

CHALMERS



Identification and transfer of important factors for sustainability initiatives implementation

Master of Science Thesis in the Quality and Operations Master Program

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Gothenburg, Sweden, 2010

Report No. E2010:020

MASTER'S THESIS E2010:020

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Chalmers Reproservice

Gothenburg, Sweden, 2010

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ABSTRACT

Cardo is a large, multinational previously fragmented company with a history of completely separated management and decision processes (between the divisions), this has enabled as many different ways of choosing and implementing different initiatives as there are offices. The latest step in the change process was implemented during the spring of 2010, since then, Cardo consists of two divisions with the purpose of further unifying the divisions under the Cardo brand. The two new divisions are *Cardo entrance solutions* and *Cardo flow solutions*. Cardo mainly operates in the water and logistics area, two areas that because of the recent changes in the environmental focus among most companies have become of the highest importance for a future sustainable company as well as society. This fact shows that there is a huge business potential for the organization that manages to integrate the environmental work into their operations. Within the organization several sustainability initiatives have been implemented and Cardo wants to identify these initiatives in order to learn and evolve from them which hopefully will result in that Cardo will stand better prepared for all the upcoming sustainability initiatives. The purpose of this report is therefore to investigate previously implemented sustainability initiatives, mainly ones with an environmental and economical focus in order to identify the most important factors for the implementation of sustainability initiatives.

The three investigated initiatives will all be analyzed separately from a series of theoretical areas. In the final chapter they are compared to each other in order to identify what was done in a good way and what needs to be improved. Based on the theory and the empirical findings from the investigated initiatives the most important areas in which a discussion is shown are *kind of change, statement of direction, involvement, communication, motivation and leadership*. These findings are all closely connected and affect each other to a great extent. Therefore it is important in to follow them from the very beginning of each new initiative.

Keywords

Change management, strategy, communication, knowledge transfer, situational leadership, motivation, sustainability

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1. INTRODUCTION

1.1 Project background

The two industries that Cardo mainly operate in are water and logistics. With the recent changes in the environmental focus among most companies these two areas have become of the highest importance for a future sustainable society. According to the World Health Organization (WHO) roughly 1 billion of the world's inhabitants lack access to drinkable water and 2.5 billion lack access to enough clean water for their sanitation and waste disposal, and according to the World Bank, 88% of all diseases are caused by polluted drinking water, inadequate hygiene or poor hygiene. In the logistics sector, Crawford has shown that approximately 70% of all loss of heat/cold through a garage or industrial door is when it is open but not in use. These two facts show that there is a huge business potential for the organization that manages to integrate the environmental work into their operations.

Besides these two facts, Cardo's strong customer and consumer focus has shown that their customers have started to take their environmental efforts more seriously. Therefore, Cardo has decided to continue their work with sustainability initiatives in order for the entire Cardo group to develop and deliver sustainable solutions to their customers.

Because of Cardo's widespread and earlier fragmented organization there have been several successful attempts at conducting projects and initiatives with sustainability. But because of Cardo's previous organizational structure, the knowledge and learning from these attempts has not been gathered and spread throughout the organization. Now, when a new sustainability strategy is under development, Cardo wants to identify these initiatives in order to learn and evolve from them, hopefully resulting in that Cardo will stand better prepared for all the upcoming sustainability initiatives.

1.2 Purpose

The purpose of this report is to investigate three previously implemented sustainability initiatives, mainly ones with an environmental and economical focus in order to identify the most important factors for the implementation of sustainability initiatives.

The report also aims at suggesting how Cardo should spread this knowledge and the initiatives within the organization. However, since lacking transfer of previous sustainability initiatives the recommendation will be from a theoretical perspective.

The purpose will be fulfilled by investigating three different sustainability initiatives within the Cardo group. Of these initiatives, one is conducted at Cardo headquarters within the entire organization and two are conducted within Crawford Sweden AB.

1.3 Initiatives under investigation

This is an early step in the development of sustainability strategy at Cardo. The three initiatives that will be investigated in this report are ones mainly connected to the economical and environmental aspects of sustainability. Because of the purpose of this report an aim is to investigate initiatives that differ in size, time frame, and goal in order to see if there are any common factors in the implementation in spite of the differences of the initiatives. Since the sustainability work at Cardo still is in its early phases the number of fully implemented sustainability initiatives is limited. The

three initiatives that were chosen have been done so together with the sustainability board at Cardo. The three initiatives are:

1.3.1 eProcurement, indirect spend for all of Cardo

EProcurement is an IT-tool that will assist the purchasers in Cardo with all indirect spending and the goal with the eProcurement initiative is for Cardo to get a better control over their indirect spending throughout the entire Cardo organization. The initiative is currently not implemented but still in the final phases of planning. The implementation is planned to start with a pilot on one of Cardo's sites in Sweden. If this is successful the full implementation will be carried out in waves throughout the organization. From a sustainability point of view this initiative will result in both economical and environmental sustainability, among other things because it will reduce the paper consumption and make invoice handling more efficient.

So the reason why Cardo has chosen to implement an eProcurement solution is that eProcurement enables utilization of a lean need-to-payment process, which reduces administration of purchase orders and invoices to the benefit of both the Purchasing and Finance Departments. After the successful implementation, three main types of savings can be expected, these are reduced spend, reduced process costs and other qualitative aspects.

1.3.2 Reduced paper spending at Crawford Sweden

As a contrast to initiative 1, which is an organization wide initiative that all sites must implement, initiative 2 – reduced paper spending (RPS) is a local initiative initiated, planned and implemented at Cardo Sweden AB. Therefore this initiative is considerably smaller and also different in nature because it requires a higher degree of compliance from the employees at Crawford in order for the initiative to reach its goal, this because the initiative is to a big extent about encouraging the employees to reduce their personal spending of paper. This has been done by several steps; some of these are to take away the printers from private offices and replacing them with central printers, to change the default printing style from color to black-and-white, to encourage to employees to think about the environment before printing, to in some cases send the offers to the customers electronically.

The connection to sustainability is that the initiative will result in both an increased economical and environmental sustainability. Economical because the reduced number of printers, printed copies and used toner will save Crawford money and at the same time reduce Crawford's environmental impact. A big reason for investigating the reduced paper spending initiative is that it is a local initiative and therefore it is possible to copy to other parts of the Cardo organization.

1.3.3 Reduced fuel consumption at Crawford Sweden

The third and final initiative under investigation is an initiative called reduced fuel consumption (RFC). This initiative has, just like initiative 2, been fully initiated, planned and implemented at Crawford Sweden. The goal with the initiative is to reduce the total amount of fuel used by the service technicians at Crawford Sweden. To do this several steps has been taken. Some of these are that Crawford continuously upgrades their fleet of cars to more fuel efficient alternatives, better planning of routes and cargo in the cars, education in environmentally friendly driving for the technicians driving the cars etc. Just like initiative 2 – reduced paper spending, initiative 3 will be possible to copy and transfer to other companies within the Cardo organization.

From a sustainability point of view this will result in both economical savings since the reduced amount of fuel will lower the spending, and from an environmental perspective the more fuel

efficient cars, the better planned routes and less cargo in the cars will reduce the amount of fuel consumed and therefore also the amount of emissions.

1.4 Problem Analysis

This master's thesis will be carried out because Cardo wants to investigate previously implemented sustainability initiatives, mainly ones with an environmental and economical focus in order to define the most important factors for the implementation of sustainability initiatives

Cardo is a large, multinational previously fragmented company with a history of completely separated management and decision processes (between the divisions) which has enabled as many different ways of choosing and implementing different initiatives as there are offices. The same goes for when it comes to deciding which initiatives that should be implemented. An underlying reason for this is that Cardo AB has been an old investment company and therefore had no intent to manage their companies in a standardized manner. However, in 2005, a new strategy was defined in order to consolidate Cardo and its different companies and to create internal efficiency on all levels.

Since the entire market is getting more efficient the margins on Cardo's different business areas are decreasing. One way of keeping and increasing their competitiveness is to become more efficient than the competition. This demands collective and efficient processes and ways of working.

In order to improve and gain better control over the way different initiative should be implemented Cardo has started a project which aims at evaluating different successfully implemented projects. The main question that we will need to have an answer to before we can fulfill the purpose of this report is:

- Which factors have been most important for the implementation of the initiatives?

This question is divided into several sub questions which have to be asked in order to collect all the necessary data to answer the main question.

- What was the purpose of these initiatives and why is the implementation considered to be successful?
- How has the planning and implementation phase been organized?
- What did the implementation process look like?
- How have the top management and the initiative leader been involved in the implementation?
- How was the initiative communicated to the employees?

The second part of the purpose is to give a theoretical on how Cardo should spread this knowledge and the initiatives within the organization. In order to answer this question, an understanding of the following questions is required. However, since the purpose is to give a theoretical recommendation these questions will not be answered as the five above stated questions.

- Which ways of communication are possible?
- How can the current communication channels be utilized to spread the initiatives?
- Which employees need to be involved in the spreading of the initiatives?
- Does the way of transferring the initiatives and the findings change depending on the nature of the initiative?

1.5 Methodology

The chapter is divided into the three sections initial work, literature study and empirical study. It will present how the project was initiated, which data that where collected, respectively how and why.

1.5.1 Initial Work

The aim of the initial work was to get familiar with the organization and to create a needed basic understanding of areas of interest for coming studies and to develop the thesis purpose with underlying questions and set a suitable level of scope. This included company visits and initial meetings with supervisor at Cardo and supervisor at Chalmers, and moreover readings of homepages of for example Cardo, Crawford and ABS, readings of annual reports and case descriptions

1.5.2 Literature Study

The literature studies aimed at researching literature in relevant fields needed for the progress of the report and to enable us to answer the purposes. The literature used throughout the master's thesis was mainly gathered from Charmer's library, course literature, science databases such as sciencedirect and other Internet searches. Key words during the literature search were; strategy, knowledge management, change management and leadership.

1.5.3 Empirical study

The empirical data was gathered through company visits, meeting attendance, observations, general conversations, and interviews in different forms. This section will describe the different methods that were used when gathering the empirical information.

For each of the three selected initiatives a series of interviews were conducted with personnel that in some way or another were involved in the initiatives planning or implementation, not necessarily people who led the initiative but also employees that were affected by its results. All the interviews were conducted in a specific order; one initiative was investigated at a time. After each individual interview there was a possibility for the project team to revise the interview questions and the interview process in order to make it as efficient as possible. When all of the interviews had been conducted for the first initiative under investigation the results was gathered and analyzed before starting on the second and third initiative. The purpose of this was that after the first analysis had been conducted; the project team was able to learn from this in order to make the upcoming investigations more effective.

Because of the nature of the information needed in order to answer to our purpose, the conducted interviews were held in several different forms, both of open discussion form, a semi-structured form and a structured form. An open interview is spontaneous and do not follow an agenda of questions. A semi structured interview is prepared in beforehand and follow an agenda with questions.

In order to create a deeper understanding to the purpose of the thesis and a first analysis, interviews were conducted with several persons and managers at different levels in the organization. These interviews resulted in new viewpoints and aspects which influenced the report regarding what should be included and moreover suitable methods and assault approaches to be used in the process. The purpose with the open interview approach is to gather a broad perspective and different opinions. In order to conduct these interviews two different types of interview questionnaires have been developed. The first one is more of a general questionnaire with more open general questions which allows the interviewee to ventilate their opinions on what the initiatives were about and what they think of its implementation and result. Example questions from this questionnaire are:

- What was the purpose of these initiatives and why is the implementation considered to be successful?
- What did the implementation process look like?
- How was the initiative communicated to the employees?
- What types of problems have you (personally and as a team) faced during the implementation phase, and during the continued work?

The second questionnaire consists of more directed questions based on theory. The purpose of these questions is to investigate the implementation of the initiatives based on the selected theory. Examples of these questions are:

- Was there a statement from the management present regarding the organization's strategic direction as a motive for the initiative?
- How and in what way was the management involved in the implementation?
- Were you encouraged to work in a new way or try new things and to come with suggestions on new sub-initiatives or regarding the implementation?

Most interviews were conducted as a mix between these different interview forms to ensure as much and reliable information as possible. First the interviewees were allowed to, in their own words, openly describe their views on the goal of the interview, how it was decided, how it was planned and implemented and if they could think of any think that could have been differently. After the open interview more theory related questions were asked to ensure that all the important fields were covered. For an example of an interview document see appendix A.

During the interviews notes were taken but if more questions arose after the interview, follow up interviews were conducted via telephone and or email to clarify these questions.

Besides face to face interviews, depending on geographical distance, interviews were also held via telephone, both to conduct new interviews but also to ask follow up questions to prior interviewees. Since it is said that more information is transferable orally than written, the researchers strived to utilize telephone conversations in front of email conversations.

After the finished interviews, the results were gathered in a data collection chapter, this information was then sent back to the interviewed persons in order to assure that a correct view of their opinions was presented.

Several times during the report process the researchers attended meetings discussing the issues of sustainability and environment at Cardo. The aim of these meetings was to be a part of the whole advancement of Cardo's sustainability strategy by sharing ideas and different aspects and build mutual gains. The researchers were able to provide the meetings with theoretical aspects in regarded areas while others provided the researchers with company aspects relevant both to the report and to Cardo's sustainability strategy.

2. THE CARDO GROUP

Cardo has its industrial origins primarily in the listed company Wilh Sonesson AB, in which the pump business was established as early as 1918, and in the investment company founded in 1968 by Svenska Sockerfabriks AB that came to be called AB Cardo.

In 1986, Volvo acquired both Wilh Sonesson AB, which included the operations that later would be the business areas Door, Pump and Rail, and AB Cardo, which included the companies Sockerbolaget, Weibulls and Hilleshög and a major share portfolio.

With the aim of creating its own food business, Volvo retained Cardo's food operations and incorporated them into its existing activities. Most of Wilh Sonesson's industrial operation and the share portfolio are included in the new company that was founded in 1986, Investment AB Cardo, in which Volvo continued to be the largest shareholder. In 1988, Investment AB Cardo acquired a majority shareholding in Gambro.

Six years later, in 1994, Incentive acquired Volvo's shareholding in Investment AB Cardo. At this time, Volvo intended to streamline its operation, while Incentive wanted to acquire Gambro in order to concentrate its business on medical technology. Incentive then re-introduced Investment AB Cardo's industrial operations with the business areas Door, Pump and Rail onto the Stockholm Stock Exchange under the name Cardo AB in February 1995. In 2002, the Rail business area was disposed of to the private equity company Vestar Capital Partners.

In 2005, a process of change was started to transform Cardo into an operative group principally targeting industrial customers. Activities were organized by customer segment in the three industrial divisions Door & Logistics Solutions, Wastewater Technology Solutions and Pulp & Paper Solutions and the Residential Garage Doors division, which targeted the consumer market.

In the spring of 2010 these three divisions were transformed into two new with the purpose of further unifying the divisions under the Cardo brand. The two new divisions were *Cardo entrance solutions* and *Cardo flow solutions*. Operations were being coordinated by integrating the present divisions Door & Logistics Solutions and Residential Garage Doors into a single division, Cardo Entrance Solutions. The division Wastewater Technology Solutions and the pump business within Pulp & Paper Solutions were being integrated in the division Cardo Flow Solutions.

Today Cardo's operation is international and extends over more than 30 countries with a large aftermarket, where the extensive service needs of the customers are central. The bulk of sales, approximately 90 percent, occur outside Sweden.

Cardo's brands are among the Group's most important assets. Cardo has focused on developing a limited number, strategically selected brands, which in most cases are leaders or among the leaders in their respective market segment, figure 2.1 shows Cardo's brands.



Figure 2.1 – Cardo's brands

3. THEORETICAL FRAMEWORK

The theory that we have found necessary to use when analyzing the initiatives can be divided into four main areas. These are strategy, change management, leadership and knowledge management. The strategy area is necessary because the purpose of the thesis is to assist Cardo in their development in a new sustainability strategy. Having mentioned this, the theory about strategy will be kept brief since the thesis itself will not result in a recommendation that is directly connected to the development of this new strategy. The second area theoretical main area is change management, and this is necessary because the purpose of the thesis is to investigate the implementation of three initiatives, this implementation is a sort of change and therefore extensive theoretical knowledge is needed to investigate this as thoroughly as possible. The third area will be leadership since leadership is such an important part of managing an initiative, this section will mainly focus on other leadership aspects than included in the change management theory. The final main theoretical area will be about knowledge management, this in order to give recommendations on how the findings from the investigations on the implementation of the initiatives should be spread. However, since no spreading of these initiatives has been conducted, the theory will result in a theoretical recommendation instead of being used in the analysis chapter. Within these areas there are further sub areas which will be described later in this chapter.

3.1 Strategy

Strategy and the strategic decisions are often complex in nature, especially for organizations with a wide geographical scope or a wide product or service scope. Often a strategy is set in, or strategic decisions are made in situations of uncertainty. Furthermore, the strategy is important and even more complex because it is likely to have a big impact on the operational results of the company, and because of this, a good strategy requires a deep knowledge about the company and its resources and capabilities (Johnson et al., 2005, pp.6-11).

According to Grant (2008) strategy can also have different roles in an organization. If strategy making is viewed as a part of the management process it is possible to see that the strategy can play the three main roles within organizations. First it can be seen as a *decision support* because it enables the management to make better decisions given that it constrains the range of decision alternatives considered and helping the management to come to an optimal decision as quickly as possible. The second role is strategy as a *coordinating device*. In this role, it can help to create a consistency and unity by aligning the involved employees view on what is to be accomplished. The final role according to Grant (2008) is strategy as a *target*. An important point for long-term strategies is not only to describe how the organization will compete in the future, but also with what it will become in the future. It should act as a source for motivation and inspiration.

Because of the complex nature of strategy no single definition of strategy exists. Some of the definitions commonly used are:

A plan designed to achieve a particular long-term aim (Oxford English Dictionary, online).

Strategy is the direction and scope on an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations (Johnson et al., 2005, pp.9).

The framework which guides those choices that determine the nature and direction of an organization (Tregoe and Zimmerman, 1980).

Lost boy: *"Injuns! Let's go get 'em"*
John Darling: *"Hold on a minute. First we must have a strategy"*
Lost boy: *"Uuh? What is a strategy?"*
John Darling: *"It's, er . . . it's a plan of attack" (Walt Disney's Peter Pan, 1962)*

3.1.1 Strategic Management

Having a well defined strategy is very important for the organization. However, without having managers that understand and work in accordance with the set strategy is it useless. The term *strategic management* underlines how important it is to have managers that understand that strategy. Strategy is not something that happens by accident or by itself; it needs to be led, especially by managers because it often involves a lot of people. So according to Johnson et al., (2008) strategic management can be seen as the human side of strategy. Most of a manager's time goes to making sure that the current strategy is being successfully implemented. For example, an operations manager mostly deals with problems with operational control such as managing financial performance or the production of goods. Although these actions are vital to the success of the strategy it is not the same as strategic management. According to Johnson et al., (2008) strategic management can be said to consist of 3 main parts.

The first one is about understanding the *strategic position* of the organization, and especially what impact the external environment has on the strategy, which strategic capability (resources and competences) the organization has and the expectations and influences of the stakeholders. The second part is the *strategic choices* and that involves the different options for the strategy. Making a strategic choice involves choosing which direction the organization should take. The third and final level of strategic management is *strategy in action* and that is the part which most managers spend most of their time doing, it is about making sure that the chosen strategies are implemented in the organization (Johnson et al., 2008).

3.1.2 Deliberate vs. Emergent strategies

Several authors (Mintzberg and Waters (1985), De Wit and Meyer (2004), Johnson et al., (2008)) state that there are two ways on looking on how strategies are developed. Either they are a pre-planned intent of the management of the organization, or they are emergent and influenced by the experience of the employees or as a result of a competitive action. Mintzberg and Walters (1985) were early to highlight the tension between these. Many organizations want to design a way for them to work in the future and at the same time gradually learn and adapt to reality, and according to Mintzberg and Walters (1985) few strategies were deliberate or emergent, most were deliberate and emergent. So when realizing strategy managers need to combine the conflicting demands from the deliberate and the emergent strategy.

A deliberate strategy can be explained as you 'think' before you 'do'. A plan is made and then implemented. All organizations need to plan at all levels; it can be resource planning, production planning, financial planning etc. There are also a number of advantages for an organization to work with a deliberate strategy. First of all, a plan gives the organization a sense of *direction* without which the organization and the employees would be lost. A plan also enables *commitment* by enabling early commitment to the set plan of action. Further advantages with a deliberate strategy are

coordination, because it makes it possible to coordinate all actions within the organization so the all follow a set pattern. *Optimization*, a plan can also increase the efficiency in the organization by enabling an optimal resource allocation since the goal and the way to reach it is decided. Finally a deliberate strategy has the benefit of *programming*. The detailed plan will enable the organization to carry out the plan with precision and efficiency, something that without a plan be disturbed by poor organization, in-efficient routines, fire fighting etc (De Wit and Meyer, 2004).

In contrast to a deliberate strategy, an emergent strategy comes into being along the way. It involves no planning and the process of its development are more in lines with 'doing', 'thinking' then 'doing' again. A deliberate strategy is not the same as an ad-hoc behavior because a coherent pattern of actions evolve. Because of the way it is developed, an emergent strategy has several advantages for an organization. One advantage is the *opportunism*. Because of the constant changes in the organizations environment, a deliberate plan can quickly become outdated while the emergent strategy can adapt to new market conditions and take advantage of these. Another advantage is *flexibility*. By having a deliberate plan the organizations and its managers must lock in resources in the decided action, but with the emergent strategy the organization keeps its options open as long as practically possible. A third advantage is *learning*, because often the best way to learn things is through 'learning by doing'. And with an emergent strategy the organization can learn by different trials such as pilot projects, experimentations and trial steps which possibly will result in a better strategy then a deliberate one. The fourth advantage, *entrepreneurship*, is closely connected to learning. If the organization has an emergent strategy where the employees are allowed to try different ideas; it is more likely that their knowledge is fully used. A final advantage is *support*. All major strategic changes require support from all parts of the organization. Mustering this support quickly, which is needed with a deliberate strategy, is hard and therefore the emergent strategy can build up this support over a longer period of time and therefore get a better support in the organization.

However, many of the advantages with the two types of strategies seem to be opposites of each other. While deliberateness enables for a clear direction, emergence enables opportunism, while deliberateness enables for fixed programming, emergence enables ongoing learning. These contradictions makes the combination of the two complicated. Because of this, managers need to choose one of the two alternatives on expense of the other, and by doing so trying to create the best possible balance between deliberateness and emergence (de Wit and Meyer, 2004).

3.1.3 Strategy Implementation

Many authors (Crittenden and Crittenden (2008), Johnson et al., (2008), De Wit and Meyer (2008), Heide et al., (2002)) agree on that the implementation of a corporate set strategy is of the highest importance but at the same time far too few is implemented successfully. Mankis and Steele (2005) claim that in general, companies only realize 63% of the, by the strategy, promised financial performance. Kaplan and Norton (2005) state that up to 95% of an organizations' employees do not know or understand their organizations current strategy, and according to Johnson (2004) 66% of the strategy set at a corporate level is never implemented. These are signs that all too often, there is a gap between the formulation and the implementation of the strategies. According to Crittenden and Crittenden (2008) if this is not caught in time, it is likely that the formulation-implementation cycle leads to that subsequent attempt in strategy implementation are more likely to fail as well, and when

this occurs it is hard to tell if poor performance is because of a poor strategy or a poor implementation.

Mankins and Steele (2005) offer tactical solutions for covering or as they call it, conquering the gap between strategy formulation and strategy implementation. These tips are:

- Keep it simple/make it concrete
- Debate assumptions/not forecasts
- Use a rigorous framework/speak a common language
- Discuss resource deployment early
- Clearly identify priorities
- Continuously monitor performance
- Reward/develop execution capabilities

Since this thesis is about investigating previously implemented sustainability initiatives, mainly ones with an environmental and economical focus in order to define the most important factors for the implementation of sustainability initiatives, there will not be a strategic focus in the data collection, analysis or recommendation. Therefore, the purpose of this chapter is to work as a background for the reader since this thesis is a step in the development of a new sustainability strategy for Cardo.

3.2 Change Management

Change management is a structured approach to achieve change among individuals, groups of people, organizations, or societies, which enable a transition from a current state to a desired future state. From an operational or organizational perspective a change may for instance be a new business process, technology, or strategy, at an individual level a change may be a modified behavior of an individual. Moreover, successful changes require a degree of motivation, engagement and participation among the involved individuals and are often planned and initiated by a strong individual or collectively by a powerful group (Cameron, E & Green, M, 2004).

This sub chapter has a purpose to describe some essential aspects within the field of change management. The first part aims to give insight in fundamental aspects of the current situation in the organization and kind of change initiative that is planned to be implemented, then it suggests for how to handle managerial aspects depending on the given prerequisites. The focal point will be in aspects affecting the change initiative both positively and negatively, and how to manage the initiative depending of these factors. More specifically these theories comprise: Balogun and Hope-Haily (1999) description of kind of change, Jones (2004) force field theory, and Beer & Eisenstat (2000) forces and barriers against change implementation, and Beer & Eisenstat (2000) principles of effective management. Thereafter the chapter goes in the some additional crucial areas in the field of change management, namely; communication and motivation.

3.2.1 Kind of change

To manage a minor change in a small organization may differ remarkable from managing a major change in big organization. Consequently the approaches to manage a change need to be accommodated to the context of the change. When designing change programs Balogun and Hope-Haily (1999) suggest eight important contextual features which carefully should be taken into

account and be highlighted when planning for changes. The contextual features, stated below, will differ a lot from case to case and require diverse approaches to change.

- Time, how quickly change is needed, and time available for the change.
- Scope, how much change is required. This might differ depending on breadth of change in an organization or the depth of culture change required.
- Preservation, what organizational resources and characteristics need to be maintained. For instance this can be, competences or motivation on which changes need to be based.
- Diversity, how homogeneous are the staff groups and divisions within the organization. Diversity often refers to the experience of people and groups.
- Capability, what is the managerial and personal capability to implement change. The capability or experience of managing change.
- Capacity, what is the degree of change resource available. Capacity can be, time, materials, workforce, or management time.
- Readiness, how ready for the change is the workforce. Readiness refers to the soft aspects such as, widespread need for change or widespread resistance against change among workforce.
- Power, what power the change leader has to impose change. Who has power to effect change? Often the answer is the chief executive or “change owner”. It could also be internal or external stakeholders or if there exist resistance in the organization. Finally it could be the opposite way that the chief executive believes that others in the organization have the power to effect change when they do not.

After considering and evaluating these contextual features it will hopefully become easier to see which features are at an appropriate level and where to put efforts. In some cases the context needs to be changed prior the change itself can occur. For example, one must deal with a widespread resistance among employees before conducting a certain change in a proper way, or the change must have the right amount of resources; time, budget, training, experience, and workforce, to make it possible. Much of the literature in the field of change management discuss such factors, therefore the next part will go deeper into this area.

3.2.2 Force field theory

A wide variety of forces pushes the organization to change, and a wide variety of forces make resistance to change. According to Jones (2004) force field theory can be described as two sets of opposing forces within an organization determine how change will take place, see figure 2.2. These forces are *resistance to change* and *force for change*. When the forces are balanced, the organization is in a state of inertia and will not change. Analyzing the force field can identify areas of the organization that may facilitate change.

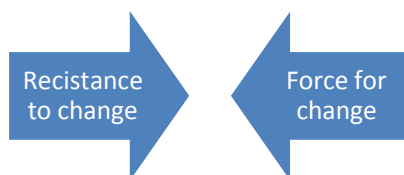


Figure 2.2 – Force field (Jones, 2004)

Examples of resisting forces are; homogeneous workforce, easy of working, blame culture, lack of ownership, lack in experience, lack in communication channels, bureaucracy, ways of working, and workloads. Examples of pushing forces for change are; the potential outcome of the change, support of change from top management, clear articulation of the vision for the future state, commitment among of staff, and encouragement to work in new ways.

Johnson et al. (2008) describes a force field analysis as providing *“an initial view of change problems that need to be tackled, by identifying forces for and against change based on an understanding of the context of change-including existing culture”*.

Several aspects of change management theories have been described by Harvard Professor Michael Beer. Besides this, Cardo has for several years had close contact with Michael Beer. The section below will present the content from three of his articles which can be closely related to the situation at Cardo.

3.2.3 Forces against strategy implementation

According to Beer & Eisenstat (2000) there are six silent killers to strategy implementation. A *“silent killer”* is an expression from the medical context where a high level of cholesterol is called a silent killer since it blocks arteries without any outwards symptoms. Beer & Eisenstat (2000) relate this to a strategic-organizational context and describe the six silent killers blocking and reinforcing barriers in strategic implementation. Many leaders in organizations avoid confronting them, and according to Beer & Eisenstat (2000) *“leaders need to face these killers if they and their organizations are to learn and succeed”*.

These six silent killers were collected through a research at 12 companies were the most common blockers were identified. And in order for a company to stay competitive it must create a good strategy and then assure to properly realign systems, structure, culture, values, leadership behavior, and management processes to the strategy. The silent killers are:

1. Top down or laissez-faire senior management style (9 of 12 cases)

Examples of this first silent killer could be if the top manager is opinionated and not open for discussions in decision making. In the authentically example described by Beer & Eisenstat (2000), the company manager seemed to make all kinds of decisions including strategic decisions in beforehand of the top management meetings. This resulted in a poorly coordinated strategy development process and weak strategy implementation. Moreover, if all initiatives are initiated and strictly steered from top down it will have negative impact on motivation and commitment at lower organizational levels.

2. Unclear strategy and conflicting priorities (9 of 12)

This second silent killer is similar to the fifth, poor coordination. Quite often companies run rival strategies that are fighting each other from the same resources. The organization and its employees therefore feel split and this tears the organization apart.

3. An ineffective senior management team (12 of 12)

Often the senior management team operates only within their own silos. They are working as a group of confederacy that refuses to cooperate effectively fearing that they will lose power.

4. Poor vertical communication (10 of 12)

Employees recognizing problems fear the senior managers are not open to honest conversation and discussion. Employees believe that the management team prefers to avoid potentially embarrassing and threatening issues and that employees at lower levels of the organization should keep their observations for themselves.

5. Poor coordination across functions, businesses or boarders (9 of 12)

See the second silent killer.

6. Inadequate down-the-line leadership skills and development (8 of 12)

Lower-level managers do not perceive new opportunities, for instance to lead changes or improvements, nor are they supported through training or leadership coaching.

Ensuring successful implementation not only requires a leader, it requires joint effort from a leadership group that, through cooperation and dialogue, remains connected to the knowledge rooted in lower levels of the organization. The six barriers or blockers are silent killers since they are not often widely recognized or explicitly addressed. The core barrier, identified by Beer & Eisenstat (2000) is “poor vertical communication” this barrier not solely hinders strategy implementation; it moreover prevents a conversation and discussion of the barriers themselves.

The six barriers are not only individually troublesome; together they generate an even more troublesome negative circle from which it is complicated to escape. Based on similarities between the barriers, Beer & Eisenstat (2000) group them into three different categories:

- Quality of direction –** including an *ineffective senior management* and top down or *laissez-faire senior management-style*
- Quality of learning –** including *unclear strategies and conflicting priorities* and *poor vertical communication*
- Quality of implementation –** including *poor coordination across functions, businesses and boarders* and *inadequate down-the-line leadership skills and development*

Quality of Direction - The general managers and CEO often get around members of their senior group, receiving information from and directing orders to people at lower levels, a safe way to keep the top-leadership team from becoming an effective team. On the other hand we have the laissez-faire managers, who weaken the team’s potential by getting around conversations that could affect disagreements or by not holding their subordinates responsible for coordinated-decision-making.

Quality of Learning - The organizational communication, especially the vertical communication, has key function in a business ability to refine and implement its strategy. Poor or blocked vertical communication may according to the authors have particularly harmful effect on the organization. As senior teams of the organizations, examined in the study by Beer & Eisenstat (2000), tried to align their strategic planning and priorities to changing market trends and competition, they failed in communicating this downward the organization, telling why changing needs outside the organization demanded new ways of working together. A reason to this is most often lack of a common strategic understanding and celerity telling where the organization is invented to be going, which undermines sufficient upward communication. In turn, this means that these employees cannot help, nor warn the higher levels of the business when a certain problem occurs. The underlying barrier to organizational learning and honest upward communication is the top down management approach.

Quality of Implementation - The barriers associated with top management make it very complex to develop desired down-the-line leadership capabilities or to build up desired coordination at lower levels. Managers at middle levels of different functions or businesses cannot be expected to collaborate well when their managers are leading them in opposing directions. By having an understanding of the strategic approach can help resolving problems regarding diversities of perspectives. Managers at lower levels are better able to decide upon independent decision if they are familiar with where the business is heading and why. Or else, if something unexpected occurs, their only option is to follow the regulations or discuss with the manager; the manager may be confused regarding the strategy approach as they are. If the CEO is the person who has the overall picture then, each major choice must be managed at the top-level. This result in the sixth barrier; "inadequate leadership development down the line."

Beer & Eisenstat (2000) describe a five-step-method, the Organizational Fitness Profiling (OFP), for disclosing the root causes of strategy blockers. The OFP-process can provide an understanding for profoundly rooted barriers which are common to a broad spectrum of companies within different business areas. OFP evolve over a sequence of meetings conducted with senior management team of an organizational unit, but also between the top team and lower organizational levels. The OFP-process comprises five steps, which are:

1. Create a statement about direction

With foundation in performance goals, competitive environment, business strategy and needed organizational and cultural changes, the senior management team creates a statement of organizational direction and strategy. As this is communicated to the organization information regarding barriers to implementation is collected.

2. Collect data on barriers and strengths

Open-end interviews are conducted at one or two levels below the top team level about organizational arrangements and certain management practices that help or may hinder the strategy implementation. The assigned data-collection task force meets to analyze the gathered information and identifies major themes.

3. Develop and integrated plan for changes

During planning meetings, the top team receives description of the organizational context and how it is functioning. The top team then analyzes the primary root causes of the blockers to implementation and forms a wide vision for redesigning the organizational context. An implementation plan is developed by senior managers, which integrates prior initiatives and adds necessary supplements. The focus is on developing organizational capabilities and improving business performance.

4. Refine the plan

The top team together with the task force reviews and refines the anticipated plan. An essential part of the meeting is reality check of the plan.

5. Implement the plan

People closely involved and team members of the task force are often invited to lead implementations of the plan. The progression of the implementation process is supported as well as reviewed by the senior team as a whole. Moreover, repeated information-gatherings are conducted by the task, typically every year or two.

3.2.4 The principles of effective management

To transform the six silent killers into six core capabilities might be successful for a period of time, but when people engage to this work leaves the organization will lose their capabilities. When new barriers occur, the organization will not know how to tackle the strategy blocking barriers on their own; therefore Beer & Eisenstat (2000) suggest implementation of an institutional learning process. The Organizational Fitness Process (OFP), described earlier, can be used as a substitute or a complement to identify the root causes to barriers as a part of the six principles described below:

Principle 1. Turn top down or laissez-faire management style into engagement leadership.

The CEO/general manager creates, together with top teams and lower levels, a partnership build around; enabling organizational context, delegation of authority, and the growth of a compelling and strong business direction.

Principle 2. Turn unclear and conflicting priorities into a clear and compelling business direction.

The entire top team agrees on a strategy statement and develops general priorities that they are supposed to present for the organization.

Principle 3. Turn an ineffective senior management team into an effective one.

Through the whole change process, the top team as a group, is concerned in all steps including organizational diagnosing, strategy development, action planning, communication the strategy, and monitoring it, in order to test its effectiveness and development.

Principle 4. Turn poor vertical communication into an open fact-based dialogue.

By avoiding being defensive and instead showing openness and commitment through an honest and fact-based dialogue with lower levels, the top team members can create mutual trust and achieve an idea-development of the strategy implementation.

Principle 5. Turn poor coordination into teamwork through realigning roles, responsibilities and accountabilities with strategy.

Align different parts of the organizations by putting together cross-functional teams with the “right” roles and responsibilities, accountable for implementation of strategy initiatives.

Principle 6. Turn inadequate down-the-line leadership skills into strong leadership with a general-management perspective. Managers at lower levels increase their skills through opportunities to lead and manage teams who coordinate key strategic initiatives. With increased confidence in these managers and teams, senior managers are more willing to assign authority and furthermore “provide opportunities to develop down-the-line leadership skills and a general management perspective.”

When mastering the barriers/ the silent killers, Beer & Eisenstat (2000) claims that the chance in succeeding future strategy implementation and learning has increasingly improved. Hence not all companies are ready to overcome their silent killers and change, for this; *“there must be a compelling business need”*.

3.2.5 Motivation

A common cause for resistance to change is diversities of human motivation. People receive, perceive and processes information or new tasks differently depending of a wide range on factors such as prior experience, knowledge, training, situation, individual capacity and skill, the private situation, recognition, self-actualization, etc. Together, these factors will form the level of individual motivation to each kind of task, change or happening. Motivation is never unified, it always differs, and it is individual, some are very “open” for new things and are interested while some are unmotivated and have feelings of anxiety. Diversity of individuals’ motivational level consequentially results in managerial problems when conducting changes.

This section aims to explain some fundamental theoretical concepts in the field of motivation, but focus will be on theories regarding what motivates people and how one can motivate them. These theories include: McClelland’s (2000) three factors that drive humans to action, Herzberg’s two-factor theory, Mullins differentiation of intrinsic and extrinsic motivation and the goal-setting theory presented in Robbins & Judge (2009).

However, the chapter will start by explaining how the motivation of a person or a group can be measured, and especially how it changes over time and depending on the situation. And according to Robbins and Judge (2009), the motivation differs depending on the situation. Motivation varies both between individuals and inside individuals at different times and situations. Robbins and Judge (2009) define motivation as: *“the process that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal”*. The definition contains three key elements, intensity, direction, and persistence which are essential when discussing motivation. *Intensity* is concerned with how hard a person tries. This is the element most of us focus on when we talk about motivation.

Yet high intensity is unlikely to lead to favorable job-performance outcomes unless the effort is channeled in a *direction* that benefits the organization. Therefore, one must consider the quality of effort as well as its intensity. Effort that is directed toward, and consistent with, the organization's goals is the kind of effort that one should be seeking. Finally, motivation has a *persistence* dimension. This is a measure of how long a person can maintain effort. Motivated individuals stay with a task long enough to achieve their goal Robbins and Judge (2009).

The theory presented by Robins and Judge (2009), described above, shows how the motivation can be measured. It does not however explain what motivation consists of and how it can be affected. One theory that does this is presented by McClelland (1990) where he defines three motives that drive humans to action. Which motive that is of highest relevance at a moment depends on the kind of the task and is moreover differing from person to person. McClelland stresses that these motives are learned and can therefore be convert through training or changed situations. He consequently disagrees with other theories by stressing that the motives for motivational actions can be changed by training. McClelland believe that the organizations should be accommodated to individuals' needs not the opposite way. McClelland's three motives that drive humans into action are:

1. The achievement motive. To do your best.
2. The affiliation motive. To be together with others and to feel mutual friendship.
3. The power motive. To be assertive towards others and to make other behave in certain ways.

Going back to the individual perspective and relating to the concepts priory described in this chapter, psychologist Fredrick Hertzberg proposed a two-factor theory, also known as the motivation-hygiene theory as a contrasting view to the traditional one dimension theories described earlier. The traditional view is about satisfaction and dissatisfaction whereas Hertzberg's two dimensions, motivators and hygiene factors, can vary between satisfaction and dissatisfaction. Motivators, or internal factors, are related to the kind of work task and include for example achievements of task and performance, recognition from colleagues and friends, responsibilities and advancement in the organization. The hygiene factors, or external factors, are related to the organizational environment and include for example company policy, supervision, salary, status and social relations. The theory is based on motivation research in work environments, where the researched persons had to describe five critical situations in where they been extremely positive and five situations where they been extremely negative (Maltén, 2000).

Hertzberg emphasizes that the *motivators* has a bigger influence on the work satisfaction, while the hygiene factors, factors that managers focus and put efforts on, has a minor influence. If the external hygiene factors are not satisfied, it creates a un-interest, passivity or critical attitude among employees. If these factors instead are accommodated it will not necessary lead to positive reactions since it might be expected among the employees. This is why Hertzberg stresses that only satisfying external hygiene factors will not generate maximal work satisfaction, rather it will be at an acceptable level. Whereas putting efforts in increasing internal motivators will generate increased shares at least in long term perspective. Here is where managers need to match their employees in order to create engagement and motivation (Maltén, 2000).

Looking further into what can motivate different persons Mullins (2002) says that it is important to distinguish between internal and external motivation. Mullins calls the internal motivation *intrinsic* and the external motivation *extrinsic*.

Mullins (2002) defines the motivational concepts as: *Intrinsic motivation* - Internal desires to perform a particular task, people do certain activities because it gives them pleasure, develop a particular skill, or it's morally the right thing to do. *Extrinsic motivation* - Factors external to the individual and unrelated to the task they are performing. This could for instance include money, good grades, and other rewards. A corresponding aspect is furthermore discussed by Bjorklund (2001) who describes that people not only work for external rewards, but also to satisfy psychological needs, such as the experience of autonomy and the enhancement of skills and similar. Robbins & Judge (2009) even claim that the introduction of extrinsic rewards can decrease to total motivation earlier given by the intrinsic motivation. They provide the following example:

Its strange said Kenda. I started working as a volunteer. I put in 15 hours a week helping people adopt pets. And I love coming to work. Then, 3 months ago, they hired me full-time at \$11 an hour. I'm doing the same work I did before. But I'm not finding it near as much fun (Robbins and Judge 2009).

The authors explain Kenda's reaction according to the cognitive evaluation theory. The theory recommends that introduction of extrinsic rewards, like pay, for job effort that was previously intrinsically rewarding because of the satisfaction related to the content of the work itself tends to reduce overall motivation. Traditionally, motivation theorists generally assumed that intrinsic rewards for example interesting work were independent of extrinsic rewards, for instance high pay. However, cognitive evaluation theory proclaims something different. It says that when extrinsic rewards are utilized by organizations in terms of payoffs for extraordinary performance, the intrinsic rewards which are derived from persons doing what they like are reduced.

The final theory presented can also explain what makes people motivated and how one can work in order to motivate them further. This is presented by the goal setting theory in Robbins & Judge (2009). The theory suggests that specific goals, as opposed to unspecific goals will motivate more.

As you maybe have heard yourself, "try to do your best" is a common encouraging statement. But what does it mean? Is it possible to know if we achieve that unspecific goal? For example, if a professional runner gets encouraged by goal statements, "do your best", he won't know how hard he need to practice in order to end up as one of the best runners in the competition. If he instead gets a specific goal, "become one of the five best runners in the competition", it will become very obvious for him that he needs to practice very hard. The runner is able to relate to something else which means that he can push himself harder to reach the specified goal. The authors Robbins & Judge (2009), stresses that specific goals can produce much higher level of output than general statements as, "do your best

The goal-setting theory furthermore relates to the national culture. Depending on how the people in the nation and within the organization are used to work will influence to applicability of the goal setting theory. Western countries have according to Robbins and Judge (2009) national cultures

reminding a lot of the goal-setting theory while organizations in countries in other parts of the world, such as Chile cannot expect the same results from the goal setting approach. The goal-setting theory presupposes that employees are relatively independent, that employees and managers are seeking challenging goals, and finally that performance is considered important by involved parties.

3.2.6 Communication

This subchapter is initiated with a definition of communication and will then present a number of theoretical aspects within the area of communication in organizations. The focus lies in presenting change leaders role in communication, followed by descriptions on how communication should be managed in various perspectives and situations. More specifically these areas include: Clegg, Kornberger and Pitsis (2008), Beer and Eisenstat (2004), and Jones (2004) for theories about communication in organizations, and Johnson et al (2008) and Beer and Eisenstat (2000) for theories about managers role in communication. The chapter also includes Beer and Eisenstat (2004) for their theories about honest conversation, the chapter is then closed with theoretical description of Scott and Mitchell (1976) where they distinguish between different functions communication may perform in organizations.

When transforming or changing an organization, communication is according to; Johnson et al. (2008), Clegg, Kornberger and Pitsis (2008), a factor that is necessary in plenty of aspects before and during a change process. Clegg, Kornberger and Pitsis (2008) emphasizes that communication connects all organizational activities together and is the process of exchanging information between two or more people or entities. They define communication as:

exchange of ideas, messages, emotions, stories and information through different means including speech, writing, signals, objects, or actions. It may be intentional, such as carefully phrased letter, or unintentional, such as the inferences another person may make about one's body language.

Communication within organizations, organizational communication, is what occurs when an organization seeks to communicate a sense of itself to various audiences such as employees, customers or other stakeholders (Clegg, Kornberger and Pitsis, 2008).

According to Beer and Eisenstat (2004) an astonishingly high number of organizations stay in neutral mode when they need to implement a new strategy, this in spite of a widespread rhetoric about the need for organizational agility. This is especially common with companies that operate with a functional organizational structure.

In the functional organization structure (Jones 2004) employees tend to be specialized in performing a certain set of tasks, for example would the sales department only be staffed with sales personnel. The functional organization often leads to high operational efficiencies within each function. But according to Beer & Eisenstat (2004), despite the strengths problems often start to occur between the functions often due to a lack of communication and accountability resulting in a slow and inflexible organization. Thus, according to Jones (2004) the functional organization suits best for organizations working with highly standardized good at large quantities and low cost.

Among other authors, Johnson et al (2008) and Beer and Eisenstat (2000), agree upon the importance of top management's role in communicating when conducting organizational transformations or changes. Top management should communicate a clear statement of business direction as one of the initial steps in preparing changes. Subsequent steps in a change process refer to feedback channels between involved parties throughout different levels of the organization. Beer and Eisenstat (2004) emphasize that communication or conversation should be honest and straight without risking jobs. Several surveys conducted by Beer and Eisenstat (2004) and other authors, shows upon the positive potential in creating a good organizational communication or organizational conversation in achieving long term capabilities and competitive advantages.

Lack of openness lies behind many failed attempts to implement strategies, Beer & Eisenstat (2004) are convinced that the most powerful way for leaders to align the organization is to confront the blocking barriers truthfully. This typically involves a close investigation of roles and decision rights of various parts of the business, as well as changing the behavior of employees at all levels of the organization. And even though it might be painful Beer & Eisenstat (2004) claim that the pain is imperative to trigger the survival instincts in the employees which will force them to change their behavior and give them the courage to uncover difficult truths, and if the issue is not fully uncovered they only lead to a superficial truth, something that may create cynicism towards top management and change among the employees.

The strategic fitness process was launched in the beginning of the 90's and had the purpose of developing a process which leaders could use to engage their people into honest conversation. It has the goal of enhancing organizations chances of implementing strategies quickly and efficiently. It does so by increasing the capacity the organization has to learn and change and by fitting the organization to the strategy and increasing fitness.

Beer & Eisenstat (2004) state that after more than a decade of implementing the strategic fitness process several overriding questions have been identified. Questions which Beer and Eisenstat (2004) believe are relevant in any organizationwide conversation. These are:

1. A conversation about strategy needs to move back and forth between advocacy and inquiry

Many failures in strategy implementation are due to the fact that many leaders advocates a new direction for the company and before inquiring about the opinions of influential people in the organization start to make plans and changes. This often leads to problems and difficulties further down the road. On the other hand, some leaders inquire too much and do not advocate at all. In the name of empowerment and participation they invite a large group of managers and ask them about which direction to take. This often results in frustration since managers and employees look to their leaders for direction and in which way the business should be going. The leaders need to advocate, then inquire, and repeat as needed.

2. The conversation has to be about the issues that matter most

It is easy for senior managers to become swamped in the operational details of running a business. The one thing that often gets crowded out is the tough and honest conversations about the fundamental issues that are imperative for future success.

3. The conversation has to be collective and public

Successfully aligning the organization towards a new strategic goal requires a simultaneous change in the world view and behavior of the employees. This will not happen unless a public, collective conversation takes place, public and collective means that the senior management must make sure that several levels of management across functions are engaged and that the information is spread three-four levels below them.

4. The conversation has to allow employees to be honest without risking their jobs

According to Beer & Eisenstat (2004) it is common that managers talk about the strategic problems with just one or a few persons they trust and avoid having the discussion in public. This issue is often not highlighted by the other personnel for two main reasons. First is that the employees are afraid that if doing so they might risk their careers, and secondly that they fear that top management would become so defensive that the conversation will not lead to change and might even set back the organization.

5. The conversation has to be structured

Having an honest conversation is not the same as having a spontaneous or unstructured one. So to have an honest open conversation and achieve full engagement across the organization, it has to be structured carefully.

Thomas and Schmidt (1976) state that one of the most frequently mentioned sources interpersonal issues and conflicts are due to poor communication. They continue by describing that individuals spend approximately 70 % of their waking hours communicating, that is, speaking, writing, reading, or listening. Therefore Thomas and Schmidt (1976) believe that it seems logical to conclude that one of the most restraining forces to successful group performance is a lack in effective communication. Looking at organization and its employees, Thomas and Schmidt (1976) state that, no group, individual, or organization are able to live without communication: the transfer of meaning of its members. It is only through transmitting meaning from one person to another that information and ideas can be conveyed. Still, communication consist of more than simply pass on meaning, it must be perceived and understood. For that reason both the transfer and the understanding of meaning must be included in communication.

Scott and Mitchell (1976) distinguish between different functions communication may perform in organizations. Scott and Mitchell (1976) identified **four different functions** of communication in organizations; *control, information, motivation, and emotional expression*.

Control - Organizations have formal guidelines and authority hierarchies that employees are required to follow. This can exemplified as, when employees are required to communicate job related criticism to their immediate manager, to comply with organizational policies, or to follow their job description, communication is performing a control function. Informal communication can also control employee behavior, for example when work-teams tease a member who works too effectively; they are informally controlling the team members' behavior through communication.

Information - Information relates to its role in facilitating decision making and sharing common understanding. In making decisions communication provides the information that groups and individuals need to have when identifying and evaluating data and alternative choices.

Motivation - By clarifying to employees what needs to be done, communication fosters motivation among them, for instance, how well they are performing, and what can be changed to improve performance. Statements of specific goals, feedback on progression and reinforcement of desired behavior all stimulates motivation, and it requires communication as tool.

Emotional expression - Many employees find their work group as primary source for social interaction. In work groups employees can show their feelings of satisfaction, frustration, and fulfill their social needs. Communication is therefore a fundamental mechanism in peoples' lives.

All of the four communicational functions are important, yet none of the four functions of communication should be viewed upon as being of higher importance than the others, the authors continue. In order for individuals, groups, and organizations departments to perform effectively; some sort of control needs to be maintained; individuals and group members must be stimulated to perform; individuals, group members, and organizations need to provide means for emotional expression, and finally, make decision choices (Scott and Mitchell 1976).

3.3 Leadership

Like with many organizational phenomenon one definition of what leadership is hard to find, the attempts range from "we don't really know what it is" to rigorous definitions based on narrow research. Yukl (2002) notes that even though most definitions vary, most of them agree on that leadership has to do with influencing people. Other definitions on leadership are

Leadership is the behavior of an individual when he or she is directing the activities of a group towards a shared goal. House and Adiya (1997)

Leadership is an interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals. Stogdill (1998)

Leadership appears to be the art of getting others to want to do something that you are convinced should be done. Bass, B (1998)

But not all managers exercise leadership. Bernard Bass once said "*Leaders manage and managers lead, but the two activities are not synonymous*". According to Zaleznik (1977) the main differences are that managers carry out responsibilities, exercise authority, and worry about how things are done, whilst leaders are more concerned about understanding the people's beliefs and acquiring their commitment. Another part that is more connected to leadership is motivation which is further explained in chapter 3.2.5 Motivation, Shani and Lau (2005).

Since this report is about investigating previously implemented sustainability initiatives in order to recommend the most important factors for the implementation of sustainability initiatives it is obvious that it has to do with handling many different situations for the leaders of the initiatives.

Therefore, those leadership theories collected has all been regarding how the leaders should do in order to best adapt their leadership style according to what the situations currently is.

3.3.1 Theories on situational leadership

As seen in the definitions above, the situation is important for a leader, and the leadership changes depending on the situation. To understand the factors to consider in understanding the situational leadership approach three theories will be described. These are Fred Fiedler’s contingency theory, Hersey and Blanchard’s situational leadership model, and House’s Path-Goal theory.

In the contingency theory by Fiedler (1965) the focus is on designing the position of the manager to fit the manager’s motivational and personality characteristics. In Fiedler’s (1965) theory, a manager’s leadership style is defined using a questionnaire called LPC (Least Preferred Co-worker) in which the manager gets to answer a series of questions regarding the person he or she would like to work with the least. From this, a score is obtained which can be used to determine if the manager is task or relationship oriented. This is can later be used to see under which situations the manger will perform the best. A manager that scores high on low on the LPC is task motivated and therefore will perform best in situations in which the either have a great deal or very little situational control. Managers with a high score on the LPC, relationship oriented, perform best in situations which allows them a moderate amount of control. The contingency model also assumes that the manager’s behavior is more difficult to change than the work situation and therefore the job is fitted to the manager.

Another theory on situational leadership is Hersey and Blanchard’s situational leadership model which is widely used in government training, the military and in more than 400 of the Fortune 500 companies. The model asserts that there is no correct style of leadership with a single set of accompanying behaviors (Hersey and Blanchard 1993 p. 215). The model says that the manager must respond and change their leadership style depending on the current situation of their employees. The model proposes four possible set of behaviors:

- S1: High-task and low-relationship behaviors in response to followers who are unable and unwilling or insecure.
- S2: High-task and high-relationship behaviors in response to followers who are unable and willing or confident.
- S3: High-relationship and low-task behaviors in response to followers who are able but unwilling or insecure.
- S4: Low-relationship and low-task behaviors in response to followers who are able and willing or confident.

Task behavior is defined as the extent to which the leader

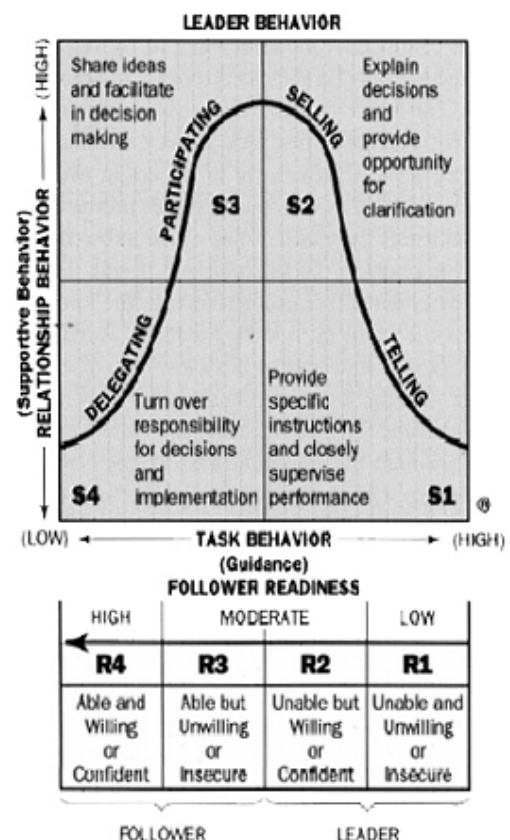


Figure 3.1 – Hersey and Blanchard’s Situational Leadership Model. Source: Hersey and Blanchard (1993) p. 207

engages in spelling out duties and responsibilities of an individual or group (Hersey and Blanchard 1993 p. 185) while relationship behavior is defined as the extent to which the leader engage in two-way or multiway communication (Hersey and Blanchard 1993 p. 187). Figure 3.1 shows how the manager should act and what type of leadership (S1-S4) that should be used depending on the readiness of the followers (R1-R4). So for a follower who is a R3, i.e. able but unwilling or insecure. The manager needs to be a S3, i.e. share ideas and facilitate in decision making, in order to get the best result.

A third theory on situational leadership is the Path-Goal theory developed by Robert House, and in short it is about that it is the leader's job to provide the followers with information, support and further resources that is necessary in order for the followers to be able to reach their goals. The name Path-Goal comes from that it is the task of the leader should clarify the path for the followers and enable them to use it and reach the goal by reducing roadblocks by giving them the necessary tools. The theory further states that the behavior of the leader is important for the satisfaction, motivation and performance of the followers.

House identified four different types of leadership behaviors, *the directive*, *the participative*, *the supportive* and *the achievement oriented*. The directive lets the followers know what is expected of them, he schedules what work that is to be done and gives specific guidance on how the goals should be accomplished. This leadership behavior will have the most positive effect when the roles of the subordinates and demands of the tasks are ambiguous and intrinsically satisfying. The supportive leadership behavior is friendly and shows concern for the needs of the followers. This type of leadership behavior is especially important when the tasks of the followers are physically or psychologically distressing. The participative leader consults with the followers before making decisions on their work. This behavior is more common when the followers are highly involved in their work. The final leadership behavior according to House is the achievement oriented leader. Here, the leader sets challenging goals and expects the followers to perform at their highest level. House assumes that the leaders are flexible and therefore are able to display several or all of these behaviors depending on the situation (Robbins and Judge 2009 pp 430-432 and House 1971 pp 321-338).

The Path-Goal theory proposes two different classes of variables that should have an influence on what type of leadership behavior the leader should have in order to get the optimal result from the followers. They are the once in the environment that are outside the control of the employees and those that are a part if the followers themselves. These two classes are called *Environmental Contingency Factors* (ECF) and *Personal Characteristics* (PC). Under ECFs it is factors like task structure, formal authority system and work groups and under PCs it is factors like locus on control, experience and perceived ability. The environmental factors influence what type of leadership behavior is most appropriate while the PCs determine how the environment and the leadership behavior are interpreted. These combined give the following predictions:

- Directive leadership leads to greater satisfaction when tasks are ambiguous or stressful than when they are highly structured and well laid out.
- Supportive leadership results in high employee performance and satisfaction when employees are performing structured tasks.

- Directive leadership is likely to be perceived as redundant among employees with high perceived ability or with considerable experience.
- Employees with an internal locus of control will be more satisfied with a participative style.
- Achievement oriented leadership will increase employees' expectancies that effort will lead to high performance when tasks are ambiguously structured.

(Robbins and Judge 2009 pp 430-432 and House 1971 pp 321-338)

Taken together, the theory most used from this chapter will be Hersey and Blanchard's (1993) situational leadership model, this because it is possible to relate to all leadership situations and all the initiatives. The Path-Goal theory and the contingency theory will be used for the initiatives where the leadership situation was more comprehensive and complex.

3.4 Knowledge Management

The second part of the purpose, which aims at, from a theoretical perspective, suggesting how Cardo should spread this knowledge and the initiatives within the organization requires theory about knowledge and information in general but in order to fulfill the purpose theories that can answer the questions what type of knowledge exists and how can this type of knowledge be spread is needed. These two questions resulted in a theoretical framework consisting of theories mainly from Nonaka and Takeuchi (1995), who distinguish between explicit and tacit knowledge, Grant (2008) who expands Nonaka and Takeuchi (1995) theory into also including individual and organizational knowledge and learning. Nonaka and Grant later continue to explain how these different types of knowledge best can be spread.

Nonaka and Takeuchi (1995) emphasizes that the interest for knowledge has increasingly grown from being considered as *a resource* to being considered as *the resource* of an organization. Machines, employees, intellectual property, and facilities are useful by means of the knowledge embodied in them. Today, knowledge is viewed upon as a key to organizational success and is a central point of attention. The argument that knowledge is an organizational success factor is strengthened by Senge (1990) and Clegg et al. (2008). Peter Senge emphasize that the distinctive characteristic of successful companies is their ability to utilize knowledge and learn (Senge 1990). Clegg et al. (2008) moreover states that knowledge appears to be the most important strategic asset of many organizations, both for industrial and consultant organizations.

Nonaka and Takeuchi (1995) distinguish between two kinds of knowledge, explicit and tacit knowledge. The explicit form of knowledge is formalized and can be articulated or written down on paper and is known as "knowing about". Examples of explicit knowledge are; books, manuals and databases are examples of explicit knowledge that readily can be transmitted to persons (Nonaka & Takeuchi 1995). Tacit knowledge on the other hand is the opposite of explicit knowledge and consists of personal beliefs, perspectives, and values that individuals take for granted. It is harder to communicate and hard accessible to other individuals and consequently much harder to transfer between persons. Tacit knowledge can be explained as a personal cognitive map that can help you to navigate. Looking at an organizational perspective, it enables you to fill the space or gap between what is formally articulated and what you actually do. Nonaka & Takeuchi (1995) further describe tacit knowledge as "*know how*" and skills in doing things and that it have personalized qualities. (Nonaka and Takeuchi 1995)

Both Grant (2008) and Nonaka and Takeuchi (1995) emphasize that there is a major difference in the transferability between explicit and tacit knowledge. Explicit knowledge can for instance be transferred when one individual perceives and understands a written document. Tacit knowledge is transferred by individuals through observation, practice and training (Grant, 2008 and Nonaka et al, 1995).

Based on the two kinds of knowledge, Grant (2008) further distinguishes between individual and organizational level of knowledge (figure 3.2). The explicit knowledge is relatively easy to identify and understand and can for that reason easily be acquired externally. The tacit- and organizational knowledge is regularly more difficult to understand and identify and is therefore more valuable to the organization than explicit knowledge and makes the organization unique.

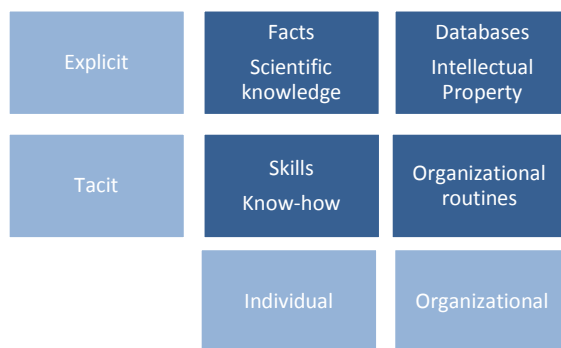


Figure 3.2 -Different kinds of knowledge. Grant (2008)

According to Argote et al. (2000), knowledge transfer is: *“Knowledge transfer in organizations is the process through which one unit (e.g., group, department, or division) is affected by the experience of another”*.

This definition is moreover relatively similar to the knowledge transfer at the personal level in cognitive psychology. Knowledge transfer in organizations involves both transfers at an individual level as well as at an organizational level. The transfer at the organizational level relates to transfer at group levels, production line, department or division. Nonaka et al. (1995) claims that the higher level of transfer is more complex than individual transfer and that transferring knowledge at an organizational level is hard because of that it often consists to a big extent of tacit knowledge. Argote et al. (2000) states another problem, knowledge resides in several different forms such as in members, tools, tasks, and their sub networks which make it complex to bring out and transfer. Moreover Argote et al. (2000) emphasizes that knowledge transfer in organizations manifests itself through changes in the knowledge or performance of the recipient units. Knowledge transfer can furthermore be evaluated by measuring changes in knowledge and further by measuring changes in performance.

In recent decades, management theorists have gradually more suggested that tacit knowledge contributes considerably to innovation processes. Hence, it is essential for management to try to manage and organize tacit knowledge, and attempt to convert fundamentals of tacit knowledge into organizationally explicit knowledge. This idea marks the origin of the concept of knowledge

management. Managers today tries to dig into the area of tacit knowledge; whereas explicit knowledge includes all you can talk about, the tacit knowledge is much deeper and a richer source, and knowledge management is the appliance that is thought to allow to savor this rich stew (Clegg et al. 2008).

Besides the obvious barriers, such as lack of interest or understanding, to learning Clegg et al. (2008) emphasize that knowledge itself is the biggest enemy for organizational learning. When we assume that we know something, it implies that we can stop learning more about it. Very often, when we think we know something we do not have to learn more. The problem is that we are not familiar with how to know otherwise. Clegg et al (2008) further claims that large corporations often suffer from this phenomena, this is then widely known as either as arrogance or ignorance. Different parts of the corporations often already know a lot, which makes learning and knowledge diffusion seem like a waste of time for them. Moreover this can end up in parochialism or arrogance among different parts of a corporation. For instance if a company are convinced they are the absolutely best producers of calculators they might end up overrun by a fast-moving and innovative competitor that is better in analyzing market trends.

3.4.1 Methods in transferring Knowledge

Nonaka et al. (1994) emphasize the same thinking as Grant (2008), with two kinds of knowledge. Nonaka and Takeuchi (1995) moreover present ways in which knowledge can be converted to new knowledge due to “four patterns of interaction between tacit and explicit knowledge”. The four patterns, also known as modes, between tacit and explicit knowledge are from tacit knowledge to tacit knowledge, from explicit knowledge to explicit knowledge, from tacit knowledge to explicit knowledge, and from explicit knowledge to tacit knowledge (*Figure 3.3*).

The first mode, *socialization* is when tacit knowledge is transferred through interaction between persons. The key to learn tacit knowledge from another person is learning by experience and is acquired through training, observation, and imitation. This can be acquired without language.

The second mode, *combination* is a conversion of explicit knowledge resides by individuals. This knowledge transfer is gained through exchange mechanism such as meetings or telephone calls when persons combine and exchange their own knowledge between one other. In this stage knowledge may be extended by additional knowledge.

The third and fourth modes of conversion relates to patterns involving both explicit and tacit knowledge. “*These conversion modes capture the idea that tacit and explicit knowledge are complementary and can expand over time through a process of mutual interaction*”. This involves the *externalization*, a conversion of tacit knowledge into explicit knowledge and the *internalization*, a conversion of explicit into tacit knowledge. An example of externalization may be when developing a concept in the product development phase. Here the tacit technological knowledge and tacit knowledge within other areas are formulated to a concept. Internalization is known as traditional learning or learning by doing. A key prerequisite is that the explicit knowledge is well formulated in manuals or documents which make it easier to use and learn from (Nonaka et al. 1994).

Nonaka et al. (1994) emphasize that only locking into creation and conversion of single modes described above can cause problems due to personal drawbacks, this because each of the four modes of knowledge conversion can in turn create new knowledge. Acquiring organizational learning must include all four modes managed organizationally to form a cycle (figure 3.3). This cycle consists of two dimensions, the epistemological and the ontological dimension. Epistemological relates to the interplay between explicit and tacit knowledge and Ontological relates to tacit-tacit interaction and explicit-explicit interaction. The knowledge conversion through the modes and the two dimensions consequently creates a spiral of organizational learning (Nonaka et al. 1994).

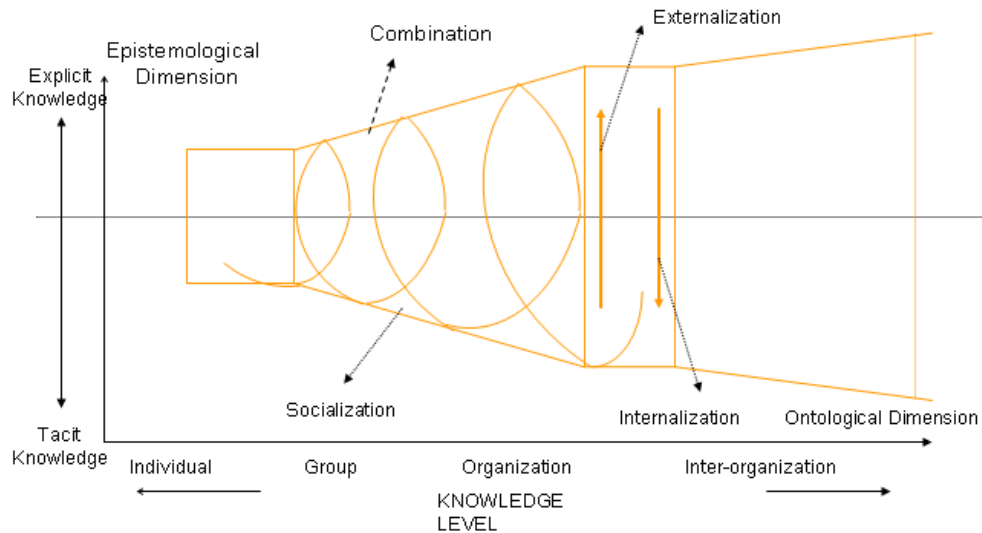


Figure 3.3 - Spiral of organizational knowledge creation (Nonaka et al. 1994)

Above, Nonaka and Takeuchi (1995) and Nonaka et al. (1994) have discussed theoretical methods of how to created, conversed, and transferred knowledge. The following part of the chapter will exemplify some concrete methods commonly used in organizations.

Mentorship or mentoring refers to the interaction between two or more individuals developing relationship often face to face, where the mentor (the more experienced) helps the mentee (the less experiences) to develop in a specified area or capacity. During a sustained time period there is a transmission of knowledge from the mentor to the mentee. The process may further share mutual gains between the participants, both from the mentor to the mentee and from the mentee to the mentor (Bozeman et al. 2007). Furthermore, McFarlane (2007) claims that mentorship is an efficient approach of sharing knowledge and moreover to develop cross-functional understanding in the organization. Mentorship can increase the learning effectiveness by decreasing the learning curve. In other words, the mentee (the person possessing less knowledge) will learn faster and better how to do and will further be more engage productively in an early stage. New organizational members can moreover gain understanding of the organizational culture, awareness of issues, and build up social network due to the direct interaction between the mentee and mentor (McFarlane. 2007)

A relatively commonly used accommodation for storage and reusability of data, information, and knowledge are databases. A database can be defined as an integrated collection of data and files logically consolidated into one general pool that provides data for numerous uses and for common

use (Connolly et al. 2002). Levine et al. (1998) emphasize the appropriateness of technologies (systems) as supportive appliances in, information- and knowledge- sharing both inside and between organizations and departments. Moreover, Internet, Intranet, and groupware are technologies that can be integrated with organizational practices. With databases or intranet organization may increase the share and utilization of information among departments and levels of the organization. In order to better transfer knowledge it is important that the experience gained in work assignments or projects are also written down. This information can be used in subsequent projects in order to faster get into the area and how to avoid pitfalls and where to put efforts. Together this may increase the work quality and reduce the time to execution.

3.5 Theoretical conclusions

Based on the read theory we have summarized it into a theoretical recommendation that will be used as a base for what is analyzed in the upcoming chapter. For each subchapter in the theory chapter we will illuminate the most important aspects raise a series of questions that will be used in the analysis.

3.5.1 Change Management

Since change management is the largest area of investigation of the initiatives the findings will be presented in sub chapters.

3.5.1.1 Kind of change

What kind of change is a critical question to ask before the change is about to take place. Depending on what type of change it is Balogun and Hope-Haily (1999) claim that the approach to change is different and has to be managed in different ways. From the theory about kind of change the following questions needs to be asked before starting an initiative:

- Which factors characterize the initiative?
- Which factors affect the change planning and implementation? (e.g. organizational structure, organizational readiness, time, scope, complexity, prerequisites, etc)
- How do the factors influence the change?

3.5.1.2 Force field theory

As mentioned in the theory chapter, there are always factors pushing both for and against a change. Depending on what kind of change the initiative is about these factors will vary a lot. In line with the forces against the change are forces working against a new strategy as presented by Professor Michael Beer in Beer & Eisenstat (2000). In order to identify the possible forces working for and against the change the following questions will be investigated for the initiatives:

- What aspects of the current situation would block change, and how can these be overcome?
- What aspects of the current situation might aid change in the desired direction, and how might these be reinforced?
- What needs to be introduced or developed to aid change?

3.5.1.3 Involvement

Involving persons in the organization have great advantages in gaining broad spectra of suggestions for improvements, specific pitfalls or potential problems and a possibility to gather constrictive criticism on planning or decision making. Nevertheless, to involve persons has a drawback when it

comes to the additional time and effort which is required to manage employee participation. There are for that reason many projects which affect large parts of an organization managed in a strict top down approach with very little organizational involvement. One obvious reason for this is human related resisting issues that need to be conquered. In order to build long term organizational capabilities there should not only be involvement from the organization, top management should be involved in the initiatives. Top management involvement will show upon importance of the initiative which in turn will function as an organizational stimulus (Beer and Eisenstat 2000). The questions to this topic are:

- How is top management involved in the change?
- Do change leaders involve the organization to the change?
- Are the affected employees at lower levels in the organization involved in the change work (planning/ implementation/decision making)?
- Do change leaders encourage for organizational feedback?

3.5.1.4 Statement of direction

A statement of direction articulated orally, on paper, or email, by top management functions as a preparation for the organization to share a common understanding of the company's desired position or situation. Thereby the organization can expect that an initiative or change is coming aligned with the articulated direction. A statement of direction statement is more or less always useful as it prepares the organization and shows upon top management commitment. However, in a personnel-sensitive situation when running strict top down initiatives there exist arguments against the use of communication a direction since it could create strong resisting forces in the organization. A statement of direction should be articulated in beforehand of an initiative and include descriptions or reasons for *why* that initiative is needed. The identified questions from the theory chapter that will be used as a base for the analysis are:

- Do top managers specifically articulate a company direction in connection to the initiative?
- Is there any explanation for *why* the change is needed?
- Is the organization prepared or informed for the change?

3.5.1.5 Communication

Communication is a wide concept and refers strongly to the understanding, motivation and involvement among the involved parties in the initiative and is therefore a concrete tool in overcoming barriers. Different initiative situation require different sort and amount of communication. It became evident that direct, face to face, contact has advantages of giving room for direct questions and a possibility to read expressions and body language and should preferably be used when discussing changes highly referring to individuals' interests. Another commonly used communication form was written communication, which can be fully appropriate and sufficient when distributing general corporate information, such as statement of directions. A common improvement area would be to prepare for a more frequent and clear communication interactions preferably through face to face contact or telephone. The theoretically base questions that will be used in the analysis are:

- How is the communication managed during change planning and implementation?
- How is the information regarding the change shared to the organization?

- Which communicational channels are used?
- Does it exist a discussion, between change leaders and the organization, about the change during the planning phase?
- Do leaders encouraged the organization for feedback or comments?
- Is an open communication encouraged?

3.5.1.6 Motivation

The importance of motivation in an initiative is not always so big that the leaders and managers should put time and effort into it. However, what the chapter says is that the need differs from initiative to initiative, from phase to phase and from person to person within an initiative. What the manager therefore firstly needs to do is to understand what motivation is, to realize that the need for it can differ greatly, and how it can be decided upon if, and if so when and where, it is needed. There are two main different types of motivation, intrinsic and extrinsic, which differ greatly in their effect on the result on an implementation effort. The questions from the motivation theory are:

- How does the nature of the change affect the employees' motivation?
- Do managers tried to identify what the employees' motivation is?
- Do managers act to affect the employees' motivation?
- Do the managers have the knowledge and opportunity to motivate the employees?

3.5.2 Leadership

Situational leadership is a concept which is about that it is very important for a leader or a manager to understand that leadership has do with several different situations. These different situations are due to that every initiative is different in nature and so are people. Hersey & Blanchard's (1993) situational leadership model measures what type of leadership style is needed along the followers motivation and knowledge which can either be high or low, this creates four different fields of the followers' readiness to which there is a corresponding leadership style the leader should use. So the leadership must be able to understand how the employees are feeling and how high their knowledge and motivation is in order to adapt the leadership style to the situation. Because of this, our questions for the analysis will be:

- What different types of follower readiness occurred during the initiatives?
- Were the managers aware of that the readiness differs?
- What did the managers do to adapt their leadership style?

3.5.3 Knowledge management

As mentioned earlier, a part of the purpose of this report is to give a theoretical recommendation on how Cardo should spread this knowledge and the initiatives within the organization. This theoretical conclusion written here will raise a series of questions that Cardo needs to ask when investigating the initiatives.

A great deal of knowledge management is about understanding what type of knowledge there are and how this could be spread. When it comes to implementing initiatives the knowledge consist of both tacit and explicit knowledge and these two types of knowledge are transferred in four different ways. Based on the theory presented in the previous chapter, what Cardo needs to investigate to understand where there is room for improvements. The identified questions are:

- Does the company have the right fora for spreading knowledge?
- Do these fora have the right agenda?
- Do they have the right process?
- Are the “*right*” people a part of the spreading process?

4. DATA COLLECTION

This chapter will describe the result of the data collection, which has been collected throughout the Cardo Group. The chapter will describe the three investigated initiatives, eProcurement, reduced paper spending and reduced fuel consumption, and what results the conducted interviews in each initiative have resulted in.

4.1 Initiative 1 – eProcurement

This chapter will go into detail about the first initiative under investigation, the eProcurement initiative. The chapter has three main parts, description, Change Management and Leadership. Under the description chapter the initiative will be described, under the Change Management interview results regarding how the organization worked with the change and the final chapter leadership has to do with what type of leadership that was practice throughout the planning and implementation of the initiative.

4.1.1 Description of eProcurement

Because of Cardo's history as an investment company, there has not existed a centralized, coordinated indirect purchasing function until for some years ago. Indirect purchasing was centralized when Cardo's transformation into an integrated, global industrial group began. Indirect spend consists of all purchased products and services, that are not raw material or components related to the products the company manufactures. In Cardo's case the biggest indirect spend categories are Fleet Management (vehicles), Business Travel and Consultant fees. Totally, the spend is divided into around 30 categories.

It is relevant to distinguish sourcing and call-off processes while describing indirect purchasing, or purchasing in general. In Cardo centralized indirect purchasing means solely centralized and global sourcing process which means strategy setting, supplier selection and agreement negotiations, in other words commercial and legal responsibility for each category. So called call-offs, i.e. the actual procurement or ordering of the material and services, is handled locally in each company. Because of this the current situation is that the indirect material is purchased by many different individuals, that it is difficult to make agreements known to the large number of staff making the buying decisions. Furthermore, a benchmarking study conducted by an external consultant hired by Cardo shows that it is difficult to reach more than approximately 50% contract compliance without eProcurement support. The same external consultant was also hired in order to map actual and potential barriers, risks and prerequisites in order for the change to occur. Besides investigating the situation in Sweden, the consultant investigated Cardo's 11 biggest Cardo countries in terms of no of employees and indirect spend to find out more about, risks, barriers, and prerequisites, at a corporate level, since eProcurement is a corporate initiative. This information was later on discussed in the subsequent planning meetings held between the project group and top management.

The reason why Cardo has chosen to implement an eProcurement solution is that eProcurement enables utilization of a lean need-to-payment process, which reduces administration of purchase orders and invoices to the benefit of both the Purchasing and Finance Departments. After the successful implementation, three main types of savings can be expected, these are:

Reduced Spend	Reduced Process Cost	Qualitative Aspects
<ul style="list-style-type: none"> • Increased compliance • Improved commercial terms • Improved possibilities to standardize use of products/ services, thus increasing volume towards selected suppliers • Reduced number of suppliers also leads to lower system maintenance costs 	<ul style="list-style-type: none"> • Reduced time needed in the organization to complete purchases • Streamlined need-to-payment process, including e.g. less time needed in Accounts Payables • Improved service level to the line organization 	<ul style="list-style-type: none"> • Improved possibilities to direct purchases to e.g. approved environmental-friendly suppliers • Segregation of duties • Improved statistics • Radically reduction of interest paid for late payments

From a sustainability point of view the eProcurement initiative touches upon all three aspects, the economical, the environmental and the social. The main aspect is the economical one because a big reason for this initiative is to gain better control over the indirect spend and possibly reduce the amount of spending and possible economies of scale. It also reduces the costs related to maintaining the system as seen in figure 4.1. However, the initiative also results in increased environmental sustainability because of the improved possibility to control the suppliers and thereby mainly approving environmentally friendly ones. The reduced amount of paper used because on the electronic invoicing is also a positive environmental aspect.

EProcurement is an initiative that is lead from Cardo Headquarters and will be implemented in Cardo's European and US operations in a series of different waves, starting in with their production facility in Torslanda, Sweden. Currently, spring of 2010, the initiative has not started to be implemented but that is planned to start with a pilot in Torslanda later during the year.

Looking more into detail of what eProcurement will mean for the day to day operation a comparison between the eProcurement process before (see figure 4.2) and after (see figure 4.3) the initiative is illustrative. As seen in figure 4.2 the typical process that is used for purchasing indirect material consists of nine different steps out of which seven are paper based and two are done by system support. Alternatively, some of the first steps can by replaced by simply placing a phone call to one of the suppliers. The large extent to which this is done paper based can open up for several difficulties. One example of this is in the 'approve' steps. If the approver for some reason is gone the paper waits until the approver returns and this may cause delays and extra costs.

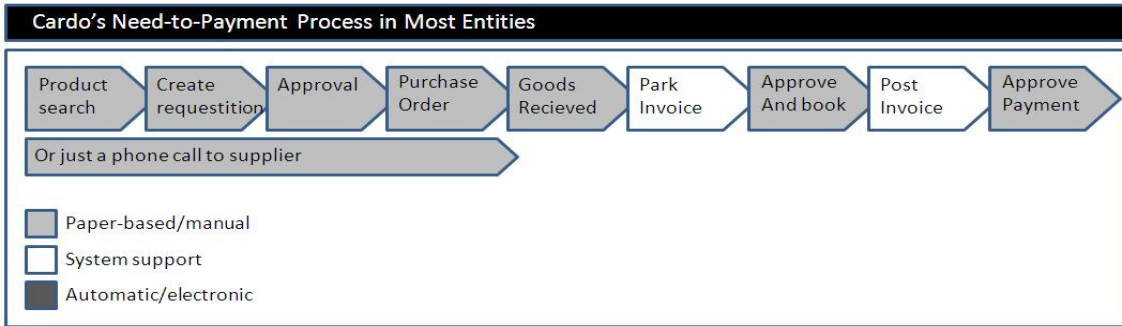


Figure 4.2 – Before eProcurement implementation

In the new system, the paper handling is completely gone, in some cases there might be some remaining in the invoice handling, especially if the supplier are unable to send the invoice electronically. Then the paper invoice is received by the ordering person and the invoice will be scanned and stored electronically by Cardo. The lack of paper handling results in several different savings for Cardo. An example of this is that it will no longer be possible to order by phone, every new purchase has to be done through the eProcurement system through pre-approved suppliers, the order is than to be approved by a supervisor (according to financial authorization level) before it is issued to the supplier. There is also the reduced environmental impact due to less use of paper. All the different expected savings can be seen in figure 4.1.

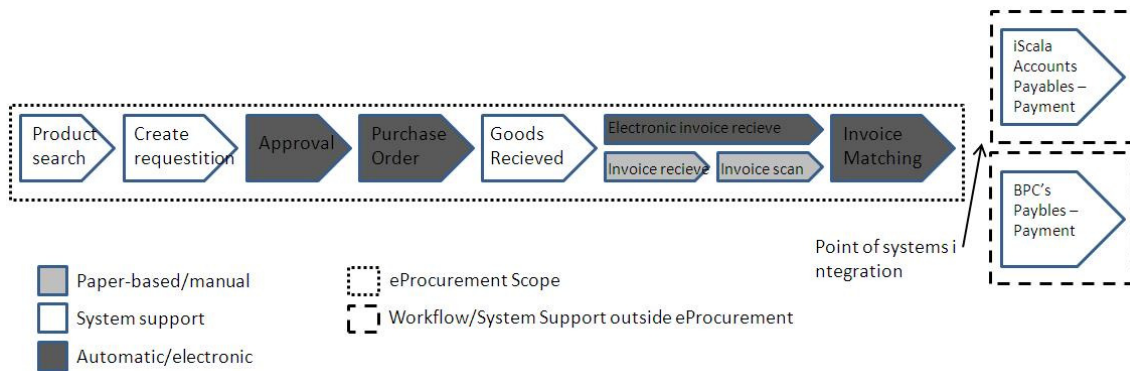


Figure 4.3 – After eProcurement implementation

Since this is a central initiative planned and partly implemented by Cardo the organization surrounding the project is quite extensive. Figure 4.4 shows how the organization looks surrounding the planning and implementation of the pilot which is planned to start some time during the second half of 2010. Both the project owner and the project leader for the entire project are working at Cardo headquarters in Malmö, Sweden. In order to get information about the planning and implementation of this initiative three deep interviews have been conducted with personnel on key positions in this project. These people are henceforth called Alfa, Beta and Delta. As can be seen in figure 4.4, Alfa (A) is the project owner for the entire eProcurement initiative, Beta (B) is the project leader for the entire eProcurement and Delta (C) is the local project leader at the local level where the pilot is being planned and implemented. Because the initiative will affect personnel in several different functions within the organization, the different teams seen in the *process development*, *process preparations* and *eProcurement implementation team* consists of personnel from these different functions, these are among others purchasing, economy and the IT-function.

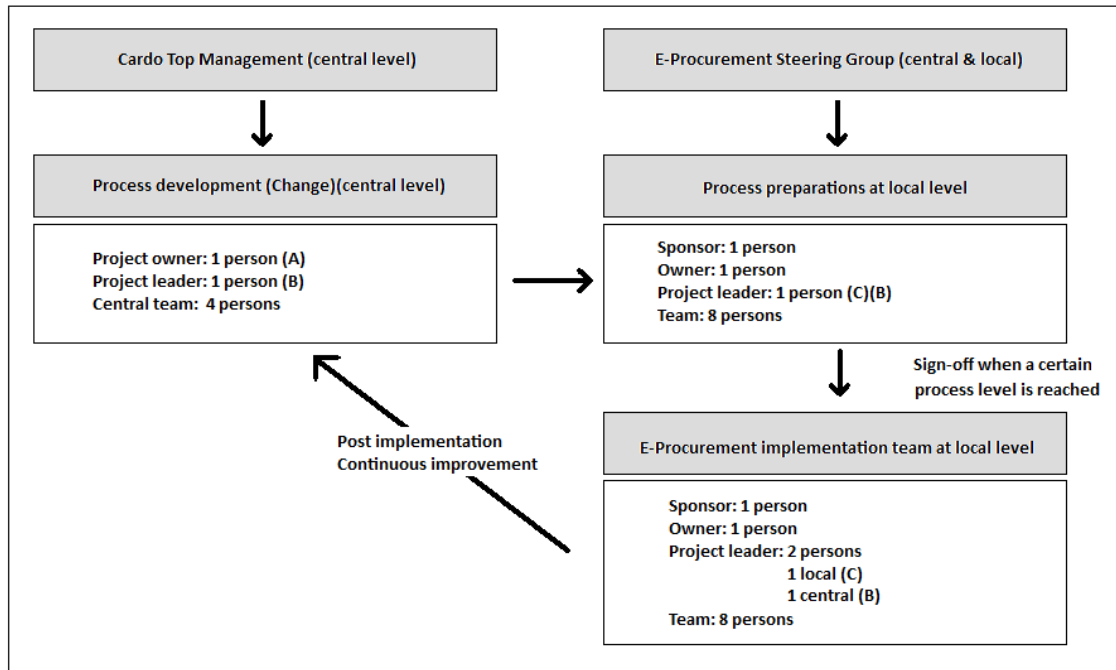


Figure 4.4 – eProcurement organization

The different responsibilities of the groups vary and Cardo Top Management’s role is that they have signed off on the project and therefore has the ultimate responsibility for the project. The eProcurement Steering Group meets approximately every 6th week and consists of interviewee Alfa, Vice President Indirect Purchasing, Cardo Group CFO, IT Director, Cardo Entrance CFO and Cardo Flow CFO. The Project manager (Beta) reports to the group which based on this information decides the next steps. On each site there should also be a local steering group that consists of the local management team. The project manager reports to this group about the progress of the implementation. The process development is not really a group, more of a process that either is universal for several initiatives (central) or specific (local). The process preparations at local level is not really a group either, it is the work conducted before the implementation on each site. This work consists of supplier selection, consolidation of suppliers etc. When the system is being implemented on each site there should be a local, internal team responsible for the implementation. There should at least be someone from purchasing as well as finance and when necessary other members from different functions.

4.1.2 Change Management

The organizational situation in companies varies to a great extent from case to case and will influence all kinds of transformations or changes conducted within companies. As described in the introduction of the thesis the Cardo group is an organization consisting of several different firms priory managed more or less autonomously. Obviously, different parts of the Cardo organization have different organizational structures, different leadership styles, different employee knowledge and skills, and different organizational cultures. The geographically spread parts also have different national cultures, languages, stories, and spoken and unspoken norms. Until recent years, when people from Cardo head office visited local sites they often had something negative to inform about,

such as, “We have to reduce the number of employees at this site due to a weak corporate results” or “You are not selling good enough, do something about it”.

Both Alfa and Beta view eProcurement as something that is new for the Cardo group hence there have never been an initiative similar to eProcurement, and the work will include new ways of working, and it will gain benefits in different aspects as mentioned in the description above. The initiative will for instance include a time-period of evaluation and reduction of suppliers, better overview and control over suppliers and supplier-agreements, closer supplier relations, and a new computerized way of handling invoices, which together makes this initiative “new”. Looking at a local level, interviewee C emphasizes that the initiative could be seen as it has evolved from previous work towards reducing number of suppliers and transports and furthermore reduce the spending of paper.

Both interviewee Beta and Delta claim that the usual way to drive initiatives or changes throughout the entire organization is usually through a top down approach. Aligned with this, Beta describes problem with a narrow top down approach since it has problems related to it, problems such as motivation and commitment among the persons that will be involved in the initiative or change. Delta moreover mentions that most of the corporate projects or initiatives are usually conducted in a clearly top down manner, with clear statements of a final goal.

The eProcurement project was initiated in a top down manner to answer for a demand that rose from bottom regarding improvement of invoice handling. By utilizing an eProcurement solution for the complete “*need to payment process*”, invoice management will automatically be improved to an even higher extent than via a standalone invoice management solution.

All three interviewees Alfa, Beta and Delta agree upon that there are several barriers and obstacles that the implementation of this initiative will face. The interviewees agree upon that many of these obstacles arise solely because the fact the initiative will imply changes to the people working in affected areas, and many people have a negative attitude towards change in general. In order to gain better control and knowledge about the potential barriers a consultancy company were involved in the early phases of the planning process. Both Alfa and Delta stress that a large barrier is the decreased personal control and the increased control from Cardo. Historically in the company, the employees have had much freedom regarding from which supplier they choose to order indirect material. The way in which this should be done has not been standardized either, but Alfa and Delta say that with this new system in place some employees may feel that Cardo has too much control in a “*big brother sees you*” kind of way.

Alfa sees a potential risk of local companies concentrating on micro level (local) benefits of the system instead for a macro level potential with consolidated agreements and supplier base. This is something that needs to be considered carefully during the planning and implementation. Delta says that a lot of the work to reduce the barriers is being done by management buy in, i.e. to get the support from the management at both the divisions and on the local sites; they have been out and talked about this project with all CFO’s. This will be done again closer to the start of the implementation to get support. Alfa also says that since this is a top down driven project most focus is on getting top management support, the people further down in the organization have to accept

the initiative. This is something that interviewee Beta thinks can be a problem, that the planning and implementation is too top down driven and will face resistance because of this.

According to interviewee Delta the problem with the implementation is getting compliance from the employees. Delta thinks that the most important thing is to sell it to everyone in a convincing way. Another problem as Delta sees is if eProcurement is implemented too soon and that the system experiences problems that the employees may become dissatisfied and tries to go back and use the old system again, and as mentioned earlier, the employees may be concerned about the increased amount of control Cardo has, therefore the sell in is especially important. All interviewees agree that other common questions are *“how much will this affect my work”* and *“how much will it cost”*.

Referring to the organizational situation, Beta claims that the communication throughout the whole organization is very hard due to the large total number of employees, the geographically spread organizational parts, different languages and some local sites with rather bad English understanding. In addition, Beta further describes the complexity of the organizational communication due to Cardo’s history as Investment Company, owning a number of autonomously steered firms with completely separated norms and cultures.

The eProcurement initiative initially evolved from Alfa’s idea and through a discussion with top management it ended up in a decision of agreement. The process for seeking a suitable candidate for the position as project leader was initiated. The project leader position is different from ordinary project leader roles due to the fact that success factors related to Indirect Purchasing, negotiation skills and change management are important part of task. Another part was to indentify resources needed in different stages of the project and secure organization buy in. Different candidates and alternatives were evaluated where Beta seemed to have the majority of the skills needed to be able to take the full scope. In this early phase Beta claims that there were obscurities in Beta’s understanding of responsibilities, available resources, and areas of authority. The project should be carried out according to Cardo’s (IT) project model. Before taking the role as project manager Beta states that it would have preferable with a shorter education in project leadership and in change management. This would have been helpful the already conducted work but also in the future initiative work.

Beta states that it has not been discussed by Alfa and project steering group who were supposed to be involved in the initiative. Beta decided upon a project group and who to involve in the project group. Ever since the Beta was assigned to participate as project manager of the initiative, there have been regularly formal meetings each six week, considering reviews, discussions and further planning, mostly with an economical focus. The regularly meetings consists of the project group and the project steering group. Besides this there are several informal meetings in the corridors and at coffee breaks where minor issues are discussed. Most of the detailed planning has been conducted together by interviewee Alfa and Beta and later on presented at the steer-group meetings each six weeks. Today, Beta finds the communication within the project group as very good. All “needed” skills and knowledge are available within the team which is positively articulated by Beta, yet there are sometimes problems gathering the whole team due to that the project is not a full time activity.

As described in the initiative description, it was decided that the plant at Torslanda, Gothenburg would be the pilot project. Beta describes that Delta was an interesting person to the position as

local project manager of the initiative. Beta asked Delta to assign for this role. Delta describes a large interest in the area of the initiative and therefore answered yes. Delta is responsible for the local implementation, making sure that everything is running as it should at the local site, and is reporting to Beta.

The subsequent contact Beta had with Delta, regarding informing about the initiative, was through email, telephone and later on through face to face meetings at Cardo head office and at local factory. The early emails included information about the initiative and a short background description of why the initiative is important. The face to face meetings were mainly conducted on Delta's request, as Delta saw a need for more information and guidance. Delta described the initial information-exchange as somewhat inadequate and would have appreciated better information-exchange and initial understanding. For instance, Delta felt lack in the perceived information regarding responsibilities and what was supposed to be done. Either Beta or Alfa visited the local site to inform the local organization about the initiative. Instead this was something that Delta had to do.

Interviewee Beta describes apparent how problems or questions can and could be communicated to the steering group and other involved persons. If there are any kinds of uncertainties or issues, this can be discussed directly to other parties. Beta says that steering group and other parties give response and shows interest in the progression of the initiative. Moreover Beta mentions that an open communication was not specifically articulated by the steering group or other persons. That is, there was no encouraging statement concerning feedback or similar, yet Beta strongly feels that it is obvious that steering group and other involved persons desired Beta's comments, feedback, and to discuss things that are unclear if the issues are critical. Beta would appreciate higher interest and involvement from the steering group and top management regarding Beta's statements.

During the interview with Delta, the interviewee mentions that issues and suggestions easily can be brought up in a discussion with Beta or Alfa at Cardo head office. Similar to Beta's situation regarding Beta's communication to the steering group, Delta feels that it is self evident to communicate issues and suggestion with Beta and Alfa even though it has not been clearly articulated by them. Interviewee Delta, announce feelings of thrust towards the leaders of the initiative. Delta feels indirect encouragement for honestly give critical feedback or suggestions for improvements on the initiative. Further, Delta mentions that there are off course noticeable complexity in the communication between Delta and Alfa & Beta due to the geographical distance between them, hence most of the contact is via email and telephone.

4.1.3 Leadership

Because of eProcurement's size and number of employees; leadership is naturally practiced in numerous different ways and between several different people. As can be seen in figure 4.4 currently there are five separate parts involved in the planning and implementation of the initiative, and because these are located at two main different locations, headquarters in Malmö and pilot site in Torslanda the leadership becomes complex. The size and complexity of the initiative itself also makes the leadership difficult since it has to deal with so many different situations at so many different times.

Interviewee Alfa says that the leadership varies to a great extent depending on the person; this has been shown by both the way Alfa has been led and the way that Alfa is leading. A general view in

leadership as Alfa sees it is that the leader adapts their leadership style according to the situation and the person that is being led. If the leader feels that the led person is still in control of their tasks and knows what has to be done the leader grants the led person much freedom and responsibility. But if for some reason the leader feels that the led person is not in control and does not know what has to be done or is doing something wrong, to slow etc, the leader becomes more involved and takes more responsibility and leads in a more direct way with less freedom for the led person. This is something that person Beta agrees upon. Beta feels that the leadership is adapted to the situation Beta is in. If more direction is needed the leader quickly assists Beta. This is something that Beta also practices to the people Beta leads. This direct and quick communication between Beta and the leader is something that is simplified because Alfa and Beta sits in at the same location in Malmö, while it is more difficult between Beta and Delta since they are sitting at different locations, Malmö and Torslanda. Interviewee Delta says that the leadership from the superior Beta has been to a great extent via mail and phone calls. Delta feels that a great degree of freedom has been given by Beta and that as soon as some difficulties arise, it has however been up to Delta to come to Beta and ask for help it was needed, until that point, Delta has had free hands and full responsibility.

Alfa, Beta and Delta agree upon that the personal abilities of the leader are very important for the way that the leadership is being conducted. But at the same time there is no standardized way of making sure that the person with the best set of personal traits gets the position where the leader current works. All three interviewees also agree upon that it is important for the leader to make sure that the led person has the necessary knowledge and skills they need in order to reach the goal set by the leader. They also say that they only to some extent make sure that the led person has all the required skills. This is in this case best seen between Beta and Delta, a fact that according to interviewee Delta has two possible explanations. The first one is that the planning and implementation of the eProcurement initiative at Torslanda is a pilot and later will be implemented in all different Cardo offices around Europe, because of this the implementation of the initiative in Torslanda has to be done in a way where a lot of the responsibilities and duties is delegated to the local project leader (Delta) because when several locations are working with the implementation simultaneously, there is no way that the central project leader (Beta) will have time to assist all the local project leaders that much. Another contributing factor is the geographical distance between Alfa's and Beta's office in Malmö and Delta's office in Torslanda. This fact will however be the same regardless of where the initiative is implemented in the future.

According to interviewee Alfa there have been several discussions at a central level regarding what type of leadership strategy that should be used in the eProcurement initiative. They have however not gotten to a conclusion and given recommendations to the leaders involved in the project. Alfa also mentions that they see the project as a sort of process of learning for some of the more junior personnel involved in the initiative. However, Alfa also mentions that in the beginning of the planning phase more freedom were given to the different personnel but the closer time comes to the start of the implementation they become more leading and work more closely according to Cardo's project management model. This is not the opinion of interviewee Delta who feels that much freedom has been given throughout the entire project, and if Delta wanted more direction or support Delta has initiated a contact with the leaders Beta or Alfa. Delta also feels that more and better information in the beginning of the project would have made it easier. As it was Delta got a phone call from Beta with the message that they had started doing something called eProcurement and it was to be implemented first at Delta's local site. After this, most communication was via mail

and much information was sent in power point files, then it was up to Delta to sell it in on the local level.

Delta says that the goals with the project were communicated quite clearly and that they were getting control over the indirect spend and reduce the administration surrounding it. The view of Alfa is similar to Delta's, that is a tool that Cardo will use to gain better control over the indirect spend. Alfa also says that it has to do with sustainability, mostly economical sustainability but also environmental.

Interviewee Delta further states that no real connection to the top management or the steering group has been felt, partly because they are located so far away. The only connection to the top management has been through one email or two were they had written that this is an important project. Interviewee Delta would have liked more presence from top management. As the case was it was up to Delta to talk to the local top management about the initiative and this is something Delta wishes would have been done by either the centrally located project leaders or by the top management of Cardo.

4.2 Initiative 2 – Reduced paper spending

This chapter will go into detail about the second initiative under investigation, the reduced paper spending initiative. The chapter has three main parts, description, change management and leadership. Under the description chapter the initiative will be described, under the change management interview results regarding how the organization worked with the change are presented, and the final chapter leadership describes what type of leadership that was practice throughout the planning and implementation of the initiative.

4.2.1 Description of reduced paper spending

The reduced paper spending (RPS) initiative is an initiative that was initiated by Crawford Sweden AB and so far it has only been implemented in Crawford offices throughout Sweden. The RPS initiative goal was to; during 2009 reduce the amount of paper used by 4%. This were to be done by encouraging the employees not to print out their emails if not necessary by adding the sentence **“Please consider the Environment before printing this email”**, Crawford also took away most of the local printers situated in the private offices of the employees and instead use the bigger more efficient printers in the printing rooms, this would also have the effect of reducing the required energy and reduce the amount of toner used due to more efficient printers. Another part of the initiative was to reduce the amount of copies printed in color; this was done by changing the default setting from printing in color to printing in gray scale. Crawford has also on some cases started to email the offers and the user manuals to their customers instead of printing them and sending them via ordinary mail.

Crawford has for some years had an environmental focus strongly because of that they work in a competitive customer driven business where a big part of the focus has moved from as it where, quality, to what it is now, the environment. The reason for this is that many of the different suppliers have such good quality that the customer focuses on other aspects when making the purchase decision. This can also be seen in many of the demands that Crawford receive from their customer including several questions regarding their cars, further described in chapter 4.3 - initiative 3.

The way this initiative started was that the environmental manager at Crawford, henceforth called Interviewee Gamma, mailed out a mail to every employee at Crawford. This mail encouraged the employees to come with suggestions on what efforts Crawford could do in order to reduce their environmental impact. A key sentence from the mail was:

We would like your help and involvement in further work, so grab a pen or a keyboard and send us your suggestions for improvements to Xxxxx.Xxxxx@crawfordsolutions.com by 5 January 2009.

This mail was sent out to the employees in December 2008 and the answers were to be sent to interviewee Gamma in the beginning of January. Gamma then gathered all the suggestions which ranged from telephone meetings, go by train instead of plane, send emails instead of ordinary mail etc. A first screening was done by Gamma to sort out the ones that were not possible for some reason. The rest of the suggestions were taken to the Crawford management meeting in March. During this meeting it was decided which of these that Crawford should focus on for the upcoming year. The next step was to change the Crawford environmental goals and then mail these out to the employees. These goals touched upon more aspects than just reduced paper spending. Some of the environmental goals set by Crawford 2009 were:

- Reduced paper spending by 4%, mainly spending of copy paper.
- Personnel with company car can only choose an environmentally friendly alternative.
- Reduce the fuel spending per employed service technician with 1%.
- Educate the personnel in more environmentally friendly driving.
- Exchange cars to smaller, more fuel efficient cars.
- Continue to demands on their suppliers regarding an active environmental work.

The actual implementation of the RPS initiative started in February 2009 when the employees were notified that the local printers were to be taken away and some other additional changes. The local printers were then taken away during February and March. If someone for some reason still needed their own local printer they had a possibility to discuss this and in some cases keep them.

The sustainability aspect of this initiative is mainly connected to the two aspects economical and environmental sustainability. By reducing the number of printers, the number of printed copies, the number of color copies printer, the amount of toner used Crawford will save both money and the environment.

Looking forward Interviewee Gamma sees several further possibilities for further paper savings, for example by not printing all the required handbooks to all Crawford's service technicians but instead offering them electronically to the technicians.

For this initiative, two employees were interviewed. These are called interviewee Gamma and interviewee Epsilon. Their roles in this initiative is that interviewee Gamma is the initiative leader for the RPS initiative and interviewee Epsilon works in the sales support function in one of Crawford's sales offices, which is a different office than where interviewee Gamma works.

4.2.2 Change Management

As mentioned in the description, this initiative is a part in Crawford's overall environmental work striving towards reduced environmental impact, cost savings, and gained competitive advantages.

Both interviewee Gamma and Epsilon describe the initiative as something that has evolved from prior work with environmental focus. The work task related to the initiative does not include any major additions to the prior work tasks for employees as described by interviewee Epsilon. Instead of using the printer in one's own room one have to go to the central printer (one printer at each department). RPS initiative more over included adding a text to one's email signature telling not to print if not necessary, and to adjust the printer setup to black-and-white as default. The two latter changes did only imply a one-time action and is therefore considered as very easy implemented, whereas the first change implies more time spent on each print as the person who prints have to walk to the central printer.

The RPS-initiative is an initiative shared throughout the whole Crawford Sweden organization and is managed in a top down manner. RPS has not been diffused across the global Crawford organization and is moreover not a part of Cardo's sustainability work.

Crawford has been present in Sweden for 50 years but has grown to an increased number of markets. The Crawford organization has its traditions in door and entrance solutions which has been the core business ever since the company was founded. The organizational structure is clear and the employee turnover relatively low. People within the organization that have been working for a long time have a rather wide social network and know therefore who to contact if there is a need, Epsilon and Gamma mentions. People new to the organization know someone that could help them or else guide them to another person with a wide social network, meaning that it is relatively easy to find a specific person one are looking for even though the person is positioned in another city or perhaps another country.

Interviewee Gamma is positioned at another office in another Swedish city but does usually visit the head office where Epsilon is positioned two or three times a month. Apparently this influences the accessibility to communicate and share information between the involved parties, Epsilon stresses. Moreover, interviewee Epsilon describes that Gamma is the person driving several of Crawford Sweden initiatives both within the areas of quality, continuous improvement, and the area of environment.

Interviewee Gamma says that the initiative does not include any major complications and does therefore not involve large numbers of persons in the implementation actions. Gamma can be described as both the initiative owner and manager of the initiative. There have been some meetings between Gamma and the other members of the Crawford Sweden board when discussing about the initiative and moreover when making closing decisions. Gamma does in these board meetings presented an almost finished plan for the initiative to check with the others for remarks and to receive supportive approval. There were in other words no brainstorming or deeper discussions between the board members.

As described above, the initiative is based on Gamma's ideas and prior work within the area of environmental issues. Interviewee Gamma tells that no sign of interest has been shown from Cardo regarding Crawford's environmental work, nor have they asked Gamma about his environmental initiative works.

In the initial phase of the initiative interviewee Gamma describes how emails were sent out to the entire Crawford Sweden organization to gather new, and other, suggestions for environmental improvements. Loosely translated from Swedish, the email included sentences as:

We at Crawford will increase our work towards reducing the negative environmental influence...

What can I as individual do to reduce the negative environmental influence...

We would like your help and participation in the coming and future environmental work, so please send your suggestions for improvements to me.

As response Gamma received a wide range of new and additional suggestions for improvements, whereas the RPS-initiative is based on feedback from all over the organization. Gamma says that plenty of positive and encouraging comments in the feedback emails were received. Gamma has in a similar manner conducted improvement feedback opportunities for priority conducted initiatives. Besides these kinds of improvement feedback emails, there have not been any emails asking for problems or potential obstacles related to an initiative. Moreover interviewee Gamma and Epsilon claims how the informal talk among their colleagues only were positive as the two interviewees have not heard one single negative comment.

Epsilon and Gamma occasionally have contact discussing diverse issues, for instance regarding the RPS-initiative where Gamma searched for feedback on the use of printers and color toners. Interviewee Epsilon furthermore says that Gamma has contacted other people at local levels in the Crawford Sweden organization regarding initiatives and other issues.

Epsilon announces an interest in receiving more information about the initiative and particular follow up information describing how everything went, if there were any major confronted problems, and other interesting information. None in the Crawford Sweden organization received this kind of email Epsilon describes.

Epsilon personally feel that the initiative was good since it was aligned with environmental thinking and continuous improvements and furthermore very easy implement. Epsilon has since before a personal contact with Gamma and therefore feel that it is natural an easy to take contact if needed. They can openly share ideas and mutually give constructive critics, Epsilon describes. Initiative leader Gamma's email for improvement suggestion not only encouraged Epsilon to generate improvement suggestions, it encouraged for questions, comments and constructive criticism, according to Epsilon's opinion.

Moreover, Epsilon's closest manager has together with his subordinates developed a good culture of thrust and openness. Epsilon's manager has several times orally encouraged his subordinates to openly communicate their issues and suggestion. Epsilon therefore feels that feedback and comments are of importance in the day to day work and regarding the initiative work.

Interviewee Gamma tells that Crawford Sweden's top management was early adopters in implementing the initiative and removed printers from their offices and add the "do not print"-text to their email signatures as some of the first persons the organization. The thought was to act as role model to share increased commitment, Gamma says.

4.2.3 Leadership

Because of the fact that RPS initiative is now implemented in entire Crawford Sweden, leadership has during the planning and especially during the implementation been practiced at many different levels and between many different employees. The organization surrounding the leadership is quite simple since it is integrated in the day to day line leadership. But looking at how the initiative was led from the beginning, interviewee Gamma says that after the decision was made to reduce the number of printers and printed copies in the offices the different local offices was asked to send information about which printers they had and where they were situated in the office.

The employees that had private printed received an email from interviewee Gamma which explained that these were soon going to be taken away. Interviewee Gamma stresses that these employees had a chance to keep their private printers if they had good arguments for why they would still require a personal printer. Examples of personnel that kept their private printers after the change are the ones in the sales support function, like interviewee Epsilon. Shortly after this the private printers were taken from the private offices and the employees were directed to the central printers in the office. After a fully implemented initiative the employees were directed to turn to their ordinary leaders and managers for further questions or to the IT department if assistance was required.

Both interviewee Gamma and Epsilon agree upon that the amount of leadership practiced surrounding the implementation of this initiative was quite limited. Interviewee Gamma says that a goal with the environmental efforts at Crawford is to get the employees involved and to get them to continuously suggest further improvements. This is something that interviewee Gamma tried to capitalize on before starting the planning of the RPS initiative by sending an email to all the employees and asking for their ideas on what could be done to reduce Crawford's environmental impact.

Interviewee Gamma further feels like the roles in the initiative came quite naturally and because a part of Gamma's work is to improve Crawford's work with the environment. Gamma also says that the leadership regarding the actual implementation was decided quickly since each Crawford office has a worked in organization on how leadership is practiced. Interviewee Epsilon agrees upon that the leadership surrounding the initiative has been very good throughout the entire process. This is to a great extent because the initiative has used the current organizational structure to implement the initiative which Epsilon feels have made it easier for them to come with suggestions or complaints. Interviewee Epsilon also mentions that Epsilon's ordinary manager is very encouraging and gives Epsilon and the other employees an opportunity and freedom to come up with and try their own solutions that could make the work more efficient. Epsilon's manager has also been clear on that suggestions for improvements or complaints are more than welcome. Epsilon also says that when a suggestion or complaint is given there is an immediate reaction from the management.

4.3 Initiative 3 – Reduced Fuel Consumption

This chapter will go into detail about the third investigated initiative, the reduced fuel consumption (RFC) initiative. The chapter has three main parts, description, change management and leadership.

Under the description chapter the initiative will be described, under the change management interview results regarding how the organization worked with the change are presented, and the final chapter leadership describes what type of leadership that was practice throughout the planning and implementation of the initiative.

4.3.1 Description of reduced fuel consumption

Out of the three investigated initiatives, the reduced fuel consumption initiative is the initiative with the least change and the least leadership. The initiative was initiated by Crawford Sweden AB and the issue about reducing the fuel consumption has been an environmental goal for Crawford for some years. The reduce fuel consumption was one of Crawford's environmental goals for 2009, some of the related goals were:

- Reduce the fuel spending per employed service technician with 1%.
- Exchange cars to smaller, more fuel efficient cars.
- Educate the personnel in more environmentally friendly driving.



During 2009 Crawford has started to, when a car change is necessary for the service technicians; replace the previous bigger Mercedes model Sprinter to the smaller Mercedes model Vito for most of the technicians, see figure 4.5. The technicians have been given a chance to keep the bigger model but in order to do that they have had to motivate why.



Figure 4.5 – Mercedes Sprinter and Vito

The main differences between then that will be in detail later in this chapter and that has led to several discussions among the service technicians and the initiative responsible are that the loading volume for the Sprinter is 7.5 m³ and 4.65 for the Vito while the fuel consumption for the Sprinter is approximately 9.9 l/100km while for the Vito the fuel consumption is approximately 8.9 l/100km for overall driving, i.e. about 1l less per 100 kilometers.

Besides substituting the bigger models with smaller ones, attempts have been made to reduce the weight that of their cars by not carrying more tools and spare parts than necessary. The spare parts needed are an important trade-off between lower fuel consumption and the percentage of customer visits that can be handled with one stop. Because of the amount of spare parts in the cars are reduced then the technicians may not have the necessary parts to fix the customers garage door and then they have to drive to the warehouse resulting in more miles driven.

In order to measure this, the service technicians also have to fill out how much they have driven each week, each technician also have their own card for paying for fuel which enables a easier follow up by Crawford. A final part of this initiative is the route planning. Which stops each technician has to do each day is decided by a route planned located at the office. When the technician start each morning a list of the days stops is acquired, however, the technicians still have the option to change this order as they see fit, often depending on if they think one customer is more important than another.

From a sustainability perspective the initiative is, as most often, connected to the economical and the environmental aspect. If the initiative is carried out as described above the fuel consumption will be significantly lowered and that will naturally have positive effect on both the economy and the environment. Looking forward Crawford will continue to work with these areas in order to further reduce the fuel consumption.

One of the interviewed persons in this initiative works as the manager for Crawford's entire service area; the interviewee will henceforth be referred to Sigma, the second interviewee works as a service technician and will be called Omega.

4.3.2 Change management

As described above Crawford is a global organization and has been in the Swedish market for about 50 years. Besides the Swedish business area, Crawford is a large actor in European and the world markets. Crawford Sweden sustainability work and environmental work is managed in a rather self steered manner not involved in the global Crawford organization.

The initiative is a part in Crawford Sweden's overall environmental work aiming towards less negative environmental influence, save costs, and gain competitive advantages. The initiative has evolved from prior quality assurance work and has today a number of add-ons regarding decreasing the fuel consumption. Some of the add-ons are; when leasing contracts runs out, change to smaller and lighter service vehicle; and more efficient day to day rout planning. Crawford Sweden furthermore plans for educating all service technicians during 2010 in environmental friendly driving, Sigma states. Besides these actions there are discussions of implementing tire-pressure checks assuring correct (high) pressure to reduce fuel consumption both for service vehicles and personal car. The RFC initiative is shared throughout the whole Crawford Sweden organization and was managed in a top down manner. The reduced fuel consumption initiative has so far not been diffused across the global Crawford organization and is furthermore not a part of Cardo's environmental or sustainability work. Yet, Cardo is peripherally involved in the initiative as Cardo manage the financial aspect of the vehicle park at Crawford. That is, Crawford declares these terms to Cardo who then manage financing.

The involved party for RFC, initiative 3, is the entire Crawford Sweden Service technician workforce consisting of 145 service technicians working on the field, 25 persons in customer- and technical support, planning and service sales, 4 regional managers (service leaders), and Sigma as service manager, managing Crawford's service business in Sweden.

A typical day for a technician consists of a number of service stops such as planned preventive maintenance or urgent repair jobs. The service planners constantly transmit orders to the technicians PDA-device and the report back when the job is completed. Many aspects are considered when pushing out the jobs; actual location, ongoing jobs, skills of the individual technician etc. For the most part the technicians do the final prioritizing of their jobs themselves. Reasons for re-prioritizing could be urgency, important and special customers needs but also the fact that the local technician knows the geography better and the fact that it is always good to have the last job as close to the home as possible.

In a country where the distances are long it is a challenge to communicate and meet the technicians frequently enough. They “are” the company locally and work alone most of the time. Sigma claims that, the result is sometimes the feeling of “we” as their customers rather than their distance planner or manager. This is something that also is expressed by Omega.

Starting in 2009 each technician should at least have one appraisal talk with their regional manager yearly. In some cases there are more frequent individual follow up meetings due to different reasons. In addition there are local meetings in groups of 4 – 10 technicians at least 4 times a year depending on special information, campaigns etc. Omega mentions that there besides this are both planned and unplanned meetings with Omega and the service leader approximately ones in a month. Looking at the daily communication the technicians have telephone or text message contact with the service planners one or two times a day to inform about the service jobs for the day.

The initiative has evolved from prior work within this area. The person who came with the specific idea of reducing fuel consumption was Crawford’s quality and environmental manager, one of the top managers at Crawford Sweden. The initiative was discussed at Crawford’s top management meetings and was later on decided to be implemented. The information was communicated via post to all technicians in Sweden. The information regarding the initiative was locally also orally communicated to the service technicians via their service leader, Omega states. The written post information included initiative information about an exchange of the service vehicles and new formula sections to fill in, in the technicians worksheets. Translated from Swedish, the content of the written paper was:

As we must consider cost- and environmental- aspects in relation to functionality of the service cars therefore we need to change the current car model (10 m³) to a smaller model (5 m³), this because of three main reasons;

- A. the smaller model is less expensive,
 - B. we must consider the environmental aspects,
 - C. do we have the optimal tool & material load in the cars or can we reduce the load?
- If you although believe you need to the large car model, I would like to have your specific reasons for why you need the larger model.

Omega describes that the initiative decision was already decided upon by the top managers and that there were no room for discussion.

The approach of the initiative was almost entirely top down, decision making from above and low involvement from the involved parties below in the organization. Regarding exchange of the service vehicles, the service technicians must clearly motivate for why they need to keep the larger car and not change to the smaller car. Sigma explains that there must be very good reasons in order to not change the vehicle to a smaller, yet motivations such as, almost all of the regional customers have several of our doors and use to prefer to service all at one time, therefore I need a large car to store all necessary tools and materials.

New work tasks included to the RFC initiative did according to Sigma create problems when the service technicians received the information. Some of the arguments Sigma heard were that the initiative first of all will be time taking and unnecessary. There was moreover large resistance from the technicians in change to smaller vehicles due to smaller space and weaker engines. Sigma mentions that most of the technicians that already changed their service vehicles have done this because of practical reasons, not necessary because of environmental advantages. Omega personally felt an initial resistance to change the car into a smaller but did quite soon change opinion. Many of the service technicians did according to Omega and Sigma prefer to drive the large vehicle model in front of the smaller model due to a number of reasons, for instance many of them prefer stronger engines. The technicians argue that strong engines runs more efficient when (quite often) the car is heavily loaded. Several of them also prefer use larger cars in order to have space for big loads and save time if and when a service job requires extra materials, Sigma claims. It is not unusual that the service technician has to drive back to the warehouse to pick up missing tools or materials. The service technicians described to Sigma that if they use larger cars they are able to load them with noticeable more materials and tools and consequently may save unnecessary additional trips to pick up needed material for a specific service job. Crawford managers on the other hand prefers smaller cars and smaller engines for more environmental friendly driving and cost saves in a holistic perspective, Sigma mentions.

The low frequency of face to face meetings with the service technicians creates problems Sigma states. The technicians do not only meet their regional managers seldom, they do not often meet other technicians. In other words, the technicians work almost autonomously from the organization but have a close contact with Crawford's customers. Other relevant information to this is the fact that the service technicians are relatively hard reachable, Sigma mentions. None of the technicians have got company Crawford email accounts or access to the Crawford / Cardo intranet. Sigma describes that approximately 30 % of the technicians do not even have their own computer. Therefore almost all contact is via paper post or telephone. As mentioned above, all service technicians received their own cell phone a time ago. The telephone contact often concerns daily issues or minor change- or adjustment information, while more important information such as the information about the initiative was communicated via post and sent out to the technicians' home addresses.

To meet one to five technicians at the time is appropriate in order to create an open and good conversation, whereas communication to large groups of 10 technicians creates a strange macho atmosphere, everybody unified complaining against proposed changes or initiatives.

Moreover, discussions about changing service vehicles are a rather sensitive question since it is about the technicians work palace. Sigma describes the complexity around how to conduct changes or adjustments due to the sensitivity of the question and because of the infrequent face to face contact with them.

4.3.3 Leadership

As mentioned in the description the leadership during initiative 3, reduced fuel consumption has been almost completely absent. The different elements of the initiative was decided by the management at Crawford and then implemented. Looking at the leadership, interviewee Sigma says

that the management did not participate in any kind of support during the implementation. The info that was required was given to the technicians via manuals. Sigma also mentions that since the technicians already have so many and more complicated data they report each week, the fuel consumption and driven kilometers does not make any difference for them. This is supported by Omega's statement that the decision about changing to smaller cars was mainly communicated at a meeting with Omega's closest manager, not Sigma.

Sigma also say that leadership is hard to practice towards the service technicians since such a big part of their job is carried out on their own with almost no contact with the headquarters. Sigma even has an impression that the service technicians sometimes feel more connected and on a "we" basis with the customers instead of with Crawford because of the nature of their work. Each technician only meets their service leader about 4-6 times each year.

Sigma also stress that even though the technicians meet the service leaders seldom this contact is still important. Recently, a service leader was transferred because not enough time was spent outside together with the technicians. Another test that is being conducted is to give more personnel responsibilities to the planners because they are the ones that have daily contact with the technicians.

5. ANALYSIS

The information that has been gathered, both theoretical from literature and empirical from interviews at Cardo AB and interviews at Crawford Sweden AB, is analyzed in this chapter in order to identify in what areas the implementation efforts in the initiatives differed from the theoretical models. The analysis is also performed through logical reasoning and with reference to literature. The chapter will first analyze how the change management aspect was performed for all three initiatives and then how the leadership aspect was performed for the initiatives.

5.1 Change Management

This section will analyze the most apparent differences and similarities which have been identified from the initiative research and theoretical framework of change management literature. All the theories described in the theory chapter will consequently not be used as a base for the analysis of each of the three initiatives, as the analysis aim to highlight the most apparent differences and similarities. The most relevant aspects which will be analyzed in the chapter concerns: Kind of change initiative, Statement of direction, Involvement, and Communication.

5.1.1 Kind of change

Before going into a discussion of soft aspect as communication and involvement, it is crucial to distinguish between the characters of the three initiatives which have been investigated hence those differ remarkably and influence soft aspect in different manners. Balogun and Hope-Haily (1999) suggest eight important contextual features which should be taken into account and essential when planning for changes. Furthermore, Jones (2004) and Johnson et al (2008) describe aspects of the force field theory and explain how forces for and against a change differs from situation to situation and is problematic to manage for the organization. The kind or nature of the change and which parts of the organization that will be a part of the change differs between the initiatives and affect the needed change-work. For instance it affects the need of direction statements, communication, and involvement from the organization. Below will be a discussion of some of the clearly differing contextual features between the initiatives.

5.1.1.1 Initiative 1

The eProcurement initiative was initiated due to a need for more efficient handling of indirect spends, suppliers, and invoices and was introduced by Cardo's manager for indirect purchase at Cardo's head office. The initiative will require plenty of time, efforts and capacity, much because of computer systematical changes to be implemented in most parts of group, therefore is the project managed by a separate eProcurement project group. The planning phase has lasted for approximately a year and a half, and the implementation time is estimated to require some years due to the complexity of eProcurement. The eProcurement initiative will be implemented in most parts of the Cardo group, not only in the Swedish business field but in European and global businesses. This consequently means that organizational cultures, ways of working, spoken tongues, and norms may differ remarkably between both nations and national sites, and therefore influence the work implied to eProcurement. The eProcurement initiative will at a local level include new ways or executing specific work task, as invoice handling, and therefore require some sort of education of the persons involved.

Looking at the results of eProcurement, and regarding the readiness in the organization, the initiative will generate results as; lower number of suppliers and effective computerized handling of invoices. In other words fewer supplier relations and faster handling of invoices will together probably function as stimulating force for the change for the affected parties around the global Cardo organization. At the pilot implementation Delta showed a positive attitude towards the eProcurement initiative describing the positive aspect of the new and more efficient way of working. Negative forces against the change will according to our opinion be when presenting the actual changes for involved parties whereas they might feel resistance for changing their current and “good” way of working.

5.1.1.2 Initiative 2

The RPS initiative is a part of Crawford Sweden’s environmental work and was introduced by Crawford’s quality and environmental manager, moreover a member of Crawford’s top management team. The reduce paper spending initiative was implemented to the Swedish part of Cardo’s entrance solutions, Crawford Sweden AB and has so far not included international adaptation. The RPS initiative did not imply any major changes and was furthermore explicitly aligned with Crawford’s environmental work and an overall environmental thinking, as stated in the email that was send out. The time aspect referred to the initiative mostly concerned the time period of planning and time period for receiving feedback from the organization whereas the implementation only required a number of weeks to full implementation. Regarding the people involved to the results of the initiative, the RPS initiative only involves Crawford Sweden and consequently does not need to consider difference in national culture but only to different organizational cultures among the Swedish sites. The RPS did not include any specific education or training of the people involved to the result of the initiative. That is, people might need a shorter explanation of the central printer functions, and some might need assistance in adding the email signature, besides that no further education is needed.

Regarding forces for and against the change and the organizational readiness, the implementation of RPS was perceived rather neutral although with positive attitudes due to what we believe is reduced environmental influence and also involvement from the organization. Based on the information from the interviews, people within Crawford were only positive or neutral, as nobody expressed criticism of the initiative. The changes did however not include large or complex changes only easy implemented changes and a new way of printing papers.

5.1.1.3 Initiative 3

The RFC initiative was in a similar manner as RPS introduced by Crawford’s quality and environmental manager and is a part of Crawford Sweden’s environmental work and a part of an overall effort in reducing costs. The initiative was implemented to Crawford Sweden’s service department and does only involve the service technicians. Most of the time spend on the project concerned the planning and decision making phase. After the changes were decided upon the information was rolled out the service technicians. The changes concerning conducting tasks differently were implemented directly, as the change concerning exchange of the service vehicles is running over a longer period of time due to car leasing contracts. RFC did not imply any certain educations, besides instructions for how to fill in the paper form and how to conduct specific work tasks.

Concerning the organizational readiness and the forces for and against the change, the most essential part of the initiative included/includes changing the technicians’ vehicles into smaller

models. Since the technicians have their vehicles as daily working place and desired not the change into something smaller, this question became sensitive for managers to discuss with the technicians. Besides changing the technicians' work places, most of the technicians do, according to Sigma, not appreciate smaller vehicles with weaker engines; they prefer large vehicles to be able to load necessary tools and materials to ensure one-visit service jobs. The reduce fuel consumption initiative goes for that reason against most of the service technicians wills and has consequently a "negative" character. The forces positive for the change mostly relates to Crawford's top management team as they estimate cost saves and environmental advantages when looking in an overall perspective.

5.1.2 Statement of direction

A clearly stated direction should be articulated by top managers and is very important for the organization when conducting any kind of change. The meaning of statement of directions is to prepare the organization and gain commitment, and contrariwise to avoid a negative consequent that the organization loses their perceived support from top management. A statement of direction should also include explanations for why the change is needed (Beer and Eisenstat 2000).

5.1.2.1 Initiative 1

A clearly articulated underlying reason for why the initiative was needed was not articulated to the Cardo organization. The persons closely involved with planning, such as person Alfa and Beta, were generally informed about the initiative, yet Beta mentioned that there was no clearly articulated direction statement. Most of Cardo's employees at the head office are relatively well aware of the eProcurement initiative due to close contact to each other and high accessibility and relatively low number of employees according to interviewee Beta. As interviewee Beta and Alfa both are located at the head office and are closely involved in the planning of the initiative they became aware of the underlying reason of the initiative and understand why it is needed. Beta did however during the interview claim that a better understanding of the initiative including reasons for why to run it would have been preferable to ease Beta's understanding and involvement earlier in the process.

Looking at local level, interviewee Delta mentioned that no explicit statement of direction or underlying reasons for why the initiative is important and how it is aligned with the Cardo's sustainability work or strategy have been stated. Yet, Delta described that after iterative mail- and phone- contact with Beta things became clearer and clearer with time and an understanding for a need was attained. However, Delta did during the interview mostly discuss around the initiative advantage of reducing number of suppliers, not about the other areas of the purpose of the initiative. Delta also mentioned that a better understanding of the initiative would have been desirable and made the understanding better. In other words an understanding of the whole initiative was lacking according to our opinion.

5.1.2.2 Initiative 2

The RPS has evolved from prior work within Crawford's environmental work and was developed by Crawford's quality and environmental manager, Gamma. Gamma described how inputs from around the organization could be useful for the initiative. Therefore Gamma sent out one email to the organization during the initiative planning phase. One of the statements that Gamma wrote in the email was: "We at Crawford will increase our work towards reducing the negative environmental influence". This first sentence is for the case of initiative RPS a statement of direction and moreover expressed by Gamma, a member of Crawford's top management group. Epsilon at a local site and involved to the actions and results of RPS, considered the email as positive since it explained the

reason for why an initiative was needed for the organization. Epsilon expressed a good understanding of expected results from the initiative based on the email even though it was not entirely planned in detail.

5.1.2.3 Initiative 3

For the RFC initiative no statement of direction was articulated before the decision was made and the information was distributed to the service technicians. The information documents which were posted to the service technician workforce described simply what the initiative changes would imply. That is, statements as: We are going to change the service cars into a smaller model due to cost factors and environmental factors. An explicit statement of direction was not articulated in beforehand to the RFC initiative, yet the information in the paper did explain underlying reasons for why the service organization needed to be change. However, in order to prepare the organization statements of direction should be articulated in beforehand. As explained in the empirical findings for initiative 3 Sigma expressed a major complexity concerning resistance and opposing forces when conduction changes which affect the service technicians because of the complex situation with the technicians working on the field almost every day. We believe that this certain issue is the explanation for why no statement was articulated before the initiative was decided upon and introduced to the service organization.

5.1.3 Involvement

Beer and Eisenstat (2000) describe in their article *The Silent Killer of Strategy Implementation* how top down or laissez-faire management approaches usually confront issues in coordination of the development and planning phase and that the actual implementation often becomes weak. Beer and Eisenstat (2000) further claim that senior management team often operates only within their own silos (work areas) and that cooperation with other parts of the organization often becomes peripheral. In conformance to this, Beer and Eisenstat (2004) do in their other article emphasize that many failures in strategy implementation are due to the fact that many leaders advocates a new direction for the company and before inquiring about the opinions of influential people in the organization start to make plans and changes. This often leads to problems and difficulties further down the road.

5.1.3.1 Initiative 1

The project group, steering group, and Cardo top management have in beforehand decided upon the project planning and created clear ideas of a final goal in a rather comprehensive manner without involving local sites who are supposed to implement eProcurement. That is, there has been no involvement in either project planning or decision making from local organizations.

The project steering group assigned Beta with authority and accountability for managing the corporate eProcurement initiative. Delta was in a similar manner assigned with accountability for leading the local implementation. Delta is highly involved in the local implementation and related issues at the local level. Delta can influence local decision and does moreover feel open for openly communicate feedback and possible criticism to Beta and Alfa. Delta claimed that it has not been specifically articulated or encouraged with Delta's involvement.

From an organizational perspective, Delta claimed that involvement from upper managerial levels has been absenting so far, yet involvement from the project manager Beta has been rather extensive. Both Beta and Delta described how they today have a good contact with each other. Delta

did during the interview describe a lack in understanding and mentioned that it would have been preferable with a more involvement and closer contact in the early phases of the local introduction since Delta would have desired better insight of the initiative and what was expected by Delta as local project leader.

The only inputs to the project group from local sites were gathered by an external consultant and concerned an investigation of barriers and prerequisites however it did not include any participation or involvement from employees at local sites. It could be worth mentioning that the consultant investigation as such may according our opinion function as an organizational preparation for the initiative implementation hence employees at local sites where the consultant been working might have been involved in the consultants investigation. Moreover, when discussion around these aspects it would be unfair not to mention the fact that Cardo is a large and broadly widespread organization, and besides that has a history as investment company running the “sub-companies” in an autonomously manner. Our perceived understanding from the research and by interviewing Delta, is that when people from Cardo comes to visit local sites they often have something negative to inform about. This has been the situation until recent years and will evidently require plenty of years to change and therefore makes corporate changes more complicated. However interviewee Delta stated that corporate projects or changes always been managed in a very strict top down approach from Cardo, and furthermore with low involvement both from Cardo’s top management and involvement from the Cardo group organization. Hence, organizational commitment at local sites becomes problematic, Delta stated. Again, the size and organizational complexity give reasons for driving changes in a top down approach.

5.1.3.2 Initiative 2

The email Gamma send out the entire Crawford Sweden organization in the RPS planning phase included encouragement for participative actions from the organization. Some of the statements from the email were:

What can I as individual do to reduce the negative environmental influence...

We would like your help and participation in the coming and future environmental work, so please send your suggestions for improvements to me...

Form this email Gamma received much and good feedback from all over the organization that he used in forming the initiative. Epsilon described that the email gave a good understanding of what the initiative was to be about and did moreover encourage all employees within the Crawford Sweden organization to come up with own ideas alternatively to give feedback on the initiative direction given in the email. Epsilon furthermore mentioned that an open communication was encouraged by means of the email.

We believe that, in sending out an email in the planning phase in the case of an initiative like this will create feeling of participation and trust from the organization and furthermore create a mutual effort between top management and the organization. In other words, we do believe that the email that was send the organization showed upon involvement from top management in the email itself asking for organizational support, and showed upon organizational involvement to the initiative as Gamma received large amount of responding emails from the organization, even though it was run

from top down. Furthermore nor Gamma or Epsilon have heard one single complaint or negative opinion concerning the initiative, yet instead they heard positive opinions.

5.1.3.3 Initiative 3

From the research of the RFC initiative it became evident that Gamma and the top management team not strived towards involvement from the organization service technicians. Besides the understanding and involvement at the time when the initiative was introduced to the service technicians, no further involvement was performed specifically by top managers. Based on the individual meetings between Sigma and the technicians, and the regional meetings 4-5 times a year with a number of technicians and a regional manager, the managers have received an understanding of the service technicians, Sigma claimed. That is, the managers are understood of the service technicians' work and their situation. As described in the initiative description the service technicians work highly self steered with low mutual involvement between them and Crawford. Worth mentioning is moreover that Sigma had an understanding of that the service technicians talk about the customers as "we" and Crawford as "them". As mentioned in the analysis of "statement of direction" for initiative 3 above, Sigma described tensions between service technicians and the Crawford organization including top management, as problematic when conduction changes or similar. From the service technicians' viewpoint, the technicians appear to work within their own areas and not desire to get involved into Crawford-organizational questions. Sigma moreover mentioned that several of the technicians have the service job as kickoff in starting their own service businesses. In other words, the issue concerning organizational involvement and interest to the organizations top management team also generates problems, in a similar manner as the way top management and service managers are not highly involved to the service technicians. Discussion at a general perspective, Sigma and the regional managers decided to start individual appraisal meetings between the service technicians and regional manager during the last year, 2009. This could be mentioned to be the first action aligned with creating a better mutual understanding and increase involvement, yet with focus on the technicians' perspective as it focuses on developing the individual technician. We do see advantages fostered from these meetings and would therefore encourage Crawford to continue with this.

5.1.4 Communication

Thomas and Schmidt (1976) stress that individuals spend approximately 70 % of their waking hours communicating, that is, speaking, writing, reading, or listening. Communication is an essential mechanism in organizations and is according to the authors a key in overcoming barriers of resistance. Scott and Mitchell (1976) distinguished four different functions performed by communication in organizations; *control*, *information*, *motivation*, and *emotional expression*. The advantages of using information as a facilitating tool is to share a common understanding and furthermore for choice evaluation and decision making. Another highly relevant function of communication described by the authors is *motivation*. By clarifying to employees what needs to be done, communication fosters motivation among them. Beer and Eisenstat (2004) emphasize that, employees recognizing problems fear that senior managers are not open to an honest conversation and discussion. In the article; the silent killer of strategy implementation, Beer and Eisenstat's (2000) identify "poor vertical communication" as the core barrier in implementing change since it prevents a conversation and discussion of other barriers and problems.

5.1.4.1 Initiative 1

Similarly both interviewee Beta and interviewee Delta mentioned that their understanding of initiative and which roles and responsibilities they were suppose to have in the initiative were insufficient during the initial phases of their involvement. Delta described the initial communication during the first months was poor and that things such as milestones were changed from time to time. On Delta's on proposal face to face meeting were conducted where Alfa and Beta visited the local site and Delta visited Cardo head office to extend the understanding. Besides that Delta asked if Beta and Alfa, in a comprehensive manner, could inform to the local management team. Today most of the communication takes place informally and when needed. In accordance with Beta and Delta we do believe that the initial communication and information exchange became poor and problematic due to changes in implementation and postpones of the implementation date. More specifically; changed priorities and postpones of milestones from steering group and Cardo's top management was informed to Beta, and subsequently Beta to Delta. Thus when the project was put on hold the communication and information exchange almost disappeared between them. Delta claimed that it would be desirable with more insight to the project group level with more and better communication.

It appeared that the steering group together with Alfa were somewhat inadequately prepared when they introduced the initiative to Beta and asked Beta to assign for the position as project manager of eProcurement. This moreover emerged to be the case in which Delta was informed and assigned for the position as local project leader. As Delta initially was poorly informed, Delta could only to a low extent facilitate with input to alternative choices and evaluation of for instance on the local situation. When Delta after a couple of months got more agreed with eProcurement and role for the initiative, Delta became more confident and could contribute with more support, feedback and constructive criticism to Beta and the project group. We realize that the novelty, scope and complexity of the eProcurement initiative create discussions and changed priorities at higher levels at Cardo, however the way the local site was informed about this appeared to be deficient based on the interview with Delta.

5.1.4.2 Initiative 2

At the time when the RPS initiative was planned Gamma send out one email to the entire Crawford organization including background information for the initiative and that Gamma desired to involve the organization to the initiative. People were encouraged to answer their feedback and suggestions to Gamma personally via a responding email or via a telephone call. Therefore the email that Gamma send out was not only one way communication it encouraged people from the entire Sweden organization to respond, and did in other words generated a two way communication and better mutual understanding of the involved parties.

The communication related to the initiative was however of a low degree since it simply included one back and forth email. This low degree of communication between top management and the organization is according to our opinion plainly due to the simplicity of the initiative. In other words, would it have been useful for Gamma to communicate more with the organization beside the email? Based on the interviews our opinion is that the amount of information and furthermore the way it was communicated were sufficient for this initiative. We did during the interview with Epsilon sense a satisfied level of understanding of the initiative, nevertheless Epsilon said that follow up information would have been desired to see how the progress and implementation was like.

5.1.4.3 Initiative 3

The service technicians were informed regarding the initiative through a paper posted to their home addresses. In the specific case of Omega, Omega's service leader oral informed about the new initiative and what it included and did moreover ask for personal comments. Though Omega mentioned that it was obvious that the decision was already set and that there were no choice.

The local service technicians meet their service leader approximately ones a month. Besides that there are meetings held between the technicians and the regional manager approximately 4 times a year, and one individual appraisal dialogue with regional manager per year. Omega and Sigma explained that the technicians spend most of their working time working at customer plants and have very little contact and few interactions with people form Crawford, besides the daily telephone or text message contact with service planner. Obviously, few meetings and poor communication will neither generate good interpersonal understanding nor will it increase mutual trust and organizational understanding.

Based on the job character of the service technicians, the main reasons for why the communication and personal interaction is low is according to our research due to; the distance between many of the service technicians and the service leader, regional managers, and the service manager; and the fact that the service technicians and the regional managers have to travel long distances in order to meet each other and besides that not generate any money during the down time not conduction service jobs. In other words, to meet up with any of their managers require plenty of time for the technicians and moreover schedule planning problems when deciding upon appropriate times, and is for that reason omitted.

5.1.5 Motivation

The main theories used will answer the two questions *how much motivation was present at the time of the change* and *what was done in order to increase the motivation*. In order to answer the first question the theory presented by Robins and Judge (2009) that say that motivation differs for each individual but consists of three elements, intensity, direction and persistence will be used. To answer the second question the theory used is presented by Hertzberg (Maltén 2000) where he states that motivation consists of two factors, *motivators* and *hygiene factors*. The motivators are related to kind of the work task and the hygiene factors are related to the organizational environment. Hertzberg further states that the motivators are more important if a higher degree of motivation is wanted and that the hygiene factors have a minor influence. The goal setting theory presented in Robins and Judge (2009) which states the lack of clear measurable goal may also reduce the efforts put in by the employees simply because they do not understand exactly what the goal is with the initiative. A final theory used is the one by McClelland (1990) where he states that there are three different motives that can drive humans to action; these are the achievement mode, the affiliation mode and the power mode.

All of these theories will not be used in the analysis of each initiative. Instead, only the theories that are believed to contribute to a better result will be used as a base for the analysis.

5.1.5.1 Initiative 1

Firstly it is highly important to distinguish between motivations for two different groups in initiative 1. Because that the initiative is not fully implemented yet it is possible to talk about the motivation for the employees that currently are working with the planning of the initiative. It is also possible to talk about the motivation for the rest of the employees that will be affected when it is time for the actual implementation and after it is finished. And according to the interviews the motivation at the top level of the initiative, which can be said consists of everyone involved located at Cardo headquarters, was high, this mainly because the people there are so highly intrinsically motivated plus that fact that they are sitting so close to where the decisions are made.

For these employees, it can also be said that the motivation was high because of Robbins and Judge (2009) three elements. The *intensity* dimension which is concerned with how hard a person tries can be said to be high for all the interviewees Alfa, Beta, and even Delta at the local level. All of them were working hard to achieve to best possible result during the entire planning phase. However, as Robbins and Judge (2009) say, intensity is unlikely to lead to favorable job outcome unless it is channeled into a direction. In the case of the eProcurement this differed for the employees at central and local level. And here, Delta felt the direction to be unclear because that there were many changes but not and clear explanations to why. Alfa and Beta on the other hand did not find this to as big of a problem since they are positioned at headquarters and therefore get more and better information. Delta also felt that the planning phase was too short and that it was not clear exactly what was going to be done and what was expected of them. If this would have been done the intensity shown by the employees would have resulted in a more positive change for the organization. Because of the fact that the eProcurement initiative is still in the late phases of the planning an analysis of the persistence is not possible, but regardless of the persistence of the employees a clearer direction needs to be communicated in order to increase the overall motivation.

Looking at the motivation for the rest of the employees that later will be affected by the initiative it may be seen as both positive and negative. Since the eProcurement initiative aims to a great extent at getting a better control over the indirect spend in the organization and not so much of developing the employees the positive effects will mainly be that the purchasing process becomes easier and faster. However, the eProcurement may have negative effects that may result in less motivation, this because that for some employees, especially in the purchasing department, this initiative threatens what they possibly like most about their jobs, making business deals. The employees may also be afraid that the increased efficiency will result in the need for fewer personnel in the purchasing department and therefore upcoming lay-offs in the initiative is implemented successfully. Especially if Cardo does not clearly and honestly communicate what the initiative is about and what can be expected if it is implemented successfully.

If we once again make the distinction between people involved in the actual planning and implementation phase, and people that will use eProcurement in their day to day work, according to Herzberg's motivation theory presented in Maltén (2000) the eProcurement initiative is not likely to gain a high degree of motivation from the employees that will use the system in their day to day operations. This is because the initiative itself is merely an administrative tool that Cardo will use to gain better control over the indirect spending within the company. The factors described as motivators by Herzberg are mostly connected to if the work is developing for the employees or that some sort of recognition or reward is received which is unlikely due to the administrative nature of

the initiative. Even though the motivators are unlikely to be fulfilled and thereby higher degrees of motivation, motivation is still possible, but not guaranteed, to be gained if the hygiene factors are fulfilled. If these are not fulfilled it can result in a un-interest or critical attitude among the employees. If they will lead to increased motivation is depending on what expectations the employees have on this initiative before it starts. If their expectations are met and surpassed it will lead to motivation and if they are not met it will lead to un-interest. For Cardo it is important to communicate their intentions about the initiative to the employees if motivation should be possible. As mentioned earlier, a feeling of less control, more supervision and less job security is possible from the employees which in turn may lead to resistance towards the initiative. This is however not the case for the employees involved in the actual planning and implementation of the initiative since these employees will get more insight in the initiative and a higher degree of responsibility which will work as a strong motivator for them.

According to the interviewees the eProcurement initiative will not include any salaries or bonuses; hence these will not be an important factor. Because of this, it will not be expected by the employees and therefore it will not lead to lessened motivation. On the other hand if motivation is wanted it is necessary to surpass the employees' expectation and the salary and bonus factor may therefore be used to create this motivation by adding some sort of incentive for the employees. However, according to the cognitive evaluation theory presented by Robbins and Judge (2009) the introduction of extrinsic rewards, such as pay, for work effort that was previously intrinsically rewarding due to the pleasure associated with the content of the work itself tends to decrease overall motivation the individual might experiences a loss of control over her own behavior so that the previous intrinsic motivation diminishes, so one needs to be careful before introducing an extrinsic incentive system. Another factor which may decrease the motivation is the social relation factor. A purchaser used to having personal contact with multiple suppliers will after the initiative have contact with fewer people, and for many purchasers the personal contact is a very important factor. Threaten to take this away may de-motivate the employee.

Robbins and Judge (2009) goal-setting theory mention the importance of goals and as mentioned during the interviews, no such goals have been set by the leaders of the eProcurement initiative. If this were to be done, for example by setting a series of different, measurable KPIs (Key Performance Indicators) the individuals involved in the planning, implementation and day to day work with the new system will have a better idea of what effort needs to be put in by them and therefore the result will probably improve. The measureable is best when connected to some sort of feedback where they are continually informed about how their progress is looking. Since the eProcurement initiative is still in its planning phase the amount of possibilities for feedback has been limited but according to interviewee Delta the feedback received from the central project manager could have been given more often. However, as mentioned earlier, because the initiative will be implemented at several different locations it will be hard and very time consuming for the central management team to constantly give feedback to all the local management teams.

5.1.5.2 Initiative 2

In initiative 2 it is also possible to distinguish the motivation into two different groups. The first group consists, in this case, only of interviewee Gamma who was responsible for the planning and implementation and the other group of the rest of the employees. Because of this fact, the motivation will be analyzed as if regarding the big group of people.

Seen from Robbins and Judge (2009) three elements, the intensity of the employees was, according to the interviewees Gamma and Epsilon, high. Everyone was positive to the different changes and work hard in the beginning to adjust to the new ways of working with the paper consumption. Thanks to the actions taken by interviewee Gamma in the planning and initiation of the initiative were a mail were sent out to all the employees to ask for their suggestions on what could be done, suggestions which were taken to the top management where the decision made. The decision was then communicated out to the employees to show that their suggestions had resulted in a change. In the first email a clear statement of direction was also described which gives the employees an idea why this is important and why they are doing it. The last factor of importance according to Robbins and Judge (2009) is persistence. The persistence dimension is hard to analyze since the initiative was implemented so quickly and that since then no further changes have been made to reduce to paper spending except continuing to work with encouraging the employees to not print as much as before. According to interviewee Epsilon, this has worked well at the office and besides printing less; the employees have even begun to see further improvements which can be done in order to reduce to paper spending. But regardless of this it is obvious that these three elements were fulfilled in this initiative and that, as a result of this, the motivation among the employees were high, in spite of the fact that they did not have as much to gain as the involved in initiative 1.

Because the fact that this initiative does not include any risks for the employees, like in initiative 1 where the involved may be concerned that Cardo gets increased control and that the purchasing function will need fewer employees, the initiative does not threaten the employees job security in any way.

What the initiative instead can do is to, and according to interviewee Epsilon has done, is to increase the employees' motivation since it makes the employees feel that they are contributing to something bigger by following this initiative, especially because the initiative was initiated by such a clear statement of direction. The initiative may also motivate the employees by creating more of a "we" feeling since they are now working together with Crawford for the environment.

During initiative 2 – Reduced papers spending one of McClelland's (1990) factors was fulfilled and one of them was fulfilled to some extent. The achievement motive was fulfilled by the fact the interviewee Gamma clearly contacted each of the employees within Crawford Sweden to ensure that everyone did their best to come with suggestions on what could be done. Because the initiative affected all the employees (that uses the printers) in Crawford Sweden, it was very clear that they all work together as a group in order to reach the set environmental goals. The final motive, the power motive, is not a major driving force in this initiative since the leadership aspect of this initiative is small. However, the initiative is to a great extent about changing the behavior of the employees and that can just as well be done by colleagues as leaders or managers. The encouragement of one's colleagues and friends will in this case work as a big motivator for the involved. As described by Mullins (2002) it is important so distinguish between intrinsic and extrinsic motivation. In the RPS initiative there were no extrinsic motivation and the intrinsic motivation was about the employees' satisfaction in knowing that they both helped the company to save money but also the environment by using less paper.

It is important to stress that since this initiative has such a low degree of complexity the amount of motivation needed is far lesser than for a bigger and more complex initiative like initiative 1,

eProcurement. Also, the amount of motivation needed stands in relation to how big the barriers are for the implementation. Taken together, for a less complex initiative the amount of motivation needed is less the simpler the initiative is.

5.1.5.3 Initiative 3

According to the three elements presented by Robins and Judge (2009) initiative 3 – reduced fuel consumption had little to no presence in all three elements. Because the initiative was implemented in a strict top down manner without involvement from the technicians and as Sigma mentions, that the technicians often wants big cars with plenty of spare parts makes the intensity low. This can be show be the fact that the technicians for a long time have been asked to continuously sort out outdated spare parts from their cars, something that often is necessary because new and updated parts are often made. The second element, direction, was present for the employees responsible for the initiative. They saw the benefits of the initiative and could place it into a bigger context than just comfort while driving and possibly more visits to each customer are the biggest sides that the technicians thought of when news about the initiative came. The possibility to see the bigger direction of the initiative was not given to the technicians since the statement of direction was not communicated. So the main direction for the technicians were perceived as, as the initiative name says, reduced fuel consumption. And because of this, they had several opinions on the solutions presented in the initiative which could have been done in another way to reduce the fuel consumption.

Since our cars are carrying so much weight, they would consume less fuel if we bought cars with a stronger engine instead of a smaller one.

If we reduce the amount of tools and spare parts in the cars the likelihood of having to make two trips to each customer increases, which will increase total consumption.

These are examples of that the technicians did not see the bigger direction which is showing the customers that Crawford is continuously working towards a better environment in all parts of their operation. The persistence dimension is hard to analyze since this is an initiative which was implemented very quickly and made into routine directly. Because of this, there are no real degrees of fulfillment from the technicians. They either fulfill the rules and thereby the initiative or they do not. And according to Sigma, everyone does.

5.2 Leadership

With this leadership section we aim to analyze the leadership aspect that has to do with how the leadership needs to adapt according to the situation, the communication and motivational aspect of the leader was analyzed in the change management chapter. The theories used in this chapter are the situational leadership model from Hersey and Blanchard (1993) which asserts that there is no correct style of leadership with a single set of accompanying behaviors and that the manager must respond and change their leadership style depending on the current situation of their employees. Another theory used is the contingency theory by Fiedler (1965) the focus is on designing the position of the manager to fit the manager's motivational and personality characteristics. The final theory used is the Path-Goal theory developed by Robert House, and in short it is about that it is the leader's job to provide the followers with information, support and further resources that is necessary in order for the followers to be able to reach their goals.

As in previous chapters, all theories will not be used as a base for the analysis of each of the three initiatives.

5.2.1 Initiative 1

During the planning of the eProcurement initiative there have been times where the leader and the follower were situated in different fields which can result in hopelessness, decreased motivation etc. As both interviewees Beta and Delta have mentioned their motivation for wanting to plan and implement this change has been big because they both realize the importance of the initiative and all the positive benefits of it. This is a positive example good communication from the top management which resulted in a high initiation support of the initiative.

When the planning phase began and the project leader Beta was decided a misjudgment may have been made from the top management and the project owner Alfa. The project leader Beta feels there was too little information from the top management and from the project owner in the beginning and that Beta got the feeling that the initiative was decided upon too fast and that it did not feel as well thought out as it should have been. This lack of information and increased stress due to the tight time frame moved the interviewee in the R2 area of the Hersey and Blanchard's situational leadership model, marked "x" in figure 5.1. Worth mentioning is that since interviewee Beta is the project leader for the eProcurement initiative. A part of that responsibility is to start planning what needs to be done in order to reach the goal. So the role of project leader should include a certain amount of confusion about what needs to be done. But it is very important that the project leader receives as much information and support as possible from the project owner.

While interviewee Beta was situated in the R2 field, the leaders acted like interviewee Beta was situated in the R4 field marked "o" in figure 5.1. Because of this the leadership style of Beta's leaders were delegating which means that a great deal of responsibility for decisions and implementation was turned over to interviewee Beta, this instead of having the correct leadership style for leading people in the R2 field which is selling. And a selling leader should explain their decisions and provide opportunity for clarification.

This may have been a contributing factor to why interviewee Beta felt feeling of confusion in the early phases of the eProcurement initiative. However it is still important to keep in mind that it is in fact the responsibilities of the project leader to lead the project from start to finish and to structure the work and decide what needs to be done. As mentioned, there will always be uncertainty for the project leader of such a large initiative.

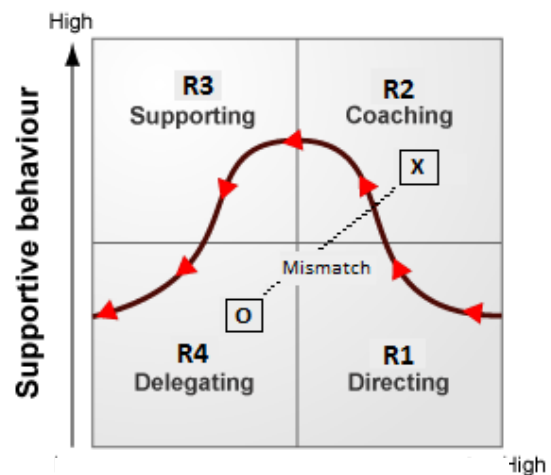


Figure 5.1 – Leadership initiative 1

The previous discussion has focused on the leadership between the project owner and the project leader at the central level. These two are involved in the entire planning and implementation and are both situated at the Cardo headquarters in Malmö. Looking at the leadership between the central project leader and the local project leader responsible for the pilot planning and implementation on one of the sites, it is interesting that many of the issues discussed between Alfa and Beta are similar

when looking at the leadership between Beta and Delta. Interviewee Delta felt during the early phases of the planning that the proposed time frame was too short and that they would not have an opportunity to reach their goal and thus placing interviewee Delta in the same field as Beta was situated in the beginning of the initiative, i.e. the R2 field. And at the same time, Delta's leader, Beta, practiced the same type of leadership, i.e. S4 as B's leader did when interviewee Beta was in the R2 field.

Interviewee Delta realized that since the initiative will be implemented on several different sites it is necessary for the central project leader Beta to delegate as much responsibility as possible otherwise the work load would be unmanageable and besides this the implementation needs to be adapted to each site since the pre-requisites is different in the different sites. In spite of this, according to both the interviewee Delta and the situational leadership model by Hersey and Blanchard, the leadership needs to be more telling than delegating in this case, especially since it is a pilot implementation and that the results from it will be used in all upcoming implementations.

5.2.2 Initiative 2

The first field where the follower readiness is low and they are unwilling and unable the leader needs to be telling and provide specific instructions and supervise their performance, and even though this was done in a small scale in initiative 2, it is obvious that the initial attempts made by the leader were this. The first mail sent out by interviewee Gamma where it was asked of the employees the email their suggestions on what could be done by Crawford to improve their environmental work, the employees were also given a dead-line on when this had to be sent in. Even though this was a telling style by the leader it still required a certain amount of willingness to help from the employees since it was not mandatory to send in a response to this email. But since interviewee Gamma were sent a number of responses far less than the total number of employees it shows that the willingness was higher in some employees but the most of them were still unwilling or perhaps indifferent.

The next leadership action taken by the leader was when the decision had been made by Gamma and the top management of Crawford when Gamma mailed out the result of the suggestions given by the employees and what they should continue to work with the upcoming year. This mail resembles the selling/coaching field in the Hersey and Blanchard situational leadership model. In this field the employees are unable but willing represented by that they did not know what they should do to improve their environmental work but they wanted to. The leaders' email instructed the employees on which decision had been taken and what were going to be done and thereby increasing their abilities. The way that Gamma adapted the leadership during the different phases of the initiative can be seen in figure 5.2 where Gamma is marked by an x, and the employees are marked o.

The last field, delegating, was used by interviewee Gamma when the changes were implemented. Although the leader was not leading the employees in a conventional face to face manner but instead to a great

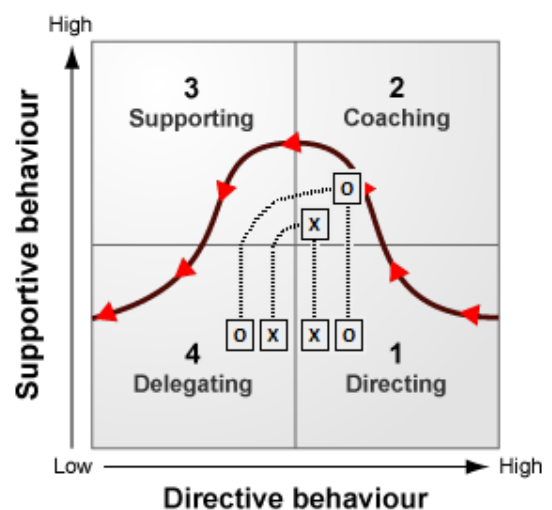


Figure 5.2 – Leadership initiative 2

extent via mail and referring to the day to day line management, the leadership worked well during the initiative. One phase that the leader did not use that much during the implementation was the participation/supporting field, this because of the reason that the amount of direct leadership practiced by Gamma was limited.

5.2.3 Initiative 3

It is important not the demand a strong and clear leadership just for leadership sake. In the case of initiative 3, the need for direct leadership was limited since it mainly had to do with new routines that the technicians had to follow regardless of their own opinion. In that sense, the leadership was not necessary in order to reach a successfully implemented initiative. So it was decided that the leadership used should be restricted.

From a Hersey and Blanchard (1993) point of view the technicians were in the third field (marked with an “o”), able but unwilling while the leadership was more telling and directing (marked in figure 5.3 with an “x”) so the correct leadership style according to the theory would be for the leader to have a participating or supporting leadership style. A supportive leadership style means that the leader should share ideas and facilitate in decision making. This leadership style could have a positive effect on a part of the initiative, the route planning. All of the other part of the initiative, like the smaller cars, the updated work sheet

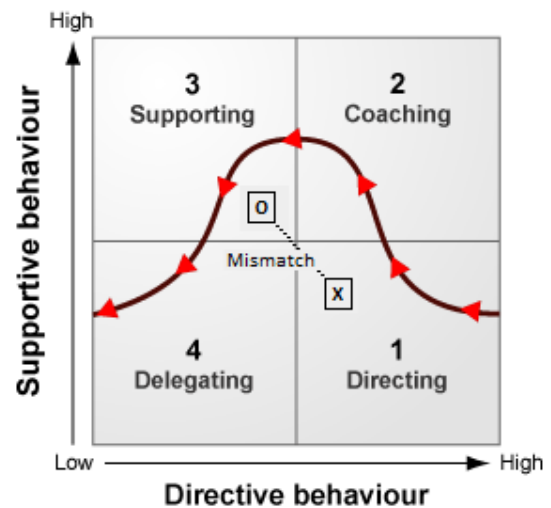


Figure 5.3 – Leadership initiative 3

are easily implemented and can as mentioned be done so without the help or consent of the technicians. But in order to gain a better result for the route planning the technicians have to be motivated to change their usual driving behavior, otherwise they will continue to divert from the most effective route as set by the route planner.

But as mentioned by Sigma, the jobs of the technicians is very special in the sense that that have a great amount of freedom in their work and do their day to day work by themselves far away from their manager or leader.

6. CONCLUSION

The conclusion chapter will explain the final conclusion drawn from the theoretical framework, the empirical collection and the analysis of the three individual initiatives. The conclusion will, for each main area, show the similarities and differences between the different theories and how they relate to the theory and the questions for investigation raised there.

6.1 Kind of change

The complexity, scope and time-span differ remarkably between the three initiatives. Since the time eProcurement planning was started until the day when all sites are working according to the new approach will take several years and be very costly compared to Initiative 2 and 3. The two latter initiatives were less complex as such and did not include long planning phases or long implementation times. The RPS initiative is according to our opinion the simplest and less demanding initiative, and eProcurement the most complex and time taking initiative since it includes changes of computer systems, new ways of working, and finally because it will be diffused abroad. However, the RFC initiative relates to a very sensitive area as it affected, almost self steered, technicians' daily work place. The eProcurement initiative will confront a complex implementation phase however the initiative will most likely meet positive attitudes locally since it can generate positive results, whereas the reduce fuel consumption initiative confronted resistance because it did imply major changes for the technicians and affected their personal work places. The reduce paper spending was perceived as neutral yet with some positivism and confronted therefore not any noteworthy resistance.

6.2 Statement of direction

The statement of direction for RPS was clear and as we believe also understood by employees in the organization. The statement of direction was articulated a couple of months before the implementations started. Based on Epsilon's opinion, people within the local site where Epsilon is located were positive to the initiative and moreover had an understanding for why the initiative was run, something that we believe was due to the clearly statement of direction included underlying reasons for why the change was needed and also in beforehand of the initiative implementation. Thus we consider that the RPS initiative was managed accordingly to what is emphasized by Beer and Eisenstat (2000).

In contradiction to the RPS the RFC initiative was not communicated in beforehand of the change and gave no room for discussion on the actual decision. Possibly because telling the service workforce what was supposed to happen would have created more resistance and actions against an implementation of the initiative. We therefore believe that the RFC initiative touches upon a sensitive discussion whereas it becomes a very personal question for the service technicians. A clearly stated direction by Crawford's top management team would, in one perspective give the technicians time to gather around a common and resisting opinion against the initiative. Locking in another perspective it could have functioned as a preparation for the technicians by showing support and engagement from top management team and furthermore give them a chance to influence the initiative, according to Beer and Eisenstat (2000). As Sigma and the rest of the top managers were rather sure of that, by informing the service technicians in beforehand would merely create a stronger resistance, they decided not to inform them in advance yet instead tell them; this is already decided upon. Because this problem is sensitive and has two strong forces against and for a statement of direction we find the situation problematic as we understand the two sides. In long

term perspective and in building one common organizational culture a statement of direction describing reasons for why an initiative is required will according to Beer and Eisenstat (2000) generate benefits of organizational understanding and involvement, and moreover showing upon managerial support in organizational changes.

As the eProcurement initiative is more complex as such compared to RPS and RFC, and besides that is going to be implemented in the most parts of the global Cardo group, a clear articulation of organizational direction or explanations of reasons why it is needed might generate other organizational effects compare to initiative 2 and 3. Delta showed that it would have been good with a greater support from Cardo's top management team due to a prior history of negative organizational decision making from Cardo. A greater support from the top management team would, base on Beer and Eisenstat (2000), probably have generated a perceived organizational feeling of support from top management. We are convinced that a statement of direction articulated preferable by Cardo's top management or by the project group furthermore would have generated a top managerial perspective for local project leaders, such as Delta, and furthermore achieved a better understanding among the local management teams. This would hopefully foster a better understanding for the necessity, scope and complexity of the initiative and therefore created an acceptance for problems or delays in the project process. Another highly essential aspect worth mentioning is that Cardo was locally viewed as "the ones" who came with negative decisions to the local sites. A statement of direction from Cardo's top management may achieve managerial perspectives around the organization and therefore decrease this barrier.

6.3 Involvement

Of the three initiatives only in the leader for RPS initiative stated a clearly articulate encouragement for involvement from the organization. The email stating this articulation moreover functioned as a double involvement approach, between the top management and the organization, and between the organization and top management, since top management encouraged for involvement and organizational involvement was achieved due to feedback from the organization. The organizational feedback then formed the further planning of the initiative. This was in other words managed in high accordance to what is claimed by Beer and Eisenstat (2000), and Beer and Eisenstat (2004). That is: top management did not work only within their own silos (work areas) they engaged the organization to the initiative and the planning; Furthermore, the organization was informed of the direction of Crawford's environmental work and besides that encouraged to give other suggestions for improvements outside the scope of the initiative.

As earlier mention, the eProcurement initiative included no clearly articulation of involvement or encouragement for feedback from Cardo's top management to the organization. Based on what Beer and Eisenstat (2000) claim, this is not the right way. We consider that to involve the organization in the planning of the eProcurement initiative will result in very time consuming work and a very wide span of comments and objections on how things should be or what else to do with the resources spend on eProcurement. Yet, we do believe that it would have been valuable if Cardo's top management informed and involved at least the Swedish sites in order to gain organizational feedback of manageable amounts and to show involvement and interest in the initiative. This feedback could moreover function as a helpful brainstorm function for suggestions on the initiative and how to start the implementation. We do furthermore consider an involvement from Cardo's top management team as appropriate for this kind of corporate change. Since, showing participation

from top management will according to Beer and Eisenstat (2000) and Beer and Eisenstat (2004) generate a better organizational involvement and understanding to the certain work as the organization perceive the initiative as important. Our opinion when involving local sites is that the eProcurement project group should clearly encourage for feedback and an honest conversation in similarity to the RPS initiative. Encouraging for involvement from local sites could be valuable in gaining a better understanding of local sites and on local issues. This understanding would then be good in gaining a faster learning curve for further implementation at local sites globally. Beer and Eisenstat (2000) specifically describe that involving the organization in change-planning phase often makes the actual implementation easier. An aspect that was managed correctly according to Beer and Eisenstat (2000) and also concern involvement was to assign Beta with authority and accountability for running the corporate eProcurement implementation, and to assign Delta as local project leader of the implementation. Beer and Eisenstat (2000) claim that assigning down the line leadership with authority and accountability will develop their skills and increase their capability and interest for the change.

The RFC initiative is complex due to the tensions between Crawford and the service technicians for this kind of changes affecting the technicians' daily work place. In accordance with Sigma we believe that the organizational situation have caused tensions that hindered top management to engage the technicians to the initiative. The other part of the problem was in a generally low organizational interest from the service technicians. Nevertheless we do believe that some kind of organizational preparation and mutual involvement would have generated long term advantages for Crawford's service organization. Thus, an organizational preparation like involvement from the organization in the RFC planning phase would for this case possibly generate larger resistance compared with no organizational participation. Yet, to build organizational capability in small steps, from minor changes, would probably be an appropriate foundation in building long term advantages in the organization. For instance, one could present new organizational directions or present plans for changes that are supposed to be implemented in the future during the regional meetings and the individual meeting ones a year. This information and involvement would give room for a discussion and for feedback. The technicians could moreover in some sense prepare themselves for the coming changes and Crawford's managers could extend their organizational involvement as they understand the other side the other side of the problem better. As claimed by Beer and Eisenstat (2004), a conversation should move back and forth between advocacy and inquiry, and furthermore it has to be about what matters most. Therefore we strongly suggest higher mutual involvement by sharing information mutually.

6. 4 Communication

The three initiatives differ remarkably concerning how communication has been managed mostly due to the distinctions in kind of initiative. EProcurement is complex, novel and will be globally diffused, reduce paper spending was a straightforward one-time action, and reduced fuel consumption was a clear top down approach and related to a sensitive question regarding the service technicians' work place. The RPS initiative was informed through email information and utilized organizational feedback easily via email dialogue, while eProcurement and RFC not utilized organizational feedback in the planning phases.

Increased communication between involved parties in the progression of the eProcurement implementation will have its drawbacks since it will be extremely time taking and require preparations and efforts. However we consider that the project group probably has a lot to learn or gain from local sites in informing them and involving them, at least in the early phases. The project group should have introduced and presented the initiative differently, namely; more prepared, clearer information and facts, and together through face to face communication, not via email. Besides this we would like to advise the project group to clearly articulate that comments and feedback from local sites are welcomed. Regarding what Beer and Eisenstat (2000) claim, by avoiding being defensive and instead showing openness and commitment through an honest and fact based dialogue with lower levels, the top team members can create mutual trust and achieve an idea development of the implementation. Due to the scope of initiative 1, a fact based dialogue to all involved parties at local sites would simply be too time taking, hence we believe that there should be a dialogue between the project group and the implement leaders at local sites in order to foster engagement and to ensure that the leaders are understood with their tasks and responsibilities. In accordance Beer and Eisenstat (2004) we consider their aspects; the conversation has to allow employees to be honest without risking their jobs, and the conversation has to be structured, as applicable to the eProcurement situation. Meetings and conversations should have been scheduled and prepared by the project group, respectively, openness and honesty should have been encouraged where Beta should articulate that it will not affect negatively. Focusing on two of Thomas and Schmidt (1976) communicational functions, information and motivation, we consider that the early communication should have included better and clearer information about relevant aspects which consequently would have generated better understanding and use of Delta as source of input and further increased Delta's motivation.

Since Cardo priory experienced resistance from local sites when conducting top down projects, we believe that a frequent communication and honest conversation would be useful between the involved parties in eProcurement. In accordance with Beer and Eisenstat (2000) we think that the project group should strive towards managing communication in a non authoritarian manner in order to conquer barriers. Regarding to Beer and Eisenstat (2004) we will also advice for structured communication where several meetings are planned and prepared in beforehand. We consider that the informal communication is a good complement to a structured communication. Thomas and Schmidt (1976) and Beer and Eisenstat (2000) do furthermore emphasize that communication is a prerequisite in overcoming resistance not at least motivation and involvement issues.

The RPS initiative used an informative email to share a common understanding for the ideas around the work, and give room for a two way communication between the organization and the top team. One could in other words say that this was managed in conformity with Thomas and Schmidt (1976) communicational factors; information and motivation, as the email informed the organization and encouraged them to participate in the planning. In accordance with both Beer and Eisenstat (2000) and Thomas and Schmidt (1976) communication was used vertically to collect organizational inputs and indirect to overcome resisting forces. The communication took more or less only place once, because of, what we believe, was the simplicity of the initiative. However we think that it could have been good if information regarding the initiative was presented locally at weekly or monthly meetings in order to secure better organizational understanding and better participation in the

feedback communication on improvements and other suggestions. We trust that a face to face communication have advantages over written information as it according to Clegg, Kornberger and Pitsis (2008) includes body language and a closer conversation than written.

From the interviews it became evident that the service department are and were confronting complex tensions between people within the organization and the service technicians working on the field. We believe that much of the tension depends on the low degree of communication and interaction between the two parties, which consequently have fostered poor mutual understanding and poor organizational understanding. Thomas and Schmidt (1976) and Beer and Eisenstat (2000) claim that communication can be used to overcome barriers of resistance and besides that function as an informative and motivational tool in creating efficient organizations. As mentioned earlier the first action aligned with creating a better mutual understanding and open up room for an honest communication was 2009 when Crawford decided to implement individual appraisal meeting with the technicians. One advantage we see is that the communication can be about what matters most both for the technicians and for the regional manager in accordance to what Beer and Eisenstat (2004) claim.

Based on the empirical study and what is emphasized from literature, we do believe that communication is not the same as better understanding, better information exchange, and does not overcome all barriers by itself. Yet, communication can support these aspects fundamentally if it is performed properly. Communication should be honest, partly be planned and prepared and partly informal and spontaneous, and it should concern relevant issues. The accessibility, frequency and the kind of interaction in which it is performed are highly relevant. Based on the research we see that written information can leave room for misunderstandings but is on the other hand very easy source of communication, while face to face contact fosters an interpersonal understanding as one can understand personal expressions, body language, and read "between the lines".

6.5 Motivation

A main difference between the three initiatives is that initiative 1, eProcurement is global initiative in which the employees have something to gain if it is successfully implemented, i.e. they will save time thanks to the more effective purchasing process. In initiative 2, the employees have not much to gain or lose, and in initiative 3 the opinion among the technicians is that they will mainly lose because they will get smaller cars. Therefore, from a motivational perspective the involved initiative 1 will naturally feel, or at least have a chance to feel a higher degree of motivation since they have more to gain from it. And at the same time, since the upsides are bigger for the employees in initiative 1 than in initiative 2, and for initiative 2 than in initiative 3 the leaders responsible for initiative 1 will have it easier to motivate the involved then the leaders for initiative 2 and 3.

Another large difference is the size of the three initiatives and how that effected the motivation. The first initiative is as mentioned a companywide initiative that in some way will affect every one of Cardo's approximately 6000 employees. While the second initiative focused on all personnel within Crawford Sweden who uses a printer and the third initiative is also directed at Crawford Sweden but at the service technicians. This fact will of course affect both the need for, and the likelihood of motivation. For a companywide initiative like the eProcurement, motivation is imperative since an initiative like this cannot go wrong since it will cause too many problems. Because of this, the company needs high motivation from the employees, especially the responsible ones, to assure that

the result will become as positive as possible. As a contrast to this, the nature of initiative 2 and 3 are very different from initiative 1, both in size but also in importance. Since the size of the initiative is much smaller it is easier to manage for the leaders. At the same time, initiative 1 is very important to get right directly because it will affect everything from tools for the technicians to pens for the office workers and computers for the administrative personnel.

The need for motivation also differs between the initiatives. As mentioned, the need is high in initiative 1 but not so high in initiative 2 and 3. This is because initiative 2 and 3 are to a great extent conducted in a top down manner where the involvement from the employees are not as important for the success of the initiative as is in initiative 1.

Looking at what was done in order to motivate the employees involved in the three different initiatives not much was done in any of them. Closest to motivating the employees were interviewee Gamma in initiative 2 - reduced paper spending, when it was early communicated that the held and feedback of the employees were wanted and needed in order to move forward with the initiative. The employees also got continuous information about what was happening and why. We do however believe that this was not meant as a motivational step taken by Gamma but rather a communicating and involving steps which resulted in higher motivation among the employees since involvement is an important part of motivation. In the two other initiatives nothing was done to increase the motivation. In initiative 1, eProcurement much at the local level has been done thanks to Delta's high intrinsic motivation, and as mentioned before when dealing with employees with high intrinsic motivation the most important is not to decrease it, and because of the lack of information and the continuous changes to the time plan decreased intrinsic motivation may be a result.

6.6 Leadership

A main difference between the three initiatives is the amount of leadership implied in the planning and implementation. In initiative 1, the need for a leadership has been big for all involved personnel. As a contrast to initiative 1, initiative 2 and initiative 3 involved almost no leadership at all. This fact of course affects to what extent the leaders have followed the leadership theories presented in the theory chapter. The amount of leadership involved has been decided by the people planning the initiatives and it is natural that an initiative like the eProcurement which aims at the entire Cardo organization and that it is very important to get it right from the beginning will involve much more leadership than the both simpler and smaller initiatives 2 and 3.

Analyzing how the leaders adapted their leadership according to Hersey and Blanchard's (2000) situational leadership model it is clear that the best example of this is in initiative 2 where the leader followed the model to a greater extent than the leaders in initiative 1 and 3.

There have been several differences between the leadership which has led to this fact. What the leader did in the second initiative that followed the model to a greater extent was that the leader acknowledged that the participants were not willing and able directly from the beginning but that it was needed to explain to them what was happening and why, and also to involve them as much as possible in order for them to feel ownership and participation in the initiative. This moved them from the first quadrant into the next ones. The difference between how this was done and how it was done in initiative 1 was that the leaders did not fully understand which quadrant the followers were in and therefore used the wrong type of situational leadership to used, when the leaders acted like the followers were both willing and able they were in fact more willing and unable. This

misunderstanding created confusion and resulted in lessened motivation for the followers. In initiative 3, the leaders understood that the followers were able but unwilling but because of the initiatives simplicity they disregarded this fact and did not put any effort into trying to move the followers into the able and willing quadrant.

6.7 Concluding discussion

In order to answer the purpose of this master thesis, which was to investigate previously implemented sustainability initiatives in order to identify the most important factors for the implementation of sustainability initiatives and to give a theoretical recommendation on how this knowledge should be spread, three main theoretical areas had to be investigated, strategy, change management and knowledge transfer. The strategy area has given a base from which the change management and knowledge management area could be investigated and later recommended upon. The theoretical recommendations on the knowledge management area are shown in the theory chapter and consist of a number of questions that Cardo needs to answer when they want to start spreading the knowledge.

The findings from the investigation of the initiatives from a change management and leadership perspective are that six areas are especially important for a successful implementation of a sustainability initiative. These are: *kind of change, statement of direction, involvement communication, motivation and leadership*. These findings are all closely connected and affect each other to a great extent. It is therefore essential in all initiatives to be aware of them and to follow them from the very beginning of each new initiative.

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APPENDIX A

Interview form

This is a general interview formula that has been adjusted depending on the interviewee's position to the initiative, e.g. a person with leader position, a person working with the implementation, or a person affected by the results of the initiative. The interview formula is initiated with general independent questions which were asked in order to receive the person's individual comments, from our perspective, without steering them in a subjective way. That is, questions which do not lead the interviewee in a certain directions depending a direction of the question. The next part asks for facts and background information to the initiative and the interviewee's role in the initiative. The final section consists of more subjective character questions related to the theoretical framework of the report. We furthermore asked all question in an open-end approach, with spontaneous additional questions in order to reach certain information within specific areas.

General Questions

- Name:
- What is the purpose of the initiative?
- Describe the initiative from your perspective
- What do you believe were the reasons for why the initiative ended up like it did?
- What opportunities and advantages did you visualize of the initiative results?
- What disadvantages and problems did you visualize of the initiative results?
- With respect to the outcome, do you personally feel that the initiative was worth it in terms of time, cost and effort?

Background and facts

- What was your position during the implementation?
- Who came up with the idea for the initiative?
- Who made the decision?
- Who was owner of the initiative?
- Who was the initiative leader?
- Who were involved in implementation and in which roles did they have?

Discussion

- What was your personal view on the initiative before implementation began?
- Did you have any opinions regarding implementation of the initiative?
- How were you involved in the initiative?
- Which kind of pproblems arose during the implementation phase?
- How did you deal with the problems?
- What was top management view upon the initiative?
- Did you feel motivated?
- Do you feel motivated by the leadership and top managers?
- What motivated you in the initiative?
- Were there factors which made you less motivated?
- What was the leadership like in the initiative?
- Did the leadership style adjust depending on the situation or was it always the same?
- Was a statement of direction articulated by top management?
- How did top management or other managers participate in the initiative?

- Did managers conduct face to face meetings, email- or telephone contact?
- Did leaders or managers desired to receive feedback from the implementation process and work with the initiative?
- Did there exist a clear plan for the initiative and the implementation process?
- Was the information and understanding of the good and initiative sufficient?
- Was an open and straight communication encouraged by management?
- Were you encouraged to give your opinions and come with feedback to the initiative leader and managers?
- Generally, how was the communication between the initiative leaders and those actually implemented the initiative and those who were supposed to work with the initiative?
- Was there planned follow-up meetings?
- Did you experience a clear role and responsibilities within the initiative team?
- Has the initiative been spread to other parts of the company?