



**IMPLEMENTING ORGANIZATIONAL STRUCTURE CHANGE
IN SUPPLY CHAIN MANAGEMENT TEAM**

Lappeenranta–Lahti University of Technology LUT

School of Business and Management

Supply Management

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ABSTRACT

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Implementing organizational structure change in supply chain management team

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Goal of this research is to broaden up the view how the organization structure change can be implemented in company permanently and effectively with employees in mind and increase the knowledge in organizational change management and strategic management field. Its aim is also to point out the differences in leadership models and point out which can be done from management side to support the change in companies. In this study the initiatives are studied mostly from employee's point of view and evaluated how the initiatives are affecting employee's resistance level. Research is done as a case study for the case company, where is ongoing organizational structure change. The research method was half-structured data collection form with support of open interviews and company's data.

The results from the done research are in line with earlier studies about implementing the organizational change and the theory about organizational change. Results pointed out the importance of the communication and leadership during the change process, which were pointed out to be crucial factors for organizational change to succeed. Communication and well-formed leadership are key drivers to reduce the resistance against the organizational change and engage the employees to the process. Leadership includes many different dimensions and improving those would have positive effects to the implementation. The main dimensions include aspects as communicating, informing, enabling, and engaging. During the organizational change process should be implemented guiding team to support the employee level during the change. This team could help engaging the employees and provide for them needed information about the change.

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Tämän tutkimuksen tavoitteena on avartaa näkemystä siitä, miten organisaatorakennemuutos voidaan toteuttaa yrityksessä pysyvästi ja tehokkaasti työntekijät huomioiden. Tutkimuksen tavoitteena on myös tuoda esiin eroja johtamismalleissa ja osoittaa, mitä johdon puolelta tulisi tehdä muutoksen tukemiseksi. Tässä tutkimuksessa aiheita tarkastellaan työntekijöiden näkökulmasta ja arvioidaan kuinka muutoksen eri tekijät vaikuttavat työntekijöiden muutosvastarintaan. Tutkimus on tehty tapaustutkimuksen eräälle yritykselle, jossa on meneillään laaja organisaatio rakennemuutos. Tutkimusmenetelmänä on puolistrukturoitu tiedon keräys lomake, jonka tukena on hyödynnetty myös avoimia haastatteluja sekä yrityksen eri tietolähteitä.

Tutkimuksessa kerätyt tulokset ovat linjassa aiempien tutkimusten kanssa, jotka käsittelevät organisaatiomuutoksen toteuttamista, sekä myös organisaatorakenne muutoksia käsittelevän teorian osalta. Tutkimuksessa kerätyt tulokset korostivat kommunikaation ja johtamisen tärkeyttä muutosprosessin aikana. Nämä tekijät todettiin myös keskeisiksi organisaatio rakennemuutoksen onnistumisen kannalta. Kommunikaatio ja hyvin suunniteltu johtajuus ovat avaintekijöitä, jotka vähentävät vastustusta organisaatiomuutosta vastaan sekä sitouttavat työntekijöitä muutosprosessiin. Johtajuus sisältää monia eri ulottuvuuksia ja niiden kehittäminen vaikuttaisi positiivisesti muutoksen implementoimiseen. Pääulottuvuuksia ovat muun muassa kommunikointi, tiedottaminen, mahdollistaminen sekä osallistuminen. Muutosprosessin alussa tulisi muodostaa tukitiimi, jonka tarkoituksena on tukea työntekijätasoa muutoksen aikana sekä vastat heitä askarruttaviin kysymyksiin muutosprosessista.

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1. Introduction

Everyday evolving society puts pressure on companies to keep up with constant developments. Many companies created many decades ago are having some degree of difficulty to keep up with at the pace of today's improvements and digitalization as there have been quite different demands on companies decades ago (By, 2005). Developments brings need to update the organizations and even if this is not a new thing for companies, they still struggle to implement the changes effectively. Due to the high failure rate organizational changes are studied a lot and in today's business the successful change management and implementation are in critical role for companies to innovate.

1.1 Research backgrounds

Organizational structure change is not a new topic among the researchers and the roots for change management and organizational change are reached to early 1900s and especially 1950s. Most of the theory frames and models was introduced in 1990's (Prosci,2020), but still the change processes are not giving wanted results and the companies need to do strategic organizational changes to be able to survive in today's business.

Over 20 years ago was reported that success rate for organizational structure change was only 30 percent (Beer & Nohria, 2000). According to McKinsey Global survey from 2017 results are not showing any improvements due to the success rate was only 37% and the results were similar in their earlier study from 2014 (McKinsey, 2018). Based on Lauer's book *Change management: fundamentals and success factors* (2021) almost 100% of companies have stated the importance of change management now and in future. That makes it even more important to find out the best practices for companies to implement the change.

The newest change management studies concentrate on employee's perspective and their engagement level for the change (Watson, 2015). It has been studied that the successful implementing for changes starts from employee level (Narayanan, 2014) and employee

development is other very important point of view for newest change management studies (Ali & Anvar, 2021).

Year 2019 was exceptional for all kind of business areas due to Covid-19 pandemic shown its own power for today's business. Pandemic have last over 2 years and it have been forced many companies to innovate in level they weren't even ready to proceed. Remote working and many national level restrictions have turn over many companies working methods and safety regulations. Changes was implemented fast because companies needed to adapt based on new constraints. Worst-case scenario was end of the business if companies weren't capable to adapt to new circumstances. As restrictions have eased companies have begun to adopt so called hybrid models that combine the pre-pandemic working models and the remote working model used during pandemic to find their own best practices to develop their working conditions and methods for their employees (Morgan, 2021).

It is important to make the transition to the new model as planned and carefully considered so it won't cause any unnecessary stress for employees which might weaken their commitment to changes. In earlier research done by Ndaba & Anthony (2015) have been stated that employee's engagement can be seen as a tool, which can be used during change, that's why it's important to concentrate on employees' point of view as well when implementing the change.

1.2 Research questions

The goal of this research is to broaden up the view how the organization structure change can be implemented in company permanently and effectively with employees in mind. Its aim is also to point out the differences in leadership models and point out which can be done from management side to support the change in companies. In this study the initiatives are studied mostly from employee's point of view and evaluated how the initiatives are affecting employee's resistance level.

For a research question have been chosen as:

“How the employee’s resistance level can be lowered in company when implementing the organizational structure change?”

For a sub- research question have been chosen topics which support the main research question and help to understand the reasons behind the main research.

1. What are the reasons for resistance during the organizational structure change?
2. How can the case company support the employees better from management side during the change to decrease the level of resistance?

The meaning of this research is to increase the knowledge in organizational change management and strategic management field. Research is done as case study; it substantially reduces the generalization of the case study to another research. This research is done for a company from their interest point of view and the main goal for case company is to create understanding how to continue more efficient way with the implementation process of their ongoing organizational structure change.

1.3 Method, data & limitations

The research is a case study of a case company. This case study is a presentation of one of more of cases of phenomenon compared to a theory or theories. Case company for this research is international forest industry company. The case study is about implementing organizational structure change in supply chain team. The structure change started beginning of 2021 in the organization. Implementation process is still ongoing, and the aim of this research is to give backup details how employees are reacting to change and how the change can be implemented in better ways in this current team. Also giving data for management team to support the implementation of the change in the team.

The research is qualitative research, and the data is collected via data collection form provided to 12 employees and 2 managers in the company. The data collection form was sent to employees and managers via email who are right in the middle of the change. Data collected from Forms, data collection form was analyzed and reported for case company in separate report. Data was analyzed by the theories and result were collected based on the themes.

The employee's resistance level and factors affecting to it is evaluated mainly based on the answers given to data collection form. In the data collection form was asked which kind of barriers and problems they have noticed, how commitment they are to change, and which factors are affecting decreasingly to their commitment. The collected data from data collection form are analyzed to have better understanding which factors are mostly affecting employees and reducing their engagement level for the organizational change. The data from the data collection form increase the knowledge of which initiatives has affected positively and which could be improved during the implementation of organizational change process.

The researcher has worked for the company over 2 years and during the research. Some observations done during the work experience may have affected the research results.

1.4 Theoretical framework

This research theoretical framework is based on theories about strategic change management, organizational change management and leadership models. These theories process the main framework of the research. The organizational structure change is strategic for the case company and it's a step to achieve their vision of the future in company's perspective. The research concentrates on to help and find the difficulties during the implementation process and give perspective for managers how to continue in better practices the change process. There are also included other factors of change management,

employee's engagement, change resistance and removing the barriers, but the main object of this research is organizational structure change. Research framework is summarised in figure 1.

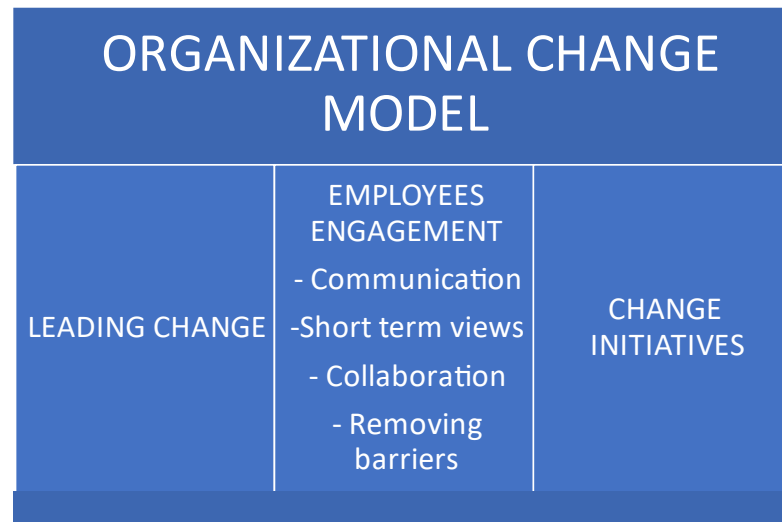


Figure 1: Research framework

One of the best-known organizational change models; 3-step model was represented by Lewin (1947), which have been basis for other organizational change models for example for Kotter's eight step model (Burnes, 2004), which mainly states that key driver for successful organizational change is focused to engage the employees to change. The main idea of the model is to have the insight from employees' point of view and understand the need for the change, which increases the employee's engagement for the change.

Theoretical background also involves theories of different organizational structures: centralized organizational structure, decentralized organizational structure and hybrid organizational structure and how these structures can be managed and what needs are for the managers. Researcher is looking for the theories from large international company point of view to support the case study of this thesis due to different management models are better

for some companies based on the qualifications needed. All models have those own challenges and opportunities, and managers are in high level to handle those (Brands, Cooper, 2016).

Theoretical framework is based on mainly strategic change management and organizational change management theories and to support these theories is used also change management, employee's engagement and change resistance theories to understand in better way the organizational change management. Kotter's eight step model is also used as trendsetter for this research (Radwan, 2020) to structure the structure of the thesis in better way.

1.5 Structure of the thesis

Next sections present the research's framework. Second section presents the concept of organizational structure change. There is also presented the theories related to organizational change management. Third section is about implementing the change. There are also introduced subject related theories and how those can be used during the implementation process.

The fourth section presents the case study and research methodology and the data collection for it. It also includes the empirical research data. First, this section introduces what qualitative research is and what are the main goals for this methodology. Then the data collection of data collection form is explained and presented. In the end of the fourth section is also discussed about the reliability of the research. In the end of the section result of the case study are presented. There are also included suggestions to improve the implementation of organizational structure change for future. In the last section, conclusions, are concluded theories and the results of this research.

2. Organizational structure change

Organizational structure change can be defined as the alteration of the core operations of the organization, described by Hallencreutz and Turner (2011). It's also stated to be a movement of an organization from one situation to another. Usually external or internal needs triggers the start of the change process (Klarner et al. 2011). Organizational change can be influenced by several factors including a change in a company's structure, strategy, policies, procedures, technology, or culture. The change may be planned in advance or forced on an organization due to a shift in the external environment. An organization development process involves implementing a planned change process based on social science theory, action research, and feedback methods which are generated from data. Nowadays are pointed out even strongly the employees' emotions during the change process. The change is always planned in manager level, but the actual change work is done in employees' level, so they are blinding important role in the change.

In organizational change, companies or organizations look at both the process by which they change their operational methods, technologies, organizational structures, or whole structures, as well as how the effects of these changes can be felt. The process of organizational change usually occurs in response to - or as a result of - external or internal pressures. It involves re-examining and modifying structures, particularly management structures, and processes. Keeping up with competition requires every business company to seek out ways to improve its efficiency. It is also crucial to find ways to be more cost efficiency to have competitive advantage. Usually, the organizational change is proactive process, especially when the need comes from the organizations' internal needs. Proactive change is defined to be organizations act to develop their processes for their own needs. Organizational structure change process is based on the idea where and how the company wants to be and structure in future (Haveri and Majoinen, 2000). The change process is carefully controlled and usually planned beforehand the change process starts. Mostly when the need for organizational change comes inside the organization the change is seen as possibility, but there have been also studies where is pointed out that the change resistance might be worse when the change is proactive, and the initiative comes externally as reactive

change (Williams, 2007). Based on the study done by Haveri and Majoinen (2000) the reactive change means that the change process starts due to external sources demands it.

Burnes (2004) states that change is constantly affecting organizations in different ways, and every organizational change should be aligned to the organizations' vision and mission due to the change can be seen in many forms which might be hard to define. In reality, organizations face constantly changes that can have a negative effect on them. There have been several studies over decades about organizational change management in different point of views. Even if it's widely studied, the success rates of organizational changes are not developed to be better after end of 1990's based on McKinsey Global data collection form from 2017. Success rate have remained to be in 30% level (McKinsey, 2018). Next the study will represent characters of organizational change.

2.1 Change Management

Overall, the theory of management is widely studied during past 200 years and the basis of management theories: Scientific management theory was launched at 1800's. It was based on the need to management to be more productive and efficient with the methods and strategies and it was also first theory which introduced hierarchies of management (Takala 1999, 41-42). As a side of this scientific management theory was created also human relations theory which was concentrating on the performer of the task when the scientific management theory approach focused mainly on the task itself (Ward, 2021).

Today's studies of management have multiple different perspectives and during the years have been created many different management theories but the roots of those first two theories can be found from the new era's theories. In modern theories can be seen same pattern that people management and leadership is separated from managing things. One of the well-known theories from Kotter (1996) is representing the managing theories as the way described earlier. Kotter have stated that managing the people is constructed from three characters: solidify direction, aligning people and inspiring and motivating them. From

Kotter's point of view solidifying direction can be done with long term goals and carefully planned strategies and how to reach those. Also, to achieve the planned goals the people need to be aligned to achieve the wanted result, and for them is needed to communicate the wanted vision and strategies to have them on board for the change as well. Motivating the people helps them to engage to the new models easier. (Kotter 1996, 22-23)

Kotter's model is also representing management process for things as three main parts: planning and budgeting, organizing, and staffing and thirdly controlling and problem solving (Kotter 1996, 22-23). Planning and budgeting can be seen generally as setting short term and long terms views for the future, those can be in general level or done as step-by-step models there is also pointed out needed resources. Organizing and staffing is from Kotter's point of view solidifying organizational structure and setting up the tasks to fulfil the plans done. Controlling and problem solving is pointed out to monitor the results and compare those to the original plans, conduct reports from those and introduce the results and possible strategies amendments. (Kotter 1996, 22-23)

Organizational change projects can be described to be wide projects where the managements' abilities are in genuine test. Kotter have pointed out that to succeed in organizational change it needs 10-30% of managing things and mostly 70-90% of managing people. Managing things can be received short term wins and it will also increase the controllability and, also the predictability of the change process. With managing people can be obtain more competitive organization due to bigger changes processed in organization. (Kotter 1996, 30-31)

Based on Hallencreutz and Turner study Exploring Organizational Change Best Practice: Are There Any Clear-Cut Models and Definitions? (2011) change management can be described as: "A structured approach to transitioning individuals, teams and organizations from a current state to a desired future state." It's commonly heard in business world that only thing what is sure of its change. There are several reasons for companies to proceed with changes and the most well-known affects for change can be globalization, digitalization and climate change. Thomas Lauer have defined in his book: Change management:

Fundamentals and Success Factors (2021) change management to be like a plan how simple chair can be built to be the most comfortable armchair. That is well representing that the change management is concentrating more to represent the path from the starting point to the goal and not representing the definitions that clearly. Change management needs unending patience and strong motivating attitude from the managers, and it insist strong leadership skills from different fields of management. The mainly goal for the manager is to engage the employees to the change and motivate them through the change process.

2.2 Organizational change process

Change process is challenging and risky for many organizations, many earlier studies have proven that multiple times. Earlier studies have mostly focused on employee's coping with organizational change from specific change strategies point of view for example communication, leadership or individual-level factors, but the organizational-level factors are usually ignored during these researches. Organizational level factors can be for example structure, goals, and climate. (Jie et al. 2021)

Change process can be defined as a timeline from the moment that there is noted the need for the change, there is structured plan how to proceed and how it can be implemented to actions. Most of all important is to make the new practices part of everyday working for all the organizations employees to ensure the successful change. Basic model for change was represented by Lewin already in 1947. It included 3 phases: Unfreezing, Change and Refreezing. (Self et al. 2007)

Lewin's model is practical and very simple model representing the change process. First step unfreezing can be explained that you don't be able to eat frozen food, so it needs to be unfrozen first, same thing is with the change process. The goal during unfreezing is to create awareness in organization about the change due to usually changes might result in resistance. Lewin have pointed out that communication during the first step is crucial. The second step Change means from Lewin's point of view that the change is a process in organization where

the organization needs to move into new state of being. During the move employees start to learn how to use the new skills and ways of thinking in their everyday work. During the second step needs to be informed regularly the reasons behind the change and how the change can also benefit them after it is finalized. The last step refreezing was originally named by Lewin as freezing, but the refreezing is symbolizing the act of stabilizing and establishing the new state of change in better way. Refreezing is important step to guarantee that employees doesn't go back to their old habits, and they will remain in the new ways of working. (Burnes 2020, Cumminga et al. 2016)

Lewin's change model has been also basis for later launched change models introduced for example by Kotter (1996), Galpin (1996), Pettigrew (1985) and Armenakis et al (1999) (Starkey, 2001). These models have in common the way they represent phases and usually it's done from the process point of view. To succeed with the change, it is needed to follow the defined steps. All of these models have steps, but those varies between the models from three to nine.

2.3 Resistance

In psychology resistance is defined to be as opposition to an attempt to bring repressed thoughts or feelings into consciousness (Haslam & Reicher, 2012). In business world resistance is showing same type of patterns as in psychology but in a different way. For organizational changes success is highly important to receive employee's support. Resistance for organizational change have been seen as an organizational and individual behaviour. There can be seen many levels of resistance from mild to strong. The most typical reasons which leads to a resistance can be for example loss of control or certainty, loss of familiarity of the tasks or loss of status. For employees it might be hard to integrate for new working habits and change their routines, usually it's because they are afraid of the new situations and might be also afraid of losing their job if they are not able to adapt and that's why they would like to keep everything as they have familiar with.

Based on Endrejat et al (2020) study “Turning change resistance into readiness: How change agents’ communication shapes recipient reactions” were pointed out that it is crucial to organizations to understand employees’ reactions to change. Employee’s reactions can cause stress and psychological strain to them and affect their possibilities to be as efficient as usually and lower their job performance level. Unwanted feelings also might cause companies and employees wants more often to leave than integrate. Jafferty and Jimmieson (2017) have also stated in their study: “Subjective Perceptions of Organizational Change and Employee Resistance to Change: Direct and Mediated Relationships with Employee Well-being, that risk for mental health problems have increased significantly when the organizational change is affecting negatively to work environment and overall well-being at work. They have also pointed out the importance of individual sensemaking to understand the reactions and experiences of employees to organizational change.

‘Resistance to Change’ have been defined in early 21st century as “individual’s dispositional inclination to resist change, and is a multidimensional disposition that comprises behavioural, cognitive and effective components (Oreg, 2003)”. This definition means that resistance can have multiple forms how it is visible during the change, employees have different kind of roles how the respond to the change, it can be shown more behavioural or cognitive way depending on the person. (Oreg et al., 2018)

Resistance is not the only way to respond for the coming changes, Oreg et al. (2018) have pointed out four different behavioural ways to respond to change based on the feelings employees have during the change process. These types are represented in Figure 2. With change resistance is usually described to have feelings like stress, angriness, or being upset about the process when the opposite change proactivity has feelings like excitement, elatedness and enthused. Change disengagement is not so visible form of response as change resistance but it’s affecting negatively to employee’s performance level, it’s described with feelings like sadness, helplessness and hopelessness. Change acceptance is showing in positive but not in so active way. Usually it includes feelings like calmness, relaxedness and contentedness. In most commonly the change resistance is the most visible form of the response types and it’s pointed out to be the most negative for implementing the changes.

Usually, the negative atmosphere is spread through the organization due to the negative feelings are affecting to the overall environment and the job satisfaction. Also, employees with the highest resistance point out their feelings more strongly than others and as a result the other opinions are not heard in a same way. This may lead to resignations which will cause unexpected costs due to recruiting and training of new employees. High resistance level is affecting negatively to team spirit and teamwork as well, which is lowering the team performance.

Change resistance also may have benefits for the organization, it might not be only negative result. Employees who actively pointed out their negative concerns and satisfactions about coming changes might help in planning state to avoid these issues in better ways. Their expressions might include very valuable information for the company so it's crucial for the planners to hear what the employees point out during their negative stance. Usually also the showing of the negative feelings is relieving the stress levels and because of that these employees might not consider leaving the company that often. It has been pointed out that investing to understand the employees' negative feelings in early state, even if it's very time consuming and due to that harmful when looked at in short run for business, but to answer the early concerns and redesign the implementation process with including the employees' interest may significantly improve the implementation of the change. (Oreg et al, 2018)

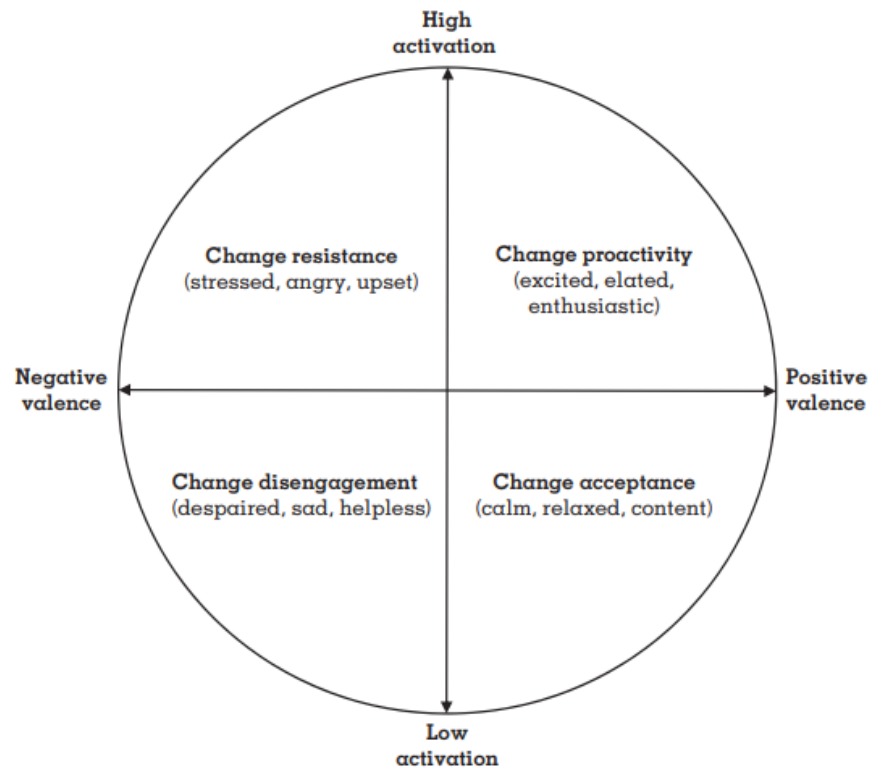


Figure 2: Different response types to Change (Oreg et al, 2018)

When managing the change resistance, there should be classified different target groups and separate these to different levels as well because all these different groups require different manners of an approach on managing the change process due to their needs varies between the groups. In the groups should be pointed out key persons which acceptance and positive impact is crucial for the change process to success. As mentioned earlier in the chapter employees support for the change is highly important and needed to proceed with the change implementation. After the key persons are on board, the focus turns to all other employees who are needed to understand the reasons behind the change and after that focus turns to other stakeholders. All these groups need to be faced as individuals and point out the need for the change in a way they understand it in their own perspective. (Haveri & Majoinen 2000)

Most importantly from success point of view the resistance needs to be acknowledged in the organization and handled in a needed way. Management can easier lower the level of resistance when acknowledging the employee's fears and the overall uncertainty during the

change process. In change management resistance can be visualized with iceberg model. Only the tip of the iceberg is visible, but the main part is under the water and stays unknown. The underwater part should be managed as properly as possible, due to it might be significant reason for organizational change to not succeed (Natches & Gotsill, 2007). Employees should be involved to organizational change from early stages forward and it crucial for the process to hear their ideas and involve them to planning. Another highly important factor is information flow, it needs to flow in every level and the whole time during the change, before it, during it and after it. Employees need the facts about the reasons behind the change and the planned targets.

2.4 Employee's point of view and engagement level

During the past years management theory have been giving wide recognition to employee engagement which is hot topic from organizational change point of view. Earlier the research in organizational behaviour was concentrating on employee satisfaction during 1970s, employee commitment during 1980s and employee empowerment during 1990s. These have been creating basis for employee engagement theory. The theory is trying to track down solutions for companies and organizations where they can meet up their strategic goals by empowering their employees to give their best effort in the best interest of the business. The main idea of the theory is that employees are connected to the job and from that point of view committed to their work and to the company as well. (Hellevig, 2012) Employees engagement to the company can be seen in the way they talk about their job and the company for their friends, co-workers and family. When they are engaged, they talk in positive and enthusiastic way of their job and are usually proud to work in the company. Their engagement can be seen as their effort to do their job and also help others to manage better in their tasks. Based on Ndaba's and Anthony's article "The Impact of Employee Engagement on Organizational Change in a Telecommunications Organization" (2015) without the high level of the employee's engagement towards the company organizational change management will have multiple problems during the implementation of the organizational change.

During the change process is highly important to remind the employees how their current job and the changes are fitting into big picture of the company. Quite often employee level is not even aware of how important their role is for the company's long-term goals and how their job is influencing on the company's strategies and other teams' tasks. With having open conversation with the team about their roles can be positive effects for them to understand their role better and feel more commitment to their current role. In Figure 3 has been described the employee's perspective how they often see their jobs. Employee (A) knows well his/her own job area and is professional with that, but only communicates directly with team B and have some understanding what they are doing, other teams (C, D &E) are not in direct contact with the employee, so he/she have only basic understanding what they are doing but not in a way how their work is affecting to the company. The lack of perspective is affecting negatively of the knowledge of employee and due to that it's limiting employee's performance level in the role. (Garber, 2014)

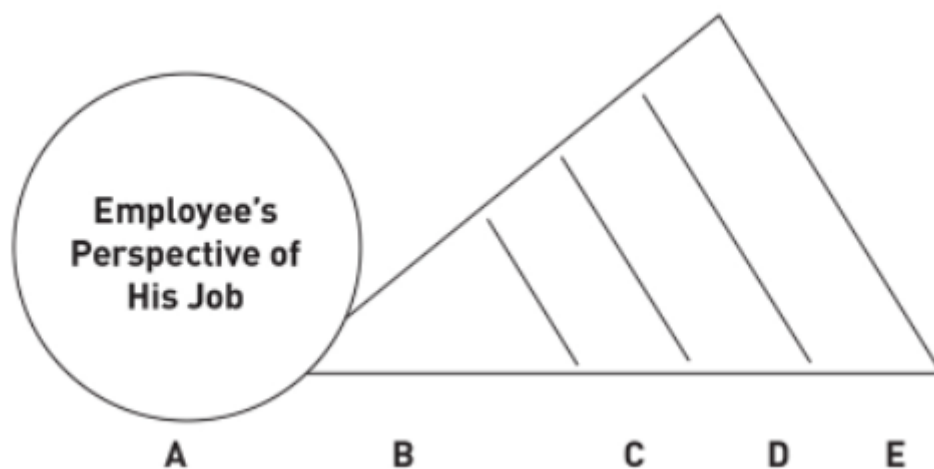


Figure 3: Employees perspective of his/her job (Garber, 2014)

To engage employees more managers should concentrate on for example to involve their employees more often to decision making of their daily job, discuss with them about the goals and strategies overall and train their abilities to boost their work self-esteem and performance level. It has been studied that many employees just come to work, perform the day and go home. This often is felt because of they feel that they haven't given opportunities

to show their skills or those haven't taken seriously. To ensure employees engagement would be needed to involve them, to commitment them for receiving accountability for the company. In employee's performance level there is big difference when the employee is commitment to his/her job when comparing to person who is not commitment.

Based on Garber's study (2014) leadership model to improve employee's engagement should concentrate these next points to improve the organizations possibilities to implement the changes in teams and improve the overall satisfaction of the team members. To improve employee's engagement level managers should authorize their employees to be more involved about the decisions which are concerning their everyday work. Then there is not so large responsibility for managers to make wrong decisions about the employee level work which they might be not so familiar with, and same time employees will be happier about their possibilities to have influence of their own work. This possibility will also let them direct themselves more at work point of view. It's have been studied that people are answering the expectations of managers having of them, employees should have possibilities to be respected as capable of handling tasks where they direct themselves and have more responsible decisions to make.

From employee's engagement point of view, it also important to listen employees and their ideas, it's not enough only to listen but also to show that their ideas can work and find ways to implement the good ones in practice as well. Employees sense it if the manager is not listening to them truly, to engage employees' meaningful conversations are good point to start. It has been noted that discussing employees' goals periodically and making needed changes, it will take the employees closer to managers and create trust between them, which is helping to engage them. From employees' point of view is important that manager is close to them and visible for them in daily basis. Addressing employees' accomplishments, small ones and wide ones, frequently will also bring employees closer to manager and have positive effects on engaging them to the team. One of the most important things to employees is that managers are approachable for them when they need. That's why team leader positions could be good to consider for employees to have closer manager to ask help and share they thoughts and worries when it is needed. Another important point of view is to

upgrade employee's knowledge with trainings and tools which are having good benefits for them and helping them to collect more know-how which is relevant from work point of view and those will help them perform the jobs to the best of their abilities. (Garber, 2014)

Organizational changes will point out many feelings from employees and are affecting their attitudes towards the company and their jobs. Changes might cause resistance in the organization. During organizational change would be important to concentrate on employees' attitudes and their behaviour during the change and collect information which might help to succeed with the implementation of the organizational change. The collected information can be used as benefit when trying to engage the employees to the company. The most challenging during the organizational change might be employees' attitudes and behaviour, for those is also hard to effect from organization and manager's side. The work against the resistance needs to be done beforehand the change by identifying the nature of the change and rating how the change is going to effect to the employees. This change management can be used as a help to engage the employees for the change. (Ndaba and Anthony, 2015) It's been stated that employee engagement is a key element from successful organizational change point of view and important to recognize during the processes. Employees emotions develop in all directions during the change and those are important to notice. By affecting these emotions, the resistance can be handled and decreased more efficient way. (Hewitt, 2013)

3. Implementing the change

To support the management team during the implementation process of change have created many models which are supporting the change processes. Many researchers have created their own models for change process but still one of the well-known and the most used model is Kotter's eight step model which were launched in 1990's. Kotter's model represents 8 step instructions in very practical way to proceed with the change process. This model is based on empirical research and studies where have been examined the reasons why companies have been unsuccessful with the organizational change process. (Kotter, 1996) This 8-step model shows the problems of the processes during the change and represents solutions how the barriers can be managed to go forward, but the model is not considering any theoretical research or have specific scientific background to support it (Applebaum et al., 2012).

Shortly concluded the main idea of Kotter's 8 step model (1996) is to engage the employees to the change process and eliminate the possible barriers to successfully implement the model in the organization. The model includes phases like creating the change of urgency, forming guiding alliance, developing the company's vision and strategy regarding the change, communicating the vision in efficient ways, removing barriers and empowering employees for action, creating short term wins and anchoring the changes (Applebaum et al., 2012).

The steps of Kotter's 8 step model are presented as follows:

1. Increase urgency
2. Build guiding team
3. Develop the vision and strategy
4. Communicate for buy-in
5. Empower action
6. Create short term wins

7. Don't let up
8. Make changes stick

Kotter's model highlights the importance of establishing sense of urgency in the environment where the change is needed. Employees are not willing to change before they see and sense that it is needed (Applebaum et al., 2012). In Kotter's model each step proceeds in the order given and provides measures for the management of the organization. Skipping one step or moving too fast to the next steps invariably causes problems for the process to succeed. In the model is emphasized the leadership and the systematic of change. Kotter have stated that in his model is two important laws. First, there must be planned strong and multi-step process model to implement the change in organization. Model needs to motivate and help to reduce the resistance of change. Secondly, the process will never be applied effectively enough if there is not included both management and leadership to the process. Kotter (1996) have defined management to be leading things. It is a set of processes by which a complex system of people and technologies is maintained. For an example these processes could be planning, organizing, controlling, budgeting, problem-solving and resourcing. Leadership is from Kotter's point of view seen as managing people. It consists of a set of processes by which organizations are initially established or adapted to the operating environment. Leadership is about showing direction, encouraging, coordinating, and inspiring people. Based on Rees and French study (2014) creating vision and communicating is the critical point of Kotter's model.

Kotter's model can be said to be based on Lewin's 3 step change model, where three first steps represent the first step "Unfreeze" in Lewin's model. Three next steps present second step "Change", and two last steps are based on Lewin's models last step "Refreeze". (Joy, 2016) Lewin's model is visualized below in figure 4. The Lewin's model is criticized to simplify the change process too much and the analogy of the model is based on waters different phases, which presents the state of the organization. Motivation for the different change models from multiple researchers is to provide a systematic way to derive change from the perspective of human behaviour, modifying the behaviour more appropriate to change. The model assumes that by identifying and understanding the key steps in change,

the likelihood of effective change management increases as management makes better decisions through change-oriented interventions. (Cummings et al., 2016, Rees and French, 2014)

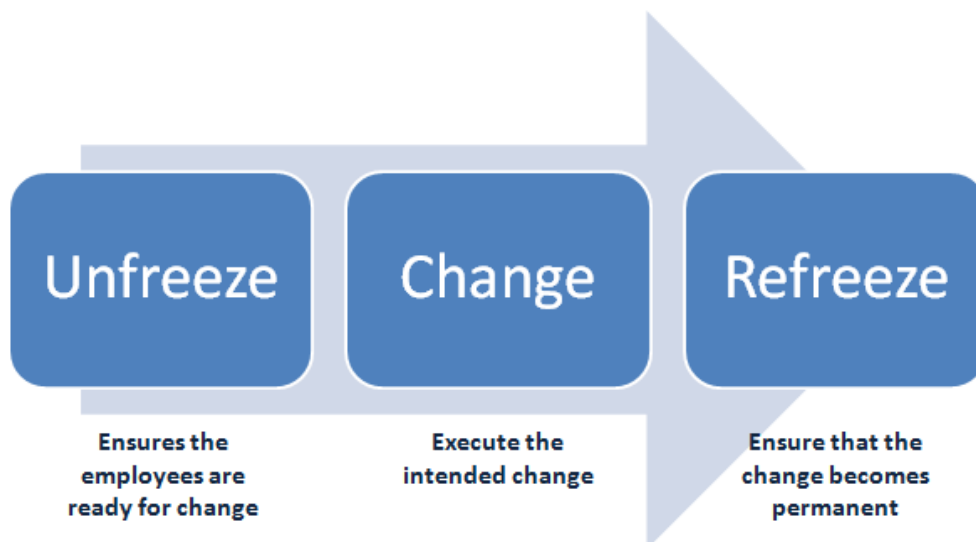


Figure 4: Lewin's three step model of organizational change

All the models have their own weaknesses and Kotter have pointed out that his model is simplifying the change process, but the model is based on mostly tackling the barriers of the change and errors in the process. Kotter (1995) have defined list of deficiencies for errors that are leading the change process for failing.

1. Failure of communicating the urgency of the change – allow too many excuses and delays
2. Failure to obtain strong enough management support
3. Underestimate the power and significance of vision
4. Communicate far too little about the vision
5. Let various disadvantages obscure the new vision

6. Failure to generate short-term profits
7. Announce victory ahead of time
8. Don't bother to anchor change to a close corporate culture

In the next chapters the implementation of the change process is presented in Kotter's 8 step models point of view. Also, to support the theory leading models and change management is presented.

3.1 Leading the change

There is nothing more difficult and dangerous than creating a new order of things. All of them oppose the reform, which has benefited from the old system, and it is weakly defended by those who might benefit from it. - Machiavelli, (1496-1527)

The statement of Machiavelli, over hundreds of years ago, is still representing the current behaviour of people in change situations. Change management is one of the most challenging types of management and from today's point of view change is seen as permanent condition. Today's global world needs regular adaptations and changes from companies to keep up with the business and the changes are inevitable. One of the greatest philosophers, Heraclitus (c. 535 – c. 475 BC) in history have stated that "There is nothing permanent except change" which represented today's business world well.

Change is always causing challenge with the management. Based on Järvinen (2016) change management has been described to be as a test for managerial work, only after going through the process can know what the actual change management is. Even if the change management is examined a lot from multiple point of view there still can't be stated exact receipt how the process can be gone through smoothly. There are always multiple factors from individual, group and organization point of view. Change causes turmoil, feelings, and

opinions both for and against throughout the change process. It requires commitment, trust, and motivation, and above all, good leadership.

Change processes usually fail due to poor management, which involves, poor planning and controlling, lack of resourcing and expertise, and inappropriate policies and practices for change. As earlier have stated based on McKinsey Global survey (2017) over 60% of organizational structure changes fails and not provide the wanted results. Mattila (2007) have pointed out that change is often seen as an emergency solution, which is why sanctions do not take the organization into account as a whole and change can cause unpredictable and unacceptable chaos in the organization. Based on Kotter (1996) without qualified management, the change process may get out of hands, but the bigger challenge is leading the people. Successful leadership for the change be in need of these fields: vision, strategy, values, strategy empowerment, motivating and inspiring, from Gates (2003) study Change management -or change leadership? point of view.

3.1.1 Unfreeze phase

The first phase of the change process consists of three steps: increasing the urgency, building guiding team and developing the vision and strategy. The first step, increasing the urgency, is based on Kotter (1996) one of the most important phases of the whole change process. Strong sense of urgency is needed to create an atmosphere in the company where is understood the importance of the change process. In the study of Appelbaum et al. (2012) have pointed out that in the beginning of the organizational change is needed to create environment which requires co-operation from multiple levels in multiple forms. Based on Kotter's model (1996) the organizational change needs to be communicated widely and drastically in the organization to support the change process to go forward. Employees needs to be in the same line and understand the urgency of the change so that they can change their own working routines and truly understand from their point of view as well why the overall change process is needed in the organization.

Change processes are always causing feelings of resistance due to the uncertainty and feeling about uncontrolling during the process. These feelings for and against the process are positive sign, because if there would not be any feelings then the process will not matter to the employees (Valpola et al. 2010). When employees understand the necessity of the change process and why it will take its place to the organization at the time, they can be more motivated for the change overall. This will require good level of communication from the management side before it will be achieved in the organization. Employees needs to understand the benefits of the change from their point of view and how the process is going to take the company forward from business point of view (Kotter, 1996).

Kotter (1996) and Armenakis (1993) have suggested to use other consulting company outside the organization to support in the beginning of the process to create the sense of urgency in stronger level. It is one of the biggest influencers to engage employees to the change and adapt them to the new model with motivation. To support the start of the implementation process would be important from management teams' side to concentrate on the level and forms of communication and arrange needed trainings for employees to motivate them more and keep up the good atmosphere level in the team. Crucial for the first step to succeed is the level of communication where the focus needs to be added.

Second step building guiding team concentrates to create team of people to drive the change process with positivity and expertise. Based on the Kotter's analysis (1996) no one can by herself/himself lead and manage the whole change process through even if it is the case in many companies during the change process. So based on that it is important to collect the right guiding team to lead the change process in the organization. Key features for these persons are position power, credibility, expertise, and leadership skills to ensure their goal to succeed. Kotter (1996) have pointed out the importance of trust when choosing the guiding team for the organization. Have been examined that work community with proficient level of trust between each other are having more positive attitudes and overall stance during the change process. Also, it is affecting positively to the performance level of the team and their cooperation. (Applebaum et al., 2012)

Applebaum et al., have pointed out in their study that even if the guiding team have its advantages, it is still crucial for the change to succeed to involve and engage the employees for the change. Trust rate is good indicator for company's state, based on Schockley- Zalabak et al. (2000) article, organizations having higher trust rate are innovative and agile while compared to the organizations with lower rate value. Trust rate is also in line with the success rate of the organizational change in the company, with higher level of trust between the organization, also the success rate is higher.

The most important tasks for the guiding team is to support, promote, lead and develop the ongoing organizational change process. From organizations point of view, it is valuable to choose correct persons for the job to walk in front line of the change process, from their hands is to achieve employee's trust. Guiding team is also concentrating on communicating the vision of the company throughout the organization to support the implementation. (Applebaum et al, 2012, Kotter, 1996)

The third step developing the vision and strategy, is having significant role in the change process. Based on Kotter (1996) the vision has three main goals:

1. Define the direction
2. Motivate employees
3. Coordinate the processes

In vision planning, the organization reflects its current state in terms of the prevailing operating environment: from the perspective of customers, personnel, owners, management, and other key stakeholders. As a result of this analysis, the direction towards the desired one begins to build the state of the future, the vision.

The vision must be desirable to remain in the current state seems more dangerous than jumping into the unknown (Kotter 1996). A good vision inspires, engages, and commits to change. It must be realistic, simple enough, limited, understandable and communicable.

Realistic by its very nature, it is good to include both qualitative and quantitative goals in the vision objectives. A good vision connects people at both the intellectual and emotional levels to an organization that is reflected in the growth and success of the organization.

With the help of the vision, the personnel are empowered to act in a self-directed manner and to encourage them to act in the right way. Ability to coordinate the actions of thousands of individuals quickly and efficiently (Kotter 1996). From vision point of view employees will see what the change will look and feel like, and they will understand how the change will take effect in their work point of view. The key problem in creating a vision is to communicate it in efficient ways to the organization and its employees so that it would be clear to all. Well-formed vision could help to reduce the resistance against the change and motivates employees to give their best. (Applebaum et al. 2012)

3.1.2 Organizational structures and management models

Every organization needs to have clearly defined chain of command and organization structure to support the company's efficiency and the overall business to go forward. As the same way employees needs to have clear picture about their own job description, organization structure should be defined in a way it is working properly and clear to the company. An organizational structure can be defined to be the outline of the company's framework and guideline for managing the business operations. Larger companies are using the organizational structures to effectively manage their business functions and employees. Most commonly the company's size and operations structure are affecting to the chosen organizational structure. All in all, organizational structure is stated to have a few universal benefits, which includes it to improve the decision-making processes, operate in multiple locations, streamline the business operations and focus on customer service and sales. It has been examined that companies with well-defined organizational structure should be able to concentrate more on customer service operations rather than using time to correct the operational issues in the company. Many companies have chosen for their long-term goals to improve their customer service operations due to it's one of the frontline operations which

their customers face first and with positive picture about the company would be able improve their business. (Lim, 2014)

There are presented in the following sections three most common organizational structures and what key tasks managing those needs to be considered. These models are centralized organizational structure, decentralized organizational structure and hybrid organizational structure.

Centralized management structure

Centralized structure is described to have a model where the business decisions are done in the highest level of the chain and distributed down the chain of command. This management structure is commonly used in retail chains for example. The centralized management structure is setup where the decision-making powers are concentrated for only a few leaders at the top of the organizational structure.

Centralized management structure is having multiple advantages, which are clear chain of command, focused vision, quick implementation of the decisions, reduced costs and improved quality of work. In centralized organization are usually more clear lines with the communication so it can be done more efficiently and with clear chain of command implementation processes are easier to introduce in the company. In centralized organization the office and administrative costs are smaller due to the focused management. Also, the organization avoid extra costs to hire specialist for its different branches since the critical decision in the centralized model are done at the head office level. The clear chain of command in the centralized model reduces the duplication of responsibilities that may result in additional costs in the organization. (Juuti, 2011)

As the centralized management structure is having benefits there are also disadvantages for the model. Bureaucratic leadership, remote control, lack of employee loyalty and delays in

work have been seen disadvantages for this management structure. In centralized management structure employees are not involved in the decision-making and there are expected to deliver the results via the tasks they are assigned to. When employees face some problems during the implementation process management level doesn't understand them because they are only the decision makers. Organizations decision-makers are under a lot of pressures, and they don't have control over the implementation processes of their decisions. When the instructions and communication come only from few people there might be delays with answers and employees might be less productive when they need to wait guidance and instructions. Employees are not engaged to the company in a level they can be because they are not able to give their ideas or show their creativity in the company. (Salmimies, 2013)

Decentralized management structure

Decentralized organization structure is in some ways opposite for the centralized organizational structure. In decentralized organization structure there are often multiple individuals responsible about the business decisions and overall running the business. Decentralized organization have described to rely on a team environment more than an individual's decisions. In some levels of the business there might be individuals in charge, but the main idea of the structure is not based on one person lead. (Vartiainen et al., 2004)

Decentralized management structure in the company is described to be a model where the business allows managers and subordinates further down the chain of command do the business-critical decisions. The structure gives more ability and responsibility for the employees and lower-level managers in the company. Companies with the decentralized management structure can often respond for the changes more quickly and adapt to the business changes in better ways. Advantages for the decentralized model are improved employee motivation, when they can influence on their own work decisions and tasks. They also have the best knowledge in the local level so the power to do the smaller decisions in local level benefits the company. In competitive business world also the speed of the decisions is seen as advantage for the model. In decentralized organization structure there

are less layers of bureaucracy when comparing to centralized structure, which allows the company to do the decisions faster. (Jormalainen, 2013)

Decentralized organizational structure has also its own disadvantages which can affect negatively to the business. With the decentralized management structure is more likely to do ineffective decisions which are not improving the company's efficiency and business performance. Also, consistency is not achieved in the company due to the management is spread around the company. There might be procedural differences in the company depending on under which areal management you are working. Also, the management point of view can be quite local cause the management is concentrated on its own area only. (Reinboth, 2007)

Hybrid management structure

Hybrid organizational structure combines both functional and divisional structure, where its activities are dived into different departments that can be functional or divisional based on the department, it forms a structure where is used more than one reporting structure. Structure like this enables the efficient utilization of resources and knowledge in the different functions. Hybrid organizational structure is widely used especially by large companies. Customized organizational structure has been seen to increase the company's overall efficiency and productivity in the business. (Morgeson et al., 2010)

Hybrid management structure combines the best parts from both centralized - and decentralized management structures. Its advantages have been described to be high flexibility, the improvement of knowledge level, increase of employee loyalty, shared vision and better coordination and the overall increase of efficiency and productivity in the company. Employees feel more engaged to the company when they are involved in the processes and different tasks and their skills are valued in the company. Hybrid management structure have multiple benefits from the models it's been formed. (Morgeson et al., 2010)

There are also disadvantages in hybrid management structure as well. It causes conflicts in reporting and the reporting can be only done more simple ways where the costs can't be tracked in the same way when the organization is having some other structure model. Also, when the employees work in multiple departments for example is some projects might cause scheduling problems and due to those delays with the project schedules when someone's expertise is needed in multiple teams. If the managers roles and responsibilities are not defined in a good level in the company, it might cause low productivity and some sort of chaos when the management is not on board. For the hybrid organization is very typical to have high workload. If it's not noticed in right ways, it will cause unnecessary stress for the employees and with long period employees might have burn out due to the overwhelming amount of work they are having at the same time. (Morgeson et al., 2010)

3.2 Communication

The fourth step in the Kotter's eight step model is dedicated for communication during the organizational change process (Kotter, 1996). One of the managers most important tasks during the organizational change is to communicate. During the change process, interaction and communication must be continuous even when there are no active topics to communicate. This will prevent from unnecessary rumours and fears between the employees. If the communication suffers during the process, also the commitment from employees' side will suffer. (Mattila, 2007) Communication should focus on the key functions of the organizational change process, as there are the main needs for the project (Stenvall & Virtanen, 2007). Communication during the change process is not a simple thing to do, based on Wendel's study (2013) good communication in the change situations needs to take into account following aspects: things and people, as the same time also the problems and opportunities and solutions. When communicating there needs to be considered the message of the communication, the nature of the message and the nature of the communicator as well as the emotional state and culture of the person with the communication is done (Stenvall & Virtanen, 2007).

In the communication should be included also the negative thing, which rise during the change process not only the positive ones. When the negative things are also communicated, those will be a lot easier for employees to accept when those are openly communicated for them. The main weight during the communication should be still with the positive things to improve the situation with the organizational change process (Arikoski & Sallinen, 2007). There needs to be a lot of communication and interaction during the change process, but on the other hand not too much, which means that the communication needs to be planned in good level. Even if the management team doesn't have clear picture about the future and coming changes, it would be good to point out to the team and be open, it will help management team to achieve their employee's trust. The employees should be involved for the planning and implementation processes of the change to easy up their engagement. Management team should also be able to notice that not all negative thoughts about the change from employees' side are not change resistance, those are sometimes employee's way to think through the change and process what happened to them if they will get on board to the change process. (Stenvall & Virtanen, 2007, Juuti & Virtanen, 2009)

Main goal of the communication is to bring awareness of the company's vision and goals during the change process to the employees. It has been stated that communication is one of the crucial elements for the change to succeed because it's one of the main issues which can reduce the resistance and bring awareness in the employee level. Uncertainty is one of the topics which is affecting negatively for the employee's engagement and cause negative feelings for them. (Applebaum et al., 2012) Employees satisfaction can be received during the organizational change process with the active and open communication, which will positively affect to the change process implementation as well. (Nelissen and van Selm, 2008)

From employees' point of view is important to communicate the company's vision for them in a way it's understood and point out how it's affecting in their daily work tasks and processes. Also, the reasons behind the change would be important to report clearly. It has been examined that the vision is understood in a best way when it is communicated for the

teams in a way, they can see it from their own perspective. (Kotter, 1996, Applebaum et al., 2012)

3.3 Barriers

Removing all the possible barriers is presenting the fifth step in the Kotter's (1996) 8-step model. Kotter have pointed out that only the communication about the organizational change is not a solution to implement the change, there is needed actions to remove the barriers with managements support, it is not the employees' job to do by themselves (Applebaum et al., 2012). Importance of the trainings can't be passed, many studies have had positive result when the communication is combined with trainings, companies which are concentrating these affects are developing empowered employees (Ellinger et al., 2010). Trainings will also be in positive role when engaging the employees to the change, trainings make them feel involved and those will also develop their knowledge and competence.

Based on Kotter's analysis (1996) the most significant barriers for the change are too tight internal structures, lack of knowledge and skill combined with incomplete information in the level of the employees. Wrong selection of communication channels could cause several problems for the change and, also the lack of motivation in the management level about the organizational change are named to be the one of the biggest barriers for the change process to succeed. (Kotter, 1996) Based on these barriers could be concluded the importance of understand the organizational structures, those needs to be evaluated case by case based on the company where the change process is about to happen. This also highlights the importance of the planning process to be transparent and involve all the necessary persons to the decision-making processes to succeed with the change in first try. (DiFonzo & Bordia, 1998)

Change always causes emotions and from perspective of change management it is known as resistance to change. Barriers are one of the reasons for the change resistance. During the change process employees might feel these four different feelings which are associated to

change: fear, anger, sadness and joy (Arikoski & Sallinen, 2007). With the help of emotions, employees attach themselves to the organization, which is also affecting positively to the job satisfaction. The change situation may upset the balance of the emotional bond between the employee and the organization, negative emotions, such as sadness, fear and anger might arise. These feelings are often associated with resistance to change. (Juuti & Virtanen, 2009) Based on Ford et al., (2008) there are multiple reasons for change resistance: cognitive and the behavioural scientific reason is a lack of knowledge, a low belief in change of necessity, leading to questioning and lack of motivation for change. Gill (2002) have done research and the biggest barriers based on that are emotional. The most common reasons for the change resistance are related to the individuals desire to change, lack of skills or knowledge and fear and insecurity about the continue of the own job. (Åhman, 2004)

Removing the barriers will help the company to engage the employees more and at the same time motivate them when for them is showed that the company is actively trying to improve their working conditions and try to support them during the change process. (Kotter, 1996)

3.4 Short term wins to long term goals

Next step of Kotter's model (1996) is sixth step and it's dedicated to short term wins during the change process. The benefits of the change process should be visible for the employees as soon as possible during the process to ensure their satisfaction about the change. Short term wins are presenting that the effort is paying off and the plans about the change process are giving wanted results, it is also affecting positively to the change resistance and possibly reducing it. Large scale changes need some concrete waypoints and short-term wins are presenting this. Even smallest victories during the change process are important, those are helping to achieve self-confidence and point out the direction with the change is correct and giving wanted results. (Applebaum et al., 2012)

Kotter (1996) have pointed out the importance of the employees to see the benefits of the change process, large scale changes obviously need a lot of time, but the vision and planned

benefits needs to be clear for the employees as well. When the future lines of the organization are understood by the employees, employees are more motivated to proceed in a way it is helping the organization to implement the change. If the employees are left out and they are not aware of the plans of the organization the whole change process might decay before it even started properly.

To support the planning of short-term wins Kotter (1996) have published model how to build good short-term wins:

1. Engage more persons
2. Follow the progress and show the results visibly
3. Recognize and reward successes

To engage more persons to the process the benefits of the goals should be clear and easy to understand, also the visibility will help engage more people to pursue the goals. The progress with the goals should be monitored and the results should be visible for all to create more understanding about the benefits of the change process. The goal of the short-term wins is to provide employees information that they have succeed and the work they have done have been worth it. So, the successes should be recognized and rewarded. (Kotter, 1996)

There are also negative effects of short-term goals for the employees which should be taken into account when planning the goals in management level. These goals might cause unnecessary stress for the employees if the goals are set to be too tight, and the stress is affecting negatively to the employee's job satisfaction and their engagement for the whole change process. This will set up some new challenges to management team to successfully communicate the vision and set the goals for their teams. (Kotter, 1996, Applebaum et al., 2012)

3.5 Keeping the change

Keeping the change is the last phase of Lewin's model representing the refreeze part. In Kotter's eight step model it represents last two steps: build on the change and anchoring the change. The main meaning of these steps is to develop the changed processes and make sure that those are used after the active implementation process in the organization is finalized. To keep up the changes achieved after the implementation, management team should actively seek through the old systems and structures which are working against the new working methods and processes. When implementing the changes in the organization those should have status which demands continuous improvements so that the successfully changed practices are not lost after the change process. (Kotter, 1996)

Management team overall are in visible and accountable role during the organizational change process. When management team is showing example with the new practices and exemplify the implemented methods by themselves those will be on positive light from employee's perspective as well. Management team is having important role also when supporting their employees' trainings, and they also should arrange those when needed. (Ellinger, 2010)

The last step of Kotter's eight step model (1996), anchoring the change, is dedicated to anchor the implemented changes to be lasting in the organization and its working methods and practices. Kotter have pointed out two different factors which are crucial when regulating the change in the organization culture:

1. Employees needs to see how the new working methods and behaviour are affecting to the performance level.
2. Ensure that the future management absorbs the implemented approaches.

To ensure the organizational change is lasting process the practices need to be used in every day after the main change process is finalized. The reporting methods and systems needs to be updated regularly so that those are supporting the new practices and will give good basis for the working. (Applebaum et al., 2012)

4. Research methodology and evaluation of the case

Research for this case study is done by qualitative research principles. Empirical material for the study is collected from data collection form done for the teams' employees and managers and from the interviews supplementing the gaps from the data collection form. Organizational structure change is examined in context of case company's supply chain team. In the next chapter the research method is presented and introduced the reasons behind the chosen method. Also, the reliability of the collected material is estimated.

In the following section the change management initiatives are evaluated by the data collection form and interviews. Answerers point of views are presented and analysed in the result of the research. There are also presented analysis of employee's engagement level, their resistance about the change and the implementation of the change.

4.1 Research method & data collection

The meaning of qualitative research is to examine the meanings of real-life situations, which are manifesting itself in various ways. Usually this means that is needed to give space for the examined persons point of views and experiments and orient to thoughts, feelings and inducements of the situation or phenomenon. Research data is collected from real-life, and it's supported to be done by human. This is due to the information and the situations requires comply with, which most of the technical data collectors cannot perform and analyse in wanted way. The goal of the done qualitative research is to find hidden facts of the research point of view. The collected material is analysed from inductive analysis approach point of view with examining multiple point of views. Data was collected in a way it was easiest for respondents to answer without showing their identity and interviews was done for managers and their personal opinions wasn't pointed out during the interview. The target group of this research was one supply chain team in the case company, and the data collection form was done along them.

Research done is case study. The research goal is to hand over and report chosen phenomenon of the case company. It is presented by typical means of case study. The collected research data concludes half-structured data collection form answers presented by persons familiar with the phenomenon which is the research subject. The goal of the study is to present answerers thought of the facts of the research subject, increase the knowledge of the research subject and consider the phenomena and background appending to the research subject. (Saaranen-Kauppinen & Puusniekka, 2009)

The main goal of qualitative research is to broaden up the point of view for chosen research subject. This is setting needs for research subjects' clearness and complexity. Qualitative research characters are defining the needs for the amount of the collect data to describe the chosen phenomenon. During this research data was collected from supply chain team members and managers. Research was done for this concerned team's needs. The data in this qualitative research is optional and affected by the criterions set for this research. Quality of the collected data can be estimated by the limitations of this research, the collected amount of the data and representativeness of the data collected. (Saaranen-Kauppinen & Puusniekka, 2009)

The research data was composed by the research delimitations and research criterions. The data is compiled from the data collection form results answered by 10 employees and from interview scripts from open interviews written during manager interviews. The collected data is transcript for the analyses process. Analysis of the data is done by using content analysis process. (Tuomi & Sarajärvi, 2018)

The research material is collected from half-structured data collection form and open interviews. Open questions in the data collection form are the most important part of the data collection and giving the most needed information. The structure of the data collection form is planned to guide the answerers to think the research subject in multiple point of views concerned their everyday work during the organizational change process. The written questions are the same for every answerer and the answerers was able to answer those on their own words and unformal. Interviews were done for couple of persons as open

interviews to clear up some unclear issues and opinions, but questions were formulated freely. The collected material can be stated to be the voice of the employees because they have been able to answer the question freely and based on how they see the current situation. (Koskinen et al, 2005) From data collection point of view would be important to form the questions in the data collection form and interviews in a way those are not leading the answerers in their answers. (Saaranen-Kauppinen & Puusniekka, 2009)

For the data collection form was used half-structured interview model represented by Koskinen et al. (2005) as a basis to lead up the questions. The structure consists of three different category of questions, warm up questions, core questions and ending questions. The first category is concentrating on the answerer, and the main point is to lead up the answerer to the subject when the second category, core questions, are focusing on the main research subject. The third category, ending questions, are chosen to be closure for the data collection form. Most often the half-structured interview model is having two ending questions, also in this research was chosen to be used two ending questions in the data collection form which are representing the answerers feelings and opinions about the ongoing organizational change in the company. (Koskinen et al., 2005)

The research questions for the data collection form have been chosen to answer the themes around organizational change and employee engagement and resistance issues. The couple interviews were constructed freely and are not held with any pattern to not lead up the conversation and opinions by the interviews. The questions chosen for the data collection form are presented in the appendix 1. Answers was given for the data collection form in English. Questions for the data collection form was constructed by the theory of presented organizational change theory.

All in all, 10 employees from team of 13 employees was given their answers to the data collection form. Two employees didn't want to participate to the research and one of the team members is researcher by self. All managers, total two, in the team was interviewed. The research data was collected from same supply chain team members. Researcher was a team member in this team during the time of research but have not participated in the data

collection form so that data is not affected by her own opinions and thoughts. Answer rate for the data collection form was then quite high, but the team size is small.

The careers of the data collection form answerers are quite long in the company, half of the answerers have been in the company over 20 years and third of the answerers have been in the company over 10 years. Also, the managers have been working in the company quite a long time in multiple departments. The supply chain team was pointed out to the research due to the ongoing organizational change process and the team manager was interested to know how the team members are feeling during the challenging changes. For managers was important to collect information about employees' emotions and what are the causes behind their resistance. Also, the research subject was chosen to support their management during the change process.

Mostly the data collection forms are used to examine past time and are done for qualitative research, but the data collection form data can be used also for quantitative research as well. Data collection forms are seen as efficient method to collect data for research. Data collection form fit to this research as a data collection method in a good way due to the organizational change process was started end fall a year before the data collection data collection form for the employees was done. They have been in that point working during the change quite a long time and familiar with the situation. Due to the change process wasn't new situation for the employees they can be more open with their answers especially when they are able to answer anonymously. Data collection form was sent to the employees via email and it was done with data collection form program Microsoft Forms. The collected data from the data collection form was used to analyse the implementation of organizational change, employee's engagement and their resistance. As a support of the data collection form results and interviews have been used company's intranet and communication about the organizational change.

4.2 Analysis of the data

Research data was analysed with content analysis point of views. During the analysis it was guided by the set-up research question and the main goal of the research. The data collection form was distributed to six different themes; change & change management, communication, collaboration – service level, barriers, short term views/long term views and commitment to change. Interview scripts were conducted based on these themes as well. Themes are usually conducted to clarify the most important things during the research based on the research subject and point out the ways were to concentrate. Based on Tuomi and Sarajärvi (2018) the deviation for the themes can be done by the characters of the theme or theory based, where the theory's frame of references defines the theme.

Data analysis method, deductive content analysis, is theory-based process where the data is combined to the theory. Analysis factors are chosen based on the theory, but the data is determining the analysis process. Tuomi and Sarajärvi (2018) have presented an analysis process model, which was used during this research. The model was especially represented for qualitative research and conducts from four points:

- 1) Decide what is interesting in the collected data
- 2)
 - a. Go through the data and mark and separate the data which is relevant for the topic
 - b. Leave everything else out of the research
 - c. Collect the marked data together and separate those from the rest data
- 3) Classify the data based on themes
- 4) Verify the conclusions

First phase of data analysis is to decide what from the data is relevant from research point of view and interesting based on the data collection form results and transcripts. Second phase,

collection of relevant data, was done based on the phase one verification. Phase three, the theme classification was done by the help of Microsoft office tools, during that the data was easily classified and separated into themes. Themes are represented in better ways in coming chapters.

4.3 Reliability

The main goal of scientific research is to provide reliable research data and minimize the possibility of mistakes and errors. In qualitative research the evaluation process of data from reliability point of view is not straight forward. The reliability of qualitative research is considered to be whole when the coherence of the research is pointed out during the research process and its analysis. (Tuomi & Sarajärvi, 2018)

To evaluate the reliability of the research it's needed from the researcher to point out every aspect of the research as accurate as possible in all phases, to ensure the possibility of reliability evaluation. Regarding the established practice the observations and the development of observations to interpretations are clearly described in qualitative research. Based on this provided information reader of the research can evaluate the reliability of the research during the reading. (Tuomi & Sarajärvi, 2018)

Research process of this research is tried to present as clearly and accurately as possible to ensure the evaluation of the reliability. The research methods, the reasons and goals have been presented in the research method and data collection chapter. Also, in this chapter is presented the data collection form data collection and interview methods and the process. Interviews are used as secondarily data, after the data collected from the data collection form, due to the interviews are social interactions between the persons and the situation can affect to the collected data. Data collected from the data collection form can be seen as reliable data, but when analysing it needs to be taken into account the context and situations during the time. During the data analysis process researcher needs to remember that all collected data is bound by the context and to the situation. The results are not generalized in qualitative

research even if those could be generalized based on the subject or context of the research. (Tuomi & Sarajärvi, 2018)

Researchers' objectivity needs to be evaluated when ensuring the reliability of the research. It is reasonable to doubt the objectivity of the researcher towards the subject and data collection as researcher is collector and analyser of the data. Researchers background and qualification can affect to the subjects what are analysed and studied during the research. (Tuomi & Sarajärvi, 2018) In this research the researcher has been working in the company almost 3 years, first as a summer trainee in the supply chain team but after that as a team member for the team this research is done for since the beginning of the organizational change process. All the team members and interviews are colleagues for the researcher and relationships between them can be considered as neutral. The researcher's familiarity towards the case company and the team needs to be considered to affect the research results in some level even if the data collected is not given by the researcher.

4.4 Case: Organizational structure change in supply chain

This chapter is concentrating on to analyse the collected data from research questions point of views and answer these questions within help of presented theories. The chapter starts with case company introduction to become more familiar with the culture and history of the organization. After the introduction it will present the research topic; how the employees resistance level can be lowered in company when implementing the organizational structure change. The initiatives are analysed based on the collected data from the half-structured data collection form and open interviews. Next the chapter presents how the organizational change has affected on employees and their commitment and the resistance against the change is evaluated. In the end of the chapter results of the empirical research are analysed based on the theories introduced in earlier chapters. Also end of the chapter researcher's own opinion is presented.

4.4.1 Introduction of the case company

The case company is international forest industry company. It is one of the largest producers of forest products and refinements in the Nordic countries and Europe. The company is well known in this field from their expertise. The company have been formed over 20 years ago, but its roots reach a way longer. The years and experience have progressed the knowledge and practices inside the company and have raised the company to be one of the best in the industry. Their goal is to be even better and work with the human and planet to do good.

The ongoing organizational change is planned to make processes more efficient and unify the working methods of different units, but similar teams, which are joined together during the change. Goal of this is to develop the working tools and share the best practices and adapt those in the teams. Old organizational structure was based on location level, and now it has been changed for officials based on the regional organizational model, which is built on functions, multiple locations official teams are joined together, for example. supply chain teams. In the new organization model the functions are centralized, which is creating transparency of costs and help controlling and reporting. Business processes can be now evaluated more cost-efficient way. New leading model of organization is formed from centralized and decentralized leading model, and it is showing characters of hybrid leading model. Implement of this new organizational model have been started year ago in Nordic countries teams.

New organizational model has created new managerial, team leader, positions in the teams, which are closer managers for the teams' employees. Their roles and responsibilities have changed during the implementation of the new organizational model. The change is affecting all the team members in the supply chain teams, change is affecting employees daily work and they need to have learned new tasks from their changed working area. Team leaders have been in hard position due to their tasks are created during the implementation process and manager must be now familiar with working methods and conditions of other countries teams as well. Organizational change has brought many challenges and new changes in the supply chain team.

Company is old and the organizational culture is strong in the units. It can be stated that the organizational culture of the case company has been built on long lasting careers. Employees have been in the company decades and used to do task in a way they have been trained a long time ago. Competitive environment has set its own challenges earlier, but now Covid-19 pandemic has made the competitive environment even more rough it was. The economic situation has been challenging and the world making adjustments is affecting companies. They need to make strategic changes to survive and make their business as efficient as possible. Pandemic situation has also affected the case company and its strategic decisions for future.

4.4.2 Research topics

The case company announced the coming organizational change in the autumn 2020 and implementation in the different teams started quite soon after it. The research is only focusing on one team of supply chain function and especially how the implementation of change has influenced to the employees and how their resistance can be lowered during the next phases of the process.

Next the research will represent organizational change initiatives of the company. These initiatives are analysed by the results of data collection form and interviews. Employees engagement in presented of the following paragraphs and in the end the research presents how employees' commitment to change can be increased from managements side during the organizational change implementation process.

Change & Change management

In autumn 2020 the region managers held monthly call and informed different departments about coming change to organizational structure. In the call was presented the new structure

model and new leaders. This information call was mainly introducing the new leaders and informing about the new reporting model. A bit later for managers was held own call about the company's future strategy and the main lines of the operating model which needs to be implemented in the teams. Soon after that opened the recruiting for team leaders' positions for the new supply chain teams.

Beginning of year 2021 new team structure started in the supply chain teams and employees from multiple locations was introduced for each other's as a new colleague. New manager and team leader was introduced for the team and for many employees they were sitting physically in other countries and due to covid-19 pandemic travelling was not allowed. Soon started also introduction calls of all location's qualifications and products, which were relevant from supply chain teams everyday work point of view. New manager also introduced for the team the strategy and the goals of the organizational change and introduced also model where the teams need to transfer during the coming months. Every month was held strategic call for supply chain team where the new model and its purpose was introduced for the employees, during that call was introduced also new features of used systems and innovations which was taken into account during the change process.

About the organizational change was communicated from management point of view in multiple channels, in team meetings, in strategic calls and letters, in intranet and there was available for all employee's own website about the supply chain functions and its goals.

About third of the data collection form answerers didn't know quite well the reasons behind the change.

"I do not quite know the reason; this had more or less just informed us that it will be the case" Team member.

In general, the reasons were known perfunctory but was not understood in their own work point of view. Most of the answerers pointed out the cost-efficiency and cost saving aspects, which was seen one of the most important reasons for the change. There was also well known that one of the main goals was to increase the service level for customers and harmonize the working methods inside the company and its units, which was also listed one of the reasons for the organizational change of about 60% of the answers.

*“To serve customers better and harmonize the way of working between units”
Employee.*

Even though the reasons behind the change was understood by most of the supply chain team members, in practical way they didn't recognize benefits from it. The change was introduced in perfunctory level, and it was not introduced in personal level for the team. Even harder to analyse the situation makes that, multiple managers started the process to introduce the organizational change and when the team members for new teams was collected from multiple units' teams, they all had different kind of introduction about the organizational structure change. The new working model was described to be even more complicated than previous one and almost half of the answerers didn't see any good benefits for the new model from their own work point of view. From answers was showing also employees' frustration about earlier ongoing changes which are not finalized in any point they are tired of having continuing uncertainty.

“I really still feel little bit confused. It's hard to see that plans would be only good for us. I want to see little further to understand more. Time will tell. There just have been so much harmonization during past years and no final seal for many of them.” Team member.

Not only bad things came out from their answers. Harmonization process was seen as main benefit from employees' point of view to help company to have same ways of working in

similar tasks and improve the systems in use. Also, the possibility to help each other over the country limits was seen as benefit.

“More efficient working methods, clear tasks, no extra/double work with the tasks, harmonized model helps employees to work cross units.” Employee.

Based on the answers employees have felt that they have been forgot during the change, change management have not been support them as they have hoped, and the communication has been poor from their point of view. From the answers was clearly seen that the communication varied between different units and based on the locations some were happy about the level of communication, and some were unsatisfied. Employees criticized that many of the factors which were under the change and relevant from their work was not checked beforehand, and this was because they were not heard before the implementation process started. Employees would have hoped from their managers more communication and hearing about their thoughts of the planned changes. The change was implemented in a rush, and it did not give any time for employees to integrate or go through the changes, which affected negatively their engagement to the change. Employees also pointed out in their answers that they feel like this situation with new working model and structure is affecting negatively their possibilities to give better customer service to their customers, but some of them also see that situation will improve after the harmonization process is proceed further.

“Service level might have been so good for time to time due to overload work situation but finally maybe improved due to some harmonization and work model changes.” Employee.

In the data collection form and interviews was asked that what needs or special features managing the organization of supply chain function may have in your opinion. This was at least answered question from employees’ side and based on one of their opinions they haven’t thought this so closely. From the answers was seen pattern that all answerers thought managing supply chain needs a lot of knowledge around the processes and clear managing

strategy. Also, management team pointed out same features. Managing supply chain function was seen more complex than managing other functions in the company because the supply chain is seen wider than other functions. Inside the supply chain is a lot of different processes and tasks and managing it is needed to have wide knowledge and understanding how those are affecting each other's.

“Clear managing strategy, a lot of knowledge from processes from all over the supply chain, good communication skills, mentality to improve methods and systems.” Employee.

Communication

Employees have received information about the organizational change via multiple channels during the first year of change. After change was announced in monthly call, there have been monthly meetings and teams calls about the change. Also, team leader and managers have given information about the changes for the team. In the company intranet had also own page for the information about the organizational change. Employees were also able to discuss about the change more personally with the managers via personal discussions and for the team was held weekly team meetings where the organizational change issues were handled.

In the data collection form was asked to have there been enough communication about the change, with the scale 1 to 5. Where 1 meant not at all and 5 was enough communication. The average of the answers was 2.6, which is quite in the middle of the range. There can be seen the same result that the employee's location is affecting to the results. Different managers started the processes to inform about the change and some of them did it more deepening way than others. Employees are dissatisfied with the situation when some of the colleagues know more than others, and they don't feel like they are on the same line. Based on the data collection form answers employees felt that they weren't involved enough to the conversations about the changed tasks and chosen models. Employees are experts in their

work, and they didn't quite understand all the chosen methods due to its affecting more complicated way to their everyday tasks. Managers forget to consider some issues which are relevant from supply chain functions point of view when the employees weren't involved to the planning processes before the change was introduced to them. Answers were in same line that everyone hoped more open communication about the change in detailed level from their tasks point of view. More detailed info about the reasons behind the change was also hoped.

“More open communication, explain the reasons behind the change, explains in better way how the change is affecting for different departments.” Team member.

Based on the data collection form results half of the employees have been able to tell their opinion and give their development ideas during the change process. Only fifth of answerers felt that they are not able to tell their opinions and rest was not sure. From their open answers can be seen that they are still not happy about the level their opinions are noticed.

“Partly, there have been planned already the structure for the change so only ideas with are concerning about own team are noticed.” Employee.

“Ideas can be given freely, no doubt about that. But cannot give ideas much when there are so many open questions what the target in this change after all is and how we will combine after all, and also since so much moving parts in the team.” Team member.

Team structure changed after the organizational change and current supply chain team in the company is now combined from four units supply chain teams. Colleagues haven't been able to meet in person due to ongoing covid-19 pandemic and they have been getting to know

each other via online and teams. Gross of the answerers hoped that they could get to know each other better but they see that it needs them to meet face to face.

“We should be able to meet face to face in order to get to know each other. Or at least be able to discuss together, one to one.” Employee.

Collaboration – service level

From organization point of view have been pointed out the need to develop the collaboration between function and teams to make their ways of working as efficient as possible and reduce the extra work done multiple times in different teams. This will affect directly to service level the company can maintain to their customers. Based on the data collection form results half of the employees feel like their service level have dropped after the organizational structure change, but still they feel that they are more satisfied than dissatisfied to the level they can provide at the moment. When requesting about employees' ideas to increase their service level most answered is to decrease their workload. Based on the interviews there could be also other solutions to increase the service level and same time affect the workload. For example, work structure could be examined through, and work could be shared based on the tasks, which could help employees to specialize some tasks and the needed knowledge to the area is then not that wide.

In this supply chain team colleagues are working in different locations and not that familiar with working together or collaborating with each other. The collaboration to improve the working methods and practices have been seen a bit scary. From majority of answerers point of view the benefits from working with colleagues from different locations and countries were not noticed. There can be seen resistance of willingness to change the working model where they are used to, even if there is a huge possibility to increase their knowledge and found easier and more efficient ways of working. To share knowledge between the team members was suggested common teams' meetings and team chat, but there was also pointed

out idea that everyone in the team could have their own responsibility area where they are specialist and could help each other when its needed.

“Everyone could be specialist to some area, and they could teach each other.”

Team member.

Barriers

In the data collection form was requested employee’s opinion how the company have supported them to implement the new working model into their daily work, but there was not given that much info based on their answers. Many of the ways management see they have supported the implementation process have not been seen from employees’ point of view in the same way. The support they need is not recognized in the same level and the support have not been personal to them. Company have organized product - and unit trainings to employees beginning of the change process to introduce the other units and their products to help employees to get familiar with the expanded working area. System updates have been developed whole time and one wide improvement was launched in the beginning of the change process which was truly helping employees and saving time as well. New reporting tools was also launched beginning of the change to support with the problem points. Support for the new working model have been given as a form of instructions, but employees have wished more. Lack of information in the beginning have been affected to their attitudes against the change and many of them sees it like an enemy.

Lack of communication have been pointed out to be the biggest barrier for employees. Introduction for them have not been enough and they have many open questions about the strategy and the processes. Many of the work task related issues have not been checked beforehand and the new set instructions how to proceed with the tasks are not possible because there are some restrictions or issues because the task can’t be done in the new way. This could have been taken into account if the decision makers have involved employees to

the decision-making process. Now the lack of communication is causing challenges for the employees as well as managers.

From employees' point of view the systems have supported them in good way and they know that there are many developments ongoing with the systems in use to help and easier the work. System improvement needs to be done all the time to support the change and development so that those are not formed to be barrier against the change. Some automation in systems is also wished in future to support the tasks.

Short term views/ long term views

From the data collection form was requested what are expected from the new operating/working model, answers pointed out the importance of better service level to answer customers' needs in better ways. This is in balance with the company's long-term goals and one of the main reasons for the launched organizational change. As a short-term goal can be seen harmonization between the units and the working methods. Employees expectations for the new working model and organizational structure is, it to easy up their daily work, but they have not seen it yet in practice, but they are aware of that change process is only in the beginning. To achieve the company's goals to the organizational change, employees see that from their side is needed flexibility, patience and interest to learn new things and ways of working.

Employees are not seeing the company's vision for future in the same way and from the answers points out their uncertainty about the changes coming in future. They don't see that this launched model will last, and the new organizational structure will follow. Because company is concentrating on efficiency also from costs point of view employee's see that as negative way and fear that it will mean personnel reductions in some point. Some of the answers also see the bright side of the change and believe that company's goals for the future about increasing the service level and clear up the reporting and cost efficiency is possible to implement without reductions.

Commitment to change

Based on the data collection form results employees feel like they are committed to new organizational change process in some level. Average of the answers from 1 to 5 was 3.8 which is in the positive side, but of course can be developed to be better. The score is a bit conflicting with the other results due to employee's resistance and negative attitude against the change is clearly visible but based on this information it is not affecting their commitment to proceed with the new model. Employees have named factors which are affecting decreasingly to their commitment and almost all of them pointed out the workload situation which is too big for them.

Negatively to employee's commitment is affecting also the speed of implementation process, employees feel like they don't have properly time to investigate and learn the changed and new tasks and methods. Employees feel like they are overloaded and it's causing them extra stress. Also, they pointed out the factor that they are not heard enough during the change, it's decreasing their trust to the process.

“Just that I feel that we were not heard in some questions, even we some have long experience and really good points have come out.” Employee.

To commit employees more to the change, they suggest involving them more to the conversations about the tasks and how those could be changed to be more efficient. They also pointed out that they want more information about the change and plans, how it could help them and how it is affecting to the supply chain teams tasks.

“Open communication would be the main key.” Employee.

Employees fear that their workload is preventing them to familiarize with the change and learn new tasks quickly enough. They would have hoped that management team have noticed that in personnel level and hired some back up help to proceed more efficient way with the organizational change. Also, they pointed out that raise in their salary level would have motivated them more and helped to carry on with the high workload.

“Better salary against the workload.” Team member.

It is commonly noticed that organizational change process always faces change resistance. From employees' answers could be stated that they do not admit their resistance, but they are questioning the change and are waiting answers to unsure questions. Lack of communication to the employees are affecting negatively to their commitment, and they thought implementation process had multiple wider issues which should have been noticed beforehand. After the case study and data collection have been made some bigger changes to fix the issues pointed out by the employees.

4.5 Results & Suggestions

During the next chapters collected research data which was introduced above is analysed with content analysis. Evaluation of the data is done based on the previous presented theories. Researcher is also presenting suggestion how to improve the change resistance during the organizational change implementation process. The implementation process of new working model in the case company is still ongoing.

4.5.1 Beginning of the implementation process

The decision for the organizational change came from management team from higher level. The change is based on strategic vision how the company can improve their efficiency of the processes and generate stronger market position and based on that, higher profit in the future.

This was defined to be proactive change based on Haveri and Majoinen (2000, 24-26). Proactive change is often trying to avoid some potential threat or to capitalize on a potential future opportunity. In this case the potential opportunity is thriven the change. Based on Paton and McCalman's study (2008) proactive change should be more easily accepted as reactive change in the organization. In this case company have had multiple change processes earlier which are not finalized or have changed in quick schedule after the change process, based on these employees who are worked there over 20 years are not optimistic this new change process to succeed. Also, their experience from the past is affecting their attitudes and their resistance against the change.

Company's organizational culture seems to be based on long careers; within that it is affecting employee's commitment to the company. This points out strong relation of employees to the company in organizational culture level. Employees in supply chain team have described company to be successful, high quality, innovative and valued, which is showing their respect to the company. After the organizational change process overall atmosphere have changed to be more negative and tighter than earlier. The change in the overall atmosphere is one of the barriers which are affecting debilitatingly to the implementation of the new model. The management team is in large role of affecting the organizational culture of change. (Schein, 2010)

Based on the collected data during the research, mainly the challenges have started due to lack of communication in the beginning of the change process. Kotter (1996) have stated that communicating the vision of the change is one of the most important steps of the change process. Without that, employees don't understand the reasons behind the need for change. Even if the vision of the company was understood in wider scale by the employees, the strategies were defended because those was not clear to them. Employees didn't see the benefits of the new organizational structure or the working model. Kotter pointed out that employees will not engage themselves to the change without understanding the benefits of it, those should be presented in understandable and clear way to the employees. The change management team should have planned the presentation of the organizational change in first

place in better way. This could have been fixed later as well with explaining the strategies and plans to employees more personal way and show which factors are relevant to them.

Tanner and Otto (2016) have stated in their study that communication is having crucial role during the organizational change process. It is recommended to provide updated information to the employee's all the time during the change process to keep them updated, which is helping the implementation process to succeed in the organization. This needs also management team to be active and thrive with positive attitude the change process forward. When management is engaged, it will help employees to get engaged too. To easier employees' engagement to the change, they should be involved more the decision-making processes which are concerning their daily work. It will affect their attitudes in positive way, when they feel involved. (Garber, 2014)

4.5.2 Change resistance and barriers for the change

Employees change resistance was visible from their answers even they did not admit it straight. They pointed out multiple reasons why the introduced new working model is not working as it was planned to. The biggest reason for their resistance was lack of communication during the change process. One of the main barriers for them was lack of planning. There wasn't done clear plan from process and department based how the implementation of structure change should have been started and proceed. Employees felt that the new model is doing their job even harder which decreased their engagement to the change directly. If the employees are not able to see the benefits of the change, they are not willing to change their habits and working routines. (Hewitt, 2017)

Another barrier for the employees was the lack of clear strategy and timetable for the change process, all of them were unaware of what is going to happen, how and when. This brings out rumours among the employees and they made their own deductions from the unclear information. For example, between the employees were discussed that their work will be outsourced to cheaper country, even if the company is not informed anything like that. The rumours and uncertainty among the employees should be minimized to minimize the change

resistance. (Natchez & Gotzill, 2007) Employees in the supply chain team are not very interested to proceed with the new working processes and they appeal the overload situation which they are currently having with the work, and they are not willing to find time to get familiar with the new tasks and working methods they should learn.

To engage the employees to the change, they should understand the reasons and possibilities how they can get advantage from the new structure and operating model. The knowledge how those could improve their everyday work and the business, could easily affect positively to their engagement level. In the study of Ndaba and Anthony (2015) was introduced that the nature of the change should be recognized to realize how employees could be engaged to the change. The achieved engagement could be then used as a tool to help the organization to succeed in the implementation process. The understanding how the change is affecting to the employees, also in personal level, from their behaviour and attitudes point of view is needed to minimize their resistance. The company should have clear long-term goals and based on those, planned short term strategies which are done step by step for different departments to improve the success possibilities of implementation process. Company should have clear vision how the change is affecting to the processes, and they should also have plan how to communicate the improvement to the teams. (Kotter, 1996)

During the change process employees would like to have more feedback and open conversation with the management team. They felt that they were left out and management team was hiding facts from them which increased their resistance and belief to the change process. They felt it is only making their job harder. As a barrier could be seen that employee level was not involved to the change in the level they should have been (Garber, 2014). Discussions about the change process could have been personalized to the current teams needs and personal feedback would have made the employees felt that they are noticed during the change process.

As a barrier employees saw that they didn't have enough resources to proceed efficiently with the needed changes. From their point of view some of the current tasks should have been taken away from them or they should have had more personnel to support the team

implement the new tasks in their everyday work. Due to continuing hurry with the work, employees felt that there is more point for them to proceed with the unfinished work tasks than concentrate on learning new. This constructed even bigger step between the employees and new operating model, and it felt overwhelming to them to proceed with the needed changes without personal level support. Also, the new tasks which are increasing the employee's workload and competence are not visible in their salary level. Employees were dissatisfied that from them is demanded new skills, but it will not correlate with their salary. This is also increasing their level of resistance.

4.5.3 Commitment to change

Kotter (1996) have stated in his study that during the change process is crucial to have a lot of communication from multiple sides of the change. During the change process in the case company the importance of communication was forgot, which directly affected to employee's commitment. They weren't aware of the ongoing situation or the plans how the change is going forward, and they felt left out, which increased their change resistance. From this could be learned that the communication should be more open in both ways and there should be even more communication about the change.

Employees who pointed out critique against the decision made, felt that their opinions were muted and in the wider audience was only presented positive opinions and thoughts. The given critique should be examined through and if multiple employees show same emotions there should be done plan to develop the issue. Company should find their way to earn employees trust to engage them to achieve their commitment. Misleading with partial information only push employees further and committing them is even harder. Mostly the open communication is the key value for them.

Employees felt that they were not heard during the change process and the change was planned to push through in the way it was decided in the management team. Even if there were many concerns in practical level which employees pointed out, those were not noticed

before something was not working or was wrongly done. To engage the employees, they should be involved and heard. Clear strategy and plan how to proceed with the implementation process brings awareness and balance which is removing uncertainty. Hewitt (2013) have stated that leadership is the most powerful tool when engaging the employees. To reduce the employee's resistance against the change, company should concentrate on to support and engage the employees more.

5. Conclusions & Discussions

In this research change management is examined from the perspective of the employees of the target organization. The role of the management team in the change process is generally both the object of the change and the implementer of the change. The purpose of the research was to help identify the challenges during the implementation of organizational change and provide information how the management can support the employee level in better ways during the change process.

Results pointed out during this research are supporting the other research done from similar subjects during the last 30 years. The results are highlighting the importance of the management team's role during the organizational change processes. Management team is in crucial role in every step of the implementation processes and are affecting the success of the organizational change. During the next chapters the results of the research are introduced, and the research proposals are suggested. At the end the limitations of the study are presented and recommendations for the future research are given.

5.1 Results & Conclusions

Change is a complex phenomenon, influenced by a number of different factors, such as organizational culture and experience of the past changes. Based on the collected data from the data collection form and interviews, employees were dissatisfied to the level of the communication about the organizational change in the company. Employees have negative experiences about earlier organizational changes which are affecting decreasingly their engagement level to the change process, especially when it is not properly informed or introduced for them.

The main research question was examined with the help of two sub- research questions, where the first one was "What are the reasons for resistance during the organizational change?" Based on the data collected during the research main reasons for resistance arise

lack of communication and employee involvement, employees felt that they are not heard during the change process and overall, the change process was not planned through carefully which made the working even harder and lastly the strategy of the change was unclear or not even presented for the employee level. Employees were not involved in any part of the change planning or decision making and when they pointed out problems with the new model, they felt that they were not heard, and management team didn't notice their criticism which were given to not make their working even harder it has been earlier. Feeling not heard made the employees also question their own expertise and the reasons why they are working for the company when they are not needed from the perspective they have received during the change. Lack of communication also flatten their motivation because they were not aware of what is going on and why. When the change processes are not investigated through from all point of views and planned in good level it just makes employees everyday work even harder which cause resistance among them. One of the reasons for the resistance were also that the company's strategy is unclear or even not presented to the employees which automatically makes them feel not involved and settle down to defend the change.

For the second sub- research question were chosen: "How can the case company support the employees better from management side during the change to decrease the level of resistance?" Multiple times were pointed out from employees' side that communication is the key to engage them and get them on board for the change process. Kotter (1996) have stated well that the change needs to be felt and understood to be must for the company so that the organization could succeed with it. From management side should be concentrated to learn communicate with the employees in a way their needs are taken into account. Management should also understand how the change is affecting their employees also in personal level. Aim of the management team should be to remove the uncertainty and make clear plans to proceed with the change processes, with unclearness and hesitancy the implementation process gets even harder to implement. It is also important for management to take care of the needed resources, training, and employee rights to support their team during the implementation process and ensure the best possible conditions for the change process to succeed. Hewitt (2013) have presented well in his research that the management which includes multiple dimensions and is in good level is one of the key points when trying

to engage the employees to the change. Overall, the whole change process is in responsibility of the management team and their goal is to succeed with the change.

The idea of sub-research questions in this research is to answer for the main research question. For the main research question were defined: “How the employee’s resistance level can be lowered in company when implementing the organizational structure change?”.

Main things how the company can lower the employee’s resistance level were seen the employee’s involvement as a specialist to affect the decision -making, concerning their daily work-related issues to ensure that the knowledge what they have about the processes is taken into account when deciding about new ways of working. Also, clear strategy and plan how to proceed with the implementation process was seen crucial for the change to succeed and employees to be on board with the change process. Other important issues were open and active communication, which should be personalized for the teams needs and overall, the managements support and concentration to engage the employees to the company and the team. Kotter (1996) have stated well that the change is not implemented properly in the company until the employees believe the change and trust for the process, that is why it is crucial to engage the employees to succeed with the implementation of the change.

In the case company the organizational change processes were shortly started and during the research the process were unfinished. Employees in the team were concerned how the change could succeed because the process pointed out multiple issues which were weakening the working methods already used. The barriers for the change process were pointed out to the management team and there have been done plan to improve the situation and plan the processes more carefully and clearly. After that the implementation will be attempt again in the team.

5.2 Research proposal

To support this research is used Kotter's eight step change model, which is fitting the company's needs in a good way and support the research questions. The model includes multiple factors which are important especially from employees' point of view and overall, the model is based on engaging employees to the change which is supporting the research. The model would be a good basis for the company when continuing the implementation process in the supply chain team and it could be used in other teams as well during the organizational change processes. In future the company needs to concentrate more the level of communication they are providing for their employees and the level of support the management team can offer during the change processes.

Results of the done research and the results from other similar research done by other researchers have provided same kind of results and the focus should be concentrated on to improve the management team's leadership skills. Leadership is overall one of the main drivers to engage the employees to the change and that is why its important aspect to consider when planning the change. Leadership includes many different dimensions and improving those would have positive effects to the implementation. The main dimensions include aspects as communicating, informing, enabling, and engaging. Kotter (1996) stated well in his study that 70-90% of managing during the organizational change process is to manage employees and leadership. The rest 10-30% is managing things. This well defines that organizational change process is needed mostly focus on the employees and their feelings during the change process.

During the research pointed out that the case company doesn't have change team guiding the employees during the organizational change. Kotter have (1996) defined in his change model the second step is to be dedicated to building the guiding team for the change process, which are concentrating to promote and encourage the employees during the change process. Company should concentrate to create the guiding team which is only concentrating to move the change process forward and instruct the employees. The team is especially important from the employees' point of view, they know right away who can answer their questions

and concerns and support them during the change. The change team should be implemented in the beginning of the change to support with the change and promote the process so that it can be put into practice as soon as possible.

5.3 Limitations of the study and future research

The results of the research are not possible to generalize due to the done research was a case study for a case company. The collected data were in larger scale unilateral because it concentrated only for one team inside the company but from the perspective of that team the data collection was very broad and concentrated on the teams needs during the organizational change process. The done research can be used as a basis inside the company in other teams when implementing the organizational structure change because it concentrated topics of general interest about organizational change and engaging employees to the change. The results and the reliability can be grown if similar research is done in other teams inside the company as well.

The research in the future about organizational structure change could be good to concentrate themes about management teams tools and trainings regarding leading the change. The topics have already been extensively studied, but still the success results of implementing the organizational structure change are alarmingly low. The collected results from multiple studies are showing that the crucial part of implementing the change is on the hands of management team and that is why it should be important to concentrate how the management team can affect to the results of the implementation process and what kind of tools they could use to support their leading during the change.

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Appendix 1: Data collection form structure

Basic questions

1. How long have you been working at the company?
2. Have you experienced any organization structure changes earlier in this company?
3. Have you experienced any organizational structure change in your earlier workplaces?

Core questions

Themes: Communication, Collaboration – service level, Short-term views, Long-term views, Barriers, Commitment to change, Change & Change management

Change & Change management

4. Why the new operating/working model was implemented/will be implemented in supply chain? Please list key reasons.
5. What you see as main benefits of the new model and what are your expectations for the new working model? How was the change management supported and managed the implementation process of organizational change?
6. How was the change management supported and managed the implementation process of organizational change?
7. Were the company have succeeded and were failed when implementing the new model?
8. How could have the change management support the implementation process better?
9. Has the new model affected to the market situation or service level of the company?
10. How have the new operating/working model affected to the market situation or service level of the company?
11. What needs or special features managing the organization of supply chain functions may have in your opinion?

12. How managing the supply chain function differs from managing the other functions?

For example: comparing to logistics, production etc.

Communication

13. Through which channels and how you received information about organizational structure change?

14. Have there been enough communication about the change?

15. How the change communication could have been improved?

16. Have you been able to tell your opinion and give your development ideas during change?

17. Have those been noticed?

18. Have you been able to get to know your new team?

19. How could the communication between the team be supported in better way?

Collaboration – service level

20. Have you been able to maintain the level of service in your daily work?

21. Are you happy with the level of service you can provide at the moment?

22. What can be done to increase the service level?

23. What benefits can be got when colleagues are working in different locations and countries in your opinion?

24. How the knowledge between colleagues can be shared?

Barriers

25. In which ways the company have supported you to implement the new working model into your daily work?

26. Have there been any trainings for the new working model? How about new systems or anything else to support your work?

27. Which kind of barriers and problems have you noticed with this new working model?

28. Have the systems supported the new working model?

29. How the systems can be improved to help your daily work?

Short term views/ Long term views

30. What are expected from the new operating model?

31. What are your expectations for the new operating model?

32. What are expected from you during the change?

33. What is the vision of the company for the future in your opinion?

34. Will the organizational model be the same after 5 years?

Commitment to change

35. How committed are you for the change?

36. Which factors are affecting decreasingly your commitment?

37. How could the company affect your commitment better?

38. Is the new operating model good solution for the company? Will it improve the company in some way? In which way?

Final questions

39. Describe the company in 3 words.

40. Describe the organizational change in 3 words

