

# Change - A way forward

An interpretative and qualitative study examining an  
organizational change initiative



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# ABSTRACT

- Title:** *Change – A way forward: An interpretative and qualitative study examining an organizational change initiative.*
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- Key words:** IKEA Industry, Organizational Change Management, Cultural change, Sense Making, Symbolic Leadership, Organizational Identification, Zero Defect Culture, Quality
- Thesis purpose:** The main purpose with this thesis is, with an interpretative perspective, examine a change initiative.
- Methodology:** The research is conducted from a qualitative and interpretative perspective taking a reflexive standpoint.
- Theoretical Perspective:** The thesis is examined based on existing literature regarding organizational change management, sense making, symbolic leadership and organizational identification. Through our findings we aim to extend existing theories.
- Empirical Foundation:** The research is based on a case study of a company within the furniture production industry. The main findings were collected and provided by interviews with managers from the organization.
- Conclusions:** Employees interpret change initiatives in multiple ways. Therefore managers have an important role to create meaning behind reasons of why change needs to be done. The importance for employees to identify with the organization is one vital factor for a change to proceed.

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# 1. INTRODUCTION

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*The first chapter of the thesis will introduce the reader to the topic of organizational change management. Furthermore, the chapter will problematize the subject of the thesis and later conduct a discussion. The purpose of the thesis will moreover be discussed in the context of two aims which are empirically and theoretically grounded.*

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## 1.1 BACKGROUND

In order for organizations to stay competitive, organizations must continuously change to survive (Tsoukas & Chia, 2002). However, many change initiatives are unfortunately doomed to fail because of different reasons. According to Beer & Nohria (2000), approximately 70 % of all change initiatives fall short. Johansson & Heide (2008) believe that change initiatives are unsuccessful mainly because of shortcomings in the internal communication both vertically and horizontally. Brown & Humphreys (2003) and Dunford & Jones (2000), argues that narratives within organizations are vital parts of communication and that these narratives are also important ingredients for successful change. How members of organizations understand and make sense of changes is of utmost importance and has an effect when implementing the change. (Weick, 1995)

Ashforth & Mael (1989) argues that when members identify themselves with the organization it will become easier to adapt and agree upon change initiatives. According to Gioia et al. (2000), people make sense of situations depending on their specific world-view and how they identify themselves with the change and the context. To gain a coherent organizational vision and enable organizational change management effectively. Contemporary scholars find the importance of sense making among employees a vital factor for success (Alvesson & Sveningsson, 2008; Palmer et al. 2009; Weick 1995; Weick et al. 2005). One reason for this is because people act differently depending on how we understand the situation or the particular context. If there is no coherent understanding of the change initiative, the change is more likely to fail (Palmer et.al 2009).

We have seen a trend in the management literature which tries to understand how organizations plan for changes. It has become increasingly important to identify member's sense making, understandings and attitude towards change and what impact it can have (Bowditch et al, 2008; Alvesson & Sveningsson,

2008, Weick 1995). To become competitive, organizations must not only adapt to external demands, but also continuously adjust internally. Alvesson & Sveningsson (2008) believe that organizational culture is of utmost importance to consider when trying to change organizations.

Theory has undergone a shift concerning how people in our changing world are effectively managed (Sandberg & Targama, 2007). Heide et al (2005) have found a distinct trend where organizations emphasize processes, teams and networking. Members of organizations have, as a result of this, become more involved in change processes (Palmer et al, 2009). It has become increasingly important for managers to understand the importance to create meaning to people involved within a change process. Symbolic leadership can serve as triggers for cognitive and behavioral change. This type of leadership style can be seen a tool to manage change and it can be used to enhance the understanding of the meaning behind a change (Armenakis et al. (1996); Smircich & Morgan, 1982).

*“There is no universal theory of change, rather a plethora of different and competing ways of conceptualizing the process. This multitude of perspectives provides us with a rich variety of lenses for understanding and managing change.” (Sveningsson & Sörgärde, 2013:57).*

In our study we are aiming at understanding organizational members' interpretations of their reality regarding a recently introduced change project within the organization IKEA Industry. We believe the interpretive perspective concerning how people within organization understand change initiatives needs even more attention and investigation. Current literature often look at changes from a too simplistic perspective and we argue that literature does not take the people aspect within a change process into enough consideration. Our wish is therefore to contribute with our empirical findings of how managers within IKEA Industry understand, within one particular phase of a change initiative. Up until today this change initiative has not fully been communicated throughout the organization, this is so important to investigate, and not be overlooked.

To enable contributions to this research field we are, in this thesis, trying to discover the path of a cultural change project. We have conducted an in-depth qualitative study where we try to

understand employees' deeper meanings and interpretations of one particular change project within IKEA Industry.

## 1.2 PROBLEM DISCUSSION

IKEA Industry is a home furnishing manufacturing company owned by IKEA. The organization is situated in 11 countries with 41 production units and employs 18 500 people around the world. IKEA Industry has only one customer, the well-known furniture company IKEA. This relationship creates a pressure and high demands on IKEA Industry to produce products according to IKEA needs and regulations.

IKEA Industry is currently not the industry leader when it comes to producing quality products without claims, in comparison to its competitors. The organization finds it difficult to stay competitive in producing quality products to a low cost, which is an IKEA expectation. An unacceptable amount of claims has resulted in unsatisfied customers and one consequence of this is the fact that the organization has forced to close down productions units. In order for IKEA Industry to minimize costs and gain satisfied customers, the organization wishes that employees should produce the "right" quality from the beginning. Therefore IKEA Industry is intensely working on projects concerned *how* employees *should* prioritize and focus on quality instead of producing a high volume.

*"The majority of what we do today is to measure the quality of our products from a technical perspective. However a big part in this change project concerns the need to change a mindset and to create another culture. This is what we call zero defect culture."* (Lisa, Project manager<sup>1</sup>)

Our change project that we will investigate involves a change initiative where the organization strives towards creating a Zero Defect Culture (ZDC). Establishing a ZDC means, according to the Quality Cross Team, who is planning the change, that factories should produce products with zero defects. The project group, which is responsible for the ZDC-project, has established a *what*; to create a customer and quality focus at all management levels. Their main intention with the change is to create quality awareness as a

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<sup>1</sup> For confidential reasons, fictional names for the interviewees will be used.



natural part in everyday business to enable the creation of a *zero defect mindset* and thus a new quality culture.

The question when implementing a change is how the change will be perceived, and what mindset people have concerning the need to change. Our assumptions are that since people have different backgrounds, education, roles, culture etc. people will most likely understand a change message and change purpose differently. Due to this there might be diverse interpretations and meanings about what a newly introduced change means for employees. We believe it might be difficult for change ambitions to become fulfilled and for the change ambitions to succeed if there are no coherent picture and connectedness within the organization.

Our study is interesting since it is uncommon to examine only *one phase* of a change process i.e. the pre study and planning phase. For organizations to continue the change processes after this phase, we believe it is of importance to identify employee perceptions and understanding of the change initiative. In order for the change to proceed we believe this point will become crucial to investigate. The problem we have found is *how* change initiatives are interpreted and what future implications these interpretations might have in a change process.

The guiding questions when investigating this problem are:

- *How do managers' perception and interpretations impact a particular phase of a change process?*
- *What are the main factors for a change initiative to become "successful"?*

### **1.3 RESEARCH PURPOSE**

In order to make meaningful propositions about how to best implement a change, we argue it is of importance to identify how people make sense of, and interpret change. We are in this thesis about to guide the reader through an insightful story of how a change initiative is perceived and prioritized by managers which we have interviewed. We believe it is important to examine this since members in the organizations might have different perceptions about the meaning of the change initiative.

We have *two* aims with this thesis. The first is to insightfully outline managers' mindsets and engagement in a particular change project and to investigate the consequences that might follow within an organization concerned, to implement a change. To enable this research, we have interviewed managers from different countries and positions, in order for us to gain an empirical understanding of how they perceive and understand this particular change project. We aim to investigate if there are shared meanings regarding the intention of the change and how managers perceive the importance of changing.

Our second aim is concerned to fill a gap which we believe exists in the literature regarding organizational change management. We argue that the interpretative perspective needs even more attention and investigation. For a change to become successful we believe it is crucial to understand employee's interpretations, since their interpretations and understandings might affect the change process. The purpose with our findings is to contribute to the theory with further knowledge and developed insights about the importance to understand people's interpretations within a change process. As a result of our findings we have conducted a model that shows the importance and complexities of peoples impact regarding a change.

## 1.4 OUTLINE OF THESIS



## 2. METHODS AND METHODOLOGY

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*This second chapter's objective is to outline our methodological understanding that our research is based on. Since the thesis is a qualitative case study we believe in the importance of in depth interpretations and to be reflexive. We will inform the reader about epistemological and ontological considerations regarding our research approach and further we will in detail explain how we conducted our interviews and analysis. Lastly we will discuss reflexivity and the complexity behind qualitative research.*

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### 2.1 ONTOLOGICAL AND EPISTEMOLOGICAL FRAMEWORK

Methodology is the concern and base about how to conduct research that is of a qualitative or quantitative nature (Bryman & Bell, 2011). According to Alvesson & Sköldbberg (2009) can ontology and epistemology considerations be the determinants of social science and to define a certain research. The ontological consideration has according to Bryman & Bell (2011:20) a central point which questions if social entities 'can and should be considered objective entities that have a reality external to social actors, or whether they can and should be considered social constructions built up from the perceptions and actions of social actors'. The epistemological consideration is on the contrary questioning what should be regarded as acceptable knowledge – what and how do and can we know? What is knowledge? (Bryman & Bell, 2011).

In our thesis we will depart from an interpretative paradigm where our understandings are based on the experience of actors within an organization, since this paradigm questions whether 'organizations exists in any real sense beyond the conceptions of social actors' (Bryman & Bell, 2011:24). It is interpretations and exploration of different contexts that will build the foundation of our study. Through our interviews, we will gain an understanding of the social context that our interviewees are in. We renounce from the positivist approach since it believes in the cause-effect relationship and *true* objectivism, which would have had an instrumental view of our research phenomenon. This can be seen in contrast to the interpretative perspective, which departs from the understanding of multiple understandings of the human action (Bryman & Bell, 2011; Alvesson & Sköldbberg, 2009). Since our study is based on questions of how people understand phenomenon within a change context, we believe it is important for us as researchers to conduct in depth interpretations of our empirical findings.

Throughout our thesis we believe in a social constructed reality which is something that will influence our research strategy. We understand and also agree on the fact that when conducting qualitative research, the world is seen as socially constructed by individuals interactions (Merriam, 2002). Further we believe that there are no real truths, but multiple realities, because there are subjectivities involved. Since our research will depart from our interest regarding sense making of individuals, one of our aims is to study how individuals understand their environment and their particular social contexts (Sandberg & Targama, 2007). This view will enhance the fact that reality is various and constantly changing where one appropriate way to make sense of it is to understand individuals' subjective meanings and understandings.

## **2.2 RESEARCH DESIGN AND RESEARCH PROCESS**

Our thesis is a qualitative case study where we as researches have taken part in how individuals interpret a particular phenomenon. We are investigating how managers sense making and interpretations impact a change process within the organization IKEA Industry. By our interpretations we wish to understand how people can ascribe meaning to a change phenomenon. We want to investigate whether there are different interpretations of how change initiatives are understood between managers within different position and locations. Below we have in detail described how we have conducted our study in order to gain these understandings.

Our paradigm, as explained, is based on an interpretative approach where our thesis offers a thoroughly investigation of a change process. Since we have a constructionist view we believe there is always room for people's interpretations and sense making of what is happening around them. As qualitative researchers, we believe that we must understand the underlying meanings behind our empirical material. Our paradigm has its origin in the world of hermeneutics which means that we do not rely on objectivism; we are more interested in intuition and to understand the world around us (Alvesson and Sköldbberg, 2009).

Qualitative research is 'an effort to understand situations in their uniqueness as part of a particular context and the interactions there.' (Merriam 2002:5). The key when understanding qualitative research is to understand the importance with the idea that meaning is socially

constructed by individuals in interaction with their world (Ibid). As Alvesson & Sköldbberg (2009) argues, the world does not consist of objective facts since people have their own pre-understandings, biases and other influencing contextual factors. As researchers we are aware of the importance of being objective, but since the world is not objective, there will be difficulties to establish this in complete due to biases, pre-understandings and the ambiguity that lies within. Therefore we cannot rely on objectivity and the explanation of causal connections as within a scientific research. Instead we anticipate understanding the *part* in the *whole*. By this we mean that we will try to understand the whole by interpret the parts, and to understand the interplay between holistic and the detailed picture. Using hermeneutical reading we enable us to gain valuable insights and go beyond the surface of assumptions and objective meanings (Alvesson and Sköldbberg, 2009).

According to Merriam (2002) is the understanding of a situation an end in itself and it is not aimed to predict what happens in the future. With an interpretative approach we will try to understand what it means for our interview participants to be in a particular setting and how the world, in that particular setting, look like for them (Ibid). Our analysis will strive for a deepness of understanding and we will look upon the research process as an interesting journey - where the destination is unsure.

Our methodological aim is to conduct a research where we are interpreting the phenomenon in a realistic environment. Here the boundaries between phenomenon and the context are not given. It is important, when conducting a qualitative research to work with a plan of how the particular study should be designed (Backman, 1998). Since there are multiple ways to conduct this type of research; research methods are neither pre-arranged, nor have a determined design (Bryman and Bell, 2011). For us it will be important to grasp different peoples understanding and interpretations about one main phenomenon. To enable this, we have made a study which looks for similarities and/or differences between our interviewee answers. Therefore we have chosen to build our empirical material based on two main sources; interviews, and secondary data.

## 2.2.1 COLLECTION OF EMPIRICAL MATERIAL

### INTERVIEWS

In order for organizations to understand *how* to implement a change and not only understand *why* and *what* we are interested to find out what pre understandings managers from different countries and positions have about one particular change initiative. The reason for this is because changes involve people with different backgrounds, genders, histories etc., their interpretations about the change will most likely differ. Due to these factors, we argue, change initiatives will most likely be perceived in different ways and perhaps also have an effect of the change process. People are complex phenomenon and so are changes. It is therefore of importance to identify factors behind how people understand changes in order manage changes successfully.

Within our empirical material our interviews has been the most important source. We decided to delineate our empirical investigation by only interviewing managers, but on three different management levels within IKEA Industry. Our thesis departs from the perspective of IKEA Industry; as a producer, and therefore we decided not to interview people from IKEA. We only choose to interview managers from IKEA Industry, and not workers i.e. people that work within the production, is because we believe they have the overarching perspective about the organization. In order for us to gain useful material, managers from different positions from in total 10 countries, were asked the same questions. All together we interviewed 15 people from Swedwood, Swedspan and IID which all are part of IKEA Industry. We have decided to keep our interviewees names confidential and therefore following names in (figure 1) are fictive. This decision was based on a belief that we hoped to gain more reliable answers and to make interviewees feel comfortable.

The first group that we interviewed (see figure 1) was five managers from the Quality Cross Team, which were those who planned the change, and were overall responsible for driving the project. These managers were all from Sweden, however from different production units. The second group of participants was the Local Quality Managers who held the main responsibility of quality at each factory. We interviewed in total six managers from altogether six different countries (Slovakia, Poland, Russia, Sweden, USA and France) who all had this position. The last group of managers was four Factory Managers from Latvia, Hungary,

Lithuania and USA. Our aim with the collection of interviewees was to see whether there are different understandings, perceptions and meanings about the change initiative.

Quality Cross Team	Local Quality Managers	Factory Managers
<ul style="list-style-type: none"><li>• Lisa (ZDC Project Manger)</li><li>• Daniel</li><li>• Gustav</li><li>• Oscar</li><li>• Klas</li></ul>	<ul style="list-style-type: none"><li>• Matthew</li><li>• Jared</li><li>• Mike</li><li>• Douglas</li><li>• Kevin</li><li>• Jane</li></ul>	<ul style="list-style-type: none"><li>• Billy</li><li>• Ingo</li><li>• Hemnes</li><li>• Ivar</li></ul>

Figure 1 - Interviewees

Before we started our empirical investigation, we did not have an official contract with IKEA Industry regarding our research. However prior to our interviews, our contact person, the Project Manager of the ZDC-project, helped us to e-mail managers within different positions and countries explaining who we were and what the purpose with our master's thesis was. Later we also e-mailed the managers with a schedule with available interview times. The ones who replied to our mail, were by us researches booked into an interview via Skype. For us it was important for participants to be able to "pick" an interview time, which suited their schedule. Depending on the participant's mood, context and situation, the respondent's answers might differ.

The interviews lasted less than 45 minutes, and were held in Swedish or in English. All interviews were recorded and within two days transcribed by both of the researches. The interviews were conducted at the researches apartments where both of the researches were asking questions. During the interviews we did not write any notes only commonly used words, and interesting expressions on a piece of paper next to us. This was because we did not want to disturb the interviewee when answering our questions, but also for us to focus on the interviewees answers.

We used a semi-structured interview plan, and ordered open ended questions into themes instead of having specific questions which we followed to the letter (Bryman & Bell, 2011). The themes were framed into five different categories; thoughts of IKEA Industry and the organizational culture, quality, ZDC, Customer satisfaction and change. It was important for



us to ask same questions to all managers from the different groups, since we in the analysis are able to compare and perhaps find different interpretations about the change in general but ZDC in particular, between the different groups. Since the questions were open ended this allowed us during the interviews to add other questions that might appear. After transcribing the interview both researchers met and discussed interesting findings leading to the analysis of the empirical material.

As we started the conduction of the empirical material we entered with pre-understandings about the different groups, and we believed that the members depending on where they worked, their background, country of origin etc. would lead to multiple understandings about our research phenomenon. We chose to interview a diverse group of people, in particular because we believed they would have different opinions and pre-understandings leading to different perceptions about ZDC. We thought that this would create interesting understandings about our specific phenomena that we are investigating.

Through the collection of all our empirical material, we were continuously aware of the downside of conducting interviews through Skype calls. Skype interviews might have disadvantages because you as a researcher are not able to actually experience the face-to-face interaction (Bryman & Bell, 2011; Kvale, 1996). We could for example not grasp the atmosphere and the location or expressions and reactions of the participants. However we know that our interviewees are used to these type of medium since IKEA Industry is an international company where they use a lot of video and phone conferences.

## **SECONDARY DATA**

Besides conducting interviews, we also got access to documents provided for us by our supervisor at the company. These documents helped us gain a better understanding of the empirical case. We had access to a model called “Enable Change the IKEA Way” (ECIW), project directive for the ZDC-project and other material concerning the overarching change project. We also had access to a few power point presentations that introduced us to the “new” organization IKEA Industry, information about the new quality focus and other documents of importance for us.

### **2.2.2 ANALYSIS OF EMPIRICAL MATERIAL**

Our empirical data was our signpost; it guided and enabled us to reach our expectations with the thesis. Our analysis involved a process of interpreting material to enable us to relate to the research question (Backman, 1998). After our interviews with the managers, we researchers briefly discussed interesting findings and answers, and we also recorded these discussions. The interviews were conducted during a three weeks period; however we transcribed all the interviews less than two days after each interview.

When analyzing our collected empirical data, we were aware of possible biases that we might have. Therefore it was very important to carefully transcribe the interviews, and interpret the respondents' own meanings, and not be constrained by our pre-understandings, biases and assumptions. Because we understand that every researcher and interview participant has subjective thoughts and prior understandings. As Alvesson and Sköldbberg (2009) suggests, we tried to go beyond the surface and look for something less obvious. For us, to enable this, we used hermeneutic readings. We would "enter" the analyzing process with our own knowledge gained during our experience, however when carefully transcribing and understand underlying phenomenon, new facts and understandings appeared and our own interpretations slowly diminish.

In the process of analyzing data, we started off carefully by reading through each transcript. When doing this, we made notes about what struck us the most, something that we found in particular interesting or as significant (Bryman & Bell, 2005). Both researches read all the empirical material very carefully through, at the same time writing interesting aspects, quotes, and topics – always keeping our research questions in mind. We also conducted important quotes and expressions to enable the discovery of connections with our guiding questions. Further we tried to identify patterns of interpretations of divergence and look for what was coherent and what was not. Now we were able to discover themes (Ryan & Bernard, 2003). We also had separate documents where we collected each answer from the different managers under the same question. This enabled us to see possible different perceptions, understanding, language use etc. between the different management groups.

## **2.3 REFLEXIVITY AND CREDIBILITY**

When conducting qualitative research it is important to understand the possible weakness that lies within the method. There is a continuous central issue of trustworthiness and it is important to be aware of this both for researchers, but also for readers of qualitative research.

### **2.3.1 REFLEXIVITY**

Being reflexive is one of the central themes throughout our research, since we understand the significant importance of being reflexive. According to Alvesson & Sköldbberg (2009), reflexivity involves a critical awareness of how researchers views themselves, and the awareness of what the researches particular view means for the research and the results. One way of being reflexive is to always interpret and reinterpret our findings from the empirical material (Ibid). We carefully analyzed our empirical material by for example reflects upon the language use, understand the underlying meanings behind, and not focus on facts or casual effects. We continuously understand that there are no real truths or realities since we are conducting qualitative research. Therefore, we must pay close attention to the object, the interview participants, and the social context (Alvesson and Sköldbberg, 2009).

We understand that one main problem with qualitative research is the fact that interviewees might answer questions the way they believe the researcher wants to hear. It is therefore important to stay critical and questionable towards our empirical findings. Therefore we must be conscious and thoughtful about how we choose to ask questions i.e. in what order the questions appear and how we approach the questions. We must further stay critical and questionable towards us as researchers. By being reflexive, we wish to enhance the credibility in our research.

### **2.3.2 CREDIBILITY AND TRUSTWORTHINESS**

In order for our thesis to be trustworthy, we will take a reflexive standpoint and stay critical to our findings and go beyond the surface in everything we read, observe and write. *What are our interviews actually telling us? What is the meaning and understandings behind members' thoughts and feelings?* We do not take our empirical material for granted; instead we will analyze our data with a skeptical view.

Based on our social constructed reality, we understand that subjectivity is comprehensive within the interpretative paradigm and that no objective truths can be established. All research is therefore based on interpretations made by different actors. Therefore different evaluations have to be done in order to conduct a credible thesis (Alvesson & Sköldberg, 2009).

One way of being credible within qualitative research is according to Alvesson & Sköldberg (2009) to criticize sources by evaluating different criteria. Source criticism is concerning issues such as *authenticity*, *bias*, *distance* and *dependence* which can be used as a way of confirming the credibility of our research. Source criticism is a hermeneutical method that will guide us in our research when evaluating and interpreting both textual and spoken data since it is questioning what is actually being studied.

*Authenticity* is the evaluation whether or not the source *is* a source and whether if it is genuine. Concerning authenticity, we as researchers must always question this. *Bias* refers to the interest that might be conscious or not, of the informant skewing the information. Regarding bias, it is important to understand that the stronger bias are suspected, less value the information will have from that source (Alvesson & Sköldberg, 2009). Moreover it is important to recognize that this implies for both researcher and participants in qualitative research.

*Distance* and *dependence* is concerning the actuality of understanding, and in both cases 'the researcher asserts her ability to interpret the event better than the informant' (Alvesson & Sköldberg, 2009:112). Since our interviewees are all employed by the case company, the distance criticism will not be an issue. Dependence refers to how many intermediaries that the collected information has passed by. We do not see this as an issue since all our interviews are primary data conducted by us. The main event that we are discussing is moreover on top of the agenda for the whole organization.

## 2.4 GENERALIZABILITY AND APPLICABILITY

Bryman & Bell (2011) is questioning whether one case study can represent and be generalized to other companies. The authors argue that the study cannot be generalized in complete, but represent a class. Also Yin (2003) is emphasizing this fact and argues that it can provide a limited side and no diversity when studies have difficulties to be replicated. This is something that we as researches are aware of.

When being interpretive it calls for our attention to understand underlying meanings of interviewees answers. It is the participants and their subjective understandings that have the empirical focus in our study. Our findings are not aimed to be for complete generalization but can be used as inspiration and insights for other companies facing similar situations. It can help other organizations to the very importance of understanding complexities early in a change process regarding the people aspect embedded within change.

Our *knowledge contribution* will aim to influence theories regarding our discussed topics, such as organizational change management and to understand the people within a change process. As a result of our findings we have conducted a theoretical model that will contribute to the literature, and also it will help organizations how to establish and communicate the change.

## 3. LITERATURE REVIEW

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*This third chapter of the thesis will introduce the reader to various theories and concepts which we have found important when enabling the analysis of our empirical findings. We believe organizational change management, leadership, sense making and organizational identification theories will reflect our empirical findings and further guide us through the upcoming analysis, discussion and recommendations.*

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### 3.1 ORGANIZATIONAL CHANGE MANAGEMENT

For organizations to maintain their position on the market, they are in a constant need to adapt to an ever changing environment (Palmer et al, 2009; Sveningsson & Sörgärde, 2013). Triggers to changes can arise both from external pressures but also internal demands (Sveningsson & Sörgärde, 2013). Many authors even say that changes never start because it never stops (Tsoukas & Chia, 2002; Weick and Quinn, 1999). New threats and opportunities will continue to arise, and organizations are therefore always in a struggle to find new ways and strategies to enable new routes to success, and let go of the old reality (Sandström, 2000). However, still approximately 70 % of all change initiatives fail (Beer and Nohria, 2000). Therefore organizational change management has become an important and increasingly common field to study (Palmer et al, 2009; Sveningsson & Sörgärde, 2013).

There are many theories that questions why organizational change fails. According to Weick and Quinn (1999) is there a tension within the discussion if the failure of an organizational change is a result of people who do their jobs wrongly. They say that change would not be necessary if people managed to do the right thing from the beginning. Schneider et al. (1996) for example say that there are mainly two factors that determine if a change is to become sustainable or not. They argue that it depends on the prevailing conditions and the way that the change is introduced. The human aspect of how people understand changes are also according to Weick (1995) an important factor to consider when changing.

#### 3.1.1 THE PLANNED AND PROCESS APPROACH TO ORGANIZATIONAL CHANGE

When doing research on the organizational change management field, many authors talk about the distinction between a planned and a process approach on how to view change. The planned change is characterized as a change that is possible to control, and where the

outcomes are predictable and reliable (Alvesson and Sveningsson, 2008; Palmer et al, 2009). Further a planned change model illustrate and assume that managers are the primary source of organizational change. Managers purposefully initiate and implement changes in order to improve organizational performance and to become aligned with the environment (Orlikowsky 1996).

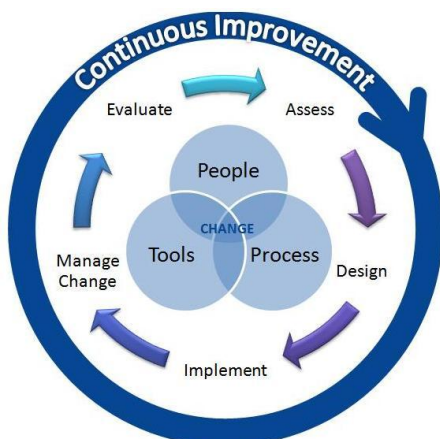


Figure 2 – Unfreeze-change-refreeze

This visualization (figure 2) is a classic planned n-step model established by Kurt Lewin, in 1951. In order to

facilitate managerially initiated changes (Sveningsson & Sörgärde, 2013) the *unfreeze* phase ensure that employees are ready for change. The *change* phase executes the intended change and the *refreeze* phase ensures that changes become permanent (Sveningsson & Sörgärde; Palmer et al, 2009).

According to Alvesson and Sveningsson (2008) there are many change models presented that suggest a simplistic view of organizations. Besides the classic *unfreeze-change-refreeze* model by Lewin, is Kotter’s eight-step change management model a typical one (Kotter, 1995; Palmer et al. 2009). The ambiguities around how to achieve successful change is managed by following a rule of eight steps (Kotter, 1995). Kotter believes that his framework can be used to simplify the change process, where none of the steps are to be neglected since that will create an illusion of speed, however never produce satisfying results (Palmer et al. 2009). However, Weick (1995) understands change not as something that is to be managed and able to control, instead change needs to be tailored to the particular situation and context of the organization. Opponents to the planning approach criticize the planned perspective because it is managed separately from ongoing processes that happen within every organization. Change should rather be treated as a normal condition of organizational life instead of something that is steady and stable (Tsoukas and Chia, 2002).



This illustration to the left (Figure 3) shows a typical process perspective of change where there is multiple factors involved and taken into consideration. On the contrary to the planned and static perspective where models are to be used as a tool in the change management process,

Figure 3 – Visualization of change as a process

there is a second approach on how change can be perceived. This view is characterized by a change perspective as emergent, processual and local (Weick and Quinn 1999). It differs from the planned, since there is nothing that can be called “one best way” of producing organizational change. Instead, theorists who support this second view, argue that the ‘style of change will depend upon the scale of the change and the receptivity of organizational members for engaging in the change’ (Palmer et al 2009:229).

Boje et al (2012) argues that the emergent and processual approach perceive change as continuous, dynamic and contested process that ‘emerges in an unpredictable and unplanned fashion’ (Boje et al, 2012:133). This perspective takes an interpretative stand to enable the muddled nature of organizational change. Change seen from a process approach has in recent years, accordingly to Sandström (2000), become a commonly used buzzword. The reason behind this claim is because reality is no longer perceived as something stable and fixed (Ibid.). Instead it has become more common to talk about organizations as open and dynamic systems (Alvesson & Sveningsson, 2008). Before, change was mainly treated as exceptional rather than something natural. However, today's organizations are, according to Tsoukas and Chia (2002) always in a state of change. No matter if a change is planned or perceived from a processual perspective, for it to “stick”, it needs to be seen as something that should become the new normality within an organization. ‘It needs to become baked into the company’ and accepted by the people that are affected by the change (Palmer et al. 2009:355).

### 3.1.2 THE INVESTIGATIVE MODEL OF MANAGEMENT AND CULTURAL WORK

Below we have illustrated a change process (Figure 4) with inspiration from the book “*Changing Organizational Culture*” by Alvesson & Sveningsson (2008). We believe that this visualization can capture a particular change context and the process that organizations are going through. One aim with the model is to uncover complexities and challenges when changing organizations (Ibid).

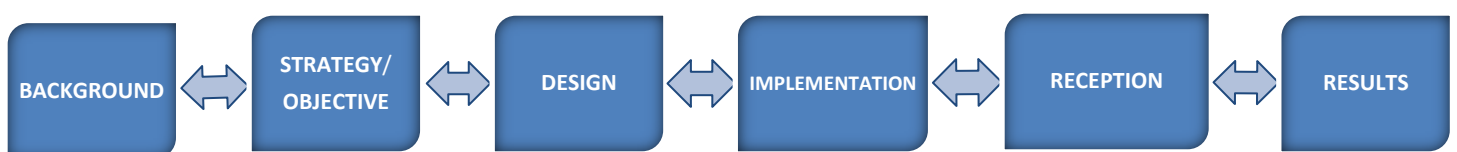


Figure 4 – The Investigative Model of Management



This model is according to Alvesson & Sveningsson (2008) aimed at capturing the content of cultural programs, and it is not meant to be understood as a linear process with fixed steps. Rather it is meant to gain an understanding of the different phases that organizations are going through when changing. This model also connects to Weick (1995) theory regarding sense making and how things can be reinterpreted during the process by organizational members.

### **3.1.3 CHANGING ORGANIZATIONAL CULTURE**

What many authors agree upon is the fact that organizations must change or they die (Beer & Nohria, 2000; Sveningsson & Sörgärde, 2013). Too often when change is implemented, there are high expectations of an improved performance, but the promised result do not always mirror the outcome of the reality. According to Schneider et al. (1996) many changes that are introduced by top-management sometimes lead to unfulfilled hopes which can create cynicism by employees and frustration among management.

Attempts to change organizations can be done in different ways. One way that organizations might introduce changes, is for example to change the employee's attitudes towards change (Yukl, 2002). This might be done by training, team-building activities or doing culture change programs. The underlying assumption when doing a cultural change is that new attitudes and skills will cause behavior to change in a beneficial way (Bowditch et al, 2008). However, to change an organizational culture is a very complex and ambiguous phenomenon, and one reason for this is because organizational culture is hard to measure and manage (Alvesson & Sveningsson, 2008). Managers must therefore understand the complexity behind cultural changes, and realize that it will take time to implement. Managers should furthermore be skeptical towards the idea of an overall and united organizational culture (Ibid).

Alvesson & Sveningsson (2008) states that the general concept of organizational culture is about shared meanings and symbols. Organizational culture can often either enable or hinder the possibility of implementing strategy and accomplish change (Alvesson & Sveningsson, 2008). Usually larger change initiatives in an organization lead to changes in the organizational culture (Yukl, 2002). Alvesson & Sveningsson (2008), for example, believe that organizational culture is important to consider when trying changing an organization.

Yukl (2002) argue it is easier to create and introduce a culture to a young organization, with the assumptions that the culture has been internalized by current members. In these types of organizations the culture will evolve slowly over the years, and eventually when the organization becomes more mature, the culture will become unconscious and less even. One reason for this is subcultures that might develop in different subunits, which can hinder the organization from being able to adapt and adjust to a changing and demanding environment. In mature organizations it is more difficult to change the culture, because of already established unconscious and implicit underlying beliefs and assumptions that people have (Ibid).

As subgroups are formed there might become deviations between employees about what the cultural change is all about. Alvesson & Sveningsson (2008) argues that management sometimes describes and uses characteristics of organizations that often are not anchored with the reality. These are instead more or less seen as superficial. Organizational characteristics might according to the authors be descriptions such as “*we are customer-oriented, we are quality leaders*”. But what does this actually mean? However does the organizations member understand these simplified descriptions that are being expressed by the leaders?

The perhaps hardest thing to change is the mindset of an employee (Sandberg & Targama, 2007). Often a change “seems” to be successful if management can detect success through measurements. However, what might be forgotten is how people make sense of the change. This sense making approach will influence and effect the implementation of the change and how employees work even in the future (Weick, 1995). Schneider et al. (1996) believes when enabling a sustainable change, one needs to look through the climate and cultural lenses. Their main point is that organizations are the people in them and therefore if the people do not change, there will be no organizational change. In order to be able to change this climate within the organization it is important to change the organizational members believes and what they believe their organizations values are. This, according to Schneider et al. (1996), is what constitutes the organizational culture.

*“Much reasoning on cultural changes takes the position of how to change “it” the organizational culture, or “them” the masses, but rarely asks the questions of how we should change “us” i.e. top management and staff.”* (Alvesson & Sveningsson, 2008:43).

Alvesson & Sveningsson (2008) discuss cultural levels of change where they emphasize the importance of understanding, beliefs and informal meanings. The authors argue that it is important to carefully consider meanings, actions and experiences of *all* involved actors i.e. from management to workers when changing the culture. To consider the culture of an organization means to 'go beyond the surface and look at the meanings, definitions and identities of the people involved' (Alvesson & Sveningsson, 2008:4). There are many factors within an organization that needs to be understood before a change can be implemented successfully. For example the social processes between managers as the change recipients and the people in the organization that tries to make sense of the change (Balogun & Johnson, 2004). It is not enough only to look at the measurable variables of change. We will therefore in the next section highlight the importance of also to take the people aspect of change into consideration.

### **3.2 SENSE MAKING IN ORGANIZATIONAL CHANGE CONTEXT**

Changes within organizations are as we know many times very complex, time consuming and challenging. During the process of change it is important to gain an understanding of how organizational members perceive the change (Weick, 1995). When trying to understand how people within organizations understands changes, the sense making aspect is of utmost importance to discuss and analyze since it can be used as a "tool" to gain an understanding of people within organizations (Alvesson & Sveningsson, 2008; Sveningsson & Sörgärde, 2013).

Sense making is described as the process where people give meaning to experience, and it pays attention to how people produce and reproduce the organization (Sveningsson & Sörgärde, 2013). Weick (1995) describes the organizational sense making approach as a developing set of ideas with explanatory possibilities. The process approach to change has a central dimension of sense making since it highlights the importance of people (Weick et al. 2005). Balogun (2006) argues that change recipients play a large role when shaping and creating change outcomes. It is how employees understand what is going on that will influence the outcome. Sense making should be perceived not as fixed and stable, rather as changing an ongoing process (Sveningsson & Sörgärde, 2013; Sandberg & Targama, 2007; Weick, 1995).

### 3.2.1 SYMBOLIC LEADERSHIP AND SENSE MAKING

The managerial role within the context of sense making can according to Palmer et al (2009) include communication about the change to employees and further to send out the message about what is going on. Managers provide meaning which can help employees to make sense of events. As Weick et al (2005:238) states 'Management sees what the front line says and tells the world what it means. In a newer code, managers do not create change. It certifies change.'

Manager's role within the sense making discussion can be seen as assisting individuals and inspiring them when developing their own understandings. 'Leadership situations may be conceived as those in which there exists an obligation or a perceived right on the part of certain individuals to define the reality of others' (Smircich & Morgan, 1982:261). Therefore leadership is primarily about managing a meaning (Smircich & Morgan, 1982, Sandberg & Targama, 2007; Weick, 1995). If members understand what will happen, why, and what is expected of them, then the change process might go smoother (Palmer et al, 2009).

The challenge for managers is to consider and be aware of that interpretation within organizations will vary (Balogun & Johnson, 2004). As Araujo & Easton (1996:371) states 'The primary task of management is...to construct a discourse of corporate coherence' and this especially when organizations are going through changes. Managers will never be able to completely manage individuals' sense making and interpretations, but they can influence and inspire them by giving their own interpretations of the situation. The challenge for managers is therefore to communicate a coherent message and vision regarding the change (Dunford & Jones, 2000; Johansson & Heide, 2008).

*"Leading change is one of the most important and difficult leadership responsibilities. Effective leadership is needed to revitalize an organization and facilitate adaption to a changing environment."* (Yukl, 2000:273).

There is a growing interest to look at how change is managed, not in terms of traditional rational planning models, then instead to consider and explain how change is managed in terms of the cognitive, cultural and political context within organizations. Here symbolic activities take an important part (Johnson 1990; Armenakis et al. 1996; Smircich & Morgan, 1982; Gioia et al. 1994). According to Armenakis et al. (1996), these symbols can effectively

serve as triggers for cognitive and behavioral change. Symbols appeal to emotions and fantasies, and further they can work as making things specific, less abstract and make certain context easier to remember (Alvesson & Sveningsson, 2008).

According to Gioia et al. (1994), much of the human understanding occurs through the use of symbolic social processes. The organizational symbols are aspects of the organizational culture and used by employees to enable unconscious actions, values and feelings in a clearer notion (Armenakis et al.1996). Gioia et al. (1994) and Armenakis et al. (1996), claim that this representation becomes symbols´ of meaning and they say that symbols are basic to the process of sense making.

Organizational situations may be described as complex patterns of meanings, where interpretations will differ depending on who you are, but also because of that situation might be interpreted differently (Smircich & Morgan, 1982). When people are told to be changed, for example to change their thinking and acting, it is important that the new change has to make sense in a particular way which reminds the employee of the previous experience. Symbols can therefore be used as ´a bridge between the familiar and the strange´. (Gioia et al. 1994). However leaders try to define the reality of others, it is out of the leader’s power or control to be able to know how the employee understands the message and the meaning the leader provides (Smircich & Morgan, 1982). Symbolic leadership aim at providing employees with a common pre understanding and a frame of interpretation. The leader’s actions might generate different interpretations that will set the basis for meaningful action (Wrinkler, 2009).

*“...managers need to recognize that no matter how well developed their change communications skills are, they will not necessarily be enough to resolve deep underlying differences within an organization or among external stakeholders who hold fundamentally different world views” (Palmer et al 2009:323).*

´The key challenge for a leader is to manage meaning in such a way that individuals orient themselves to the achievements of desirable ends.´ (Smircich & Morgan,1982:262). When leaders face this challenge the use of events, language, rituals, drama, stories, myths and symbolic constructions might play an important and significant role. These constitute, according to the authors as important tools in the management, further they can facilitate the

creation of methods of organizational actions. Symbols can assist members to define and understand their role within an organization. Leadership depends likewise as much on these types of methods than methods like instrumental ones such as direction and the control of employees (Smircich & Morgan, 1982). Leaders and their actions are themselves symbols, and therefore subject to interpretations by followers in order to result in an appropriate behavior (Wrinkler, 2009). What should not be forgotten is that leadership is not simply a process of acting or behaving, or a process of manipulating rewards. Leadership is a process of power-based reality constructions and needs to be understood in these terms (Smircich & Morgan, 1982).

### **3.2.2 SHARED UNDERSTANDING**

During a change process, it is important for organizations to establish a *shared understanding* of what is happening (Sandberg & Targama, 2007). Smircich & Morgan (1982) argues that by creating a shared system of meaning about what the company is supposed to do is essential for achieving high individual and collective performance. It is simultaneously an individual and social process – we have our own world view but it is developed and influenced by others. This collective and shared understanding can become crucial for changes to be developed and maintained. However, there must also be an understanding that people will make sense and interpret phenomena differently (Balogun & Johnson, 2004).

Brown & Humphreys (2003) and Dunford & Jones (2000) emphasize the importance of investigating how members make sense of a change, and they are discussing narratives as a way of doing this. By focusing on the narrative aspect, for example repeating messages, organizations can shape whether members perceive the change commonly or differently. As people speak, and build narrative accounts, it helps them understand what they think, organize their experiences and control and predict events (Weick, 1995).

How can organizations change or develop an established understanding and sense making? As Weick (1995) and Gioia et al (2000) argues, sense making is an ongoing activity. However are these activities often about refining existing understandings. According to Sandberg and Targama (2007:115) ‘events that calls for reflection are needed in order to change understandings’.

### 3.3 ORGANIZATIONAL IDENTIFICATION

Identity and identification is a concept that has become largely recognized in today's social science, where organizational phenomena of meaning are strongly linked to these concepts (Sveningsson & Alvesson, 2003). It has become a central concept to describe the behavior of organizations and their members (Gioia et al., 2000), and to enhance that the development of identity is a social and socially constructed process (Whetten & Godfrey, 1998; Weick, 1995).

*“Organizational identification is the degree to which a member defines him- or herself by the same attributes that he or she believes define the organization.”* (Dutton et al, 1994:293).

Identification is concerned with the question ‘how do I come to know who I am in relation to you?’ (Whetten & Godfrey, 1998:171). It often refers to define people (I) in organizations that the person works in. Identification is important since it can help us make sense of our world and make decisions (Cheney, 1983). It can further be seen as a process where individuals link themselves to elements in a social scene (Cheney, 1983; Sveningsson & Alvesson, 2003). This process is often occurring through language as an expression of similarities or connections with particular groups, including organizations (Cheney & Tompkins, 1987).

One conceptualization is, according to Pratt (1998:172), that ‘identification involves an individual coming to see another (individual, group, object) as being definitive of one’s own self.’ When individuals beliefs about his or her organization becomes self-defining i.e. the individuals beliefs integrate with organizational beliefs into ones identity, is when organizational identification occurs (Ibid). A reason why individuals seek to identify to organizations is because it might create a feeling of safety, belongingness, self-esteem and meaning (Pratt, 1998).

Organizations must stimulate identification sources to facilitate their functioning, and to enable identification there has to be targets to identify with (Cheney, 1983). Examples of these can according to Pratt (1998) be organizational leaders, values, symbols or products. When employees are constructing their identities, the *identity work* is produced both by the inner self, but also through how you perceive and become perceived by others, the social

identity theory (Ashforth & Mael, 1989, Whetten & Godfrey, 1998). These authors argue that identification with a group can arise by comparison to others, where social groups and organizational belongingness forms identity.

### **3.3.1 MANAGING ORGANIZATIONAL IDENTIFICATION**

Identification is important since it highlights the relationship between identification and commitment to the organization (Tompkins, 2005; Pratt, 1998). If there is an identification source within an organization, then employees can establish positive attitudes which might involve increased motivation, loyalty, pride, trust, job performance, individual decision making and commitment to the employer (Cheney, 1983; Alvesson & Willmott, 2002). The authors' further argue that these factors might affect the productivity, employee satisfaction and effectiveness within the organization. When organizational members are strongly identified with the organizations goals, vision, values and objectives then members are more likely to behave accordingly to organizational needs (Cheney & Tompkins 1987; Empson, 2004). Organizations can therefore greatly benefit from inducing identification within their members.

Organizational identification can be perceived as a way of organizations to control employees. According to Alvesson & Willmott (2002), can employee identities be regulated in a way that they align with managerially defined objectives and goals to establish commitment to the organization. This Identity regulation by organizations can be seen as a way of normative control through efforts of managing organizational culture by communicated values in mission and vision statements (Alvesson & Willmott, 2002). If an organization has a strong culture and values, Pratt (1998) argues that these factors can work as regulating effects and have vital influence on identification and commitment where employees feel a sense of belonging which can result in motivation.



## 4. EMPIRICAL MATERIAL AND ANALYSIS

*In this chapter we will present the case company IKEA Industry. Then we will analyze our empirical material concerning how manager make sense of the change initiative to create zero defect culture and further how quality is prioritized to them. The chapter finally concludes with an analysis of the organizations current situation within the change process and how IKEA Industry can continue further.*

### 4.1 PRESENTATION OF THE CASE COMPANY – IKEA INDUSTRY

IKEA Industry is a home furnishing manufacturing company owned by, and a producer to, the Swedish furniture-giant IKEA. In 2012 the organization produced a total of 100 million home furnishing products, distributed around the world. The range of products includes well-known IKEA furniture such as LACK, BILLY, FAKTUM, APPLÅD, MALM, PAX and many more. In the next section we will describe the background of the organization, their current situation and where they are heading today.

#### 4.1.1 THE ESTABLISHMENT AND INTEGRATION OF IKEA INDUSTRY

IKEA Industry was established in September 2011 after the merger of three organizations; Swedwood, Swedspan and IKEA Industry Investment & Development (IIID). The merger is illustrated in figure 5. The vision with the merger was to optimize the industrial operations with more integrated and effective ways of working together with IKEA. The organization was established in order to have three main *roles*. The first role is to create outstanding customer value where both price and quality is prioritized. The second is to create capacity for growth opportunities internally. Finally, the third role of IKEA Industry is to add efficiency and production competence to IKEA. IKEA Industry should continuously work towards creating great home furnishing offers with the right quality to a low cost; where the primary task is to ensure production capacity for their customer IKEA.

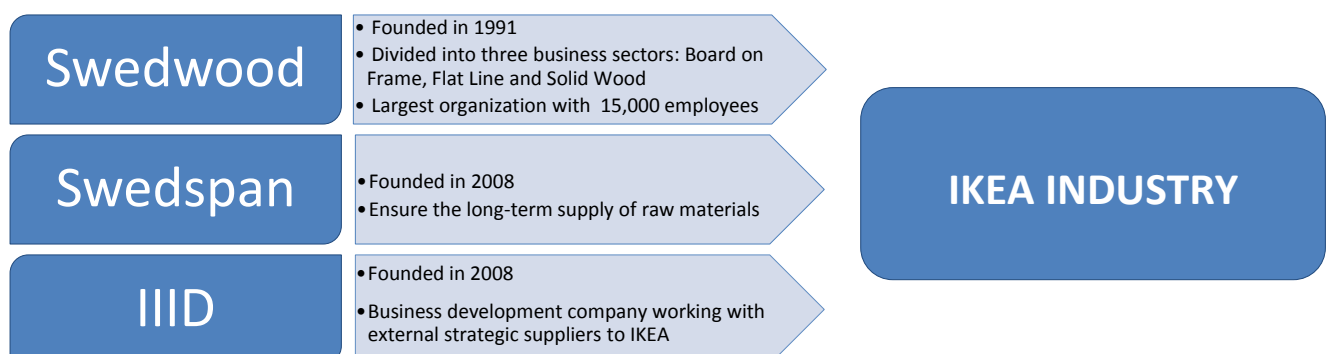


Figure 5 - The merger of the three organizations into IKEA

IKEA Industry’s organization structure is simplified and flat with one management structure for Swedwood, Swedspan and IIID. Top-management of IKEA Industry believes that their organizational structure will support them to become more efficient in their cooperation within the industries, making use of the different competencies and synergies. IKEA Industry will also be able to contribute to the whole value-chain by having the industrial know-how within the organization.

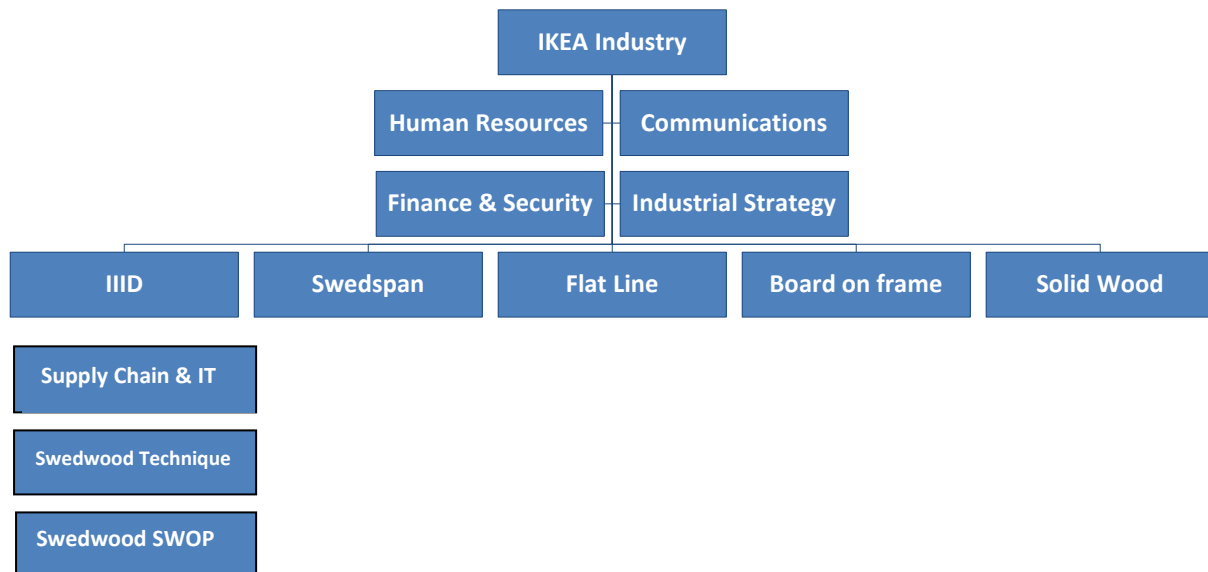


Figure 6 - The organization of IKEA Industry 2013-04-25

There are many reasons behind the integration; one is to produce products with high quality and low defects to reasonable prize. IKEA have high expectations on their producers. However, IKEA Industry has not fulfilled all of IKEAs expectations since there has been a lot of claims and returns of products. This illustrates the lack of quality awareness among IKEA Industry’s factories. As a result from this, IKEA Industry’s top-management has together with IKEA established goals. These indicate that the new organization has substantially high demands, particularly within the production units. The main goals of how to create quality awareness, is to decrease the COPQ (Cost of Poor Quality) with 25%, to decrease the overhead cost with 25%, increase operational efficiency with 25% and increase capacity utilization with 25%. Finally they want to decrease the material costs with 2%. According to the plan, this should be accomplished before the end of the financial year 2015. Major changes, due to negligence of quality in the factories, needs to be done. In order to accomplish these goals and to become the “leading *supplier*” (Billy, Factory Manager), IKEA

Industry has to work on how to change *behavior and mindset* – to create quality awareness among all employees.

## **4.2 THE CHANGE – THE CREATION OF A QUALITY CULTURE**

One of the major changes when becoming IKEA Industry was an enhanced focus on improved quality within the production *instead* of producing high volume. IKEA Industry has a history of being industrialists with a focus on producing large volume of products, whereas IKEA are really good at selling and are very cost-conscious. We have found some evident differences between IKEA and IKEA Industry's organizational cultures. Project Manager Lisa said: *'workers did, before the integration, focus more on producing high volume in the production, instead of the quality of the final product'*. This technical and volume focused perspective need, according to Lisa, be changed: *'We need to become more aware of the cost of claimed products due to bad quality - customers that are not satisfied, they cost'*. Gustav, Quality Cross Team, also emphasized this issue: *'our workers should rather find quality as a priority in the production and to always keep quality in mind'*.

Due to the problems of not producing sufficient quality, the new organization IKEA Industry has decided to introduce a change initiative. The main focus of this change is for all employees to understand the importance of producing quality, rather than only produce high volume. The aim with this change initiative is to create a quality culture where the output should result in a new behavior among all employees. *'We are now approaching a change: we need to improve quality and cut cost.'* (Oscar, Quality Cross Team). Dan, a member in The Quality Cross Team told us they need to change a behavior to improve the new focus on quality: *'this is what the change is all about'*.

### **4.2.1 THE CHANGE - PROJECT 1**

The trigger behind this change; to become more quality focused, is to meet continuous pressure from IKEA to produce quality products to a competitive and low price. The change initiative involves to *'put quality on top of the agenda for all management teams and to create satisfied customers'* (Oscar, Quality Cross Team).

The *focus on quality* involves five projects. One out of these five projects has been examined, namely: *to create a Zero Defect Culture (ZDC)*. IKEA Industry's aim with the ZDC-project is: *'to have one coherent picture of what a defect is'*. The new organization want to create a zero defect mindset and culture in order to enable outstanding customer value, capability to deliver the right quality and precondition for future growth and for sustainable solutions (Product Directive – Zero Defect Culture – Step 1).

Lisa, who is the ZDC-Project Manager, wishes that the results of this new focus should culminate into the creation of a different mindset and a new organizational culture. If employees change their mindset according to the change initiative, the project team anticipates a new behavior among employees.

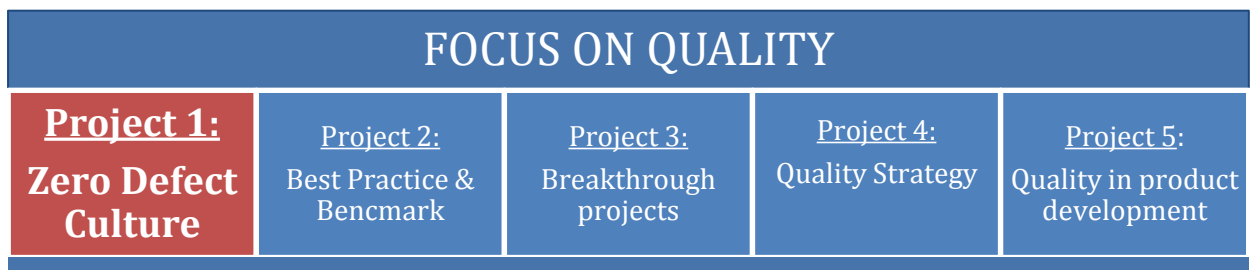


Figure 7 – Focus on quality

For the organization to establish this new mindset the project team are planning to have workshops and educations for factory management. According to Quality Manager Dan, managers within IKEA Industry are supposed to be role models for the zero-defect mindset. Change recipients play a large role when shaping and creating change outcomes (Balogun, 2006). However the one challenge when facing the change is to include every employee in the change process. A Quality Cross Member said: *'How does the whole picture look like, and how do employees actually see the importance of producing quality today? We are afraid that they don't understand the whole picture of the project. It is important to include everyone'* (Dan, Quality Cross Team).

When changing a mindset there has to be a consideration aligned with the opinion of Sandberg & Tagmara (2007) and Alvesson & Sveningsson (2008) that changing a mindset takes time and is easier said than done. A model called *Enable Change the IKEA Way* was recently introduced by IKEA as a change management tool to enable the planning of the

change process. This model ought to be used in order to facilitate changes - such as this currently prioritized quality project.

#### 4.2.2 ENABLE CHANGE THE IKEA WAY - A PLANNED CHANGE MODEL

When we asked Lisa where in the change process IKEA Industry is she said: *‘We have a project directive that explains the “why” and the “what”, but we do not know the “how”. I would say we are in the very beginning of the change`*. She told us that the project team, which is preparing for the change, does not know how the rest of IKEA Industry perceives the importance of producing quality. It might be the case that some employees don’t see the need in producing better quality and meet customers’ expectations. If this is the case; how should employees agree upon changing a behavior – and follow the project directive: to create a new quality culture? During the beginning of a change it is vital for all employees to understand how organizational members perceive the change (Weick, 1995).

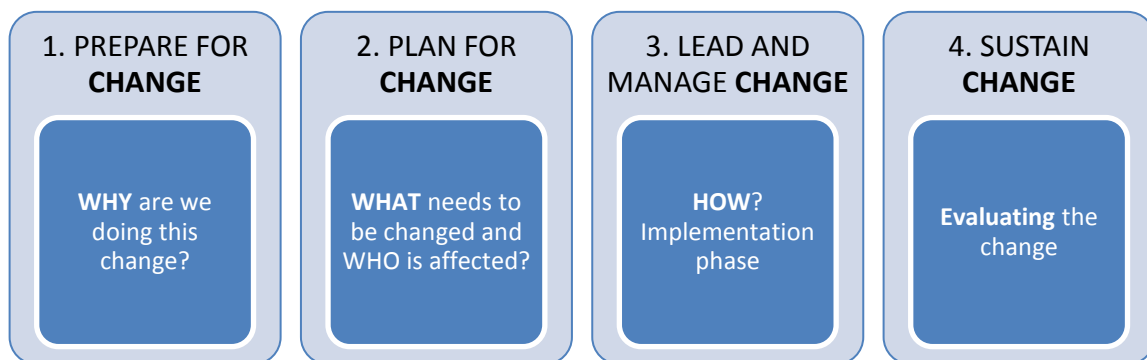


Figure 8 - Enable Change the IKEA Way

A planned change model, like Enable Change the IKEA Way, can be used as a tool for managers to plan for the change and make employees aware of the change intentions. According to Alvesson & Sveningsson (2008), models like these are supposed to follow certain linear steps. These authors argue that many change models assume that it is possible to control the change process where changes are seen as predictable to detailed planning. Kotter (1995) claim: the outcomes are more or less predictable when the organization has followed each step without neglecting any steps.

In the next part we will investigate how managers within IKEA Industry perceive the importance of producing high quality. How people understand changes are also an important factor to consider when introducing a change (Weick, 1995).

### 4.3 THE CURRENT QUALITY AWARENESS WITHIN IKEA INDUSTRY

We are interested to find out how managers make sense of the ZDC-project and what pre-understandings they have towards the change initiative. How people prioritize and talk about quality will have an impact of how the change is made sense of by employees (Palmer, 2009).

#### 4.3.1 THE ZERO DEFECT CULTURE PROJECT

Quality Manager Matthew said: *'Within my factory, quality means to fulfill claims that customers have on the product they purchase from us.'* Another Quality Manager, Mike, said that quality means to meet customers' expectations and to ensure that an increasing number of customers are visiting IKEA. *'To me it is about continuously improving and work effectively, i.e. to have a focus on becoming better and better.'* (Matthew, Quality Manager).

When we asked managers why they believed ZDC was a prioritized project Quality Manager Matthew said: *'It is about IKEA, and the customer satisfaction. It is about the money and what quality defects will bring.'* Another factory manager mentioned another reason why the project was important: *'It is about being a good example to other suppliers of what is possible to achieve.'* (Billy, Factory Manager). Quality Manager Douglas further said: *'Damages in the stores are very, very high. We need to work together in order to know why it happens and what we could do better.'* Only one manager made us explain what the project was about: *'I have not got that much information about the project, more than on the intranet and through e-mail. Therefore I don't really understand what ZDC means, but I am aware of quality in my factory'* (Hemnes, Factory Manager).

*'In order for the ZDC-change to be successful employees need to have the right mindset, and not believe that we have become as good as we can. It is always possible to continuously improve.'* (Matthew, Quality Manager). Hemnes, a Factory Manager, said that her factory continuously strives to become better and more efficient: *'You have to grow every time, every month, every year. You can't stop. You have to grow. With quality, with performance with efficiency.'* This can be perceived aligned with Tsoukas and Chia (2002), who argue that changes are continuous, ongoing and should be seen as an everyday natural process – with no beginning and no end. Since organizations constantly need to meet internal and external demands, there is a need for ongoing adaption (Palmer et al, 2009).

Working towards ZD must not, according to the Quality Cross Team, only include the technical parts, such as measuring defects in the production. We have during our interviews noticed that many managers believe that before the integration of IKEA Industry, the factories rather produced high volume instead of high quality products. Factory Manager Billy said: *'safety is number one, then quality and volume is hand in hand'*. As we can see, there might still be different meanings about what *actually* is prioritized today – is it quality or is it to produce high volume?

Managers seemed in general understand the importance of producing quality products. The general attitude and awareness towards this recently introduced change initiative, was according to our interpretations positive. One Factory Manager said: *'I am looking forward to implement ZDC at my factory. I understand that it takes time and a lot of communication to do it. Everybody should understand what it means and everybody should stand behind it.'* (Ingo).

To conclude, we can see that people within IKEA Industry define the importance of producing quality differently. This will according to Weik (1995), become an issue when trying to gain a complete and in common picture of the change. As Johansson & Heide (2008) argues, change initiatives can become unsuccessful mainly due to shortcomings in the internal communication. Some managers talked about quality in a very passionate and explanatory way. While others talked about the change towards producing better quality in terms of how to improve numbers and measurements.

#### **4.3.2 DIFFERENT INTERPRETATIONS**

We have seen both factory managers and quality managers stating this issue of how to communicate the importance of ZDC. There was however confusion among managers regarding how they should enable workers to prioritize quality. Some managers stated that they believed workers did not seem to understand the importance of changing behavior and become more quality focused. A Quality Cross Team member stated: *'Workers who have been in the organization for a long time are therefore hard to change.'* (Dan).

What seems to be in common by most of the managers is that they believe workers do not always understand the importance of producing good quality. *"I see that I have to work with*

*employees, especially the workers and make them understand the importance of producing good quality”* (Jane, Quality Manager). Since it seems like workers are not prioritized quality, introducing the ZDC-change will become a challenge for managers. Mike told us that he was not sure how to communicate the change initiative: *‘I wish to have a clear vision, mission and strategy on how to implement the ZDC. Further I wish to have goals and general information of what is expected from us – both managers and workers.’* (Mike, Quality Manager).

We have seen that some managers talked about quality as something that comes very natural to them in their everyday work. *‘Quality to me is a natural part that always comes before volume’* (Ivar, Factory Manager). Whereas other managers talk about quality as something that is already established: *‘At my factory we deliver without any quality problem. We eliminate as soon as it appears.’* (Hemnes, Factory Manager). We have also heard that the importance of quality lies within fulfilling claims, work effectively and meet customers’ demands. No matter how well managers perceive quality within their factories, a change needs by *every* employee to be seen as something that should become the new normality within the organization. It needs to be accepted by the people that are affected by the change (Palmer et al, 2009).

How people define quality might depend on people’s position, prioritizations, number of years within the organization and further what factory and country they work at. Quality as such and in particular “Zero Defect Culture” is difficult to define with *one coherent* answer. The most striking fact we found was that managers did not believe workers prioritized quality as much.

### **4.3.3 THE AWARENESS OF IKEA AND THE FINAL PRODUCT**

Before the integration of IKEA Industry, Swedwood, Swedspan and IIID were all separate organizations, however all manufacturers to IKEA. During our interviews we did some interesting findings. According to Factory Manager Billy, he emphasized an issue where he believes workers sometimes do not understand to who they produce. Factory Manager Hemnes said: *‘one challenge for workers in the production is to understand who IKEA is’*. In the country she operates, there are no IKEA stores and the absence of IKEA is an issue. Factory Manager Ivar who works in another country also enhanced the same issue about that



the workers in the production do not know who IKEA is: *'At my factory it is difficult to prioritize satisfied customers. Many of the workers have never been to an IKEA store. This is a problem for us.'*

Besides not knowing to whom workers produced, we have seen a lack of understanding towards the final product. *"The workers have to learn that the piece we produce one day will be a complete product"*, Quality Manager, Jared said. *'We need to teach people here that the board they produce will become furniture which will be sold in the IKEA store'*. (Jane, Quality Manager). The issues on one hand seemed to be that employees did not always understand who IKEA is and on the other hand what the final product look like. *'Many of our workers have never been to an IKEA store and therefore they do not understand the concept of IKEA'* (Ivar, Factory Manager). *'Some employees that used to work for Swedwood believe that they still work for them and not IKEA. We must integrate more to IKEA in order to understand what IKEA wants!'* (Lisa, Project Manager).

We can through our interviews interpret that managers enhance the continuous issue that workers at some factories do not know to whom they produce. One of the reasons for the merge was as we know, for employees to become more integrated with IKEA. Almost two years after the integration, this still seems to be an issue for IKEA Industry.

#### **4.4 COMMUNICATING QUALITY**

The previous sections of our fourth chapter have helped us to gain an understanding of how manager perceive quality, and how they make sense of the new quality focus. In this section we are interested to understand how managers are communicating quality today.

We have interpreted that quality is talked about in different ways. Interpretations will within organizations according to Balogun & Johnson (2004) & Weick, (1995); vary. Even though interpretations among managers seemed to vary, we got a feeling that employees were in general aware of the importance of producing quality – *at least what managers told to us.*

*'Quality issues are prioritized, in Swedspan Group we deliver without any quality problem. We eliminate as soon as it appears. Nobody wants to produce bad qualities ladies'* (Hemnes, Factory Manager).

*‘To work with quality is extremely important for me, I would scale it ten out of ten.’ (Matthew, Quality Manager).*

How people interpret depends on how they perceive but also how they receive a message (Balogun & Johnson, 2004). This shows the importance of the communication process of a change and how people manage to send out an “understandable” message. Through our interviews we came to the conclusion that there were many ways of communicating within IKEA Industry. Factory Manager Billy told us the importance of repeating what has to be done in order for people to change: *‘This is the soft part with management, where we have to repeat and repeat again. The soft part is to remind why it is important what happens down the supply chain, what happens to quality if they do not produce right from the beginning. Repeating is also about how to make workers understand the final product’.*

Narratives can help the change process forward since narratives can enable shared understandings among people involved in the change (Brown & Humphreys, 2003). As people speak and repeat they build narratives around the need of what has to be accomplished and changed. One example in the case is when one manager at IKEA Industry told us the importance for managers to closely demonstrate both verbally and visually what an accepted quality of a product is. According to him, workers should feel engaged and a “free” to take own responsibility about what is an accepted product. We argue that this is one way of creating narratives within IKEA Industry and can therefore become vital parts of the communication and further important ingredients for the change to become successful.

To inspire workers and develop their understanding of how important quality is, Factory Manager Ivar said that one way for him to communicate was to ask his workers about how the quality is today, instead of asking how the production is going:

*‘If I ask workers the question about how the quality is today, then I believe we do not only focus on producing high volume. After a while I believe people will start to think of quality, since it is a question that is important to be repeated over and over again.’ (Ivar, Factory Manager)*

Managers within IKEA Industry are perceived as facilitators of the change and therefore important when providing meaning to help employees make sense of the change (Palmer et al, 2009). Managers need to recognize that no matter how well developed their change

communications skills are and how well they believe they have understand the need for a change, it might not necessarily be interpret and receive in the way as intended. Because there are many different world views and different perspectives people interpret a message (Weick, 1995). Since IKEA Industry is an international company, and is situated in 11 countries, it will generate difficulties and complications when trying to communicate what it means to create a “Zero Defect Culture” and what need to be done according the projective directive. As one quality manager said: *different people have different links to quality as such*. Dunford & Jones (2000) and Johansson & Heide (2008) further states that one main challenge for managers is how to in the “best” possible way communicate a coherent message to everyone throughout the organization. Managers must understand that just talking about the importance of ZDC is not always. The real challenge here is according to Quality Manager Jared, not only to introduce the project with “nice words”, then to actually “walk the talk” – to take plan into action.

#### **4.4.1 TOWARDS A NEW CULTURE**

Lisa, who is part of the project team, emphasized that the goal with the ZDC-project is the importance of changing people’s mindsets and behavior. A cultural change, such as this, is according to Alvesson & Sveningsson (2008) time consuming and ambiguous to its nature. When we asked a member in the Quality Cross Team about changing a culture, he believed that the ones who first and foremost have to change their mindset when it comes to quality awareness are the ones that manage the factories (Gustav, Quality Cross Team). As discussed above we have seen that managers seem to understand the need for change, however they think workers are the ones who need to change the mindset.

As we did our interviews we were curious about how managers described IKEA Industry. Therefore we asked them to say three words if what they believed explained IKEA Industry. We received many different explanations, some key words that we found were: *efficiency, team work, challenges, responsibility, entrepreneurial, drive, inspirational, possibilities, technique and ambitious*. When we further discussed organizational culture with the managers, some of them had difficulties when explaining what the typical IKEA Industry culture is. One manager even avoided the question of what organizational culture meant to him and how he perceived the culture at IKEA Industry. Factory Manager, Ingo and Quality Manager Matthew told us their perception of organizational culture; *‘Of course the values*

*should be the same within an organization when creating a culture. If we have differing values we cannot reach common goals. This is a challenge.*’ (Ingo). *‘To me it is about the way of thinking that pervades the whole organization. It is about goals but also how to reach the goal together within the company* (Matthew).

Pratt (1998) argues if an organization has an evident culture, then employees are more likely to feel committed and motivated to do their job. When we asked the Factory Manager Ivar what he thought that IKEA Industry must do together to establish a ZDC he told us that: *‘The change initiative should come from HR and be communicated throughout the whole organization. However many times we talk about nice things and visions but not always finish and manage to implement them. I believe that the responsibility is among leaders who must understand the human aspect of changes in order for us to establish a culture.’* Quality Manager Kevin made it clear that: *‘The biggest challenge when implementing ZDC is the people. We must pay a lot of attention to people because we have good equipment, sample, communication and formation... but people takes time.’* (Kevin).

#### 4.4.2 QUALITY A WAY FORWARD

Now that we have analyzed our interviews we have up until now focused on gaining an understanding of how quality and customer satisfaction is understood and how managers perceive and prioritize the ZDC-project initiative. We will in this section combine our findings and discuss them with support by the visualization of the “*Investigative model of management*” by Alvesson & Sveningsson (2008). In order for us to identify where we believe IKEA Industry currently are in the change process this model will be useful to take into consideration since it can visualize the next step in the change process.

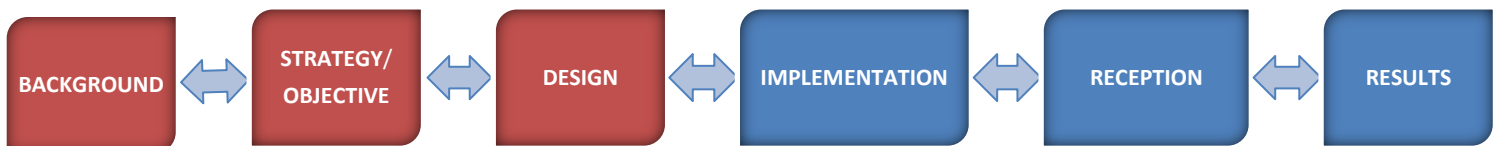


Figure 9 – The Investigative Model of Management (Alvesson & Sveningsson, 2008)

As a result from our interviews we can see that IKEA Industry is in the beginning of the change process i.e. between the background and the design phase. *Why do we believe this?* According to interviews with the project team and through our secondary data we can outline

that the Project Team is still planning on how to communicate and implement the change throughout the organization. Today they do not know exactly how the change will affect employees and how the change will be received and understood. Managers have up until today, not got much formal information about the change process. However we have seen that managers still seem to have an understanding of the importance to change behavior in order to produce better quality. Managers seem to have a positive attitude and awareness towards ZDC-project. This is a very important first step towards a change since managers are important facilitators and change implementers (Palmer et al, 2009). We believe the challenge is not how managers perceive the importance of ZDC, rather it is how to communicate the need to change a behavior towards workers. IKEA Industry need common visions and goals, but the question and the main challenge for them are *how* to create this common picture. The next step in the change process is now for IKEA Industry to communicate the change to their workers.

As we know, according to Beer and Norhia (2000), about 70 % of all change initiatives fall short. This is something that IKEA Industry must keep in mind and be aware of now that they are close to implementing a new mindset. In following chapter we will discuss important factors that IKEA Industry need to consider before taking the next step in the change process. Based on these findings, we have developed our own model that we will introduce in the following discussion chapter.

## 5. DISCUSSION

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*This fifth chapter captures a discussion based on our analysis and empirical material. We will emphasize challenges and complexities embedded within change processes. As a result from our discussion and through the empirical and theoretical findings, we have created a model. This model enhances and takes the people aspect into consideration throughout the change process.*

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### 5.1 THE CREATION OF A SHARED UNDERSTANDING

In relation to the *investigative model of management*, we have outlined that IKEA Industry is between the background and design phase of the change process. The first purpose of the chapter is to discuss how organizations can prepare for what might happen next in the change process. The second purpose is to outline how managers can strive towards establishing shared understanding of the change.

If all employees from managers to workers understand what is expected of them throughout a change process, then IKEA Industry will be more likely to proceed with the change. Depending on how the ZDC-project is introduced and communicated, it will be crucial for a change to be successful or not (Schneider et al. 1996). In our case we know that managers are responsible for communicating the change objectives – to establish a new quality culture. If they manage to communicate the objectives in a clear notion, then employees' awareness and understanding of the change might increase. For changes to “stick” they have to be taken seriously from every member in the organization (Alvesson & Sveningsson, 2008). In reality the communication process seems to be easier said than done. How a message is received and interpreted will most likely differ depending on who you ask. In our case we know that employees come from many different countries and backgrounds. A result of this people might understand change objectives and interpret the change initiative differently. The remaining question for IKEA Industry to investigate is therefore; what is the *determining factor* for a change to be successful and be understood in a coherent way?

#### 5.1.1 THE CULTURE CHANGE - A PLANNED CHANGE

We have in our case seen that IKEA Industry has, as initiative from IKEA, started to work with a change management model. The purpose of this model, *Enable Change the IKEA Way*, is to be used as a change management tool to enable and facilitate planned change - the *Zero*

*Defect Culture*. However, models such as Enable Change the IKEA Way, are designed to control the outcome and the process of the change. Is this possible?

Depending on many variables such as background, ethnicity, and sociable aspects people make sense of situations depending on their specific world-view (Gioia et al. (2000)). These variables, we believe, are perhaps not something that anyone can control - it is inherent and an implicit phenomenon, which lies within every person. Theory say that there is a growing interest to look at how change is managed not in terms of traditional planning models, then instead to consider how change is managed in terms of cognitive culture and political contexts within organizations (Johnson 1990; Armenakis et al. 1996; Smircich & Morgan, 1982; Gioia et al. 1994). Organizational changes are as described both in the theory and in our empirical findings, complex and ambiguous. We believe one main reason for this is the people factor.

We argue that models such as Enable Change the IKEA Way, illustrate a somewhat simplified picture of the reality. Since we believe reality is complex and socially constructed where multiple factors affect the change process, models like this will not be completely able to control a certain outcome of a change. We are not entirely discarding the model since we understand there has to be directions and framework when facing a radical change like the one IKEA Industry is facing. However we believe there is a need to be aware of downsides that might occur when being too focused by one model with a certain plan. Organizations need to continuously change and adapt to external and internal demands (Tsoukas and Chia, 2002). However if an organization follow a certain linear steps without making any “mistakes” it will be difficult to adapt to new upcoming demands – and to look outside the box. There has to be a consideration that organizations involve people with different capacities, interpretation and understanding.

### **5.1.2 WHAT IS A SUCCESSFUL CHANGE?**

How a message is received and interpreted will most likely differ depending on who you talk to. We argue that there is a problematization behind the sense making discussion where the importance lies within the creation of a shared understanding. Therefore we are questioning; how can manager ensure shared understanding among employees involved within the change? Are there successful changes and according to whom? We believe there is no right

answer to this question since it depends on who you ask. As we can see in IKEA Industry, managers' expectations, prioritizations and interpretations will be reasons for different answers to what a successful change is. We can for example see that the importance of producing quality means different depending on whom you ask. It seemed as managers were aware of producing high quality, however: *'It depends on who in the organization you ask. Is it the customer, the worker or is it the manager?'* (Oscar, Quality Cross Team).

Can you *measure* when a change is successful? We argue that there are complexities behind how to "best" measure a change like the ZDC-change. In our case company some managers believe it is easier to measure a change seen from a *technical perspective*, where you continuously measure claims from IKEA and according to the amount of these claims you are able to outline if the organizations produces less defects or not. However the ZDC-change is not supposed to be measure through a technical perspective. The focus should instead lie within changing mindset among employees. In other words employees involved in this change will need to change their behavior. How can this be measured?

One main objective with the ZDC-project is to change the mindset among employees. However, the perhaps hardest thing to change is the mindset of employees (Sandberg & Targama, 2007). Therefore we wonder and questions *how* and *if* an organization can measure whether a person has changed his/her mindset or not. Another important question that follows this discussion is; *when are you able to say that you have changed a person's mindset?*

An aspect to consider within the discussion of how to enable a "successful change" is the political dimension implicitly inherent within every organization. The creation of a "successful" change is as we have highlighted earlier not only about how to communicate the change and how the change is understood; it is also about how change agents can create legitimacy among members of the organization. How managers that introduce changes are perceived by employees, and what power they have, will influence the change outcomes. If this legitimacy is not fulfilled, then skepticisms towards change agents might occur (Alvesson & Sveningsson, 2008). This can result in difficulties for the change to become implemented and succeed according to the change directive. We have noticed a frustration towards top management who sometimes introduce projects, where the outcomes not always mirror the planned and intended results. There should not only be: *'empty worlds'* and a "nice" *project directive*. *Sometimes I can feel that we don't "walk the talk" and that we do*



*not always act in a way which we try to communicate*'. (Klas, Quality Cross Manager). Managers must recognize the importance of *'walk the talk'*. It is not only a matter of how you introduce and talk about the change towards members of the organization, it is also important to put talk into actions so that employees can see results.

It is difficult for the organization to completely change the mindset of employees. However, if a change is to be implemented and taken seriously legitimacy among managers is of importance. In our case we can see that the legitimacy must first and foremost be evident among management since they are planning and introducing the change.

### **5.1.3 THE 'IDEAL' PICTURE**

There has to be an understanding among managers that cultural changes take time - there are no "quick fixes" (Alvesson & Sveningsson, 2008). Managers within IKEA Industry must therefore be questionable towards the idea of an overall and *united* organizational culture. We believe that organizations must understand and be aware of difficulties of reaching an *idealistic planned cultural change*, in detail followed by the change directive.

We feel somewhat skeptical towards the creation of an ideal and united organizational culture. We know from top management, that IKEA Industry has problems with producing quality products; there are too many claims from IKEA. There are a lot of statements, formulated goals and missions from management about the outcome of the change and what needs to be done. We got a feeling that the goals and expressions of the ZDC project and its outcomes sometimes were framed in an idealistic way. We understand the importance of goals and visions when planning for a change. However aligned with Alvesson & Sveningsson (2008), we could feel that at times managers set too optimistic goals which might involve an unrealistic and idealistic picture of the reality. We argue that consequences of this can be that the change formulation becomes eroded and that employees will lose faith towards the organization and towards other changes that might be introduced in the future.

We believe that some managers seemed more honest than others when we asked about how important and how prioritized the quality focus was for them. Some managers talked about actual success where they have seen a positive result of a satisfied customer. Others felt more like they wanted to convince us and say what they thought we wanted to hear.

*'I am looking forward to implement ZDC in my factory. It takes time and a lot of communication to do it. Everybody **should understand** what it means and everybody should **stand behind it.**'* (Ingo, Factory Manager).

*'To me it is about continuously improving and work effectively. **To have a focus on becoming better and better.**'* (Matthew, Quality Manager).

*'**I wish** to have a clear vision, mission and strategy on how to implement the ZDC. Further **I wish** to have goals and general information.'* (Mike, Quality Manager).

*'I have not got that much information about the project, more than on the intranet and through e-mail. Therefore I don't really understand what ZDC means, but **I am aware of quality** in my factory.'* (Hemnes, Factory Manager).

We believe that people do not want to feel excluded or “un-perfect” since they are social individuals that wants to “fit” in. We can see that these quotes are expressed in a way which we believe indicates on fantasies of what they *should* do and what they *wish to happen*. IKEA Industry is not at the implementation stage yet, and therefore we wonder how they in reality will follow these statements through. Maybe the change formulation of ZDC-project is framed in a way that sounds too optimistic? No matter how well you work with quality, quality focus should be inherent and coherent for the whole organization. For this to happen – to create a coherent culture - we have found one missing component within IKEA Industry. In the following part of the chapter we will outline what we believe is *the missing component* within our case study.

## **5.2 THE IMPORTANCE OF SYMBOLIC LEADERSHIP AND ORGANIZATIONAL IDENTIFICATION**

As discussed throughout the thesis, we can hereby understand that changes are complex phenomena since there are many aspects to consider. We have discussed complexities behind successful changes and how a coherent culture is difficult to establish. What is idealistic for one group of people might not be realistic for others. How can organizations overcome fragmentations that might occur as people perceive changes differently?

In this part of the chapter we are first discussing the importance of *symbolic leadership* in organizations, and especially when times of changes. We will investigate how managers can find symbolic leadership as a useful way of managing a diverse group of people with different interpretations and different backgrounds. We believe managers within IKEA Industry have the main responsibility to establish an awareness of prioritizing quality among employees. The remaining question is *how*?

### 5.2.1 SYMBOLIC LEADERSHIP

When people are told to change their mindset, it is important that the new change directive has to make sense in a particular way to employees. There is a growing interest to look at *how* a change is managed - through the symbolic leadership (Johnsson, 1990; Armenakis et al., 1996; Smircich & Morgan, 1982; Gioia et al., 1994). As discussed, there is a complexity of changing people's mindsets. However, the use of symbolic leadership can work as a trigger for behavior and cognitive change among people.

Symbols can be seen as "change tools" and example of these is events, language, rituals, and stories (Gioia et al. 1994). These play an important and significant role for IKEA Industry when enable meaning regarding the change. Some managers at IKEA Industry inspire employees to develop their own understandings. The managerial role within the sense making discussion can be seen as assisting individuals and to make them understand why the change is needed (Palmer et al, 2009). This is something we have seen signs of within IKEA Industry;

*"Whenever we are getting some feedback from IKEA stores, we make pictures of the defects and put the pictures on a board that is called IKEA quality report. Through this we present defects and quality loss to the workers...Because in production they don't understand how much it is. If we say 3 %, then you do not know the figure behind". (Kevin, Quality Manager).*

This Quality Manager is a good example of *how* a manager conduct his work aligned with the theoretical framework of symbolic leadership. He understands the importance of visualizing the defect to workers which enable sense making, and perhaps a further understanding about the need to *change a behavior*. He is not only talking about what needs to be improved, he is also visualizing the defect. It is a concrete example of how an action is used in order to practice symbolic leadership.

In order to create an awareness of the new organizational quality culture among the employees, we believe IKEA Industry should become influenced by the use of symbolic leadership. The reason *why* symbolic leadership is important within cultural change context, is because symbols can give meaning and make things less abstract. Gioia et al. (1994), claim that symbols are used as a *'bridge between the familiar and the strange'*. We believe symbols will not only create common pre understanding, then also assist employees to define and understand their role within the change.

## **5.2.2 ORGANIZATIONAL IDENTIFICATION**

We believe it is vital for IKEA Industry to become a source of organizational identification. One main reason for this identification is that organizational members, i.e. top managers, middle managers and workers, are more likely to follow, rely and work towards what is expected of them if they identify with the organization (Cheney, 1983; Alvesson & Willmott, 2002). Especially during times when facing a radical change, identification can create a feeling of safety, belongingness, self-esteem and meaning among employees. What can IKEA Industry benefit from this?

We argue that managers have an important influential potential since they can become an identification source to the rest of the organization when establishing a coherent picture of what need to be done. Managers can in other words become role models for employees and guide them towards a new behavior. For this to become achievable, we believe managers themselves must first identify with the organization in order to establish a notion of “we” together with employees.

*What does IKEA Industry want to be recognized for and what source of organizational identification do they want to highlight?* As we know, IKEA Industry is today heading towards becoming more integrated with IKEA. Lisa stated in an interview *'There are two different cultures'* when we discussed the differences between IKEA Industry and IKEA. She emphasized a wish of becoming more integrated with IKEA. If we compare IKEA and IKEA Industry; we can see that IKEA has extremely strong and well known business strategies and values. However we believe that IKEA Industry lack a coherence of strong organizational values that people are aware of and can identify with. If IKEA Industry should become more integrated, then what values should employees identify with?

We have recognized that managers believe some workers do not understand to whom they produce. Further some workers do not know what the next step in production line is and some workers cannot imagine what the final product looks like. This indicates that in reality, IKEA Industry might approach further challenges if they do not start a process of *how to identify with IKEA Industry*. We have found that one possible missing component is *the loss of identification with IKEA Industry*. Having a missing component like this can result in the notion that employees do not have an identification source.

As the change process emerges we see a potential to *succeed* with the change if IKEA Industry understand the importance of symbolic leadership and organizational identification. We can see that IKEA Industry lack a feeling of “we”. Each factory might be able to produce good results separately, however in the long run it will be difficult for the factories if they do not see the whole value chain and therefore not find the importance of producing products with high quality. Further we believe IKEA Industry can gain knowledge by co-working with each other and learn other failures and successes. We believe that if IKEA Industry manages to make employees identify with the organization then it can create motivation, commitment and loyalty among employees. This way of enhancing organizational identification can be seen as a way of exerting normative control by communicating values. This identity regulation can direct people in a certain wished way (Alvesson & Willmott, 2002). However most importantly – make them feel proud of being a producer and part of IKEA Industry and therefore hopefully to change their attitude. *If IKEA Industry can create a feeling of “we”, both between the factories, but also with IKEA, we claim that IKEA Industry together; Swedwood, Swedspan, IIID and IKEA can create a quality culture.*

### **5.2.3 THE MISSING COMPONENT**

We have found what we believe is the missing component when IKEA Industry is trying to implement a new quality culture. Our interpretations are that the newly merged IKEA Industry lacks connectedness within the organization. The *missing component* is a source of organizational identification within IKEA Industry. Employees neither seem to identify themselves with IKEA nor IKEA Industry. *Why is it special to work at IKEA Industry? What values does IKEA Industry stand for? How do they want to be perceived by other organizations?* Our empirical findings show a gap of answers to these questions.

In order for IKEA Industry to enable the creation of a ZDC, we believe they must start by outlining *who they are* as an organization. We argue that identification with the organization will increase the likeliness to succeed with the change since employee might feel committed, loyal and proud to work at IKEA Industry and further behave accordingly towards the organization's needs (Cheney & Tompkins, 1987).

#### **5.2.4 THEORETICAL CONTRIBUTIONS**

To lift our discussion and to make a theoretical contribution to an overall level, we have developed our own model. This model is inspired by, and based on, our theoretical and empirical findings. The aim with our model is to provide the reader with an understanding of different concepts in relation to each other. Further the model will show the importance and complexities of people's impact regarding a change.

The purpose with our findings was to contribute to the theory with further knowledge and developed insights about the importance to understand people's interpretations within a change process. One aim we had was therefore concerned to fill a gap in the literature regarding organizational change management.

In our model we highlight the importance of *symbolic leadership* and *organizational identification* as tools to enable cultural change. When organizations are concerned with how to manage and communicate a change initiative, the model is emphasizing parts organizations must remember to consider and take seriously throughout the change process. The relationships depicted among *symbolic leadership*, *organizational identity* and *organizational culture change* are in this model strongly influenced by findings from our case study. We believe we can contribute to theory since it is interesting to see how these connections would work in other real life change situations.

When illustrating and explaining our model we will depart from the illustrated and discussed *investigative model of management*. We understand that the investigative model of management is not to be seen in linear steps. However we believe for change initiatives to become successful, organizations must continuously throughout the change process i.e. from the background to the result phase, consider our model. Organizations must understand the

importance of establish a meaning of the change and what impact different interpretations can have when facing organizational changes.

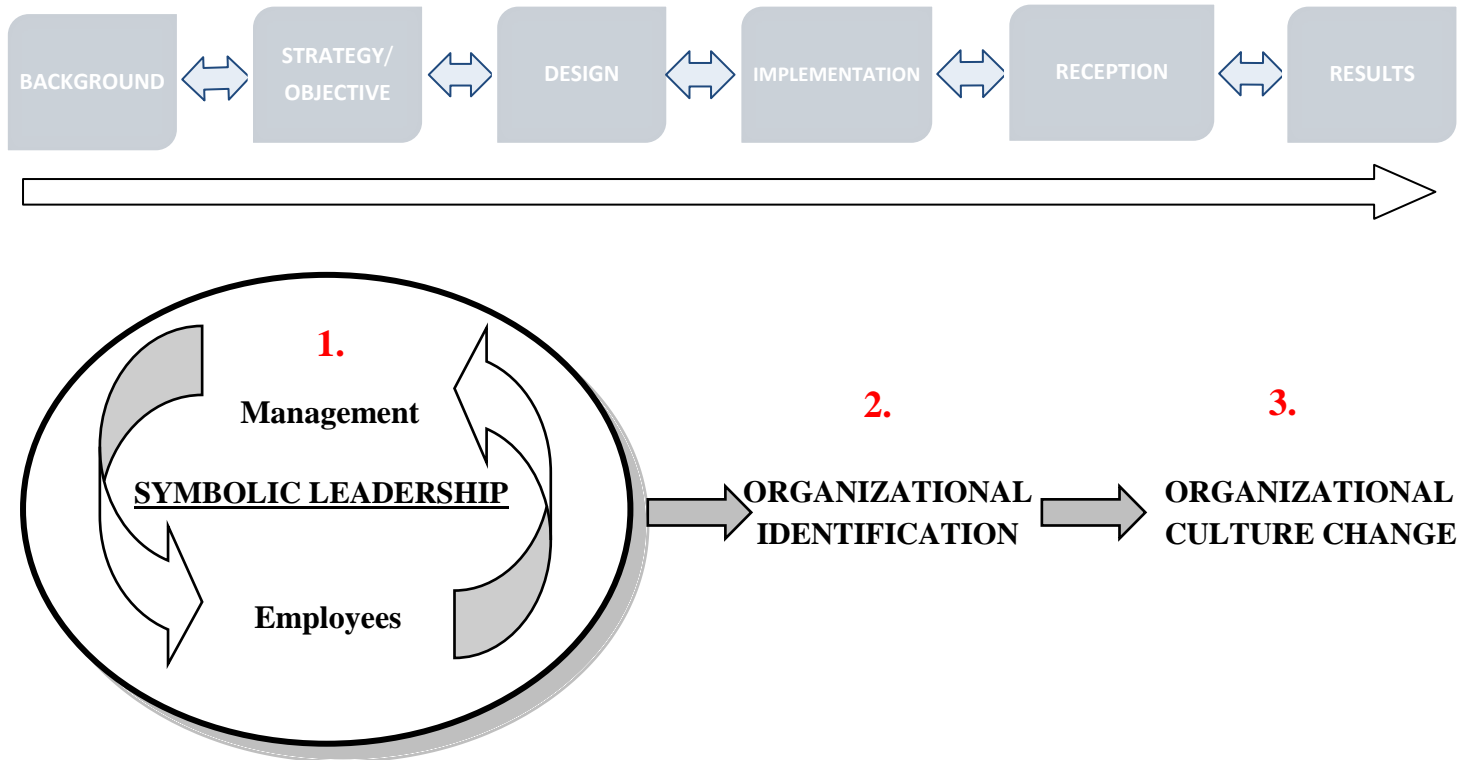


Figure 10 – Our model

In the first (1) step of the model symbolic leadership is of importance. Top management has the responsibility of formulating what the organization stands for. Managers are seen as responsible for highlight and make values that are implicit inherent within the organization to become explicit. If managers manage to visualize the meaning behind what the organization stand for then they can create a feeling of coherence and connectedness among employees. Narratives and symbols are important tools to enable shared understanding. If managers can make meaning of the change initiative through symbolic leadership the organization will become more likely to proceed from the background and planning phase towards a new changed behavior.

In the second (2) part of the model we emphasize the importance of organizational identification. If employees identify themselves with the organization it will be easier to establish a notion of “we”. If this happens then employees can become more motivated, committed, loyal and proud of being a part of the organization.

If step (1) and (2) are fulfilled then we believe the third (3) step will more likely to be reached. Employees will become more dedicated towards the organization and the likeliness of accepting changes will increase. We believe that changes are more likely to be successful if organizations feel a connectedness and if the organization create a notion of “we”.

In our fifth and last chapter of the thesis we have discussed and highlighted our main findings from both theoretical and practical perspective. We will now outline our conclusion and main findings with our conducted research.



## 6. CONCLUSION

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*The final chapter of our thesis will summarize our main findings from our research. These findings are results from our empirical, theoretical and analytical material. We will further depict our practical and theoretical contributions. Even though we have done an in depth case study at one particular company, we believe our findings also might bring thoughtful insights for other companies that are about to implement a cultural change. Lastly we will suggest directions for future research.*

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### 6.1 CONCLUSION

The research was set out to explore and in an interpretative way examine how managers within an organization understand a particular phase of a change project. Our guiding questions throughout the research were: ***How do managers' perception and interpretations impact a particular phase of a change process? What are the main factors for a change initiative to become "successful"?*** To address these questions, the research had two aims. The first was to empirically outline managers' mindset and engagement in a particular change project, and to investigate the results in an organization concerned to implement a change. We believed that the interpretive perspective needed even more attention and investigation, and therefore our second aim was to contribute to the theory with our model. We did not aim for complete empirical generalizations but for interesting insights both practically and theoretically. In the following section we will summarize our main findings and what our contributions are to the research field as well as for practitioners.

#### 6.1.1 MAIN FINDINGS

##### ***The importance of organizational identification***

Our thesis departed with a purpose to examine managers' perception about a change initiative. Besides managers' different interpretation about the change, we also found interesting deviations between how employees identified themselves with the organization. We could outline a lack of organizational identification among employees at IKEA Industry. Our interpretations were that some of them they did neither seem to identify with IKEA Industry as such, nor IKEA in general. We found that some managers believed their workers did not know to whom they produce or were aware of the finish product. We believe that without an identification source, such as a strong organizational culture with for example embedded values, a change initiative will be more difficult to achieve. If employees can

identify themselves with IKEA Industry, they might establish positive attitudes which could involve loyalty, motivation, commitment, pride and job performance towards the organization (Cheney, 1983; Alvesson & Willmott, 2002). Instead of controlling how the employees do their job, identification with the organization can become an implicit way for organizations to control employees. We strongly believe a missing component like this, will have an effect of the importance on how employees perform their work and perhaps also the willingness to change a behavior.

### ***Interpretations and meaning making within a change process***

We have seen that managers' understandings and interpretation of a particular phase of a change process will have an impact on the proceeding change. This study has shown that managers do not interpret, talk about and define the need for the change initiative, in one same way. The change initiative was interpreted in many different ways. Our interpretations indicate that reasons behind this phenomenon depended on who the receiver is, what position the receiver has, what factory the receiver come from and also how the receiver him or herself believe will benefit from the change initiative. One main finding is for managers who are planning for the change to understand the importance of meaning making in order for employees to realize the need to change. It is out of managers' power and control to be able to know how employees understand the message and the meaning of the change (Smirich & Morgan, 1982). However we have seen that managers have an important influential potential since they can influence employees in a wished way. Managers will perhaps never be able to completely manage individuals' understanding and interpretations, but they can inspire employees (Dunford & Jones, 2000; Johansson & Heide, 2008).

### ***The importance of creating legitimacy***

When introducing a change we have among managers seen that there is a lot of "talk" about what *needs* to be done and what *should* be done. Managers often used a lot of idealistic and nice words about the importance of the change. It is not only vital how managers talk about change initiatives then also how they "put the talk into action". In the beginning of a change process it is therefore important for management to create legitimacy and trust among employees. We believe this will increase acceptance to follow change directives and perhaps also increase commitment among employees. If this is not achieved some employees might not take the change initiative seriously and therefore the change process will further become difficult to follow. If legitimacy is not established then skepticism towards management and

the communicated change initiative might occur which can result in difficulties for the change to become implemented (Alvesson & Sveningsson (2008).

### ***Changing an organizational culture is easier said than done***

From our findings we want to conclude by emphasizing the importance to understand that culture changes takes time – there are no quick fixes. Changes, in particular a culture change should not be seen as “finished” or fulfilled at a specific date. Instead cultural changes are continuous, ongoing and should be seen as an everyday natural process with no beginning or end. No matter how the change is introduced, formulated and controlled people interpret change initiatives differently - one manager’s reality might not equal another managers’ or employees’ reality.

## **6.1.2 PRACTICAL AND THEORETICAL CONTRIBUTIONS**

The purpose with our findings was to contribute to the theory with further knowledge and developed insights about the importance to understand people’s interpretations within a change process. One aim we had was therefore concerned to fill a gap in the literature regarding organizational change management.

The main practical contribution in our research was to develop an understanding of that employee’s interpretation and sense making will have an effect on the proceeding change. The theoretical contribution has provided a need to investigate the importance of interpretative perspective concerning organizational changes even further. As discussed in the introduction chapter, most research has focused and targeted towards the technical aspects of changes. We aimed at highlighting the importance of the people aspect and how people’s interpretations can affect a change within all parts of a change process. We have theoretically contributed with our model which we hope can inspire to theory. We believe that the research adds more knowledge and insights of what to be aware of within a particular part of a change process and what organizations need to consider when continuing further.

## **6.1.3 REFLECTIONS AND FURTHER RESEARCH**

To conclude our research, we do not aim to generalize our findings in complete. We believe our findings can be evident regarding some change initiatives. We wish that our interpretative perspective taken in this thesis will influence to future research within the field.

We delineated our thesis towards managers and their understandings, but also how managers understanding of workers interpretations of the willingness to change. We would therefore find it interesting for future research to conduct a research from workers perspective.

One aspect to consider, that in this thesis has been touched upon but not thoroughly discussed, is how important employees perceive their participation within a change process. Is it more likely for a change to be successful if employees are participating in the planning phase of a change? This question would further be interesting for future research to investigate.

In sum, we hope this thesis will create further knowledge for practitioners who are in the planning phase and about to introduce a change. We also hope this thesis will give researchers valuable insights for future research.

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