Management of the Potential Challenges in the Consolidation Phase

A Case Study of a Scandinavian Company

Master’s Thesis within Business Administration

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Jönköping
May 2013
Acknowledgements

We would like to direct our gratitude to our engaged and supportive supervisor Marcela Ramirez-Pasillas, whose feedback and advice have been helpful throughout the entire process. Additionally, we would like to thank our company, Company X, for their interest in our work, and their supportiveness and availability when conducting the interviews.

Jönköping International Business School

May 2013

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Date: 2013-05-17

Subject terms: Change Management, Challenge Management, Consolidation Phase

Abstract

Purpose: The purpose of this thesis is to explore how to manage the potential challenges organizations may face in the consolidation phase, and in order to achieve this, potential challenges need to be identified.

Methodology: The research has been performed through an abductive case study method to the subject of change management. The empirical data was gathered from semi-structured interviews conducted at an international company, Company X, primarily from the electronic commerce department. The authors used a thematic analysis inspired by Boyatzis (1998) when analyzing the data.

Research Limitation: Due to the limited amount of time, the research is limited to only embrace the consolidation phase of an organizational change process. The case study includes 10 interviews from one organization, which will limit the research. The authors apply anonymity due to the company's desire; however, it is also done in order to protect the respondents from any possible harm that might derive from this study (Waldorf, 2006).

Theoretical Perspective: Literature covering different but highly related areas of change management, and its relation to the consolidation phase constitutes the theoretical foundation of the thesis.

Results: The authors identified four potential challenges when consolidating change; communication, prioritize consolidation, policies and employee involvement.

Conclusion: In order for organizations to successfully manage the four identified challenges they have to increase the flow of communication, prioritize the consolidation phase, and thereby also allocate resources, which enables the employees to consolidate changes, set up clear policies for the consolidation phase and involve the employees within all levels, in order to increase the employee motivation.
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I Introduction

‘The world we live in continues to change at an intense rate. Not a day goes by, it seems, without another important discovery or boundary-pushing invention in the scientific fields. The economics of globalization seems to dominate much of our political and corporate thinking, while the shadow side of globalization – refugees, exploitation, terrorism and the like – develops at an equally alarming pace. The rate of change and discovery outpaces our individual ability to keep up with it. The organizations we work in or rely on to meet our needs and wants are also changing dramatically, in terms of their strategies, their structures, their systems, their boundaries and of course their expectations of their staff and their managers.’ (Cameron & Green, 2012, p.1)

1.1 Background

In this section a background of change management will be presented followed by an introduction of the change management and the consolidation phase. A problem discussion, of the chosen topic, leads to the purpose of the thesis.

1.1.1 Change Management

Both contemporary and historically, the successful businesses can be recognized by their common ability to effectively manage and exploit change initiatives (Paton & McCalman, 2008). It is important to realize change happens continuously and dynamically and needs specific attention and facilitation (Kotter, 2011). Phillips (1983) stated that until the beginning of the 1980s, companies had operated in relatively stable markets and environments, and the primary challenges for the companies were to allocate their resources and capabilities in the most efficient way. During the late 1980s and early 1990s, the dissatisfaction of the top management regarding the failures of the change processes increased including both creating and establishing changes from a top-down perspective, which can be argued as the starting point of the change management era (Whelahan, 1995). Organizations discovered they could save money by implementing new policies, programs and strategies in a more efficient way than the current, which lead to the creation of change models (Prosci, 2012). Change management is the pro-
cess, tools and techniques to manage the people-side of an organizational change initiative in order to achieve the required business outcome, and to implement the change effectively within the social infrastructure of the workplace (Change Management Learning Center, 2012). According to Paton and McCalman (2008) the state of change is an ongoing process since technology, civilizations and the society will constantly evolve in order to meet the changing demands of customers. Managers, and the businesses they represent, no matter which industry they operate in, will be evaluated upon their capability to effectively and efficiently manage change (Paton & McCalman, 2008). Due to the increased role of technology, the pace of change has increased since the early 21st century.

1.1.2 The Consolidation phase

Going through an organizational change process is a planned initiative aiming at increasing a business’s capacity to get work done and better serves its market (Petrescu, 2010). However, planning is not enough; going through a change process is more complicated than preparing a well-considered plan and then execute it well; it involves more than a new strategy when entering a new market or a response to a shift in a competitor’s products (Phillips, 1983). Organizations stay competitive when supporting and implementing continuous and transformational change (Cohen, 1999). A change process is a series of phases rather than a present-future, one-step transformation (Phillips, 1983).

There are a wide range of organizational change process models such as Lewin’s three-step model for change (Burnes, 2004), Kotter’s eight-step change model (Kotter, 2007), Phillip’s four-phase model including four phases of organizational change (Phillip, 1983) and Nadler’s change model (Nadler, 1998). No matter of how many steps or phases an organization chooses to divide the change process in, the above mentioned authors share the same foundation in their models, and what differentiates them, is how specific they have chosen to be when presenting the activities involved in the consolidation phase (Rogers, 2003). To summarize, the previous mentioned change models communicate the same message; the change process includes creating awareness of the change, interest in the change, trial, the decision to continue to change and the consolidation of the change into the organization’s life (Rogers, 2003). One of the most common causes for failed change initiatives occurs when an organization meets the set
goals, thus believe the change process is over, but the process is not yet over in this stage, since the change has to be consolidated (Ten Six, 2012). This is where the organization enters the last phase of the change process; where the new changes shall be consolidated, turned into the way things are done and where the organization views change as a constant on-going process (Kotter, 2007; Phillips, 1983).

1.2 Research Problem

There is a high change failure rate in organizations; between 60 and 75 percent of all change initiatives fail (Blanchard, 2010; IBM, 2008; Keller & Aiken, 2008; Stanleigh, 2008; Biech, 2007; Siegal, Church, Javitch, Waclawski, Burd, Bazigos, Yang, Anderson-Rudolph & Burke, 1996). No organization is immune to change and in order to cope with new technological, competitive and demographic forces, managers often try to alter the way they do business, yet few of these efforts meet the initial goals, contributing to the high failure rate (Kotter, 2007; Keller & Aiken, 2008; IBM, 2008). Most researchers agree organizational change is challenging to manage, and a central issue in order to develop organizations (Van de Ven & Poole, 2005). In order to successfully introduce and sustain change, the process requires effective management (Gill, 2003). Changes occur frequently in today’s business world, and with respect to the high change failure rate (Blanchard, 2010; IBM, 2008; Keller & Aiken, 2008), major issues exist within the field of change management. Many authors state the underlying reasons for failure, describing what it is, yet the current research lacks the how to perspective of managing the consolidation of a change process, which can be reflected in the high failure rate (Saka, 2003).

According to Siegal et al. (1996), management of the process components of organizational change is the least considered factor during change initiatives, but yet, management of these elements is vital in order to successfully implement a change initiative. A common cause for a failed change initiative indicate organizations usually believe the change process is over when the project is completed or an initial goal met, since it is tempting to proclaim the arrival of a new era (Ten Six, 2012; Steve, 2010; Kotter, 2007). When receiving encouraging results, such as a successfully completed project, the organizational work is by far not yet done which most organizations believe, contributing to the high failure rate (Kotter, 2007). Sanborn (2009) argues the consolidation
phase is timely and intense, and should be managed carefully by the managers. Unless the change is sustained within the organization, people will shift back to the old way of doing things, indicating the change initiative has not been carried out successfully (Ten Six, 2012; Mcallaster, 2004; Nadler, 1998).

Pettigrew, Woodman and Cameron (2001) stated a concern for Scholars limit the research to what is, not focusing on the how to aspects of organizational change, such as how to manage potential challenges in the consolidation phase. Research is scarce to only include why organizational failure occurs. Knowing what is causing failure is not enough unless you know how to turn the business knowledge into practical management actions (Palmer, 2007; Saka, 2003). A lot of organization of today do not give change management the attention needed, resulting in organizations not considering what should have been done differently to reach a successful carried out change initiative until the failure is a fact (Biech, 2007). The consolidation phase shall embrace to sustain and integrate the change, which prevents the organization to fall back into old routines (Biech, 2007; Kotter, 2007; Nadler, 1998).

When considering the lack of attention to employee resistance in many of today's change management theories and practices and the high failure rate of change initiatives, it becomes clear more research have to be done in order to gain a better insight of the consolidation phase within organizations (Siegal et al., 1996). It is not stated in previous research what potential challenges organizations may face in the consolidation phase, neither how managers shall manage the potential challenges, which this thesis emphasizes. The authors’ ambition is to contribute with an insight of how organizations may practice challenge management in the consolidation phase in order to attain a desired change outcome.

1.3 Purpose

The purpose of this thesis is to explore how to manage the potential challenges organizations may face in the consolidation phase, and in order to achieve this, potential challenges need to be identified.
1.4 Research Questions

The research is based on the abovementioned premises, which naturally leads to the two research questions this thesis aims at answering.

RQ1. What potential challenges may arise in the consolidation phase in an organization, viewed from an internal stakeholder perspective?

RQ2. How can the organization manage the potential challenges, thus making the change consolidated within the organization from an internal stakeholder perspective?

1.5 Perspective

This thesis will be investigated through an internal stakeholder perspective, focusing on both the employees’ role and the managers’ role, within the last phase of a change process; the consolidation phase. The authors have chosen to take on this perspective due to the lack of research in the consolidation phase from both the employees’ and the managers’ perspective since today’s research only covers the perspective of one person, mainly the managers.

1.6 Delimitations

Throughout literature, theory and practice, the authors have encountered numerous different interpretations and variations of the organizational change process, and in particular on the consolidation phase. In line with the purpose and scope of this study, the authors want to make clear emphasis will be put on the last phase, the consolidation phase, of a change process, and its potential challenges, viewed from an internal stakeholder perspective, including both the employees’ and the managers’ perspective. Based on the reviewed theory and the authors’ perception of the consolidation phase, the challenges addressed in the thesis are identified at the chosen company, thus assuring the purpose of the thesis is being addressed. By doing this, the authors’ focus the research to only include the consolidation phase. Accordingly, since the focus in this study is directed to a business case for change management, areas which are mostly concerned with the employee resistance and organizational culture will therefore, despite being important parts of the concept of change management, only be covered briefly. The authors chose to fo-
Focus on the area of electronic commerce (e-commerce) within Company X since this department is exposed to more changes, in a more rapid pace than other departments operating at Company X, making change management critical to manage.

The authors chose to take on a management perspective, meaning emphasize is put on factors and components of the consolidation phase which an organization have to consider, rather than providing detailed action plans. Also, the thesis is written on the basis of the life-cycle theory, viewing change as a process constituted of different phases. Consequently, the gathering of empirical data at Company X e-commerce will focus on areas related to the business case for change management. However, in order to get a comprehensive view of the company’s work with change management, related areas will also be covered, albeit more briefly.

The authors are also aware of using case study as a research method will provide little basis for scientific generalization (Yin, 2009), since scientific fact rarely are based on a single experiment or case, they are usually based on a multiple set of experiments collected under different conditions but hence replicated the same phenomenon. Moreover, case studies are generalizable to theoretical propositions and not to populations or universes. In line with this, a case study does not represent a sample and when doing a case study the goal is to expand and generalize theories, which is viewed as analytical generalization, and not to statistical generalization (Yin, 2009).

1.7 Limitations

Due to the limited amount of time and in order to deliver quality and depth, the authors had to select one area within Company X; the area of e-commerce. Due to the limit of literature of change processes in e-commerce, the thesis is written in the context of e-commerce, thus, not addressing potential challenges exclusively for the e-commerce department, since no evidence exist stating the challenges in a consolidation phase of a change process differ among the departments. The authors apply anonymity due to the company's desire; however, it is also done in order to protect the respondents from any possible harm that might derive from this study (Waldorf, 2006). Anonymity includes not naming the respondents or company involved, but also to not share any information
about the respondents or the company that will make it possible to identify them among other respondents and companies (Waldorf, 2006). The authors are aware of the fact failure in a previous phase will have influence on the outcome of the last phase. Despite this fact, the authors have chosen to focus on the consolidation phase and thus, assume the previous phases have been carried out successfully, as the research will be limited only including activities and processes related to the last phase. If more time would have been allocated, the authors would have explored the whole change process within the chosen company, thus contributing with a greater insight of how the change management can be executed, which would be desirable from the authors’ perspective. Moreover, the number of interviews is small, including 10 interviews from one organization, which will limit the research. The authors are aware of the amount of interviews being limited, however, theoretical saturation was found at this specific point, and therefore justify the number of interviews to answer the purpose of the thesis.

1.8 Definitions

• **Change**: Change refers to the ability to alter, reform, transform, adjust, modify, re-model and to reorganize (Collins, 2013).

• **Change Management**: Change management is the process, tools and techniques to manage the people-side of an organizational change initiative in order to achieve the required business outcome, and to implement the change effectively within the social infrastructure of the workplace (Change Management Learning Center, 2012).

• **Challenge Management**: The management of a new challenge, aiming at creating the most rewarding challenge experiences for organizations (Skild, 2013).

• **Consolidation**: When going through a change, the latter part of the change process aims at consolidate gains, sustain change and also to anchor the new approaches into the organizational culture, preventing the organization from going back to the old way of doing things (Kotter, 2007).
1.9 Structure

The structure of the thesis is as follows. In the second section, the reader will be provided with an overview of previous literature and theory describing change management and the change models from a management perspective. To be more specific, focus will be placed upon how literature discuss and describe how organizations can manage a successful change process. Additionally, when this is done, the literature will be summarized and consequently transmitted into a theoretical framework, in which different aspects of change management and the consolidation phase will be presented.

The third section will clarify for the reader how the study has been conducted, why the specific method is used, and provide the reader with further insights about the research approach, design and provoke our choices throughout the study in order to answer our research question in the best possible manner.

In the fourth section, empirical findings from the selected company, Company X, will be presented. The interview material provides information about the firm’s current situation in how they choose to manage changes within the business. In order to assure an internal stakeholder perspective is followed throughout the thesis, the authors will conduct interviews with people from three different levels within the company; top management, middle management and employees. All interviews have been recorded, in order to support the authors when writing full transcripts, which served as a foundation when the authors performed the thematic analysis.

In the fifth section, the framework will be applied on the empirical data in order to find out whether there is congruence between theory and practice, and contradictions are consequently identified and analyzed.

In the sixth and final section, the authors will conclude the thesis by summing up the major arguments and findings. Hence, there will be a discussion what implications the research findings will have on future theory and practice and how the selected company, Company X, might chooses to purse their change initiatives in the future.
2 Frame of Reference

This section will present the theoretical concept underlying this thesis. The selected theory deals with; organizational change perspectives, change management and the consolidation phase. The theory will then be used when analyzing the empirical findings.

2.1 An introduction to Organizational Change Perspectives

There are five basic theories functioning as building blocks for explaining processes of organizational change (Lawrence, Hardy & Phillips, 2002; Van de Ven & Poole, 1995); (1) life cycle, (2) teleology, (3) dialectics, (4) evolution and (5) institutional. The five theories represent different sequences of change events driven by different conceptual motors and operating at different organizational levels. The different sequences of events occurring in these theories, such as group formation and development, organizational innovation, growth, reorganization and decline, are difficult to explain, and even harder to manage (Van de Ven & Poole, 1995).

(1) **Life-Cycle Theory**: In order to explain change in an organizational entity Management Scholars use the metaphor of organic growth; life cycle of organizations, products, and ventures, stages in the development of individual careers, groups and organizations; startup births, adolescent growth, maturity, and decline. The typical advancement of change according to the life-cycle theory follows a single sequence of phases, which is cumulative and conjunctive in a way characteristics of previous phases are retained in later phases and the phases derive from a common underlying process. There is such an advancement since the way to the last phase is predetermined and requires a certain set of historical events, and all change activities contributes with one piece to the final end state, therefore they have to occur in a set order, since each piece sets the stage for the next (Van de Ven & Poole, 1995).

(2) **Teleological Theory**: The teleological theory describes change by relying on teleology which says goal is the final reason for guiding change of an organization; an organizational change process moves toward a set goal. The organization has to be adaptive since it creates a desired end state, takes action according to it, and monitors the pro-
gress. The Scholars of this theory consider change as a duplicate sequence of goal formulation, implementation, evaluation, and modification of set goals, based on what was desired by the organization (Van de Ven & Poole, 1995).

(3) **Dialectical Theory**: The dialectical theory assumes organizations exist in a pluralistic world of colliding events, forces or contradictory values, competing for domination and control. These oppositions may be internal and external; internal in a way an organization might possess different interest groups with conflicting goals and external in a way an organization might follows a direction colliding with other organizations’ directions. The dialectical theory explains change by referring to the balance of power between opposing organizations or interest groups (Van de Ven & Poole, 1995).

(4) **Evolutionary Theory**: Just like biological evolution, change goes, according to the evolutionary theory, through a continuous cycle of variation, selection, and retention. Variations, which are the creation of new forms of organizations, are seen to emerge randomly; they just happen. Selection of organization happens mainly through the competition for scarce resources, and the environment chooses organizations, which fit the resource base of an environmental niche. Retention includes forces that preserve organizational forms and function to counteract the self-reinforcing loop between variations and selections (Van de Ven & Poole, 1995).

(5) **Institutional theory**: According to Lawrence et al. (2002) collaboration can be the source for change in institutional fields on the basis of the generation of proto-institutions: new practices, rules, and technologies that transcend a particular collaborative relationship and might create a new institution if they spread adequately. Collaboration is often viewed as a manner to create new solutions to complicated problems, and the solutions are at times adopted beyond the boundaries of the collaborative process, resulting in the solutions ending up institutionalized in a wider field (Lawrence et al., 2002). This also means, even though collaborations may reproduce existing states in an institutional field, they may also act as a transformer in the institutional field, thus, create change.
This thesis will be based on the life-cycle theory since the authors will execute the study of consolidation in the perspective of a phase in a change process (Van de Ven & Poole, 1995). Also, when studying the consolidation phase of a change, which is the last phase of a change process, the previous activities and characteristics of the previous phases have an impact on the consolidation phase, which is in line with the life-cycle theory. Further, the authors have chosen to take on a change management perspective throughout the thesis while emphasizing the life-cycle theory.

2.1.1 Change Management
Machiavelli (1532), argues there is nothing more difficult to manage, more hazardous to conduct, or more risky in its success, than to take the lead in the introduction of a new order of things (cited in Anderson & Ackerman Andersson, 2010). However, since the beginning of the 1980s, the environment became more competitive and organizations started to face unstable markets due to a decrease in the economic growth, which resulted to a shift in the competitive battle from market shares of new or expanding markets to survival shares of slow-growing markets (Mcallaster, 2004). During this time, technology went through a revolutionary development, which increased the number of new competitors. Phillips (1983) argued, entering into an organizational change by designing different strategies and patterns of operations is a much more difficult managerial challenge than to stick to the established strategies and perform well, and one contributing factor for this is the low experience of top management. Establishing a new strategy requires higher environmental sensitivity, imagination and a different kind of management than operating in the well-established and stable environment (Phillips, 1983).

To be successful an organization needs efficient management able to cope with the forces of change, but although change is an inevitable part of life, it can also be stressful (Taylor & Cooper, 1998). Phillips (1983) published one of the first models within change management; the critical components of organizational change. The model states the three critical components, (1) new strategic vision, (2) new organizational skills and (3) political support, are essential in order to succeed in the change process (Phillips, 1983). During the 1990s organizations going through major change areas such as information technology and human resources (HR) started to establish an understanding of change management and its efficiency (Prosci, 2012). Whelehan (1995) claims,
the change process could be entered as widely as strategic visioning and communication. Resistance points, such as individual and cultural, might occur along the way which lead to companies evaluating methods to create commitment and desired behaviors and also to align the change process to current HR systems and the organizational structure (Whelehan, 1995). In today’s marketplace, change and how to lead a business successfully has become an essential topic in the minds of organizational managers (Anderson & Ackerman Andersson, 2010). Over the past twenty years, technology and other marketplace drivers have drastically transformed the very nature of change. Hence, change was once a controlled transactional event, and thereby easier to manage, and the changes are now more complex, continuous, open-ended, personal and radical (Anderson & Ackerman Andersson, 2010), indicating managers themselves must learn to transform in order to lead transformation successfully in their own organizations. Pressure are also placed upon managers to better utilize capital, be innovative in order to create new services and products, think global, improve quality, improve shareholder wealth and maximize the use of the internal resources (Mcallaster, 2004). The only sustainable competitive advantage a business can possess today is the ability to learn faster than competitors (Senge, 2004).

2.1.1.1 The Managing Change Model

The change management models of Lewin (1947), Kotter (2007), Phillips (1983) and Nadler (1998) (See section 2.3.1 - 2.3.5), do not, according to Siegel (1996), provide an incorporated understanding of the organizational change process that is of value for the managers responsible for implementing a change, however, the managing change model covers those perspectives (see appendix 1). The model consists of six dimensions, which all have to be considered by managers (Siegal, 1996);

(1) Individual response to change; concerns the nature, prevalence, and utility of resistance to change.
(2) The general nature of change; concerns whether effective large system change is evolutionary or revolutionary in nature and the patterns that typifies change efforts in organizations.
(3) Planning change: concerns the causes of change in organizations, articulation of the vision, how to get from the present to the future, and barriers to effective
change.

(4) Managing the people side of change; concerns how, when and how much to communicate within the organization, and psychological concerns connected to change.

(5) Managing the organizational side of change; concerns the design and structural issues of systematic and long-term change efforts.

(6) Evaluating the change effort; concerns indicators of a change effort’s effectiveness.

2.2 The Importance of Change Consolidation

Despite the large number of books, effort and money put into organizational change initiatives, the majority of organizational change initiatives fail (Stanleigh, 2008; Biech, 2007; Blanchard, 2010). According to Stanleigh (2008), change initiatives fail to accomplish what was desired but always produce a range of unwished consequences. The managers create strategies around restructuring, re-design and new efficiencies with the ambition of make everyone share their vision and develop change programs around the strategies. However, the majority of change initiatives result in fighting fires and crises. Too often, management fails to realize adjustment to change initiatives requires time (Stanleigh, 2008; Mcallaster, 2004); they expect employees to pass forward from the denial phase to the commitment phase but do not recognize every individual will move through the phases at different paces, leading to management having to deal with employees that might is burned out, frustrated and who do not work efficient together (Stanleigh, 2008).

Management do many things contributing to failed change initiatives, however, they are not intentionally (Stanleigh, 2008); not engaging all employees, managing change only at the executive level, telling people they have to change since it is a crisis situation, sending staff on change programs and expecting change to occur, not honoring the past and not giving time for staff to vent first and then change. What is essential to consider in a time of change, is the fact no change process is like another, each change is unique, just like every organization is unique. Also, as time pass by, everything changes due to circumstances changing, structures changes and drivers for change are different (Turban, 2012; Paton & McCalman, 2008; Cope & Waddell, 2004; Mcallaster, 2004), thus,
it is not likely for change management techniques to appear in the same way twice.

2.3 **The Consolidation Phase in Change Management Literature**

In this section, organizational change models are presented focusing on the last phase, similar to the consolidation phase in management theory, aiming at providing the reader with an integrated understanding of the existing literature.

2.3.1 **Consolidation as Refreezing**

In 1947, Lewin presented his three-step change model (see appendix 2), which involves the phases; (1) unfreezing, (2) changing and (3) refreezing (Biech, 2007). According to Burnes (2004), Lewin saw the factors as creating a unified approach towards analyzing, understanding and bringing about change into the group, organizational and societal levels. Refreezing is the final step in the approach and without a reinforcement phase, the change efforts might be short-lived (Lewin, 1947). This phase seeks out to stabilize the group at the new equilibrium to ensure the new behaviors are imbedded within the new standards and routines (Burnes, 2004).

In order for the change initiatives to be successfully adopted, new behaviors shall be consistent with the rest of the behavior, personality and environment of the initiate; otherwise the change efforts will cause further disconfirmation (Schein, 1996). Lewin (2009) saw successful change as an activity of the whole group, because unless group norms and routines were transformed into the new way of doing things, changes to individual behavior will not be sustained throughout the organization. Despite the fact Lewin’s model was created in 1947 (Petrescu, 2010) Scholars of today argue it is still highly relevant since most of the current change models are based on this specific three-step model (Kotter, 2007; Nadler, 1998; Phillip’s, 1983). Lewin’s change model has received criticism of being outdated, but most theories of organizational change share the same content as Lewin’s model.

2.3.2 **Consolidation as Institutionalizing**

Kotter’s eight-step model (see appendix 3), presented in 1995 (Kotter, 2007), includes the eight following phases: (1) establish a sense of urgency, (2) create the guiding coalition, (3) develop a vision and strategy, (4) communicate the change vision, (5) empower
broad-based action, (6) generate short-term wins, (7) consolidate gains and produce more change and (8) institutionalizing new approaches. According to Biech (2007), Kotter’s eight-step model focuses on the organizational development’s change perspective and is altered beyond Lewin’s three-step model. The change process goes through a sequence of phases require significant amount of time (Kotter, 2007). Skipping phases creates the illusion of quicker process, but it never produces a pleasant outcome. Mistakes in any of the phases can and will most likely have a negative impact, decelerating down the change process and negate hard-won wins (Kotter, 2007).

Kotter (2007) argues, the last phase, institutionalizing new approaches, indicates anchoring new approaches in the organizational culture and changes the way we do things around here. More specific, Kotter (2007) stresses the importance of articulating the connection between the new behaviors and organizational success and developing the means to ensure management development and progress. For new practices to stay in the organization, new behaviors shall be rooted in the social norms and shared values of the organization. There are two factors are vital in institutionalizing the change in organizational culture. The first factor is the manager shall help people to see the accurate connections between their performance and the outcome, and to make this a reality, communication from the manager is required. Kotter (2007) state the second factor requires a lot of time aiming at making sure the next generation of top management really represents the new approach. A bad succession decision by top management can undermine a decade of hard work. Poor succession decisions occur when the boards of directors are not being an integral part of the renewal efforts (Kotter, 2007).

**2.3.3 Consolidation as Reinforcing and Consolidating**

According to Phillips (1983), there are four natural phases (see appendix 4) in the change process; (1) creating a sense of concern, (2) developing a specific commitment to change, (3) pushing for major change and (4) reinforcing and consolidating the new vision. Phillips (1983) states the last phase is about making sure the change and its results are sustained. In order to achieve this, an organization has to continuously identify new strategic opportunities and continue to achieve competitive results. Also, institutionalization of efficient changes in the “way we do things around here”, the organizational culture and values, and in the amplification of the key organizational skills must
occur and a wide organizational commitment for the new practice must be established throughout the organization (Phillips, 1983).

2.3.4 Consolidation as Consolidating and Sustaining Change

Nadler’s (1998) change model (see appendix 5) consists of five main phases; (1) recognizing the change imperative, (2) developing a shared direction, (3) implementing change, (4) consolidating change and (5) sustaining change. The consolidating change phase, involves three major activities; the first is communication and diagnosis; the management has to actively seek what is working and what is not working within the organization, and it can be done through continuous face-to-face communication, interviews and formal assessments with the employees. The second activity is refinement; processing the information gathered in the previous activity and find out what is working and what is not working, and then go back and fine-adjust the change accordingly. What is important in the refinement is to prevent the impression among the employees the whole idea of the initial change is scrapped (Nadler, 1998).

The consolidation phase is when changes that were new and radical in the beginning of the change process; are becoming integrated in the fabric of the organization, which is the third activity (Nadler, 1998). In this activity, managers have to walk the talk; reward the ones supporting the change and remove those who are resisting. Once the change is consolidated, the organization has to make sure the change is sustained, preventing things to go back to normality. In order for the managers to see what is working and what is not working, the communication has to be continuous. In the sustaining phase, which is a part of the consolidation, the management has to continuously consider which elements of the change are working and stay flexible on the work of modifying the change if necessary (Nadler, 1998). This is where the organization sustains the edges of the radical change by implementing a series of incremental changes in order to maintain the growth and success.

2.3.5 Consolidation as the 5 P’s

Mcallaster (2004) argues, in order for the manager to successfully execute the change process, there are five leverage points; (1) pain, (2) process, (3) politics, (4) payoffs and (5) persistence, which need to be addressed within the change process; pain is an essential drive of change. In order to use pain effectively in a change process, it is essential to
understand where pain comes from. Processes describe the core of how the actions undertaken to change the organization. Change occurs when managers understands the organization and its strategy, culture and people, identifies problems and seek to find a solution, which will be appropriate to the circumstances. The process to use in order to determine and implement change within an organization depends, to great extent, on the opportunities and problems the organization face (Mcallaster, 2004).

Within society and organizations politics is ever present and can be seen as an important factor of culture (Mcallaster, 2004). When an organization faces change, managers seem to forget about the payoffs for the people affected by the change. For managers in charge, the change process may be challenging and rewarding but for the many employees, questions regarding payoffs will go unanswered. Money is one of the most fundamental and most common rewards for changing peoples’ behavior. The employees should be motivated and driven by the challenges of their work. People will also put extra efforts in to things when the pride and respect of their organization is important to them (Mcallaster, 2004).

Mcallaster (2004) claims, organizations are by nature resistant to change, and success is built upon the ability to creating drive through determined efforts in order to manage resistance. It do not exist any movement without some kind of resistance, since resistance is the evidence of something is changing, making it essential for managers to manage (Ford & Ford, 2009). Resistance towards new processes may be established in the conflict of what the manager says and what the manager does. Managers need to be persistent when communicating the change (Mcallaster, 2004).

2.4 Challenge Management in the Consolidation Phase: a Theoretical Framework

The following section serves as this thesis’s theoretical frame, starting off with addressing potential challenges in the consolidation phase and then addressing the management of the challenges.

2.4.1 Challenges in the Consolidation Phase

Lexa (2010) states change may arise from many sources, and organizations should keep an eye on several fronts: the market, new technologies, novel scientific discoveries and
economic trends. The change management will be facilitated if deeply embedded in policies and practices, which will craft the management approach to change (Lexa, 2010). It has always been a challenging task for managers to manage the organization during times of change. Cope and Waddell (2004) claims traditionally, the process of change was a slow adaption for the organizations and as the change occurred, the people adapted. The rapid speed of which change occurs requires a unique management style, the manager need to adapt the management style to fit the situation (Turban, 2012).

Lewin’s refreezing phase emphasizes the importance of incorporating a reinforcement phase, and if failing to execute the reinforcement phase, the change efforts will be short lived within the business (Lewin, 1947). The refreezing phase seeks out to ensure new behaviors are imbedded within the new-implemented organizational standards and policies. A management challenge in this phase is to ensure the new behaviors are consistent with the rest of the behavior and personalities of the initiate, and if the managers do not successfully manage to adopt the change, the change efforts will just cause further disconfirmation among the employees (Biech, 2007).

One of the major challenges in Nadler’s (1998) consolidation phase is renewed rigidity; management has come to see change as a way of life, while others in the organization are looking for stability and want to grab hold of the new strategy, which will most likely lead to the new practices becoming as formalized as the practices the organization replaced. Lewin’s model (1947) claims, change initiatives shall be viewed as an activity of the whole group, where managers have to involve everyone in order to transform the group norms and routines into the new way of doing things, and in order to achieve this, managers must find a way to manage the resistance towards the new change, which can become a time consuming management challenge (Biech, 2007).

The corporate culture often determines what gets done, so the values behind the vision must be represented in the daily work. According to Kotter (2007) and Mcallaster (2004), the managers possesses an essential role when institutionalizing the new approaches derived from the change initiative, it is the managers responsibility to make employees feel committed and motivated by the new change. It is also the manager’s responsibility to make sure all employees understand why the change is needed, what the
outcome will be and how it will affect the work of the employees, which is a difficult task to manage since employee may perceive the change differently (Mcallaster, 2004). Phillip’s (1983) last phase, reinforcing and consolidating the new vision, aims at making sure the change outcome is sustained within the business, and the main challenge for managers in this phase is to continuously identify new strategic opportunities in order to stay competitive on the market. Mcallaster (2004) argues, in a rapid changing business environment, managing a change may become the greatest challenge of them all, since there is no single solution applicable to every situation; each change initiative requires its own collection of data, specific for its purpose, in order to be given the right prerequisites. According to Mcallaster (2004), it exist four major challenges in the consolidation phase, which are;

(1) The important role of communication. People want to know what is happening within the organization and what actions are to be undertaken. A common mistake from managers in the change process is not informing people about the upcoming changes, or inform them too late in the process, which may lead to conflicts and/or resistance (Mcallaster, 2004).

(2) Managers should declare the chosen course of action early in the change process. People need to find out why the change was initiated, how the change process will progress and what to expect in the future. It is important managers explain the logic and reason behind the actions that are about to occur as the explanation part provides motivation for those who can make the change a reality (Mcallaster, 2004).

(3) Successful execution of change initiatives requires the full attention of management and a dedication of doing it correctly. The managers involved in the change process should act as role models, involve employees and provide them with necessary resources and training which the change process may require (Mcallaster, 2004). Also, changes require people, time and money and it is the top management who allocate these resources and along the process, delays might occur and problems might have to be resolved, and it is the top management’s responsibility to monitor and alter the process.

(4) Follow-up, re-evaluate and adjust. The implementation of new ideas require flexibility as there will always be unexpected challenges occurring, which will require minor modifications during the implementation procedure (Mcallaster, 2004). Planning is use-
less if not implemented, monitored and followed through. If not implementing an evaluation structure, the organization will have to allocate a large amount of time to identify failures and any undesired departure from the plan (Sanborn, 2009).

To summarize, the literature’s proposed challenges in the consolidation phase are presented below:

- Policies and practices
- Adapt management style to the situation
- Incorporate a reinforcement phase
- Open and honest communication
- Renewed rigidity
- Involve the whole group
- Transform group norms and routines into the new way of doing things
- Managing resistance
- Sustain the change
- Allocate resources

2.4.2 Challenge Management

Malone (2011) claims, a lot of information related to failure in the change process, and more specific in the consolidation phase, are due to the lack of putting in enough management efforts in relation to the scope of the change. Being a manager is not about being able to manage his or her own ego or fears, neither about managing his or her resistance to change; the manager have to lead the employees, and if not, the possibility to reach a successful change initiative is limited (Malone, 2011). Siegal et al. (1996) highlights the dynamic character of change and the importance of an effective change management team, consisting of people reporting straight to the top management and who can allocate time and effort to managing the change.

In order for the successful change to occur it is vital for the change management team to manage the dynamic factors of change, not only the individual parts of it. It is also important top management is involved and actively participates and shows support for the change efforts in order to convey the employees (Mcallaster, 2004). In order to attain a successful change, it is of high importance the last phase of the change model, aiming at
consolidating the change and implement the new ways of doing things, receives the required amount of attention and the management allocate time and resources, which may then contribute to a successful change outcome (Kotter, 2007; Mcallaster, 2004; Nadler, 1998; Phillips, 1983; Lewin, 1947). The base of a successful change process is communicating the new work processes, throughout the whole organization and the management team's ability to manage the emotional connections are associated in any change (Siegal et al., 1996). Nadler (1998) argues, the employees have to get used by the idea of introducing a new order of things, and in order to do this; one must overcome the potential resistance caused by the initial change initiative.

Stanleigh (2008), states in order for managers to move from crisis caused by the recognized need for change to a state where the change is managed, managers need to create a shared vision for the change, and also communicate the vision to the employees, since a change initiative will fail unless most of the organization understand, appreciate, commit and try to make the change become a reality. The manager should take advantage of every communication channel and opportunity that exist (Stanleigh, 2008). It is essential to consolidate improvements and keep the drive for change moving, since declaring victory too early in the change process will most likely result in a decrease of the force driving change. It is also of high importance for managers to institutionalize the new approaches and policies so the change get implemented and sustained within the organization (Stanleigh, 2008; Kotter, 2007; Phillips, 1983).

Singh (2004) emphasizes most change incentives fail in having the desired organizational outcome due to lack of timely, complete and meaningful communication from the management. Clear and open communication in an early stage of the process will prepare the employees for the change that is about to take place. In order to make change happen, top management support is required throughout the whole change process. When employees believe top management fully supports the change initiatives, the employees are more likely to cooperate with the implementation (Singh, 2004).
2.4.2.1 The Role of Communication

The importance of communication in change processes can, according to Lewis (2011), be divided into two different contexts; formal and informal. Formal communication includes use of official channels, declarations and policy establishment by managers, timing and details of the change, formal responses of managers to other stakeholders’ challenges and questions about the change. One essential and critical part of the formal communication in the change processes is the first official announcement of the change initiative from the managers to the employees. The timing, behavior, message and spokesperson in the announcement may contribute to implications for the total implementation effort and the announcement should therefore be done with caution (Lewis, 2011). Manager should spend a lot of time communicating and informing the employees of what is going on (Mcallaster, 2004).

Further, Lewis (2011) argues informal communication plays an even more important role in governing outcomes of a change process than formal communication. Informal communication involves spontaneous interactions between stakeholders, with implementers and with non-stakeholders. Those interactions might not be less strategic than the formal communication, however, they are espoused without the pressure from official authority or access to official channels, and sometimes in a way that contributes to people involved denying ownership of what is shared. The participants may express reactions to change, pursue supportive communication, tactical discoursing regarding advancing or resisting the change and evaluating and sharing information about the change initiative (Lewis, 2011). Daily interactions among stakeholders, managers, and decision-makers have the potential to shape attitudes, advanced participation, efforts to resist the change, and finally, the outcomes of the change. Organizations shall possess a set of policies, processes and practices cultivating the desired environment involving pay systems and rewards, promotion criteria, training and development programs. In order to succeed, these practices have to be aligned with the change (Nadler, 1998).

2.4.2.2 Building Your Company’s Vision

According to Collin and Porras (1996), organizations enjoying success have their core values and core purpose fixed, while adapting their business practices and strategies to the changing world. Successful organizations understand the distinction between what should never change and what should be open to changes. This scarce ability to
manage continuous change is closely related to the organizational ability to develop a vision. The vision provides guidance about what core to preserve and what opportunities the future may provide. A well-conceived vision consists of two major components; the core ideology and the envisioned future. The core ideology explains what the organization stands for and why they exist, and serve as the glue holding the organization together through times of expansion, decentralization and growth. Thus, the envisioned future defines what the organization wish to become and achieve in the future. In order to attain the envisioned future, substantial changes are required (Collins & Porras, 1996).

2.4.2.3 The Role of Involvement

Organizations can be viewed as cooperative systems relying on the employees’ willingness to act and behave in ways that support the organization and are in line with the organization’s vision (Furst & Cable, 2008). Employees’ personal goals often depart from the organization’s goals, leading to a challenge and responsibility of managers to persuade employees in order to direct their efforts toward the organizational goals. The importance of employee involvement is particularly apparent during organizational change; the major link between an organization’s change strategy and the employees responsible for implementing the strategy within the organization is managers’ ability to unfreeze employee thoughts that the current state is acceptable and motivate employees in order to make the wished-for changes (Furst & Cable, 2008). Managers set up strategies for involving employees which may include imposing rewards or sanctions guiding employee behaviors, ask employees to participate in designing the change, or explaining why the change is needed (Mcallaster, 2004).
3 Research Methodology

In the following section, the research methodology is described, and insights is provided about the research approach and design, and in what way it will be used in order to answer the research questions. Furthermore, choices that have been made regarding data collection and data analysis, such as selection of respondents are motivated in line with the purpose of this paper. Finally, a discussion regarding research validation, in terms of confirmability, credibility, dependability and transferability is provided.

3.1 Research Philosophy

Hermeneutics is the most common used philosophy in qualitative studies and refers to the study of the practice and theory of understanding and interpretation (Freeman, 2008; Patel & Davidsson, 2011). It is created on the assumption the interpretation is not a clear direct activity despite the fact people experience it on a daily basis when they interact with others. This type of philosophical foundation challenges the purpose of social science and its reliance on a limited concept of understanding supported by scientific methods (Freeman, 2008). Hermeneutics believe human reality is made of linguistic nature, it is through language one can gain knowledge about the genuine human. Hermeneutics claims it is possible to understand human beings and our circumstances of life by interpreting how human life, existence, are expressed in the written and spoken language and in humans’ actions (Freeman, 2008). Hermeneutics is not studying the research object piece by piece, but is rather looking for entirety in the research problem, named Holism (Patel & Davidsson, 2011). The purpose of this thesis is to gain insight on how an organization can manage the potential challenges experiencing in the consolidation phase by linking theory and practice of the chosen company, which goes in line with the hermeneutics philosophy that alters the conception of inquiry from seeking exploration about someone or something to one of engaging with the dynamic situated nature of the human understanding (Freeman, 2008).
3.2 Research Approach

After the information is gathered, the data is intended to present reality. The researcher has the option to attach theory to reality by the approach of abduction, deduction, or induction (Patel & Davidsson, 2011). Abduction is a combination of deduction and induction (Quinn Patton, 2002); deduction starts from a theory, moving down to hypotheses, which then leads to observations to address the hypotheses. Further on, the deductive approach results in testing the hypotheses, which might lead to a confirmation of the initial theory (Trochim, 2006). Induction functions the other way around, thus, starts with observations and measures, moving on to detecting patterns and formulate hypotheses to explore, and ending up with developing theories.

This thesis applies an abductive approach, indicating the researcher can formulate an assumed pattern to explore an individual case (Locke, 2010; Patel & Davidsson, 2011). This may be described as induction but with further examination and testing of the hypotheses it comes to include deduction as well, and since the thesis contains both approaches, abduction is addressed. The abductive approach starts with a set of accepted evidences and then research moves in line with the empirical findings as they are interpreted through a comprehensive hypothetical pattern (Patel & Davidsson 2011). Abduction can also be seen as a process including formation of a possible explanation involving an effort to understand the beings acting in a world (Locke, 2010), which is in line with the thesis’s chosen research philosophy, Hermeneutics, that aims at understanding human beings and our circumstances of life (Patel & Davidsson, 2011). The motive for applying the abductive approach in this thesis was mainly due to the need for influences of existing theories in order to be able to analyze and explore the situation within the selected organization (Patel & Davidsson, 2011).

Secondly, the authors’ aim at exploring unknown facts related to the final stage of the change process, which cannot be found in today’s theory. Abduction, as defined by philosopher Sanders Peirce, can be considered as the logic of exploratory data analysis, which is applied in this thesis (Eriksson & Kovalainen, 2008). Exploratory research aims at exploring less understood issues, in this thesis potential challenges of the consolidation phase, and generates new ideas, conjectures or hypothesis (Neuman, 2006),
which appear in the form of how to manage the potential challenges in this thesis. As this study aims at contributing with an insight of organizational challenges and its management within the consolidation phase, the study is a valuable means of finding out what is happening; to seek new insights and also to assess phenomena in new light, which is in line with Robson’s (2002) arguments for the applicability of exploratory study (in Saunders, Lewis, & Thornhill, 2009).

3.3 Research Design

The research design is a logical plan for how the researchers shall get from a starting point to a goal, where preferably the goal is defined as the primary research questions to be answered (Yin, 2009). In order to achieve the desired goal, a number of steps need to be taken into account, including the collection and analysis of relevant data. The authors explain as follows.

3.3.1 Research Method

The case study is used in many situations, contributing to the knowledge of individuals, groups, and organizational, social and related occurrences (Yin, 2009). The case study research method is relevant when the researcher wish to gain a rich understanding of the context of the research and the processes being enacted, which goes in line with the purpose of this thesis, to explore how the chosen company can manage the potential challenges arising in the consolidation phase of a change (Eisenhardt & Graebner, 2007). Applying the case study as a method, it allows the authors to preserve the holistic and significant characteristics of real-life happenings, such as group behavior, managerial and organizational processes within the chosen company. When research questions seek to explain current conditions such as “what”, “how” or “why”, a case study will be relevant (Yin, 2009). The case study method is also relevant when the research questions require an extensive and in-depth description of social occurrence. Since the research questions of this thesis are designed from a “what” and “how” perspective and focuses on contemporary events and do not require control of behavioral events, Yin (2009) states the case study is an appropriate research method to apply in this study.

When designing a case study a decision has to be made whether to use single or multiple case design in order to address the research questions (Yin, 2009). The single case
design is an appropriate choice under several circumstances. One justification for a single case is when having a representative or typical case and where the objective is to capture circumstances and conditions of a common situation. Here, the case is assumed to be based on information and experiences of the average person and/or organization. A single case that meets all conditions for testing the theory have the ability to challenge, confirm or even extend present theory. In general, a single case study can represent a meaningful contribution to knowledge and theory building and it can also help future research to refocus their investigations. Moreover, a significant reflection for case study is the resources needed for the case and considering the time for this paper is restricted to only cover a few months, conducting more than one case, with the same depth as the Company X case, has been considered to consume too much resources, and thus harming the overall quality of the report (Yin, 2009).

Yin (2009) also proposes when working with case studies, several methods can be used depending on whether it is a single case or a multiple case design, and whether it is a holistic or embedded study. There exist three different types of case studies: descriptive, explanatory and exploratory, and they all have separate purposes with the research as they tend to answer different types of research questions. “What”, “how”, and “why” questions are used in the exploratory case study, which is the authors’ motive for using an exploratory case study method, since it is in line with the purpose of the thesis. Considering whether a holistic or embedded approach should be used, the authors have concluded the selected organization is to be considered as one unit, and thus embracing a holistic approach, which is in line with the chosen research philosophy, hermeneutics. The authors have chosen to view the organization as a single unit, despite the fact different departments may manage the change activities and processes differently, indicating further reason for the authors to use a holistic approach (Yin, 2009).

3.3.2 Data Collection

3.3.2.1 Primary Data

Primary data collection usually involves observations, experiments, surveys and interviews and what to look for, ask about and collect all differs depending on the research problem (Ghauri & Grönhaug, 2010). There is one major advantage of having a study based on primary data; the information is credible since the authors have collected data
to answer their specific purpose (Holme & Solvang, 1997). The main disadvantages are the time and cost, since it may take a long time to gather all the information needed and it can cost a lot (Ghauri & Grönhaug, 2010). Also, the researcher is dependent on the willingness and ability of the respondents.

3.3.2.1.1 Interviews

In this case study research, the data was derived from interviews with the company due to the scope of the project being rather extensive and in-depth (Bryman & Bell, 2007). Interviews tend to be more like discussions, and less like surveys, and they can either be unstructured or semi-structured. Qualitative interviews tend to have follow-up questions on subjects that, in a specific context, are especially interesting or relevant. Unstructured interviews are usually focused around certain themes with few, if any, directions decided beforehand. Semi-structured interviews, on the other hand, have lists with questions and certain themes, which are not always asked or discussed in order, and this provides flexibility while at the same time ensuring the important aspects are included. The authors consider the latter, semi-structured interviews, to be the most appropriate for this study (see appendix 6), as some concepts are crucial for the paper and need to be covered comprehensively with all respondents (Bryman & Bell, 2007).

The interviews lasted between 45 and 80 minutes, all the interviews were recorded, and due to the exploratory nature of the purpose, the “what” and “how” questions, the interviews were semi-structured and non-standardized to encourage respondent elaboration during interviews (Bryman & Bell, 2007). The study was accompanied using both telephone and personal interviews. This mixed interview method was mainly due to geographical distance and the challenge of receiving meetings with the wanted respondents (Bryman & Bell, 2007). Novick (2008) claims the advantages with face-to-face interviews are the visual cues, the possibility to have a longer session, thus, going more in-depth and the body language that often shows the respondents commitment level and makes the expressions and opinions more clear. There are also some disadvantages with face-to-face interviews; cost and travel, geographic limitations and increased space requirements. Additionally, telephone interviews are an accepted approach for qualitative data collection. The advantages of an telephone interview are decreased cost and travel, ability to reach geographically spread respondents, enhanced interviewer safety, re-
spondents being more relaxed and more willing to talk freely, decreased space requirements and the ability to take notes in an unintrusive manner (Novick, 2008). Telephone interviews also make the respondents more anonymous and decrease the social pressure, leading to a willingness to disclose intimate information. There are also some drawbacks using telephone interviews, such as absence of visual cues and the potential for distraction for respondents due to activities in their environment, however, distractions can also occur in face-to-face interviews. To avoid misinterpretations the transcripts from each interview has been sent to the respective respondents for approval (Novick, 2008). The research team who performed the interviews was the same persons who performed the transcripts, which was translated into the exact words recorded. As the interviews were executed in Swedish, the authors, whose native language is Swedish, translated the transcript into English.

The authors used the method of theoretical saturation (Bloor & Wood, 2006) when collecting the primary data. Theoretical saturation implies the continuation of gathering data until findings are confirmed; until no new conceptual insights are generated, thus, the authors have gathered repeated evidence for the conceptual categories. This means the number of interviews are determined by the authors need to gather information until the conceptual categories are evident. One disadvantage with theoretical saturation is the usage of it as a wide expression, in order to increase the validity and credibility of a research. However, a flawed data collection can easily be detected due to the absence of depth and containment of many clear and unexplained exceptions but it requires the authors to be flexible, since the data collection is progressing alongside the data analysis (Bloor & Wood, 2006).

Table 1 presents an overview of the data collection, retrieved from the chosen department at Company X, in order to provide the reader with an insight of the respondents in terms of: job title, years of employment, length of interview, and in what manner the interviews were conducted.
Secondary data is useful when looking for information regarding the research problem but also to better understand the actual research problem and to explain it in a more clear way (Halvorsen, 1992). With secondary data the authors can draw larger comparisons of data and use different results from different researchers, but they have to keep in mind the data was collected for another purpose (Holme & Solvang, 1997). The authors have used an internal document from Company X in order to better understand how the managers of the company operates. The internal document contains information about how the ideal manager should be and what characteristics to possess.
3.3.3 Data Analysis

When analyzing the data the thematic analysis method was used (Boyatzis, 1998). Thematic analysis is a systematic approach used in qualitative studies, which the authors chose to take on in the four following steps; (1) identifying themes, (2) classifying data according to those themes and (3) interpret the thematic structures by looking for commonalities, (4) overarching patterns and relationships. The thematic analysis helped the authors to reduce and manage large scale of data without losing the context, organizing and summarizing, and to focus the data and the interpretation. When the data had been collected, the authors identified four different themes which were repeatedly brought up by the respondents; communication, prioritize consolidation, policies and involvement. The data was then classified in accordance to those themes in different tables consisting of quotes from the interviews, which are presented in the empirical findings (Boyatzis, 1998). When the authors started the analysis, it became clear deeper and more specific theory according to those four themes was needed in order to receive a deeper understanding, which lead to the creation of section “2.4.2 Challenge Management” in the literature review once the empirical data was collected. This way of adding theory once the empirical data is collected is in line with the abductive approach (Yin, 2009), since it is impossible to know in advance what the focus of the thesis/interviews will be.

3.4 Quality Criteria

Qualitative research is evaluated on the grounds of confirmability, credibility, dependability and transferability (Bryman & Bell, 2007; Trochim, 2006).

3.4.1 Confirmability

Confirmability covers the extent to which personal opinions and beliefs are left out from the research, and that the gathered results could be confirmed by others (Trochim, 2006). The authors have kept detailed transcripts of the interviews, which have served as the basis for the result with the aim of excluding personal opinions and beliefs from the study (Trochim, 2006). It is important the authors remain objective when performing a qualitative research (Bryman & Bell, 2007). To deal with this issue, questions and statements must be free from bias, and must not be leading the respondents in a desired direction in order to reach results that fit with the authors’ personal beliefs about change.
management. The authors are aware of this issue, and stayed objective in their analysis by analyzing the empirical findings from a theoretical perspective in combination with using a thematic analysis approach. In accordance to Bryman and Bell (2007), opinions of the employees may differ due to events or personal opinions, and therefore the authors conducted interviews on several occasions with the employees separately.

3.4.2 Credibility

Credibility refers to whether the author’s description of the social reality is accepted; a concern is valid for both primary and secondary data sources (Bryman & Bell, 2007). In order to assure the research of this thesis possesses credibility, the authors have applied a technique of persistent observation by transcribing the recorded interviews before performing the analysis, this in order to sort out irrelevancies, focusing on the findings related to the purpose of this thesis (Finlay, 2009). This technique has been used with great caution to avoid early closures. Moreover, an essential aspect to ensure credibility is the way in which the empirical data is presented and interpreted responds to what was actually said in the interviews (Bryman & Bell, 2007), due to this, the authors have created tables where quotations of the respondents are presented. The authors have also kept a dialogue with the respondents through sending them the completed transcripts, the quotations used in the tables and the last draft of the completed thesis for confirmation before completion (Lincoln & Guba, 1985). Furthermore, in the semi-structured interviews that were carried out by the authors, the respondents were able to explain and give further clarifications if the answer, at first, was either confusing or ambiguous to the researcher (Bryman & Bell, 2007). The authors have also applied the technique of triangulation through an abductive approach of combining multiple sources of evidence as the authors have moved between analysis and interpretation (Lincoln & Guba, 1985). Moreover, the authors have exposed their work to external critics by attending several seminars during the thesis writing process, this way of exposing the work to externals is referred to as a peer debriefing technique, aiming at removing emotional connection to the study (Lincoln & Guba, 1985), which facilitates and helps the authors to stay objective during the whole thesis writing process.

3.4.3 Dependability

Dependability deals with what contextual factors have to be taken into account, as they might affect the research’s results (Bryman & Bell, 2007). Relevant factors
therefore need to be kept in mind such as current business trends, since new definitions and perceptions of change management surface regularly (Bryman & Bell, 2007). Applying this to the study, the authors have to pay attention to the fact the selected company is international operating in more than 20 countries, with its headquarter located in Scandinavia. The majority of the research used for the theoretical framework originates from countries worldwide. The structure of this thesis is designed to be in line with the research questions to make sure the thesis only focuses on relevancies, thus, making sure the research is design to attain the purpose of the thesis (Lincoln & Guba, 2007). The frame of reference is based on research from the start of the first use of the topic, change management, till today’s research (Trochim, 2006), with the aim of being dependable.

3.4.4 Transferability
Transferability concerns to what extent it is possible to generalize the results, i.e. whether the results can be applied in diverse contexts, sometimes referred to as fittingness (Quinn Patton, 2002). The empirical data is collected from one company. A sample of only one company is rather limited for generalizing the results (Bryman & Bell, 2007). However, to increase transferability the authors have considered two key factors (Jensen, 2008); how closely the employees are connected to the chosen context of the study and the contextual boundaries of the findings. Regarding the first factor, the interviewed employees have been members central to the area of e-commerce, which the authors are exploring. The second factor is about providing a comprehensive understanding of the context being studied and making sure the research questions are correctly answered (Jensen, 2008). Therefore, several tables with direct quotations from the respondents are used for presenting the empirical findings in order to convey a true message to the reader. When the authors provides the reader with the direct quotations of the respondents it will enable the reader to experience what the authors have experienced during the interviews (Lincoln & Guba, 1985), which consequently will increase the sense of involvement and it will also justify the authors arguments.

3.5 Case Selected
In selecting the cases, Yin (2009) argues the determining factor should be whether one would have access to a sufficient portion of data, such as interviews, records, docu-
ments, and field observations. In a situation where there are several potential candidates, the one who is the most likely to explain the research questions should be chosen. Company X has expressed interest in increasing their knowledge on the subject in order to improve the outcome of their change initiatives and this genuine interest from the selected company poses a significant advantage, since it might be assumed to lead to a higher willingness to give access to information and interviews, as well as a higher degree of participation from employees and managers (Yin, 2009). The authors chose to focus on the area of e-commerce since this department is exposed to more changes, in a more rapid pace than other departments operating at Company X, making change management critical to manage.

The authors apply anonymity due to the company's desire; however, it is also done in order to protect the respondents from any possible harm that might derive from this study (Waldorf, 2006). Anonymity includes not naming the respondents or company involved, but also to not share any information about the respondents or the company that will make it possible to identify them among other respondents and companies (Waldorf, 2006). Company X is an international company operating in the office supply industry, with its headquarter located in Scandinavia. During 2008, Company X launched their e-commerce due to a changed customer demand for their products, forcing Company X to offer their products both online and in physical stores. The e-commerce has experienced rapid expansion, which involves going abroad, and is now available in more than 20 countries in Europe, making the company highly international. Since the start in 2008, the company has almost quadruplicated the turnover of their e-commerce, and the last year, from 2011 to 2012, thy experienced a growth of approximately 45 percent in the turnover. In total, the company has 5.000 employees, operating in 400 stores, with a total turnover of 5 billion SEK in 2012, where the e-commerce corresponds to 3 percent of the turnover. The ambition of their e-commerce is to continue their expansion, and within two years, reach 5 percent of the company’s total turnover.
4 Results

In this section, the authors compile and present the empirical data that have been acquired through interviews at Company X. Through the semi-structured interviews, the authors intend to provide a profound picture of how Company X manage their consolidation phase, and how interrelated areas are perceived and pursued at the company. The compiled empirics will then, in combination with the theoretical framework, constitute the foundation of the analysis in the subsequent section.

When conducting the interviews, different themes were repeatedly brought up by the respondents such as communication, the awareness of the need for consolidation, policies and involvement. These themes were brought up from two different perspectives, which can be described as the challenges when consolidating change and how to manage the challenges. The two perspectives with related themes are presented through quotations retrieved from the interviews. In order to present the empirical findings in a clear and structured way, the data will be organized in relation to level of job position, starting off with employees, followed by managers. The managers are divided into two sub-groups; middle managers and top managers, to see, if there exist differences in their opinions.

4.1 Challenges at Company X

4.1.1 Lack of Communication

All respondents brought up communication during the interviews and it became clear that Company X is facing a lack of communication. The employees mentioned they get informed too late in every step of the change processes, which contributes to a feeling of being excluded, the managers do not communicate what is expected from them, what they can expect from the managers, what is going to happen next and they do not receive any information about how other departments are progressing. On the other hand, the middle managers stated communication is a challenge and that they are aware of them informing the employees too late, however, it is due to restrictions from the top managers. The top managers also stated their concern for communication and the chal-
The challenge to make everyone involved understand why the change is needed and how it will affect them.

Table 2. Lack of communication

<table>
<thead>
<tr>
<th>Employees</th>
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<tbody>
<tr>
<td>E1</td>
<td>“One of the most important factors in consolidating change is communication, and we definitely have to improve here […] We have breakfast meetings once a month, with all the departments, where we get informed about the current situation and the future, however, if we miss one of those meetings, it is my own responsibility to ask co-workers about what was announced at the meeting, otherwise I will not receive any information, since it is not communicated to the people that could not participate”</td>
</tr>
<tr>
<td>E2</td>
<td>“I do not think we have a lack of communication, rather, what is typically Company X is to talk a lot, but the decisions are never taken, so I would say, we do not have efficient and straightforward communication. […] We know what we have to improve and we talk about it, but then it often never happens”</td>
</tr>
<tr>
<td>E3</td>
<td>“There is a lack of communication since the managers do not communicate what is expected from the employee in the consolidation phase […] As an employee, I can find it hard to identify myself with the change, I do not know what’s in it for me, since we often have a lack of information […] the goal of larger changes is seldom communicated”</td>
</tr>
<tr>
<td>E4</td>
<td>“One example that shows an error in our communication is; we are encouraged to give each other feedback, but even though we are encouraged to do it, it does not feel comfortable”</td>
</tr>
<tr>
<td>E5</td>
<td>“There is definitely a lack of communication and information in our consolidation phase […] Our department is a relatively small department and therefore we always try to help each other when its needed, however, sometimes there is a lack of communication which makes it hard to know who is responsible […] Improvements would be appropriate since we today exclude a lot of activities due to lack of resources, such as more information […] I do not think the activities that we take on in the consolidation phase are well communicated, since we do not know what to do”</td>
</tr>
<tr>
<td>E6</td>
<td>“Company X could be much better in handling information, since when leaving out informing the employees, rumors start to spread and resistance arise […] The managers never ask us how we feel about the changes, it is more ‘this is what is going to happen and this is how we are going to do it’ […] I often feel that the middle managers are not allowed to tell us until it is absolutely determined, and that is where speculations and rumors are born”</td>
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<table>
<thead>
<tr>
<th>Middle Managers</th>
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</tr>
</thead>
<tbody>
<tr>
<td>MM1</td>
<td>“One challenge is to communicate how the change will affect the employees work, in order to increase the consolidation phase’s efficiency […] We unfortunately inform employees very late in the change process, but is due to us middle managers being restricted by the top management”,</td>
</tr>
<tr>
<td>MM2</td>
<td>“I believe that information is hard to manage, to make sure that everyone understands what to do next, which is highly important […] It is a complex task that requires a lot of attention and energy, in order for it to work”</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Top Managers</th>
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</tr>
</thead>
<tbody>
<tr>
<td>TM1</td>
<td>“It is a challenge to make everyone within the organization informed about the changes; new changes and where we are in the ongoing changes, to make sure the information really reaches everyone within the company”</td>
</tr>
<tr>
<td>TM2</td>
<td>“Another challenge is to communicate, to make the employees understand how the change will be realized and to communicate why they have to change […] To make the employees aware of the change in all change processes, communication is essential”</td>
</tr>
</tbody>
</table>
4.1.2 Lack of Prioritization

The respondents expressed a concern for Company X not prioritizing the consolidation phase; the employees stated they do not get any reserved time for consolidating the changes, instead, they have to rush into the next projects. One employee stated follow-ups in terms of sales is done once there is enough time, which is sadly not that often. Also, follow-ups are done at the department meetings once a month, however, the focus is nevertheless on what is about to come, rather on what has been. One middle manager stated it is a challenge to identify every individual’s needs, since all people require a different amount of time to successfully carry out the consolidation phase. The top managers expressed a concern for allocating time for the consolidation phase in their hectic schedule, however, they also stated they are aware of Company X having to see the need for this.

Table 3. Lack of prioritization

<table>
<thead>
<tr>
<th>Employees</th>
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<tbody>
<tr>
<td>E2</td>
<td>&quot;One challenge is to get the amount of time that is required in order to consolidate the change […] I do not feel that I get to prioritize the consolidation phase of our changes in my daily work, we never get time for follow-up since we rush into the next project immediately&quot;</td>
</tr>
<tr>
<td>E5</td>
<td>&quot;I believe there is a lack of time in relation to the workload […] We do not get any time for consolidation […] I feel like we always rush into the next project, we never stop and evaluate the result of the previous change in terms of failure and success, instead we have to start working on the next project&quot;</td>
</tr>
<tr>
<td>E6</td>
<td>&quot;I try to do follow-ups in terms of sales and other valuable factors when I have time, which sadly is not that often since we often have to prioritize the next projects, it feels like it is more important to start the next project than to evaluate the previous one […] When doing this, we fail in learning from the past […] We do the follow-ups at our department meetings once a month, however, I think that we put much more focus on what is to come rather than what we have done and how it went&quot;</td>
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<table>
<thead>
<tr>
<th>Middle Managers</th>
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<tbody>
<tr>
<td>MM2</td>
<td>&quot;Every single individual are unique, indicating that some people need more time than others, and I find it hard to allocate the appropriate amount of time that every employee needs in the consolidation phase in order to carry it out successfully&quot;</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Top Managers</th>
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<tbody>
<tr>
<td>TM1</td>
<td>&quot;I find it hard to allocate the required time to constantly stop and announce to the organization how the change has progressed so far, thus, maybe we prioritize other tasks in our workload&quot;</td>
</tr>
<tr>
<td>TM2</td>
<td>&quot;One challenge is to get enough time with the people that will have to change the way they do their work, to get enough priority and time in the organization […] This is about Company X seeing the need for this and to give the employees the required time […] I am aware of this need, to prioritize this, but I find it hard to get the required time with the employees to make this as efficient as possible&quot;</td>
</tr>
</tbody>
</table>
4.1.3 Lack of Policies

The respondents brought up the lack of policies in the consolidation phase, stating policies include several different factors; guidelines, structure, set goals, vision, routines, the “how to” and systematic follow-ups. The employees stated their concern for changes at Company X not being well thought-through and them being lost in the consolidation phase, due to the lack of policies. The managers mentioned Company X not possessing any project structure at all, which leads to them not knowing when a project is over, and what to do, in the change processes. The managers also mentioned the importance of having the changes in line with Company X’s values and vision, which is a continuous challenge.

Table 4. Lack of policies

<table>
<thead>
<tr>
<th>Employees</th>
<th>Comments</th>
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<tbody>
<tr>
<td>E1</td>
<td>“Our changes are not always that well thought-through in advance, it can happen that we are half way through the change process and the budget ends, and then the project team have to ask for more money in order to finish the project, which is a proof of our lack of clear guidelines and structure that have to be improved […] The project manager then has to motivate the reason for why more money should be spent on the specific project, and so far, I do not know any project that has been denied money when the budget ends in the middle of the project”</td>
</tr>
<tr>
<td>E2</td>
<td>“It is a challenge to make the change process clear enough so that all people involved understand the change, and the importance of the consolidation phase since I believe if not everyone involved understands the change, the employee commitment will decrease”</td>
</tr>
<tr>
<td>E3</td>
<td>“There is a lack of clarity in our change processes today, more precise, there is a lack of guidelines on how to go through a change process […] There are often a lack of set goals and a vision in our change processes, we seldom know what the outcome will be like, and how it will affect the organization and each division […] We have a lack of follow-up and evaluation processes, which I believe is due to the lack of clear goals and a purpose of the change initiatives, for example the reorganization 1,5 year ago, yet today no one knows what the goal with the reorganization was, or what Company X wanted to reach […] Our larger changes are often unclear, since the goals are seldom communicated to the organization”</td>
</tr>
<tr>
<td>E4</td>
<td>“There are no clear activities that we take on when consolidating the change and that is why we often fail here, we often fail in implementing the changes into our daily work, our routines and our processes since we almost never evaluate or follow-up to see if we succeeded in implementing the change on an continuous basis”</td>
</tr>
<tr>
<td>E5</td>
<td>“There is definitely a need for better and more clear guidelines when consolidating a change, we lack the ’how to’ and routines, I feel that more clear guidelines would benefit us since one would be aware of all the different stages, including the consolidation phase”</td>
</tr>
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</table>
"When our changes fail it feels like the initiatives were not that well thought-through and structured […] One example is the reorganization last year, when Company X fired too many employees and had to employ consultants in order to get the ordinary work done […] The only thing considered in that change was how much money we could save, not the actual workload […] Today, we do not even know when this change will be finished due to the unstructured project structure so we do not know when the change is over and the consolidation work should take place […] When not doing any follow-ups, the change initiative feels temporary, and not constant”

Middle Managers

MM1  "We do not have any structure for the consolidation phase, at all […] There is a lack of project structure at Company X at the moment, we do not really know when the project is over, and when to start the follow-up work, we also miss out on the first part not creating a good foundation to build the project on, which then makes it harder to make predictions on how the outcome will affect the organization […] The journey through changes would be much more efficient if we had more clear goals, since it will be easier to work in line with this […] It is extremely important that the changes we wish to accomplish are in line with our values and vision, which is a challenge in every change process we enter […] Also, to make sure that all managers have the same vision for a project, often managers have different goals and vision for the same project, which leads to the employees not understanding the change”

MM2  "We do not have any direct guidelines once a change is implemented and the consolidation phase starts and no systematic follow-up after projects/changes which makes some change processes very ineffective and I believe it contributes to people feeling lost in the processes”

Top managers

TM1  "This could be our develop area, to implement follow-up processes after a change is implemented […] An ongoing challenge is to introduce and implement a clear visionary picture that everyone within the organization follows and which they can relate to their work”

TM2  "Today, we are not good at consolidating our changes since we do not have any clear and structured activities for this phase which makes the process more tricky to manage […] A challenge that occurs on a continuous basis, is to introduce clear goals and a vision, in order for the employees to understand why they have to do the change, and what the outcome will be, but also how the outcome will improve their current work”

4.1.4  Lack of Employee Involvement

The respondents, on all three levels, stated the importance of involving everyone in the change process; to keep the commitment among the employees until the actual result can be seen, which is after the consolidation phase. In order for the employees to see the benefits of the change, they have to be involved and feel participatory, which is a challenge since individuals require a different amount of support and education. One top manager stated the challenge to make the people involved the driving force, and to prevent the employees from falling back to old routines.
### Employees

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<tr>
<td>E1</td>
<td>&quot;Sometimes, I feel that Company X only include people with the same skills and expertise, leading to only viewing the change from one perspective due to different backgrounds and expertise, rather than involving different kind of people and perspectives”</td>
</tr>
<tr>
<td>E3</td>
<td>&quot;Sometimes there is a lack of employee involvement, due to Company X not making the employees participate and feel important and not giving them a chance to affect the change, it feels like we are the ones who make the change a reality, but we do not get the opportunity to initiate and affect the outcome of the change”,</td>
</tr>
<tr>
<td>E4</td>
<td>“I think that the main challenge is about keeping the commitment and involvement until we can see the actual result, which can only be seen after the consolidation when we know whether the new change is established and routed in our routines or not”</td>
</tr>
<tr>
<td>E6</td>
<td>“One challenge in consolidating change is to make people committed to the change and to make the employees see the need for and benefits of the change […] This has a lot to do with the flow of information, since we do not feel involved when not receiving any information about how the changes will affect us and whether it will affect my position or not”</td>
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### Middle Managers

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<tbody>
<tr>
<td>MM1</td>
<td>“In order for the consolidation to be successful, we have to involve everyone that is being influenced by the change, letting the employees feel participative and letting them know how the change initiatives will affect their work, which is a challenge”</td>
</tr>
<tr>
<td>MM2</td>
<td>“What can be hard is that every single individual is unique, indicating that some people need more education and support than others, and as a middle manager, I have to identify the team members abilities and skills, in order for the consolidation to be successful […] It is also hard to synchronize all departments within Company X and to make sure that all departments are in the same phase”</td>
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### Top Managers

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<tbody>
<tr>
<td>TM2</td>
<td>“It is a challenge to make the involved people the driving force, to motivate them and to make them aware of the change, why and how they will do it […] The tricky part for me is to involve the people in the consolidation phase, and to prevent them from falling back to old routines, my task is to make the employees the driving force since as a project manager, I run the project until the employees are able to run them on their own, and I can start up the next project”</td>
</tr>
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</table>

### 4.2 Challenge Management at Company X

#### 4.2.1 Communication

The employees came up with different factors on how Company X should improve the communication; new ways of communicating, smaller kick-offs for every project, constant reminders from managers in order to not fall back into the old routines, constant reminders from managers in order to not fall back into the old routines, clear expressions on what is expected from them, increased communication between departments and inform in advance so potential rumors can be avoided. The middle managers stated it is their responsibility to provide the employees with information: the right information, at the right time and in an appropriate way. Also the top managers expressed...
it is their responsibility, since they are the ones initiating the changes, they are responsible for communication in the consolidation phase.

Table 6. Communication

| Employees |
| --- |--- |
| **E1** | “Improvement of the communication […] There could never be too much information on a workplace, and I think Company X need to find new ways to communicate to its employees […] I also think Company X need to find new ways to make the employees interested in reading about what is going on […] I think it is each employee’s responsibility to read the information available at our intranet, Index, where the marketing department posts a lot of relevant information, but as an employee you want more information […] One suggestion could be to have smaller kick-offs for every project and to have more informational movies posted on our intranet, this would make me much more interested in what is going on”.

| **E2** | “During the consolidation phase, I need reminders from my manager in terms of communication and support about the new tasks so that I do not fall back into the old routines by mistake […] I also prefer to be continuous updated about what is going on in the projects and how the change is progressing since it may affect my work in different aspects, such as more workload and less time for my daily tasks”.

| **E3** | “Managers need to clearly communicate what is expected from the employees and also inform them about what they can expect from the managers during the whole change process […] Open communication and peoples’ opinions/ideas should be emphasized when going through a change, which may also reduce resistance among coworkers […] Managers shall also inform everyone in advance when a large change is about to happen […] I also find it important to inform and celebrate short-term wins, in order to make us aware of the change progress.”

| **E5** | “Project evaluations and follow-up should be communicated more internally and the different departments should take part of each other’s project in order for Company X to become a united business, and for the employees to get a broader perspective.”

| **E6** | “During meetings we put more focus on what is to come rather than discussing what we have done and how it went […] I think it is important that managers give the employees information and make sure that the employees understand the change and its implications […] In order to prevent rumors and gossip from emerging when a project is to come, Company X should be better at informing everyone, so that people feel included.”
**Middle Managers**

**MM1**

“It is my responsibility as a manager to provide the employees with enough information so that they feel secure in new projects and with their new tasks […] I try to have a good transfer of things, for example when it comes to shifting phase in the change process, moving forward, it have to be done with open and clear communication, and I also need to adopt the communication approach and the information in order to make the employees involved will understand what is going to happen next […] I would also like us to inform the employees in an earlier stage when initiating a project, since we nowadays inform employees very late, even in the change process unfortunately”

**MM2**

“We should become better at managing information internally, and make sure that everyone know what to do next […] Every individual is unique, indicating that some people need more time, education, information, support than others […] Share information with the departments we work closest with during meetings, in order to provide the employees with a broader picture rather than just focusing on their own department, and this shall be communicated to the teams by the managers”

**Top Managers**

**TM1**

“Managers communicate larger project results in terms of key performance index to the organization […] Company X should be better at continuously stop and announce how the changes/projects are progressing in order to inform employees […] We should also be better at communicating results, as we at the moment may be too eager after a project and want to shift to the next one, and by doing so the follow-up and evaluation phase is easy to miss since we rush into the next challenge directly”

**TM2**

“Overall, the change process is about communication and iteration on a continuous basis […] The one responsible for the change is also the one responsible for the evaluation and consolidation, which needs to be communicated internally in order for people know who is in charge over the change processes and its progress”

### 4.2.2 Prioritization

The employees stated Company X needs more follow-ups, which also should include evaluating how the projects were managed, not only focusing on the numerical results. The employees also state it is of high importance they start to prioritize the consolidation phase, and the time reserved for each phase in a change process should represent the amount of workload required, in order for them to stop feeling stressed and having to rush into the next project. The managers expressed the importance of having a quality check to see how the change process turned out, in reality, and to see how challenges emerged.
### Table 7. Prioritization

<table>
<thead>
<tr>
<th><strong>Employees</strong></th>
<th><strong>Middle Managers</strong></th>
<th><strong>Top Managers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E2</strong></td>
<td>“I would like to see Company X pay more attention to the consolidation phase, in terms of creating activities that shall be undertaken in this process […] Managers shall also reserve more time for this specific phase, implementation, follow-up and evaluation, as it will decide if the change initiative will be successful or not”</td>
<td>“Clearer and more communication in the consolidation phase […] Everyone shall feel secure in the new role […] It is also important to have a realistic view of the change, evaluate each process and also to have a quality check in order to see how the change process worked in reality, and to see why and how challenges emerged in the consolidation phase, with the aim of learning from mistakes and successes”</td>
</tr>
<tr>
<td><strong>E3</strong></td>
<td>“Making people aware of their own responsibilities and tasks in the consolidation phase, which will make employees feel more involved and appreciated”</td>
<td>“By having focus areas each year, we make sure that every department discuss the areas and issues they may face, and by doing people more involved from the start, people demand continuous information about the focus areas during the whole change process, which forces us to prioritize the change, and especially the consolidation phase since it is related to the final outcome”</td>
</tr>
<tr>
<td><strong>E4</strong></td>
<td>“I think Company X need to pay more attention to the consolidation phase, and learn from the past and evaluate how things have been implemented before and the outcome […] In general, to have more follow-up after all projects”</td>
<td>“It is important that the managers prioritize to spend time with the employees affected by the change, since they will have to change the way they perform their work, and the managers also have to make the employees understand how and why they have to change […] It is also the employees responsibility to ask questions when they do not understand the new way of doing things, and if they do not understand the new routines, they will easily fall back into the old way of doing things […] I would also like Company X to give the consolidation phase more attention and time in the organization […] The prioritization of consolidation in combination with clear guidelines will give the employees more time to implement and consolidate changes”</td>
</tr>
<tr>
<td><strong>E5</strong></td>
<td>“The time reserved for each phase should represent the workload that is required in order for the employees to stop hurrying and feeling stressed, this means that managers must start recognizing the need for consolidation and then reserve time for it”</td>
<td></td>
</tr>
<tr>
<td><strong>E6</strong></td>
<td>“I would like Company X to have a follow-up phase on more projects rather than just on the largest yearly campaigns, and also include how the project were managed in general, not just focusing on the numerical results […] The evaluation can be used when designing another project, with the aim of improving the outcome”</td>
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</table>
4.2.3 Policies

The employees stated that if they shall be able to stick to the new way of doing things, they need more clear guidelines and structures. By having more clear guidelines, it will be easier to see what will happen along the change process, which will lead to a decrease of rumors. The employees also state more policies would contribute to more clear roles and responsibilities, which would be beneficial in the consolidation phase, and which are also in line with the middle managers’ statements; more clear policies would make it easier to confirm the progress but also to know when the change process is over and to evaluate the change. The top managers expressed contradicting thoughts about policies; one stated there are no improvements needed when it comes to more clear guidelines, however, it is of great importance to have a clear visionary picture. The other top manager stated, out of experience, clear policies come with several benefits; fast decisions, optimized time and people knowing what is expected from them.

Table 8. Policies

<table>
<thead>
<tr>
<th>Employees</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>“Our changes are not always well thought-through in advance, it can happen that half way through the change process, the budget ends, and that will not happen with a carefully planned and structured change initiative […] In general, I personally do not like having too strict guidelines, I prefer having major guidelines that everyone can interpret in their own way as long as the desired outcome is achieved […] One guideline could for example involve having continuous follow-up and evaluation processes […] It would be interesting to receive information about ongoing projects at other departments, since it would make me more involved as I know what is driving the firm”</td>
</tr>
<tr>
<td>E2</td>
<td>“I believe we have pretty clear project structure, but we never get the time to follow-up and evaluate, so that should be included in the guidelines, since without doing follow-up on our projects, we will never learn from our successes and failures, which is an important aspect in order to stay competitive on the market”</td>
</tr>
<tr>
<td>E3</td>
<td>“When having a clear change initiative with a goal and an action plan that is communicated to everyone within the organization, it will be easier to stick to new routines and also to evaluate if the change was successfully carried out or not […] A clear action plan will continuously communicate the new way of doing things to the employees”</td>
</tr>
<tr>
<td>E4</td>
<td>“In order to reach the desired outcome, people have to stick to the new ways of doing things, which would be easier managed through clear guidelines and action plans during the whole change process”</td>
</tr>
</tbody>
</table>
“Even though we are a small department, we still need clearer roles of responsibilities and better guidelines in order to make the change process easier to manage and it is then up to each employee to perform his or her tasks in time […] There need to be a shift in the focus on the follow-ups, nowadays, it is mostly focused on sales/numbers, but it would be useful to include an evaluation of the project processes, how things were approached, what actions that was undertaken and the result of the process”

“By having more clear guidelines we can see more easily what will happen during changes, and that will hopefully decrease roomers when changes are initiated and employees will know what to expect […] Employees never like surprises when it includes the possibility of losing their jobs, so to follow certain guidelines when initiating a change is very good, which should also include when and how to inform the employees to avoid bad surprises in the middle of the process”

**Middle Managers**

“Projects shall be created with a good foundation, a clear goal and purpose, a clear problem for which the project will solve, when doing this, it is easier to confirm the progress and also to know when the change process is over and to evaluate the change […] The change initiatives also need to be anchor in the organizational values and vision […] All change processes need to be created in a good and structured way, and to involve people that is being influenced by the change […] It is of high importance that everyone involved in the project have the same goal/vision and to make it a clear transfer, emphasizing Company X values into the project […] Everything starts from the beginning, and when having a clear structure and an identified goal, it gets easier to follow-up and evaluate the change”

“I would like to see an introduction of clear routines when it comes to the follow-up phase of a change, maybe a check-up after a month would be appropriate […] If having clear guidelines, everyone will also know their responsibility since it would be connected to the work assignments for each individual, which would make a change process more effective”

**Top Managers**

“Of great importance is to have a clear visionary picture of the future that everyone within the company are aware of and can relate their work to […] Today, I do not see any improvements needed when it comes to clearer guidelines, routines and improved communication since I do not think it would have any effect on the results on change processes”

“I know from experience that there is a lot of benefits with having clear guidelines and routines at an organization, faster decisions, optimize time and people know what is expected form them […] Creating guidelines requires a lot of work but it will lead to all qualifications that an organization needs to achieve a successful change process […] If you do not have clear guidelines, the rate of risk increases enormously and it will be very tricky to see what and where it went wrong in the process.”
4.2.4 Employee Involvement

The employees stated the most important thing in change processes is to involve employees in all stages, including the consolidation phase. One employee stated a wish to get informed about other projects going on at other departments since it would lead to a desired involvement while another employee came up with the idea of involving new people in the consolidation phase, in order to get an objective view. However, all employees agree in the managers’ being responsible for involving employees. One middle managers stated it is about leading by example, to be a role model, and about having an action plan in order to motivate and involve employees, while one top manager stated it is about stakeholder management; to make the people involved the driving force and that a good job, as a top manager, is done when the employees are able to handle it on their own.

Table 9. Involvement

<table>
<thead>
<tr>
<th>Employees</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>“The most important thing in order to get a successful change is to involve employees in all stages of the change process, and Company X shall also involve the right employees with the right skills […] I also think it is essential that we include different types of people in order to get different perspectives on the issue, for example when designing an app, instead of just including technical experts, people with knowledge about customer behavior and design shall also be included”</td>
</tr>
<tr>
<td>E2</td>
<td>“Managers should involve employees and also make the change so clear and direct that everyone understand why the change is necessary and what the outcome will be, because when people feel excluded and not informed they will not put any efforts to the change and may even questioning the change initiative”</td>
</tr>
<tr>
<td>E3</td>
<td>“I think it is useful to make other people participate in the evaluation-and feedback process rather than those who initiated the change, since we then will get an objective view […] It is also important that the managers make the employees feel participative and important in the change process, which gives them a chance to affect the outcome and this may also reduce anxiety and gossip about changes, since then everyone know what will happen next”</td>
</tr>
<tr>
<td>E4</td>
<td>“It is important to keep the employee commitment and involvement during the whole process until we can see the actual results, which can be done after the consolidation of the change […] In my opinion, it is the managers responsibility to make employees committed to the change”</td>
</tr>
<tr>
<td>E6</td>
<td>“If it is a larger project, everyone should be involved in the change process and know their own responsibilities in the consolidation phase […] People feel included and motivated when being informed about changes that will affect them and their work”</td>
</tr>
</tbody>
</table>
## Middle Managers

| MM2 | “I have to lead by example, and I try to have a action plan in mind in order to motivate employees and to make them involved throughout the whole change process [...] The purpose of the change initiative has to be expressed to the employees so that they know why the change is relevant and needed [...] Another way of involving the employees is during our monthly meetings where we discuss new ideas and improvements for the future, and then we, the middle managers, decide which ideas to pass on to the top management.” |

## Top Management

| TM1 | “My contribution to a successful change process is that I try to inspire, involve, motivate and support my coworkers and I also encourage people to engage in creating and identifying change initiatives” |

| TM2 | “Company X strategy is about taking on a stakeholder management perspective, to make the people involved the driving force of the project, to motivate them and make them aware of the why and how the project are being executed [...] In order to be a good project manager, you have to make sure that everyone knows their responsibilities and feel involved in the project, which leads to everyone feel responsibility and participation over their own performance [...] I have done a good job if employees involved in the project are able to handle it on their own, therefore I never go back and evaluate the result” |
5 Analysis

In this section, the empirical data is thoroughly analyzed. The theoretical framework is applied to the empirical data, in terms of whether there is congruence between theory and practice.

5.1 Challenges

During the interviews at Company X, it has become clear both employees and managers view communication as an essential factor when entering a change process, and also during each phase of the change process (Kotter, 2007; Whelehan, 1995). Hence, Company X finds communication as one of the main challenges when consolidating a change, and today Company X is facing a lack of appropriate communication approaches when consolidating their changes. According to the employees, the lack of communication appears in different aspects within the organization; the managers do not communicate what they expect from their employees, the employees find it hard to identify themselves with the changes since they do not know how the change will affect/benefit them, the goal of larger changes is seldom communicated, employee exclusion of activities due to lack of information, limited amount of information regarding other departments and deletion of information to the employees in the beginning of the change process due to restrictions from the top management, which leads to rumors and speculations.

The majority of the employees feel they are often left out and never receive the desired amount of information when Company X are about to initiate large changes (Mcallaster, 2004), while the managers feel communication is a complex task to manage since everyone involved in the change have to understand how and why they have to change, and individuals are different; some require more time than others in order to understand the change. A common mistake from managers in the change process is not informing people about the upcoming changes, or inform them too late in every step of the change process, which lead to conflicts between the two parties (Kotter, 2007). An employee stated "One of the most important factors in consolidating change is communication, and we definitely have to improve here", while another employee claimed "There is a lack of communication since the managers do not communicate what is expected from the employee in the consolidation phase", while a manager stated “One chal-
lenge is to communicate how the change will affect the employees work, in order to increase the consolidation phase’s efficiency”, indicating the manager are aware of the challenge, but hence, do not always have the ability to affect the flow of information, as a middle manager stated “We unfortunately inform employees very late in the change process, but that is due to us middle managers being restricted by the top management”. The top management who are restricting the middle management from informing the employees has expressed the importance of involving employees in change processes among other activities at Company X, but their actions show differently. This is a challenge of authority, since the amount of information one receives represents the organizational level of the position, where the employees’ opinions are less valued. Mcallaster (2004) states managers seem to forget about the payoffs for the people affected by the change, which is in line with the employees at Company X, stating they often do not know how the changes will benefit them and how they will be affected by the changes.

Another experienced challenge within Company X is to allocate the needed resources to the consolidation phase (Mcallaster, 2004). The employees at Company X do not feel they get the desired amount of time needed to consolidate the change since they do not have any reserved time in their schedule for consolidating their changes. An employee stated “I would like to see Company X pay more attention to the consolidation phase, in terms of creating activities that shall be undertaken in this process [...] Managers shall also reserve more time for this specific phase, implementation, follow-up and evaluation, as it will decide if the change initiative will be successful or not”. The employees also feel they often have to rush into the next project instead of giving attention to the consolidation phase, which, according to Kotter (2007), will never lead to a pleasant outcome. Another employee answered the following when being asked about what challenges may arise in the consolidation phase, “Making people aware of their responsibilities and task in the consolidation phase, and by doing that everyone have the opportunity to contribute to a successful change process, which will also make employees feel more involved and appreciated”. The managers at Company X stated it is hard to allocate the time needed to constantly stop and announce to the organization how the change has progressed so far (Lewis, 2011). Every individual is unique, indicating some people need more time than others in order to feel comfortable with the new routines, which in a time of rapid change can be challenging for the mangers to respond to. More
specific, one of the top managers explains the allocation of time as an issue Company X has to see the need for, they have to prioritize the consolidation phase and give the employees the required time in order to address the activities needed for the change to be successfully consolidated (Cope & Waddell, 2004).

Phillips (1983) argues response to external environmental factors forces the organization to initiate changes is a much more difficult managerial challenge, than to stick to well-established strategies in a stable environment, which also requires the managers within Company X to behave differently nowadays than before. The challenges of allocating resources to the consolidation phase at Company X goes in line with the issue of people not knowing what to do in the consolidation phase and what actions they should undertake (Mcallaster, 2004).

A middle manager argues there is a lack of project structure at Company X at the moment; a challenge the top management is aware of and continuously working on improving. The middle manager continues to describe how the lack of project structure and routines affect the employees, since employees do not really know when the project is over, when to start with the follow-up and evaluate work, and Company X often miss out on the first part, before entering into a project, not creating a good foundation to build the project on, which then makes it harder to make forecasts, follow-up, re-evaluation and adjust the change if the direction of the project is deviating from the plans (Mcallaster, 2004). People are not aware of what caused the success or failure in the project, which according to Singh (2004) is a mistake, since when not including an evaluation phase, the organization will have to allocate a large amount of time to identify if the change process departure from the initial action plan or not. An employee claimed ”There is a lack of clarity in our change processes today, more precise, there is a lack of guidelines on how to go through a change process […] we have a lack of follow-up and evaluation processes, which I believe is due to the lack of clear goals and a purpose of the change initiatives”. A middle manager continues to describe how the lack of project structure and routines affect the employees, since employees do not really know when the project is over, when to start with the follow-up and evaluate work, and Company X often miss out on the first part, creating a good foundation to build the project on, where goals and the desired outcome is stated, which then makes it harder to make predictions and forecasts about what impact the action plan and the project will
have on the organization. Another middle manager stated “We do not have any structure for the consolidation phase, at all”, and this issue is realized at the top management as well who argued “An ongoing challenge for us is to introduce and implement a clear visionary picture that everyone within the organization follows and which they can relate to their work [...] Today, we are not good at consolidating our changes since we do not have any clear and structured activities for this phase which makes the process more tricky to manage”. Everyone working for Company X; employees, middle managers and top managers, experience a lack of project structure and guidelines when going through a change, which also makes the consolidation phase challenging to manage, since people do not know what to do, and when to do it, which causes confusion among people (Sanborn, 2009). When not having clear guidelines on how to go through the consolidation phase, it becomes a challenge to successfully implement new behaviors into the daily routines (Burnes, 2004; Schein, 1996; Phillips, 1983; Lewin, 1947).

Further, there are somewhat contradicting views of the degree of employee involvement from the top management, indicating there is no holistic view about the employee involvement, which may result in decreased employee commitment and increased resistance towards the change initiative (Furst & Cable, 2008; Mcallaster, 2004). A middle manager claimed “In order for the consolidation to be successful, we have to involve everyone that is being influenced by the change, letting the employees feel participative and letting them know how the change initiatives will affect their work, which is a challenge”, which is confirmed by an employee who stated “One challenge in consolidating change is to make people committed to the change and to make the employees see the need for and benefits of the change [...] This has a lot to do with the flow of information, since we do not feel involved when not receiving any information about how the changes will affect us and whether it will affect my position or not”. Employees at Company X feel involvement are highly related with what kind of information they receive, since they feel excluded when not receiving information about; changes/projects that will affect them, the purpose of the change, whether they will cut staff or not, which is a big contributor to the gossip that evolves before a large change is about to happen (Nadler, 1998). Employees often experience rumors about changes before managers inform them about the upcoming happenings, which is causing a negative atmosphere and by not informing the employees Company X chooses to exclude employees. Further, a
top manager stated "It is a challenge to make the involved people the driving force, to motivate them and to make them aware of the change, why and how they will do it”.

5.2 Managing the Challenges

Nadler (1998) argues communication has to be continuous throughout the change process, in order to see what is working and what is not working, and thus, for the change to be successful. Today, the communication at Company X can be argued not to be continuous since the employees do not feel they receive the desired information, they do not know their responsibilities or the managers’ responsibilities and in the interviews it also became clear that once a change is implemented, Company X move to the next project, and the communication about the change, is often lacking (Nadler, 1998).

Kotter (2007) stresses the importance of communicating the connection of the change and its new behaviors with organizational success and develop a meaning for the people involved. Nadler (1998) argues the management actively has to seek what is working and what is not working, through continuous face-to-face communication, surveys and formal assessments with the employees, processing of the gathered information and fine-adjusting what is not working in the change accordingly. The employees and the managers expressed somewhat common opinions regarding the communication; the employees stated, “There is definitely a lack of communication and information in our consolidation phase”, and the managers stated “I also need to adopt the communication approach and the information in order to make the employees involved and understand what is going to happen next”. Both the employees and the managers agree there exists a lack of communication, however, as an objective observant, it does not seem like Company X are putting any effort in improving the communication. Lewis (2011) claims informal communication plays an important role and as, according to the employees, information is communicated too late in every step of the change process, rumors start to spread among the employees, leading to a decrease in the employee motivation. Company X has to start consider the communication within the consolidation phase as it serves as the base for a successful change initiative (Siegal et al., 1996) and take advantage of their existing communication channels (Stanleigh, 2008), otherwise the negative informal communication occurring will start shaping the outcomes of the change efforts (Lewis, 2011). Open and honest communication should be encouraged within Company X (Singh, 2004; Mcallaster, 2004), which would result in Company X
also managing the challenge of employee involvement since when managers encourage opinions and ideas from the employees, they indirectly involve them.

Changes require people, time and money. It is the top management who allocate these resources and along the process delays might occur and problems might have to be resolved, and it is the top management’s responsibility to monitor and alter the process carefully (Singh, 2004; Mcallaster, 2004), which goes in line with the employees’ stating “Managers shall also reserve more time for this specific phase, as it will decide if the change initiative will be successful or not”. The managers at Company X are aware of their responsibility stating “It is also important to have a realistic view of the change and to evaluate each process and also to have a quality check in order to see how the change process worked in reality, and to see why and how challenges emerged in the consolidation phase, with the aim of learning from mistakes and success”. More specifically, one top manager stated “It is important that the managers prioritize to spend time with the employees affected by the change, since they will have to change the way they perform their work, and the managers also have to make the employees understand how and why they have to change”. The managers are aware of the need to allocate more time to the consolidation phase in order to receive a pleasant outcome, however, since nothing is happening, managers fail in understanding the benefits of consolidating changes. The outcome of the change process is dependent on whether the change is sustained and consolidated within the organization or not.

Complexity in the consolidation phase can be reduced by having clear routines, but employees at Company X feel change initiatives are “Not always well thought-through in advance” and the employees experience they sometimes do not know why the change is initiated and the desired outcome of the change, which causes confusion. To manage a change is a complex task and in order to execute a successful change initiative, the change process should be entered with a well-communicated strategic vision (Whelehan, 1995). One experienced challenge in the consolidation phase, according to an employee is “To make the change process clear enough so that people involved in the process understand the change and the importance to go through the consolidation phase”. Further, the employee believes the level of commitment is related to whether people understand the change initiative and can relate to it or not. Based on this and the recognized need for guidelines, both from managers’ and employees’ perspective,
Company X would benefit from introducing clearer guidelines and project structure when it comes to change initiatives, which goes in line with Lexa (2012) who emphasizes a facilitated change management if it is embedded in clear policies and practices. Therefore, it is of great importance for Company X to introduce a follow-up and evaluation phase to a future project structure, which would give them the opportunity to learn from the past. By making follow-ups and evaluation a part of the daily routines, they will save time, time which Company X can allocate on tasks they need to improve. The follow-up and evaluation activities are also significant for Company X, since they will show whether the new behaviors, arising from the change, are imbedded within the new standards and routines (Burnes, 2004) and evaluate if those are in line with the organizational values and vision. One of the managers believe it is crucial the changes Company X wish to accomplish are in line with the organizational values and vision, and it became evident during the research that some employees and managers have different perceptions about the change/project due to top managers having different goals and vision for the project. This can be seen as a failure since successful organizations understand the distinction between what should never change and what should be open to changes (Collin & Porras, 1996), indicating the vision shall be set and never a subject of change since the vision provides guidance about what core to preserve and what opportunities the future may provide.

All employees feel there is lack of guidelines and set routines when it comes to experience change processes, and an introduction of policies when it comes to manage changes would contribute to; less rumors, increased employee motivation, increased commitment to the specific change, learn from past mistakes as well as success, easier to stick to new routines, outspoken roles and responsibilities, the opportunity to analyze/monitor what is happening during a change process, the avoidance of bad surprises during the process, such as the loss of jobs. The positive outcomes of having clear and outspoken policies is in line with the pressure put on today’s managers to have a global mindset, improve quality and maximize the internal resources (Mcallaster, 2004), which is more likely to achieve when there is set policies in the organization everyone are aware of.

According to Mcallaster (2004), successful execution of change initiatives requires the full attention of management and a dedication of doing it correctly. The managers of Company X involved in the change process should act as role models, involve employ-
ees and provide them with necessary resources and the training required in order to perform the change. Both employees and managers at Company X experience the organization as decentralized, for example by having inspirational days where the employees are actively participating in activities and discussions related to the future company strategy (Innovation Space), and monthly meetings where the top management involves and encourages employees to come up with new ideas and suggestions about how Company X can improve their business.

The management support at Company X may take on different approaches, but one specific example of this is that the managers at Company X have identified the need for sharing information across functional divisions in order to be updated about what is going on in the organization and also to get the whole business perspective, and letting more people see and understand the whole perspective (Mcallaster, 2004). This is done recently by the introduction of meetings across departments, where departments working closely together have strategic meetings together. In order for the top management support to meet the demand of the employees, both parties need to understand each other and be aware of potential differences. Employees’ personal goals often depart from the organization’s goals, leading to a challenge and responsibility of managers to persuade employees in order to direct their efforts toward the organizational goals (Furst & Cable, 2008). These efforts can be seen at Company X through several activities; Innovation Space, the sharing of information across functional divisions and the managers’ constant work to provide the employees with necessary resources and training.

Kotter and Schlesinger (1979) argues change initiatives usually run into some type of human resistance and in order for Company X to manage the resistance it is essential to involve the employees in an early stage of the change process and for the managers to be persistent when communicating; they have to lead by example. Resistance will always exist, since it is an evidence of things moving (Ford & Ford, 2009) and based on this, Company X needs to create a plan on how to manage resistance. The importance of employee involvement is particularly apparent during organizational change (Furst & Cable, 2008; Lewin, 1947); the link between Company X’s change strategy and the employees involved in the change initiative is the managers’ ability to unfreeze the employees’ thoughts that the current state is acceptable and preferred, in order to realize the wished-for changes. At Company X, a critical factor creating resistance is the indi-
individual differences; people have different opinions, background and experiences, which force Company X to evaluate its methods for the announcement of changes in order to create commitment and to attain the desired organizational behavior among employees (Whelehan, 1995). Managers then have to align the change process to the organizational structure and goals (Whelehan, 1995). Another way for Company X to decrease resistance and to increase motivation for changes is to explain the logic and reason behind the actions employees are about to face as the explanation will provide motivation for those who can make the change a reality (Mcallaster, 2004).
6 Conclusion

The following section presents the conclusions drawn from the theory and the empirical findings of the study. Reasoning will be held on the basis of the analysis.

The purpose of this thesis is to explore how to manage the potential challenges organizations may face in the consolidation phase, and in order to achieve this, potential challenges need to be identified. The answer to the two research questions related to the purpose, are presented below.

RQ1. What potential challenges may arise in the consolidation phase in an organization, viewed from an internal stakeholder perspective?

The results of this study indicate Company X experiences four major challenges when going through the consolidation phase; communication, prioritize consolidation, policies and employee involvement. For the managers to communicate the appropriate and desired information to the employees, at the right time, and in an appropriate way with respect to the involved employees constitute the challenges of communication. It has become evident employees and managers have different perceptions of the consolidation process, as there exist different views on today’s communication approaches at Company X. The majority of the managers believe Company X has sufficient communication while the majority of the employees think there is a gap, and by taking on an objective view, based on the quotations from the respondents, a conclusion can be drawn; there exists a communication and information gap between the organizational levels within Company X, that not all parties are aware of today. A contributing factor to the failure in communication is also the low prioritization of the consolidation phase, where managers often fail in seeing the need for consolidation and rather rush into the next project, making it difficult for the change to be sustained. By not recognizing the need for consolidation, Company X leaves out the opportunity to learn from past failure and success, contributing to the low level of organizational learning.

Another contributor to the failure in communication and the low prioritization of the consolidation phase is the lack of policies, which leads to employees not knowing; what is expected from them, what they can expect from the managers, how much time to al-
locate, who has the responsibility, and what to do next in the process since there is no clear and outspoken project structure. However, Company X is aware of the need for clear policies regarding how to take on a change initiative, as they currently are developing a project structure aiming to act as guidelines for all projects within Company X. Due to the lack of policies, the employees are mostly being involved in the pre phase and in the implementation of a change, not being satisfactory involved in the consolidation phase. The fourth and last identified challenge, employee involvement, is difficult to manage due to people demanding different amount of time, resources, information, feedback and management support when going through the consolidation phase. In a rapid changing environment these management activities might be ignored in favor for activities that instead can be measured in numbers, where the organization can see a clear link between the efforts made and the obtained outcome.

RQ2. How can the organization manage the potential challenges, thus making the change consolidated within the organization from an internal stakeholder perspective?
Company X has to communicate throughout the whole change process, not leaving out the consolidation phase, and the managers have to adopt their communication approach to fit the situation and to make the employees understand what is going to happen next. It is the manager’s responsibility to provide the employees with enough information so they feel secure in their new roles. Managers have to actively seek what is working and what is not working through continuous face-to-face interactions and formal assessment days with the employees.

Another issue when it comes to what information the employees receive is employees feeling they are being informed about changes very late in the process, but it is often due to managers not having the authority to share the information earlier with the employees, which might result in a tense atmosphere, since despite being a decentralized organization, the level of information one possesses clearly represents the organizational level of the organization, which can be viewed as an organizational hierarchy. In order to manage this communication gap, Company X should involve the employees during the whole change process and provide them with the latest information available. If Company X does this, it will increase the employee involvement, which most likely will
contribute to increased employee commitment as employees have expressed a desire for wanting to be more included within the whole change process. In order to create an efficient team, one have to take advantage of a teams’ different skills and abilities, everyone have to be aware of each other’s differences and similarities which is done through involving both parties and at time encourage people to be open with their opinions.

Company X has expressed their desire for wanting to create clear policies with the aim of serving as guidelines when going through a change. When implementing policies Company X will also include employees by letting them know what is expected from them, what action they are about to face and by delegating responsibilities managers include the employees, which will most likely result in a positive employee response. In order for Company X to pay more attention to the consolidation phase, more policies should be introduced, which will assure a higher prioritization to the consolidation phase, as the phase will then become a natural step when being included in Company X’s future project structure.
7 Discussion

In this section, a discussion of the relevance of the study, practical implications and suggestions for further research will sum up the thesis.

7.1 The Relevance of the Study

On the basis of this study, it has been suggested organizations should possess clear policies, equal to guidelines, on how to go through a change, which in general includes the following phases; identifying the need for change, identify possible solutions, choose a direction, take on appropriate actions and consolidate the change. Managers should put extra efforts in consolidating the change since the last phase in a change process will determine whether the change will be sustained or not, which will most likely also determine the success rate of the change initiative. This study may serve as the starting point for the academic area concerning how to consolidate an organizational change, since previous literature is limited in this aspect, only covering what is to be done in each phase, excluding theory on how to manage the activities and the related challenges that may arise in each phase.

The findings from this study may be useful directions for other organizations as it hopefully will provide them with knowledge on challenges organizations might be exposed to, contributing to managers being prepared and acting in a proactive manner when it comes to facing organizational challenges in the consolidation phase. This may cause a more effective consolidation, and will thereby shorten the reaction time and the change process, since they know what to expect. Organizations could gain from the conducted research, as they will be able to recognize these four challenges that may arise in the consolidation phase, thus enable them to be proactive in their actions. The study may serve as an analytical generalization, since the study only covers one case study, but still, the study may function as a contribution to organizations in general and thereby contributing to society.
7.2 **Practical Implications**

This thesis demonstrates the need for organizations and managers to pay attention to the consolidation phase in organizational change processes, since the consolidation phase will most likely determine if the change will become sustained within the organization or not. More specifically, attention has to be directed to four challenging areas; communication, prioritize consolidation, create policies and to involve employees. This research demonstrates how critical these four areas are when managing the consolidation phase. Company X is an international company, and this thesis is written in the context of their e-commerce, currently operating in more than 20 countries in Europe, and the analysis of this research indicates there are no department-specific challenges to the e-commerce when it comes to consolidating changes. Therefore the identified challenges are applicable to all changes within Company X, thus making the results transferrable to both their physical and online stores when going through organizational changes, independent of where in Europe the stores are located.

7.2.1 **Ethical and Social Implications**

Today, the organizational change failure rate is approximately 60 to 70 percent (Blanchard, 2010; IBM, 2008; Keller & Aiken, 2008; Stanleigh, 2008; Biech, 2007; Siegal, *et al.*, 1996), which has a negative impact on the society as a whole, since failed change initiatives will slow down the pace of expansion, economic growth and result in less job opportunities. If more companies learned how to manage the challenges arising in the change process, and specifically in the consolidation phase, more change efforts would be successful for companies, resulting in a lower change failure rate, making the society receive potential economic benefits in terms of more employment opportunities, employee development and an increase in ability to allocate more resources to corporate social responsibility. Due to this, the authors believe this research is useful for the larger purpose than individual companies, and thereby also serve the need of a greater society.

7.2.2 **Implications for Future Researchers**

During the thesis writing process some implications for researchers were identified, which the authors want to inform future researchers in order to facilitate their research conduction process. Firstly, the authors of this thesis suggest researcher to gather the data as early as possible in the process since the findings of the data will determine the fo-
focus and direction of the thesis, and may contribute to an unexpected re-structure of the earlier chapters in terms of content and focus. Secondly, if the findings from the data forces the researcher to change focus, the researcher has to gather new data in order for the new focus to be relevant, this require a lot of time since follow-ups interviews may be needed. Therefore, it is a good idea to gather the data as soon as possible to avoid late thesis re-structures. Thirdly, the authors of this thesis encourage future researchers, if possible, to find a case, which accepts to be exposed in the research, since it is encouraged in research to use cases where the researcher can expose all information.

7.3 Suggestions for Further Research

Even though the concept of change management, and its increasing importance in the contemporary business environment, has been the subject of vast amounts of recent scholars, many questions and issues remain unanswered. The authors believe further research is required in order for the organizational change failure rate to decrease. Future research is especially desirable in areas concerning identifying challenges and how to manage them in all phases of a change process, not only the last phase covered in this study, the consolidation phase, in order for organizations to achieve the desired change outcome.

Previous research from the 70’s up until today, have not covered the part of what causes the high failure rate and how to manage the challenges causing the change failure. Since 1995, when Kotter (2007) estimated the change failure rate to approximately 70 percent until today’s research, the change failure rate has been constant, indicating there is a need for further research within the area of change management and more specifically how organizations should manage a successful change process.
List of References


Lewis, L. K. (2011). Organizational change creating change through strategic communication. Chichester, West Sussex; Malden, MA; Wiley-Blackwell.


Appendix 1

The Managing Change Model

Source: Siegal (1996)
Appendix 2

Lewin’s Three-Step Model

Appendix 3

Kotter’s Eight-Step Model

Eight Steps to Transforming Your Organization

1. Establishing a Sense of Urgency
   - Examining market and competitive realities
   - Identifying and discussing crises, potential crises, or major opportunities

2. Forming a Powerful Guiding Coalition
   - Assembling a group with enough power to lead the change effort
   - Encouraging the group to work together as a team

3. Creating a Vision
   - Creating a vision to help direct the change effort
   - Developing strategies for achieving that vision

4. Communicating the Vision
   - Using every vehicle possible to communicate the new vision and strategies
   - Teaching new behaviors by the example of the guiding coalition

5. Empowering Others to Act on the Vision
   - Getting rid of obstacles to change
   - Changing systems or structures that seriously undermine the vision
   - Encouraging risk taking and nontraditional ideas, activities, and actions

6. Planning for and Creating Short-Term Wins
   - Planning for visible performance improvements
   - Creating those improvements
   - Recognizing and rewarding employees involved in the improvements

7. Consolidating Improvements and Producing Still More Change
   - Using increased credibility to change systems, structures, and policies that don’t fit the vision
   - Hiring, promoting, and developing employees who can implement the vision
   - Reinvigorating the process with new projects, themes, and change agents

8. Institutionalizing New Approaches
   - Articulating the connections between the new behaviors and corporate success
   - Developing the means to ensure leadership development and succession

Source: Kotter (2007)
Appendix 4

Phillips Four-Phase Model

![Diagram of the phases of organizational change]

Figure 5. The phases of organizational change.

*Source: Phillips (1983)*
Appendix 5

Nadler’s Change Model

Source: Nadler (1998)
Appendix 6

Interview guidelines Company X

Profile

1. What is your current position at Company X?

2. How many years have you been employed at Company X?

Definition of change

3. How do you define change within the organization?

General aspects of changes

4. What kind of changes do you face?

5. What trigger the change?

6. How do change initiatives arises/get initiated?

6.1 Is the majority of the change initiatives coming from the top management, middle managers or employees?

7. When implementing change, are there any established guidelines which you follow?

7.1 If yes, what different stages does the model take on?

7.2 If yes, are everyone within the company aware of this structure? Why/why not?

8. How important is change management within Company X?

9. Do you see change management as a contributor to decrease cost, increase profit or mainly something that must be performed in order to stay competitive in the market? Why?

10. Is the top management involved in the change process? If so, how? Who is involved? How are they involved? When did it start?

11. How is the organizational strategy communicated internally?

11.1 Is there any connection between change management and organizational strategy?

12. According to yourself, which are your internal core competences? (What differentiates you from competitors)

12.1 Are the internal core competencies deliberately considered when deciding on change initiatives?
Appendix

*Consolidating change*

13. Once the change is implemented, (e.g. when a campaign/project has come to an end) what kind of activities do you take on in order to assure the change is being consolidated? How is it done and who is involved?

13.1 Are those activities clearly stated and communicated internally?

13.2 Who has the responsibility to make sure the change is consolidated; top management or the employees, or a combination of both?

13.3 As an employee/manager, do you have the opportunity/possibility to influence the outcome of the change initiatives? How?

14. How do you prevent the work from falling back into old routines (the old way of doing things in the company)?

*Challenges in consolidating change*

15. What challenges do you experience when consolidating the change?

16. How do Company X prevent/overcome these challenges from occurring?

17. What would you like to improve when consolidating a change at Company X?

*Overall consolidation phase*

18. How many of your change initiative did not receive the desired outcome? (Failed in one or more aspects e.g. not reached the desired sales)

19. What is your contribution to a successful change initiative?

20. In general, do you see a need to change how the consolidation phase is being executed?

21. Do you think it would be beneficial, in terms of a successful initiated change, to have more clear routines, standards, policies, guidelines or/and improved communication?

21.1. Why or Why not? Please elaborate!