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International Business



**Change management at ABB during a major
change within its organizational structure**

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Declaration:

I hereby declare that I am the sole author of the thesis entitled “*Change management at ABB during a major change within its organizational structure* “. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on:

Signature:

Acknowledgement

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Abstract

Aim: This thesis aim is placed in the field of change communication management and intends for analyzing the challenges related to this organizational change within a company, also shows what elements are sensitive in the managerial level and how the structure is affected or modified. This work aims to describe how “this communication change” affects the employees of different levels and their view on their communicative function during the change process. To fulfil the aim of the study the researcher interviewed with top-management employees, middle management and regular employees in a big organization. Certain theoretical change communication models have been used as the core of this thesis and the qualitative outcome have been compared to them. On this basis, it was examined how managers thought employees on how to adapt to this change communication process and then compare it with how employees actually perceived the information from the management.

Results: The main results I have achieved in this thesis is that people interpret and perceive changes differently. The outcome shows that there are both similarities and differences between how managers and employees perceive the change communication at the company and if this was successful or not. Furthermore, employee’s perception differed from the way the managers thought they would perceive change. This work shows in the chapter of conclusion how complex it is to communicate both the expected and the unexpected outcomes during a change process and that the receiver do not always perceive the information as the transmitter intends it to do. Additional outcomes of the research show that theoretical models on change communication are difficult to apply to all types of changes because each of changes are unique.

Method: This thesis is based on the interview results from 10 semi-structured interviews with employees of 3 different levels on ABB Czechia.

Author: Daniel Ohlsson

Keywords: Change communication, Change management, Communication, Participation through dialogue, Motivation, Change, Management, Top-down communication.

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Introduction

Today's organizations are expected and required to renew and transform themselves. It is a requirement that keeps growing stronger as a requirement, and in today's global and competitive society this fact has become increasingly evident, in order to do so organizations must improve the communication that is always taking place and being present in all interaction as we humans do, which is also a fundamental basis for the understanding of each other (Johansson & Heide, 2008). Organizations must not only change to become more efficient, but they also need to adapt to the market's expectations and requirements to achieve legitimacy (Meyer & Rowan, 1997).

Despite of the fact that organizational changes not being a new phenomenon, many of the initiatives started by companies are failing (Beer & Nohria, 2000). One of the main reasons for failure during a change is the poor or non-existing communication channel according to Larsson (2001), organizations must have a sound and well-developed internal communication system to be able to successfully implement a planned change. Larsson believes that without this and without well-defined and executed change communication, the planned change will not reach its goals.

The information being communicated between them is decoded and interpreted based on our own experiences and our own references (Larsson, 2001). This means that communication is both a complex and challenging process and to achieve common understanding and interpretation of a particular phenomenon or an activity where everyone interprets differently is difficult. Within organizations internal communication is a crucial and important part of their development, progress, and to make sure all employees will strive for the common goals set by the management.

1. Change

Change in general is a well-known phenomenon in our everyday lives and research on this particular area is extensive. To succeed with a planned change, as mentioned above, communication is a necessary tool. Change communication is, however, a relatively unexplored area. In the field of change communication research the communication between the middle-manager, the person and the link between top management and the employee, are identified as a key person for a successful change. According to Cepaite (2008), a poor communication between managers and employees lead to doubts in change about to take place.

The dialogue between them therefore play a major role in the understanding of change. Johansson (2008) also meant that the managers' communication skills and their perception of the change initiative will affect the outcome of the change. Several surveys show that the employees want to have information from their closest manager and also that they want to be able to discuss it with him when a change is about to take place (Johansson, 2008; Smidts, Pruyn & van Riel, 2001). When people get the information about a change there will be a reaction, people in general and employees in particular.

2. Theoretical Models

2.1 How do people react to change?

2.1.1 Kubler-Ross Theory

In 1969, Kubler-Ross described five stages of grief in her book "On Death and Dying", which had at that time nothing to do with change management, but Kubler-Ross said that it applies to any tragic event in one's life. A few years later the correlation to how people react to changes in life was discovered, these stages represent the normal range of feelings that people experience when dealing with change in their own lives or in the workplace.

The *normal* reaction - When Kubler-Ross wrote about the 5 stages she meant that they are the *normal* reactions we have to tragic news. She saw these reactions as defense mechanisms or coping mechanisms that are necessary to go through in order to deal and manage a change. Kubler-Ross meant that we do not move through the stages one at a time, in a neat, linear, step by step manner. What happens is that we take on different stages at different times and can even move back to stages we have been in before. Kubler-Ross said the stages can last for different periods of time and will replace each other or exist many at the same time. In the best of worlds it would be good to assume what we will reach the phase of "acceptance" while managing change but people tend to get stuck in certain stages and find it hard or even impossible to move on.

When people are being informed about a major change that will affect their life they react in certain stages. According to Kubler-Ross it occurs in the following three main steps:

The first reaction to change is usually **shock**. This initial shock, is normally short-term but during its phase it results in a slow down or loss of performance. One's productivity tends to go south and even individuals who normally have a focused mind and being decisive now seek more guidance and reassurance. The shock is normally a result due to the lack of information about what is going to happen to one, together with the natural fear of the unknown. When the shock phase has faded the individual often moves on to experience **denial**. Now one look back

and think ‘everything was good before, why do we have to change?’, thus people going through change tend to feel comfortable with status quo.

After the experience of shock and denial, **anger** is many times the next stage. A particular reason to blame for the change, in the organization, in the group of employees or an individual, is commonly found. Concentrating the blame on something or someone allows a continuation of the denial by providing the individual with a feeling of relief from the thoughts of what fears and uncertainty the change might actually cause to her. Common triggers for anger are suspicion and skepticism towards the change but also frustration. This is the lowest point of the curve and can be very hurtful for both the individual and the company since if many times leads to the individual isolating himself and can go so far that it reaches apathy.

When of the second stage and the anger passed by the individual is starting to walk down a more optimistic path where he **accepts** that the change is inevitable and starting to be optimistic about it instead. The mindset now changed at this step and thoughts of excitement about new opportunities and challenges arises and also a feeling of relief that one survived the change, which also function as a reward for the individual.

The final steps involve **integration**. In this final process the focus of the individual is strongly focused on the future and there is a sense the change makes. This is when the real progress of change can begin. By the time everyone in the organization have reached this stage, the new status quo, based on the change, has firmly replaced original situation and becomes the new reality. At this point most of the individuals involved in the change will feel acceptance and trust towards the change. At the beginning of the end of the change process, energy and the performance of the individuals still remains on a lower level compared to before but slowly starting show signs of recuperation. At this point the people involved and affected by the change will be curious of the new opportunities and possibilities arisen within the organization. The individuals are open to being given new tasks but with a strong emphasize on continued communication.

The Kübler-Ross change curve

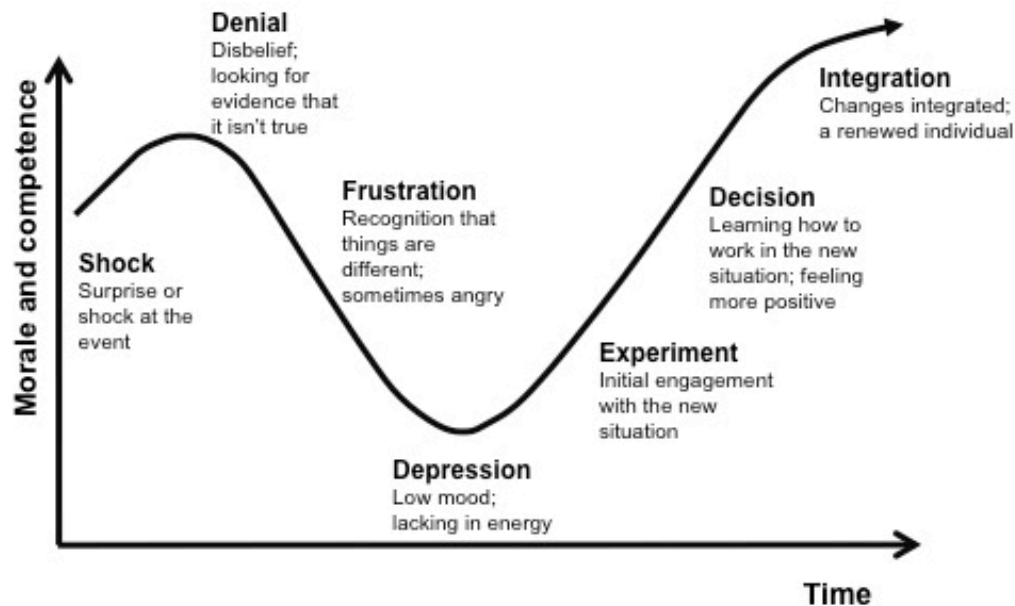


Figure 1. The Kubler-Ross change curve. (Change-management-coach.com, 2015)

2.2 Why do companies want to changes?

2.2.1 Kotter's 8 steps to change

In 1996, John Kotter introduced his 8 steps to a successful change. His 8 steps and the book "Leading Changes" has ever since been widely recognized as leading theory and literature within its field. Organizations are today living organisms and they speed up a lot since early 1990s. How do they 8 steps look today? Kotter launched an updated version of the process after extensive research in his 2014 book called "Accelerated"

According to Kotter there are two fundamental reasons why a company want to do changes are described below:

1. To increase revenues/profit or to decrease costs.
2. To become more effective or more efficient.

Specific reasons why a company might want to make changes (Kotter international, 2016):

- “Falling behind the competition today
- Ill-prepared to compete in the future
- Too slow to execute
- Quick to execute but slow to think, strategize, and plan
- Too slow to innovate
- Too slow or ineffective to integrate M&As
- Too soloed to collaborate” (Kotter, 1996)

2.2.2 Kotter’s 8 steps in 1996

The following steps and also some of the general core tips of the 8 steps launched back in 1996 as shown below (Kotter international 2016):

- “Respond to or affect episodic change in rigid, finite, and sequential (step by step) ways
- Drive change with a small, powerful core group
- Function within a traditional hierarchy
- Focus on doing one new thing very well in a linear fashion over time” (Kotter, 1996)

The 8 steps of 1996 (Kotter international, 2016):

1. **“Increase urgency** - Examine market and competitive realities, identify and discuss crisis, potential crisis, or major opportunities, provide evidence from outside the organization that change is necessary.
2. **Build the guiding team** - Assemble a group with enough power to lead the change effort, attract key change leaders by showing enthusiasm and commitment, and encourage the group to work together as a team.

3. **Get the vision right** - Create a vision to help direct the change effort, develop strategies for achieving that vision.
4. **Communicate for buy-in** - Build alignment and engagement through stories, use every vehicle possible to communicate the new vision and strategies, keep communication simple and heartfelt, teach new behaviors by the example of the guiding coalition
5. **Empowering action** - Remove obstacles to the change, change systems and/or structures that work against the vision.
6. **Create short-term wins** - Plan for and achieve visible performance improvements, recognize and reward those involved in bringing the improvements to life.
7. **Do not let up** - Plan for and create visible performance improvements, Recognize and reward personnel involved in the improvements, reinforce the behaviors shown that led to the improvements.
8. **Make change stick** - Articulate the connections between the new behaviors and corporate success". (Kotter, 1996)

2.2.3 Kotter's 8 steps in 2014

The steps below show the updated and reversed steps adapted to the new business climate in 2014 together with the general tips (Kotter international, 2016):

- "Run the steps concurrently and continuously.
- Form a large volunteer army from up, down and across the organization to serve as the change engine.
- Function in a network flexibly and agilely outside of but in conjunction with, a traditional hierarchy.
- Operate as if strategy is a dynamic force by constantly seeking opportunities, identifying initiatives to capitalize on them, and completing them quickly and efficiently". (Kotter, 2014)

The 8 steps of 2014 (Kotter international, 2016):

1. **"Create a sense of urgency** - Your top leaders must describe an opportunity that will appeal to individuals' heads and hearts and use this statement to raise a large, urgent army of volunteers.

2. **Build guiding coalition** - A volunteer army needs a coalition of effective people — coming from its own ranks — to guide it, coordinate it and communicate its activities.
3. **Form strategic vision and initiatives** - Dr. Kotter defines strategic initiatives as targeted and coordinated "activities that, if designed and executed fast enough and well enough, will make your vision a reality."
4. **Enlist volunteer army** - Large-scale change can only occur when very significant numbers of employees amass under a common opportunity and drive in the same direction.
5. **Enable moving by removing barriers** - By removing barriers such as inefficient processes or hierarchies, leaders provide the freedom necessary for employees to work across boundaries and create real impact.
6. **Generate short-term wins** - Wins are the molecules of results. They must be collected, categorized, and communicated — early and often — to track progress and energize your volunteers to drive change.
7. **Sustain acceleration** - Change leaders must adapt quickly in order to maintain their speed. Whether it's a new way of finding talent or removing misaligned processes, they must determine what can be done — every day — to stay the course towards the vision.
8. **Institute change** - To ensure new behaviors are repeated over the long-term, it's important that you define and communicate the connections between these behaviors and the organization's success” (Kotter, 2014)

When decided about the strategic reasons behind a decision the next step is to make sure that the organization is putting at least the same effort on finding the right communication channels to make sure that the change is actually possible to come through all the way.

2.3 Communication Theories

Communications should be seen as one of the most valuable tools for a successful change implementation. Barrett (2002) points out that without communication before, during and after the planned change, the change will most likely not reach its purposes and planned targets. Also Kotter and Schlesinger (1979) remark that one of the top reasons why employees oppose a change is because they do not understand the change and its effects, a problem that can be solved with communication.

By creating good conditions for a dialogue and open communication the manager plays, according to Barrett (2002), an important role to help employees to reach a higher understanding and motivation to the change when it is taking place. Barrett also explained that the manager's view on the change will also affect how the employees perceive it. This theory chapter is based on the communicative processes between different managers and their employees and how they *should* communicate during a change within their company and concerns theories within: communication channels, purposes and the importance of involving everyone. According to Meyer (1997), motivation is the engine of a change. With this statement as a background, this paper will also look deeper into the meaning of motivation. Questions that will be discussed are: How can the choice of communication channels affect the creation of purposes? Why and how do people look for and create a purpose? What is participation/involvement (better word to use?) and how can it be reached? What is people's driving forces and how can they be motivated?

Communication is, as explained above, an important role in how organizations work, change and develop over time. There are two different approaches and views on communications which have inspired leaders, management and managers on how they communicate the information to their employees. These two perspectives, the modernist perspective and the interpretive perspective (Falkheimer & Heide, 2003; Heath, Johansson & Simonsson, 2005). What distinguishes these two perspectives apart is the view on epistemology and ontology, which is the perception of our reality and the learning of how to get knowledge about it and what it is (Heide, Johansson & Simonsson, 2005, Hatch, 2002).

There are several different communication models and below there will be described two of the most used theories throughout the research about change communication and to understand how people work and deal with the information they receive through the communication taking place.

2.3.1 The modern model

The modernist perspective sees communication as a unidirectional process or a transmission of information, in which a transmitter sends a message or a message through different channels which the receiver then receives. Within companies this brings the perspective that the organization are more hierarchical and is seen to have a formal structure in

which the top management control and transmit information to their passive employees (Heide, Johansson & Simonsson, 2005; Hatch 2002). To illustrate an example, an organization that Hofstede would describe with a big power distance and a relatively high masculinity, within this organization, there is a high-ranked hierarchical organizational structure affecting the communication process. Leaders give orders or communicate something out to his subordinates, who do not question the message, but acts on the order. This leads to a creation of very little space for interaction, dialogue and participation from the employee's perspective (Hatch, 2002).

The most well-known communication model from earlier communications research is the “transmitter-receiver” model that was created by Claude Shannon and Warren Weaver in 1949 (see figure 1 below).

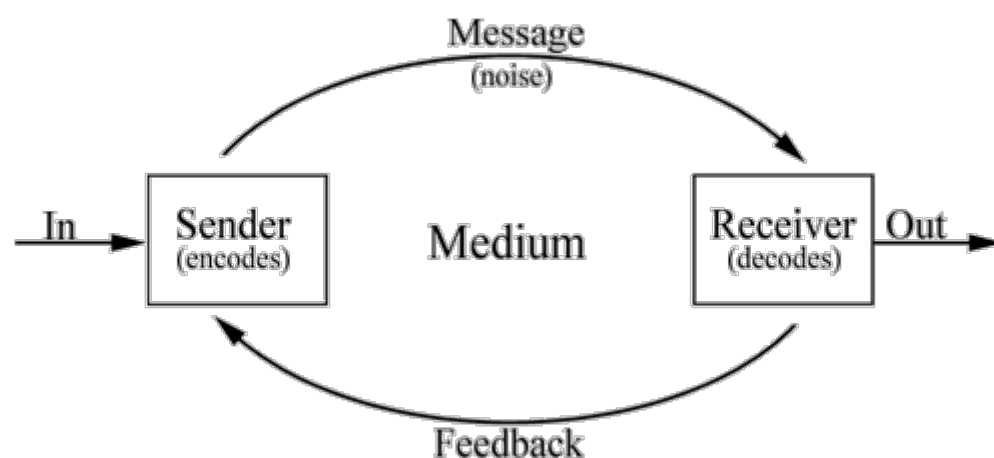


Figure 2. Sender - Receiver model. Shannon and Weaver (1949). (Media-studies.ca).

2.3.2 The interactive/convergence model

In modern times the perception of communication is changing, where it is now seen as a two-way communication in an integrated process which is the basis for communication, which the receiver now re-connect, interact and keep a dialogue based on the message and send it back to the sender (Heide, Johansson & Simonsson, 2005). Thus, the view from seeing the communication within an organization as top-management single way of communication (top-to-bottom) is now being reconsidered to be seen as a bottom-to-top driven, where the

employees are no longer seen as passive, but instead being an integrated and vital part of the communication process. The view of how communication has evolved in the social, cultural and organizational context shows that the more modern approach to communication are visible in all of these (Johansson & Heath, 2008). The view of organizations have equally evolved from being seen as formalities to be seen as dynamic and socially constructed which means that the interpretation of the data communicated will determine if the communication is successful or not. The employees are at the center of this perspective because it is them who interpret and make meaning of the information in the communication process.

2.3.3 Communication channels

One of the prerequisites for a successful change communication is, according to Jacobsen (2005), that there is a well-developed communication infrastructure within in the organization. Furthermore, he says that, how people's understanding for something can evolve as they interact in communications with others. Which channels that should be chosen in different situations is not a given and obvious answer. Even when you have a communication channel that works to spread the information the manager also needs to consider the social interaction within the company.

Daft and Lengel (1986) argues that the reason that organizations produce information is to avoid and/or reduce the uncertainty and the ambiguity which can create confusion and misunderstandings regarding events within the organization. They have developed a "media richness"-theory that could work as a reference scheme for how organizations should find their optimal communication channel for its purposes. The best communication channel is the one that can create and deliver the information in a clear way and that can bring understanding to the receiver even though they have different backgrounds and frames of references. A channel's value is also assessed based on its ability to provide clues to how the information should be interpreted the possibilities to direct feedback on the information given. The authors rank a number of channels accordingly (figure 3):

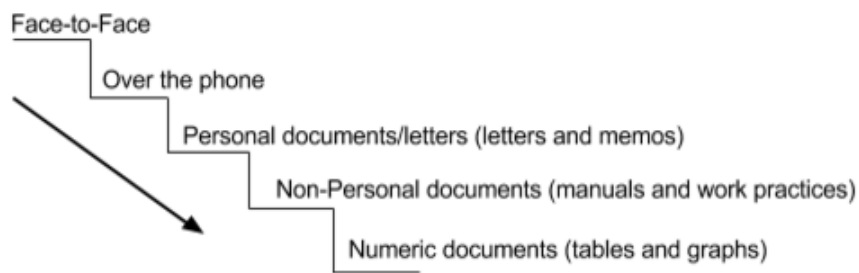


Figure 3. Value-ranked ways of communication, highest to lowest.

Like Daft and Lengel (1986) theory of face-to-face communication as the most valuable channel, Klein (1996) describes how both parties take advantage of interacting with each other face-to-face due to the fact that feedback and input can be given straightaway and questions can be answered immediately. The authors believe that the best and the purest form of a phenomenon is created in the interaction between people. This applies both in single meetings as well as group meetings where the employees are given the opportunity to discuss situations and reach a common consensus.

The authors also argue that computer-based communication is classified as a less rich channel based on the “media richness”-theory. They believe, however, that digital media in the form of e-mail and intranets fills an important gap that spatial communication can’t substitute easily. The advantages with digital media is that the information can reach many people at the same time with the same message regardless of their location, information can easily be edited and sorted and the employees themselves can search within it. Thus, even if digital media is considered less rich when it comes to creating a common understanding for a new change it can in some cases depending on the message and the purpose of it be more useful.

2.4 Creating purposes and making employees feel they are a part of the change.

According to Jacobsen (2005), people are always looking for a meaning and an understanding but in the everyday work it is done unnoticed. When it comes to change the process of creating and finding a meaning can become more obvious and clear. By delve??? into why and how people create a meaning out of things, it is useful to organizations to get a

more clear picture of how the manager can help the employees to create a meaning to a change that is about to happen. When we look back on previous psychological research about how people's previous experience about something are related and will affect their view on future changes in their life. Research shows that the creation of a meaning concerning a change can be increased when the communication is good and the employee feels involved and important for the change (Johansson & Heide, 2008 & Lewin, 1951). Therefore this paper will also contain research related to the importance of manager's work with having a dialogue and that they make sure the employees feel involved during a change and their daily work.

In their conclusions, Johansson & Heide finds that the staff must be given the opportunity to be involved in the change for it to be considered a democratic change. Furthermore, they believe that it is difficult to get people to actively participate and to feel involved in a change initiated and controlled by someone else. For a commitment to arise, employees must feel they are getting something out of the change and that they are able to influence it. Barrett (2002) describes how employees identifies with the organization affects how it performs. An employee who identifies himself with the organization may therefore reach a higher degree of self-fulfillment in their work. In addition to informing their staff and pay attention to the current climate around the internal communication the manager must also provide their employees the possibility to actively participate, to be involved and to make sure their opinions are heard. Information and participation can thus contribute to an increased identification with the organization, which in turn can affect employee engagement. Jacobsen (2005) also believes that as many employees as possible should be involved in an organizational change. All those who in any way may be affected by the change should be involved at an early stage as possible because a lack of participation can result in a resistance to the change and lack of commitment. By allowing employees to be involved in the change process it increases the sense of control, which in turn reduces the stress factor and improves wellbeing among the employees.

2.5 Motivation theories

There are several different theories about what motivates human beings. Jacobsen (2005) describes some of these in his work on modern organizations and their structure.

Jacobsen use Herzberg's (1966) theory based on a division between motivation and hygiene factors. According to Herzberg's theory it is the motivation factors, not the hygiene factors that lead to increased performance. Jacobsen (2005) also presents Hackman and Oldham's motivation theory from 1975, which describes how the employee's performance can increase. The authors claims that this theory can be used to measure the employee's satisfaction and motivation but also as guidance to improve situations which are not satisfactory.

The theories I will take my starting point from is Maslow's (1970) motivation theory and Angelöw (1991) motivation model. Some researchers criticize Maslow's theory since it's not based on any empirical basis and the hierarchical order he presents which they mean there are no support to. Jacobsen (2005) writes however that Maslow himself mean that the needs do not always need to follow the specific order and one does not need to be fully satisfied before another arises. The authors believe further that Maslow's theory of motivation is one of the most influential and with this in mind I have chosen to take a starting point in this theory. To get a broader perspective the writer also use Angelöws motivation model as a compliment as it is newer and focuses on motivation related with changes within an organization. The model includes six areas and are quite extensive. It can be perceived as rather time and resources consuming since the organization also needs to fulfil their everyday tasks. Changes can be difficult to implement and models as this can be advantageous to use to succeed with a change.

2.5.1 Angelöws model

Angelöw (1991) is trying to show how the participation in the daily work, trust, confidence, information, and security are prerequisites for successful change management because according to Angelöw these factors affecting how and if a human are willing to change or not. To clarify his reasoning, he has developed a motivational model (see below).

To clarify his reasoning, he has developed a motivational model (see below).

| | |
|-----------------------|---------------|
| Factors of Motivation | Value created |
|-----------------------|---------------|

| | |
|---------------------------|--|
| Desire | A desire for and understanding of the needs of change. The desire is the engine of the change. |
| Participation | The power and opportunity to affect Changes within in the company. |
| Trust | The belief of one's surrounding, positive attitudes strengthens the individual's ability to implement changes. |
| Confidence | Faith in one's own ability to change. |
| Information and Knowledge | Provides a realistic and clear picture of possible changes. |
| Security | A sense of security is necessary For one to feel he want to change. |

Angelöws model of criteria for successful change (1991)

For a change to be implemented successfully, it requires according to Angelöw (1991) a willingness or desire to change. Angelöw together with Maslow (1970) agree that the employee must feel a need for change otherwise the change will not be successful. It is thus of highest important to communicate the purpose of the change, why and how to implement it and what this will mean for the individual's situation within the organization (Angelöw, 1991). Angelöw also argues that organization members' willingness to change can have a positive impact if they are allowed to be involved in the change, if they feel trust from managers and colleagues in that they can change which will boost their confidence.

2.6 Organizational structures

Goals and strategies of organizations

Organizations set goals (a description of where they want to go, short-and/or long term) and creating strategies (an indication of how they will reach their goals). A typical organization is such that is being created to solve a task, achieve a goal or play a role in some context. In order to accomplish its objectives an organization must be effective when make decisions and take action. (The more efficient the organization becomes, the faster they will reach their proclaimed goals).

What is a goal?

"A goal is a description of a desired future state."(HBR, 1964). Goals can be illustrated with the chart showing what is called the “hierarchy of objectives” (Jacobsen & Thorsvik, 2010):

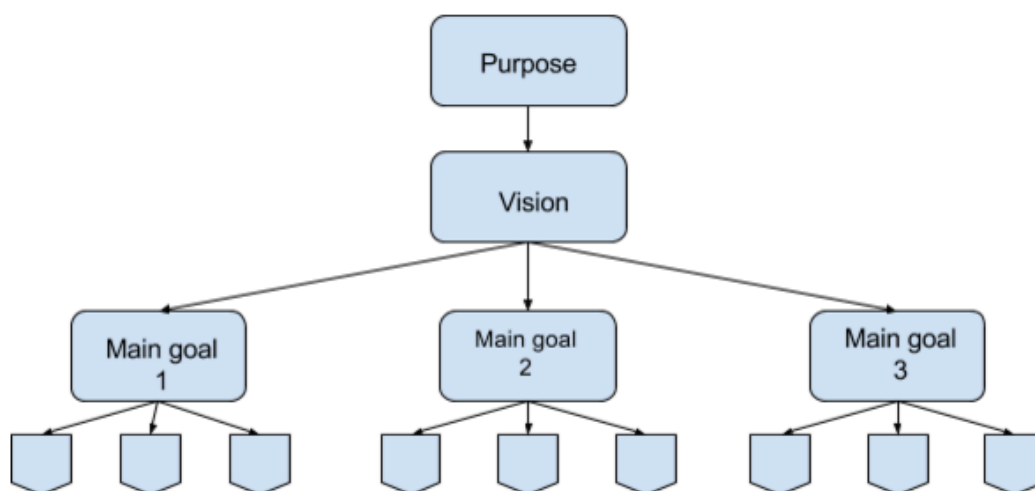


Figure 4. Hierarchy of objectives. (Jacobsen & Thorsvik, 2010)

At the top, is the **purpose** - which is the foundation of our organization's existence. The purpose of defining the organization is also to state what makes them unique compared to other organizations and competitors and what other social functions they are supposed to cover. It can be a special skill, value or a special approach on how to work. (Raymond, 2003)

After that the company define its purpose it should determine the **company's vision** - its optimal future situation, where does it want to be in the future. A vision can be that they want to be the market leader in a segment or to be bigger than its competitors, etc.

For a vision to become real results it is important to have concrete activities that support and promote moving in the right direction. (Raymond, 2003)

Creating goals may take a long time. Research suggests that long-term goals are many times vague and unclear. Therefore, many people believe that long-term goals are ill-suited as a management tool, motivational factors and criteria for evaluation (Jacobsen & Thorsvik, 2010). "However, many people believe that long-term goals used as a management tool is useful because they can be highlighted as part of the organization's core vision. Long-term goals can, because they are vague, work as flexible goals and give an extra freedom of action that stimulates improvisation and innovation within certain limits. They can therefore contribute to increasing flexibility and innovation." (Zammuto, 1982)

2.6.1 Real and Symbolic goals

Real goals are those goals which aims to influence employee behavior, serve as evaluation criteria or to give the outside world a picture of what the organization actually works with. Symbolic targets are mainly used to communicate the image of the organization that you want to the outside world should have, does not necessarily have anything to do with how the organization actually operates (Zammuto, 1982).

2.6.2 What is a strategy?

A strategy is a description of what the organization plan to do to achieve its goals. There are two types of strategy (Zammuto, 1982):

- Generic strategies related to how the organization positions itself in relation to the nature where it operates.
- Resource-based strategies are focusing more on internal conditions within the specific organization (Internal resources that makes you different from the competition).

According to Porter (1998) there are 3 different main ways of doing strategy. The starting point of the strategy is to understand the competitive situation that the organization finds itself within.

One should analyze existing but also new competitors, what products or services that might have the possibility of being substitutes for the product or service that you produce (Porter, 1998).

To gain competitive advantages towards your competitors, an organization can do 3 things:

Be the leader of cost efficiency - produce and distribute products or services lower than their competitors.

Be good at differentiation - is aimed at trying to do something that appears to be unique to the entire industry. Might be a good service, a specific brand, special design, etc.

Be the most focused - which means that an organization is concentrating all of its activities on a small part of the market, to niches themselves.

Why do an organization need goals and strategies?

1. Goals can have a motivating effect on the employees. Without goals the employees do not simply know in which direction to go and what to work towards.
2. Goals can have a steering function by providing guidelines for the work, sets limits for employee behavior. For example, when an employee is in a situation that requires decisions, the organization aims to suggest how she reaches a decision.
3. Goals can serve as evaluation criteria for the work that the organization performs

How organizations decide to divide the decision power and the influence of employees within the organization can affect the output differently, it's important for an organization to find out what type of power structure that suits them and their goals the best (Zammuto, 1982).

2.6.3 Centralized and Decentralized Organizations

A central theme in the organizational literature has always been the question of how the power of taking the decisions should be distributed within the organization. The concepts of centralized and decentralized used to indicate on what level of the organization the authority to make decisions were (Jacobsen & Thorsvik, 2014). Centralization means that decision-making power moved up in the hierarchy, to the top-management level. It is however a different

level of centralizations depending on how many decisions that are being moved up and how high up in the hierarchy they are being moved. If all matters are decided by the top manager, then we have an extremely centralized structure, also called "autocratic". The extreme case in the other direction, extreme decentralization, is when employees are decide everything. This is a traditional feature of professional organizations (Jacobsen & Thorsvik, 2014).

Centralization and decentralization can be described with a scale indicating:

- a) How many decisions that can be moved up / down in the hierarchy.
- b) At what level in the hierarchy that matters can be resolved.



Figure 5. Degrees of centralization/decentralization within an organization. (Jacobsen & Thorsvik, 2014)

Every organization must consider the advantages and disadvantages of having a centralized or decentralized structure. The degree of centralization and decentralization can also shift between different types of tasks within an organization, i.e. in some areas employees have power to take decisions, while in others they must follow and accept the decisions of their manager (Jacobsen & Thorsvik, 2014).

Advantages of *decentralized* decision-making within an organization:

- Being able to utilize the knowledge and experience that employees have on local level
- It promotes flexibility and fast adaptation of the organization
- It motivates employees and stimulates them to work more creatively
- It strengthens the employee's responsibility

The disadvantages of *decentralized* decision-making power could be the risk of sub-optimization, i.e. employees are making decisions to achieve local targets and does not take the result for the whole organization into account.

Advantages of *centralized* decision-making within an organization:

- It can provide clear signals of who is in charge at any point
- It can ensure a streamlined practice and personnel policy
- Predictability of the organization

Disadvantages of *centralized* decision-making within an organization:

- Information problems arising from that knowledge within different parts of the organization will not be fully utilized
- Low motivation of employees because of the small opportunities to take initiatives and work creatively
- Weakened sense of responsibility of employees due to the lack of participation in the decisions which are important for their own work situation

2.6.4 Mintzberg's Organizational Structure

Mintzberg means that all organizations, in varying degrees, consists of five main parts (Mintzberg, 2000):

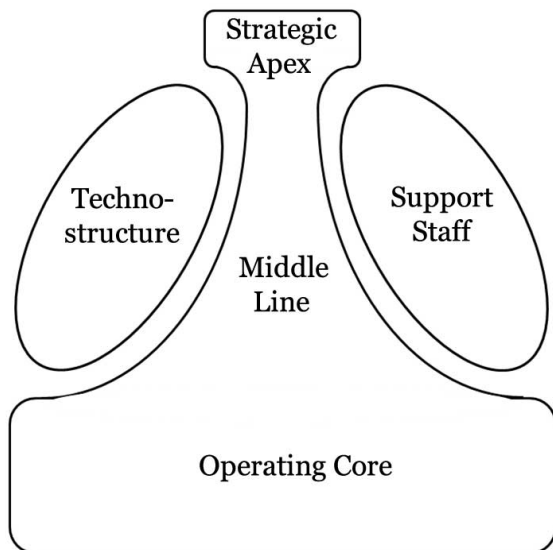


Figure 6. Mintzberg's organizational structure. (Interaction-design.org)

- 1) An operational core - the part that carry out the work necessary to achieve the organization's overall objectives. Here we find all production-related activities such as purchasing, sales and production.
- 2) The middle management - the group's task is to monitor and coordinate the productivity and bring information between the operating core and higher up in the organization. Here we find the department managers and office managers etc.
- 3) The strategic apex - the group that has the highest administrative responsibility of the Organization. Here are the CEO, the head of the ministry and the mayor etc.
- 4) A techno structure - a group not involved in the production directly but which affect the production indirectly by creating goals and strategies, designing procedures and conducting internal training or economy control. These are the classic corporate functions in an organization.
- 5) A service structure - a group that is not involved in the production but necessary for the organization to function. Here we find services such as cleaning, canteen staff, payroll admins and receptionists.

3. Company ABB

3.1 Introduction

ABB is a Swiss/Swedish company in the power and automation industry. The company was founded originally in 1883 and is a merge between a Swedish company ASEA and the Swiss company Brown, Boveri & Co and took place in 1988, the company is achieving a strong position in the world as one of the global leaders within its industry and sectors where they are being active. Their goals are to make sure their solutions should improve the efficiency, productivity and quality for their customers' operations while minimizing environmental impact, according to ABB's website. ABB has globally more than 140 000 employees in more than 100 countries which makes them to a heavy multinational player that matters on the global market, in Czechia ABB have around 3000 employees.

In 2015 ABB had a revenue of more than 35.481 billion USD. It is publicly listed on NASDAQ, Stockholm and OMX.

ABB in Czechia, which is the case used for this thesis and which employees the author were interviewed for this research. ABB Czechia is responsible for dealing with the business in the Czech Republic and is a regular country branch of the global ABB. The country's CEO is responsible for the branch and he also has another 3 top managers reporting directly to him. Under the top management we find the middle management which consists of maximum two levels and are positions with business and human resource responsibilities to line managers.

The reason why the writer chose ABB Czechia as the case company is simply based on the fact that the company recently is started a major change which are set to be the long-term vision for the company. This means that all managers in the company will have to deal in some ways with change communication and their subordinates will be receivers of this communication, as well as a sender based on their reaction.

3.2 The change

At the 9th of September of 2014 ABB announced the biggest change in its modern history. It is a change that will affect the whole company on a global level all the way down to every single business unit of the company. Some of the main changes will affect their employees more than others, thus the researcher chose some of the more employee-affecting changes to be analyzed since the interviews that were effected at the company are currently dealing with these changes.

Main changes that affect the Prague office, announced in September 2014 (Abb.cz, 2014):

- Going from 5 to 4 divisions in Czechia.
- Market focused, streamlined regional structure
- Undiluted global business lines as core of ABB
- From 8 to 3 regions
- Improving performance through leading operating model
- Driving change through 1,000 day programs
- Future company and Executive Committee structure aligned with new strategy

4. Research & Methods

4.1 Data gathering method

Since the student is making the research on how the different employees view their communicative function related to a change within the company and what motivates them, the writer believes that semi-constructed, qualitative interviews are the well-suited method to answer the questions. Kvale (2009) remarked that interviews are a good tool in studies aimed at studying people's self-perception and to clarify and develop human perspectives on real-life situations. Through qualitative methodology, the interviews designed by the writer seek to gain an understanding of the human behavior, its actions and the underlying factors when dealing with a major change in their work environment.

4.1.1 Selecting interviewees and sample size

Since this paper is examining how employees perceive change communication, therefore the writer's opinion describes the best ways to get the information through oral interviews. This qualitative approach through interviews give space to the interviewees own self-created picture, experiences and perceptions of the questions of the study (Esaiaasson, 2007). The selected theories and change models in this paper fit well with the chosen method of gathering information, since these answers present the individuals perceptions of communication during a changes, which is what the author is trying to find out through his method of having conversations and interviews with different employees to collect material. It must be emphasized that the results obtained and their interpretation of this paper not constitutes an absolute truth, it is rather assumptions based on the unique materials and situations that have arisen during the interviews. The paper therefore embraces the hermeneutic scientific theory based on the fact that there is no absolute truths, thus finding an absolute truth is not the purpose of this paper (Helland, Larsen, 2008).

The 10 respondents who were selected to participate in the interviews were based on a variety selection which means that the sample consisted of employees from different

departments with different positions, this was intended to get a broader view on how employees on ABB are perceiving the communication (Ekström & Larsson., 2010). One employee from the HR-department helped the writer to select the people who have a managerial function in the company, making it easier for the student to contact the six respondents that in this study will be categorized as transmitters. There are both advantages and disadvantages on the fact that the HR department decided the selection of respondents. In one way it can be problematic when the management, consciously or unconsciously, control the selection of respondents, for example by choosing the employees who are most in agreement with the managers decisions on important issues for example. The positive aspects are that the management has a good overview of each employee's knowledge and experience concerning the topic to be studied.

This researcher have chosen random respondents which are not considered relevant to specify who they are or which business unit they belong to since the change affects all of ABB as one company. On the other hand, because this author is interested in how different employees understand and perceive the change communication in general but also to find out more specifically if their position in the company may affect their perception, it was necessary to specify if they're in a managerial role or not. Furthermore, by anonymity that helps to prevent the limit of the responses in their statement, this work seeks for more honest answers and it is believed it increases the reliability of the responses. All respondents will also be referred to as "He" since gender is not relevant for this study. Also, the respondents have been divided and given a reference name based on their group: 'TM1-3' is top-management, 'MM1-4' is middle-management and 'EM1-3' is for employees. The numbers are randomly given and are not related to the order of the interviews.

4.1.2 Implementation

The guidelines on how an interview should be designed are relatively flexible. The importance lays on how the questions are asked so it gives as a result the respondent's view of the matter and contributes to answering the survey's questions (Kvale, 1997). Based on the purpose of the study and the questions, the interview has been structured and divided into 6 categories. These interviews are of semi-structured nature, which means that the interviewer has a set of questions that do not necessarily need to follow a specific order.

The survey was designed in two different interview guides. The questions were differently focused depending on whether the respondent is a transmitter or receiver in the communication process (see figure 2). The interview guides were based in a way that there are a number of questions, divided into 6 categories, set from the beginning and each respondent were asked all of them. All interviews began with warm-up questions, where the aim was to find out background information on the respondent. The following categories were included:

- The Change
- The Managers / employees' perceptions of the change
- How the two parts think the managers / employees perceived the change
- Rumour, anxiety and resistance
- Feedback and internal communication.

On these questions, respondents were responding openly and spontaneously, which meant that the answers were not controlled by this writer and the answers could be used to ask more specific follow-up questions, this is an advantage since the objectives target to find their personal view on the issue (Ekström&Larsson,2010). At the end of each session it was given the opportunity to ask more specific questions to ensure that answers had been correctly interpreted by me (Kvale, 1997).

4.1.3 Ethical considerations

These considerations have been taken from the four requirements of ethical considerations in research, which are:

- The information requirement - that the respondents before the interviews were informed about its purpose and their role in contributing to the study.
- The consent requirement - that the respondents before the interview sessions were asked for consent to participate, and they were informed that they at any time could to cancel the interview if desired.
- The confidentiality - Respondents have chosen to kept anonymous.

- Use of information requirement - that collected responses would be used only for my research purposes.

4.1.4 Analysis method

In this chapter, it is explained how it was chosen the way to conduct qualitative interviews with both managers and employees, since it is an advantageous method when studying various perceptions of change and to see how the managers have chosen to communicate the change and then it can be related it with change models used in this paper. Furthermore, it is described the categories of the interview questions, which will also serve as a structure for presenting of the content in the results chapter. In that way it will be able to present and interpret the results and comparing them in order to find similarities and differences with the theories that it was based this study. Also, to provide the answer for the main goals of this thesis and while doing so it will achieve its purpose.

5. Results and analysis

5.1 The manager's perception

5.1.1 The change

ABB globally launched a huge change package in 2014, with many changes taking place on different levels to different extents. The changes are being rolled out continuously in steps and are still currently in progress, not fully completed yet. Regarding the office in Prague, a few changes are affecting it more than others. Therefore the main changes that has been the base of this study includes: 1) The change from five regional divisions down to four, the work of the 5th division will be spread out on the other four or moved outside of the country. The whole IT department will be outsourced to Poland and India mainly. 2) ABB is going from eight to three business regions globally. As a result there will be a shift in positions globally and the region managers will be responsible for larger areas including more countries. 3) As a part of combining regions ABB is also focusing on undiluted business lines as a core with streamlined market focused, streamlined structure. As a consequence, people and business units will be divided into groups based on their business rather than country, one employee can now have his manager in Malaysia or India rather than in Czechia.

5.1.2 Goals and Strategies

According to Jacobsen & Thorsvik (2010) the purpose and vision is important when finding and deciding the main goals of the organisation. The purpose and vision of the change is:

“Aimed at accelerating sustainable value creation. The strategy is building on ABB’s three focus areas of profitable growth, relentless execution and business-led collaboration. In the next period, the company will drive profitable growth by shifting its center of gravity toward high-growth end markets, enhancing competitiveness and lowering risk in business models.” (ABB, 2014).

According to Kotter (1996), the main reasons for a company to change is to increase profit and/or to be more effective and more efficient in the its daily work. This is being reflected in the outcomes that ABB is hoping receive by this change:

ABB defines its main goals clearly, saying the change is taking place with the goal of:

“The company expects to grow operational earnings per share (EPS) 10-15 percent CAGR and deliver attractive cash returns on investment (CROI) in the mid-teens over the period 2015-2020. It targets to grow revenues on a like-for-like basis on average 4-7 percent per year, faster than forecasted GDP and market growth. ABB plans to steadily increase over the same time period its profitability now measured in operational EBITA within a bandwidth of 11-16 percent while targeting an average conversion of the annual free cash flow above 90 percent.” (ABB, 2014).

ABB is following the model by Jacobsen & Thorsvik (2010) and is clearly defining its purpose, vision and goals for the change and where they want to be in the future. Which helps stakeholders to understand why the company are doing its change, and it makes it more clear for the company itself how to achieve what is decided.

The change communication

The first time the top management got to know about the change was in 2014, it was at a conference and the CEO was there to inform them. The information they got at that meeting was so comprehensive that it was hard to understand even for me, said one top manager. When they went back their task was to translate and interpret all the material created on a global level so they could in best way possible share it with the regional employees in Czechia to make sure that change would start and proceed in a good way.

How do the top management think the employees perceive the change?

Given the gravity of the changes and the impact on the company's employees the top management had to plan how to communicate it. They decided to have a big meeting where the country manager was first informing about the change, at the same time they were publishing the translated information on the intranet. It was important that no information was leaking before the meeting, both to avoid any negative impact among the employees but also because ABB is publicly listed. The middle-management did not receive any additional information before or after the meeting and thus had the same information as their subordinates.

When talking about the employee perception of the change all three top managers interviewed are finding it difficult to say if they think the employees are perceiving the change as well handled. One of the top managers says that he felt that they had their hands tied and the fact that they could not or did not have more information to share have made the change communication not as good as it could have been with more openness and planning a head.

Another manager recognized that they did not handle it in a good way and he assumed that people in general are not happy with how they dealt with the communication about what is going to happen next, but also concludes that they had limited possibilities to give more information since a lot of things are being decided on a globally level as they go, which also showed the fact that the change was made many times since it was first presented. The same top manager also adds that the way, no matter the reason, they could have dealt with it in a much better way.

“I don’t think ABB is doing a good job with the communication during this change. We present information with bad timing or not at all, which creates rumors and speculations which hurts the company and the work with the change. But I also understand that it is hard for a big company to do perfect communication. The information must go top-down in the organisation, it must happen that way, one must just accept it and deal with it. I think it is being hard for the people on the floor to understand the real useful purpose of the changes for ABB as a whole. It’s hard for them to understand the bigger picture.” (TM3, 2016)

The third top manager mentioned that he was fine with how the change was communicated and says that no matter how much time you put down on communicating, the employees will always find something to say ‘you missed this or that’. He also added that he would not have done anything differently even if he was giving more information to share.

5.1.3 The relation to Kubler-Ross’s model

All managers, both top and middle levels, agree that when the change first was announced they could notice a difference on their colleagues and in the atmosphere. One of the top managers said that he in the beginning could feel a big difference at the office, he recalled

that something was in the air and people was of course shocked and scared of the uncertainty. Two of the managers mentioned they could identify all the steps of the Kubler-Ross curve in their team and remarked that they had to work a lot with damage control alongside their subordinates, one manager pointed out that she decided to sit down with all her employees one by one to let them talk about it and to ask question and said that she tried to do her best to calm them and to make sure everyone was focusing on doing a good job during the change. Three of the other managers emphasized they could identify several steps of the Kubler-Ross curve in their direct environment but that the bargain-step was the most absent one.

5.1.4 Communication channels

Face-to-Face communication (F2F)

The F2F communication channel is considered to be the most valuable one, as it can contribute to a common understanding, even when there are different frames of reference and experience between the colleagues, according to Daft and Lengel (1986).

Klein (1996) refers to a face to face communication as the most beneficial for creating understanding, it makes direct feedback possible and therefore helps to avoid direct misunderstandings.

All managers interviewed mentioned that they are on different levels participating in weekly face-to-face communication through at least the weekly and monthly meetings.

“We see each other and on the meetings that I or my managers are hosting if there is something that we want to communicate to everyone. Is there something that concerns just a few or only one person you can either gather them in a meeting room or just talk to that specific person when you see them around the office.” (TM2, 2016).

Here the manager gives a specific example of how he works with both formal and informal face-to-face communication. He also thinks that the daily face-to-face communication is what makes a difference when it comes to change communication and adds that this is the easiest way to detect when something is wrong within the group. Another top manager concluded that he was trying to work extra hard with personal face-to-face communication

during the change and to really try to talk to everyone that he thinks might have some questions even if they do not explicitly say so.

All the managers agreed about the way they choose to communicate their information to their subordinates is very important and they also think that it can make a major difference on how the employee is dealing and perceiving the information given, and that they are actively working with in what way they communicate.

5.1.5 Angelöws change model

Angelöw (1991) concluded that there are six equally important parts of a successful communication during a change, it is Desire, Participation, Trust, Confidence, Information & Trust and Security. All managers agreed that all parts mentioned are important but at the same time extremely hard to fulfil in such a big company as ABB.

“Of course I understand that it is important to listen to the employees and make them feel important and being a part of the company and the change, but in a company like ABB there is little room for that, we can’t simply ask everyone what they think, it would be impossible to do a change in that case. I feel I’m busy only with making sure the already decided information is getting out, I keep repeating all the time and still people are asking about it”. (TM1, 2016)

No single manager referred about the importance of that the employee is feeling rewarded by the change, instead all of them except one is taking a more defensive position saying that they could not do more to promote these six parts because they also lacked information.

“I simply couldn’t promise my employees certain things, even if I knew it would boost them, because I wasn’t sure myself, and I think guessing only will backfire in the future, then it’s better to say nothing even if it creates rumors. But if I saw any one around the office behaving differently or showing any concerns I always try to be the first one to slide up next to him at the coffee machine to try to find out what’s wrong and if I can help”. (TM2, 2016)

In this section, depending on the manager. One of them is aware of the fact that all these criteria are not being fulfilled at all and that even he as a top manager had a hard time with the change process in the beginning but he had to grow into it. The other two top managers seems to have a different picture compared to the employees saying that the most important information was given and that even if they share the information not all employees understand it anyway and keep asking the same questions.

5.1.6 Rumours, concerns and resistance

Just like in Shannon & Weaver's communication model (1949), the managers agreed that they felt they have been dealing with a lot of noise affecting the communication which helps creating disinformation and it spreads informally among the employees. All the managers said that they think there are rumors going around the office. Three of them mentioned one rumor about ABB selling of some parts got so big that the country manager even had to deny it in the newspaper.

“I noticed people started spending more time discussing non-work related things. It was worrying for many, I would guess that we probably faced a drop in efficiency of maybe 15% sometimes due to the fact that people were talking about rumors instead of working” (TM2, 2016).

According to Kotter (2016) and the eight steps of how to lead a change, managers must secure a few important things to be successful with a change. All of them are crucial to avoid rumors, concerns and resistance. According to Kotter, it is crucial to get the vision right, to communicate for a buy-in and create short-term wins. Neither of the managers mentioned that they focused on securing any of these to make sure the change was more successful.

“I feel that we as top managers didn't get very good conditions to secure this change locally. They just threw us in it with very little information on our hands. I feel that until this very day it is hard to explain why all these changes are beneficial to our employees and what will they benefit from it. This is a big challenge if we would have been less centralized and if we could control the information more I think we could have made it better”. (TM1, 2016)

None of the managers mentioned anything about what they have experienced on the employee's reaction to changes nor how they have tried to make some kind of resistance to a change that is made. One of the managers emphasized that change is inevitable and presumably, the employees have realized that and that it does not make sense to try go against the company and instead accept decisions when they are already decided.

5.1.7 Feedback

When asked if there is any feedback regularly given within the organizations, managers agreed that employees rarely give feedback.

"There's really no forum to get feedback, but there may well be some spontaneous comment on something you mentioned at some time or so. Other than that, I don't think it's much more". (TM3, 2016)

They argued that feedback in their industry do not occur very often and that all employees are different, resulting in some give feedback more than others. Another middle management member strongly believed that it is important to frequently check with employees, and not only during meetings, what they think and feel about the situation or if they have any thoughts about something going on inside of the company. All the managers concurred that there is good and open atmosphere within the organisation and that they promote feedback as they all see it as a good thing.

"In general I think people at ABB is open about thoughts and ideas. If they really want to say something they do it". (TM2, 2016)

5.2 The employee's perception

5.2.1 The change

When the questionnaire was asked to the employees, especially about the change process; it was obvious that it was a sensitive topic with a lot of emotions and feelings involved for all

of them, except two who said they hardly noticed any difference yet. Three mutual main points were concluded from employee's respondents on why they are not happy with the change. Here was shown a clear connection to Kotter's (2014) change model on criteria the top management should fulfil to make sure the change is being carried out as smooth as possible.

- Create a sense of urgency - All the employees agree that there is a lot of talk and around the change but nothing major has happened in months, they feel it is something around the corner trying to come but never know when exactly it is coming.
- Form strategic vision and initiatives - The employees said that they do not understand the purpose of the change and they feel that the global management was doing the change just for the sake of changing something and that the real reason for the change is being hidden from at the moment.
- Generate short-term wins - the employees felt they had the biggest impact on them when it comes to demotivation. They felt that the change is so comprehensive and that there is nothing in it for them, "it is just changes and people get worried around me but not at a single point anyone told me how any of this is beneficial to me", says EM2 (2016)

"I don't think we got all information needed. I don't feel that I got information about how this change affects me. So far I see no changes with my job, which feels strange because it's supposed to be a lot of changes according to the information, but when? Instead now it's a lot of rumors that is going around. And I really being affected by this, people are asking all the time if I know more and so on. They're all the time looking for more information, people are in a big need of information. They feel insecure on the whole change, some feel demotivated because they don't know if their work will be needed in the future, or even if their products they are working on will be needed and so on. The first time I heard about it was a common email and on the intranet. A very general one, no could tell what was going to happen. I'm skeptical to if the communication from top to bottom actually works. I don't think all the information is coming through all the way. They should have provided more info, somewhere it must have been a bottleneck. I think the lack of information made the doubt about the change much bigger. I think they (top-management) don't know themselves why they're doing the change." (EM3, 2016).

5.2.2 Rumours, concerns and resistance

All employees generally agreed that there has been some rumor around the Office and in their work environment and some say they felt that something was going on even before the change was officially announced at the office. A significant difference among respondents is that it turned out that the female employees felt that there were more rumors being spread in the workplace than their male colleagues. It also turned to be a big difference between what rumors the employees heard.

“In the beginning it was a rumor on the office that because one division was underperforming they now had to do a change and now we all were being affected even though we have been performing well”. Another employee says “A lot of the rumors have been hard to deal with for many of my colleagues because it said that a lot of people would get fired but no one really knew who. Another problem was that the top management didn’t do anything to face and deny those rumors which made it worse” (EM2, 2016).

After interviewing all the employees participating in this research, they all agreed that there were rumors because of unnecessary mistakes and those mistakes are often the foundation for disinformation, which opens up for the spreading of rumors and unnecessary talk behind the back of the company and organisation as a whole. All of the interviewed participants recalled that rumors could have been significantly decreased if the top management would have dealt better at communicating and providing more information and at answering questions about the change.

The employees agreed that there is an interesting change which is taking place and none of them have experienced that any of the employees would have been so unhappy that they have attempted to oppose the change by trying to make it stop, but two of the respondents mentioned that some of the top management have left recently or are about to leave, which they think is due to the change and that they are not happy with and this makes it look worse according to one middle manager. Again, four of the employees stressed that it is not the change itself that led to unhappy employees but the lack of information.

5.2.3 Relation to Kubler-Ross Curve

When talking about the initial reactions at the office when the changes were first announced and how the atmosphere had changed during the change process, all employees agreed that there was a shock for everyone at the beginning. The change came unexpected for most of the people and especially for the ones affected immediately who started to deny the change and eventually it turned into anger that came more obvious when interviewing one specific candidate.

“Many people still don’t understand the change or some don’t even care. Recently a lot of people started to ask my team about it and what is going to happen to us, but we don’t know what to answer because we don’t know at all. People are scared about what’s going to happen. People spend more time talking instead of working, I’m sure it’s delaying the work we’re doing right now, for sure. I personally think ABB is doing a mistake with this change and they have decided about it too fast, they don’t know what the impact will be”. (EM4, 2016).

An interesting fact based on the answer is that neither of the respondents can identify the Kubler-Ross curve on themselves but they have seen it in many of the colleagues, this can be related to the fact that people tend to defend themselves from changes by improving their image of themselves (Kubler-Ross, 1981).

In conclusion, all respondents agreed that most of the colleagues are still trying to reach the acceptance level.

5.2.4 Communication Channels

Face-to-Face communication

When it comes to the way of communication the researcher received surprising answers from all the employees. While the managers said they care a lot about what channel they were using when communicating with their subordinates, the employees all together remarked that the information is the most important element and that it does not matter much to them how it is being delivered. The employees declared that “we just want to have more information, however it is not important the way it is being delivered” (EM1, 2016). Research (Daft & Lengel, 1986) shows that there is a clear structure in how people value the different ways of

communicating. There are two possible scenarios why the employees at ABB do not agree with this earlier research. Number one is the more likely one: The frustration concerning the change and the starvation of information has reached the level that right now any information is so needed that the way of communication does not matter. Esaiasson (2007) points out that there is no absolute truth in qualitative interviews, which means it is simply possible that the employees just do not agree with earlier research, even though this is the less likely assumption.

After a few follow-up questions all the respondents agreed that face-to-face is the best and most valued way to share important information, especially about changes. Another interesting thing was added to this by 75% of the respondents: The importance of sending the information as an e-mail at the same time, the main reason to that according to the employees is that the information can easily be re-read and easily accessible when needed. Also if someone is missing on the meeting the information can easily be forwarded to that person instead of risking that disinformation is being spread.

5.2.5 Angelöws model

Angelöw (1991) concluded that there are six equally important parts of a successful communication during a change, it is Desire, Participation, Trust, Confidence, Information & Trust and Security. Six out of seven employees said that they see changes as a positive thing and that it is necessary for all companies. They all think they have an average desire to change. One of the employees saw this change as unnecessary and do not feel a desire to change it at all. They all agreed that it would be nice to participate and be able to come with input about the changes but at the same time they don't think it would work if all 140 000 employees would try to do that.

“I don't think it's the top management only in Czechia but also the global management who just have too many employees around to world to actually care about them every single each of them. It sounds strange maybe, but of all people I know and what I heard, no one of them have felt trust and confidence in this change. People say that the top management is hiding information, not telling the true reason of the change and that some of them even quit their jobs because of it. This insecurity is not good for the company and when all changes actually are

having its impact I think there will be much stronger reaction among the employees and this could have been dealt with by providing more information” (MM1, 2016).

“I was told 5 weeks ago that on a specific date 5 weeks in the future there would be coming big news for my team and that we’ll have a meeting about it. It’s good that they show that they can plan in advance, but to just say that “big news” will come it’s a horrible feeling to walk around with and me and my colleagues are trying to figure out what it is but we can only speculate” (EM4, 2016)

It is clear that the top management have not managed to interpret or receive the input from the employees on how they feel about the change communication taking place. It seems that just forwarding the information given by the global management may not be sufficient in the Czech office and that this can affect the company on a serious scale later on in the change.

5.2.6 Feedback

Three employees mentioned that they think ABB is very open and welcoming towards giving feedback and they feel no problem to bring up suggestions or criticism as long as it is being constructive and brings a value to the discussion. Two of the other employees said that they think it works well on how they give feedback and feel it is OK to come with feedback to their boss and that they do early surveys on what they think about managers and colleagues.

“The feedback system at ABB is well developed and we have yearly surveys on what we think about our managers and colleagues. Also we’re using something called a 360-degree feedback system which means that everyone is giving feedback to everyone.” (EM, 2016)

All of the respondents think feedback is very important in a company to make sure that improvements are done and that providing their feedback to the managers is a very good thing. One of the best things according to four of the employees is when a manager gets back to you and say that they have been think about the feedback one gave back earlier and that they really have been trying to work on it to improve the relation manager and colleague.

“One of the best things my manager does is to always try to re-communicate with me about feedback I gave to him and how he’s been trying to work with it and that my opinion is useful to him, but I don’t think all managers do this” (EM2, 2016)

The employees appreciate to leave feedback and to get a confirmation back that someone listened to it and took action.

6. Comparison of research outcomes with theoretical background

The purpose of this study is to examine how managers communicate the change to other employees during a change project. The study is intended to examine how managers communicated the change, how they think that employees perceived change communication, and compare it with how employees actually perceived and embraced the change and the communication. Furthermore, the study aimed to examine and discuss whether theoretical models for change management- and communication are in a real-life case possible to apply during the change. In this case to see if the evaluation in the change project differed and if a conclusion could be reached on how the models can be develop or combined. The questions on how the study was based on were therefore: How do managers during a change project communicate the actual change to their co-workers? How do managers think that their employees perceive the information about the change? How does employees actually receive and perceive the information about the change? What are the differences and the similarities compared to previous research developed on change models?

The survey was conducted through qualitative interviews with both managers and employees to find out their opinions and perceptions of the change taking place at the moment. In total ten respondents were interviewed, where three of them were top-managers, three people were middle managers and four regular employees with no subordinates. Within each group, there were one women and the rest were men. The interviews were conducted in the corporate headquarter in Prague, Czechia and the interview questions were divided into two different interview guides - one for managers and one for employees. The results of the interviews were then compiled and compared with each other and an interpretation was made based on the chosen theoretical framework of the thesis.

One of the study's main results showed that the managers perceived that the initial steps of the change was implemented in a good way. Even though they admitted some more information would probably have generated a better outcome. Also that the employees, during and after the changes had the opportunity, if they want to provide feedback and comments and also that they were able to ask questions. The managers also considered they handled change, from a communication channel perspective, in the most efficient way possible because they chose to inform employees face-to-face by having meetings. This is because they believed that

having meetings before the announcement in media would reduce any misperceptions or questions that might arise among employees.

Before the change was announced to any employees, the top-management chose to keep it a complete secret, not even the middle manager got to know anything about it. This means that the middle managers did not have a chance to prepare, nor they had any additional information on how the change would affect them and their subordinates. This approach shows several disadvantages for the company. According to Kotter (2014) it is important for the top-management to build a guiding coalition at the company that informally will lead and support the change by its own ranks and the right people to do so are the employees who they are familiar or can reach easily. This was not a very effective way and therefore the middle-managers ended up being as surprised and without information as their subordinates. Instead of taking the role as a defender and a supporter of the change the middle managers simply had to surrender to the fact that they did not have any information or arguments to use to motivate and guide their employees through the tough first period of change (Kubler-Ross, 1981). This situation led to the fact that both middle-managers and employees are now together aiming the critics only towards the top-management and wedge has been created. The only positive thing that can be derived from this tactics is that the top-management minimized the spread of rumors since only a very few people knew about it.

The results of the study shows that the perceptions differ between how managers thought the employees would perceive the information compared to how employees actually perceived the information. From this one of the conclusion is that individuals perceive and interpret various changes based on their own previous experience and personal references of the world. Also that information is sometimes interpreted differently and completely against the manager's original intention and purpose of the information, which complicates change communication even more.

All of the employees were satisfied with that the announcement of the changes took place at a face-to-face meeting, an overwhelming majority of the others thought it would have been much needed with more clarifying information after the meeting. They also felt that it needed more explanatory information and a clear answer to what is going to happen in the future, both on email and more personal face-to-face meetings with their closest manager after the announcement. If that would have happened they would think they could easily move

towards the new guidelines and be able to take them on in a better way a feel more desire and trust, which is very important (Angelöw, 1991).

The understanding for and the perception of the change itself was in general positive but turned into something negative because of the lack of information and therefore understanding of it, thus the results conclude that the employees felt they could not provide any feedback on the change, but they would have liked to. With this as a foundation, the conclusion points at the fact that change communication in a change project is strongly an interaction between the modern model (Heide, Johansson & Simonsson, 2005) which means that an organization is dynamic and that communication is bidirectional between managers and employees and opens up a dialogue and interaction between both. Thus, the communication at companies can not only be seen as a mean of transmission of information, which Claude Shannon and Warren Weaver (1949) transceiver model suggests.

It came clear that the employees were surrounded by a lot of rumors since the change was announced and this reflect the results of what Angelöws (1991) research concluded, that insufficient internal communication during a change may tend to create resistance to the implementation of the change.

There are differences between the study's outcome, theories used and earlier research, since they assume that the top-managers are facing an active choice to create and implement a change or not. In this study, the change is a fact since it's coming as an already made decision from the global management. The local top-managers could therefore not make a decision on if the change would take place or not, the change was so called inevitable for ABB in Czechia. Since the change was a fact rather than an outcome that could be discussed, thus, it is a different kind of change and change communication in comparison to selected theories in this paper. This outcome aligns with Johansson & Heide's (2008) research that different changes are not similar and each one is unique.

One conclusion from this research is that a change and its related communication is complicated and cannot be analyzed based on just one theory or placed into a single theoretical model since organizations today look different and each change is handled differently. This interpretation is based on the survey results showing that the selected theories were visible simultaneously in the change, where certain employees had come further into the process than

that other employees had done. This means that changes should be compared on the basis of several different models of change theory or that the phases of the different models can be mixed at the same time.

6.1 General view on the topic

Based on my results and the comparison with existing theories, this author concluded that research on change processes are complex and that there are difficulties with studying and finding out what is the most efficient way of communication, viewed both from a transmitter perspective and then to put it into relation to the perspective of a receiver. One of the conclusions is that it should therefore be easier to do research on the transmitter's perspective since they tend to have a unison view on how a good communication should take place. While the receivers have very different perceptions on how the information should be interpreted.

With this the writer suggests that in most the transmitters of the information before the announcement are having the opportunity to discuss and agree on a unified opinion about how the change should be communicated which should make it easier and more practical to use as a research project. Hence, it can be assumed that the chosen way of the change communication will be affected by the size of the company and the number of employees. It may be difficult to inform about the change in a meeting face-to-face if there are many employees. That means that the possibility for employees to interact, to instant feedback on the change and to influence the development of it will be reduce. This would also mean that more rumor, concerns and resistance exist during a change in a big company.

This research shows that it may be good to announce a change within an organization to all employees at the same time because it reduces the creation of rumors being spread at the company. The negative side of this is that the middle managers does not have any opportunity to prepare and to take a more supportive role and selling role which is important to the change (Kotter, 2014). If the top-management interviewed in this study would have used the strategy to involve the middle-management in an earlier stage they would have had the possibility to come with input and information about their subordinates' situation and view and therefore

important improvements on how to communicate the change could have been done. This is important and it has a clear connection to the fact that the employees will feel they are being heard and that they can influence the change which creates a feeling of democracy, thus the feeling of hierarchy and power concentration will decrease within the company between the management and its employees.

6.2 Critics and improvements of the study

The method chosen for the survey works well with the purpose of the thesis. All the interviews took place at the company's office which I believe was a good thing because the respondents could easier take the time to sit down with me since all the interviews took place in a conference room at the office. During all the interviews the questions from the special personalized interview guide was used as a core and this writer strongly believes that the questions and the topics were clear and that no misunderstandings came up around them during the interviews. The respondents gave detailed answers which have been to great help in my work, follow-up questions came naturally in all interviews which made it easy to lead the interview in preferred direction. The interviewed staff had a positive attitude to this study and most of them said that it was interesting to participate in it.

The selection of the respondents can be criticized since this researcher got assistance on this work by one of the HR employee chosen by the top-management, theoretically the sample can be controlled and selected on their personal opinions which can affect the outcome of the results for this paper. On the other hand, it would have been difficult to conduct the study without any aid from the HR department since it helped to get in contact with relevant people and to get some of their time despite busy schedules.

The fact that this study was done before the whole change was complete and due to the fact that the change is still taking place at ABB, may also affect the result. Therefore, all the phases of the change are not possible for me to analyze at this moment. It would also have been interesting to see how the employees work and deal with the actual change and to see if it is possible to patterns between perception and execution. However, this paper serves to be

compared the perceptions of the change communication during a major change which are created in the first phases of a change, thus, the aim of this paper was successful.

Conclusion

This thesis aim is placed in the field of change communication management and intends for analyzing the challenges related to this organizational change within a company, also shows what elements are sensitive in the managerial level and how the structure is affected or modified. This work aims to describe how “this communication change” affects the employees of different levels and their view on their communicative function during the change process. To fulfil the aim of the study the researcher interviewed with top-management employees, middle management and regular employees in a big organization. Certain theoretical change communication models have been used as the core of this thesis and the qualitative outcome have been compared to them. On this basis, it was examined how managers thought employees on how to adapt to this change communication process and then compare it with how employees actually perceived the information from the management. The thesis aim is fulfilled by answering to the following research questions:

- How do managers in the organisation communicate a change to their employees?
- How do managers think that employees perceive information about the change?
- How do employees perceive and process the change communication they receive?
- What are the differences and similarities that can be found in comparison to previous research works on change models?

The survey is based on ten interviews of qualitative approach with both managers and employees to find out their views and perceptions of the change on the related communication. Three respondents were top-managers, four are middle-managers and the remaining three respondents were employees with no subordinates.

Answers to the research questions are specified as follows: The main results I have achieved in this thesis is that people interpret and perceive changes differently. The outcome shows that there are both similarities and differences between how managers and employees perceive the change communication at the company and if this was successful or not. Furthermore, employee’s perception differed from the way the managers thought they would perceive change. This work shows in the chapter of ‘Comparison of research outcomes with the theoretical background’ in detailed descriptions how complex it is to communicate both the

expected and the unexpected outcomes during a change process and that the receiver does not always perceive the information as the transmitter intends it to do. Additional outcomes of the research show that theoretical models on change communication are difficult to apply to all types of changes because each of changes is unique.

As a student, I am personally happy that I had a chance to witness such an important and interesting process like the change communication at ABB, one of the best technological companies in the business. It's a great company which a huge process going on, on a global level which creates a tremendous amount of challenges on all levels. From a learning perspective this have been very giving to me.

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Appendices

Interview guide

For managers

The change

Are there any changes taking place in the company at the moment? If yes, can you describe it?

How were you informed before the change?

By whom, how and when?

Can you describe how you dealt with and planned to communicate the change?

How do you communicate the change to your employees? Did your work position change because of the change?

The personal perception of the change

What do you feel about this change?

On a personal level, do you understand and support the change?

Why is it beneficial for you and your colleagues you think?

How do you think your colleagues perceive the change? What is the atmosphere around you like now?

How do you think the other employees perceive and embrace the change?

When the change was announced, did you see any reactions straight away?

Rumors, concerns and resistance

Have you noticed any difference in the working relationship between the employees after you informed about the change?

Have you noticed any rumors being spread among the employees before and during the change process?

Is there anything the management could have done differently help to prevent them?

Feedback

Do you actively look for feedback from employees? If yes, how does it work?

Is there anything you encourage employees to give?

Is feedback something you wish to receive more often?

How does it look at the company, employees tend to express themselves when not happy?

Internal communication

How does the internal communication work at the company?

What communication channels do you use when you communicate to the employees?

Do you plan in advance when you must hold a meetings or send an email, or how do you put it up?

Do you consider the importance of the communication channel when communication? The impacts and perception of the information based on the channel used?

Would you have preferred to communicate in a different way, or just another channel during this change?

For employees

The change

Is it some changes taking place right now in the company? If yes, can you describe it?

Will your job role change due to the change?

How were you informed before the change? By whom, how and when?

The personal perception of the change

What do you feel about this change?

On a personal level, do you understand and support the change?

Why is it beneficial for you and your colleagues you think?

How do you think your colleagues perceive the change? What is the atmosphere around you like now?

How do you think the other employees perceive and embrace the change?

When the change was announced, did you see any reactions straight away?

Rumors, concerns and resistance

Have you noticed any difference in the working relationship between the employees after you got informed about the change?

Have you noticed any rumors being spread among the employees before and during the change process?

What are they and could the management do anything different to prevent them?

Feedback

Do you usually give feedback to your managers?

Do you feel that it's OK to give feedback?

Do you think they see it as something positive that someone gives them feedback?

Do you think employees in general at ABB feel comfortable to provide feedback to their managers and colleagues?

Internal communication

What does the daily communication look like, what channels are being used?

What challenges do you see with the internal communication at the company?

Do you find it important what channels your managers use for communication? How does it affect you?

