

Perceptions on Change: a Transformation Case Study

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ABSTRACT

Every organization faces the need for change, but leaders may not understand what employees perceive to be positive change versus negative change during transformations. With this understanding, leaders can perform change activities better. In this longitudinal case study in a global supply chain, the author extracts positive and negative change attributes from the perspective of participants in a significant organizational change event. The study ultimately extracts 28 propositions for change from participants that relate to both positive and negative change, ultimately improving change leadership efficacy. The objective of the change leader would be to exploit the positive change drivers and mitigate the negative change drivers as per the propositions that emerged in the study. With work environments becoming more complex and ambiguous, leaders are looking to workers with tacit knowledge of their work and the ability to reach out globally for problem solving, to perceive change as constructive. With this perception employees will be more engaged in change events leading to success for change leaders. These outcomes can influence organizational change efficacy and so are useful for sustained corporate advantage.

Keywords: positive change; negative change; change drivers; employee perceptions; resistance to change; organizational inertia; change velocity

INTRODUCTION

Employees perceive change in a positive or negative context. Positive might mean that the change is good for them, while negative change is an alteration to their routines that would be perceived as disadvantageous. Change is often considered to be a phased process (Cummings, Bridgman, & Brown, 2016), however, these phases are often not evaluated in terms of their impact on participants. Decisions could instead be influenced by feedback leveraging an evaluation of outcomes. This would allow decision makers to learn and improve performance on future decisions of a similar nature (Schürmann, Frey, & Pleskac, 2019). Absent this learning, the result of a change could mean that work is now more difficult, complex, or ambiguous. Some link change to adaptivity, performativity and empowerment (Petrou, Demerouti, & Schaufeli, 2018; Spicer, Alvesson, & Kärreman, 2009). In this research article, a precipitating event is a significant organizational change in a global supply chain. While leaders assume that employees at various levels will view change elements in a certain way, positively or negatively, this may not be true. The organization that was studied transitioned from a traditional M-form organizational structure (Bartlett & Ghoshal,

1993) to a multidimensional organizational structure in the interest of realizing growth synergies. This precipitated event affected the performance of the global value chain created by the corporation generally and by the business division specifically. This organizational event is the object of the study. The event selected had gravitas with the participants, as their employment future relied on its success. With this, the impact of the event was not well known in advance of the action as the structure to which the organization moved is novel. The precipitating event followed the realization that a structural change could enhance profitability of the corporation. The organization was operating in an extremely competitive and complex environment and, as such, client satisfaction was critical to gaining and maintaining market share. A need to make a substantial change was recognized by the leadership of the enterprise and is the subject of the study.

QUALITY OF THE RESEARCH

Creswell (2014) describes validity in qualitative research as being the determination of whether the findings are accurate from the standpoint of the author, the participant, and the readers of an account. In this case, language and meaning are the data. Creswell (2014), in parallel with

Lincoln and Guba's (1985) approach, offers qualitative researchers eight possible strategies for checking the accuracy of findings; triangulation, member-checking, rich descriptions, clarification of bias, the use of negative or discrepant information, prolonged time in the field, peer debriefing, and the use of an external auditor. The author selectively used these strategies to ensure data validity with a focus on triangulation, peer debriefing, and member checking.

Endogenous validity refers to the validity of established causal relationships (Yin, 1994; Lamnek, 1995) or internal logic of the research (Punch, 1998). This was achieved by establishing a clear thematic focus that guided the case selection, abstracting and comparing, conducting peer reviews of causal relationships, and by having an open and comprehensive explanation building. A thematic focus was evident in a clear definition of an overarching research theme (cross-unit synergies), a narrowing research focus (operative synergies), and a specific research question (the sustainable realization of growth synergies) along with a compatible case selection in which the constructs of interest could be discovered. Continuous abstracting and comparing (Strauss & Corbin, 1990, 1996) occurred as the author continuously compared data sets to build higher order constructs, preliminary results to emerging data to confirm or refine results, and observed causal patterns within the existing literature. This improved the validity of causal relations (Yin, 1994). Peer reviews of causal relationships were discussed with research colleagues for the purpose of capturing and testing additional perspectives based on experience in the field. Additionally, it enabled the validation of internal consistency and theoretical relevance of the Author's arguments. The final technique for internal validity was through open and comprehensible building of explanations and causal relationships. The results were documented in such a way that the reader could reconstruct the causal relationship (Mayring, 1996). Openly, the author indicated initial ideas, deducted assumptions, and challenged potential inconsistencies.

Exogenous validity refers to the generalizability of research results critical for robust theory development (Sutton & Straw, 1995; Weick, 1995b) and depends on the research approach (Yin, 1994). Single case study empirical findings are difficult to generalize. Yin (1994) emphasizes that case studies do not allow for

statistical generalization. More specifically, it is difficult to make inferences about a population based on empirical data collected in a sample. While issues of generalizability from case studies is severe (Denzin, 1989; Yin, 1994), single-case studies are recognized to be substantial from an evolutionary perspective (Stake, 1995). Single case studies can also provide new ideas and new thinking paradigms. They can help modify existing theories by exposing gaps and helping to fill them. There are several facts about this study that support the author's conclusions that the findings and propositions will be at least somewhat generalizable. Several of the constructs can be confirmed as being present in existing literature, indicating general theoretical relevance of the research (Eisenhardt, 1989). The findings were confirmed through consultation with participants, who are operationally capable with varied experience in the industry, suggesting the potential transferability of the claims. Finally, the findings were somewhat generalizable due to the continuous comparison of similarities and differences within case items across different levels of analysis.

Reliability refers to the possibility that researchers can replicate the research activity and produce the same findings (Eisenhardt, 1989; Yin, 1994). A challenge for this replication is the attribute of qualitative research, in that it is bound to the context in which it is conducted (Lamnek, 1995), including time. Reliability in qualitative studies is best served by presenting sufficient information so that the reader can draw his/her own conclusions (Yin, 1994). The author attempted to ensure reliability through the explicit disclosure of the research design, including a detailed description of the research process, case selection criteria, interview guide, and methods for collecting and analyzing empirical data.

DATA AND ANALYSIS

The purpose of this qualitative phenomenological research study, using Moustakas, (1994) modified van Kaam method, was to explore the real-time experiences of stakeholders, or co-researchers, as they lived and influenced events occurring around them. Awareness is a transient experience (Freeman, 2000) that may involve exerting influence, letting go, and redirecting energy and attention (Depraz, Varela, & Vermersch, 2003). It also involves being present physically and mentally

in daily life. Stakeholders have to anticipate events, make sense of existing environments, and exert influence over future trends. Weick (1995) suggests that sense-making is a retrospective cognitive process that explains unanticipated events. He also suggests that events in a socially-created world both support and constrain action. Weick, Sutcliffe, and Obstfeld (2005) later suggest that individuals form both assumptions and conscious anticipations of future events. By examining sense-making and the development of mental models through actual lived, shared experiences, this study captures the subjective processes that have been largely ignored in the context of the connection between organizational design and growth in a multi-unit firm. Using the experience of stakeholders, the author presents a conceptualization of how individual participants in this study made sense of their lived experience. This was an ongoing process for participants as they refined their understanding of lived experiences and established new equilibriums.

The research included individual textual descriptions as well as composite descriptions concisely oriented and illustrated in a theme map structure. Moustakas (1994) suggested that the integration of textual and structural descriptions into a composite description, such as a relational table, is a path for understanding the essence of an experience. The composite description is an intuitive and reflective integrative description of the meanings and essences of a phenomenon, of which the entire group of individuals is making sense. The participants create meaning through their awareness of the environment, reflection on their experiences, consultation with others, focused response to an enquiry, and iterative refinement to these enquiries.

CODING

Data collection was facilitated by an interview protocol with specific questions oriented in a sequenced schema. Participants were solicited as volunteers from a pool of leaders based on a willingness to share information about the transformation of the sub-division. Each volunteer co-researcher participated in the changes personally. Following each question, the participants' response was determined to be linked to the question asked and was determined to be meaningful prior to continuing. An answer could trigger a clarifying question, or a question formed to solicit a more fulsome answer, if

needed. The additional information modified the answer and once again was determined to be fulsome or not. The data was added then to the data sheet and coded. Sub-code themes were also determined and grouped by code and sub-code. The data was surveyed by the author, who, due to personal experience, was able to apply an "analysis for good" (ANOG). Slight modifications were made as needed to reduce the noise in the data and ensure completeness and clarity. This was accomplished by consolidating like data points and simplifying others by stripping out noise and redundancy in the answers. The data was then re-sorted and generalized through categorizing. A pivot-table was used to extract themes in the wording. The raw data was then posted in a table. In some cases most of the themes were unique in which case a table was not used. From this data, dependencies, relationship, and the sequence of events were determined and organized into a theme relationship map. In some cases the data collected appeared as though the participant was confused about the question. In these cases the Author followed up with the participant and then added the newly acquired information to the raw data previously collected.

The raw data was collected from each participant for each data domain and sub-domain in the sequence in which it is presented in this chapter to promote a progression of thought. The data is separated into exogenous and endogenous domains as well with selected focus in both areas. In some cases, like roles, the participants offered information on themselves while commenting on data provided by their peers. Patterns that emerge in the data are presented as textural responses (what happened), structural responses (how did it happen), or composite descriptions (what the group experienced). Data responses that occurred most frequently within the theme category were given more significance and were typically mentioned first. Data was interpreted into theme patterns. These were broken into themes and then concisely into propositions, or findings of the study. Data items that referred to individuals, functions, line of business, locations, systems, or company names were obfuscated, eliminated, or given a pseudonym. The propositions, or findings, were formed and listed numerically. Within each proposition, a two-word summary was formed along with a statement that sums up the finding. For example, a central theme, norm strategy, or trigger may have emerged from the data as a

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result of coding. This data could then be categorized or filtered through the constructs being discussed that may include the strategic frame, horizontal strategies, or a narrowed scope as examples. This was the beginning of the theme map, or the outermost layer. The layers could then be elaborated on by breaking the outermost layer into sub-layers until it was reasonable to stop. This theme map was created to better describe the themes in the data and to show relationships and sequences between unique data items. With the methods understood, now on to the specific themes from the study.

POSITIVE CHANGE

This section discusses business leader change management experiences that went well and that did not go well during the precipitating event. Consulting past experience is a way to find meaning and to develop a plan of action. Change agents shared and reflected on change practices that helped them to be successful during change activities. The collected 140 data line items were bifurcated between positive aspects of the activity that enhanced the ability to achieve desirable outcomes and negative aspects of the activity that created inertia or compromised the achievement of desirable outcomes. There were 94 data line items that were positive descriptions and 54 that were negative as per the two tables respectively below. In each case, the raw data was broken into eight themes. These were then quantified into frequency of occurrence as indicated. The positive and negative aspects of synergistic change management are now discussed individually.

Table1. Positive change management themes

Themes	Count
Planning	32
Communication	17
Behavior	12
Inspiration	10
Cohesion	7
Execution	7
Capability	6
Relationships	3
Total	94

POSITIVE EXPERIENCES

The situations where change management was executed effectively, based on feedback from the business leaders who had experiences with change management activities over the precipitating event, resulted in desirable

outcomes that were achieved on time. Thematic aspects of how these activities were managed could be categorized as predictive,

“Involving lower and mid-level management in the planning [as] they can have valuable inputs.” (S23) proactive,

Bringing ... groups ... together and the associated move to [location] worked because it was handled quickly and openly; once it was time to announce it to the staff... we pulled everyone into conference rooms and laid out the plan... it got all the employees ‘on board’ quickly and then everyone was invested and took a piece of the effort to help. (S27)and reactive...being the owner of [functional areas] made things simpler... since I had a hand in every piece of the puzzle, I had the ability to make tweaks and changes where changes were needed and there were no toes in the way to step on... in the end, once we knew it worked, the hand off to [name] team was painless. (S89)

Social and tactical theme categories also emerged from the data. It was beneficial for business leaders to share and discuss these experiences, so that all of the leaders could benefit from each other’s change leadership experiences. Again, the frequency of occurrence of themes does not necessarily imply weighting. Each theme was individually mapped.

Planning. Not surprisingly, the most frequently occurring driver of change success was planning. Within this proactive code section, a number of comments came up that were interesting as represented in the figure below. The business leaders indicated that significant attention needed to be given to planning, including critical aspects such as rigor, requirements, constructs, involvement, inputs, and buffering. The data suggested that there should be broad involvement to get buy-in; however, it should be understood up front that not everyone is going to get *on board*. Additionally, the execution team should be small for quick decision making. The team may be allocated by category or by sector. The opportunity discovery process is critical for the development of a fulsome plan. Business leaders indicated that discovery should be focused, quick, and thoughtful. All the relevant information should be gathered, including service level agreements (SLAs), specifications, and contractual agreements. The planning activity should include the units involved but also consider external dependencies. Attention should be given to make the plan easy to

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execute with a detailed timeline for the transition. The plan should include exploiting redundancies, working with a centralized service model, not reinventing processes that already work, not creating new silos, and making sure that infrastructure continuously needs to be aligned with workflows when they are moved. Co-researchers indicated that a phased rollout is easier for participants to absorb; however, the workflows must be capable to create deliverables within the specifications prior to a significant migration of work. The strategic framework must be robust and not be subject to prioritization based on

emotional judgments or noise. The integration plan should be budgeted such that the P&Ls (profit and loss financial statements) are not damaged during the transition. This does not otherwise incentivize stakeholders to make the change. Capacity must be considered also, through the allocation of accountability to make sure local capacity, or outsourced capacity, is available. The plan must optimally preserve the quality of life (QoL) of the participants, while maintaining business continuity for clients. There must also be provision for adequate training, including skills needed for new workflows.

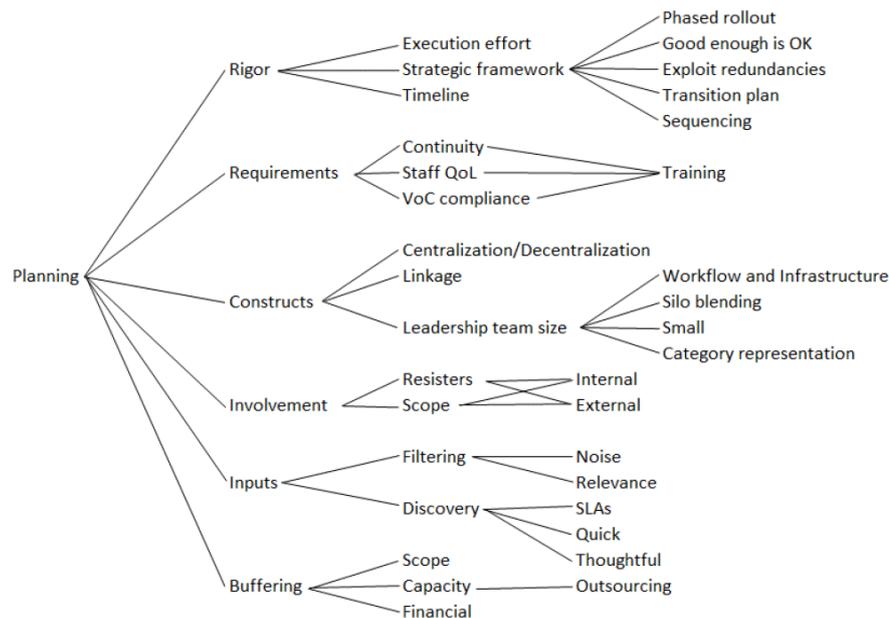


Figure 1. Positive change: planning theme map. This figure maps planning as a theme category into descriptive sub-groupings.

In summary, the data suggests that planning is critical to change management. Solving the problems before they occur takes the stress out of the change process. There is a high return on investment (ROI) on the energy and time used in planning.

Planning is best done when requirements are understood. These requirements could describe the envisioned state. There will be those who resist always and a strategy needs to be in place to deal with this. The scope needs to be optimized so that project leaders do not bite off more than they can chew.

And, some buffering is needed. Typically, slack capacity is not considered and results are worse than anticipated. The change would have happened more smoothly if there was provision for a buffer. The following propositions summarize the key findings of this section and are contributory drivers of positive change:

Proposition 1 (planning rigor)

Rigor during the planning phase of a project, which includes exploiting existing capabilities and a sequenced rollout, will likely reduce the effort and time needed to execute the plan.

Proposition 2 (transitional capacity)

The provision of transitional capacity and cost allowance within a defined project scope can accelerate results achievement and mitigate change fatigue.

Proposition 3 (transitional organization)

A holistic vision of the detailed organizational design built for achieving requirements encourages a focused transition.

Communication

It was important to business leaders that the overall plan and the overall strategy are both clearly outlined to the stakeholders affected.

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“[There is a need for the] communication of the overall plan and timeline to the plan.” (S8)

“[There is a need for] communication on new roles and people involved.” (S13)

This could happen in the form of an official announcement that should include a rationale showing the mutual benefit of the change. Furthermore, there should be the opportunity for questions, answers, and input from stakeholders. The presentation has to come off as being credible. It has to make sense and be logical. This will help the event to be an easy sell. For starters, all the process owners were on board with this initiative which is always helpful. This means, the information (... specs, workflow, documentation) I needed to move this forward was available.... It made sense logistically and it was an easy move so the idea was easy to sell. (S70) Having gone through reactive panic-driven

change activities in the past, business leaders felt that it would be important to begin with the communication as early as possible. It is beneficial when business leaders are able to contact other involved change leaders or participants early to keep from having to rush the planning activity. Both participants and team members needed to be informed. The change leadership team needed to evangelize the vision and be available for information and to provide input. This information and input may also come from clients. The information about the plan needs to be available ongoing. The business leader needs to promote the benefits of understanding the plan and will need to ensure that the actions to be taken are clear. The communication in general needs to be open and free flowing to garner trust and buy-in. These points are illustrated in the figure below.

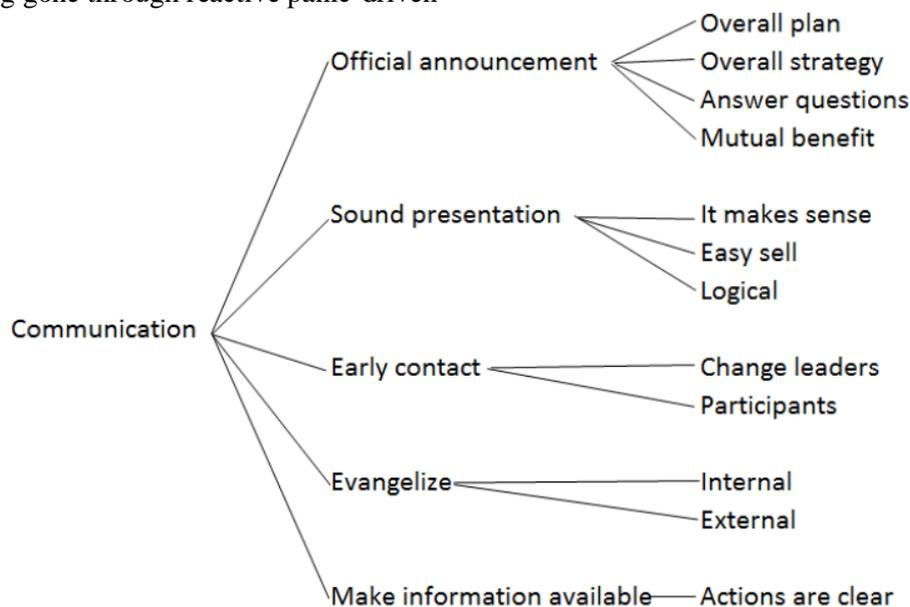


Figure 2. Positive change: communication theme map. This figure maps communication as a theme category into descriptive sub-groupings.

In summary, the data suggests that communication is not just the delivery of a message. It is rather a strategy that includes a positive message delivered at the right time. Unwanted information is filtered. In the meantime, the positive action is evangelized to stakeholders, including clients as reflected in survey results.

“Many times suggestions are offered which we take into consideration and are valued by our [functional areas].” (CS50)

In the end, those that do not want to resist will only need clear instructions. The following propositions summarize the key findings of this section:

Proposition 4 (communication integrity)

The integrity of the communication strategy, including the nature of the content and the timing of scope, can reduce change inertia.

Proposition 5 (situational communication)

Communication is situational in design, dependent on the current timeline, location, and on relevant audiences.

Behavior

Achieving constructive behavior and reacting proactively to disruptive behavior, thereby keeping it from spreading, were critical to plan execution in a business. These themes are

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illustrated in the figure below and the following statement by a participant.

“Fear and anxiety are high and participants are always guarded around a change agent because even effective agents are seen as disruptive of the normal flow.” (S125)

Rather, the attitude of a business leader should be one of assistance and support. This attitude should also be appropriate to the situation. It should be made clear that cooperation and collaboration are mutually beneficial and bi-directional.

The data suggests that leaders need to recognize the good in others and the good that is realized from positive outcomes. They must be goal oriented, resilient, and tenacious.

In some cases existing behaviors are appropriate for the realization of growth. These should be recognized, encouraged, and rewarded. Business leaders indicated that the speed of responses to behavior was important.

This speed related both to reactive responses, to observable situations, and to proactive responses to situations that could be predicted. To minimize change inertia, disruptive and inappropriate behavior should be mitigated quickly. This includes disruptive attitudes, fear of change, resistance to actions, and personal attributes that create inertia. The business leader needs to model the behaviors needed to create success in a business.

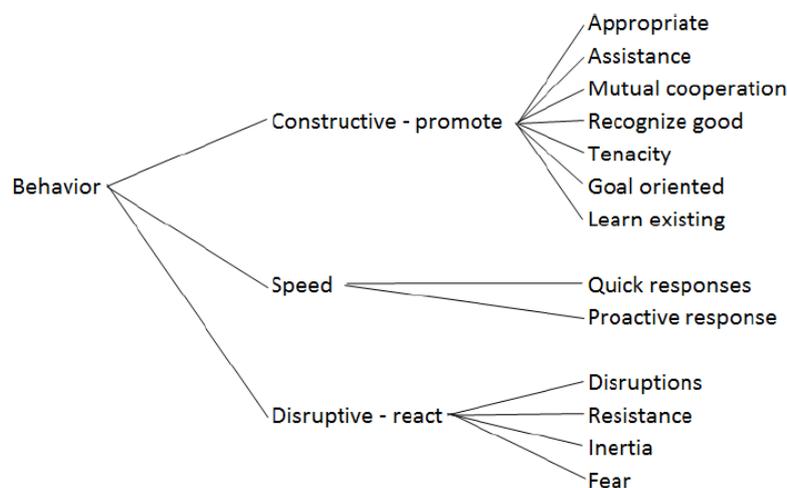


Figure 3. Positive change: behavior theme map. This figure maps behavior as a theme category into descriptive sub-groupings.

In summary, the data suggests that behavior control is important to leaders of positive change. The constructive approach should be the default. Reinforcing good behavior might catch on and create positive momentum. In the case that this is not likely, then more aggressive means are needed. Responses to issues need to be timely for confidence to be gained. The following propositions summarize the key theory elements of this section:

Proposition 6 (immediate reinforcement)

An immediate awareness of constructive behaviors gives a change leader the opportunity to reinforce positive attributes as they occur.

Proposition 7 (effort mitigation)

An acute awareness of inertia-producing behaviors gives a change leader the immediate opportunity to mitigate an excessive effort requirement.

Execution

The business leaders indicated that execution related to how human resources were treated. This included how they were inspired to make the transition and achieve growth goals. It was related to the nature of the relationships as indicated in the statement below.

My successful projects typically ended up being all about attitude – both mine and theirs. I also need to be able to recognize that not everyone is going to get ‘on board’ all the time – and that’s ok too. I send a message when I keep moving towards the goal, without backing off (or getting my feelings hurt) when the reaction is not completely positive. Change is hard for people. It isn’t about me and my delivery (or ability) most of the time. It speaks more to their fears. (S143)

The capability of the operation was important for growth realization as was cohesion within

the team. Additional information was provided that related to how product and services were introduced to the manufacturing environment to ensure performance that met expectations from the start. Workflow management had to include design and testing, an examination of the first article to ensure compliance, on-going periodic tests at appropriate intervals as part of the quality plan, and then lastly, the exporting of a mature process to all relevant locations once the performance becomes predictable and mature. The data regarding the human aspects of execution that emerged from the study will be discussed more fully in the next few sections.

To get everyone, including P&L owners, invested in the change activity, the business leader needs to be a source of inspiration as indicated below.

“[I was] helping people understand the benefits and positive experience of the changes.” (S110)

This understanding includes having a belief in the mission and exhibiting an attitude that everything is possible within the prescribed timeline. Leaders need to sell the benefits of the change activity. This, along with conveying the positive experience that will result from the change, will help garner buy-in from stakeholders. Even so, there will be stakeholders that will have a high level of sensitivity and anxiety. This may be driven by the magnitude of the change they will need to endure and how disruptive it is to entrenched routines. Business leaders need to be aware of these concerns and plan for them. Finally, the sequence of activities driven by dependencies and activity duration need to have the attention of the change leader.

The business leader needs strong relationships to achieve desired outcomes. Business leaders suggested that trust, credibility, professionalism, and a strong core team were critical as indicated from the raw data below.

“...have a single management team of two or three (united in the plan and strategy) to cooperatively disperse the talent, [integrate] process and tools into [business units] and deploy a load-balanced, sensibly equipped unit for each customer.” (S77)

These relationships provide the capability, trust, and resiliency needed during a transition. There also needs to be a significant amount of cohesion and alignment within the team. When these relationships are strong and autonomous, leadership teams can push the organization forward quickly. The researcher will discuss

capability and cohesion to close out the positive change experiences that emerged from the data.

In order for the business leader to be successful during times of radical change in a moderately dynamic market, the capacity of the operation and the human resources component needs to be capable. Ideally in an MNE, the facility needs to have a 24-hour service scenario even if it means that increased shift coverage is hired. This “always on” perspective makes it possible for additional capability to be available to transitioning business units and it makes it possible for operational issues to be remedied quickly.

“Adding temporary support help[ed] the team to go through [the] transition.” (S19)

Temporary support also helps with quick turn-around times and overall business continuity. The business unit should be load balanced to avoid capacity shocks that could compromise progress along the transformational roadmap. When a new business unit is created, it should be deployed with capacity that is also load balanced. Otherwise, it will experience an extra measure of needless stress, retarding the rate at which it will mature. Staff recruiting is very important to the business. Training should be immersive and happen within the business unit. A too conservative posture on training will add to effort waste, task complexity, and will create rework. The staff should be augmented such that the capacity is on the high side during the introduction of the new production work, or whatever the change activity is that will happen as previously discussed. Training needs should be assessed and facilitated as applicable; however, if work can be achieved without additional head count (HC) then this preserves capacity that would have otherwise been redirected to training. The data regarding head count and load balancing showed that an awareness of the service level agreements (SLAs) in play are critical to know. They should be achieved from the start while volume throughput is low to avoid negativity. The pace is then set as the volume increases. The implications of the pace should be thoroughly understood and introduced during times of negotiation, as overly aggressive SLAs can compromise profitability potential. Each business unit needs to absorb all SLAs as operative norms into their business unit. Additionally, comments from business leaders suggested that thorough rate negotiations lead to profitability. It is worth the effort. From here the

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MNE is able to exploit training and focus on the recruiting effort, ensuring that the best people are hired.

Cohesion within the team and external to other teams is critical to the speed of change achieved. The plan must be designed to preserve business continuity during any transition as indicated by the statement from a participant below.

Part of the success was the continuity between the two teams. We didn't just off-load the work, but created an extension of [the team] in [location]. They do things like we do things in [location]. (S155)

Business continuity may be affected by the dispersion of talent and tools. Decision making involves dividing the processes so that more people could be involved without affecting anyone who already had large tasks to perform. The data suggested that every stakeholder needed to have a piece of the plan to perform. A cohesive team will have a united front with regard to the plan, strategy, and organizational goals.

With execution comes the need for workflows to function as expected. Deliverables need to be within specification tolerances before they are delivered as indicated below.

“[Function] spec tests ...this is the first thing that needs to be verified...can the facility meet the spec requirements?” (S93)

The data that emerged from the leaders, as illustrated in the figure below, suggested that the roadmap for workflow development and maturity has three critical milestones; (a) pull in *first article* products by type, (b) pull in the rest of the product types individually, and (c) push the workflow out to all business units. Once a workflow proof of concept (POC) has been set up and tested for a deliverable spec, the first article to be shipped must be inspected rigorously before any delivery can be made. When the reliability of the deliveries is at a suitable level, other specifications can be introduced to the workflow. Synergies between product specifications allow for a variety of deliverables to be executed within the workflow; however, the scope of deliverables needs to be specified so as to not stress the workflow. This leads to a risk for the introduction of non-conformities. When the workflow is mature on the designated variety of specifications, it can be exploited in as many business units as possible. A workflow development plan with these steps can optimize synergy, utilization of resources, and positively influence profitability.

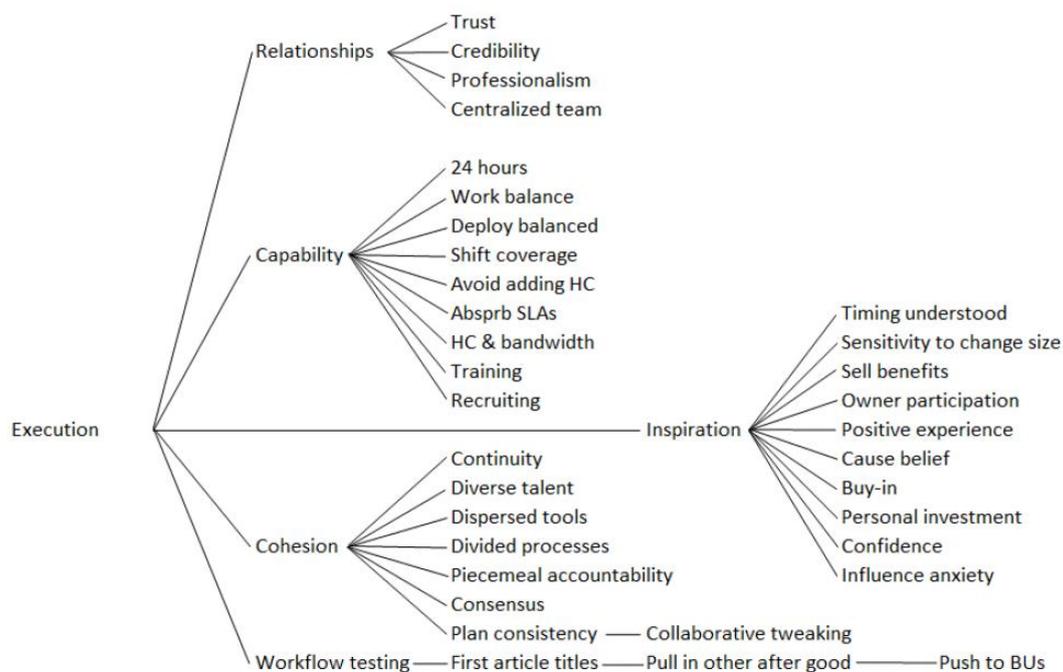


Figure 4. Positive change: execution theme map. This figure maps execution as a theme category into descriptive sub-groupings.

In summary, the data suggests that for positive change experiences to happen, the leader of that change needs to inspire. This includes the ability to sell the envisioned state, as well as to

sense the environment. A lack of awareness can inhibit change as much as a charismatic pitch could push it along. The relationship that the change leader has with the stakeholders will

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relate to the outcome. The capability and robustness of the plan will influence the plan outcome. A sequence of activities is important for deploying a workflow into production. Typically plans that are growth oriented have increases in capacity and the reduction of redundancy associated with them. The data suggests that positive change comes from meticulous planning driven by a keen awareness of the environment. The following propositions summarize the key findings of this section:

Proposition 8 (vision ideation)

Transition execution performance is significantly dependent on stakeholder's belief and participation in the change vision ideation process.

Proposition 9 (stakeholder relationships):

Achieving capability requirements is as much about understanding requirement details as it is about the relationship that stakeholders have with change leaders.

Proposition 10 (unity-diversity)

Unity, as seen in consensus, consistency, and continuity, is partly achieved through diversity of talent, tools, and processes.

Proposition 11 (maturity acceleration): A phased workflow rollout needs to be structured around a validated right-the-first-time ideology that accelerates maturity and achievement within the deployment scope.

Proposition 12 (burden support)

The ability to execute is driven by the degree of support given to change agents to complete change activities, which are typically a challenge beyond their existing work burden.

Proposition 13(motivated engagement)

Stakeholders are motivated by personal engagement in change driven by respect, participation, and interest in the intended outcome.

POSITIVE EXPERIENCE SUMMARY

This section discussed the positive aspects of change leadership from the data. In situations where change management was executed effectively, based on feedback from the business leaders who had experience with change management activities, desirable outcomes were achieved on time and within expectations. Transformational change has attributes and activities that are predictive, proactive, and reactive. Transformational leaders need to be

both aspirational and tactical. It was beneficial for business leaders to share information about their experiences in change management so that all of the leaders could benefit from their peers experiences.

NEGATIVE CHANGE

Negative Experiences

Business leaders identified 8 themes in 54 qualitative textural descriptions of issues that negatively contributed to the success of change management efforts. Within these data points several key themes emerged. As discussed in positive change, this data included planning as the most frequently overlooked aspect of transformational change. This was followed by behavior and then communication. Some specific leadership attributes were indicated as well, including awareness. Following this, cohesion, inspiration, and relationship issues were noted. This is reflected in the table below. In this section, each of these topics will be discussed. The data needs to be interpreted from the perspective of the stakeholders in the precipitating event and may not be generalizable.

Table 2. Negative Change Management Themes

Theme	Count
Planning	17
Behavior	16
Communication	7
Awareness	6
Leadership	5
Cohesion	1
Inspiration	1
Relationship	1
Total	54

Planning

The business leaders identified a number of execution failures that were planning oriented as illustrated in the figure below. They said that the needs of clients were not taken into consideration and that clients had not clearly indicated when the work would come, the amount of the work, or the specifications of the work prior to an investment in workflow design or capacity.

The entrepreneurial culture tended to jump quickly at an opportunity so as not to lose out on revenue. The opposite also occurred following disappointment when the client's request was not taken seriously. In these cases the thought that clients would suffer during the transition was considered to be acceptable, and

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this guided action and its pace. Either way chaos was introduced or the opportunity was lost as indicated in the raw data below.

Emotions and power-influenced agendas were prevalent ... Each [business unit] group independently maneuvered to get talent, equipment and a boundary drawn around their 'turf'. The ... team felt like they were being dismantled piece by piece without regard for the customers. (S60)

For example, transition capacity issues were not mitigated by temporary support. To some extent the plan resulted in the team being dismantled and fragmented rather than strengthened; key members were pulled off to take care of other emergencies, leaving their tasks for others to complete. In other cases, a team was moved without the equipment that supported its efforts, but with the expectation that there would be business continuity. This and other factors hurt growth potential. The data also revealed that confusion around roles kept leaders from engaging and being effective as indicated below.

“[There was] no explanation of what my role in the company was prior to my arrival.” (S130)

Additionally, an unwillingness to contribute enough money to fund the transition resulted in

tasks being incomplete, or less robust. “[There was a] conservative investment into the operations to match domestic setup and infrastructure.” (S177)

Furthermore, training is typically needed with any change and off-load sites need coordination capability in order to be useful as indicated below.

“[There was a] lack of investment and commitment to training both locally and in off-loaded offices.” (S181)

A plan can also inhibit growth when business systems are not integrated. Multiple systems then need to be accommodated, consuming much needed capacity. Moreover, workflows were not integrated, were disorganized, needlessly complex, and wasteful, making them difficult to manipulate.

In some cases they should have been streamlined or physically moved to another location early, or moved in a more effective sequence. When the details are unknown, especially critical ones, this is typically caused by a lack of participation by mid- and low-level managers. According to the data, these items should have been considered prior to the transition execution.

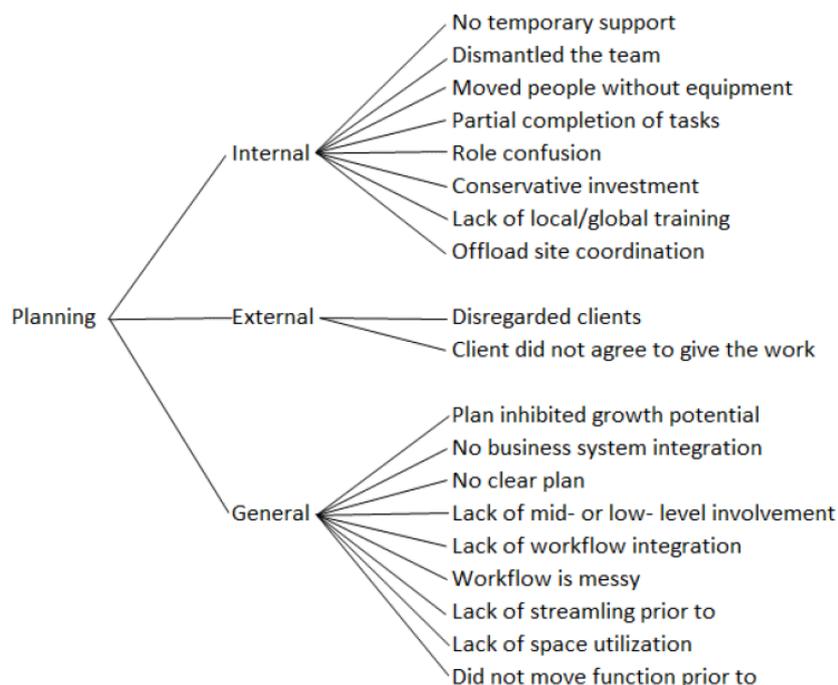


Figure 5. Negative change: planning theme map. This figure maps planning as a theme category into descriptive sub-groupings.

In summary, the data suggests that difficulties with strategic execution often center on planning. Internal planning difficulties can be

associated with fragmented and incomplete plans. In some cases planning did not go well because clients were not on board with the plan.

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Furthermore, the plan was executed as per the requirements and then the client did not come through with the work. Other general planning issues, that the plan was incomplete or poorly constructed, were most likely due to a lack of involvement. The following propositions summarize the key findings of this section:

Proposition 14 (conservative plan)

An overly conservative plan may produce resource and coordination deficiencies that compromise existing resource utilization.

Proposition 15 (voice of the customer (VoC))

Client involvement in transition planning augments growth potential by designing requirements into plan elements.

Proposition 16 (involvement levels)

If the appropriate levels of management are not involved in the plan design, the resulting process may require unnecessary effort to perform acceptable work.

Behavior

The second category related to unsuccessful change events had to do with the behaviors of the change team and the stakeholders as illustrated in the figure below. There are attributes that the data describes as contributors to negative change experiences, including behaviors that break trust such as being disruptive, childish, and breaking promises. Furthermore, self-interest and ego can be just as

significant a factor as emotional decision making that is neither constructive nor informed. When the leaders engage in self-serving destructive politics, progress could be halted. Some of the behaviors that the business leaders recognized were arbitrary boundary drawing, turf wars, and ego-driven agendas. This is made worse with emotion driven agendas and decision making. This immature behavior can also be seen by those who engage in independent maneuvering rather than working as a team as indicated in the statement below.

It was certainly a unique situation since this was a large part of the [integration] but the disconnected agendas drove politics, emotional decision making and turf wars. Egos were often at the forefront and there was some downright infantile behavior on the parts of some of the relatively senior stakeholders that wasted time, killed morale, cost the company money, and had little to do with the primary goals. There was isolated collaboration instead of collaboration among all the senior stakeholders. Only after the warring had started did this get visible and got dealt with. (S49) This, along with a delayed reaction to destructive behavior by those in charge of the activity, may contribute to high stress levels while lowering morale. Multiple agendas create confusion, fear, and anxiety. These behaviors, according to the data, are seen as disruptive to the change management process.

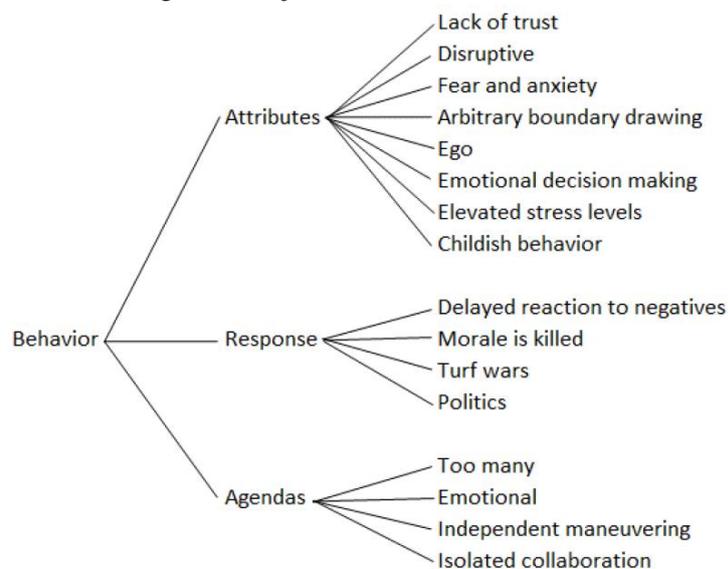


Figure 6. Negative change: behavior theme map. This figure maps behavior as a theme category into descriptive sub-groupings.

In summary, the data suggests that behavior attribute control is necessary and often overlooked or ignored during change activities.

When there is a delay in the risk mitigating response, there is a destructive impact to the stakeholders involved. A significant behavior is

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alignment. Multiple agendas, some of which are against the change, can influence change inertia. The following propositions summarize the key findings of this section:

Proposition 17 (mitigation tactics)

A change leader needs to be aware of the attributes of inertia-producing behavior such that timely mitigation tactics can be immediately applied to the situation.

Proposition 18 (energy diverted)

Energy is diverted and consumed by non-valuable activities when a behavior mitigating response is delayed.

Proposition 19 (scope focus)

Scope focus is compromised by an excessive range of activities and collaborative disunity.

Communication

Communication failures were another valid observation in challenging change activities. The themes that emerged from the data are illustrated in the figure below. Some of the significant failures in this area included that lack of information around changes in the company's values, changes in roles, and changes with regard to the people involved in the transition. Additionally, if the plan changed sometimes, the right people were not timely informed. When stakeholders are not informed, they assume that nothing has changed. If the company is changing direction, it helps with buy-in and collaborative decision making if the

stakeholders are informed so that they can more easily conform to new routines per the statement below. “[There was a need for] communication on new roles and people involved...” (S13)

“[When there were] ... changes in the plan...” (S15) and “[when there were] ... changes in values.” (S16)

The business leaders indicated that the need for an understanding of the high level reasoning for change cannot be ignored. Ultimately, the stakeholders need to know why they are moving to something different and they need to understand why it is a better place. In summary, the data suggests that communication is critical to change management success. The stakeholders want to understand the high level plan just as much as they want to know the details. They also want to know why the change is taking place. Keeping stakeholders in the dark and then surprising them abruptly with change news, breeds distrust. On the other hand, when the information about the change is relayed and understood, stakeholders have the chance to buy-in and prepare. This is especially the case when there is a new direction or when company values change. Furthermore, when roles change, stakeholders want to know who was selected and why. Optimally, they would like to be involved in the selection or be considered for the position if they qualify. When they have no involvement, the data suggests that change activities will be more difficult. The following propositions summarize the key findings of this section:



Figure 7. Negative change: communication theme map. This figure maps communication as a theme category into descriptive sub-groupings.

Proposition 20 (plan logic)

A stakeholder's perspective on achieving a new vision is influenced by an understanding of the logic behind the plan, agreeing with the logic, and knowing why it has to be achieved now.

Proposition 21 (new roles)

The tasks in a plan are as important to participants as who is involved, and if they agree with the values of those who assume new roles.

Proposition 22 (relaying knowledge)

The effective transfer of plan knowledge drives buy-in, which would be further enhanced if stakeholders were involved in the decisions regarding the plan.

Awareness

Freeman (2000) suggests that cognitive responses are stimulated by an understanding of the consequences of behaviors. When change leaders are aware of the consequences of

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actions, the present situation, and future environmental conditions, they take action to correct performance issues (Glenberg, 2007). The themes that emerged from the data are illustrated in the figure below. They suggested that business leaders need to understand the collateral impact of decisions. In some cases decisions appear to make positive change, however, the collateral damage is not considered and can accumulate. This accumulation helps to build change resistance and fatigue. In some cases an emotional decision, or decision pattern, is executed while being blind to losses internal and external to the organization. This contributes to further chaos and is a reactive stance that may be more emotionally charged. The root cause of this, and a general problem, is that high-performing stakeholders are not consulted with regard to the change plan or its execution.

“[We did not] address high performers’ concerns with [regard to] changes.” (S20)

Leaders need to know who the high performers are and engage them in the change activity. Another error can occur when work is off-loaded without considering the complexity that this contributes to the general operating environment. While this may be seen as a simple solution, it requires coordination and cannot be easily executed if the site being off-loaded to cannot execute tasks of this complexity as indicated by a participant below.

“[We] underestimated [the] complexity and resource requirement to manage off-load product[s].” (S178)

From an execution complexity perspective, the gap between where the off-load is and where it needs to be must be closed in order to execute the work without adding undo effort to all involved. Business leaders indicated that optimizing the ratio between off-load site capacity and geographic storefront location capacity is important. When this is missed low, the labor costs are too high. When the offload capacity is overestimated, carrying costs may be too high at the off-load sites. The planning function needs to take forecasting, as well as the work eligible for work shifting, into consideration. There are costs associated with bringing up or expanding an off-load site. This includes administrative costs related to reallocating the off-load costs to the sending units’ P&L. It includes hiring and turnover costs at all locations affected as indicated below.

“Employee turnover and attrition outpaced recruitment for expansion.” (S180)

Labor costs also include training costs and capacity buffers during transitions to off-load optimization. Another exogenous influence to success is the impact of price erosion. Where this is not accurately predicted and reflected in the budget, there will be variances in budgeted performance. In summary, awareness is, or the lack of awareness, is a reason for a negative change experience. Stakeholders will give up on leadership that keeps them “in the dark.” Awareness allows a business leader to predict what could go wrong with any change activity and avoid wasted effort. Internal business unit stakeholders have the best opportunity for a positive outcome if they collaborate with their high performance counterparts along with their external stakeholders. Change is made more complex when information is not available timely. The following propositions summarize the theory elements for awareness and negative change that emerged from the data.

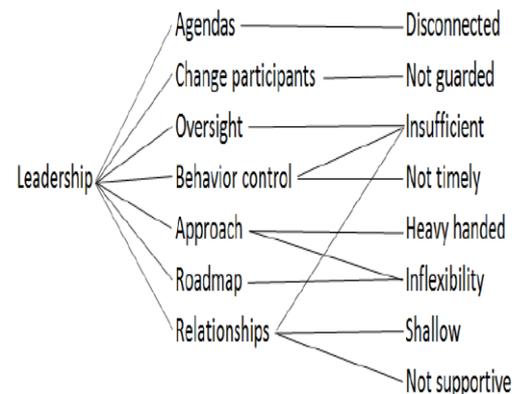


Figure 8. *Negative change: awareness theme map. This figure maps awareness as a theme category into descriptive sub-groupings.*

Proposition 23 (knowing impact)

A business leader must effectively manage change by collating critical information about their changing internal and external environments.

Proposition 24 (talent damage)

Stakeholders who are personally invested in the business unit’s success may be discouraged with their employment prospects if they are not allowed to participate in change activities.

Proposition 25 (change cost)

The cost of change activities is elevated when stakeholders do not have the opportunity to streamline change activities before they occur.

Leadership

Leadership issues in the business that emerged from the data included leadership attributes, awareness, cohesion, inspiration, and failures regarding relationship building. These are illustrated in the figure below. Leadership comments included a lack of oversight, insufficient arbitration, behavior control, a heavy-handed approach, and the mandate that the entity that is buying dictates the way things have to be done as indicated below.

“Going in with a heavy-handed, arrogant ‘we know best’ approach [when] we don’t always know [what is] best.” (S132)

“Emphasizing ‘We are Media Corp, and this is the way Media Corp does this’.” (S133)

Many stakeholders are naturally guarded during a transition because they do not know what to expect and they may expect not to be supported. Consequently, when leaders do not listen to high performers on either side, or do not understand the collateral damage associated with decisions, the plan execution is needlessly stressed and potentially flawed. Leaders are expected to be aware. They must be acutely aware of the change environment during the intense activity that surrounds a significant transformation. In addition, when there is a lack of cohesion among the leaders, there are disconnected agendas leading to further stress on the plan execution, thus, leading to change fatigue. A failure to develop relationships prior to the execution and then maintain them during the execution was also mentioned by business leaders as a contributor to plan failure.

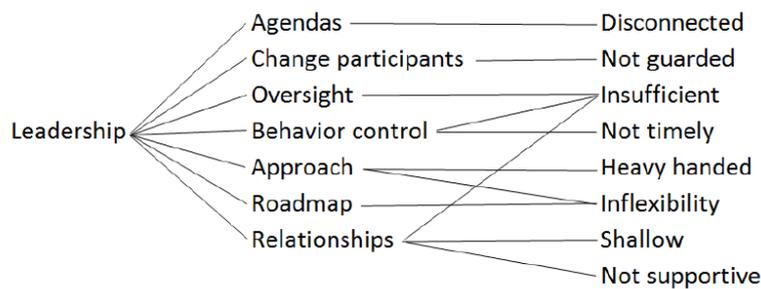


Figure9. Negative change: leadership theme map. This figure maps leadership as a theme category into descriptive sub-groupings.

In summary, the data suggests that leadership factors influence change effort needed to achieve desired outcomes. Effort is significantly increased when agendas are multiple and conflicting.

Leaders may exclude their direct reports from being active in the change process. This results in a lack of oversight and minimized interaction between stakeholders.

The relationships then are shallow and leadership may take a heavy-handed approach to accomplish the roadmap.

The following propositions summarize the key findings of this section:

Proposition 26 (relationship performance)

Relationship performance is linked to transformational change through attributes such as connectedness, adaptability, protection, and relationship depth.

Proposition 27 (performance outcomes)

Performance outcomes are influenced by the approach used, the timeliness of behavior

controls, and the achievement of an appropriate level of oversight.

Proposition 28 (stakeholder alignment)

The degree to which the change leader and stakeholders are in alignment of purpose correlates to the effort needed to execute the change roadmap.

Negative Experience Summary

The realization of desirable business outcomes from growth synergies is influenced by change management leadership.

The business leaders have identified a number of contributors to change management leadership failure. Failure may be interpreted as an excess of energy needed to achieve a result.

This wasted energy comes at a price, including wasted time and potentially a permanent loss of talent when stakeholders lose hope in the change action. Negative contributors to change management need to be understood and mitigated to streamline and accelerate change management activities.

CONCLUSIONS

The purpose of this qualitative phenomenological research study was to explore positive and negative change perceptions using a single case study of a multi-unit firm by examining how a complex organizational design could realize growth in a dynamic market. During the study 28 propositions were listed as theory building elements for positive and negative change perceptions. This is critical for timing in business efforts. For example, recent studies have begun to suggest that products and services are experiencing shorter life-cycles (D'Aveni, Dagnino, & Smith, 2010). For the purpose of this study the phenomenon or object of the analysis was the precipitating event that led to permanent cross-business collaboration within the MNE. The unit of analysis on which the phenomenon was studied is the strategy and the organizational design that leads to sustainable desired outcomes.

CONTRIBUTIONS TO THEORY

The primary contribution of this article is new empirical insights about the effects of positive and negative change drivers on growth realization in an MNE. These results are, therefore, relevant to the achievement of sustained profitability and competitive advantage by focusing a multi-unit firm on business unit relatedness and strategic complementarity. Twenty-eight propositions were extracted from the participants instigated by a precipitated event that contribute to theory on change viscosity. These outcomes that influence change efficacy are described and useful for sustained corporate advantage.

LIMITATIONS AND FUTURE RESEARCH

The author attempted to develop generalizable theoretical findings based on the empirical results of a case study. Even so, this study encountered several limitations concerning theory and empirical study. The limitations were as follows:

- There are some weaknesses regarding the generalizability of the findings. The single case study approach was based on approximately twenty in-depth interviews. Given that the phenomenon under investigation is novel and complex, this methodological choice seems reasonable. The research method mandates that in-depth observation is required for collecting and analyzing the resultant holistic data (Eisenhardt, 1989; Miles & Huberman, 1994;

Siggelkow 2007; Yin, 1994). The choice of a phenomenological case study using a qualitative approach is affirmed; however, the generalizability of results is not exact due to the context of the case. The context is defined as a moderately dynamic environment, a large size organization with a multi-national organizational structure, and a business with a relatively low degree of relatedness within a vertically integrated value chain. Other firm-specific factors, such as company history, may influence the exactness of the generalizations. The author understands that comparative case studies within similar contexts would help better ground evolving theories.

- A single case study approach does not make it possible to determine the significance and weighting of drivers for the realization of sustainable growth. Drivers may occur in unique situations relevant to the single case study; however, they may not be relevant in general. Consequently, their general relevance may not be understood. This includes the relative importance of strategic actions and organizational design factors.
- The research was limited by subjective interpretations of the data. This led to various theoretical constructs from qualitative information provided by participants. Subjective biases are reduced through the review of the coding process (Yin, 1994), using key informants for validating results (Mayring, 1996), and by following data analysis (Strauss & Corbin, 1990, 1996). Even so, this research still has associated risk due to potential subjective and invalid interpretations of quotations.
- Several meaningful metrics, from preexisting company data, were used to assess the extent to which growth was successfully realized. Metrics such as average changes in interview ratings, job descriptions, qualitative assessments validating performance, and financial results over a time span of ten months were among the preexisting data that was used. While this is a short period for the assessment of sustained growth synergies, the author feels that this is adequate given the speed of the change driven by the transition from an M-form design to a multi-dimensional design. Additionally, this data was augmented and validated by interview data that was collected over approximately sixty days and which related to the

experiences of the stakeholders who went through the transition. In the event that a longer period of time would have been used for the investigation, other important success factors may have emerged. Unfortunately, a longer-term observation period was beyond the time scope allotted to this study and this additional data would likely have produced little additional value.

- While this research design is holistic and multi-faceted, there were some limitations with regard to theory building. The nature of phenomena under investigation is complex as it includes strategic focused action, organizational design, and corporate management. As a result, the development of a complete and fulsome theory is constrained (Miles & Huberman, 1994). Given that reality based phenomena tends to be complicated, it follows that this study can only offer a mid-range theory of continuous growth realization while developing thought-provoking and new perspectives that may inspire creative theorizing in the future.
- Finally, the selection of variables may be incomplete. While the analysis is focused on MNE factors of growth realization, like strategy and organizational design, other factors like leadership efficacy, human resource inspiration, and the embedding of human networks were generally neglected. These factors at the initiative level and personal level may impact successful cross-business unit collaboration (Martin, 2002; Martin & Eisenhardt, 2010) and, consequently, on the sustainable realization of growth synergies. As a result, the author suggests that further research is required for developing a more holistic theory on realizing sustainable growth synergies.
- The author anticipates that these propositions will stimulate further research as organizational behavior is significantly complex and situational. These observations are meant to stimulate further thinking. By studying the distinctive features of positive and negative change drivers, the author hopes that interest has been sparked on researching the design and application of positive drivers and the mitigation of negative ones.

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