the freedom on how to act on the feedback, giving them a sense of self-control.

2.6.4 How do knowledge, culture and competences development relate?

Beer and Nohria (2000) consider that creating value within an organization requires high emphasis on learning; while Drucker (1995) maintains that knowledge represents one of the very few sustainable sources of comparative advantage for an organization. However, organizations have not historically managed the transfer of project information well and have not effectively developed a project management learning culture that takes into account both technology and people. This may be due to the temporary and unique nature of projects and the typical release of project resources as a project approaches its completion. Still, projects provide unique opportunities for organizational learning during its development; and post-project reviews allow the organization to systematically capture the knowledge and to interpret such knowledge

in ways that can greatly benefit other projects and the organization. Consequently, developing such a learning culture and trying to make a habit of it is critical to the improvement of an organization's performance and competitive position (Anbari et al., 2008).

But before going deeper into a learning organizational culture, it is recommended to have a better understanding of knowledge transfer. The three knowledge transfer and creation methods proposed by Nonaka (1994) and Nonaka and Takeuchi (1995) have important implications for organizational learning from post-project reviews in management, which is needed for knowledge-based performance improvement. These three methods of information flow are: top-down, middle-up-down, and bottom-up. The importance of these methods lie in the fact that main issues of organizational structure relate to the decision making authority, control over resources, and information flows within the organization, including collection and dissemination of lessons learned and results of pros-project reviews.

At the same time, the dissemination of the lessons learned and generation of knowledge gained from post-project reviews are influenced by the overall culture of the organization; and the extent to which the organization has implemented an enterprise project management approach to achieve its goals (Anbari et al., 2008). Therefore, since culture is becoming increasingly recognized as a powerful and sustainable source of innovation and competitive advantage just as knowledge is, knowledge management is not about getting the right information to the right people at the right time; rather it is about enabling people to interpret what they observe and empowering them to use their judgment within their cultural context (Kull, 2005).

On another note, Senge (2000) considers that people who are intrinsically motivated to learn will often set challenging targets for themselves and hence, the management's job must include creating work environments where different types of learning capabilities can develop: individual and collective aspiration; and reflective and generative conversation. First, aspiration will be vital to learning because we all learn best when we are engaged in things that matter to us and questions of purpose are always central for people. Second, it is equally important that people become more able to reflect on and talk about their current reality. Correspondingly, Anbari et al. (2008), suggest that visible involvement of senior executives in post-project reviews is essential to overcoming the reluctance to conducting them and institutionalizing them as diagnostic-learning instruments. Emphasis on continual learning from all projects in the organization encourages project team members to participate in post-project reviews in a meaningful way and helps develop a learning culture in the organization.

Regarding competence development, it is presumed that projects develop knowledge, skills and aptitudes to handle the multiplicity of challenges ahead on a daily basis. Projects then become arenas where different knowledge bases can be integrated and could, therefore, constitute occasions for the development of strategic competencies, which should be seen as a continuous process tightly integrated into everyday action developed through the hurdles and challenges faced by the team and the actors with whom it interacts (Söderlund et al., 2008). According to Söderlund et al. (2008), three mechanisms of learning are important when it comes to how competence develops: relating, reflecting and building routines. Relating acknowledges the situated character of project competence; reflecting highlights the actions of importance for institutionalizing a common frame of reference and activities for stimulating shared

reflection within the project; and building routines emphasizes its role through the codification of procedures.

It is noteworthy to also emphasize the close link between these three mechanisms. For instance, that reflection plays a decisive role in the capitalization of relational activities; and that routines without reflection have limited value, which is also true for relating. Moreover, relating must be based on the other mechanisms of learning; reflection improves the use of the resource base, and routines secure the resource base (Söderlund et al., 2008).

Finally, building project-level competence is closely associated with ability to respond to complexity and, therefore, this capacity emerges as the project team acts to solve its task. Equally, mechanisms of learning must be viewed in light of how groups of individuals manage to instigate processes of exploration and exploitation in complex situations. Learning processes may then be a way to deal with complexity and, at the same time, to implement mechanisms that trigger learning (Söderlund et al., 2008).

3 Description of the study

Although there is much information as to how to approach change strategic-wise, there is limited literature that focuses on how to strategically approach organizational change in consultancy firms, which by the nature of its work has some particular needs and characteristics, as any type of different industry or specific organization does. Therefore, to understand what goes on in a consultancy during a merging process that was affected by a financial crisis at the same time based on literature references alone does not suffice.

In order to understand the change process that a particular consultancy firm has been going through, this study aims to investigate, from a staff and consultant's perspective, how the chosen strategies throughout the change process, since the merger, has affected and influenced the people inside the organization. So as to achieve this, this follow-up study will focus in understanding the background information from a staff's perspective; moving on to what do the employees perceive today from the past events and from the position where they currently stand; and finalizing in what is the employee's point of view of where the current strategies will lead them to all within a project based organization.
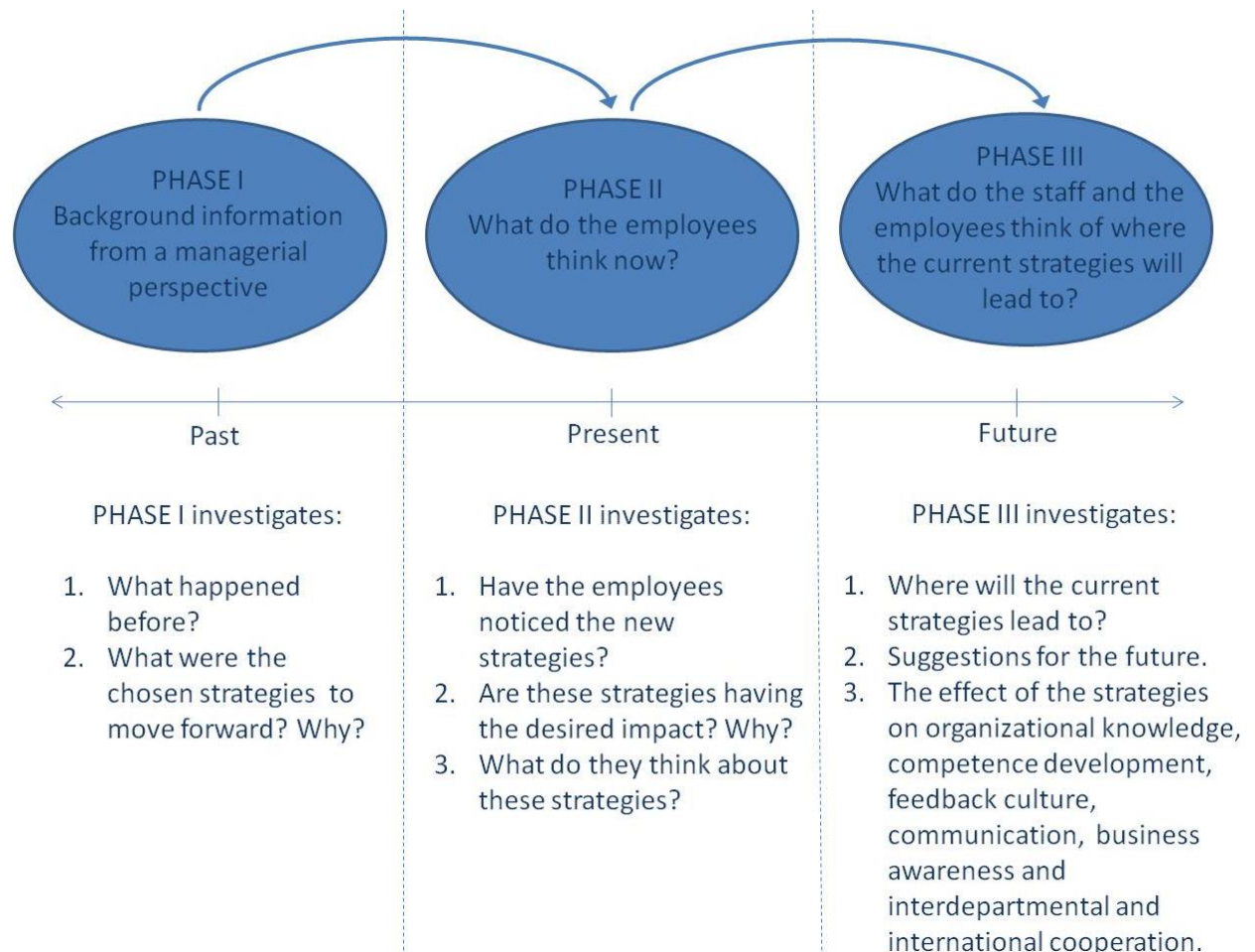
Fig. 5 – Summary of the investigation

It is noteworthy that, in this research, the term "staff" refers to managers, whereas the term "consultant" refers to those not holding managerial positions. The term "employees" includes both managers and consultants.

Additionally, the study will focus, in a smaller and yet not less important scale, in some particular aspects of concern to the consultancy and of research, which relate to the organizational change process that it has been going through and that, according to internal satisfaction surveys, have been affected by the past and current events, such as organizational knowledge and competence development, feedback culture, communication, business awareness, and interdepartmental and international cooperation.

By understanding the background information behind the merging process and the financial crisis as the from the consultancy firm's staff viewpoint, it is possible for the study to compare the past with the standpoints of the employees today regarding the current strategies, so as to better understand how the evolution of the strategies in time and throughout the change processes will lead the future direction and possible consequences of organization in the future.

It is important to highlight that the study focuses in one consultancy firm and that it is based on a limited amount of interviews (fifteen in total), which's focal point was to gather information from a human perspective on the strategies chosen to manage the change processes. This means that the study is influenced not only by literature reviews and the help of mentors, but also by the interpretation of the interviews subjected to the authors' mind-set and the interviewee's personal opinion. As Strauss and Corbin (1998) said, it would be naive to assume that through this research it would be possible to learn and know all regarding the firm's strategic evolution during change, but even a small amount of understanding can make a difference, especially when taking into account that the lack of information available specifically regarding organizational change in consultancy firms, makes the empirical findings a valuable contribution to future researchers on the subject.

As a final note, it is significant to underline that for confidentiality reasons, the identity of the firm and the interviewees will be kept confidential.

4 Purpose of the study

The purpose of this study is to investigate the staff's and consultants' perception of the strategies used to manage a rapid merging process affected by the financial crisis in a consultancy firm, so as to determine what could be expected in the future strategies of the organization. Further research will examine how the deployed strategies affected other aspects, such as organizational knowledge and competence development, feedback culture, communication, business awareness, and interdepartmental and international cooperation.

5 Method

5.1 Background information

The present research is a follow-up study to a previous academic investigation done in the same consultancy firm, but at an earlier stage of the organizational change processes. This preceding study was developed so as to provide insights of the perceptions of change without strategy from an employees' viewpoint. However, since this study was developed closer to when the consequences of the financial crisis during the merger were starting, at that point in time, it was difficult to foresee where the lack of strategies was going to lead the company to.

Approximately two years later, the merged consultancy firm has adopted new strategies that intend to overcome some of the past obstacles created by the lack of strategies; and to guide the company and its people throughout the coming years. This new approach towards the effects of the merger and the financial crisis, which mainly translated into several lay-offs, creates a new scenario within the change process that the firm is still undergoing. Simultaneously, this new scenario creates a new opportunity to study, analyze and learn how the evolution of the strategies have influenced and have been perceived by those who have been affected the most – the people in the organization. Moreover, it provides a better view of where the company may be going, as the current state appears to be more defined and directed towards a common goal.

5.2 Design

The study is based on an empirical qualitative approach supported by two variants of semi-structured interviews to collect data.

The chosen method is considered to be the most suitable because qualitative researches typically assume that multiple subjectively derived realities can coexist, whereas quantitative researches typically assume a single objective world; qualitative researchers commonly assume that interaction with the studied phenomena is a must, while quantitative researchers commonly assume their independence from the variables under study; qualitative researches overtly develop in a value-laden and biased fashion and, in contrast, quantitative researches overtly develop in a value-free and unbiased manner; most often qualitative researchers use multivariate, multi-processes interactions and context-specific methods, whereas quantitative researchers most often use limited cause-effect relationships and context-free methods (Lee, 1998).

Another considered possibility was to use a mixed method approach that combined qualitative and quantitative tools and techniques, so as to reaffirm the theories that were drawn from the qualitative research with quantitative data. However, due to the time constraint, the sole qualitative approach was chosen over this one, as this method is more likely to give a more valuable insight than the quantitative one by itself, given the nature of the study's topic.

On another note, semi-structured interviews represent a compromise between structured and unstructured formats. They usually have an overarching topic, general themes, targeted issues and specific questions with a predetermined sequence for their occurrence. As in the unstructured interview, but unlike the structured format, the

interviewer is free to pursue matters as circumstances dictate. Overall, the semi-structured interview should maintain a balance between a free-flowing and a directed conversation (Lee, 1998), which was the case in this study.

Furthermore, the reason why the semi-structured interview was chosen as the means of data collection was so as to allow the interviewees to express themselves as freely and natural as possible, especially since the questions are looking forward to understand a perception, and for that, an open, comfortable and trustworthy environment is required. As argued by Strauss and Corbin (1998, p. 59), the data was allowed to speak by itself by adopting a more flexible and less controlled approach.

As mentioned earlier, there were two types of semi-structured interviews. One was aimed at obtaining the background information of how the strategies had evolved so far in the organization from a managerial standpoint; and the other one's goal was to get insights on the perceptions of the present and current viewpoints on the strategies currently being deployed from an employee's perspective. Therefore, even though both interviews have similar questions, since they're both dealing with the same topic, they were seeking for information in different times and from different hierarchical point of view within the organization.

As Strauss and Corbin (1998) suggest, in judging the quality of research design, the reader should be able to make judgments about some of the components of the research process. However, it is also important to highlight that the interplay that takes place between data and researcher in this study, in both gathering and analyzing data, by its very nature, is not entirely objective since, in a practical sense, this is not entirely possible (Strauss & Corbin, 1998). The interplay between research and researcher means that the researcher is an instrument of analysis in qualitative studies. Therefore, a balance between the qualities of objectivity and sensitivity when doing the data analysis was kept, as objectivity enables the researcher to have confidence that his or her findings are a reasonable, impartial representation of a problem under investigation, whereas sensitivity enables creativity and the discovery of significant data (Strauss & Corbin, 1998).

5.3   Respondents

The manager's sample consisted of two females and three males ranging from 26 to 42 years old. These managers currently work in different oriented industries as group or departmental managers. Previously, they held either other managerial roles or consultancy positions within an engineering background.

The consultant's sample consisted of five males and five females (ten in total) ranging from 26 to 42 years old currently working in different departments. Their current and previous working experience is mostly based in an engineering background. It is also relevant to state that four are on-site consultants and six are in-house consultants.

Finally, it is noteworthy that although not all interviewees hold specific project management positions, all of them still work in a project-based consultancy firm and, therefore, work or have worked in specific assignments within a project management framework.

5.4   Procedure and Instruments

In order to ensure the reliability and validity of the design method, it is essential to underline the fifteen interviewees were randomly selected and audio-taped in the consultancy firm in a closed meeting room, so as to ensure their confidentiality and comfort when answering the questions. Five of these interviews were aimed at staff members and the remaining ten were directed to consultants. This original sample was randomly selected. As mentioned before, the five staff members were asked about the strategic organizational background situation that led to the current one, more specifically about the merger and the financial crisis, its effects on them and on their employees, and the change strategies used to manage these events; whereas the consultants were inquired about their perceptions of the current strategies used to face the ongoing change process and about where these were going to lead the company to. Both groups were asked about more specific subtopics (organizational knowledge and competence development, feedback culture, communication, business awareness, and interdepartmental and international cooperation) that relate to the revitalization process, since these represent focal points of special interest for the study and the company. Moreover, personal information like gender, age, department, current and past job and type of consultancy were taken into account so as to investigate whether there is or not a pattern to follow according to some of these characteristics.

The subdivision of the questionnaire in the previously mentioned categories for each type of semi-structured interview was selected according to the topics that were to be discussed with each type of interviewee (consultant, manager or both) and what the phase was investigating (Figure 5). With help from the mentors, these categories were created and found to be a reasonable way to lead the interviews in a logically sequenced manner. Furthermore, this categorization of the questions facilitated not only the interviewing process for the interviewer, but also the comprehension of the questions to the interviewees.

 It is also noteworthy, that even though most of the interviewees had different aspects to highlight about the same questions, they also addressed these in a very similar manner at the same time. In other words, the interviewees expressed their points of view within their personal frames, but at the same time, they didn't drift as much from one another's standpoints, which supports the reliability of the collected data. In its simplest meaning, reliability refers to the consistency and stability of the collected data. Consistency is most often thought to mean repeatability, while stability is most often thought to mean the obtained data's consistency over time (Lee, 1998).

During the interviews, as semi-structured interviews suggest, the questionnaire template was not always followed as initially structured or planned since, in some occasions, the answers given by the interviewee lead to related topics that actually accentuate that particular interviewee's perception. These discrepancies from the original template could have led to sources of error within the study, however, the author believes that these deviations actually contributed to the enrichment of the data since these, instead of completely "off-tracking" the answers, actually kept a similar essence in comparison to the overall replies, but with a hint of the individual's particular point of view.

Additionally, the fact that the interviews were conducted in English, as opposed to the interviewees and interviewers native languages, represents a potential source of error since not being able to express thoughts or just to talk in one's mother tongue can inhibit in one way or another what the individual really wanted to express or ask. Still,

the author considers that both the interviewees' and the interviewer's level of English is sufficient enough to have allowed a proper expression of beliefs and feelings.

As a final note, the reader should not lose sight of the fact that qualitative research has a few hard-and-fast rules and thus, only guidelines can be provided (Lee, 1998), as to how to proceed in it.

6   Results

In the following results section, the managerial perspective will be presented first so as to give the staff's standpoint on the past that will create the base for a better understanding of the following consultant's perspective on the current events and possible future ahead. The section ends with a comparative summary of these perceptions aiming to help the reader have a clearer understanding of the differences and similarities between the previous perspectives.

It is noteworthy that, although significant data was collected from the interviews, the results section emphasizes the specific data considered to be more useful for the purpose of this research in particular.

6.1   From a managerial perspective

6.1.1   What happened?

Overall, all the managers were aware of the main events that occurred from 2007 to 2010: the merger of two consultancy firms, the financial crisis and how both affected the turn-over of the company with an increased resignation from the employees and a later significant down-sizing phase. These also caused interdepartmental movements and structural changes in the organization.

Other perceptions considered the lack of information on how these organizational changes were handled; the manager's capacity to deal with the down-sizing; and the increased change of the company's personnel throughout all the levels.

6.1.2   How were the people affected?

On a personal level, the merger brought new job opportunities. However, these opportunities, in some cases, also implied a very frequent change in positions for the people hierarchically above and below the new positions.

According to the managers, others were affected differently according to what they were doing and whether they working on-site or in-house. A factor that remained though is that the people no longer recognized the new company, regardless of which company they were from before.

6.1.3   The before and after of the working environment

The past environment in the organization was described according to which company the manager was working before the organizational changes. For some, the environment was considered to be good, friendly, open and easier to develop teamwork. It was a place where top management was more people and company values oriented while keeping a professional image. The ones from the other consultancy firm described it as professional and with a more distant top management.

The fact that the company's and the clients' economical situation were under a better economic situation allowed for the employees to develop their projects in a more stable and less worried environment. However, as one of the interviewees mentioned:

"The difference was not only about the big issues, regarding the merger and the financial crisis. It is also about the little things and about how the little things can gather up together to become a significant imposition over the daily work".

After the financial crisis struck, the working environment gave the impression of being unsafe and distant as, regardless of the hierarchical position the employees held, nobody was sure about having a job in the following months. Therefore, the lay-offs were hard for everybody: for those who were let go, for those who had to let the people go and for those who saw their colleagues leaving.

6.1.4 Change strategies or change tactics?

Regarding the merger, some of the mentioned strategies were:

- To keep the required competences that enabled taking over bigger projects and reaching the company goals.
- To change the organizational structure in order to avoid duplicating areas.
- Not to invest in merging assistance from an external source.

Considering the financial crisis, the main chosen strategy was downsizing.

However, some managers thought that these were not enough or that there were no strategies whatsoever.

"Just before the merger, a company was bought with the help of a consultancy firm, but this didn't prove to be very helpful, which is why for the following merger, this investment was not considered. For the financial crisis there were no strategies".

"Apparently the strategies were lay-offs and making our customers our enemies".

"They didn't strategize this time, because the former merger was much planned but it didn't turn out so well".

Moreover, there were some staff members who also expressed that the following were missing:

- A deeper evaluation of the whole situation in order to have chosen profiles that would suit best the up-coming company goals and strategies in the long run.
- A discussion of the proceedings as a team so as to reach better sales and overall business solutions.
- A more open climate to speak about the issues.
- Reducing overhead costs.
- Strategies aiming at merging the people, its cultures and their values.
- A clearer direction of where the company was going.
- An action plan highlighting the benefits of the merger to get everybody on board and on the same page.
- Applying the planned tactics and strategies to reduce having to solve things along the way.

6.1.5 The effects of the change process on the employee's satisfaction

The employee's satisfaction in both companies was high, until the merger came along. The lack of personnel integration activities; open communication; a clear company culture and guidance were some of the causes that lowered the satisfaction.

The financial crisis added dissatisfaction as uncertainty at work increased at all levels. What worried the managers the most, in the short-run, was being able to get projects for the consultants in their departments and the downsizing. In the long run, the biggest worry was that these circumstances would have such a negative impact on the image of the company that management would not be able to get the people and clients to believe again in the company or to keep them when other companies offer new opportunities. As one interviewee said:

> "It takes so little to break things up and so much to build things up again".

The means to understand the people's perception and their satisfaction consisted of informal meetings or coffee breaks in which managers got an overview of their group's viewpoints and employees ventilated their opinions. Shortly after, employee satisfaction surveys were executed and the study which this current study follows was done as well. Still, the managers expressed how it is not enough to rely on surveys as the most important aspect about these is what is done afterwards to show that these answers were taken into account in future decisions and actions demonstrating the company's interest in its employees and their satisfaction.

6.1.6 Cooperation between departments and units abroad

After the merger, there were some territorial and power struggles that interrupted the natural tendency to cooperate with others within the new company. However, after the financial crisis, the departments were eagerly trying to get as many jobs as possible to avoid having to lose more personnel and while sacrificing team work with unhealthy interdepartmental competition. Nevertheless, the managers still think that there were other options to avoid the decreased cooperation.

Regarding the cooperation with the units abroad, there is not much clear information as to what happened during the merging period. To improve the international cooperation, the managers suggested increasing the awareness of the possibilities with more communication throughout all the levels; to show projects and results from other countries to start learning about the possibilities abroad; to learn more about the equivalent departments abroad and their responsibilities; to eventually meet each other; and to eventually visit the different facilities abroad.

6.1.7 Employee's business awareness

According to the managers most of the employees were mostly aware of the overall situation during the merger and the financial crisis. Secondly, the employees were mostly aware of the customers as these played a significant role in the turn-out of the events. Lastly, the employees were less aware of the finance of the company and the goals.

Surprisingly, when the managers were asked if they would have done something differently in order to increase the business awareness amongst the employees, most of them agreed that there should have been more emphasis on the goals, as these would have helped them communicate more easily what and why things were getting done the way it was being done.

6.1.8   Internal communication and feedback

Even though there was much indirect communication (mails, bulletins, etc.), the communication during the merger and the financial crisis was not perceived as very effective due to the lack of substance of the information given. It is important to highlight that this is probably not the case for everyone, as the departments' sizes vary and the different types of leadership provoke different behaviors in the different teams.

6.1.9   Organizational competence and knowledge

There was a perception among the managers of not having a clear strategy regarding the avoidance of competence and knowledge loss, although managers were thinking about keeping the personnel thought to be the most adequate for the upcoming years.

6.2   From a consultant's perspective

6.2.1   Perception of the change strategies

The consultants were aware of the following main events: merger, financial crisis, down-sizing and organizational structure changes. However, their perspectives differed according to their department then and also according to whether they were an in-house consultant or an on-site consultant.

For those working in the automotive industry, the focus of the effects was mainly in the unsuccessful merging of two company cultures; the down-sizing period; and the reorganization of the departments. On the other hand, for those in other industries, the additional effect was a higher turnover and personnel rotation, more dissatisfaction and a more negative working environment, as the financial crisis affected more this industry.

For those working in-house, the general feeling of the working environment created more anxiety and dissatisfaction in comparison to those working on-site, who barely got access to relevant information.

Finally, the consultants were not sure there were any strategies so as to overcome some of the negative effects caused by the past change processes. Nevertheless, this did not stop them from expressing some strategies or tactics.

> "No, but it feels good that we moved from one division to another".

> "More focus on medical devices and the energy sector".

> "I don't know. But every time they start something, they dig for information that is taken but it's not followed-up. I was waiting for the leaders to do something with the information, but I've been waiting for five years. I understand that we have had financial problems, but it is still going too slow. The mission is lacking

something. It is not clear or realistic. It's just a politically correct statement. And that is what has been done year after year".

"We got a new human resource manager and now it seems like we are getting much better. Right now we are trying to set objectives from a bottoms-up perspective, which was not the case before and which has not allowed for us to develop corporate common objectives for all the divisions".

6.2.2 The before and after of the working environment

The perceptions of the past working environment vary depending on the company where the consultant used to work before the merger. For the ones in one of the consultancy firms, the previous working environment was friendly, familiar, and easy-going when having contact with top management; whereas the other consultancy's environment was described as more professional feeling and with a more controlling and distant management.

After the merger, the financial crisis and the down-sizing, the working environment was perceived as very difficult and tense. Nevertheless, nowadays some of the consultants considered the environment to be a more positive one, while other still found it confusing.

"There have been so many changes that I am not sure how the organization looks today. All I know is that the organization is much more hierarchical and having so many managers for such few consultants will make the organization too top heavy and expensive to keep, so management should reduce this along with the overhead costs".

6.2.3 Cooperation between departments and units abroad

Nowadays, there is a general feeling of having lower barriers between the different departments. However, given the past experience in which the managers were trying to get as many assignments as possible to avoid having to lose more personnel, there is still some internal competition that requires work to be done in the way the different departments cooperate and the way projects are developed between them.

Concerning the cooperation with units abroad, there is not much information flow between the different units. As one of the consultants said:

"It is only after being aware of what everybody does in other departments and abroad that we will be able to know how we can truly maximize the potential of cooperation in upcoming projects and new alliances".

In order to increase interdepartmental and global cooperation, the consultants suggested to become more aware of the different competences available within the company so as to be fully aware of how far the company can go when looking for new challenges and competences; to develop a new salary system that encourages cooperation instead of interdepartmental competition for the same assignments; to start communicating with the different units abroad to start getting to know each other and learning how can everyone benefit from these interactions; to visit the other units; and to increase the integration activities between departments in order to facilitate the initiative to start thinking as one company.

6.2.4 Employee's business awareness

The consultants considered themselves aware of the overall current situation of the organization, its goals, finance and customers. However, their emphasis on these was different according to their department and their personal interest. Moreover, they considered that their knowledge on these will increase as the company becomes more transparent with the information it provides.

The aspect considered to be the most aware of was the overall general situation and the goals since these appear to be the ones to which they can more easily relate to, have contact with in their departmental meetings and the ones in which they have more interest in and more access to. The finance and the customers were the ones that they were the least aware of. Interestingly, the finance was the aspect most unaware of simply because the individuals were not as interest in these as they were in the others. However, the reason why the customers were one of the least aware of aspects due to low interdepartmental information flow that enables learning about customers in other departments.

The consultants learn about these aspects through the intranet; weekly, monthly and quarterly meetings; e-mails from middle and top management; and presentations.

6.2.5 Internal communication

The communication amongst peers is, overall, a positive experience for the majority of the consultants as it eases working with each other and it helps their assignments development. Nevertheless, it was also expressed that the communication is good as long as it is with those who have contact on a daily basis since the communication with the on-site colleagues is not as rich as it could be. As one of the consultants mentioned:

> "It still feels like we are still separated and we need to get all these islands into one island, which may be harder since so many are still leaving".

When it comes to the communication with direct management, the communication was described as open, straight forward, transparent and easy-going. However, there is some dissatisfaction on the manager's face-to-face availability.

As a final note, it was mentioned that formal communication is needed in order to get everybody on the same page when it comes to the information that is being provided. It is noteworthy that these perceptions vary not only according to the employee's viewpoint, but also according to its department and its manager.

6.2.6 Personal Feedback

Personal feedback is thought of as a good way to know where the employees stand within the company; what should they do to keep growing successfully in their career path; and helps express their thoughts about the way they are managed. Consequently, it is seen as a good open dialogue from which the outcomes are highly likely to be positive and as one of the consultants stated:

"It is an opportunity to think about where my life is heading in my job and to get a bigger picture in the longer perspective within the company".

The consultants suggested that constructive feedback has to be incorporated more in the process as, although it is good to hear positive things about each individual's performance, individuals also yearn to learn from their mistakes. Additionally, they expressed that even though formal personal feedback is appreciated and needed, it is more important to receive informal and direct feedback on a regular basis as this would help them develop themselves "just-in-time", instead of prolonging a "bad-habit".

6.2.7   Organizational competence and knowledge

The consultant's perception on how the loss of co-workers has affected the organization varied depending on which department they belonged to. However, they agreed that the effects of these changes were still to be felt further on.

For those working outside the automotive industry, not much has changed within their working environments, as they consider that their loss of employees has not significantly affected their ability to get projects done. This is not the case for those working in the automotive industry, since this is the area were more personnel was lost and thus, where it is more likely that knowledge was lost. A consultant expressed that:

"At the moment the automotive industry might feel one-legged".

Moreover, the employees considered that the past events have affected the possibility to get bigger projects, especially in the car industry.

On a personal level, the changes also affected depending on whether the consultant had an assignment at the time or not; and whether they were working on-site on in-house.

Finally, some considered that not much was being currently done to avoid losing more competence or knowledge from the company. Nonetheless, those who did believe that something was being done considered that the shown interest from the company to invest on their education and hiring new people is just the beginning of a better future.

6.3   A comparison of perspectives

The following table summarizes some of the differences and similarities shown between managers and consultants in their answers.

Table 2 – Comparative summary of the interviewees' perspectives

ASPECT	MANAGERIAL PERSPECTIVE	CONSULTANT PERSPECTIVE
Overall situation (what happened?)	The managers had a more helicopter viewpoint of the events and its consequences.	More focus on how the events affected the people involved in the change processes.

How were the people affected?	Even though colleagues were much missed and there was a lack of a new company culture, the events were also considered to bring new job opportunities.	The consequences of the events on the people focused on how these created a more negative and dissatisfied working environment, especially for those working in the automotive industry.
The working environment before and after the changes	Both managers and consultants agreed that the working environment before the changes was different according to which previous organization they belonged to. The environment of one of the firms was thought of as a friendly, open and familiar environment where top management was easy to approach; whereas the other firm's environment was described as professional and with a more distant top management. After these events, the environment became unsafe and difficult.	
Perception of change strategies	The managers mentioned specific strategies considered to be the main applied ones during the changing environment. They also suggested other actions that could have been applied then and now.	The consultants were not quite sure about what were the strategies applied by top management so as to deal with the changes and focused more on how things should have been done instead.
Employee's satisfaction	Before the merger, the satisfaction in both companies was high. But after the merger, the financial crisis and the downsizing, it got lower during and after each event.	During the changes, the satisfaction was getting lower. Nowadays, some are still dissatisfied and some have a more hopeful attitude.
Cooperation between departments	The cooperation between departments appears to have decreased while undergoing the change processes. The managers also believe that there were other ways to handle the decreasing cooperation.	Nowadays, there is a general feeling of having "lower interdepartmental barriers"; however there are still some departments and actions that suggest that there is still work to be done in the cooperation between departments.
Cooperation with units abroad	There is not much information available as to how the cooperation with units abroad during the change processes was handled and therefore, suggestions were made in order to develop more the cooperation with units abroad.	There are not many actions being currently executed or much information being exchanged to increase the cooperation with units abroad, therefore suggestions for this increase were also made by the consultants.

Employee's business awareness	According to management, the employees were mostly aware of the overall situation. Following this, the employees were aware of the customers and, lastly, of the company's finance and its goals. The managers also believe that there should have been more emphasis on the goals.	Even though the employees considered themselves aware of the overall situation, the finance, the customers and the goals, they also considered that they would become more aware of these if the organization was more transparent with the information that was provided to them.
Internal communication and feedback	The communication and personal feedback during the merger, the financial crisis and the downsizing was not as effective as it should have been for both managers and employees.	The communication with peers and manager is, overall, a good one. However, constructive points were brought up concerning the cooperation with on-site employees and management's face-to-face availability. Personal feedback was considered as an important source of knowledge, especially on an informal regular basis.
Organizational competence and knowledge	Although there was no clear strategy regarding the avoidance of competence and knowledge loss, the managers were thinking about keeping the personnel they thought to be the most adequate for the upcoming years as the main strategy to affect less the organizational competence and knowledge during the changes in the organization.	The perception of how the organizational competence and knowledge were affected varied according to the consultants department. Some felt that this was deeply affected and others believe that the organization is currently making efforts to avoid the loss of competence and knowledge. However, they agreed that the effects were still to be felt further on.

7   Discussion

As mentioned earlier, the aim of this thesis is to investigate the staff's and consultants' perception of the strategies used to manage a rapid merging process affected by the financial crisis in a consultancy firm, so as to determine what could be expected in the future strategies of the organization. In order to achieve this purpose, the study was conducted in three different phases, which are followed in this section. Firstly, the three phases of the investigation will be addressed and discussed. Lastly, the investigation is discussed with more emphasis on what happens next within the company taking into account the previous phases.

How the deployed strategies affected other aspects, such as organizational knowledge and competence development, communication, business awareness and cooperation is also discussed throughout the different phases.

7.1   Phase I: What happened before and which were the chosen strategies then?

Certain companies seem to be pure cases of Theory E and Theory O of change; while other organizations will show a mixture of these strategies, often in uneasy coexistence. Both theories have validity since each promotes some objectives that management intends to achieve. Each also has costs and neither achieves all the objectives of management by itself, in most cases. Therefore, their integration can be considered as essential if executives want to develop business organizations that satisfy shareholders and yet have the capacity to adapt and survive as viable institutions in the long run, even though their emotional incongruence makes it hard to integrate them (Beer and Nohria, 2000).

When comparing these theories to the general situation described by the managers and the consultants, the analyzed organization indeed shows an uneasy coexistence of both theories, as there was a mainly economic focus from top management and a mainly human focal point from the rest of the employees, all in varying degrees. Perhaps there have been attempts from top management to implement a balanced mix of Theory E and O, however what is currently perceived from the employees is that there is a lack of focus or awareness of Theory O within the organization.

Consequently, the lack of a proper integration between these perspectives limited the potential benefits that both perspectives could have brought to the organization. One of these limitations was the lack of proper strategies guiding the change processes.

Still, how useful is a plan of strategies and tactics if, as Beet et al. (1990) said, there is no energy mobilizing the change among all stakeholders and if they are not involved in a diagnosis of the problems around them? How useful will it be without fostering a consensus of a common vision, competence to enact it and cohesion to move change along? Why is the organization not able to carefully analyze their scenario in order to define a clear vision and a clear path to get there?

Buchanan and Boddy (1992) argued that the context and process of change are closely interrelated as they trigger and legitimate change, while facilitating and constraining certain aspects of the change implementation process. Therefore, it is important to pay close attention to the characteristics of the change in question in order to find not the best answer, but the alternative that seeks for better consequences in the long-run.

They also argued that it is important to understand that effective revitalization occurs when there is a consensus among organizational members who believe that the changes' benefits will outweigh its obvious risks.

Beer et al. (1990) expressed that it is easier to create this consensus when there is a tangible and immediate problem that must be confronted if the organization is to remain economically competitive because by postponing renewal until after the business is straightened out, the organization squanders time; and because the organization needs to learn how to respond to short-term pressures with a longer-term commitment to renewal. If this is the case and, more importantly when properly managed, a rushed merger followed by a financial crisis that leads to downsizing should be a good starting point to challenge the organization's competitiveness. If not properly handled, as it has been proven, the morale of the organization could be significantly worsened.

Unfortunately, the organization's goal in remaining profitable while encouraging commitment of the workforce, development of its competencies, implementing creative responses to changing business conditions, and developing its ability to communicate and coordinate cross-functionally has not been properly achieved yet. As portrayed in the results section, much more is needed to improve the organization's morale, since even the most positive of the interviewees does realize that there is still disappointment in the working environment; that their professional development is somewhat stuck at the moment; that the company is still struggling to adapt successfully to the changing business conditions; and that the communication and coordination between top management, middle management and consultants needs more work.

However, to improve these is no easy task because the improvement in one aspect requires the improvement in another in order to build a significant competitive advantage. In addition, it is noteworthy that these aspects are to be considered within a consultancy firm environment, typically known for struggling with the employees' loyalty and commitment to the company culture that has a tendency to differ from department to department and from level to level.

For example, as stated by Beet et al. (1990), for coordination to be improved, the transformation process must be accompanied by equivalent changes in employee commitment and competence. Without it, horizontal coordination among functional departments with different orientations and goals is not likely to be successful; and vertical coordination among management, employees and unions is difficult, particularly given their different interests. As for needed competencies, closer coordination requires that employees at all levels learn interpersonal skills and develop a generalist's rather than a specialist's perspective of the business (Beer et al., 1990). Moreover, good communication with the involvement of representatives from all affected groups are mandatory for coordinated commitment since information flow at all levels and the ability to be able to listen to ideas from lower levels in the organization also makes the communication effort a vital activity in coordination (Buchanan and Boddy, 1992).

Therefore, if managers wish to move beyond coordination and actually integrate different tasks, activities and specialists with different functions in value-creating processes; then it is important for them to acknowledge that effective integration has both a 'hard' and 'soft' side.

On another note, another limitation of the improper integration between the E and O perspectives is the lack of focus of the organization and its members. Perhaps top management is considering some factors that middle management and the employees are not fully aware of, but to have had so much confusion and lack of focus as to where the organization was and is going and how it is going to get there does not ensure a proper and successful revitalization process. This acquires more emphasis when taking into account this type of organization, which requires to quickly and frequently re-adapting to the customer's needs and trends in order to survive; and where people have a greater need for a clear focus that allows them to manage the consultancy's emphasis on successful individual performance, instead of a collective one.

Moreover, taking into consideration the critical path of the task alignment theory of change, developing a vision of how to organize and manage for competitiveness is an important step for successful revitalization processes. Effective visions are not only practical statements about how the management process will change and how that change is related to business goals; they also express values that allow employees to identify with the organization and, thus, contribute to the business and to employee well-being, something financial goals alone do not do (Beer et al., 1990)

7.2 Phase II: What are the strategies today and are these having the desired impact?

Nowadays, middle management and employees are still not sure as to what is being done to overcome the past change processes. Many assumptions were expressed by them, but there is still not a common and clear plan of strategies and tactics that everyone can highlight and define as the path to the organization's vision, mission and goals; and consequently, it is too soon to determine whether these are having a desired impact or not.

Moreover, the replies show many different angles and perspectives from an organization that should be more clearly defined. Regardless of the department or the task of the individual, there should be common goals and means to attain these goals as an organization. And the individuals that constitute the organization should be aware of these since without this common direction and focus, how do they know where they are going? How do they know how to get there by themselves, as a team or as an organization?

In order to answer these questions, many aspects have to be taken into consideration and even then, the constantly changing environment does not make it any easier, as the organization is not only affected by the decision taken within the organization, but also by external pressures. Nevertheless, there are some aspects that can be taken into account in order to start directing the organization towards a common path that the vast majority can acknowledge.

One of these aspects is leadership and teamwork. The transformation of a large corporation requires that change leaders work as a team. Each has a different and valuable perspective; commands the respect and loyalty of a different constituency; is able to influence some, but not all, of the many conditions for companywide learning; requires help and support from the others. Together they can succeed in creating the task-driven corporate organization that can survive and prosper in the hotly contested global markets of today and beyond (Beer et al., 1990).

This implies that it is important for top-led changes to not exclude participation by the levels below as successful change efforts depend upon the ability of all levels to implement them. Senior managers are generally too far removed from day-to-day operations to determine the most effective ways to implement strategic and organizational changes in every unit, function or situation. The process of involving junior levels in the translation of purposed goals and changes into local objectives and solutions also ensures that these levels feel ownership and a compulsion to make things happen. In the end, it is the effective integration of the unique advantages of both the upper and lower strata of an organization that determines the success of any change effort. Each level must see the value of the other and work to harness those advantages fully (Conger, 2000).

In the studied firm, top management enabled and orchestrated revitalization in the company without giving much participation to the other levels. Why is this? Why squander such a rich source of information from the organization? Why waste an opportunity to get the people involved and learn from what they have to say?

Whether it is a mechanism of self-defense from top management, resistance to change, a fear of failure or politics; the inconsistency between top management's words and actions now poses a barrier with the other individuals in the hierarchy; and in order to improve teamwork at the corporate level and re-examine corporate policies and staff practices, top management needs to apply the process of revitalization to itself taking into account how their decisions affect all the stakeholders within the whole organization. Otherwise, there is a risk that gains made in other levels will not be sustained in the long run.

However, it is not only about merely letting employees participate in vision development. The process of overcoming resistance and fostering necessary skills requires greater intervention and support. It requires the capacity of a leader to develop an organizational context that will influence people to change behavior and attitudes plays. This ability is very useful when fostering consensus for the common vision and mobilizing the competent personnel to enact it while maintaining cohesion during the change.

Other aspects to consider are team building activities after a need for them is created in order to improve coordination and mutual problem solving. For the previous, consulting and training support may be required so as to ensure higher effectiveness; and replacing resisters may be needed, as the commitment of employees to carry out the goals or to readapt is commonly read as a sign of support to the fundamental change process and is essential to build a cohesive team committed to renewal.

Another aspect to be taken into account when trying to define a common direction and focus is the definition of long-term goals and short-term goals; and to break the company targets down to the departments in ways that can more easily show how the employees influence these and how can they make the company a better place. It was positive to hear that there are current attempts to, not only breakdown the goals in ways that are more relatable to everyone, but to actually include the people in the creation of the goals, which facilitates the understanding of these and gives a sense of ownership at the same time.

Moreover, the fact that they are now trying to set objectives from a bottoms-up perspective, along with the human resources department, brings to attention the importance of balancing the particular way each department chooses to implement the vision, as it is important not only to build commitment, but also to ensure that

revitalization is customized to meet the particular needs of each area. This also avoids spreading revitalization to all the departments of the unit in a way that may be perceived like the program is being pushed from the top, while ensuring consistency with the organizational changes already under way (Beer et al., 1990).

In addition, the need for having a human resources department that plays a strategic role is starting to be more evident and eventually this could also be translated into an increased general understanding for the human factors that improve the organization's individual and collective morale.

7.3   Phase III: Where will the current strategies lead to?

As mentioned before, Beer et al. (1990) argued that there is a sequential critical path to be followed when embarking a journey of change. The steps of the path are:
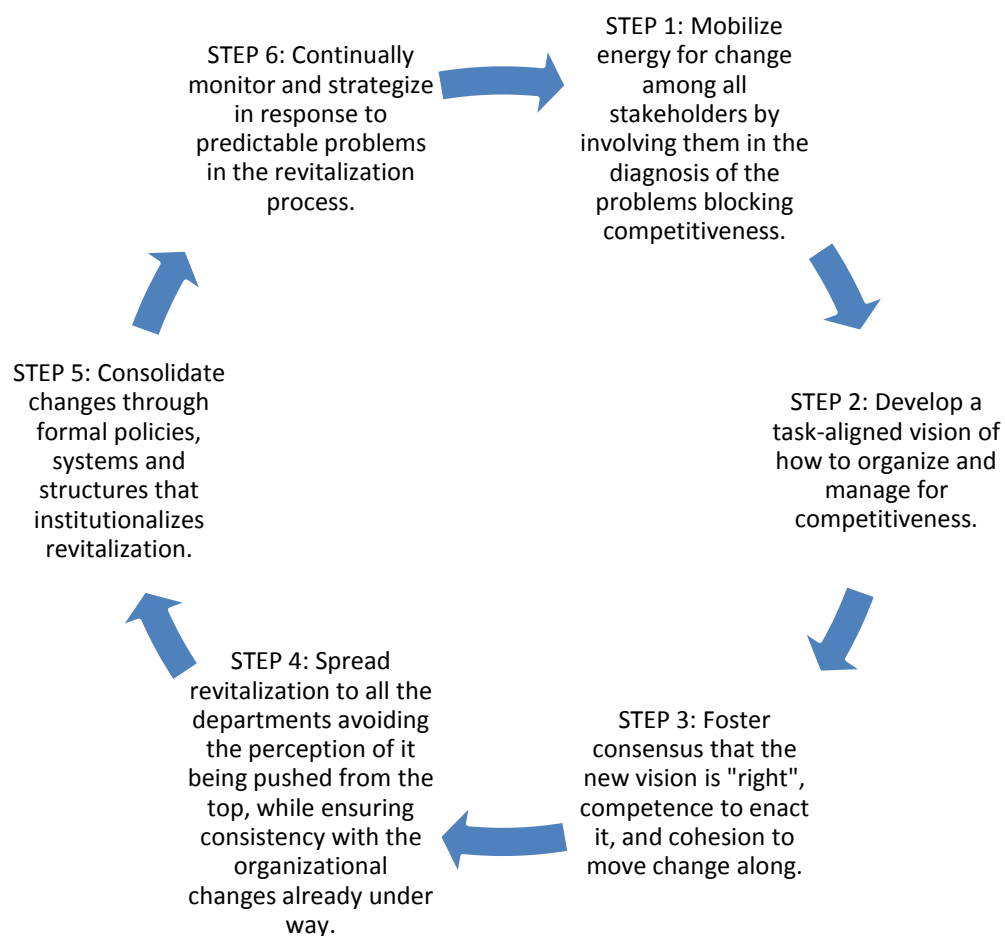

Fig. 6 – Critical path of task alignment theory implementation (Source: Beer et al., 1990)

The authors also caution against impatience in the execution of the steps and remind the readers that the sequence should not be thought of as a rigid one, as in some successful change processes the steps overlapped substantially. However, the authors saw no examples of effective revitalization that did not follow the general sequence and, moreover, unsuccessful revitalization was often explained by improper sequencing. The power of the sequence lies in the fact that each group of interventions creates the necessary preconditions to allow the organization to move to the next step.

During Phase I and Phase II in this discussion, the first 4 steps were taken into account and examples on how these were not followed during the revitalization process were given. During Phase I it was emphasized how the lack of teamwork throughout the levels and a practical and relatable vision (step 1 and 2) translated into a lack of strategies, direction and focus; whereas in Phase II, the importance of consensus, competence and cohesion to move change along was highlighted in order to properly and successfully spread the revitalization within the whole organization, while avoiding resistance and ensuring consistency (step 3 and 4). Now in Phase III, the final two steps will be considered.

When taking into consideration the background information and what is currently being done to overcome the past turmoil, a very interesting characteristic of this case comes into mind. What is interesting about this case in particular is that the organization has experienced change from both sides of the coin without success. In one side, it has experienced a rather planned international merger under outsourced supervision, with large investments in the process, within a large timeframe and without heavy external pressures that turned out not to be considered successful, at management level. On the other side, it also experienced a merger that initially was planned to last 3 months, without investment or help from outsourced supervision, under heavy external pressures (the financial crisis) and intense internal pressures that turned out to be perceived as unsuccessful at middle management and consultant level. So what are the factors between these two attempts of organizational change that could help the new organization in future revitalization processes? Why has the organization not been able to properly analyze its past behavior, decisions and actions in order to learn from these and apply this knowledge in the future so as to obtain better results?

If the strategies and tactics mentioned in the interviews are considered, many of these should be able to consolidate change somehow. For example, some consultants and managers spoke about how the change processes focused on the structure of the company; and the increase of positions changes and the turnover rate. Others mentioned that the most significant change strategy within the organization was that the company is trying harder now to embark in a larger variety of industries, instead of depending mostly in one.

Moreover, the managers did not consider that the few mentioned "strategies and tactics" were the most adequate way to manage the changes because they found that there were some relevant additional aspects that should have been taken into consideration as well. For example, they believe that the information before, during and after these events should have been more transparent in order to provide a better general understanding of the whole situation; more focus on the processes to consider as a new company would have allowed a more standardized way to work and, thus, avoided parallel processes; and the softer strategies were much missed. And the list could go on. However, the point of this all is to highlight the fact that all of these actions and strategies turned out to be practically useless, since the proper base for their deployment was not worked on.

The first four steps suggested by Beer et al. were basically ignored and the change processes mainly focused on step 5: consolidating changes through formal policies, systems and structures that institutionalize revitalization. But what is there to consolidate when the individuals do not know what the problem is; and do not have a clear vision, a consensus of the vision, the competence to go after this vision and the consistency to keep track of it?

According to Galbraith (2000), one does not produce real change by relying on a single means such as a reward systems or a structural change in the organization. The design of an organization should be an integrated system consisting of a structure, formal systems, informal processes, rewards and measurement systems, and human resources practices. Effective change requires a new and integrated design; and all of the policies must be aligned and mutually reinforcing.

Similarly, Beer et al. (1990) argued that structural change by itself is not the answer to effective renewal as changes in boxes and lines on a chart conceived at the top do not develop the skills and orientation needed to function in the new structure. Having had changes imposed on them from the top, employees have little motivation to adopt new attitude or learn new skills. As Petronius Arbitor (210 B.C.) said:

> "Every time we were beginning to form up into teams, we would be reorganized. I was to learn later in life that we tend to meet any new situation by reorganization... and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency and demoralization" (Petronius Arbitor in Beer et al., 1990, p. 37).

However, these failed attempts to change the organization should not be considered as signs of failure. What should be kept in mind is that change processes uncover strengths and weaknesses in an organization and therefore, it is highly important to monitor and strategize as the new challenges rise in order to continually ensure that the challenges become opportunities. They represent dilemmas that have to be addressed and managed. In other words, the revitalization process should be monitored and should strategize in response to predictable problems, which is the sixth step.

7.4 What happens next?

Throughout the discussion it has been suggested that, as Beer et al. (1990) argued, unsuccessful revitalization in this organization was often explained by improper sequencing since the necessary preconditions to allow the organization to move to the next step in the change process was not properly set. However, it is important to highlight that this sequence is not merely suggested to be followed. More importantly, it is significant to understand that the success of the implementation of this sequence also relies on the understanding the individuals have of the specific external and internal scenario surrounding the organization.

Consequently, it is important to emphasize once more that in order to have a better understanding the people need to be competent change agents, who are able to "shift with the sands" as conditions, objectives and priorities change with changing technologies, markets, and organization structures. In the long-run, the challenge lies in selecting someone who is able to create and maintain the motivation needed for long-continued training (Buchanan and Boddy, 1992).

However a more robust and long-run suggestion is to enhance the personal, professional and organizational capabilities of everyone in the organization as it is only by investing in enhancing the stock and quality of leadership in our organizations that we can ultimately build the capability for ongoing change. This alternative has more potential to ensure an adequate supply of *effective* change leaders, which are

best developed by creating an organizational context that encourages the development of leadership skills in its members (Beer et al., 1990).

There is an extensive research literature that supports the notion that organizational capabilities such as coordination, commitment, conflict management, building effective relationship, team building communication, and creativity lead to sustainable competitive advantage. These suggest that organizational capability, because it cannot be bought or easily replicated, may be the only source of sustainable competitive advantage (Beer and Nohria, 2000). In this case, the organizational capabilities that require more attention are cooperation, coordination, company culture and competence development, and organizational learning.

Regarding the interdepartmental coordination and cooperation, nowadays there are lower barriers between the different departments. However, given the past experience in which most of the managers were trying to get as many assignments as possible to avoid having to lose more personnel, there are still some departmental actions that require work, for example the way different projects are "shared" between departments. According to the interviews, there are still some issues when splitting the profits; managing resources from different departments; establishing basic rules, standards or routines; communicating; and selecting the most suitable option in the company to develop certain projects. As Minzberg (1979) stated, when there is division of interdependent tasks, there is need for efficiently performed coordination, in order for any organization to function properly.

Regarding the cooperation with the units abroad, there is a lack of vision as to how to cooperate with the units abroad; and what the units abroad have to offer is not clear and, in return, the real benefits to gain from it are unknown. Therefore, international cooperation still needs to be further investigated and developed so as to really know the financial impact of having a front-office/back-office approach; and in order to consider investing in face-to-face meetings and stronger alliances.

When it comes to company culture, many expressed how, since the merger, there is not a universal culture within the organization. As an interviewee said, "both prior identities were lost and a new one was not built".

Unfortunately, the merging of the people and the focus on the activities that could have facilitated the interaction between the two merging companies was not prioritized, which is understandable given the economic scenario and the nature of the organization, but at the same time, it is hard to neglect that these activities could have reduced the negative feelings and could have made the merging process much easier. Although it is hard to build a loyal and committed workforce in consultancy firms, these highly suggested group integration activities not only would help build a feeling of belonging to a company, it would also reinforce the belief that there is more will to investment in the people in order to build a new identity to which the people can commit to and proudly belong to.

Regarding organizational competence and knowledge, not everybody considered that something was being done to avoid losing more competence or knowledge from the company and therefore, the recent shown interest from the company to invest on the people's education and hiring new people are more than welcome. However, some interviewees expressed that they still fear that as the job market gets better, more people will be taking opportunities elsewhere, so even if the company got to keep "la crème de la crème", it is still bound to lose it and without them knowledge and competence will leave as well. This is why some recommended developing a better

organizational knowledge system that would allow for the consultants to keep better track of what they have done in the past and what are the main lessons to be learned from these past experiences.

Although all these organizational capabilities require detailed attention, these are the type of aspects that were ignored when the revitalization process focused mainly in step 5. And these are the type of aspects that can heavily setback any change attempt. Nevertheless, these can still be developed and enhanced with a renewed change strategy implementation process.

Therefore, the final suggestion in order to create a more successful path towards change is to implement a combination of Beer et al.'s "Critical path to task alignment theory implementation" (Figure 6) and Spector's "Renewed strategy implementation process" (Figure 2):

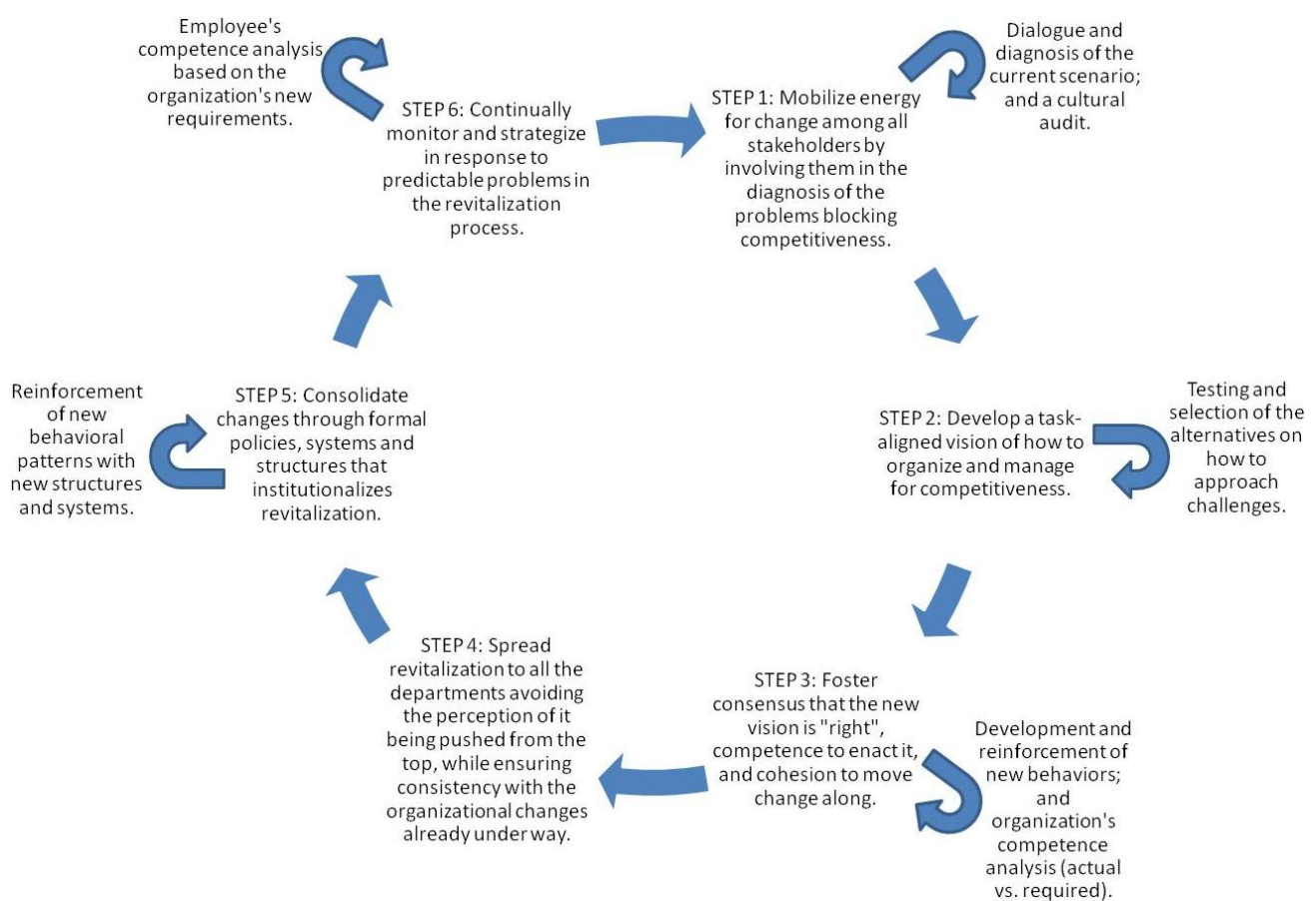*Fig. 7 – Combined change strategy implementation process (Sources: Beer et al., 1990 and Spector, 2010)*

Bert et al.'s critical path provides the basic sequential steps to follow in order to be aware of what is relevant to consider while undergoing a change process, while Spector's "Renewed strategy implementation process" adds more specific actions that enhance the effect of the steps. More specifically:

- The emphasis on dialogue and diagnosis of the current situation encourages and promotes even more the involvement of all the stakeholders during this step.

- The development and reinforcement of new behaviors; and the organization's competence analysis of the competences that the organization currently has versus the competences that are required facilitates the acceptance of the new vision and ensures the awareness of the competences that are needed in order to move the change process along with cohesion.

- The reinforcement of new behavioral patterns with the new structures and systems will be facilitated by the consolidation of changes through formal policies, systems and structures; while the institutionalization of revitalization will be complemented by the fostering of a new environment which promotes the deployment of the new required behaviors.

- The employee's competences analysis based on the new organization's requirements during the continuous monitoring and strategizing in response to predictable problems will reassure that whenever a new problem rises, the organization has the proper competences to manage the problem adequately.

Additionally, since organizational culture has a powerful impact on the ability of organizations to implement change and can promote outstanding performance by motivating employees to behave in a coordinated manner toward a common strategy (Spector, 2010), an additional culture factor, much needed within consultancy firms, is also suggested in Fig. 8.

The additional cultural audit, during step 1, can surface the enacted values that allow or inhibit the existing patterns of employee behavior, the values that underlie those behaviors and the required organizational strategic values that respond to the competitive environment, which can take the change implementation into the next stages.

Simultaneously, since organizational culture influences the dissemination of the lessons learned and generation of knowledge gained from post-project reviews, the cultural audit will also enable people to interpret what they observe, while empowering them to use their judgment within their cultural context. Consequently, developing such a learning culture and trying to make a habit out of will become a critical improvement factor for the organization's performance and competitive position.

Finally, as mentioned before, the order of execution of the steps should not be considered "carved in stone" since the steps may overlap substantially. However, as Beer et al. (1990) argued, and as it has been argued throughout the discussion, improper sequencing or omission of any of the steps gets in the way of creating the necessary preconditions to allow the organization to move to the next step and specific action.

8   Conclusions

No matter how well designed an organization may be at any one time, a dynamic competitive environment is likely to demand that the design be reconsidered over and over again (Spector, 2010), especially when the firm is a professional service firm that needs to constantly readapt itself to its customer. This challenge lies, not only in being able to adapt a style and techniques that respond to the context's reality, for which flexibility, patience and tolerance are required (Buchanan and Boddy, 1992). It is also about really understanding where the organization stands in the present; where does it want to go in the future; about learning from the past; and about applying the knowledge learned from past experiences in the appropriate situations.

The purpose of this thesis was to get a better understanding of what had happened in a consultancy firm in the past, in order to have a better understanding of where it is at the moment and to have a better notion of where the chosen competence strategies in the present will lead to in the near future.

When researching about what had happened before, what were the chosen change strategies in the past, how were these strategies deployed and why were these strategies deployed this way; the managers were not able to suggest change strategies that denoted a clear focus or direction towards a common company vision, mission or goal. As a result, without a proper diagnosis of the situation in the past, the change efforts made more recently, so as to manage the changing environment and interaction between employees, were found to be ineffective.

The firm's particularity of being unsuccessful, even when trying two different approaches to organizational change, supports that leading a company through a renewal process is not easier or quicker than a total change process, or that it will be painless. Goshal and Bartlett (2000) compare this to the "romantic process" of a caterpillar transforming into a butterfly because, in reality, the process is not a pleasant experience for the caterpillar. It goes blind, its legs fall off, and its body is torn apart as the wings emerge. Similarly, transforming a company can be painful and it requires enormous courage from those who must lead the process of change.

Nevertheless, change is unavoidable and the companies that change will highly likely have a competitive edge and those that do not make an effort are likely to cease to exist (Beer and Nohria, 2000).

When searching for a better understanding of what the people think now of the current change strategies, there was still some confusion around these. The fact that the interviewees were not fully aware of what are the strategies being deployed today denotes that, although the organization has been going through serious changes, the strategies are still not clear and hence, the people are still not as involved as they should be.

Additionally, without a common culture guiding the development of the strategic plan and ensuring that, at least, the majority of the employees are on the same boat, the effort will fail to rebuild a stronger sense of belonging and ownership at all levels. Dunphy (2000) stated that real change depends on inner commitment brought about by trust in the top team's strategic judgment and in its determination to build the knowledge and skills of organizational members. For this the communication will need to be more open, transparent and two-way oriented.

The change strategies and competence development techniques must be able to enhance the organization's capacity to learn to respond better to its changing environment and to shape that environment. According to this, what is required is a holistic view of the firm and its health (Beer and Nohria, 2000), because from a helicopter view one obtains a good overview of the ground beneath and a good forward view of the horizon (Buchanan and Boddy, 1992). Once the organization increases its capacity to learn to respond better to its changing environment, the consultancy firm can also consider developing a more consistent and reliable competence development program, as well as a better organizational learning system from past projects.

In order to face the change process, while considering the previous recommendations towards change, the thesis suggests the use of the combined change strategy implementation process (Figure 7) so as to facilitate how to manage change and point it in the desired direction. Nevertheless, more specific actions can be added to the proposed organizational change implementation process when going into further detail and when applying the process to a specific scenario.

It is noteworthy that further research within the consultancy firm, including top management as well, is suggested, preferably after a clearer focus and direction has been presented company-wide and throughout all the levels. Moreover, when embarking in further research, quantitative methods are also recommended to be used along with qualitative methods, in order to get an additional and less subjective viewpoint on the organization's evolution that can be eventually used as a comparison point too in future research.

Some consider that in today's business world the pressures for change are such that firms no longer have the luxury of handling changes sequentially and, as Pettigrew (2000) argued, this kind of complexity raises real challenges as firms struggle to maintain direction, coherence, and operational effectiveness under the strains of multifaceted change agendas. Therefore, when defining organizational change strategies and strategic competences to achieve those strategies, there is not a unique universal solution to face the challenges. Likewise, this thesis does not intend to provide a strategic plan for the consultancy firm to overcome its current challenges.

However, as a final note, it is important to highlight that the chosen plan has to connect to all the levels in the organization in order to produce a positive effect on the people's performance and thus, on the organization's performance for it is everybody's commitment that will eventually make the difference. As Hewlett-Packard's former CEO Lou Platt said "without people's commitment, everything becomes more difficult" (Beer and Nohria, 2000, p. 18).

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10   Appendices

10.1   Background information interview

1. Personal information

1.1 Name:

1.2 Age:

☐ 18-25   ☐ 26-33   ☐ 34-41   ☐ 42-49   ☐ 50+

1.3 Gender:

1.4 Department:

1.5 Current profession/job title:
1.6 Previous professional experience:

2. Retrospectives
2.1 Could you explain using a time-line what happened during the last three years in the company from your point of view?
2.2 What was your role before the merger?
2.3 Could you describe how the working environment was before the merger and the financial crisis?

3. Effects of the merger and the financial crisis

3.1 What happened after the merger begun within the company? How did these events affect your role?
3.2 How did the merger affect the other people from your perspective?
3.3 What happened after the financial crisis struck? What was your reaction? What was, in your opinion, the reaction of the others in the company?

4. Change strategies
4.1 Were there any strategies to deal with these new events? If so, could you name some of them?
4.2 In your opinion, do you think that these strategies/ lack of strategies were/was the best way for the organization to move forward considering the new scenario?
4.3 Would you have done something differently?
   a) If yes, what exactly? Why wasn't this done?
   b) If no, why?

5. The effects of the change process on employees
5.1. What was your perception of the employee's satisfaction then? What worried you the most and why?

5.2. Could you name some specific ways used in the company to learn about the employee's perception back then?

5.3. How effective did you find these ways to be? Why?

6. Cooperation between departments and units abroad

6.1. Do you think that the past events affected somehow the way the different departments cooperate with other units? If so, how? Why do you think this is?

6.2. What would you do to improve the way the different units cooperate with each other?

6.3. What about the cooperation between departments with units in other countries? How do you perceive the cooperation between them?

6.4. What would you suggest to improve this international cooperation?

7. Employee's business awareness

7.1. Do you think that the employees were aware, during that time, of the business regarding the general situation, goals, finance and customers? Why do you think this was?

7.2. In your opinion, was there a specific area of the business situation that stood out more than others?

7.3. Would you have done something differently to increase the business awareness then? If so, what exactly?

8. Internal communication and feedback

8.1. How did you perceive the communication between managers and their teams to be?

8.2. Do you think that it could have been improved somehow?

8.3. Was there a strategy contemplating the personal feedback or "Personligt utvecklingssamtal" then?

a) If so, what were the positive aspects and what could have been improved?

b) If not, do you think there should have been one? What would you highlight in it?

9. Organizational competence and knowledge

9.1. Was there a strategy taking into account how to avoid the loss of competence and knowledge?

a) If so, what were the positive aspects and what could have been improved?

b) If not, do you think there should have been one?

9.2. Did it affect the organization's performance? If so, in what way?

9.3. Did it affect you personally? If so, in what way?

10.2 Interview on the current and future perceptions

1. Personal information

1.1 Name:

1.2 Age:

☐ 18-25   ☐ 26-33   ☐ 34-41   ☐ 42-49   ☐ 50+

1.3 Gender:

1.4 Department:

1.5 Current profession/job title:
1.7 Previous professional experience:
1.8 Type of consultancy:

☐ In-house   ☐ On-site

2. Perception of change strategies
2.1 Could you draw a timeline considering the most significant events that have occurred the last three years?
2.2 If you compare how the working environment was then to how it is now, would you say that things have changed somehow? If so,
    a) Could you explain some of these differences?
    b) Why do you think that these changes were made?
2.3 Do you know if there are new strategies being deployed in the current environment so as to overcome the past situation?
    a) If so, could you mention a few? What effect do you believe that these strategies are having on you and your co-workers? Why? Would you suggest something else?
    b) If not, do you think that there should be strategies being implemented at the moment? What would you suggest?

3. Cooperation between departments and units abroad
3.1 In your opinion, is something being currently done to improve the way the different departments cooperate with each other? And with the units abroad?
3.2 Do you think that the cooperation between departments has room for improvement? If so, what would you suggest to make it better?
3.3 Do you believe that the cooperation with the units in other countries could be better? If so, how can you do so in your words?

4. Employee's business awareness
4.1 Do you consider yourself aware of the general business, regarding the business situation, its goals, finance and customers? If so, how do you find out about these?

4.2 If you were to rank the business situation, its goals, finance and customers from the one you are the most aware of to the one where you are the least aware of, how would you rank these considering that the highest is the one you are the most aware of?

4.3 Why do you think that _____ is your highest?

4.4 Why do you think that _____ is your lowest?

4.5 How aware do you think are your co-workers about these aspects? If not so aware, what would you suggest to make everyone more aware of these aspects?

4.6 In what way are the company targets and department targets are communicated to you today?

4.7 What is good and bad about the way they are communicated?

4.8 How easy is it to understand these targets and connect them to you on a personal level?

5 Internal communication and feedback

5.1 How is the communication with your peers in your department? What are the positive and negative aspects about it?

5.2 What would you suggest to improve it?

5.3 How is the communication with your direct manager? What are the positive and negative aspects about it?

5.4 What would you suggest to improve it?

5.5 What do you think about the way you receive personal feedback or "personligt utvecklingssamtal"? What are the positive and negative aspects about it?

5.6 What would you suggest to make the personal feedback or "personligt utvecklingssamtal" better in the short-run and the long-run?

5.7 How frequent, in your opinion, should the personal feedbacks or "personligt utvecklingssamtal" be?

6 Organizational competence and knowledge

6.1 How has the loss of employees affected the organization?

6.2 How has the loss of employees affected the competence and knowledge within the company?

6.3 How has the loss affected you?

6.4 Do you believe that there is a strategy preventing the loss of competence and knowledge now? If so, could you mention some examples of what is being done? Do you think these actions will have the desired results?