



**Killing the sacred cow:
Radical organisational change
as seen through the eyes of change agents**

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ABSTRACT

Within the family of changes that take place in organisations, incremental change is better known than its wilder sibling, radical change. While there is an extensive literature concerning the nature and implementation of incremental change, radical change is primarily treated theoretically and conceptually, lacking in an empirical foundation and the perspectives of experienced change agents. This omission is especially evident with respect to the population of interim managers, who tend to play critical roles as change agents and as knowledge bearers.

The study that forms the basis of this thesis was designed to address this gap in extant knowledge. The broad aim of the research was to explore change agents' perceptions, beliefs, and experiences regarding the nature of radical organisational change, when it is necessary, how it should be implemented, and how its outcomes may be evaluated. To fulfil this aim, in-depth interviews were conducted with 20 experienced change agents: a sample of ten interim managers experienced in leading radical organisational change, five consultants who specialise in organisational change and five line managers who were experienced in its implementation.

The research generated 176 diverse insights concerning radical organisational change, both within and across the three samples. While the interim managers offered strong pragmatic convictions, straight "from the gut", the consultants offered a more intellectual and theory-laden approach to the interpretation of radical change, with the line managers situated somewhere between these two worlds. These insights were condensed into a set of key findings and contributions to knowledge, providing an enhanced understanding of radical organisational change that is informed by the perspectives of experienced change agents. The study's findings also comprise informed contributions to practice, including a conceptual framework that summarises the leadership challenges that are inherent to radical organisational change.

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List of Abbreviations

APA	American Psychological Association. APA Style is a writing style and format for academic documents and used for this thesis.
CAQDAS	Computer Assisted/Aided Qualitative Data Analysis Software
CEO	Chief Executive Officer
CI	Corporate Identity
CO	Consultant
CRO	Chief Restructuring Officer
DICE	A score model that calculates four factors to determine the outcome of any transformation initiative
DSGVO	Datenschutz-Grundverordnung (English: GDPR)
EBIT	Earnings before interest and taxes
EBITDAR	Earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs
EQ	Emotional Intelligence
ES	Erstellung von Sanierungskonzepten (English: Creation of financial restructuring concepts)
FTSE	FTSE International Limited, a British provider of stock market indices
HR	Human Resource Management (HRM, or simply HR)
HRM	Human Resource Management (HRM, or simply HR)
IDW	Institut der Wirtschaftsprüfer (English: Institute of Auditors)
IM	Interim Manager
IT	Information Technology

KPI	Key Performance Indicator
LM	Line Manager
MAXQDA	A qualitative data analysis (QDA) computer software package
NVIVO	A qualitative data analysis (QDA) computer software package
OD	Organisation Development
RWTH	Rheinisch-Westfälische Technische Hochschule Aachen
SAGE	SAGE Publications, an academic publishing company
SWOT	SWOT analysis (or SWOT matrix) is a strategic planning technique used to help a person or organisation identify strengths, weaknesses, opportunities, and threats related to business competition or project planning
US	Short for USA = United States of America
VS	VS Verlag für Sozialwissenschaften, German Publisher
XY	Placeholder for an unnamed organisation

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Chapter 1: Introduction

1.1 The Research Context

“There is nothing permanent except change”. This well-known quote is often attributed to Heraclitus but is most likely a misquote since there is no literary proof the philosopher ever used this exact expression. However, Heraclitus is quoted by Plato in *Cratylus* (360 B.C.) for having claimed that “all things flow, and nothing stands”.

Many employees in corporations might subscribe to that. Their companies are subject to constant change in their attempt to keep up with the upheavals of the market. New departments are created, and others are closed. New rules are introduced every now and then. Colleagues and superiors come and go. And although such change takes place on a permanent basis, the consequences often are only a superficial modification of the status quo. The limited, incremental changes that occur as a result tend to represent an evolution rather than a revolution reflecting radical change.

In contrast, revolution takes place only in rare cases, mostly when the organisation is hit by a severe crisis. Only now there is a consensus among the stakeholders that a needed change must be more than a gradual change, that it must be a radical change. This alternation between evolution and revolution is not only a personal observation by the author; it also reflects in the literature. Amis, Slack, and Hinings (2004, p. 15) ascertained a dominant theme within the change literature, asserting, “Organisations go through long periods of evolutionary or incremental change interspersed with short, sharp revolutionary transitions”.

Often during such a phase of revolution, an organisation will introduce an external change agent into the organisation. This will typically be an expert recognised as experienced in orchestrating radical reorganisation. Behind such a decision is the belief that internal resources alone cannot cope with the current crisis. What is it, one may ask, that external experts add to the equation that was not already there? The goal of this thesis is to answer this question and, in so doing, to synthesize a better

understanding of the “received wisdom” that external interim managers and consultants in the role of change agents bring into the organisation.

Parenthetically, the expression “the author of this thesis” is a traditional style for naming the author in a dissertation in the third person. After thorough consideration and quite some controversial discussion with supervisors and other academics who had recently received their doctorate degree, I—Stephan Meyer and “the author of this thesis”—have decided to refer to myself herein in the first person, using pronoun forms such as “I” and “me”. Not only does this appear to be more compatible with the rather subjective nature of the research presented in this thesis, it also seems to be a more current style of writing.

1.2 Evolution of the Topic

After having finished my studies in business psychology as a “Diplom-Psychologe” at the RWTH Aachen in Germany, I started working as a business consultant for corporate clients. First, I was an employee with a major international consulting company at a newly-created “Department of Change Management”. Later, I continued to implement change management work on a self-employed basis. After having been involved in several projects in the realm of “organisational change”, I noticed a difference between the majority of “normal” change projects, on the one hand, and the rare and more specialised projects that evolved around labels such as “restructuring”, “turnaround”, or “financial reorganisation”, on the other. Such specialised projects were usually led by an interim manager who was hired specifically for the purposes of the project and whose engagement often ended upon the conclusion of the project. I wondered in what way an external change agent, such as an interim manager, has a different perspective on organisational change than an employee of the subject organisation.

My underlying motivation is a better understanding of the complex nature of organisational change. My many years of professional experience with organisational change, sometimes in the role of the change agent, left many questions unanswered. Is there a difference between radical and gradual organisational change? If so, how is one to be delimited with respect to the other? Is there perhaps a continuum from gradual

to radical change, or is radical change something inherently different? If a radical organisational change is something different, does every organisation encounter the need for one sooner or later? If so, why do not radical changes occur more often? Concerning the change agent: Are external change agents needed? If so, what is the external “extra” they add to the organisation? One question led to the next. As I am certainly not the only scholar thinking about organisational change, I turned to the literature. The good news was that there is a vast literature on the subject of organisational change. The bad news was that the literature left many of my questions unanswered. Although I read many books and more than 300 scientific papers on this topic, my impression is that quite a lot is known about gradual change (evolution), but, by comparison, very little is known about radical change (revolution). My research as described herein addresses this gap.

1.3 Limitations of the Literature

I conducted a literature review that covered two thematic areas: The first was radical organisational change in general: How can it be conducted successfully, what does “successfully” even mean in that context, and in what way is radical organisational change conducted differently than evolutionary change. The second was the theme of interim managers as experts for radical change. Many of them have experienced radical organisational change several times in their lives and, thus, should be quite knowledgeable as sources of information about such processes.

My research on radical organisational change in general faced certain challenges, since not every radical change is about organisations, and, often, radical organisational change is concealed by varied forms of linguistic expressions. Some topics sounded familiar—such as radical innovation (Christensen & Overdorf, 2000)—but were beyond the scope of this thesis. Also, I found a preponderance of interest in why organisational change cannot work and must fail every time over interest in how to make it work. Some scholars seemed even to cater to this demand, exemplified by the oft-quoted paper “Leading change. Why transformation efforts fail” (Kotter, 2007, pp. 2–12).

While the vast majority of literature about organisational change is more about gradual approaches to change, a small number of authors have specialised in radical organisational change and have written about it. One of the most productive seems to be Quy Nguyen Huy (Huy, 1998, 1999a, 1999b, 2001, 2002, 2005, 2011; Huy & Mintzberg, 2003; Sanchez-Burks & Huy, 2009). He explicitly suggested as a topic to be explored and a potential future research question on change:

What are the roles and contributions of outsiders such as new executives and external consultants brought in to realize a radical change? What kind of effect does this sudden infusion create in the midst of a strong organisational culture, and how effective have these outsiders been? (Huy, 1998, p. 482)

What I found most importantly, however, was a paper with the title “The pace, sequence, and linearity of radical change” (Amis et al., 2004, pp. 15–39). It turned out to become the “backbone” of my literature research, because it led most closely to the answers to my research questions. This paper presents a form of meta-research, summing up claims in the literature about quality aspects of radical organisational change. However, most of these claims in the literature come from a theoretical perspective. I thought it would be informative to contrast these theoretical claims with the worldview of real practitioners, of change agents such as interim managers.

Secondly, in the domain of interim managers, I found little relevant scientific literature. More specifically, certain aspects of interim management are covered in the literature, but others are not. What I was able to find about interim managers are the following aspects:

- The value of employing an interim manager (e.g., in Minto, 2006; Mooney, Semadeni, & Kesner, 2012; Russam, 2005; Wasson, 2005)
- Interim management as a market in the process of professionalizing itself (e.g., Bruns & Kabst, 2005; Goss & Bridson, 1998; Röthlinger, 2012.)
- Interim management as a career move in Robeson (2008)
- Personality traits of interim managers in Bach, Pauli, Giardini, and Faßbender (2007)

What I did not find covered in the literature about interim managers concerned interim managers as providers of information about their perspectives. In other words, if authors wrote about interim managers, they mostly wrote “from a distance” or in a patronising manner, but hardly on a par with and in direct communication with interim managers. One small exception may be Vousden (2002, pp. 120–122), but in general, the voice of these interim managers was lacking.

To sum up, I can say that the literature presents little research by or about corporate change agents or about the perceptions of people who “have really done it”. The majority of literature seems more based on ideas than on personal experience. Only a small portion of the literature concerns the reality of the implementation of radical organisational change.

1.4 The Metaphor of the Sacred Cow

During interviews described later in this thesis, some of the respondents repeatedly used the expression “paradigm shift.” This occurred even though I did not use this expression in my interview questions and so did not trigger it in any way. In the German language, my native tongue, it is common usage to refer to a paradigm as a “Heilige Kuh”, which translates into English language as a “holy cow” or a “sacred cow.” (This usage may of course be different in the English language.) In analogy to that, a paradigm shift is referred to as the act of overcoming a sacred cow. The expression of a sacred cow over time has developed away from its original, literal sense referring to the stereotypical cow standing on a road in India, as it is described in “The Myth of the Holy Cow” (Jha, 2004) and other sources. Rather, it has become a very common metaphor about occurrences that are there merely for traditional reasons and that are not supposed to be questioned.

The metaphor of the sacred cow representing a paradigm seems to have conquered the English language as well. For example, I found an unpublished working paper of the University of Queensland (van der Vegt, 2016) with the title: “The paradigm of relevance: Is it time to kill the sacred cow?” This connection between sacred cows and paradigms seems to work well especially in the context of organisational change. For

example, there is a management guidebook with the title: “Sacred Cows Make the Best Burgers: Developing Change-Ready People and Organizations” (Kriegel & Brandt, 2008). This book provides the following two definitions of a sacred cow (p.1):

1. A plodding, bovine mammal of numerous stomachs and dubious intelligence regarded in some climes as holy in origin and there-fore immune from ordinary treatment
2. Business: An outmoded belief, assumption, practice, policy, system, or strategy, generally invisible, that inhibits change and prevents responsiveness to new opportunities.

When conducting my research, I often thought about the metaphor of the sacred cow. What I learned during my literature review and during my interviews is that radical organisational change from some people’s point of view becomes necessary just because of sacred cows. Times have changed, but the people in the organisation did not change their behaviour accordingly. Why? Because there were too many sacred cows inside the organisation: for example, the tools used, the processes performed, the way people interact with each other, the beliefs that they held, even the hierarchy of the organisation. Many of these aspects have grown out-of-time, but simply because they were sacred cows, they were not allowed to be questioned. So, metaphorically speaking, this is what a change agent does: dealing with sacred cows, by taming them, removing them, or even killing them.

1.5 Research Aim and Objectives

This research aims to address two major limitations in the literature: firstly a lack of research with a focus on radical organisational change and secondly a lack of research concerning the role of external change agents. The purpose of this research is to explore change agents’ perceptions, beliefs, and experiences of the nature of radical organisational change, in particular when such change is necessary, how to implement it, and how to evaluate its outcomes. The research intends to contribute to the broad field of organisational change by adding to the understanding of the lived experience of agents of radical change in the performance of such activity. It will also contribute to

practice by enhancing understanding of the implementation and evaluation of radical change.

1.5.1 Research questions

The research presented in this thesis addresses the following questions:

- What is radical organisational change?
- When is radical organisational change necessary?
- How should radical organisational change be implemented?
- How can the outcomes of radical change be evaluated?

1.5.2 Research objectives

The questions that motivate this research translate to the following objectives:

- To examine the way in which a change agent defines radical organisational change
- To explore the way in which a change agent interprets the need for radical organisational change
- To examine the way in which a change agent implements radical organisational change
- To explore the way in which a change agent evaluates the outcome of radical organisational change
- To develop a conceptual framework for better understanding radical organisational change

1.6 Structure of the Thesis

Chapter 1 of this thesis introduces the problem and objectives of the research. Chapter 2 offers a review of the literature and includes definitions of radical change and the presentation of the concept in the scientific literature. Among the aspects of change examined are the nature of change, dimensions of change, and the drivers and actors of

the change process. The third chapter of this thesis presents the methodological approach and the specific research design. The findings of the research are presented in Chapter 4. Chapter 5 offers an evaluation of the research findings, and Chapter 6 presents my conclusions along with a discussion of the findings and limitations of the research.

Chapter 2: Literature Review

2.1 Introduction

Chapter 2 provides a conceptual basis for the research and critically evaluates the extant literature that frames why I am asking the research questions. The chapter looks more closely at the nature of change to clarify what kind of “change” is intended in this study, what makes change “radical”, and by what dimensions can it be specified. Also, the organisational aspect of change will be examined, as will be its drivers, the strategic intent behind change, and related concepts such as change readiness, contingency and resistance to change. The actors in the change process are discussed briefly, as well as the expected outcomes of change.

The literature review was performed in three steps:

1. I conducted a search in academic databases with search terms such as “radical change”, “organisational change”, “change agents”, “interim managers”, “interim management”, and combinations thereof. I preferred academic journal articles to other literature formats, such as books and business magazine articles. In addition, I gave preference to newer publications (1990 until present day) rather than to older ones.
2. I filtered the literature that resulted from the search on the basis of their relevance to the focus of my research.
3. I identified the sources most relevant to the research topic and critically reviewed the most important research cited by these authors. Most of those references were articles in academic journals. However, if those references happened to exist in other literary formats, in books for example, I added them to the literature collection. In general, this is how most of the older sources found their way into the collected literature.

During this process, I read and evaluated more than 300 sources, which form the basis of the following literature review. The review is organized on a thematic basis, beginning with a discussion of change in general terms and moving to a more specific focus on the topics that are central to the thesis.

2.2 The Nature of Change

There is a wide range of definitions available for the word “change” as a noun. The Cambridge Dictionary (2016) defines change as “the act of becoming different, or the result of something becoming different”. The Collins Dictionary (2016) offers definitions such as “a variation, deviation, or modification” and “the act of passing from one state or phase to another”. When “change” is defined as a transitive verb, the Merriam Webster Dictionary (2016) explains its meaning with the words “to undergo transformation, transition, or substitution” and adds the example “winter changed to spring”. Dictionary.com (2016) offers both the definitions “to become altered or modified” and “to become transformed or converted”. According to the Collins English Thesaurus (2016), synonyms for change as a noun are expressions such as alteration, transformation, modification, metamorphosis and transition, but also innovation and even revolution. This brief overview of definitions and synonyms gives an impression of how the meaning of the word “change” is perceived in a general sense. The impact of change on an organisation builds upon the definitions described above. Use of the word “change” henceforth refers to “organisational change”, and subsequent sections will elaborate on the nature of organisational change.

The term “change” refers both to the altered state and to the process of alteration. The main focus of this thesis will be on the latter aspect of change. There are also certain gradations of change that I discuss later—the degree of change, the rate of change, and whether change is actively driven or passively endured—along with questioning the ways change happens, the ways it can be instigated, and the ways it can be managed.

2.3 Classifications of Change

The expression “radical change” is one of many classifications of change. It suggests that there also is a kind of change that is non-radical. The disparity between these two kinds

of change is often described by a recurring set of adjectives, as is shown in the following table. The adjectives are sometimes used synonymously in the literature, whereas other authors claim that these sets of adjectives must be used independently from each other. (See a similar, but much longer table, that associates terms for change with the names of authors who used them in the annex.) Table 1 shows an overview of the adjectives used for classifying different kinds of change. The constellation of different classifications used per author and piece of writing is shown in the subsequent table 2.

Table 1. Adjectives describing two kinds of change

Non-radical expression	Number of sources using this expression	Radical expression	Number of sources using this expression
(Step-by-) step	4	Radical	53
Evolutionary	22	Revolutionary	21
Incremental	32	Discontinuous	19
Convergent	4	Diverging	1
Single-loop (in the context of learning)	7	Double-loop (in the context of learning)	8
		Paradigm shift	13
		Frame-breaking	8
		Frame-bending	4
		Fundamental	23
		Second-order	11

Note. Source: Author.

Table 2 (continued)

Author	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10
Kikulis et al., 1995	Revltnry	Evoltnry	Incrmntl	Dscntinus	Pdigm Shft	Frame-Breaking	Frame-Bending	Fundmntl		
Kofoed et al., 2002	Incrmntl									
Kotter, 1995	Radical	Pdigm Shft	Sgl-Loop	Dbl-Loop	Fundmntl					
Kuhn, 1996	Revltnry	Pdigm Shft	Paradigm							
Lichtenstein, 1995	Evoltnry	Incrmntl	2nd Order							
M L Tushman & O'Reilly, 1996	Revltnry	Evoltnry	Incrmntl	Dscntinus	Fundmntl					
MacIntosh, 2003	Incrmntl									
Malhotra & Hinings, 2013	Revltnry	Evoltnry								
McAdam, 2003	Revltnry	Incrmntl	Dscntinus	Fundmntl						
Meyerson, 2001	Radical									
M. L. Tushman et al., 1986	Incrmntl	Dscntinus	Frame-Breaking	Fundmntl						
Miller, 1982	Revltnry	Evoltnry	Incrmntl							
Ndofor et al., 2009	Radical	Frame-Breaking								
Newman & Nollen, 1998	Radical	Stepwise	Incrmntl	Diverging	Fundmntl	2nd Order				
Oakes & Rogers, 2007	Radical									
Orlikowski, 1991	Revltnry	Dscntinus	Pdigm Shft							
Petersen et al., 2004	Radical	Incrmntl	Sgl-Loop	Dbl-Loop						

Table 2 (continued)

Author	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10
Thomond & Lettice, 2002	Dscntinus									
Todd, 1999	Radical	Incrmntl								
Tushman & Romanelli, 1985	Incrmntl	Dscntinus	Fundmntl							
Van De Ven & Poole, 1995	Evoltnry	Incrmntl	Dscntinus	Frame-Breaking	2nd Order					
Venard, 2002	Radical									
Vitiello, 1993	Radical									
Voges et al., 2009	Radical	Evoltnry								
Voss et al., 1993	Radical									
Wang et al., 2012	Incrmntl	Fundmntl								
Want, 1993	Radical	Fundmntl								

Note. Source: Author.

Abbreviations used in alphabetical order:

Cnvrngt = Convergent, Dbl-Loop = Double-Loop, Dscntinus = Discontinuous, Evoltnry = Evolutionary, Fundmntl = Fundamental, Incrmntl = Incremental, Pdigm Shft = Paradigm Shift, Revltnry = Revolutionary, Sgl-Loop = Single-Loop

The kind of organisational change that is later defined as radical change (see 2.6) is called “frame-breaking” change by Tushman, Newman, and Romanelli (1986, pp. 589–590), which may comprise the following features:

- Reformed mission and core values: As Tushman et al. (1986) put it, “The way the company expects to be outstanding is altered” (p. 589).
- Altered power and status: Some groups or departments inside the company may lose power while others gain influence.
- Reorganisation: Structure, systems, and hierarchies may change.
- Revised interaction patterns: New procedures define how members of the organisation work together.
- New executives: Key managerial positions are held by new executives, usually brought in from outside the organisation or business unit.

All of this, according to Tushman et al. (1986), helps to overcome inertia, to provide freedom from prior obligations, and to help refocus the organisation. In sum, many authors have seen the necessity to classify different kinds of change, mostly alongside the two extremes of gradual change versus radical change. These authors have resorted to different terminologies in making these classifications, and radical change is one of the expressions used very frequently.

2.4 Parameters of change

The term “radical” in the expression “radical change” suggests that there must also be a “non-radical change”. The distinction between the former and the latter can be best understood in connection with the concept of change parameters, as these make it possible to differentiate between distinct kinds of change. Different suggestions as to relevant parameters of change (e.g. speed) can be found in the scientific literature. Such parameters can be used in combination to give more detailed descriptions of particular kinds of change examined. This section starts with brief definitions of the most common parameters found in the literature, which are then followed with a detailed evaluation of how these dimensions are used by different scholars to provide a more integrated

description of change. The resulting construction creates a profound basis for comprehension of the difference between radical and non-radical change.

As a starting point for my research into change parameters, I studied a meta-analysis from Amis et al. (2004) comprising 26 literary sources. Based on their research in the literature of change, Amis and his colleagues argued that the outcome of radical transformations can be best influenced by three parameters: pace, sequence, and linearity. Other parameters frequently mentioned in the literature are the parameters of the scope and depth of change (Huy, 1998, 1999a; Kofoed, Gertsen, & Jørgensen, 2002; Roberts, 1998; Stoddard & Jarvenpaa, 1995).

2.4.1 Pace (speed)

The term “pace” used by Amis et al. (2004) refers to the speed of change. In an earlier work, the authors (Hinings & Greenwood, 1988) claimed that the periodicity of change involves three issues: pace, sequence, and the linearity of change. They asserted that “[The pace of change] focuses upon the speed at which transformations/reorientations occur” (p. 107). Table 3 shows the relevance of pace as perceived by different authors. This table is a condensed overview of the literary references made by Amis et al. (2004), originally in textual format.

Table 3. Influence of Pace upon Radical Transformations

Relevance	Characteristic	Nr	Literature
y	fast	1	Miller & Friesen, 1984
y	fast	2	Romanelli & Tushman, 1994
y	fast	4	Warren, 1984
y	fast	5	Hackman, 1984
y	fast	6	Hinings & Greenwood, 1988
y	fast	7	Greenwood & Hinings, 1988
y	fast	9	Tushman & Romanelli, 1985
y	fast	10	Miller, 1982
		11	
y	slow	12	Brown & Eisenhardt, 1997
y	slow	13	Braybrooke & Lindblom, 1963
y	slow	14	Hedberg, Nystrom & Starbuck, 1976
y	slow	15	Quinn, 1980
y	slow	16	Pettigrew, Ferlie & McKee, 1992
		17	
n	-	18	Child & Smith, 1987
n	-	19	Amis, Slack & Hinings, 2004

Note. Source: Adapted from Amis, Slack & Hinings (2004)

The second column shows the relevance of the parameter “pace”, according to the literary source quoted on the right. The letter “y” means that the author(s) of the literary source deemed pace to be relevant for a successful organisational change. A “n” means that the author(s) considered pace irrelevant. Among those who deem pace relevant, there are two characteristics. Eight of the sources quoted by Amis et al. claimed that the speed of transformation must be as fast as possible to be considered successful. In contrast, five sources maintained that only a slow change can be a successful change.

According to Amis et al. (2004), most researchers have suggested that for radical transformations to be accomplished, changes must be implemented rapidly. Among the

supporters of rapid change are Romanelli and Tushman (1994), who claimed that a large majority of organisational transformations were accomplished through rapid and discontinuous change. They concluded, "Organisations do frequently alter their systems, strategies, and structures through short, discontinuous bursts of change over most or all domains of organisational activity" (p.1162). In an older publication, the same authors suggested "rapid and discontinuous change" to overcome inertia and resistance to change (Tushman & Romanelli, 1985). Miller and Friesen (1984, p. 225) suggested that change takes place "infrequently, but quickly". For organisational change at a higher pace, the authors used the expression "dramatic change" (p. 209) as opposed to "incremental change".

Warren (1984) was also a proponent of fast organisational change. He defined nine principles for a successful transformation. His principle number three urged, "Make hard decisions as quickly as possible in order to cut one's losses" (p. 100). Contemporaneously, Hackman (1984) compared organisational change to a visit to the dentist. "Even though it may be painful to visit the dentist, it will eventually hurt more if you keep putting it off" (p. 57).

Greenwood and Hinings (1988, p. 303) employed the term "reorientation track" to describe a path taken by an organisation that completes a program of radical change: "A key aspect of tracks [...] is the rate at which design arrangements become decoupled from the prevailing interpretive scheme and become attached to suffusing ideas and values". This quote is interpreted by Amis et al. (2004) as saying, "The speed at which change takes place is seen as integral to the change track followed" (p. 17).

Hinings and Greenwood (1988, p. 200) used the expression "punctuated evolution" to describe the following order: "First, there was a high pace of change in the first period, a much lower one in the second period, and another high pace in the third period. This is punctuation in the sense of the revolution-evolution sequence" (p. 200). This way of explaining organisational change shows some similarity to the notion of the punctuated equilibrium, described later. Miller (1982) argued similarly to Hinings and Greenwood, observing that the needs for change accumulate during changeless stable intervals until

a critical state of incongruence with the environment is reached. Those needs can be resolved rapidly and jointly during infrequent but revolutionary periods of change: "Change is said to be of a *quantum* nature when many elements change in a major or minor way within a brief interval. It is *revolutionary* only when quantum changes radically transform many elements of structure" (Miller, 1982, p. 133).

However, there are also proponents of a slow approach to organisational change (Pettigrew, Ferlie, & McKee, 1992a). They proposed a long-term view and persistence. They suggest that "because it is a radical change involving ideological as well as action-driven changes, knowledge- and value-based as well as technical change, and multiple actors and agencies, to regard it as not susceptible to a 'quick fix'" (p. 174). Quinn (1980), another proponent of a slow pace, was very much in favour of an approach he calls "logical incrementalism": "an iterative process in which the organisation probes the future, experiments and learns from a series of partial (incremental) commitments" (p. 58). Braybrooke and Lindblom (1963) prefer a similar approach they call "disjointed incrementalism" (p. 81).

Brown and Eisenhardt (1997) argued that a quick, radical change, as it is described in the punctuated equilibrium model, does not play a major role in everyday practice. It is "in the background of the experience of many firms" (p. 1). Other proponents of a slow approach to organisational change (Hedberg, Nystrom, & Starbuck, 1976) postulated that "an organisation's speeds and directions of change approximate those of its environment" (p. 52).

In contrast to that, two sources stated that rapidity is not an appropriate description of how radical change takes place. Child and Smith (1987, p.583) claimed that transformation "proceeds through different phases to which there are not necessarily clearly defined beginnings and ends". Amis et al. (2004) found no support for their own hypothesis that organisations that are able to complete a radical transition are characterized by a rapid pace of change. This may seem contradictory, but there is a logical explanation. Amis et al.'s first step was to conduct a meta-analysis as shown in Table 3, which found that the majority of authors considered a fast pace as necessary.

In a second step, Amis et al. (2004) built their hypotheses on these claims. They performed their own research, a 12 year study of 36 Olympic NSOs (national sports organisations), and concluded that their results could not support the notion that radical change necessarily needs to be fast.

2.4.2 Sequence (order of organisational units)

Hinings and Greenwood (1988) asserted that the sequence of change “focuses upon *what* changes” (p. 107). In other words, the sequence refers to the order of organisational units (e.g. departments) that are affected by the change.

Table 4. Influence of Sequence upon Radical Transformations

Relevance	Characteristic	Nr	Literature
	y	start centrally	21
y	start centrally	22	Kanter, 1983
y	start centrally	23	Kikulis, Slack & Hinings, 1995a
y	start centrally	24	Amis, Slack & Hinings, 2004
		25	
y	start peripherally	26	Beer, Eisenstat & Spector, 1990
		27	
y	other sequences	28	Dutton, Ashford, O'Neill et al., 2001
y	other sequences	29	Huy, 2001
y	other sequences	30	Pettus, 2001
y	other sequences	31	Denis, Lamothe & Langley, 2001
		32	
n	-	33	Romanelli & Tushman, 1994

Note. Source: Adapted from Amis, Slack & Hinings (2004)

Table 4 shows the relevance of sequence as it is perceived by different authors. The authors who deem sequence to be relevant suggest either starting at the centre of the organisation, starting at the periphery, or starting at some other point altogether. Only one author team considered sequence to be irrelevant.

Hinings and Greenwood (1988) are proponents of an organisational change that starts from the centre of the organisation. They use the term “high impact systems” for “certain kinds of emerging systems [that] are crucial in signalling change” (p. 203). According to them, the successful transformation of an organisation requires attention to these high impact, emergent systems. Kikulis, Slack, and Hinings (1995) defined the notion of high impact systems more clearly, asserting, “Our underlying argument is that decision-making structures have an important link with the values of organisational members and so are high impact systems” (p. 73). Such systems may be difficult to change, “but in changing them, a very strong signal is given to organisational members about the importance of the changes” (p. 71). Amis et al. (2004, p. 18) found support in their research for their hypothesis: “The completion of a radical organisational transition is characterized by a change sequence that involves early change to high impact organisational elements”. Kanter (1983) argued for the idea of starting at the most important organisational units. She used the term “central change” for this approach. Beer, Eisenstat, and Spector (1990b) were the only authors to propose that change starts at the periphery. They suggested that “organisations should start corporate revitalization by targeting small, isolated, peripheral operations, not large central, core operations” (p. 6).

In contrast, some researchers claim that the sequence in which change is implemented matters, but not the attribute of the start location. Rather, they point to different types of sequencing:

- Sequencing determined by strategies of implementation (Dutton, Ashford, O’Neill, & Lawrence, 2001; Huy, 2001)
- Sequencing determined by resource allocation and utilization (Pettus, 2001)
- Sequencing determined by leadership styles (Denis, Lamothe, & Langley, 2001)

Dutton et al. (2001) focussed their research on “issue selling”, which means “implicit theories for successfully shaping change from below by directing the attention of top management” (p. 716). Huy (2001, p. 601) proposed “four ideal types of planned change processes”, with a sequence dependent on which type of process has been

chosen. Pettus (2001) chose a resource-based perspective for “predicting the sequencing of a firm’s resources that best provides for firm’s growth” (p. 878). Denis et al. (2001) claimed that “[change occurs] in a cyclical fashion in which opposing forces tend to be reconciled sequentially rather than simultaneously” (p. 22). The sequence is determined by the driving force behind these cycles, which “is the impact of constellation members’ individual or collective actions on their political positions” (p. 23).

Romanelli and Tushman (1994) were no proponents of a specific sequencing in organisational change. While they maintained that “a large majority of organisational transformations were accomplished via rapid and discontinuous change” (p. 1141), they claimed that those “short, discontinuous bursts of change over most or all domains of organisational activity” (p. 1162) did not allow a direct sequencing in an orchestrated fashion.

2.4.3 Linearity (Process order)

Hinings and Greenwood (1988, p. 107) observed that the linearity of change “focuses upon the extent of directional consistency”. In other words, the linearity is the order of steps in the process of organisational change. The key to the definition of “linear order” is that it is a binary relation among members of a set. This is why organisational change in linear order can be reproduced as a standardised sequence of process steps. Table 5 summarises the views of various authors regarding the relevance of linear versus nonlinear order in organisational change.

Table 5. Academic Views on the Relevance of Linearity

Relevance	Characteristic	Nr	Literature
	n	nonlinear	35
n	nonlinear	36	Hinings & Greenwood, 1988
n	nonlinear	37	Kanter, 1984
n	nonlinear	38	Denis, Lamothe & Langley, 2001
n	nonlinear	39	Heracleous & Barrett, 2001
n	nonlinear	40	Greenwood & Hinings, 1988
n	nonlinear	41	Amis, Slack & Hinings, 2004
		42	
y	linear	43	Greiner, 1972/1998
y	linear	44	Kotter, 1995

Note. Source: Adapted from Amis, Slack & Hinings (2004)

Table 5 shows that most authors are in favour of a nonlinear approach. One of them, Kanter (1984), could not identify a linear progression among changes in organisational culture. According to her, these changes consist of “subtle shifts in a large number of organisational patterns” such that it is “difficult to manage a culture change” (Kanter (1984, p. 195), because culture “is an aggregate concept, summarising numerous events and patterns” (p. 196).

Hinings and Greenwood (1988) agreed. They claimed that changes would not proceed smoothly in most circumstances: “Strategic design change is not usually a smooth linear evolution” (p. 204). In a different work, Greenwood and Hinings (1988) spoke of possible oscillations, delays, and lags, asserting that “however, linear transition from one archetype to another is only one of several possible reorientation tracks. Temporary reversals of direction could occur and/or categories be omitted” (p. 307).

Other supporters of a nonlinear approach were Pettigrew, Ferlie, and McKee (1992a). As they explained, “Many schemes fall by the wayside or are modified in the process as

circumstances, needs or ideas change" (p. 201). Denis et al. (2001) chose the notion of "coupling", which means strong linkages built by change leaders. There are three kinds of coupling: linkages within a leadership team ("strategic coupling"), between the leadership team and organisation members ("organisational coupling"), and between the leadership group and key members of the environment ("environmental coupling"). All of them must be mobilized in parallel to permit change. This makes organisational change "sporadic and unpredictable". They argued, "Since it is difficult to maintain coupling at all levels simultaneously, change tends to proceed by fits and starts, with sequential coupling and uncoupling over time at different levels" (p. 4).

The researchers Heracleous and Barrett (2001) observed a shift in the behaviour of change leaders as they encountered delays in system developments and resistance to the new system. Amis et al. (2004, p.19) found compelling support for hypothesizing, "Elements in an organisation undergoing a radical transformation will change in a nonlinear manner".

Although some authors have been strong proponents of a linear approach in organisational change, according to Amis et al. (2004), "There is increasing evidence that organisations do not follow the linear transformation process that early change theorists described" (p. 16). Among the proponents of a linear approach was Greiner (1972), who postulated a model called "the five phases of growth", comprising creativity, direction, delegation, coordination, and collaboration. A more recent proponent of a linear approach is Kotter (1995), whose approach is quite well known in the business consulting industry. He postulated an eight-step process for organisational change:

- Establish a sense of urgency.
- Form a powerful guiding coalition.
- Create a vision.
- Communicate the vision.
- Empower others to act on the vision.
- Plan for and create short-term wins.
- Consolidate improvements and produce still more change.

- Institutionalise new approaches.

Greiner's (1972) and Kotter's (1995) linear approaches may be interpreted as having a somewhat normative character (i.e. a standardised sense of a linear approach) rather than a descriptive nature (the codification of change based upon empirical evidence).

2.4.4 Scope

An important question in the description of organisational change is the extent of the effects on the organisation being changed. Will the intended change have an impact on one department, multiple departments, or the entire organisation? In some cases, an entire industry with multiple organisations may be subject to change more or less simultaneously.

According to Stoddard and Jarvenpaa (1995, p. 83) the scope of change "denotes the organisational reach of change". In other words, scope defines "whether the impact of change will be contained within one function, one organisation, or will cut across organisational boundaries" (p. 83). Roberts (1998, p. 109) argued similarly, "are we attempting to change the whole entity or only one of its many subsystems?". Kofoed, Gertsen, and Jørgensen (2002) considered scope to be one of many parameters for describing the quality of organisational change.

2.4.5 Depth

"Depth" is the hardest parameter of organisational change to grasp among those parameters considered to this point. The notion of "depth of change" refers to the extent to which organisational change is accompanied by cultural and ideological change (Huy, 1998). According to Huy (1999a) deep change affects the core identity, which "is defined as the central, enduring, and distinctive characteristics of the organisation that a large number of members feel proud of and have personally identified with" (p. 12).

Other authors have defined depth of change in relation to strategic intentions in the change context (Stoddard & Jarvenpaa, 1995). A deep change "must occur in the key

behaviour levers of the organisation: jobs, skills, structures, shared values, measurement systems, and information technology” (p. 84).

2.4.6 Summary of the parameters of change

Table 6 offers a brief overview of the parameters of change described so far, together with my interpretation.

Table 6. Interpretation of Organisational Change Parameters

Dimension	Interpretation
Pace	The pace refers to the speed of change. The less time needed for a change process, the faster is the pace.
Sequence	The sequence refers to the order in which different parts of the organisation are changed. A typical differentiation would be either from the centre to the periphery or the opposite way from the periphery to the centre of the organisation.
Linearity	Some sources suggest that a successful change can only be achieved by following a standardised change process. The term “linearity” refers to the rigidity versus flexibility in following a succession of standardised process steps.
Scope	The scope of change describes the range of entities affected by the change, e.g. one department, multiple departments or the entire organisation.
Depth	The depth of change describes how much the organisation is affected by change in its core characteristics.

The parameters of change described above may serve to distinguish radical from non-radical change. However, they are subject to different perspectives. This is why in the subsequent section 2.15 the different roles involved in the change process are introduced. What is not discussed in this section is the perspective and the perceived urgency. People may think they need radical change because they are under enormous pressure. So, depending on the different stakeholder perspective the parameters of change described above may be perceived as being of different importance.

2.5 What Makes a Change Radical?

Radical change has been defined in two different ways. The first starts with the assumptions of two kinds of change — radical and non-radical — that constantly alternate with each other. The second defines radical change through the context of the parameters of change (see 2.4).

2.5.1 The notion of alternating phases

The two most popular terms used to describe the notion of two different phases of change that constantly alternate with each other are “paradigm shift” and “punctuated equilibrium”.

2.5.1.1 Paradigm shift

Amis, Slack, and Hinings (2004) observed within the change literature the “contention that organisations go through long periods of evolutionary or incremental change interspersed with short, sharp revolutionary transitions” (p. 15). Many disciples of this notion of two alternating phases of change (such as Gersick, 1991) refer to the historic source in Kuhn’s (1962) book, *The structure of scientific revolutions*. Kuhn introduced the term “paradigm shift” when characterising major changes in schools of thought within the scientific community. To better understand this oft-used and sometimes abused buzzword, it is helpful to reflect upon Kuhn’s definition of a paradigm in the introduction of his groundbreaking book: paradigms are “universally recognised scientific achievements that for a time provide model problems and solutions to a community of practitioners” (Kuhn, 1996, p. x). According to Kuhn, “some accepted examples of actual scientific practice, examples which include law, theory, application, and instrumentation together – [that] provide models from which spring particular coherent traditions of scientific research” (p. 10). Kuhn argued that students’ most important preparation for their later membership in a scientific community is studying its paradigms (in essence, a common language), so that their later work will not cause open dispute about basic principles.

Guba (1990) remarked that the meaning of the term “paradigm” is not very clear, due to the fact that even Thomas Kuhn himself “used the term in no fewer than 21 different ways” (p. 17). Guba (1990) did not consider this a problem, however; on the contrary, he believed that the more scientists work with the concept of a paradigm, the more their understanding of its many implications will improve. Thus, there may be a continuous need to reshape the definition. Guba’s definition was rather simple: “[a paradigm is] a basic set of beliefs that guides action” (p. 17).

Barker (1993), a management consultant who has long-used the term paradigm in the corporate world offers this definition: “A paradigm is a set of rules and regulations (written or unwritten) that does two things: (1) it establishes or defines boundaries; and (2) it tells you how to behave inside the boundaries in order to be successful” (Barker, 1993, p. 32). According to Barker, the boundaries of a paradigm can express themselves in the ways of a “theory, model, methodology, principle, standard, protocol, routine, assumption, convention, pattern, habit, common sense, conventional wisdom, mindset, value, frames of reference, tradition, custom, prejudice, ideology, inhibition, superstition, ritual, compulsion, addiction, doctrine, and dogma” (pp. 35-36). More cynically than Barker, Burkan (1997, p.21) asserted, “The dominant paradigm is the conviction a company still defends even when it already stands with its back to the wall”.

Thomas Kuhn (1996) used the terms “paradigm shift” and “scientific revolution” more or less synonymously. A paradigm shift takes place when a dominant paradigm is no longer able to resolve current problems, at which time there is suddenly an explosive growth of different interpretations of the same phenomena. Kuhn considered this failure in problem-solving to be the typical symptom of a crisis (p. 71). A crisis is a necessary prerequisite for the genesis of a new theory (p. 80).

According to Kuhn, a paradigm shift requires that the new paradigm explains the observed phenomena better than the old one. It is not sufficient that the proposed paradigm is just different from the current paradigm. From Kuhn’s perspective, a paradigm shift is not an excuse for the arbitrariness of having several equivalent

paradigms in parallel. A paradigm shift is rather a sign of progress, with an old paradigm being replaced by a better, newer one. Classical examples of paradigm shifts are:

- Replacing the geocentric world view (created by Ptolemy) with the heliocentric world view (created by Copernicus).
- Replacing the phlogiston theory (created by Becher and Stahl) with the oxidation theory (created by Lavoisier).
- Replacing the theories of classical mechanics with the relativity theory (created by Einstein) and the theory of quantum mechanics (created by Planck).

Defining paradigm shift from a business perspective, Barker (1993, p. 37) proposes that “a paradigm shift is a change to a new game, a new set of rules”. Many professional futurists have written about ‘megatrends’, starting with John Naisbitt (1982). Megatrends are long-term overall transformational processes. Barker (1993, p. 37) believed that “If you look for what initiated those [mega]trends, you will find a paradigm shift”.

2.5.1.2 Punctuated equilibrium

A similar notion to Kuhn’s paradigm shift was coined under the term “punctuated equilibrium” by palaeontologists Eldridge and Gould (1972). Rooted in the study of biology, punctuated equilibrium denotes a long period of stasis that is interrupted by a sudden revolutionary change. However, Gersick (1991) claimed that this biological concept, suggesting a saltatory process in the origin of species, is very much analogous to other theories describing the behaviour of individuals and groups, both of organisations and scientific fields. The commonality among the mentioned approaches are summarised by Gersick, “Systems evolve through the alternation of periods of equilibrium, in which persistent underlying structures permit only incremental change, and periods of revolution, in which these underlying structures are fundamentally altered” (p. 13). Thus, evolution is not a gradual blending from one state to the next. Revolutionary outcomes are not predictable. They are the products of “relatively brief periods when a system's deep structure comes apart, leaving it in disarray until the

period ends” (p. 20). Revolutionary periods, according to Gersick can be triggered by these two events, namely, “the attraction of newcomers to crisis situations and the system's arrival at key temporal milestones” (p. 26).

Kofoed, Gertsen, and Jørgensen (2002) also referred to the punctuated equilibrium notion of change. They distinguished between radical and incremental change, claiming that continuous improvement (their expression for incremental change) applied prior to or concurrent with radical changes may have a positive influence on their success.

Romanelli and Tushman (1994) addressed the question of whether organisations are typically transformed via the discontinuous change processes predicted in the punctuated equilibrium model. They stated, “Our findings strongly support the conclusion that revolutionary transformation is the most common mode of fundamental transformation” (p. 1162).

2.5.2 Radical change defined by parameter

Although “radical change” may be a common expression in everyday language, it has acquired unique definitions in technical business parlance. This section discusses some of these definitions.

When defining the radical character of organisational change, many authors employ the parametric concept of the pace of change (see 4.2.1). For example, radical change must not be understood as an accumulation of incremental changes over a long period of time (Romanelli & Tushman, 1994). Roberts (1998, p. 108) defined radical change as “the swift, dramatic transformation of an entire system”. MacIntosh (2003) contrasted “radical change” with “incremental change” and suggested, “Radical change is (...) implemented in tightly defined episodes, over a short period of time” (p. 338).

However, Romanelli and Tushman’s (1994) claim that radical change must not be understood as an accumulation of incremental changes also contains a statement about the quality of the change itself, about its depth or profundity. This claim has been shared by other authors as well. Radical change is about “pursuing new and different strategies, structures, capabilities, and resources, supported with new and different core values”

(Newman & Nollen, 1998, p. 48). Voges et al. (2009, p.31) claimed that radical change in an organisation occurs “when there is a shift from one template to another”. The term “template” refers to what other authors would call a “system”. For example, according to Voges et al. (2009), in the case of privatization there is an anticipated shift from a public sector, bureaucratic template to a private sector template.

Newman and Nollen (1998) maintained that incremental change does not challenge the organisation’s core values; instead it builds on them. “[radical change] implies quantum and fundamental change in the firm’s core values, as well as its strategies, structures and capabilities” (p. 47). It may also modify assumptions about what business to be in, how it should be conducted, and what are the core values that accompany those assumptions.

Huy (1999a) proposed that a radical change is often deep and large-scale. He suggested, “radical change not only causes a major and pervasive redistribution of resources and power, which is already highly upsetting in itself, but by definition demands a paradigm shift that challenges members' most basic assumptions about the nature of the organisation” (p. 12).

Greenwood and Hinings (1996) made a distinction between convergent and radical change. According to them, convergent change is the fine-tuning of the existing orientation, whereas radical change involves the bursting loose from an existing orientation and the transformation of the organisation. Greenwood and Hinings (1996) argued in a similar fashion to Kuhn (1996) when they claimed that “convergent change occurs within the parameters of an existing archetypal template. Radical change, in contrast, occurs when an organisation moves from one template-in-use to another” (p. 1,026). The “archetypal template” is the equivalent to Kuhn’s paradigm. Parallel to the pair of parameters, “convergent versus radical”, Greenwood and Hinings (1996) also used a separate pair of parameters, “evolutionary” versus “revolutionary”. Whereas evolutionary change occurs slowly and gradually, revolutionary change happens swiftly and affects virtually all parts of the organisation simultaneously. Thus, from Greenwood

and Hinings' point of view, the radicalness of change is about the archetype whereas the 'revolutionariness' is about the pace and scope of change.

This "archetype" seems to be a recurring theme in the change literature. According to Greenwood and Hinings (1993, p. 1052), an archetype is a "set of structures and systems that reflects a single interpretive scheme". Amis, Slack, and Hinings (2004, p.16) rephrased this definition by stating that "archetypes can be conceived of as a collection of values and beliefs that are made manifest through particular structural arrangements". They built upon this definition when they claimed that radical change is "a shift from one archetypal configuration to another, or a transition from a design that can be identified with no single archetype to one that has clear archetypal status" (p. 16). The critical reader may wonder if this archetypal metaphor is not just a rework of one of the most-quoted, almost historical references in the change literature, but dressed in a new and much more mythical garment, namely, Lewin's early model of organisational change, consisting of the three steps of unfreezing, moving, and freezing of group standards (Lewin, 1947a).

Stoddard and Jarvenpaa (1995) clearly distinguished between scope and depth of change. "Scope includes the breadth of change. Depth involves the nature of change. Radical change is high on both scope and depth" (p. 83). They suggested that scope may be divided into the categories of functional, cross-functional, and organisation-wide, and depth may be divided into efficiency, effectiveness, and transformation.

		Scope of Change		
		Functional	Cross-functional	Organization-wide
Planned Depth of Change	Efficiency			
	Effectiveness			
	Transformation			

Figure 1. A matrix of scope versus depth of change. Source: Stoddard & Jarvenpaa (1995)

In contrast to Stoddard and Jarvenpaa, Roberts (1998) introduced a conceptual framework that describes radical change by the two dimensions of pace and scope in a two-by-two matrix. The typology therefore claimed four different types of change.

		Scope of Change	
		Part	Whole
Pace of Change	Slow	Element Adaptation	System Adaptation
	Fast	Element Transformation	System Transformation

Figure 2. A matrix of scope versus pace of change. Source: Roberts (1998)

The first type of change—element adaptation—is a combination of slow change and partial scope. It can be interpreted as a movement of convergence rather than divergence for the purpose of improving the system’s overall functioning and efficiency. The system adaptation type of change is a qualitative rather than a quantitative shift.

An old system is replaced by a new one in continuous steps over a longer period. This type of change can be watched when an entire business area gradually adapts to a new technology. Roberts referred to the historical example of the Industrial Revolution. However, when only a part of an organisation undergoes a change in a relatively short period, without the rest of the organisation being affected, this type of change is called “element transformation”. Lastly, system transformation is a change in a relatively short period that includes the entire organisation. This “system transformation” is what Roberts referred to as “radical change”. Roberts added that these four kinds of change are not necessarily mutually exclusive. They may occur in parallel or in alternation with each other, as can be seen in cases described by the theory of the punctuated equilibrium. In sum, Roberts (1998, p.108) defines radical change as “a swift, dramatic transformation of an entire system”.

Kofoed et al. (2002) proposed a more generalist approach. They suggested that change may be categorised by multiple dimensions, such as the scope of change, the time or pace, the cost of the intervention, and whether the change is rather of a planned or reactive type. This holistic assessment from a meta-perspective helps to decide whether the change is an incremental or radical type.

2.5.3 Delimitation from other theoretical approaches

“Radical change” is sometimes confused with the approach of “radical innovation” (also called “disruptive innovation”) whose most famous proponent is Clayton Christensen (2000, 2003). Radical innovation looks at change from the perspective of how innovations – mostly of a technical kind – drive organisational change. This concept will not be part of this thesis.

2.5.4 Summary

There are two distinct approaches to determining whether a change is indeed “radical”. The first approach is to claim a timeline of alternating phases, one of them being the phase of radical change. This notion can be found in the concepts of the paradigm shift

and of the punctuated equilibrium. The other approach is to define a set of parameters that have to be fulfilled in order for a change to “qualify” as a radical change.

My efforts to define the boundaries of incremental versus radical change seem to indicate that there is no clear consensus as to what radical change really is. Could there ever be a boundary that everyone agrees on? Probably not. All we can say is that incremental and radical change are different. Different observers will have different opinions about this. This bears some resemblance to the famous phrase “I know it when I see it.” (Gewirtz, 1996, p. 1023). This statement was made by Supreme Court Justice Potter Stewart in the year 1964 when being asked to define the word “pornography”. Maybe in a similar fashion, everybody seems to know what radical change is without being able to clearly delimit it from incremental change. The parameters of change described in section 2.4 may be helpful, but their interpretation will still be dependent on the different perspectives of stakeholders described in section 2.15.

2.6 Drivers of Change

This section briefly describes the key initiators of radical organisational change. According to Newman and Nollen (1998, p. 48), radical change is triggered by:

1. A decline in recent performance.
2. A significant change in the competitive environment, such as a new technology or governmental deregulation.
3. A change in top management.

This rather limited list is visualised in more detail in the authors’ framework shown in figure 3.

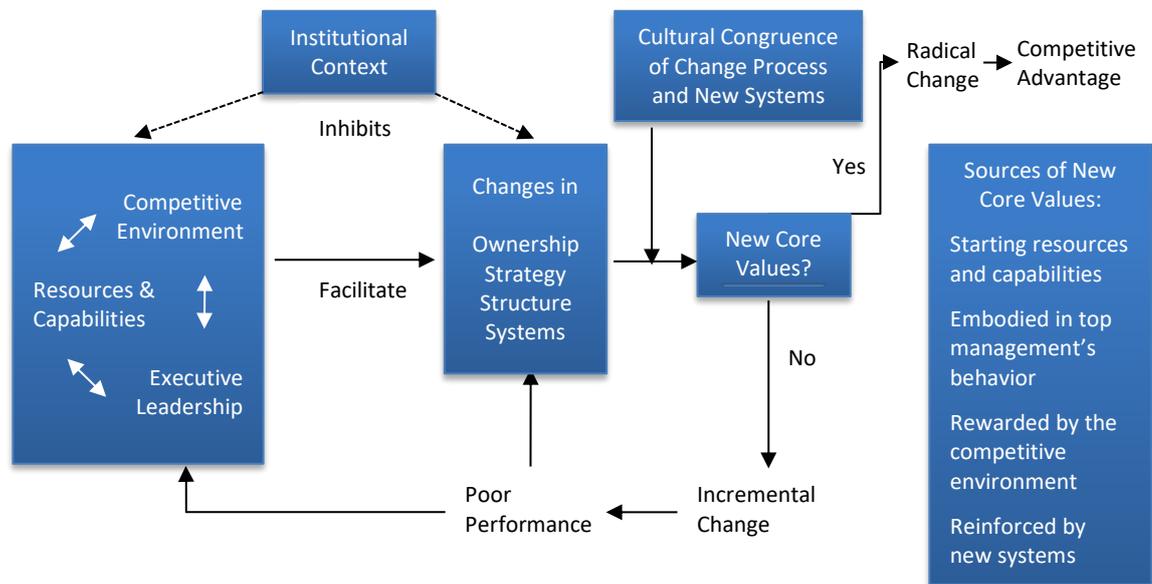


Figure 3. Effect of institutional upheaval and national culture on radical change in organisations. Source: Adapted from Newman & Nollen (1998, p. 208)

In their conceptual framework, Newman and Nollen (1998) express their point of view about how a radical change is facilitated: Radical change involves the interaction of (a) resources and capabilities, (b) the organisation's competitive environment, and (c) the leadership available to the organisation that triggers a change in either ownership, strategy, structure, systems, or a combination of these. As a counterforce, the institutional context may inhibit the change. Only when the entire process also creates new core values will a radical change take place and a competitive advantage be achieved.

From my own experience, I consider the list above as limited and the framework somewhat confusing, giving little information about a possible cause-and-effect relationship. For example, new ownership, as in a post-acquisition context, could almost certainly be listed as a driver for radical change. Also, the reference to new core values leads one to wonder: What are people talking about when they talk about core values? Can an organisation change such values directly, or do they result from another setting? I would suggest not to make lists of all the concrete occurrences that may drive a radical change, but instead rather categorise by a brief, limited overview of more abstract

circumstances, e.g. in the way done by Roberts (1998, see below). I have selected the latter approach in defining drivers of change in subsequent models.

Tushman et al. (1986) approached the question from a different angle. They suggested that the following factors lead to frame-breaking changes:

- Industry discontinuities: These are sharp changes in legal, political, or technological conditions. They also encompass shifts in industry standards, dominant designs, and major economic changes (e.g., oil crises).
- Product-life-cycle shifts: Over the course of a product class life-cycle, from product innovation until the maturity stage, different strategies are likely to become appropriate.
- Internal company dynamics: Internal forces within the organisation trigger change, such as sheer size that comes along with company growth, as well as shifting interests of investors in the company.

While Newman and Nollen (1988) were focussed more on the inside of the organisation and Tushman et al. more on the outside world, Roberts (1998) abstractly defined drivers of change claiming four typical causes for radical change in the context of public policy: radical change by chance, radical change by consensus, radical change by learning, and radical change by entrepreneurial design. Radical change by chance refers to what is commonly called a “window of opportunity”. According to Roberts, there are combinations of problems, policies, and politics, each largely independent of one another but interacting with each other. This messy and accidental process may alter constraints and opportunities for change agents (per Roberts, “policy actors”). Radical change by consensus occurs when the elites of different political cultures find an integrative solution that meets their preferences. Radical change by learning is triggered when people who share a belief system form a coalition. The best conditions for learning are at an intermediate level of informed conflict when the experts from competing coalitions justify their points of view before their peers in a professional forum. Radical change by entrepreneurial design begins with conscious, deliberate activities of policy actors who have a radically new idea that they want to see implemented. They envision

an end state and take action to reach it, monitoring their progress along the way. So, from Roberts' point of view, among these four causes of radical change "only the fourth really explores how individuals can influence and mold the change process" (Roberts, 1998, pp. 115–116).

Doppler and Lauterburg (1998) highlighted three equally abstract but briefer lists of drivers of change: scarcity of time, financial resources, and dramatic increase in complexity. They also identified five characteristics of a change-friendly corporate culture: creative restlessness, ability to deal with conflict, feeling of solidarity, conveyance of significance and communication, and stressing the importance of an external change agent who is able to ask critical questions through not being "routine-blinded".

In summary of the models presented above, the following events may trigger the need for organisational change:

- Scarcity of time: Previous approaches take too much time.
- Scarcity of finance: Previous approaches consume too much money so that there is extreme financial distress.
- Complexity: Previous approaches stifle the organisation due to an improper handling of complexity.
- Technology: A change in technology necessitates a radically different approach.
- Competition / market forces: Changes in the market and/or competitive environment rapidly erodes competitive advantage.
- Governmental regulation: Outside forces such as regulation and deregulation by the government define a new general framework for operations.
- Paradigm shift: A long phase of inertia has accumulated the need for change over time.
- New strategy: Decision makers initiate a change intentionally (without any urgent need from the outside). This approach will be covered in more detail in the section 2.12.
- New ownership of the organisation

2.7 Organisational Change

Newman and Nollen (1998) claimed that theories about organisational change can be classified in either of two ways: “change at the population (industry) level versus change at the organisational level” (p. 43). The first perspective may be interpreted as the way that the population of companies inside a specific industry changes over time, as some companies leave while others enter the industry. Institutional theorists have provided a different interpretation of the first perspective. According to Newman and Nollen (1998), “institutional theory is an explanation of organisational similarity and inertia” (p. 44). In other words, Newman and Nollen claimed that companies inside an industry become more similar to each other over time, because there is a normative process that rewards similarity.

The second perspective—change at the organisational level—is more relevant to the subject of this thesis. Newman and Nollen (1998) considered five approaches for this perspective to be especially noteworthy:

1. Transaction cost theories look at organisational change from an efficiency point of view. When the cost for an external transaction is high, a company might incorporate functions internally.
2. Contingency theories suggest that organisations are structured in a way so that they “fit” well with the demands of their environment and their technology.
3. Resource dependence theories imply that companies want to become more independent from their environment. Here, the driving force for change is not minimizing cost but minimizing uncertainty.
4. Life-cycle theories suggest that change is inevitable as organisations go through predictable, sequenced stages of development.
5. Lastly, strategic choice theories claim that rational actors, such as managers, make choices about how to compete and in which businesses to compete.

In an effort to explain organisational change, “management scholars have borrowed many concepts, metaphors, and theories from other disciplines, ranging from child development to evolutionary biology” (Van De Ven & Poole, 1995, p. 510). According to

Van de Ven and Poole (1995), this is the reason for concepts such as punctuated equilibrium, stages of growth, processes of decay and death, population ecology, functional models of change and development, and chaos theory.

From my point of view, the people involved in change processes may have a significant impact on the outcomes. In the literature I found, change is not always seen as a process, performed by people in different roles, such as the role of leadership or the role of change agents. Understanding change as a process raises questions about the importance of aspects such as change readiness, contingency, complexity and the roles of actors involved in the change process. I address these aspects in subsequent sections.

2.8 Organisational Change Versus Organisational Development

The two terms “organisational change” and “organisational development” are often used interchangeably. However, some authors argue that there are important differences between these expressions. According to Triscari (2008), organisational change is an umbrella term for all types of change, including that alluded to by the term organisational development.

Some definitions of organisational development stress its long-term aspect, so as to delimit it from organisational change that supposedly has more of a project character with a limited timeframe. “Organisation development refers to a long-range effort to improve an organisation’s problem-solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioural-scientist consultants, or change agents, as they are sometimes called” (French, 1969, p. 23).

Cummings and Worley (2009) attach such great importance to the long-term effect of organisational development that they even identify “contextual trends and their effects on OD’s future” (p. 697). These trends are shown in Figure 4.

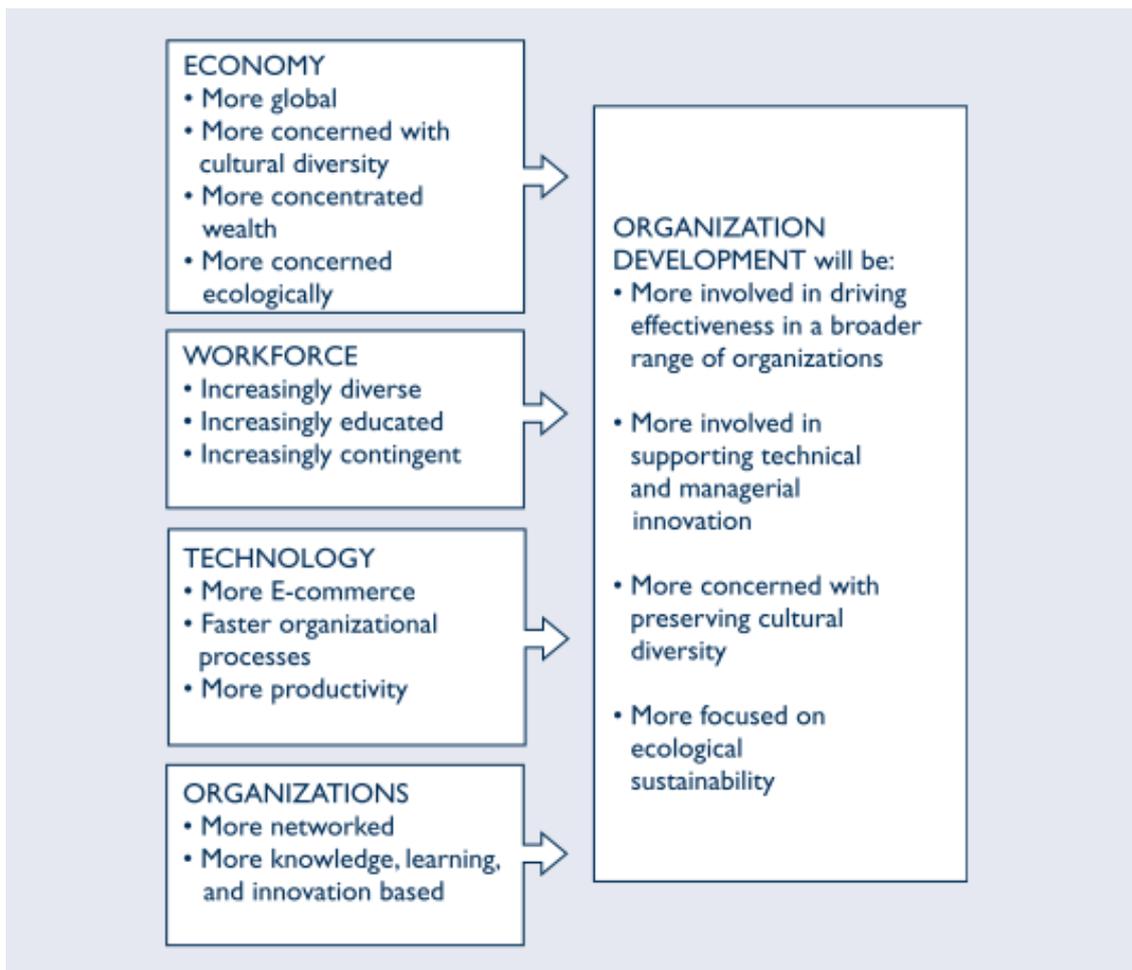


Figure 4. Contextual trends and their effects on OD's future. Source: Cummings and Worley (2009, p. 697)

Change management (as the activity of applying either organisational change or organisational development) was defined by Moran and Brightman (2000) as “the process of continually renewing an organisation's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers” (p. 1). In contrast to organisational change, the term “organisational development” (or OD) is a much more specific expression. According to Triscari, it came into use during the 1960s when organisational development consultants became popular as solvers of organisational problems mostly through changes in mission statements, organisational structures, and by using other organisational processes or methods (Chapman, 2002; Triscari, 2008). Triscari concluded that the type of intervention that is defined as “organisational development” is a form of planned change.

This ties in with Lunenburg's definition. According to Lunenburg (2010), "Organisational development is a set of behavioural science techniques designed to plan and implement change in work settings. The major techniques of organisational development attempt to produce some kind of change in individual employees, work groups, and/or the entire organisation" (p. 1). Lunenburg stressed the act of planning and divided the planning efforts into two categories: process and structural.

Cummings and Worley (2009) wanted to distinguish organisational development from change management and organisation change, offering this definition: "Organisation development is a systemwide application and transfer of behavioural science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organisation effectiveness" (pp. 1-2). Implicit in the Cumming and Worley view is the planned character of organisational development (see section 2.12 for discussion of planned change versus emergent change).

2.9 The Concept of Change Readiness

"Change readiness" is a concept that occasionally is mentioned in the context of organisational change. For some authors, this concept is of utmost importance, whereas others do not even bother to mention it, considering it a non-issue. Among its strong proponents are Armenakis et al. (1993). From these researchers' point of view, readiness is the cognitive precursor to the behaviours of either resistance to, or support for, a change effort. They claim, "Readiness is described in terms of the organisational members: 1. beliefs, 2. attitudes, and 3. intentions" (p. 1). They saw change readiness more in the responsibility of internal change agents, conceding, "Clearly, external change agents can also benefit from a heightened sensitivity to the creation of readiness" (p. 2). In the context of change readiness, Armenakis et al. considered it the responsibility of the change agent "to influence the beliefs, attitudes, intentions, and ultimately the behaviour of a change target. At its core, the creation of readiness for change involves changing individual cognitions across a set of employees" (p. 2).

A term that often appears in the context of change readiness is the "change readiness assessment" because, in accordance with the common belief of the proponents of

change readiness, an organisation has to be assessed to determine its state of readiness. Only when a certain degree of change readiness is achieved can the change be initiated with a chance of success. Sirkin, Keenan, and Jackson (2005) proposed a means for quantifying change readiness through the DICE score, a model that calculates four factors to determine the outcome of any transformation initiative.

- **D.** D is the duration of time until the change program is completed, if it has a short lifespan; if the lifespan is not short, then D is the amount of time between reviews of milestones. The rule of thumb is: The shorter, the better.
- **I.** I is the project team's performance integrity; that is, its ability to complete the initiative on time. This measurement will depend on members' skillsets and traits relative to the project's requirements.
- **C.** C is a dual code referring to the commitment to change that is displayed by top management (C1) and employees affected by the change (C2) display, in other words, the senior executives' and line managers' dedication to the programme.
- **E.** E is the effort over and above the usual work that the change initiative demands of employees. In other words, it identifies the extra work employees must do to adopt new processes. The rule of thumb is: The less, the better.

Sirkin et al. (2005) calculated the change readiness score thus:

$$\text{DICE Score} = D + (2 \times I) + (2 \times C1) + C2 + E$$

Sirkin and his associates claimed, "Our research shows that change projects fail to get off the ground when companies neglect the hard factors" (p. 2).

Be it this kind of assessment or some other, for some authors (e.g. Armenakis et al., 1993; Armenakis & Harris, 2002; Burnes, 2004b), a change readiness assessment or change readiness audit should often be performed at the beginning of a change initiative. From the point of view of the proponents of the concept of change readiness, one may argue that a change readiness assessment is even more essential before a radical change, as the risks associated with failure are typically greater.

From this perspective, a change readiness assessment is an attempt to ensure that the complexities of change are addressed, thought about and taken care of.

2.10 The Concept of Contingency

Contingency theory is a concept that evolved during the 1950s and became increasingly popular in the 1960s. It is an organisational theory that accepts that there is no best way to organise and manage an organisation; instead, the optimal course of action is contingent (dependent) upon the internal and external situation. Early proponents of the contingency approach in the 1960s were, among others, Blake and Mouton (1971), proponents of the “managerial grid”, and Fiedler (1971) with his contingency model of leadership, or more specifically “situational leadership”. According to Graeff (1997), however, situational leadership may be traced back to 1969 with Hersey and Blanchard (1969; 1993) whose leadership model is described later in greater detail.

While the early models of situational leadership were applied to “regular” or “normal” phases of organisational development and change, it was only a matter of time until the concept of contingency would also be applied to the times of turmoil, namely, the phases of radical organisational change. Dunphy and Stace (1993) are probably the proponents of this approach who have been quoted most often in the literature. Dunphy and Stace (1993, p. 905) argued that “turbulent times demand different responses in varied circumstances. So, managers and consultants need a model of change that is essentially a ‘situational’ or ‘contingency model’”. Their model, as illustrated in Figure 5, postulates four different change management styles: collaborative, consultative, directive, and coercive.

Style of Change management	<i>Fine Tuning</i>	<i>Incremental Adjustment</i>	<i>Modular Transformation</i>	<i>Corporate Transformation</i>
<i>Collaborative</i>	Type 1 Participative evolution		Type 2 Charismatic transformation	
<i>Consultative</i>				
<i>Directive</i>	Type 3 Forced evolution		Type 4 Dictatorial transformation	
<i>Coercive</i>				

Figure 5. Dunphy and Stace's contingency model of change implementation. Source: Dunphy & Stace (1993, p. 908)

Dunphy and Stace's model clearly bears some resemblance with the situational leadership model by Hersey and Blanchard (1993) that is so omnipresent in the management literature. If you turn it around by 90 degrees and change the wording a bit, you have basically the same model. Hersey and Blanchard make four levels available:

R1: People are both unable and either unwilling or too insecure to take responsibility to do something.

R2: People are unable but willing to do the necessary job tasks. They are motivated but currently lack the appropriate skills.

R3: People are able but unwilling and too apprehensive to do what the leader wants.

R4: People are both able and willing to do what is asked of them.

With an increasing development level of the employee (referring to a more mature way of making decisions and taking responsibility), the leadership style of his superior would

switch from the more authoritarian style of “directing” via “coaching” and “supporting” to the most liberal style of “delegating”.

A similar dependency on situational circumstances is what Dunphy and Stace postulate for change endeavours in their own model. So, within contingency theory, one can see the development from leadership styles to styles of change management.

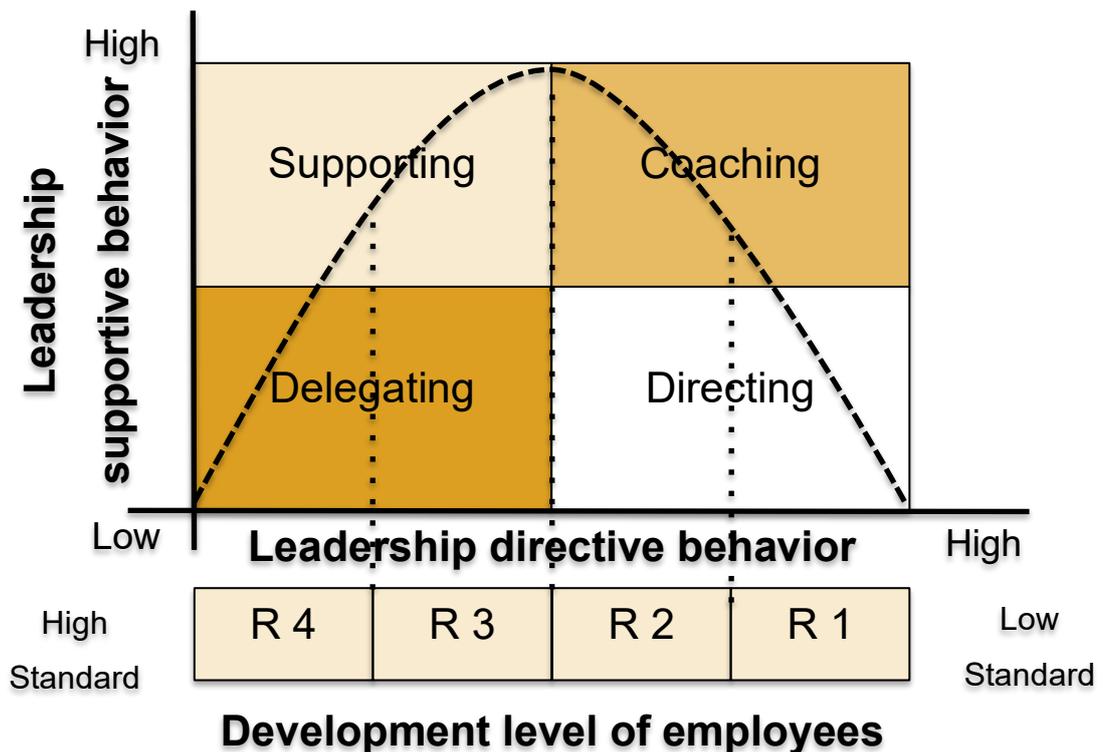


Figure 6 . Hersey & Blanchard’s model of situational leadership. Source: Author, adapted from Schuler (1993, p. 345)

Nevertheless, and perhaps not surprisingly, there is criticism of contingency theory in general; firstly, it fails to give a structure to organisational performance. Secondly, situational variables are seen as a given, with managers not having any significant influence over them (Burnes, 1996). At first consideration, this seems to play into the hands of fatalists and not into the hands of people who love to create their own future.

2.11 The Concept of an Organisational Life-cycle

The concept of an organisational life-cycle is relevant for this literature research to the extent that existing models of an organisational life-cycle suggest that the progression

from one stage of the life-cycle to the next stage requires a radical organisational change. There is a plethora of models that claim to describe the life-cycle of an organisation. The idea to develop such a model is inspired by the analogy between an organisation and a human being (or even any living being at all). Just as a human being's life begins with birth, ends with death, and passes through stages in between, such as childhood, youth, adulthood, and mature age, a similar metamorphosis can be assumed for an organisation.

2.11.1 Organisational life-cycle models

The models of an organisational life-cycle are of different complexity so that the number of purported stages of an organisation's life ranges from a minimum of three to a maximum of ten stages. Whetten's (1987) three-stage model focussed on an organisation's growth, decline, and death. Rooke and Torbert (1988) conceived of an eight-stage model, postulating stages as follows: conception, investments, incorporation, experiments, systematic productivity, collaborative inquiry, foundational community, and liberating disciplines. An example of a ten-stage model is Adizes's (1979), which postulated the stages shown in Figure 7.

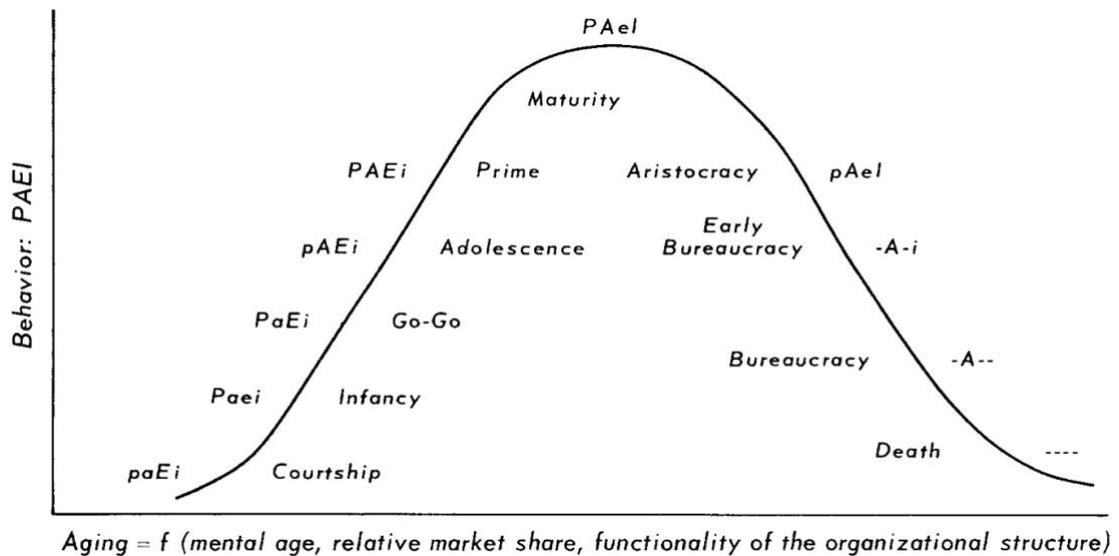


Figure 7. Model of organisational life-cycle. Source: Adizes (1979, p. 8)

1. **paEi: The Courtship Stage** – The four letters refer to the different roles played in each stage. These are the productive role, the administrative role, the entrepreneurial role, and the integrative role (referring to team initiatives). In the courtship stage, even before an organisation exists, there is a focus on the entrepreneurial role, which is why in this model the “E” is written in a capital letter.
2. **Paei: Infant Organisation** – During the infant organisational stage, there is a focus on producing results, which is why in this stage the “P” is written in a capital letter.
3. **PaEi: The Go-Go Stage** – Here the result orientation and the entrepreneurial orientation play an equally important role.
4. **pAEi: The Adolescent Organisation** – In this stage, the administrative role gains importance.
5. **PAEi: The Prime Organisation** – In this stage, a focus on productivity achieves results, administrative focus achieves efficiency, and entrepreneurial focus achieves customer orientation. In a way, this stage represents the optimal state for an organisation.

6. **PAel: The Mature Organisation** – The mature stage loses focus on customer orientation (E), but gains focus on building a climate of friendship (I).
7. **pAel: The Aristocratic Organisation** – The aristocratic stage also loses focus on results (P).
8. **-A-i: The Early Bureaucracy** – The early bureaucracy stage has completely eliminated focus on results (P) and customer orientation (E). This stage is described by the author in the following manner: “Managers fight managers, spending most of their time turned inward, building cliques and coalitions. Their creative capabilities are not directed towards creating better products, developing a better marketing strategy, and so on, but into ensuring personal survival by eliminating and discrediting each other” (Adizes, 1979, p. 12).
9. **-A--: Bureaucracy** – In contrast to the early bureaucracy, this stage is dominated by a less hostile atmosphere. Adizes describes this stage as follows:

In Early Bureaucracy one could get something done if one knew the right person. Thus, the small i. In full-blown bureaucracy very little, if anything, gets done. There is no fighting; there is an atmosphere of peacefulness. Such organisations’ managers are among the nicest to work with. They agree a lot. But nothing ever happens. There is no results orientation, no inclination to change, no teamwork, only forms, systems, rules, procedures (Adizes, 1979, p. 13).
10. **----: Death** – Lastly, when even the focus on administration is lost, the organisation stops and becomes dissolved.

Between the extremes of three and ten stages, however, a relative majority of organisational life-cycle models seem to propose five stages. Table 7 provides an overview of selected organisational life-cycle models, without claiming completeness.

Table 7. Overview of Organisational Life-cycle Models

Growth, Decline, Death	(Whetten, 1987)
Birth, Youth, Maturity	(Lippitt & Schmidt, 1967)
Inception, High Growth, Maturity	(Smith, Mitchell, & Summer, 1985)
Entrepreneurial, Collectivity, Formalization, Elaboration of Structure	(Quinn & Cameron, 1983)
Conception and Development, Commercialization, Growth Stability	(Kazanjian, 1988)
Start-up, Expansion, Maturity, Diversification	(Hanks, Watson, Jansen, & Chandler, 1993)
Creativity, Direction, Delegation, Coordination, Collaboration	(Greiner, 1994)
Proof of Prototype/Principle, Model Shop, Volume Production/Start-Up, Natural Growth, Strategic Maneuvering	(Galbraith, 1982)
Birth, Growth, Maturity, Revival, Decline	(Miller & Friesen, 1984a)
Inception, Survival, Growth, Expansion, Maturity	(Scott & Bruce, 1987)
Existence, Survival, Success, Renewal, Decline	(Lester, Parnell, & Carraher, 2003)
Birth, Growth, Maturity, Decline/Renewal, Death	(Hoy, 2006)
Conception, Investments, Incorporation, Experiments, Systematic Productivity, Collaborative Inquiry, Foundational Community, Liberating Disciplines	(Rooke & Torbert, 1998)
Courtship, Infancy, Go-go, Adolescence, Prime, Stability, Aristocracy, Early Bureaucracy, Bureaucracy, Death	(Adizes, 1979)

Note. Source: Author.

All in all, most descriptions of organisational life-cycle models provide little explanation as to how and why the different stages of the life-cycle progress from one to the next. There is hardly any indication that a progression to the next stage is accompanied or supported by a radical change. The only model I could find that convincingly suggests an organisational crisis and, thus, a radical change between the stages of the life-cycle is in the model by Larry Greiner of 1972 (as well as the Scott and Bruce model of 1987, which is a variation of the Greiner model.) Greiner (1998) suggested that evolutionary stages of growth are interrupted by revolutionary stages of crisis.

THE FIVE PHASES OF GROWTH

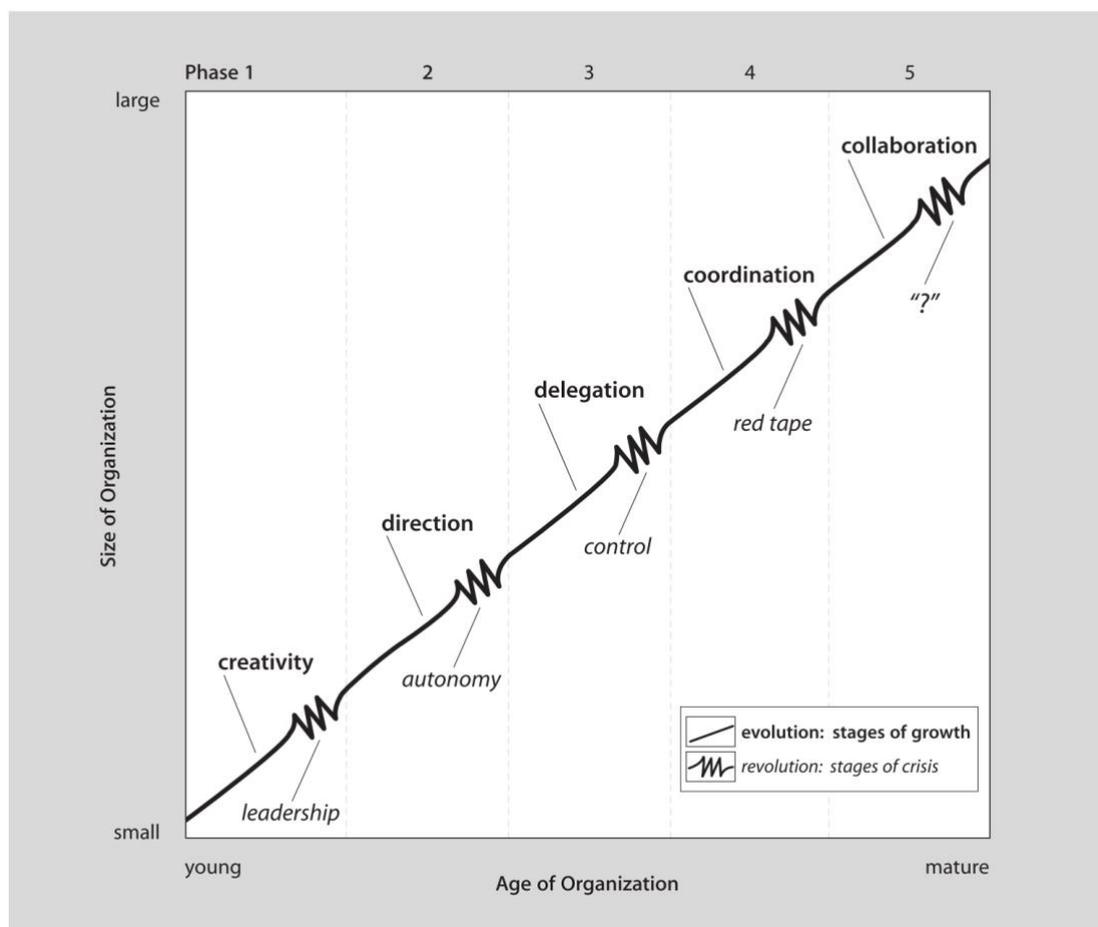


Figure 8. Five phases of growth. Source: Greiner (1998, p. 5)

As proposed by Greiner (1998), the five stages in the model of the life-cycle of an organisation are as follows:

1. Phase 1 suggests growth through **creativity**. The founders are still entrepreneurially oriented. Their communication is frequent and informal. They work long hours at modest salaries, and they are reactive to feedback from the marketplace. This phase is interrupted by a **leadership crisis**, the first revolution. The founders usually lack the necessary leadership skills but are often not ready to step aside and find an experienced manager with the necessary strength and skills to pull the organisation together.
2. Phase 2 suggests growth through **direction**. A functional organisational structure is introduced, and job assignments become increasingly specialised. Accounting systems for inventory and purchasing are introduced. Incentives, budgets, and work standards are adopted. Communication becomes more formal and impersonal as a hierarchy of titles and positions grows. This phase is interrupted by an **autonomy crisis**. It becomes difficult for top-level managers who previously were successful at being directive to give up responsibility to lower-level managers. Moreover, the lower-level managers are not accustomed to making decisions for themselves.
3. Phase 3 suggests **growth through delegation**. Greater responsibility is given to the plant and market territories managers. Profit sharing and bonuses for incentives are introduced. Top managers manage only by exception (meaning in exceptional situations). Management becomes active in acquisitions. Communication from the top is infrequent. This phase is interrupted by a **control crisis**. Field operations become diversified and inefficiencies creep into the system. Top management loses control over planning, money, technology, and manpower. Management must solve the crisis by bringing in special coordination techniques.
4. Phase 4 suggests **growth through coordination**. Decentralized units are merged. Formal planning procedures are established. Each product group is treated as an investment centre where return on invested capital is an important criterion used in allocating funds. Certain technical functions, such as data processing, are centralized. This phase is interrupted by a **red tape crisis**. The organisation becomes too complex to be managed by formal programs,

and formalities become more important than problem-solving. Line managers increasingly resent direction from those who are not familiar with local conditions, and staff people complain about uncooperative and uninformed line managers. Together, both groups criticise the bureaucratic system that has evolved.

5. Phase 5 suggests **growth through collaboration**. The focus is on solving problems quickly through team action. Staff experts at headquarters are reduced in number, reassigned, and combined into interdisciplinary teams that consult with, not direct, field units. Formal control systems are simplified and combined into single multi-purpose systems. Conferences of key managers focus on major problems. Managers are trained in behavioural skills for achieving better teamwork and conflict resolution. Real-time information systems are integrated into daily decision-making processes. Economic rewards are geared more to team performance than to individual achievement. This phase is interrupted by the “**question mark crisis**”. Greiner speculated that this crisis will centre around the psychological saturation of employees who grow emotionally and physically exhausted from the intensity of teamwork and the heavy pressure for innovative solutions. Greiner supposed that this crisis will be solved through new structures and programs that allow employees to periodically rest, reflect, and revitalize themselves.

The benefit of Greiner’s model is that he postulated a crisis and, thus, a revolution as a necessity for moving from one stage to the next. This provided plausible argumentation for why an organisation should proceed at all from one stage to another. The disadvantage of the model, however, is its theoretical character, which makes it hard to measure or operationalize and apply in everyday practice.

2.11.2 Limitations and advantages of organisational life-cycle models

In summary, I consider organisational life-cycle models to be problematic for four reasons: Firstly, the number of stages seems to be arbitrary, ranging from 3 to 10 in the models referenced in this section. Secondly, most models hardly provide any convincing

reason why an organisation should move from one stage to the next. Thirdly, it is not always clear which of the stages the organisation is currently in. Fourthly, organisational life-cycle models hardly take into considerations that organisations are different from each other. This may be the reason why they are of limited use for making predictions. All four arguments may limit the value of organisational life-cycle models and make it difficult to decide what actually to do about the current situation.

On the other hand, organisational life-cycle models have the advantage that they raise awareness about organisations having different phases that may come to an end, with each phase providing different prevailing circumstances. This is accordant to the general concept of radical organisational change.

2.12 Planned Change Versus Emergent Change

This section speaks of radical organisational change as an active and deliberate part of leadership, not just as a passive reaction to inside and outside forces. The terms “active and deliberate” imply that the change agent follows a strategic intent. Basically, there are two different ways of implementing this strategic intent: planned change and emergent change. According to Todnem By (2005), as far as the question “how change comes about” is concerned, the literature is dominated by planned and emergent change.

The planned change approach is what Whelan-Berry et al. (2003) referred to as “step-based models of organisational-level change”. This approach is equivalent to the previously stated parameter of change “linearity”, a predefined order of process steps. In contrast to the planned change approach, there is the emergent change approach, which assumes the impossibility of predefining the order of necessary process steps for a radical organisational change in advance. Rather, each completion of a process step leads to a reassessment of the necessary next step. In other words, this is a more agile approach that enables the flexibility to adapt to most recent circumstances when choosing the next step in the radical organisational change. The following paragraphs will take a closer look at both approaches: planned change versus emergent change.

According to Gersick (1994), research shows that performance crises can trigger reactive change, but proactive revolutions in organisations are poorly understood: there is a simple lesson “that sometimes an organisation should change course and sometimes it should not” (p. 9). How does a manager know which one of these contradictory paths to follow in pursuit of a strategy? Gersick referred to Tushman et al. (1986), who “found that the most successful reorientations occurred in organisations whose managers foresaw the need for radical change and initiated it before crises occurred” (Gersick, 1994, p. 11). This still leaves open the question of from where these managers obtain their foresight.

Gersick (1994) suggested setting milestones, a method which she calls “temporal pacing”. She hoped that leaders with a schedule in mind are better prepared to find the right timing of opportunities for transitional change. Since human activity is innately rhythmic, comparing one’s progress to milestones may enhance progress and cause entrainment (referring to the synchronization to an external rhythm). “Entrainment occurs when the periodicity of a rhythmic activity becomes linked to the periodicity of another rhythmic stimulus—called a ‘zeitgeber,’ or time giver” (Gersick, 1994, p. 37).

Fiedler, Welpel, and Picot (2010) claimed that the radicalness and the “revolutionary-ness” of change are two dimensions that are independent from each other. They state that during the evolutionary way of change “the organisational change is brought about by competing forces in the institutional and market context without deliberately planning change measures for reaching the organisational change aims” (p. 112). In other words, a revolution is deliberate and actively planned, whereas an evolution somehow emerges during the interplay of the forces involved. Fiedler et al. (2010) put this statement into perspective with radicalness by claiming that “radical organisational change can be managed either by planned change measures or brought about through evolutionarily-developed changes, and that both approaches, given the right circumstances, can be successful” (p. 114).

McGreevy (2008) presented a model that distinguishes change approaches alongside the two dimensions “transactional versus transformational” and “proactive versus

reactive”. In this model, both approaches “planned” and “emergent” belong to the transactional side. However, the planned approach is considered to be more on the proactive side, whereas the emergent approach is more on the reactive side. One might question whether planned and emergent approaches are really as unsuitable for transformational change as this model suggests. Nevertheless, a planned approach is undoubtedly a less reactive one than is an emergent approach, because the emergent approach has to react much more to current circumstances, integrating interim controls and learning processes. The subsequent figure shows a suggestion of categorising different change approaches.

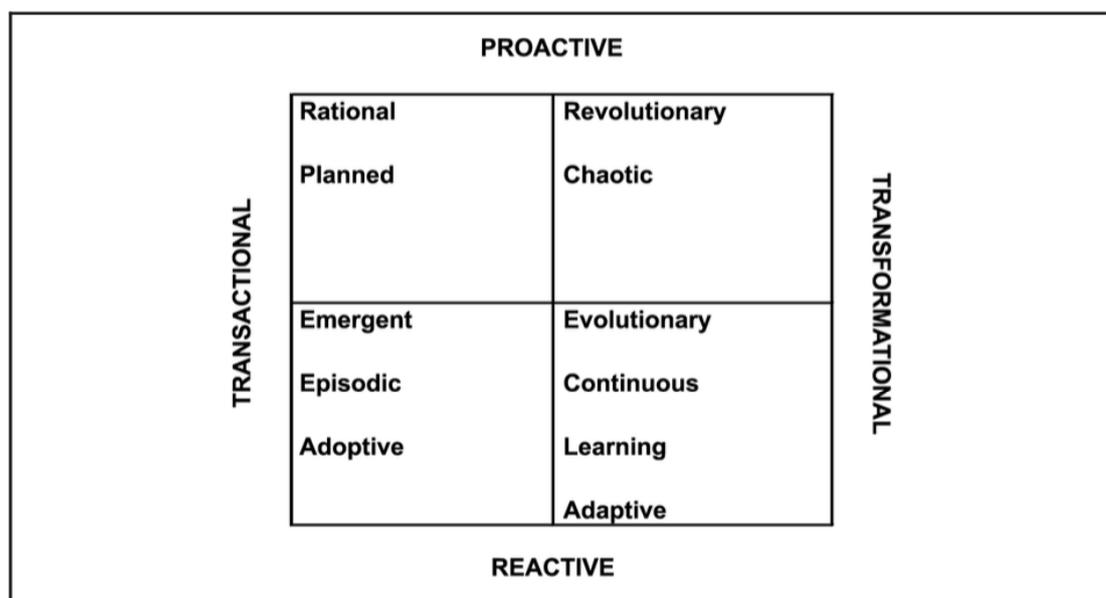


Figure 9. McGreevy’s model of change approaches. Source: McGreevy (2008, p. 359)

This model suggests that planned change is somehow more proactive and closer to being rational than is emergent change. I am not sure whether I can subscribe to that. From my point of view, the emergent approach is both more proactive and more reactive than the planned approach, because “planned” may be interpreted as passively following the steps described in a recipe, whereas “emergent” requires active decision-making based on a constant evaluation of the current situation. Sections 2.12.1 and 2.12.2 go into more presentational depth, with examples for models of planned change and emergent change and some criticism of them found in the literature.

2.12.1 Planned change

The planned approach to organisational change claims that the necessary steps of a change project can be predefined prior to the start of the project. The following is an overview of the major of planned change that are often referenced in the literature.

2.12.1.1 *Models of planned change*

Lewin's traditional model of change: Lewin is considered "the father of planned change in organisation studies" (Liebhart & Garcia-Lorenzo, 2010, p. 215). He describes organisational change as a simple three-step process (Lewin, 1947b). The first step Lewin called the "unfreezing" of group standards. It comprises overcoming inertia by deconstructing prejudice. As Lewin claims, the challenge is to break open "the shell of complacency and self-righteousness it is sometimes necessary to bring about deliberately an emotional stir-up" (quoted in Weick and Quinn, 1999, p. 371). The second step is called "moving". The now dismantled mindset is rearranged in a way that is more appropriate to the current challenges the group is confronting. Some group members may experience this step as a time of confusion. The transition phase is ended with the third step called "freezing". This last step is also often referred to in the literature as "refreezing", with a reference to Lewin's later work *Field Theory in Social Science* (Lewin, Cartwright, & Price, 1951). The newly introduced procedures are firmly established as the new standards. The group members have become accustomed to them and start to feel comfortable again with the new regime.

Kanter's ten commandments for executing change: Kanter et al. (1992) wished to expand on Lewin's model. They criticised it as being too simplistic, starting as it did from the worldview that the normal state of an organisation is one of static stability. They also critiqued the notion that organisational change is a one-time effort in a single direction. From Kanter et al.'s point of view, change is a continuous process and happens in all directions simultaneously. Their "ten commandments for executing change" is actually more of a process than a list of commandments, even if this process happens several times in parallel in different units and at different speeds. These are the ten commandments suggested by Kanter et al. (1992):

1. Analyse the organisation and its need for change.
2. Create a shared vision and a common direction.
3. Separate from the past.
4. Create a sense of urgency.
5. Support a strong leader role.
6. Line up political sponsorship.
7. Craft an implementation plan.
8. Develop enabling structures.
9. Communicate, involve people, and be honest.
10. Reinforce and institutionalise the change. (pp. 382–384)

Kotter's eight steps to change: Currently, Kotter's (1995) model of planned change is the most well known in the world of business consulting. According to Kotter, a successful organisational change comprises the following eight steps:

1. Establishing a sense of urgency

a. Actions needed

- i. Examination of the market and competitive realities for potential crises and untapped opportunities

Convincing at least 75% of your managers that the status quo is more dangerous than the unknown

b. Pitfalls

- i. Underestimating the difficulty of driving people from their comfort zones
- ii. Becoming paralyzed by risks

2. Forming a powerful guiding coalition

a. Actions needed

- i. Assembling a group with shared commitment and enough power to lead the change effort
- ii. Encouraging them to work as a team outside the normal hierarchy

b. Pitfalls

- i. No prior experience in teamwork at the top
- ii. Relegating team leadership to an HR, quality, or strategic-planning executive rather than a senior line manager

3. Creating a vision

- a. Actions needed
 - i. Creating a vision to direct the change effort
 - ii. Develop strategies for realising that vision
- b. Pitfall Presenting a vision that is too complicated or too vague to be communicated in five minutes

4. Communicating the vision

- a. Actions needed
 - i. Using every vehicle possible to communicate the new vision and strategies for achieving it
 - ii. Teaching new behaviours by the example of the guiding coalition.
- b. Pitfalls
 - i. Undercommunicating the vision
 - ii. Behaving in ways antithetical to the vision

5. Empowering others to act on the vision

- a. Actions needed
 - i. Removing or alter systems or structures undermining the vision
 - ii. Encouraging risk taking and non-traditional ideas, activities, and actions
- b. Pitfalls—Failing to remove powerful individuals who resist the change effort

6. Planning for and creating short-term wins

- a. Actions needed
 - i. Defining and engineer visible performance improvements
 - ii. Recognising and rewarding employees contributing to those improvements
- b. Pitfalls

- i. Leaving short-term successes up to chance
- ii. Failing to score successes early enough (12-24 months into the change effort)

7. Consolidating improvements and producing more change

- a. Actions needed
 - i. Using increased credibility from early wins to change systems, structures, and policies undermining the vision
 - ii. Hiring, promoting, and developing employees who can implement the vision
 - iii. Reinvigorating the change process with new projects and change agents
- b. Pitfalls
 - i. Declaring victory too soon—with the first performance improvement
 - ii. Allowing resisters to convince “troops” that the war has been won

8. Institutionalising new approaches

- a. Actions needed
 - i. Articulating connections between new behaviours and corporate success
 - ii. Creating leadership development and succession plans consistent with the new approach
- b. Pitfalls
 - i. Not creating new social norms and shared values consistent with changes
 - ii. Promoting people into leadership positions who do not personify the new approach

Kotter’s is one of the most prominent models of planned change. This is why there are ample sources of criticism about it in the literature. Anderson and Ackerman-Anderson (2002) are two of these critics, arguing that Kotter’s model is only applicable in limited

situations. (See 2.12.1.2 for a summary discussion of criticism of planned change models.)

The change model of Anderson and Ackerman-Anderson: Another more recent model for planned change is presented by Anderson and Ackerman-Anderson (2001). In the authors' efforts to be comprehensive, the model looks at change from three different perspectives: content, people, and process. "Content" refers to technical and organisational factors, "people" focusses on subjective factors such as mindset and behaviour, and "process" is about action plans for implementing change.

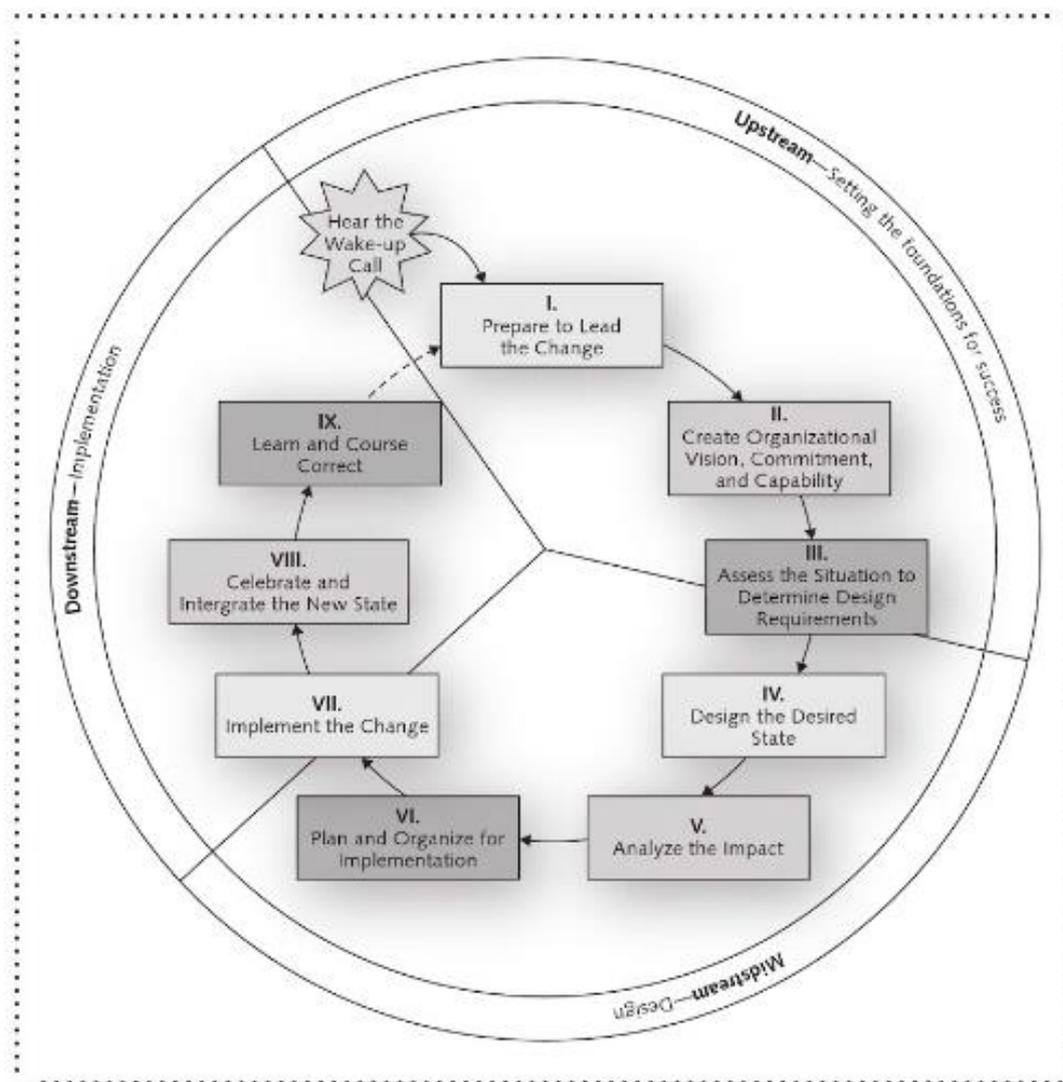


Figure 10. The nine steps to change. Source: Anderson & Ackerman-Anderson (2001, p. 243)

Anderson and Ackerman-Anderson's change model consists of nine steps:

1. **Preparing to lead the change:** The stakeholders of an organisation come to a consensus about the need for change. Change strategies are developed. The organisation is prepared for the coming change by clarifying roles and motivating employees to endorse the change endeavour. Change agents are identified and prepared for the coming challenges.
2. **Creating organisational vision, commitment and capability:** A vision for the future is developed and shared among the stakeholders. A communication plan is developed, and skill-building is accomplished by offering various training experiences. Key players are identified. By gathering employee opinions and suggestions, the employees' involvement is increased.
3. **Assessing the situation to determine design requirements:** An assessment of the current situation is made and compared to the desired outcome. Expectations are fine-tuned by creating different design-scenarios. A more detailed roadmap is developed.
4. **Designing the desired state:** First solutions are designed in order to achieve the vision. The necessary processes and structures are introduced. A pilot test is performed in order to evaluate the validity of the solution.
5. **Analysing the impact:** A gap analysis is made in order to analyse the impact and identify areas of improvement. The compatibility between the different formal processes and the actual behaviour is focussed upon.
6. **Planning and organising for implementation:** Along the timeline of implementation, resources are optimized, and efficiencies are targeted with the goal of reaching the desired state.
7. **Implementing the change:** The master plan is implemented while considering employees' reaction to it and dealing with possible resistance. The implementation is closely monitored to allow immediate corrective action, if necessary.
8. **Celebrating and integrating the new state:** The stakeholders are made aware that they now live in a new state. Success is celebrated and people with

outstanding achievements are rewarded. Best practices are identified, and new behaviour is supported by mentoring, coaching, and providing workshops and training.

9. **Learning and correcting the course:** In this last phase of the model, continuous learning and evaluating takes place. The organisations own achievements are compared to other organisations' success stories and benchmarks. The change process comes to a close-down, and temporary structures are dismantled.

In comparison to Kotter's model, Anderson and Ackerman-Anderson endeavour to make their change model more comprehensive, or rather, to be applicable in a broader range of circumstances. However, there always remains a dilemma faced when trying to design a model: the more concrete and elaborated the design, the more limited is the applicability of the underlying model. The broader the applicability of your model, the more abstract must be the design, and the less the reader knows which actions to perform when applying the model.

Three additional planned change models reflect different points of view on the process of change.

The **Judson change model** consists of five phases: (a) analysing and planning the change; (b) communicating the change; (c) gaining acceptance of new behaviours; (d) changing from the status quo to a desired state; and (e) consolidating and institutionalising the new state. Within each phase, Judson (1991) discussed predictable reactions to change and methods for minimizing resistance to change agent efforts. Among the different methods Judson discussed for overcoming resistance are alternative media, reward programs, and bargaining and persuasion (quoted in Armenakis and Bedeian, 1999).

The **Galpin change model** consists of nine phases. Galpin (1996) proposed a model comprised of nine wedges that form a wheel. Galpin stressed the foundational aspect of an organisation's culture as reflected in its rules and policies, customs and norms, ceremonies and events, and rewards and recognition. Galpin's (1996) wheel model presented the following wedges: (a) establishing the need to change, (b) developing and disseminating a vision of a planned change, (c) diagnosing and analysing the current

situation, (d) generating recommendations, (e) detailing the recommendations, (f) pilot testing the recommendations, (g) preparing the recommendations for rollout, (h) rolling out the recommendations, and (i) measuring, reinforcing, and refining the change.

Luecke (2003) created a change model consisting of seven phases. In the subsequent list the bold text represents Luecke's description, the additional non-bold text is my comment.

1. **Mobilize energy and commitment through joint identification of business problems and their solutions** (Luecke, 2003, p. 33). A clear definition of the business problem must contain a convincing argument that motivates accomplishing the change.
2. **Develop a shared vision of how to organise and manage for competitiveness** (p. 36). A vision must be developed about how the future will be an altered and improved over the present state. Proponents must communicate a vision that includes how the business will be improved and how this improvement benefit the employees. According to Luecke, the vision should be (a) desirable, (b) compelling, (c) realistic, (d) focussed, (e) flexible, and (f) easy to communicate to different levels in the organisation.
3. **Identify the leadership** (p. 38). The change initiative must be owned and led by a visible change owner and leader. Luecke suggested not to put HR in this position, because it is "often seen as clueless about operations". (p. 39)
4. **Focus on results, not on activities** (p. 39). The change agent should strive for measurable results rather than investing time in start-up activities such as building improvement teams or conducting workshops.
5. **Start change at the periphery, then let it spread to other units without pushing it from the top** (p. 43). Change should not be applied to an entire organisation at once, but rather to small autonomous units first. Then, change should spread via expansion to adjacent units.
6. **Institutionalise success through formal policies, systems and structures** (p. 44). Policies describing how work should be done are supposed to cement and consolidate achieved gains.

7. **Monitor and adjust strategies in response to problems in the change process** (p. 45). Change leaders must be flexible and adaptive and their plans sufficiently robust to accommodate unanticipated problems.

In my experience, it is hard to tell which of these planned change models are preferable to each other. They all represent a slightly different point of view when describing the process of change. However, they all suggest that there is some common ground to all change processes, a position that encounters a growing number of criticisms, to be discussed.

2.12.1.2 Limitations of planned change

The limitations of planned change can be classified into eight dimensions:

1. **Planned change requires a stable environment:** Since organisations are often embedded in an ever-changing environment, Livne, Tarandach, and Bartunek (2009) maintained that a planned change approach “tends to ignore environmental factors that may be inconsistent with planned change initiatives” (p. 4). Moving organisations in a pre-planned manner from one stable state to another assumes that one already knows in advance the future environment of the future organisation. According to Liebhart and Garcia-Lorenzo (2010), planned change initiatives are often criticised as “slow, static, and only suitable for times of stability, not dynamic inter-relatedness and complexity” (p. 216). Burnes (1996) argued that in the chaotic and turbulent world of today, assumptions of stability are increasingly tenuous and that organisational change is more a continuous and open-ended process than a set of discrete and self-contained events.
2. **Planned change is failure prone:** Some authors have complained that planned change efforts have a high probability of failure. Some of these sources claim a failure rate of approximately 70% of all change programmes that are initiated (Liebhart & Garcia-Lorenzo, 2010; Sackmann, Eggenhofer-Rehart, & Friesl, 2009; Todnem By, 2005).

- 3. Planned change is abuse prone:** There is also a possible unethical aspect to planned change. It can be abused as a means of manipulation. Hatch (1997, quoted from Burnes (2004b)) claimed that “organisation change can be a vehicle of domination for those who conspire to enact the world for others” (p. 989).
- 4. Planned change lays its emphasis on incremental and small-scale change:** Therefore, planned change is not applicable to situations that require rapid and transformational change (Burnes, 1996, 2004c; Senior & Swailes, 2010; Todnem By, 2005)
- 5. Planned change ignores the probability of a crisis:** A crisis may require a more direct approach. Crisis-induced rapid change does not allow scope for widespread involvement or consultation (Burnes, 1996; Dunphy & Stace, 1993; Kanter et al., 1992; Todnem By, 2005).
- 6. Planned change presumes that common agreement can be reached:** It may be considered naïve that all the parties involved in a particular change project have the willingness and interest to implement such a project. This presumption appears to ignore organisational conflict and politics, or at least assumes these factors can be easily identified and resolved (Burnes, 1995, 1996; Todnem By, 2005).
- 7. Planned change best practice documentation is inconsistent:** In their 2011 study, Hallencreutz and Turner (2011) wanted to explore whether there are some existing widespread and common models and definitions for organisational change best practice in the literature. The results were disappointing: “No consistent definitions of organisational change best practice are to be found in the literature” (p. 60).
- 8. Planned change is a “hammer and nail problem”.** The most powerful argument against planned change is that its universal approach ignores context. The concept of contingency (see section 2.10) considers this idea. Every organisational change takes place in a different context, determined by parameters such as employee diversity, leadership styles, organisational structure, organisational processes, organisational culture, and employee

hopes and fears. A pre-planned universal approach to these challenges reminds of the well-known maxim: „If all you have is a hammer, every problem looks like a nail“.

2.12.2 Emergent change

2.12.2.1 Models of emergent change

In contrast to the planned change approach, with its linearity of separate process steps predefined in advance, there is also the emergent change approach. Livne et al. (2009) defined emergent change as “a continuous, open-ended process of adaptation to changing circumstances and conditions” (p. 6). McGreevy (2008) noticed a trend in recent change management literature that increasingly “organisation-level change is not fixed or linear in nature but contains an emergent element” (p. 357).

From the point of view of a consultant with more than 20 years’ experience in project management, I might add that I noticed a shift in the way organisational projects are planned. In the 1990s, it was standard procedure in complex projects to plan the different process steps far ahead into the future. With the help of MS Project and similar software, very detailed Gantt charts of the process steps, its sub steps, and sub sub-steps were produced. The printouts of these charts could stretch several meters horizontally and were jokingly called “wallpapers“.

While this long-term planning approach is still used in many projects today, alternative approaches have since become more popular, usually categorised under the term “agile“. Agile project management enables a more emergent approach, giving more flexibility to reconsider the priorities of the next steps as soon as new circumstances arise.

The approach to constantly re-evaluating the circumstances has its advocates in the scientific literature. Rational strategic decision-making may encompass the need to reflect on one’s assumptions and test the validity of one’s hypotheses, a concept that Argyris (1991) calls “double-loop learning” (p. 185). He explains this concept with an illustrative example: “A thermostat that could ask, ‘Why am I set at 68 degrees?’ and

then explore whether or not some other temperature might more economically achieve the goal of heating the room would be engaging in double-loop learning” (p. 185). In other words, double-loop learning asks not only what is wrong, but why. After all, the foundations of a learning organisation are learning human beings who are able to question their very own basic assumptions. This point of view may be interpreted as an argument in favour of emergent change.

The concept of emergent change does not lend itself easily to graphic representation as a model. Nevertheless, Lynch (2006) tried to illustrate determining factors of emergent change in the model pictured in Figure 11. It seems noteworthy that in this model, emergent change is driven by a strategy and is constantly being reconciled with objectives. Thus, there are conceivable normative aspects of transformation and proactivity, in contrast to McGreevy’s model, where these aspects appear to be rather negligible for endeavours of emergent change.

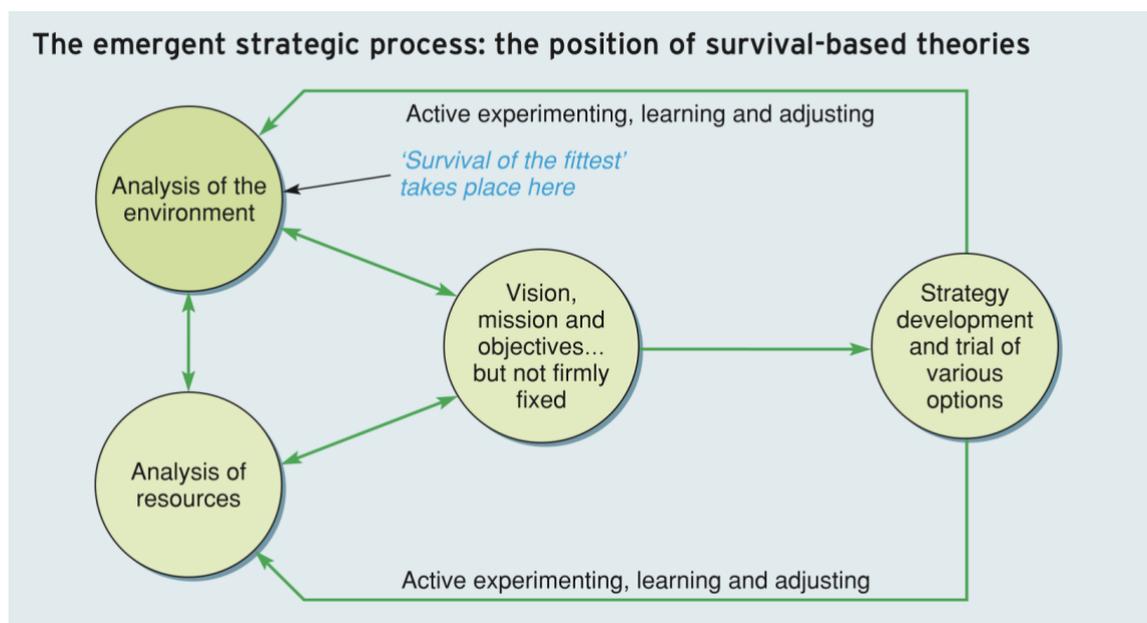


Figure 11. Lynch’s model of emergent change. Source: Lynch (2006, p. 57)

Among the strongest critics of planned change are Dunphy and Stace (1993). According to them, no concept of planned change is universally applicable. This is why they built their contingency model that is presented in section 2.10 about the concept of contingency.

Weick (1995), a strong proponent of emergent change, introduced the concept of “sensemaking” in order to explain his preference for emergent change to planned change. Sensemaking refers to the idea of constant reiterations and adaptations of the change agent’s change effort. According to Weick (1995, pp. 17–62), these are the seven parameters of sensemaking:

1. **Grounded in identity construction:** Sensemaking begins with a sensemaker. By inquiring about the implications of events, people try to make sense of them.
2. **Retrospective:** Current events influence the way in which events of the past are interpreted.
3. **Enactive of sensible environments:** Social reality is constructed by interpreting the actions of others. The action of person A may force person B to act in a specific way.
4. **Social:** Shared or contradicting worldviews influence the interpretation. The interpretation of an event by person A is influenced by the way person B interprets a similar event.
5. **Ongoing:** Events occur constantly and are constantly interpreted. These interpretations are again subject to a constant re-evaluation, affirmation, or modification.
6. **Focussed on and by extracted cues:** The interpretation of events is influenced by their familiarity.
7. **Driven by plausibility rather than accuracy:** Gaps in incomplete pieces of information are filled with assumptions about what seems plausible.

2.12.2.2 Limitations of emergent change

Compared to planned change, there are relatively few critical voices about emergent change. Several sources quote Bamford & Forrester (2003), who claimed that emergent change is a relatively new concept that lacks the formal history of the planned approach: “Its supporters, however, appear more united in their stance against planned change than their agreement on a specific alternative”.

2.12.3 Synthesis

Planned and emergent change are often framed by researchers and consultants as opposite poles of organisational change efforts, as Livne et al. (2009) stated. They wished to overcome this dichotomy and suggested connecting both approaches by “attention to a transient outcome of change attempts, the vitality associated with a change initiative at any moment” (p. 1).

Burnes (2004a) argued that there is no “one best way” approach, so that one should “identify the approach which is best suited to both type of changes they wish to undertake, according to the organisation's context” (p. 889) However, Burnes would have to admit that in the 20 years prior to publication of his paper (1984-2003), “the emergent approach appears to have superseded the planned approach as the most appropriate” (Burnes, 2004a, p. 886).

In summary, emergent change seems to have evolved as a new philosophy of change because of the sensitisation to context. Organisational change takes place in the midst of complexity. Ignoring this context of complexity in the past has led to the sobering experience of many failed change initiatives. A popular notion of the current times seems to be: “The last thing we should do is go at it and implement change according to a planned model”. The heightened awareness of context led to some reflection upon the question of how to handle complexity, the next topic under examination.

2.13 Handling Complexity in Times of Change

An important aspect of decision-making during organisational change is the handling of complexity. The Cynefin model (Snowden, 2002) is a popular source in the context of handling complexity. It suggests four types of sensemaking and, based on that, four types of decision-making.

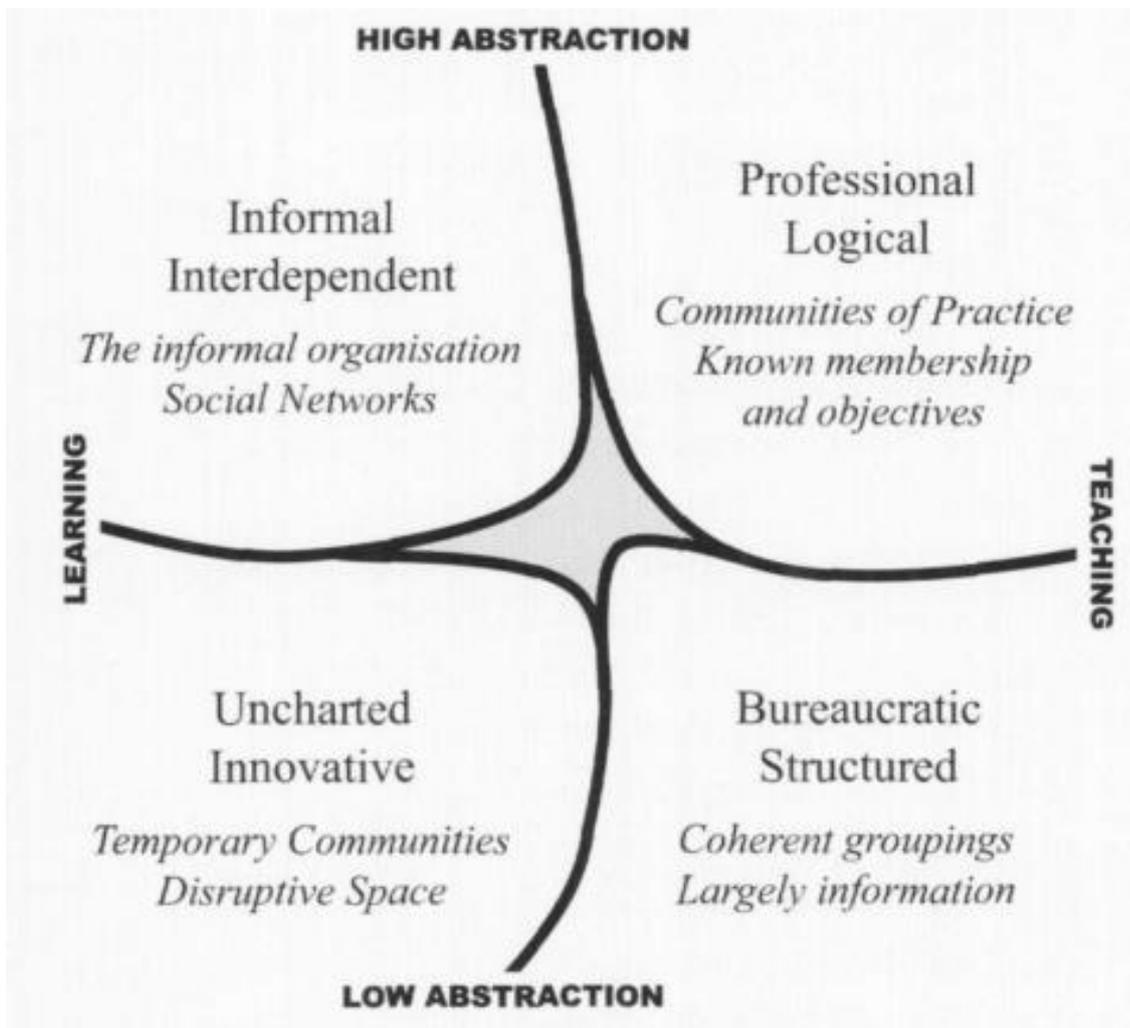


Figure 12: Cynefin - common sense making. Source: Snowden (2002, p. 104)

According to Snowden, humans tend to interpret new information through two dimensions: low abstraction versus high abstraction, and teaching versus learning (see Figure 12).

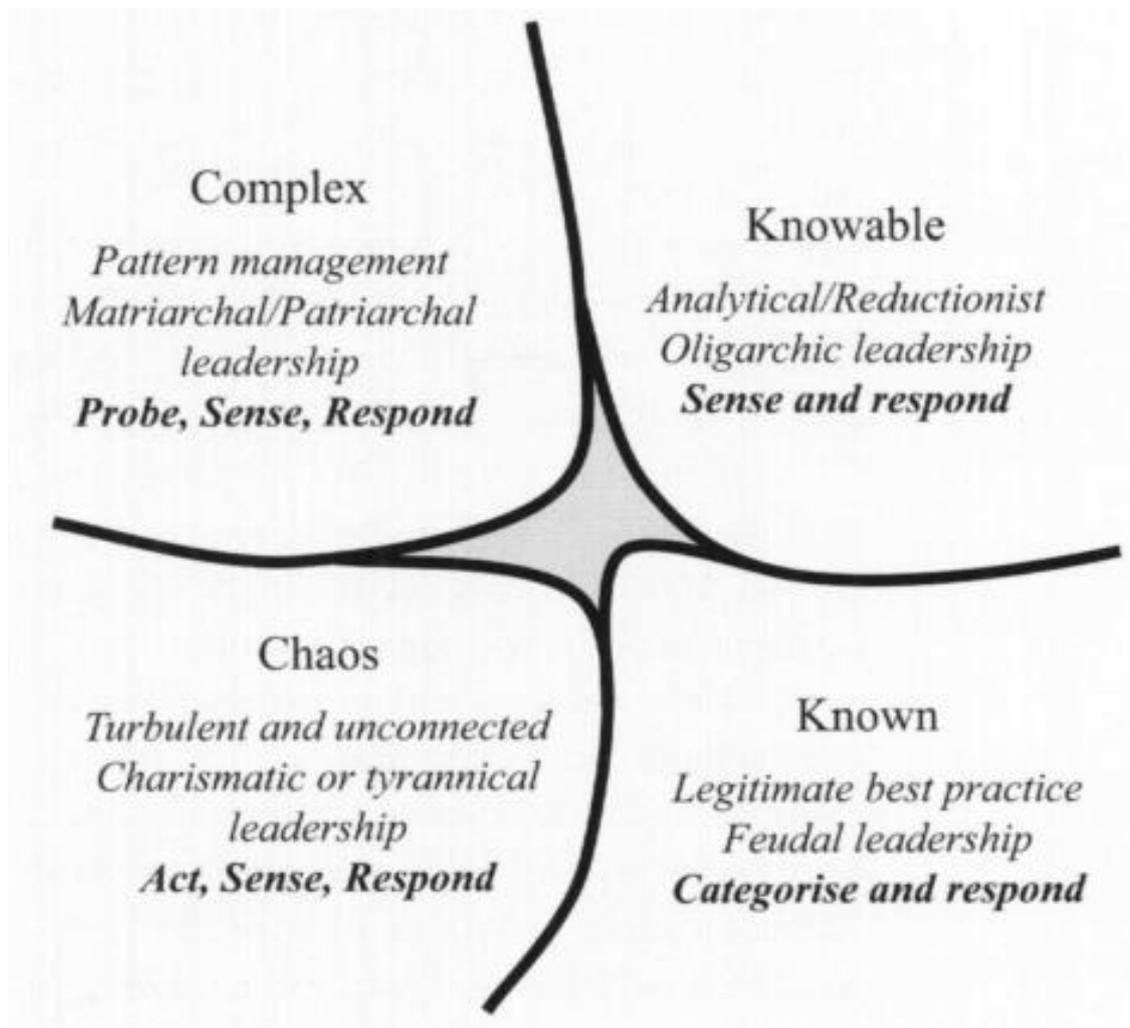


Figure 13: Cynefin - decision making. Source: Snowden (2002, p. 106)

This leads to four different ways of handling information, depending on the category the information belongs to (see Figure 13). Knowable (or complicated) information consists of components that are “knowable, definable and capable of being catalogued as are all of the relationships between those components” (Snowden, 2002, p. 105). An example for such a complicated system is an aircraft. In contrast to a complicated system, a human system constitutes a complex system. It comprises many interacting agents, an agent being anything that has an identity or even multiple identities. A man can be a son, father, or brother (and many more as well) at the same time. “In such a complex system, the components and their interactions are changing and can never be quite pinned down” (p. 105). These are the distinctions at a high level of abstraction. In contrast to that, at low level of abstraction level, there is the known and the chaotic

information. Each sector suggests a different way of dealing with cause-effect relationships. In the known sector they are easy to identify. In the chaos sector they cannot be identified at all. In the complex sector cause-effect relationships can only be identified in retrospect. Lastly, in the knowable sector, their identification takes some effort, because they are numerous and multifaceted.

Snowden's framework can become relevant to change leadership and management in so far as it discriminates between complicated and complex conditions. Something complicated is mostly of a technical nature and can thus be understood (is "knowable") if enough time is invested in understanding. Thus, complicated conditions are suitable for planning in advance. In contrast, a complex condition is mostly of a human nature and changes constantly. There is always something unexpected in the nature of complexity. It cannot be understood in advance. Snowden suggests how to deal with complexity: it requires a constant feedback loop, which suggests a more emergent approach than under the complicated condition. In my own experience, I encounter mixed reactions to Snowden's model of decision-making in difficult situations. While some are fervent followers of this model, others claim it is of limited value in everyday situations. Nevertheless, handling complexity is an important if not the most important challenge of leadership and, thus, is also relevant to change agents.

2.14 Resistance to Change

2.14.1 Causes of resistance to change

Piderit (2000) pointed out that the literature provides three different conceptualisations of resistance: as a cognitive state, as an emotional (sometimes also called affective) state, and as a behaviour. While the concept of behaviour focusses on some kind of action or inaction and is thus observable, the concepts of cognition and emotion are more abstract. Piderit (2000) suggested that individuals operate in all of these three dimensions simultaneously.

According to Erwin and Garman (2010), the cognitive dimension involves how an individual conceptualizes or thinks about change – for example, what is the value of the

change? Will the change benefit or harm my department, the organisation, or me? Cognitive negative reactions or attitudes towards the change include a lack of commitment to the change and negative evaluations of the change. The affective dimension of individual reactions involves how one feels about the change. Affective reactions to the change include experiencing such emotions as elation, anxiety, anger, fear, enthusiasm, and apprehension. Affective negative reactions include stress, anxiety, and anger. The behavioural dimension of individual reactions involves how an individual behaves in response to change – for example: embracing it, complaining about it, and and/or sabotaging it.

Several authors claimed to have found the most important causes of resistance to change. For example, Aleksic, Zivkovic and Boskovic (2006) listed as the three most important causes of resistance to change: lack of involvement of employees in the process of planning change, conviction of employees about non-existence of adequate rewards for the accomplishment of change and high levels of stress at work. Other sources (J. P. Kotter & Schlesinger, 2008, pp. 3–5) saw the following typical four causes of resistance to change. In the subsequent list the bold text represents Kotter & Schlesinger’s description, the additional non-bold text is my comment.

1. **Parochial self-interest:** People fear that change will result in some kind of personal loss.
2. **Misunderstanding and lack of trust:** People do not trust the change agent and spread rumours about the change.
3. **Different assessments:** People attribute much higher cost to the change than the persons initiating the change do.
4. **Low tolerance for change:** People are afraid that they will not be able to develop new skills and behaviour that will be required of them.

Another interesting possible cause of resistance to change was brought into the discussion by Rønningstad (2018) who highlighted the problem of change fatigue. This possible cause of resistance is something I can resonate with very much from my own experience as an observer of several change initiatives. Change fatigue occurs when seemingly constant change by an organisation leads to the development of exhaustion

among the employees. Change fatigue manifests as recipients' negative feelings about higher level management, "them" exercising control over the local level "us".

Kunze, Boehm & Bruch (2013) analysed the correlation between age and resistance to change. According to the common cliché, older workers, being in the maintenance career stage, are assumed to be more cognitively rigid, more short-term focused, and hence more resistant to change. However, in their own research, Kunze, Boehm & Bruch observed a negative linkage between age and individual resistance to change, implying that younger employees in their sample were more resistant to change than their older colleagues, rejecting the common stereotype.

Fleming (2005b) pointed out that the term resistance is a metaphor derived from the natural sciences. He claimed that an employee's typical way of showing resistance to change is demonstrating cynicism. Kosmala and Herrbach argued in a similar fashion (2006). From my personal experience, I have a slightly different opinion about this. While I agree wholeheartedly with Fleming that cynicism is a typical defence mechanism and serves to distance oneself from the situation, I experienced the growth of cynicism among the employees much more as a reaction to a dysfunctional corporate culture with contradictory directives from the management over a longer time period. From this point of view, a change initiative to "repair" a dysfunctional culture and align formerly contradictory directives may even serve to decrease the amount of cynicism in the organisation.

Fleming and Spicer (2003) claimed that cynical employees have the impression that they are autonomous, but they still practice the corporate rituals nonetheless. In other words, management forces the employees to perform a seemingly silly task, the employees comply, but at the same time they distance themselves from it by talking about it in a cynical way. They "dis-identify", as Fleming and Spicer (2003, p. 157) called it, in an effort to maintain their sanity. Fleming (2005a, 2005b) illustrated this situation with the story of an organisation where the management paternalistically enforces an artificial fun attitude upon the employees, establishing a "Kindergarten atmosphere" (Fleming, 2005b, p. 57). The employees react with cynical remarks. While this intrusion into the corporate culture by the management understandably leads to an increase of

cynicism, if hypothetically a newly appointed external change agent successfully manages a reversion back to a more mature, more common-sense culture, this would probably also diminish the palpable cynicism. In other words, it is not the change per se that is met with resistance, but the change to unfavourable or even absurd circumstances. The problem starts when employees allow “cretinoid managers” (Fleming & Spicer, 2007, p. 8) to tell them what to do. In this situation, change is not the problem, but paternalism is.

2.14.2 Dealing with resistance to change

Once resistance to change is diagnosed, there are different suggestions in the literature on how to handle it. Schiavone (2012) claimed that when dealing with resistance, the selection of proper change agents is critical. They work on the social and learning conditions affecting the process of diffusion of innovation within the “resisting” community. On the other hand, change agents themselves may contribute to the occurrence of resistance through their own actions and inactions, as Ford, Ford and D’Amelio (2008) pointed out. The same authors argued that resistance is not necessarily a bad thing but can be a positive contribution to change. Employees resisting change may be an indicator for a weak implementation plan. This way they may help build awareness and momentum for change by inspiring the change agent to eliminate unnecessary, impractical, or counterproductive elements in the design or conduct of the change process.

One of the most comprehensive overviews of methods for dealing with resistance to change was provided by Kotter and Schlesinger (2008), summarised in Table 8. Kotter and Schlesinger suggest a range of five different options of dealing with resistance to change, from the more cooperative approaches of education and participation to the more forceful approaches of negotiation and coercion.

Table 8. Methods for Managing Resistance.

Method	How to Use	When to Use	Advantages	Drawbacks
Education	Communicate the desired changes and reasons for them	Employees lack information about the change's implications	Once persuaded, people often help implement the change	Time consuming if lots of people are involved
Participation	Involve potential resisters in designing and implementing the change	Change initiators lack sufficient information to design the change	People feel more committed to making the change happen	Time consuming, and employees may design inappropriate change
Facilitation	Provide skills training and emotional support	People are resisting because they fear they can't make the needed adjustments	No other approach works as well with adjustment problems	Can be time consuming and expensive; can still fail
Negotiation	Offer incentives for making the change	People will lose out in the change and have considerable power to resist	It's a relatively easy way to defuse major resistance	Can be expensive and open managers to the possibility of blackmail
Coercion	Threaten loss of jobs or promotion opportunities; fire or transfer those who can't or won't change	Speed is essential and change initiators possess considerable power	It works quickly and can overcome any kind of resistance	Can spark intense resentment toward change initiators

Note. Source: Kotter and Schlesinger (2008, p. 1)

2.14.3 Criticisms of the concept of resistance to change

There is some scepticism in the literature whether “resistance to change” is an adequate expression for the ambivalent attitude toward change some employees may have. Some authors (Dent & Goldberg, 1999; Piderit, 2000) argued that we should retire the phrase “resistance to change” altogether. They challenged the conventional wisdom, because according to them the belief that people do resist change causes all kinds of unproductive actions within organizations. As Dent & Goldberg (1999) claimed, people may resist loss of status, loss of pay, or loss of comfort, but these are not the same as resisting change. After all, it is easy for the management to blame the employees and their “resistance to change” instead of blaming the management’s own failures.

The opposite of resistance may very well be called motivation. Daniel H. Pink (2009) stressed the importance of intrinsic motivation. Intrinsic motivation is the drive self-motivated people have without outside reward or punishment, or in Pink’s words without carrots and sticks. According to Pink, people need three prerequisites in order to be able to develop intrinsic motivation: Autonomy, mastery and purpose. Autonomy is the desire to direct our own lives, mastery is the urge to become better and better at something that matters, and purpose is the yearning to do what we do in the service of something larger than ourselves. Metaphorically spoken, employees who are intrinsically motivated will be “vaccinated” against resistance to change.

2.15 Roles in the Change Process

Conner (1992) claimed four roles to be critical to the change process: sponsor, target, advocate, and agent. A sponsor has the power to sanction or legitimize change without being too much involved in its operational aspect. A target is the individual or group who must actually change. An advocate is someone in favour of the change but without the power to legitimize it. Finally, an agent is the person responsible for diagnosing, planning, and executing the change.

This research will focus on one of these four roles, namely on the role of the change agent. Caldwell (2003), Ford (2006), and Liang (2012) have suggested that this role may, or even should be, filled by interim managers. One reason for this might be that an

outsider brings an independent perspective and is better able to make an objective evaluation of the need for change and to implement it appropriately. While some authors (Hartley, Benington, & Binns, 1997) focus specifically on the roles and needs of internal change agents, little is known about the perspectives that external agents, such as an interim manager, brings into the organisation, how they evaluate the need for change, or how they implement it.

Some authors use rather specific expressions to give descriptive colour to the role of the change agent in the organisation. An example is Greene, Brush, and Hart (1999) writing about the “corporate venture champion”. Shane (1994) wrote about the role of champions, more however in the context of innovation than of radical change. He claimed that these champions fulfil six important roles in shaking up the organisation: First, they provide autonomy from the rules, procedures, and systems of the organisation so that innovators can establish creative solutions to existing problems. Second, they build coalitions between managers in different functional areas and thus gather organisational support for the innovation. Third, they create monitoring mechanisms. Fourth, they establish mechanisms for making consensus decisions on innovations. Fifth, they informally persuade other members of the organisation to provide support for the innovation. Lastly, they protect the innovation team from interference by the organisational hierarchy. Other authors (McDermott & O’Connor, 2002) suggested two kinds of leadership roles in the context of radical innovation: The sponsors, who give support from senior management positions, and the champions, who provide the operational level enthusiasm and persistence to keep projects alive “in the trenches” (p. 432). The champion (alternatively called “internal entrepreneur”) also appears among Tushman and Nadler’s (1986) four roles in “organising for innovation”.

Among the few authors who clearly distinguish between internal and external change agents are Case, Vandenberg, and Meredith (1990), who claimed that internal and external change agents prefer different intervention approaches. Volberda, Van Den Bosch, and Mihalache (2014) attributed different tasks to internal and external change agents in the challenge of “management innovation”, which is not the management of innovation, but the innovation of management. In their framework, internal change

agents are recruited from the management whereas external change agents may include thought-leaders, academics, and consultants. The role of the external change agents is to provide new knowledge and a different perspective; the presence of external change agents is associated with systemic and incremental innovations.

According to Newman and Nollen (1998), radical change may benefit from trusted advisors from outside the organisation. Figure 15 shows what change agents do to facilitate a radical change by entrepreneurial design (Roberts, 1998).



Figure 14: Activity Structure of Policy Entrepreneurs. Source: Roberts (1998, p. 117)

Ottaway (1983) offered a taxonomy of change agents. According to him, there are a total of ten different kinds of change agents in three categories:

1. Change generators: key change agents, demonstrators, patrons, defenders
2. Change implementors: external implementors, external/internal implementors, internal implementors
3. Change adopters: early adopters, maintainers, users

According to Roberts (1998), there is even a list of heuristics that can be used universally in the context of radical change, as shown in Figure 16.

- Know where you want to end up and don't lose sight of where you are headed.
- Don't play the "Washington game" by trading away the fundamental elements of the plan. Compromise may yield bad policy: Say "no" rather than give up the fundamentals of what you really want.
- Wait for the "background conditions" (political context) to change, thus necessitating the kind of change that you want.
- Mature bureaucracies like education rarely initiate meaningful change from within, so outside pressure is needed to force them to respond.
- Change never comes through consensus. Get the key leadership to back your ideas and the "pack will rush to follow".
- Money is needed to make change. Get the elites involved.
- Stay with issues where you have the advantage.
- Keep the establishment (education in this case) talking about change and structural issues, and you'll change some minds.
- Destabilize the opposition by co-opting one of the establishment groups.
- Be willing to be bold.

Figure 15. Change heuristics that have stood the test of time. Source: Roberts (1998, p. 118)

According to Newman and Nollen (1998), it takes three skills to lead an organisation through radical change: (a) the ability to think strategically, (b) decisiveness and the will

to take the initiative, and (c) understanding and improvement of the organisation's efficiency. Thomas and Hardy (2011) argued that resistance plays an important role in successful organisational change. They claimed it to be the "privilege" of change agents to decide whether certain behaviours on the part of employees constitute resistance. Change agents need three kinds of courage suggested Furnham (2010), who explicitly referred to managers as internal consultants: The courage to fail, which leads to conducting experiments; interpersonal courage to bear a confrontation if necessary; and moral courage to stand up for a set of moral beliefs.

More generally speaking, change agents are people in leadership roles. The previous paragraphs present different aspects of such leadership. There seems to be a general consensus concerning the role of change agents in organising a change process: Tucker, Hendy, and Barlow (2015) claimed that the use of champions or change agents has been widely accepted as best practice. Other authors have supported this claim (Battilana, Leca, & Boxenbaum, 2009; Caldwell, 2001; Chreim, Williams, & Coller, 2012; Day, 1994; Macfarlane et al., 2011; Soo, Berta, & Baker, 2009). Some sources have suggested that change agents should be external (Case et al., 1990; Chapman, 2002; Volberda, Van Den Bosch, & Mihalache, 2014). However, little is known as to what these externals bring to the organisation that previously had not been present or why they even should be chosen over others.

2.16 Interim Manager as Change Agent

The oldest recorded use of the word "manager" can be found in Shakespeare's "Love's Labour's Lost", according to Hofstede (1993). The Shakespearean comedy was published in 1598. In it, Don Adriano de Armado, "a fantastical Spaniard", exclaims (Act I, scene ii, 188): "Adieu, valour! rust, rapier! be still, drum! for your manager is in love; yea, he loveth".

The current meaning of a manager does not connote much about love or warfare but is mostly used in the context of work. Henri Fayol—a French mining engineer who lived from 1841 to 1925—provided one of the most often quoted definitions of managing: "To manage is to forecast and plan, to organise, to command, to coordinate and to

control” (as quoted in Swansburg, 1996, p. 1). A more modern definition of management is offered by Malik (2013), who suggested that management is the transformation of resources into utility.

Interim management is a specific variety of management. Bruns (2006) defined it as

the temporary transfer of external leadership personnel into an enterprise, with the objective to transfer situation-specific management know-how into the enterprise, and to eliminate the qualitative deficit of know-how not only temporarily. They will be equipped with the necessary competence and authority to give instructions for tasks in the upper and middle management (p. 34).

According to Voges, Tworoger, and Bendixen (2009), “[past research suggests] that there is benefit from the infusion of new managers, not only with new skills [...], but also with new ways of thinking and behaving” (p. 28).

Most publications concerning interim managers focus on issues such as how to select, hire, or become an interim manager (Dütschke, 2010; Evans, 2012; Inkson, Heising, & Rousseau, 2001; Liang et al., 2012; Pollitt, 2008; C. Russam, 2012; Vousden, 2002). Only a few (e.g., Bach, Pauli, Giardini, & Fassbender, 2007, 2009) make a clear differentiation between types of interim managers or their roles and tasks. Bach et al. (2009) compared the personalities of interim managers with those of line managers and found significant differences in all five dimensions of a five-factor model (the so-called “Big Five” in psychology, abbreviated with the acronym “OCEAN”: openness to experience, conscientiousness, extraversion, agreeableness and neuroticism). They suggest these as the reasons why interim managers can only temporarily stay in an organisation. For example, employees feel more comfortable around people with a high score in agreeableness. However, an interim manager needs to be an excellent decision maker. Excellent decision makers tend to have low scores in agreeableness.

Caldwell (2003) distinguished between change leaders and change managers. Accordingly, change leadership is about creating a vision of change, while change

management is about translating the vision into agendas and actions. Only a few sources share this distinction. While there is some value in highlighting these two different responsibilities, the typical interim manager performing a radical organisational change will in most cases have to fulfil both in parallel.

Crawford and Nahmias (2010, p. 410) identify some competencies and activities required to manage change, based on their synthesis of findings from literature and case studies (see Table 9).

Table 9. Competencies and Activities Required to Manage Change

Competencies required	Change activities to be undertaken
Leadership	Changing behaviours and organisational culture to achieve goals
Stakeholder management	Preparation of users
Planning	Organisational structure
Team selection/team development	Political diffusion
Communication	Impact analysis
Decision-making and problem-solving	Selling the change
Cultural awareness/skills	Champion schemes
Project management skills	Involvement in process analysis work Training and education to affected staff

Note. Source: Crawford & Nahmias, 2010

Bollinger (2010) claimed that an interim manager must simultaneously assume the role of a consultant, a change manager, and a regular manager. The consultant analyses the need for change and gives action advice. The change manager starts a project in order

to put the advice into practice. The regular manager ensures a frictionless business while the change project lasts.

Among the limitations and disadvantages of employing an interim manager are the high costs involved as well as the perspective that after the interim manager's mandate has ended a permanent replacement will have to be recruited.

2.17 Motivation of Change Agents

The literature focusses on motivation not so much from the perspective of what motivates change agents, but rather from the perspective of how a change agent can motivate others to change (Gilley, Gilley, & McMillan, 2009) or why an individual willingly adopts change (Chrusciel, 2008). This perspective is somehow related to the idea of change readiness (see section 2.9). As far as change agents themselves are concerned, about what exactly motivates them to be change agents and to perform changes, little information is available in the literature. One of the very few relevant sources is a study by Walker (2006).

Walker (2006) claimed that there is an inherent need for radical change. In her study with sustainability change agents approximately two-thirds of respondents maintained that society (the whole world) needed radical change while around one-third maintained that their own organisation needed radical change. The results of her study are shown in Figure 17. There were six options to choose from, from the extreme on the left side ("No change is needed") to the extreme on the right side ("Radical, far-reaching change is needed"). The four options in between the extremes (depicted as "b" to "e" in Figure 17) were empty in the original research. A change agent who thinks that radical, far-reaching change is needed will have no trouble finding a mission in life.

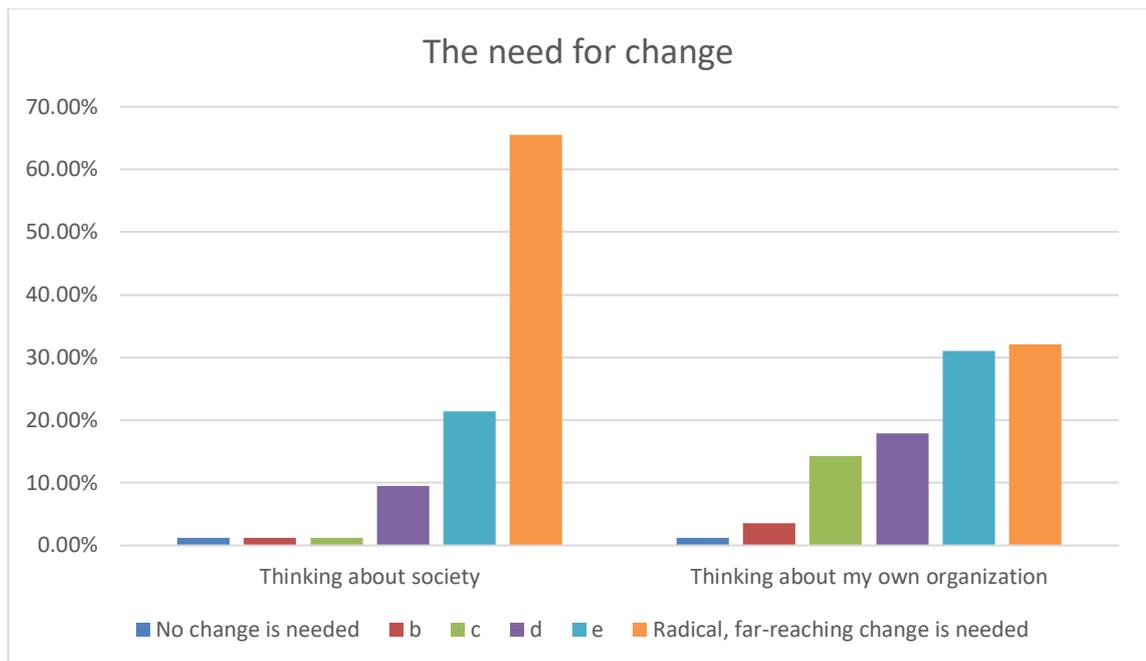


Figure 16. The need for change. Source: Adapted from Walker (2006, p. 14)

In Walker’s study, more than half (51.2%) of the questioned change agents either agreed or strongly agreed to the following statement: “I’m run off my feet helping people to make positive changes—people like us are in demand right now” (p. 16). While Walker’s comment is insightful, it could be argued that the same applies to line managers or other employees who feel themselves to be equally in demand.

Another study analysed change agents’ motivation on a highly abstract level with quantitative methods (Specht, Kuonath, Pachler, Weisweiler, & Frey, 2017). The authors came to the conclusion that agents are driven by two motivations: (a) intrinsic motivation on change agents’ project-related perceived task performance through the experience of meaning and (b) motivation to benefit others on change in climate through organisational identification. In other words, change agents who were initially intrinsically motivated were more likely later to experience feelings of task significance. Also, when change agents felt that their tasks were significant, they were more likely to invest time and effort and ultimately to show greater perceived task performance—a not totally surprising outcome.

Gilley, Gilley, and McMillan (2009) provided a typology of roles in a change process, dependent on someone's general acceptance of change. It can be assumed that change agents rather belong to the first two types of people in the list below:

- Innovators thrive on change.
- Early adopters seek challenges and generally like change.
- The early majority prefer to observe the impact of change on innovators and early adopters prior to making a deliberate decision to change.
- The late majority are sceptical, sometimes suspicious, and occasionally change only as a last resort.
- Laggards are traditional, steadfast resisters who often reject change completely.

Whatever motivates change agents, they seem to be a different breed of people than the usual manifestation of leadership. Gilley et al. (2009) claimed that approximately 80% of their respondents reported that their leaders never, rarely, or only sometimes effectively implemented change. They also stress that leadership is often cited as a significant barrier to or resister of change. So, what makes the typical change agent set different priorities?

In total there is very little relevant information available about what motivates change agents. This aspect of radical organisational change is still rather mysterious.

2.18 Outcomes of Change

2.18.1 Change "success" and "failure"

The most fundamental question about the outcome of a change initiative is whether it is a "success" or a "failure." While at first sight this may seem to be an easy question to answer, upon closer inspection it is just as complex as questions such as "what is radical change" or "how should change be managed." Categorising a change initiative as either a "success" or "failure" depends on a set of parameters, of which the most relevant seem to be:

- Scope
- Perspective
- Expectation
- Time Scale

“Scope” refers to the question of what kind of change initiative is being evaluated. As there is a broad range of possible “changes”, it may be difficult to put all of them in one basket: Small versus big ones, short-term versus long-term ones, changes performed half-heartedly by overworked line managers versus changes performed full-time by experienced change agents, and so forth. “Perspective” refers to the question of who is to evaluate the change’s success, as different observers may come to differing conclusions. For example, the financial stakeholders of an organisation may apply completely different success criteria from those applied by the organisation’s employees. “Expectation” refers to the question what the person judging about the change expects to achieve from it. A financial stakeholder may be happy because his expectation is fulfilled when a change initiative saved his investee organisation from bankruptcy. At the same time a relocated employee may not find his expectation fulfilled because his local plant had to be closed down in order to enable the organisation’s survival. From his perspective, the change initiative may not be considered a success. “Time scale” refers to the question which period of time is evaluated when deciding about success or failure. In other words, this is a question of sustainability.

I had my own experiences with internal line managers with short-term contracts (a role completely different from the role of interim managers). Toward the end of their contract, those line managers started negotiations about the prolongation of their contracts. Accordingly, everything they did was geared toward short-term wins that could be presented during the negotiations. Those short-term wins were often detrimental to the organisation’s long-term success or even its long-term survival. Their calculation was that they would not be part of the organisation on a long term anyway. Such a line manager with a short-term contract had a completely different perspective from an owner of a family business, who may think in time periods of several

generations. The success of a change initiative may be judged completely differently, depending on whether you look at it from a short-term or long-term perspective. The question of the time scale chosen is related to the concept of an organisational life-cycle (see 2.11). Generally speaking, categorising a change initiative as either “success” or “failure” is rather preposterous without considering all of the parameters mentioned above.

The literature is full of blunt statements about a supposed high failure rate of change initiatives, often without much evidence to back up these statements. It appears that one author quotes an unsubstantiated percentage of change failures, someone else refers to it and suddenly the rumour of a supposed high failure rate leads a life of its own. For example, Beer and Nohria (2000, p. 2) claimed “the brutal fact is that about 70% of all change initiatives fail”, without making reference to any evidence, the means by which the authors came up with that number remaining mysterious. Other authors (Burnes & Jackson, 2011) then presented this 70% failure rate as a number etched in stone and backed up their claims with a reference to Beer and Nohria (2000). Another author (By, 2005, 2007) made a reference to a second group of authors (Balogun, Hailey, & Gustafson, 2016), who made a reference to both Beer and Nohria (2000) and to a third group of authors (Nag, Corley, & Giola, 2007) who once again made a reference to Beer and Nohria (2000).

On a more humorous note, the former West German chancellor Helmut Schmidt (1983) once explained failing projects by quoting an anonymous satirist who characterized the development of project stages in the following six steps:

- a) Enthusiasm,
- b) Doubt,
- c) Panic,
- d) Search for the guilty party,
- e) Punishment for the innocent and
- f) Rewarding of those who are not involved.

To sum it all up, whether a change initiative is considered a “success”, or a “failure”, is mostly dependent on parameters such as the kind of change evaluated, the observer’s perspective, the observer’s expectation, and the time period observed. However, these differentiations are often ignored when making blunt statements about change initiatives.

2.18.2 Causes of change failure

Explanations for a possible failed change initiative are varied. Raelin and Cataldo (2011) attribute failed change to a lack of empowerment of the middle management. Grady and Grady (2013) attribute it to a loss of stability caused by an organisational change initiative. Acord (1999) attributes it to procrastination. The quality of leadership and thus the choice of appropriate change agents is considered important by several authors (Avots, 1969; Brown, Rose, & Gordon, 2016; New Zealand Institute of Management, 2003). Another explanation is a lack of alignment between the value system of the change intervention and of those members of an organisation undergoing the change (Burnes & Jackson, 2011). Also, an inappropriate organisational reward system may be the cause (Gal & Hadas, 2015). A high level of complexity may make planning change initiatives almost impossible (Matta & Ashkenas, 2003). Lack of clarity of need, clarity of problem and clarity of outcome may lead to failure (Moyce, 2014). It is important to consider that the previously identified causes of change failure are influenced by the definition of what change failure really is. This, however, is dependent on the stakeholder perspective, which leads us to the next subsection.

2.18.3 Evaluation of the outcome of change

Generally speaking, how the outcome of change is evaluated is a stakeholder perspective issue. While the average employee may have a rather subjective expectation about the outcome of organisational change, such as an improvement of the organisational culture, the financial stakeholder will always focus on the hard facts concerning the profitability of the organisation. He is the one to initiate the radical change and thus has high expectations about the improvement of profitability. More specific, Crone et al. (2012) suggest the following kinds of key performance indicators

(KPIs) for radical organisational change: KPIs for profitability analysis, KPIs for working capital analysis, KPIs for liquidity analysis, KPIs for financial analysis, KPIs for crisis investors. Here are a few examples of these KPIs:

- KPIs for profitability analysis, e.g. return on equity, return on assets, return on capital employed
- KPIs for working capital analysis, e.g. working capital, net working capital efficiency, duration of liabilities, duration of assets
- KPIs for liquidity analysis, e.g. liquidity 1st grade to 3rd grade, cashflow I to III
- KPIs for financial analysis, e.g. equity ratio, borrowing ratio, gearing ratio
- KPIs for crisis investors, e.g. EBITDA, net total leverage, interest coverage, revenue growth

2.18.4 Summary

It seems wise to be sceptical about general statements of the kind: “as everyone knows, X% of all change initiatives fail.” As my previous elaboration demonstrates, there is often little substance to these claims. And even if there is any, the question whether a change initiative is successful depends at least on parameters such as scope, perspective, expectation and time scale. The perspective is always relevant for the expectation. While the financial stakeholder cares very much about the different KPIs that sum up to the aspect of profitability, some employees give the impression that they could not care less whether the organisation they work for is profitable or not.

2.19 Summary of literature review

There is a vast literature available on the subject of organisational change. While quite a lot is known about incremental change (evolution), by comparison very little is known about radical change (revolution). Extant literature that does address radical change is limited as it not empirically based - instead, it is mostly theoretical in nature. In other words, little is based on research among practitioners with first-hand experience of radical change. of the claims found in the literature come from a theoretical perspective.

I used key ideas found in the literature to inform my interview guide. I wanted to compare these theoretical claims with the worldview of experienced practitioners, of change agents such as interim managers, consultants or line managers. In the literature I had missed the voices of real people with experience in radical organisational change, sharing their opinions about aspects such as what delimits radical change, when it is necessary, how it is implemented, and how its outcomes can be evaluated. The finding that very few researchers had talked to change agents experienced in radical change shaped the primary aim of my research. The study reported in this thesis is therefore designed to address this significant gap in extant knowledge.

Chapter 3: Methodology

3.1 Overview of Research Design

Chapter 3 presents the research approach and implementation selected for this thesis. Section 3.2 addresses philosophical issues and the justification of the author's preferred ontological and epistemological perspectives for this research. Sections 3.3 and 3.4 discuss issues of the research design and the sampling strategy respectively. Issues of data quality, data collection, and data analysis are the subjects of sections 3.5, 3.6, 3.7 respectively, and ethical issues are considered in section 3.8.

3.2 Philosophical issues: Ontology and Epistemology

The purpose of this research is to explore change agents' perceptions, beliefs, and experiences concerning the nature of radical organisational change, in particular when it is necessary, how to implement it, and how to evaluate its outcomes. The foci of the research, therefore, are the world views of the members of the data sample. These world views are individual, subjective, complex, and deeply held, raising significant implications for the researcher's ontological and epistemological perspectives.

Ontology concerns personal beliefs about the nature of reality. My ontological perspective as a researcher, therefore, determines how I see the focal phenomena within the world of business and management and, therefore, my choices of how to conduct my research project (Saunders, Lewis, & Thornhill, 2016).

The most important decision to make in the realm of ontology is the choice between realist and relativist points of view. The realist worldview assumes that phenomena are "real" in the sense of being external to the researcher, observable, and relatively unchanging, i.e., not dynamic but static. Opposed is the relativist worldview, which recognises that phenomena may be observed and interpreted differently by individual observers and researchers—in other words, it depends on who is looking at them. It is possible, therefore, that different researchers may disagree on the nature and interpretation of phenomena.

In social research, where the focal phenomena lie within the subjective worlds of individual people, there are further ontological complexities. These derive from the fact that many beliefs, perceptions, attitudes, and opinions are shaped through social interaction. The concept of social construction (Berger & Luckmann, 1966) acknowledges this process, recognising the “co-created” nature of many such phenomena and the complexity of their interpretation by a researcher.

Among the different ontological perspectives available, it is my personal worldview that matters here, as well as my specific views of the social phenomena that are the focus of my research. In general, I am much more fascinated by interpersonal differences than by their similarities. This worldview became evident many years ago in the context of my university studies in psychology, when I found the subject of “general psychology” (what all people have in common) much less interesting than “differential psychology” (what differentiates people from the other). From my point of view, our world is run much less by the objective nature of reality than by our subjective interpretation of it. Different people have different opinions and tend to interpret the nature of reality in different ways from their peers. Thus, I feel much more comfortable with the relativist than with the realist point of view. This is why I made the relativist worldview my choice of ontological perspective.

The epistemological question is about the relationship between the knower or would-be knower and what can be known (Guba & Lincoln, 1994). Epistemology is about our assumptions concerning knowledge and about what constitutes acceptable knowledge (Saunders et al., 2016). In other words, epistemology is about how we build knowledge and become wise.

According to Creswell (2009), there are four epistemological worldviews to choose from: Postpositivism, advocacy, pragmatism and constructivism. Postpositivism concerns empirical observation and measurement and strives to verify a theory. The advocacy or participatory worldview is always intertwined with a political agenda and strives to change the world in a political sense. The pragmatic worldview is not committed to any

system of philosophy and claims that truth is what works at the time. It strives to explain phenomena in a historical context.

The interpretivist worldview goes along with a relativist perspective. It acknowledges that we cannot look at social-psychological phenomena directly. We can only observe how people deal with them, how they react to them, and how they talk about them. The interpretivist perspective therefore accepts that the only means to building knowledge of these phenomena is through the interpretation of what we perceive through observation and listening.

Two other terms that are quite close to interpretivism and are sometimes even used synonymously are constructivism and constructionism. The terms constructivism and constructionism have relatively similar meanings but come from different bodies of knowledge. Constructivism comes from the world of psychology, the world with which I am quite familiar, while constructionism derives from the world of sociology (Berger & Luckmann, 1966). Both worldviews claim that reality is constructed through personal interaction. In other words, reality is not something that is objectively there without an observer, but rather reality is created by communicating about what has been observed.

Sometimes I may agree with someone about something, while on some other occasion I may find myself in the role of a contrarian, being completely unwilling to share someone's opinion. Then from my point of view the other one's opinion is completely unacceptable. In the case of this research, a key issue is when change agents agree about certain things and when they differ from each other. This is not about finding an objective truth, represented by the majority of change agents interviewed. This is about their very subjective point of view, irrespective of whether some people with a different background may agree with them or not.

In a way, this approach for me personally is the exact opposite of the approach I chose for my "Diplomarbeit" (diploma thesis) in psychology many years ago. That was a positivist approach, built upon Karl Popper's method of objective knowledge. It was driven by numerical data and a statistical analysis of more than 600 empirical variables,

and I was trying to refute or confirm a set of hypotheses. The philosophical perspectives I have adopted for the current doctoral thesis represent a stark contrast.

To summarise, because the phenomena to be explored in this research are the personal interpretations made by change agents about complex organisational situations, a relativist ontological perspective and an interpretivist epistemological perspective have been adopted as appropriate for this research. These choices have profound implications for the research design, which will be discussed in the following sections.

3.3 Research strategy

The decision-making for the research reported herein can best be explained following the six layers of the research onion framework (Saunders et al., 2016). There seem to be different versions of this framework quoted in the research literature. I refer to the most current version available at the time of this research, presented in Saunders et al. (2016). The first of the six layers is about research philosophy and considers questions of ontology and epistemology. These questions were discussed in section 3.2. A relativist/interpretivist perspective was adopted. The second layer concerns the approach to theory development. The options are either a deductive, inductive, or abductive approach. As Saunders et al. (2016) argued, the interpretivist approach is usually an inductive one. I am not starting out in a deductive mode with clear yes-or-no answers to my research questions, with everything based on a set of previously available theories, either falsifying or verifying them. Neither am I beginning with an abductive approach, opening the research with a surprising finding that is subsequently going to be explained. Instead, my approach is an inductive one. I collect data in order to explore a phenomenon. I identify themes and patterns and I create a conceptual framework consistent with the observed themes and patterns.

The next layer of the onion framework concerns the methodological choice, relating to whether the approach will be qualitative or quantitative and whether it will be mono-method or multi-method. If I may criticise the onion framework at this point, I am not sure whether it makes sense to choose between mono-method or multi-method in this layer, when choice of the preferred method(s) only takes place in the subsequent fourth

layer of the framework. However, the choice between qualitative and quantitative is relatively straightforward. The relativist perspective quasi-automatically suggests a qualitative methodology so as to capture the subjective nature of the data. The constructivist or interpretivist worldview is typically seen as an approach to qualitative research (Creswell, 2009). In epistemological terms, an interpretivist rather than a positivist perspective has been adopted, informed by Silverman's (2011) warnings of the dangers of applying the tools of quantitative research to such phenomena.

Qualitative research, according to Silverman (2011), may provide one or more of the following three contributions to science: Reporting on how organisations function, increasing people's options, and offering a new perspective to practitioners. The strength of qualitative research is to "use naturally occurring data to find the sequences ('how') in which the participants' meanings ('what') are deployed" (Silverman, 2011, p. 17).

The fourth layer of the research onion framework is called "strategy". It is about the method or methods chosen for the research. According to Silverman (2011), these are the options for qualitative research strategies: ethnographic observation, focus groups, texts, naturally occurring talk, visual data, and interviews. Ethnographic observation is about studying an intact cultural group in a natural surroundings. Focus groups involve recruiting a small group of people who share a specific characteristic and have them start a discussion about a specific topic. Texts involves studying archives of available documentation. Naturally occurring talk is a research strategy of analysing oral conversations that exist independently from the researcher's intervention. Visual data is a research strategy of analysing artefacts such as photographs, movies, or advertisements. Lastly, interviewing is a research strategy of analysing information, usually delivered or collected orally, that has been directly triggered by the researcher's intervention.

Criteria for selecting a research design, according to Creswell (2009), are the research problem, personal experience, and the audience. My considerations were that I would need to spend quite some time with each change agent to elicit the rather complex and

practice-informed views held by change agents. I also wanted to have some flexibility in the process of data gathering, being able to dig a little deeper when information from the change agent proved either unclear or especially promising. Thus, I chose the mono-method approach of an in-depth, semi-structured interview. The semi-structure of the interview—the option to add an occasional extra question when clarification is needed—would lend a solid backbone to the process while still giving me interventional flexibility as the interviewer. An in-depth interview is supposed to elicit a vivid picture of the participant’s perspective on the research topic. “During in-depth interviews, the person being interviewed is considered the expert and the interviewer is considered the student” (Mack, Woodsong, MacQueen, Guest, & Namey, 2005, p. 29). The longform interview is sometimes also called narrative inquiry (Clandinin & Connelly, 2004) and has the compelling quality of merging overall life experiences with specific research experience. Silverman (2011) made four observations about interviewing as a research method: First, no special skills are required for qualitative interviewing. Second, the interview is collaboratively produced between interviewer and respondent. Third, the interviewers are active participants in the research process. Fourth, no one interview style is “best”, meaning that interviewers can choose to be more or less active or passive during the interview. I have to disagree with the assertion that qualitative interviewing requires no special skills. Although I consider myself an experienced interviewer, having conducted numerous interviews in my professional life, conducting interviews especially for qualitative research produced new challenges, for example, generating data that can be evaluated in a sensible manner.

The fifth layer of the research onion framework is called “time horizon”. Here the options are either a cross-sectional or a longitudinal approach. I am bounded by a finite time horizon because, within the research for a doctorate thesis, there are time constraints. Thus, I could not conduct a longitudinal study in which I researched the development of possibly changing views of the change agents over time. Accordingly, I resorted to a cross-sectional approach. Therefore, this research represents a snapshot of the situation and circumstances that obtained when the interviews were conducted.

Lastly, the sixth layer of the research onion framework is called “techniques and procedures”. In choosing a procedure, I acceded to Creswell. The type of qualitative research chosen is what Creswell (2009) calls the “inductive approach” (p. 63). Rather than starting with a theory, inquirers generate or inductively develop a model, a theory, or a pattern of meaning. Figure 18 demonstrates Creswell’s suggested approach.

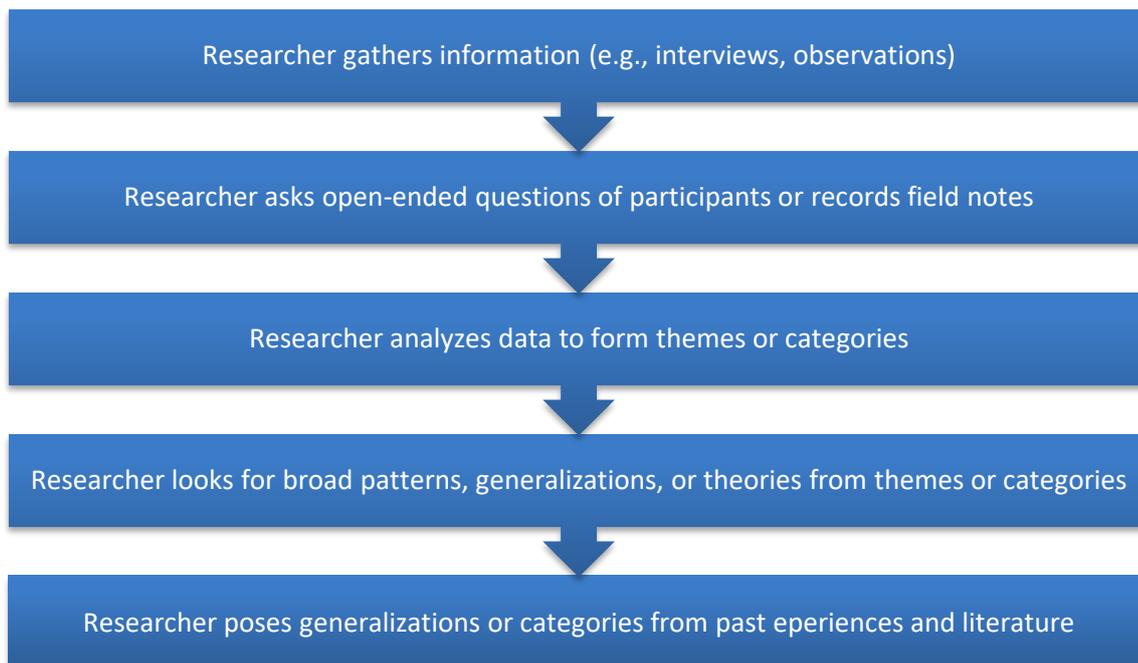


Figure 17. The inductive logic of research in a qualitative study. Source: Creswell (2009, p. 63)

The first step in Creswell’s approach involves gathering information. Since the research questions for this research already implied that change agents would be the source of information, my challenge was to find the best way of gathering it. As discussed in 3.2 above, the opinions, beliefs, and attitudes of change agents are mostly experientially developed, deeply held, to a certain degree socially constructed, and perhaps also partially held at the tacit level. As such, face-to-interviews were much more likely to elicit rich data than, for example, a questionnaire or a request for written responses. This is why face-to-face, in-depth interviews were chosen as the preferred method of data collection.

A research interview is considered a form of narrative inquiry, according to Clandinin and Connelly (2004). Clandinin and Connelly argued in favour of a narrative inquiry, that it “is a way, the best way we believe, to think about experience” (p. 80). Through storytelling, the narrator will also provide his or her interpretation of these events, allowing the narrative researcher to analyse the meanings that the narrator places on events (Saunders et al., 2016).

Figure 18 illustrates the planned process of the research. This process embraces Creswell’s (2009) “emergent design” as a characteristic of qualitative research and adapts it to the current research purposes:

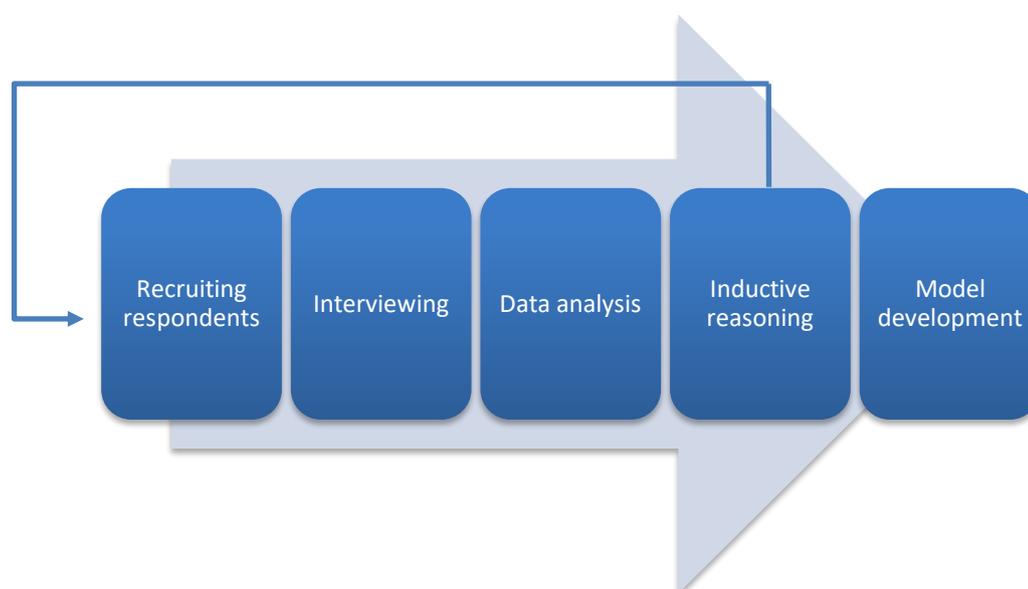


Figure 18.: Research process. Source: Author

The process began with recruiting respondents, usually one or two at a time. I then conducted an interview, performed a first draft analysis of the data (the interview transcript) and then had a discussion with my doctoral supervisor about inductive reasoning. This is when the decision was made to recruit another one or two respondents. This iterative approach is represented by the recursive arrow shown in Figure 18 going from “inductive reasoning” to “recruiting respondents”. The analysis of the previous findings influenced the selection of the subsequent respondents. Only at

the very end, after all interviews had been conducted and the inductive reasoning had progressed considerably, I developed a model (conceptual framework).

What also developed over time was the interview guide. The very first version was used for the exploratory interview, which was conducted even before the literature review was completed. Later, when the main fieldwork phase began, a new section of questions was added to the interview guide. These questions were about the dimensions of change found in the literature. The purpose was to gather feedback about what change agents think of the claims made in the literature. When the round of interviews with the interim managers was completed, it became clear that these subjects were very sceptical of change frameworks. So, for the interviews with the consultants and the line managers, I added a few more questions about radical change frameworks and planned change. In this way, I tried to examine whether the other two groups of respondents were similarly sceptical concerning planned change frameworks.

3.4 Sampling

3.4.1 Defining the sample population

After the research proposal was approved, I delved into a wide swathe of literary sources to refine my research approach. This involved achieving a clearer understanding of what is already well researched, in contrast to the areas in which very little research has been conducted. One result of this literature review was the insight that while there are some strong assertions about the parameters of radical organisational change, little is known about the perception of change agents as to whether they agree with these assertions. As a key limitation in the extant literature, this helped to define my sample population, not as all change agents but, in order to maximise the richness of my data, change agents with substantial experience of radical change.

Because of my professional experience and networks, it was clear to me that interim managers as a group would provide a valuable and accessible population. My reasoning was that they are change agents who are frequently contracted to lead change programmes as external professionals, perhaps in particular when radical change is required.

I was also aware of the need to go beyond the interim manager profession in my sampling, as although diverse as a population, interim managers may also have similarities in experiences, world views and professional values that are not shared by other change agents, I therefore decided to extend my sampling to two other groups of people who may have in-depth professional experience with radical organisational change, namely consultants who specialise in change and line managers who have played internal roles as leaders of change programmes. Each group represented a slightly different set of experiences and thus different points of view of radical organisational change.

My expectation was that these complementary groups of respondents would add different perspectives on the same topic of radical organisational change. Accordingly, I conducted a second round of interviews with five consultants. I then conducted a third round of interviews with five line managers. These additional two samples are described in more detail subsequently. Table 10 below provides an overview of the ways in which the sub-sample groups differed in their experiences of radical organisational change.

Table 10. Perspectives of Sample Groups

Perspective	Interim manager	Consultant	Line manager
Part of the organisation	External & Internal	External	Internal
Duration of engagement	Temporary	Temporary	Permanent
Change agent versus being changed	Active	Active	Mostly passive, some respondents also active
Number of radical changes experienced	Many	Many	One or few
Number of organisations experienced	Many	Many	One or few

Note. Source: Author

As indicated in Table 10, a similarly active role as a change agent is taken on by consultants who specialise in change management. Consultants make interesting respondents because they are external change agents in the same way as are interim managers, but, in a way, the consultants are even more external. While an interim manager may take on the role as, for example, an interim CEO and, thus, have a hybrid role of an external agent with a temporary internal line function, a consultant will remain an “external” without ever taking on a line function within the organisation.

In contrast to these two groups, the third group of respondents—the line managers—had a full-time role within an organisation and would therefore have experienced a lesser number of radical organisational changes. While they had temporarily taken on the role of a change agent, or another key role within the change programme, all of them were permanent members of an organisation being changed. They were thus an interesting group because they could contribute with a more passive point of view: “How does it feel to ‘be changed’”?

3.4.2 Sampling strategy

In contrast to a quantitative approach, where a chosen statistical test in most cases demands a minimum number of samples to achieve a significant result, a qualitative approach hardly ever demands rigid parameters regarding sample size. So, the researcher has to determine the point at which saturation is reached subjectively. The kind of saturation most appropriate here is data saturation. According to Saunders et al. (2016), data saturation is reached when the additional data collected provide little, if any, new information or suggest new themes. In order to reach the point of theoretical saturation, purposive sampling is most successful when data review and analysis are done in conjunction with data collection (Mack et al., 2005).

In order to generate maximum richness of data, a purposive sample (Marshall, 1996) was constructed comprising respondents who had had exposure to projects that encompassed radical change. My expectation prior to the research was that after ten interviews there would be few new findings. However, as it is impossible to be certain whether the assumption is accurate, I planned to generate purposive sampling

(Silverman, 2011) data until the point of theoretical saturation was reached, that is, “the point in data collection when new data no longer bring additional insights to the research questions (Mack et al., 2005, p. 5).

3.4.3 Sample selection

I started my sampling of respondents with interim managers from my professional network. It turned out to be quite challenging to find appropriate interim managers ready to be interviewed for this thesis, as only some interim managers encounter radical change very often on a regular basis. To help in my selection of these kinds of interim manager, a possible respondent was asked prior to the interview about typical tasks assumed during an interim mandate. On the basis of this information, interim managers who were hired for routine work were excluded. The challenges were threefold: First, not every interim manager was suitable, since they had to be experienced in multiple radical organisational changes in the role of a chief restructuring officer (CRO) or similar. After a background check, I rejected a few potential candidates whose experience differed from that which I sought in a participant. When the candidate answered that he typically performed tasks such as a turnaround, a reorganisation, or a restructuring, or that he typically assumed the role of a chief restructuring officer (CRO), then he qualified for an interview. This is the kind of interim manager who is hired explicitly for performing a radical organisational change and to take on an active role as a change agent.

Originally, this research was only intended to be about the points of view of German interim managers. After hearing of my plans to write a thesis about interim managers, an American entrepreneur suggested adding some interim managers from the United States to the mix. I discussed this option with my supervisors and, as they were supportive of this idea, I decided to proceed. The American entrepreneur was helpful in establishing contact with interim managers from the USA, and four of them agreed to give an interview.

I used a similar screening technique in selecting the sample of consultants. In order to assure expertise in radical change, I asked potential respondents to the interview about

typical tasks assumed during a consulting mandate. The consultants, similar to the interim managers, had multiple experiences with radical organisational change, taking on active roles as change agents. Since I had already “crossed the border” outside of Germany with some of the interim managers, I assembled a small second group of respondents out of my professional network from countries such as Canada, Republic of South Africa, and Italy.

The third sub-sample of internal managers once again was composed of respondents from different countries, such as Germany, Britain, and Hong Kong. While I found some of them within my professional network, my supervisor was supportive in helping me find other appropriate respondents. In particular, because the bulk of the experienced interim managers and consultants came from the private sector, we decided that it would be useful to include at least two respondents with substantial public sector experience. My supervisor then helped me to recruit a former senior manager from a British government agency and a line manager from within a German public sector company, both with substantial internal experience of radical change.

3.4.4 Sample recruitment

Recruitment of the sub-sample was the most complex for two reasons. Firstly, the selected respondents were mostly recruited via a mutual acquaintance. These persons of mutual acquaintance played an important role in establishing the interest of potential respondents. Opening oneself up for an intimate interview like this one required some trust on the side of the interim managers. In several cases, the positive reference about me given by the person of mutual acquaintance became the catalyst that made the interview possible. In two cases, interim managers who had already given their consent to the interview retracted their consent at the last moment. This was probably due to a concern for confidentiality and professional ethics. From my experience, many interim managers pride themselves in maintaining complete confidentiality on behalf of their clients. Secondly, finding a time slot for interviews with interim managers who are always on a tight schedule required some organisational efforts. In two cases, I met the

interim managers in their private homes, being extended the hospitality of coffee and cake.

Recruitment of the other two sub-samples was generally more straightforward. Both the consultants and the line managers were recruited directly from my personal network or that of my supervisor and in every case they were happy to commit to an interview during the initial contact; none of them retracted from this agreement.

3.5 Data Quality

The question as to what constitutes data quality can be answered easily in the realm of quantitative data. In the positivist epistemology, as I learned in my study of psychology, empirical data has three parameters of quality: objectivity, reliability, and validity. Objectivity refers to the question of whether any other researcher would come to the same results. Reliability refers to the question of whether a repetition of the research would produce the same results. Validity refers to the question of whether the research measures what it claims to measure.

The question as to what constitutes data quality is much harder to answer in the realm of qualitative data. In the world of science, there are stereotypical objections to qualitative research interviews, of which the following 10 were documented by Kvale (1994, pp. 147–148). Accordingly, the qualitative research interview:

1. is not scientific, but only common sense
2. is not objective, but subjective
3. is not trustworthy, but biased
4. is not reliable, but rests upon leading questions
5. is not intersubjective in that different interpreters find different meanings
6. is not a formalized method, being too person-dependent
7. is not scientific hypothesis-testing, being only explorative
8. is not quantitative, only qualitative
9. does not yield generalizable results, there being too few subjects
10. is not valid, but rests on subjective impressions

All these issues present challenges to a researcher who is embarking on a qualitative study. In my role as a researcher, I tried to address the issue of data quality in several ways, as discussed in the following subsections.

3.5.1 Bias

Data quality can be compromised by bias. Bias is the risk of influencing the nature of data during the research process, either consciously or unconsciously. Bias can occur throughout the entire research process, be it during the research design, the data collection or the later analysis of the data. Saunders (2016) differentiated between interviewer bias and interviewee bias. Interviewer bias is the “attempt by an interviewer to introduce bias during the conduct of an interview, or where the appearance or behaviour of the interviewer has the effect of introducing bias in the interviewee’s responses.” (p. 719) Interviewee bias, according to Saunders, is the “attempt by an interviewee to construct an account that hides some data or when she or he presents herself or himself in a socially desirable role or situation.” (p. 719) As far as handling bias in an interpretivist research approach is concerned, Tracy (2013) suggested that a good researcher “is a self-reflexive research instrument, aware of biases and subjectivities; background is imperative for understanding the research.” (p. 48)

Considering the chosen approach of an in-depth interview with an exploratory purpose, I was aware of the pitfalls and tried to have as little influence as possible on the responses of my respondents. However, since I cannot completely eliminate myself from the research process, a minimum element of bias is inevitable during an interview process. Guiding respondents through a thought process and turning their implicit knowledge into explicit knowledge is a way of co-creating a description of the respondents’ worldview. Having said that, in the following subsections I will describe in which way I tried to minimise my influence on the answers given by my respondents.

3.5.1.1 Researcher bias

The impairment of data quality can arise from researcher bias. I myself am an expert in the field of organisational change. As a professional, I talk to other professionals in the field. My perception is influenced by my being a white male European of a certain age

and from a certain social class. Therefore, there can be at least four possible areas of researcher bias:

- Bias on the topic level: Based on the literature review, or by my own experience, I may have already developed a frame of reference that will influence the process of data collection.
- Bias in the sampling of respondents: The respondents may have been selected based on my frame of reference.
- Bias while conducting the interviews: My frame of reference may influence what questions I ask or do not ask.
- Bias in analysing the data: My frame of reference may affect the way I analyse the data.

I addressed these areas of researcher bias as follows:

- Bias on the topic level: The literature review was as broad as possible, covering several areas that were unknown to me previously. Many literary sources referred to other sources, which expanded the scope of topics covered. Also, I discussed the literature review critically with my supervisors, leading to contributions in the style of: "Have you thought about this topic?" or "Did you also consider that topic?" This led to an in-depth discussion of which topics were in scope and which were out of scope for this thesis.
- Bias in the sampling of respondents: While the starting point for each group of respondents was always my personal professional network, I also asked my respondents if they knew other potential respondents that fulfilled the criteria of having experience with radical organisational change. In addition to that, I had mediators such as my supervisors that supported me in finding potential respondents, thus broadening the range of my sample of respondents. Also, the triangulation of not only resorting to interim managers, but also contrasting their points of view with consultants and line managers may have had a positive impact on the trustworthiness of the data.
- Bias while conducting the interviews: I resorted to a standardised interview guide during my semi-structured interviews so as to give my interviews a solid

backbone of comparable questions asked. Also, I let the respondents freely discuss their experiences with radical change and occasionally inquired with additional questions to delve more deeply into a topic the respondent suggested.

- Bias in analysing the data: There are two criteria for picking out specific insights in the findings chapter and drawing conclusions from them in the analysis chapter. One criterion is that the insight was mentioned several times by different respondents, thus gaining in importance the more often it is mentioned. In addition to that, some insights were also extracted although they were mentioned only by one single respondent. The criterion for picking these insights was a level of originality that put them in contrast to platitudes, bromides, and truisms such as “The most important thing is the people in a company.” I acknowledge that there is a degree of subjectivity to the criterion of originality. However, these insights can be considered merely as complementary to those introduced by multiple respondents, because each insight is presented in Chapter 4 showing the number of respondents in each group who supported it.

3.5.1.2 Bias in researching interim managers

My first group of respondents were interim managers. Bias may have occurred during the interviews with this specific sample for the following reasons:

- Belief about “best practice”: Interim managers may have developed their own understanding of what is considered “best practice” in their trade in a fashion comparable to superstition. They may have tried a certain approach once, having seen it work fairly well, and then subsequently sticking forever to this approach without evaluating other approaches that may be more effective or efficient. The “lone wolf” lifestyle of some interim managers accompanied by little exchange with other interim managers about implementation issues may even contribute to this phenomenon.
- Bias against academic concepts: Interim managers may reject modern academic concepts about the appropriate approach as being too theoretical. They may be biased in the judgment about the usefulness and applicability of these concepts.

- Bias in sharing implicit knowledge: Interim managers may be experienced in talking about the results of their actions while being more secretive in talking about their approach, considering it a “trade secret.” The challenge will be to turn their implicit knowledge into explicit knowledge.

I addressed these areas of bias as follows:

- Belief about “best practice”: I tried to learn about their current practice. What approach do they choose and how consequent are they in choosing this approach? Do the respondents alternate between different approaches? Are they aware about other interim managers’ approaches and why do they prefer their own approach?
- Bias against academic concepts: I asked the respondents if they had concrete examples of experiences that proved the usefulness and applicability of their own preferred approaches. I also inquired about their opinions concerning specific aspects of radical change postulated in academic literature.
- Bias in sharing implicit knowledge: I tried to turn the respondents’ implicit knowledge into explicit knowledge by asking them to explain the logic behind their actions. Thus, I helped them to embark on a complex reflective process, trying to co-create, with as little influence from my side as possible, a description of their points of view about radical change.

3.5.1.3 Bias in researching consultants

My second group of respondents were consultants. Bias may have occurred during the interviews with this specific sample for the following reasons:

- Ideology: While consultants are usually aware of different theoretical approaches, they may be fixated on a specific one while ignoring other approaches of equal value. This fixation to a specific approach may sometimes even border to the state of obsession, clinging tightly to a specific ideology.
- Boasting with knowledge: In contrast to the last bullet point, a consultant may try to impress the interviewer with how many different theoretical approaches

he knows about. The danger is that this consultant may talk more about what works theoretically than about his actual own experiences.

- No involvement: In contrast to the two other sample groups, consultants are the ones with the least personal involvement into a change project. While the other two groups bear some kind of responsibility and may even be liable for their actions, a consultant is more in the role of an advisor, leaving the decision-making to his clients. Thus, the consultants' answers may be biased in so far as the consultants may be less emotionally invested in the outcome of the change initiative as the other two groups may typically be.

I addressed these areas of bias as follows:

- Ideology: I asked the consultants to critically reflect upon their approaches of choice. Sometimes I mentioned a specific different approach and asked about their opinion, so as to generate a contrast and a more balanced set of statements from my respondents.
- Boasting with knowledge: I tried to lead the respondents to more experience-based statements by asking them what approach was chosen in a specific case and which approaches showed the desired results from the point of view of my respondents.
- No involvement: I asked my respondents about the results of their change initiatives. In what way was their client better off than before?

3.5.1.4 Bias in researching line managers

My third group of respondents were line managers. Bias may have occurred during the interviews with this specific sample for the following reasons:

- Negative experience: More than the other two groups, line managers may attribute radical organisational change to negative experiences, due to their perspective of being the subject to be changed instead of the change agent.
- Peer influence: Line managers are considered to be less of an individualist than the other two groups. They may be more oriented towards their peer line

managers and instead of developing their own point of view rather adopt the point of view of their peers.

- Passive perspective: Line managers may take on the role of a change manager less often than the other two sample groups. So, the perception of being changed rather than being the person who is actively changing may cause a bias about a limited set of available options in the change process.

I addressed these areas of bias as follows:

- Negative experience: I tried to guide the line managers through the thought process by having them tell me how specific experiences may have influenced their frame of thinking. The effects of these events could then be proportioned so as to better understand why the change project had been initiated at all. If my respondents had made negative experiences with change initiatives, their point of view is certainly valid. However, this point of view should not tint the evaluation of other change initiatives, leading to the generalisation that change is a negative thing per se.
- Peer influence: When I had the impression that the respondents talked too much about other people's experiences, I tried to guide the conversation back to their own experiences and their own points of view.
- Passive perspective: When line managers told me about the situation of being a "victim" of other people's change projects, I inquired whether they had also made the experience of being in an active role as a change agent. This way I could learn more about their points of view concerning the necessity of change initiatives and the available approaches for the change agent.

3.5.2 Triangulation

Triangulation refers to the use of two or more independent sources of data (Saunders et al., 2016) and the collection of the views and experiences of diverse individuals and observers (Easterby-Smith, Thorpe, & Jackson, 2015). I conducted triangulation by presenting a draft version of my conceptual framework to a group of seven experienced change agents in a web conference. By this method, I aimed to test my conclusions by

discussing them with experienced practitioners. In a timeframe of approximately 90 minutes, I introduced the framework, answered their questions, and collected their feedback so that it could be integrated into the subsequent fine-tuning of my conclusions.

3.5.3 Authenticity

“Authenticity involves convincing the reader that the researcher has a deep understanding of what was taking place in the organisation” (Easterby-Smith et al., 2015, p. 259). I, as the author of this thesis and in my role of the researcher, have gained my own professional experience through more than 20 years of projects in the field of organisational change. I can claim a genuine interest in this topic and can also relate to my own understanding of the things that usually take place in organisations in the context of change. During the interviews, I could demonstrate familiarity with the specific terminology that is used in the context of restructuring organisations.

3.5.4 Trustworthiness

Saunders (2016) asks what threats to the trustworthiness of the data collected are likely to be encountered by a researcher and how these be overcome. To achieve confirmability, Shenton (2004) claims, researchers must take steps to demonstrate that findings emerge from the data and not reflect their own predispositions. The reason for that, according to Shenton (2004), is that researchers should strive to enable a future investigator to repeat the study. In order to ensure trustworthiness in qualitative research projects, Shenton (2004) suggests four different strategies, which, in the present study, have been addressed as follows:

- **Credibility:** Resorting to appropriate, well recognised research methods, such as semi-structured interviews, and examining previous research in the literature review to frame the findings
- **Transferability:** Providing the context of the study and describing the phenomena of radical organisational change so that readers can come to their

own conclusions as to how much the results of the study are transferable to their own situations

- Dependability: Describing the methodology of a semi-structured interview so that the research can be repeated
- Confirmability: Triangulation to reduce the effect of investigator bias and recognition of shortcomings and limitations of the research

3.6 Data Collection

3.6.1 Venue

Where possible, I conducted interviews during face-to-face meetings with the respondents. The meeting place was in most cases the private home of the respondent, although in a few cases, the meeting place was a public café. One interview took place while the respondent visited me in my home. All other interviews were conducted via communication technology, in general via a Skype web conference. In two cases, establishing a Skype connection was impossible due to technical challenges, so we resorted to the telephone. These two interviews were the only ones where I could not see the respondent during the interview. In sum, seven interviews were conducted face-to-face, two via telephone, the remaining eleven via Skype web conference.

3.6.2 Time frame

First, experience with data collection was gathered in an exploratory interview. When setting up an appointment with the respondent, I scheduled 3-hour time slots. The exploratory interview has shown that this leaves sufficient time for the complete data collection process. The exploratory interview consisted of two hours for the interview plus a total of one hour of conversation before and after the interview. Although the respondent in the exploratory interview turned out to be unusually talkative, the subsequent interviews were usually finished in approximately half the time (one-hour net interview duration), even though additional questions were added to the interview.

3.6.3 Interview process

I conducted an initial exploratory interview with an interim manager at an early stage, even before finalising the research proposal. This interview generated several useful insights into the issues to be explored and provided valuable practical experience in conducting the interview. For example, I learned how much time the respondent needed to answer each of the questions. I also made the experience that my attempt to get the respondent in a talkative mood by asking open question turned out to be successful.

Usually, an interview consisted of the following elements: Before the interview starts, there is an introductory phase during which both parties engage in some small talk, finding a pleasant place to sit, getting some drinks, and maybe a light snack. Also, the interviewer sets up the technical equipment needed for recording. Once a suitable atmosphere is established, the interviewer conveys some introductory information about the purpose of the interview and discusses any confidentiality issues (see 3.8). Then he starts the recording.

Each recording begins with the interviewer formally asking the respondent for his consent to be recorded. Then the interviewer begins to ask questions. The interviews are semi-structured and include some standardised questions but also allow the respondent to tell stories. The interviewer has enough time to ask for clarification and to elicit deeper responses, if needed. Note-taking is used to record basic data and key aspects of respondents' thoughts, impressions, and statements. Each interview is recorded using a Sony dictaphone. The dictaphone has a lapel microphone that is attached to the respondent.

After the formal part of the interview is finished, the interviewer expresses his thanks and talks briefly about his next steps in preparing the thesis. He also offers to keep the respondent informed about the final outcomes of the research. This interview process is inspired by Rapley's suggestion concerning how to work with interview data (Rapley, 2004).

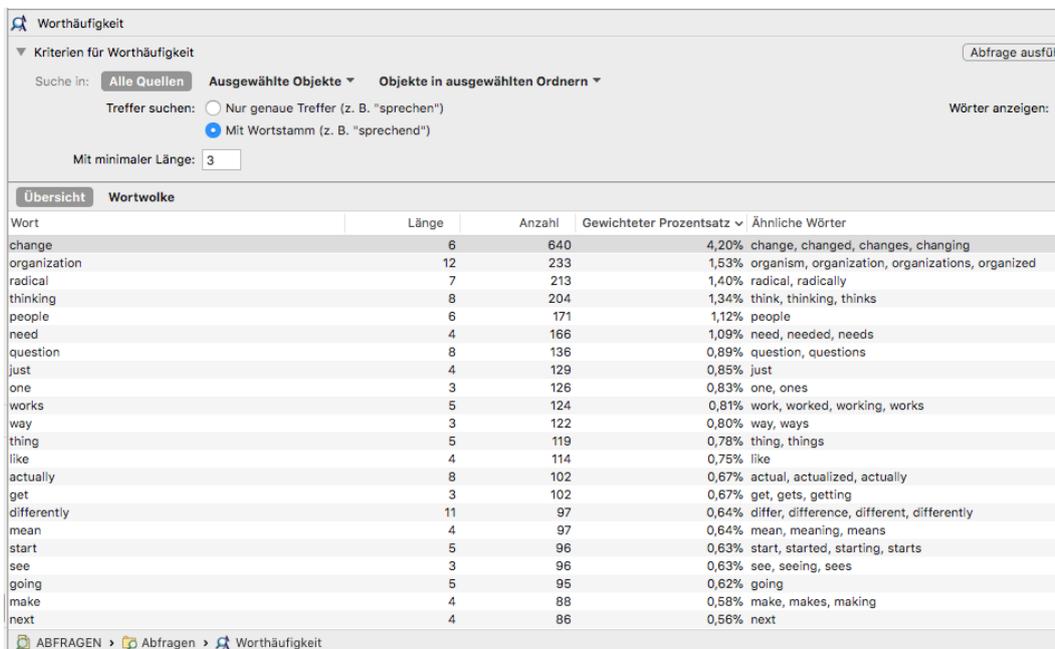
3.6.4 Development of the interview guide

Two revisions were made to the original interview guide (see Appendix 1) that was used by the interviewer for the semi-structured interview. The results of the literature review led to a first revision of the interview guide (see Appendix 2) after the exploratory interview. Some questions were added that were linked more closely to the assertions made in the scientific literature, specifically to the parameters of change. With this revised guide, additional interviews with nine more interim managers were conducted. A second revision (see Appendix 3) of the guide was made before the interviews with members of the other two sub samples (consultants and line managers). Emerging from the analysis of the interim manager interviews, a few more questions were added concerning planned change models and the role of external change agents in general. This revised interview guide was used for the interviews with the consultants and the line managers. The emergent design of this interview guide was based on Creswell's suggestion (2009) that interview questions may be subject to change during the research process.

3.7 Data Analysis

This section describes the process of analysing the information gathered during an interview. The development of a data analysis process appropriate for this research was an emergent, iterative, and time-consuming endeavour, not without experiments that ended in dead ends. Probably the most significant of those dead ends was my effort to analyse the interview data by resorting to several methods of coding. Inspired by the "Coding manual for qualitative researchers" (Saldana, 2009), I made myself acquainted with different approaches to coding, such as "in vivo coding", "process coding", "values coding", and "dramaturgical coding". I studied the market for CAQDAS programmes (CAQDAS stands for computer-assisted qualitative data analysis software), which are software tools designed to analyse transcribed interviews. I studied comparison tables and watched introductory videos to find out which applications were the most appealing to me, judged by the criteria of usability (user friendliness) and currency in regard to standards of qualitative research. This way, I identified two favoured solutions: The

German application MAXQDA (Kuckartz, Dresing, Rädiker, & Stefer, 2008) and the Australian application NVIVO (Bazeley, 2007). Since the usage of NVIVO was encouraged by the University of Gloucestershire, I installed the software and acquired a user account. NVivo counts the frequency of certain predefined expressions throughout a transcription. As Franzosi (2013) put it, the software is supposed to turn words into numbers. Accordingly, I made several attempts to make sense of my interview transcripts with the help of NVIVO. I counted the frequency of words (see Figure 19) and I identified recurring themes (so-called “nodes”; see Figure 21). I converted nodes into sunburst diagrammes and analysed the sentence structure providing context for certain key words.



Wort	Länge	Anzahl	Gewichteter Prozentsatz	Ähnliche Wörter
change	6	640	4,20%	change, changed, changes, changing
organization	12	233	1,53%	organism, organization, organizations, organized
radical	7	213	1,40%	radical, radically
thinking	8	204	1,34%	think, thinking, thinks
people	6	171	1,12%	people
need	4	166	1,09%	need, needed, needs
question	8	136	0,89%	question, questions
just	4	129	0,85%	just
one	3	126	0,83%	one, ones
works	5	124	0,81%	work, worked, working, works
way	3	122	0,80%	way, ways
thing	5	119	0,78%	thing, things
like	4	114	0,75%	like
actually	8	102	0,67%	actual, actualized, actually
get	3	102	0,67%	get, gets, getting
differently	11	97	0,64%	differ, difference, different, differently
mean	4	97	0,64%	mean, meaning, means
start	5	96	0,63%	start, started, starting, starts
see	3	96	0,63%	see, seeing, sees
going	5	95	0,62%	going
make	4	88	0,58%	make, makes, making
next	4	86	0,56%	next

Figure 19. NVIVO word count. Source: Author.

Stephan Meyer 01

Start Erstellen Daten Analysieren Abfrage **Untersuchen** Layout Ansicht

Visualisierungen

Visualisierungen Klassifizierungsauszüge

Name	Quellen	Referen...	Erstellt am	Erstellt v...	Bearbeitet am	Bearbeitet von	Farbe
Internalis~	2	8	Gestern, 20:58	SM	Heute, 20:15	SM	●
Parameters of Change	0	0	Gestern, 22:02	SM	Gestern, 22:04	SM	●
Depth	5	9	Gestern, 21:11	SM	Heute, 21:07	SM	●
Linearity=ProcessSteps	5	10	Gestern, 21:09	SM	Heute, 21:08	SM	●
Pace=Speed	5	8	Gestern, 21:05	SM	Heute, 21:08	SM	●
Scope	5	7	Gestern, 21:10	SM	Heute, 21:09	SM	●
Sequence=OrgUnits	5	10	Gestern, 21:08	SM	Heute, 21:11	SM	●
Pi vs Em Change	0	0	Gestern, 20:50	SM	Gestern, 20:50	SM	●
Emergent Change	3	5	Gestern, 20:56	SM	Heute, 21:02	SM	●
Planned Change	5	11	Gestern, 20:56	SM	Heute, 21:13	SM	●
Resistance	5	20	Gestern, 20:57	SM	Heute, 21:13	SM	●
Silo	2	7	Gestern, 20:57	SM	Heute, 20:25	SM	●

Knoten, verglichen anhand der Anzahl von Kodierungsreferenzen

Visualisieren:

Kodierung für Knoten Vergleichen: **Alle Knoten** Alle Fälle Ausgewählte Objekte

Kodierung für Quellen Kodiert in: **Alle Quellen** Ausgewählte Objekte

Attributwerte für Fälle Sehen Sie beispielsweise nach, ob einige Quellen über mehr Kodierungsreferenzen als andere verfügen, um die vorrangigen Themen eines Projekts zu erkennen.

Attributwerte für Quellen

Treemap Sunburst-Diagramm Übersicht

Größe nach:

Kodierungsreferenzen

Kodierte Objekte

Anzeigeebene:

Farbe nach:

Hierarchie

Kodierungsreferenzen

Kodierte Objekte

Keine

Farbschema:

Objektfarbe anzeigen

Figure 20. NVIVO nodes. Source: Author

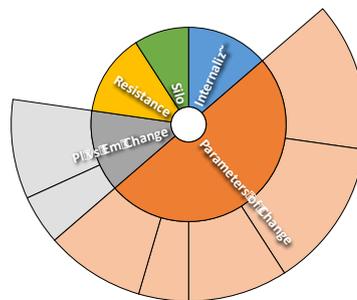


Figure 21: NVIVO sunburst diagramme. Source: Author

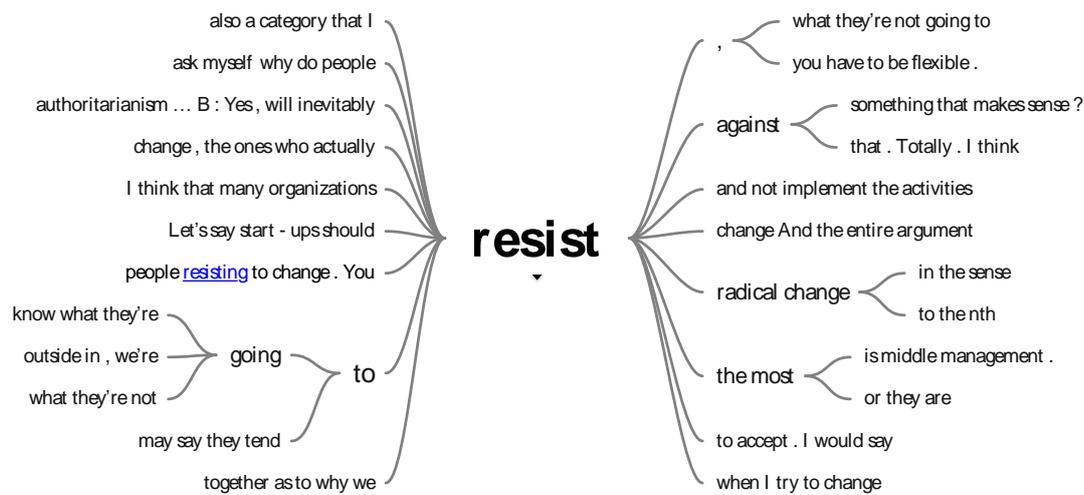


Figure 22. NVIVO sentence structure. Source: Author

As it happened, I completely failed in gaining any relevant insights from this approach. Interesting figures produced notwithstanding, the value of this approach was rather limited. Since my interview questions were already grouped around certain topics, the method of coding did not add much value to my research. In discussing this result with my supervisors, we came to the same conclusion—this approach to analysis led to a dead end.

I had to find a different approach to sensemaking. My search for an appropriate approach to data analysis was guided by the notion of grounded theory. According to Silverman (2011), it means the induction of hypotheses from close data analysis, an approach that led to several practical questions.

- In a field setting, how does one go about codifying your observations?
- How can one develop hypotheses from one's observations?
- How can one go on to build a theory?

If the change agent fulfils the role of being the “sensemaker who redirects change” (Weick & Quinn, 1999, p. 366), then I had to find a way to make sense of the interviews I conducted. Sensemaking during an organisational change is guided by the employees' emotions (Helpap & Bekmeier-Feuerhahn, 2016). According to the literature,

sensemaking plays an important role in an organisational crisis (Mallender, 1988; Weick, 1988). I had to find a way to better understand how my respondents made sense of the crises they had experienced. In sifting through the scientific literature about different ways of analysing data, I discovered the notion of narrative analysis (Clandinin & Connelly, 2004; Easterby-Smith et al., 2015; Saunders et al., 2016; Silverman, 2011; Tracy, 2013). Easterby-Smith et al. (2015) suggest the following four steps in applying a narrative analysis:

1. Selection: Select the resources that you intend to analyse.
 2. Analysis of the narrative: Examine the plot of the story, as well as actors, activities and places. Identify conflicts, surprises, and predicaments.
 3. Re-contextualisation: Enquire into the underlying assumptions of the storyteller.
 4. Interpretation and evaluation: Assess the meaning and function of the story. Compare the story relative to other stories and identify what makes it relevant.
- (pp. 583–584)

As a consequence of the reflections mentioned above, I came up with a different approach to analysing my data from the initial coding approach. A description of the process for analysing narrative data is as follows:

1. Each interview session resulted in a digital audio recording file. The audio recording was transcribed by a professional transcription service provider. Each transcription was produced in the language of the recording: German language for the interviews with the German interim managers, English language for the interviews with the American interim managers. All subsequent interviews with the consultants and line managers were conducted in English language. The transcription service provider was instructed to treat the data confidentially and to destroy it after the transcription process had been completed.
2. The resulting transcription was an MS Word document. My first approach was to read through each document several times to get a first impression of the general tenor of the interview. During these first readings, in order to ensure anonymity, I removed any confidential references the respondent made to

names of companies or persons. I also made a quality control of the transcription, listening to the recording in parallel to reading it, to search for anything the transcriber may have missed or misunderstood. In some rare cases, there were a few expressions specific to the world of organisational restructuring that seemed to be unfamiliar to the translator.

3. For the findings chapter of the thesis, I identified insights that could be derived from the interview transcripts. These insights were patterns that emerged, because they were overarching themes mentioned by several respondents. I tried to identify the themes that several of my respondents in each group agreed upon. In addition to that, I added a few insights that were mentioned only by one respondent each but seemed remarkable because of their originality. Originality admittedly is a rather subjective criterion, which I defined by its distance from being a bromide—a platitudinous social construct that many people could easily agree upon. In total, 176 such insights were identified. Chapter 4 introduces and illustrates these insights by reference to selected quotations.
4. I then grouped the insights into 14 thematic categories, as illustrated in Figure 24 in section 5.2. An important point is that these themes integrated insights gathered from different stages of the interviews, when different topics were being discussed. For example, most respondents discussed the nature of change in some depth in the early part of the interview, but some returned to this topic at later stages, for example, when discussing implementation issues. I then compared the similarities and differences between the three groups of respondents, gathered the opinions about the parameters of change, and lastly summarised what the respondents identified as the relevant dimensions of radical change.

One remark should be made about the practice of producing transcripts from the interview recordings. As Davidson (2009) claimed, all transcripts are selective in one way or another. That is true, considering that transcripts only evaluate what is explicitly being said. They ignore everything else, e.g., facial expressions or gestures of the respondent. However, when I in my role of an interviewer saw a nonverbal indicator that the

respondent wanted to express something that was not verbally being expressed, I could always interject with an additional question to ensure that the message was expressed in a verbal manner and would thus become a part of the recording. Another criticism by Davidson (2009) was the fact that transcription that encompasses translation from one language to another presents an especially complex and challenging situation. This applies to the interviews I conducted with the German interim managers. (The interviews with the American interim managers, as well as all subsequent interviews with consultants and line managers were conducted in English.) I conducted the interviews with the German interim managers in German and had the transcription done in the original German. Only when analysing the interviews in the findings chapter of the thesis, did I translate the selected text abstracts into English. In order to do that, I resorted to the help of “Google Translate” for a first draft of the translation. I then edited each and every translation manually to find English expressions that seemed to match stylistically what had been said in German. To provide an option for the reader to compare the original quote to my translation, I added the original quote in a footnote. The footnotes in roman numerals at the end of some of the quotations refer to the original quote in German. In my effort to transcribe and translate, I tried to balance the parameters outlined to contribute to transcription quality, efficiency, and consistency (Glenn et al., 2010).

3.8 Ethical Issues

Easterby-Smith, Thorpe, and Jackson (2015) suggested the following key principles in research ethics:

1. Ensuring that no harm comes to participants
2. Respecting the dignity of research participants
3. Ensuring a fully informed consent of research participants
4. Protecting the privacy of research participants
5. Ensuring the confidentiality of research data
6. Protecting the anonymity of individuals or organisations
7. Avoiding deception about the nature or aims of the research

8. Declaration of affiliations, funding sources, and conflicts of interest
9. Honesty and transparency in communicating about the research
10. Avoidance of any misleading or false reporting of research findings (p. 357)

For this research, the most important ethical issues were resolved in the following manner. The research project was guided by the University of Gloucestershire's *Handbook of Research Ethics*. The ethical issues primarily concerned two aspects: information and confidentiality. A checklist was prepared to make sure the necessary information was covered (Mack et al., 2005; Silverman, 2011), such as the research purpose, what is expected of a research participant, confidentiality aspects, and contact information should any question arise during the course of the researcher or later. For the introductory part of my interviews, I followed a printed-out "cheat sheet" that covered the following topics:

1. The goal of the dissertation: To perform research in the field of business administration for the purposes of obtaining a doctoral degree awarded by the University of Gloucestershire
2. The topic of the dissertation: Radical change seen through the eyes of change agents
3. What the researcher is looking for: opinions, language patterns, mindsets, key words
4. The interview style: questions and answers, narrative, including examples and anecdotes
5. The financing of the research: only me, no third parties or conflicts of interest
6. How anonymity is ensured: Name of the respondents, mentioned persons and (client) company names are not revealed in the thesis document, exceptions being company names that serve as an example for an explanation and that have already been covered in the press
7. Later publication of the thesis: Later publication and availability on the Internet in a dissertation database
8. Recording: Recordation of the interviews for the purpose of evaluating the speech pattern in a later analysis

9. Voluntary participation: Participants assured of right to decline to answer questions or terminate the interview at any time
10. Data security: Participants advised that the interview data would be stored securely and would be destroyed at the end of the research project

As the very first question of each interview, respondents were asked to give explicit consent to the recording of the interview. Since change agents, such as interim managers, encounter very sensitive information at their client companies, confidentiality is a particularly important issue in this research. The anonymity of both respondents and their clients (person or company) was preserved by the use of fictional names and the protection of contextual information that could facilitate their identification. The computer files generated throughout the research were encrypted before being stored on a high-security server in Switzerland.

I am aware that interviewers can have strong influence on the content of an open-ended interview. They are not “disembodied recorder[s] of someone else’s experience” (Clandinin & Connelly, 2004, p. 81). Rather, the responsibility rests upon them to elicit from the respondents only what these participants feel comfortable about revealing. During my interviews, I was constantly trying to keep the balance between, on the one hand, eliciting as much valuable information as possible from the respondent and, on the other, only extracting as much information as the respondent was comfortable in revealing.

Chapter 4: Findings

The questions asked during the interviews with the interim managers were separated into three sections in the interview guide. The sections revolved around the following topics:

- The nature of radical change: The questions were intended to elicit the interim manager's interpretation of the notion of radical change and the circumstances that require it.
- The five parameters: The questions in this section referred to the parameters identified in the literature review, namely speed, sequence / direction, linearity, scope, and depth.
- Dealing with radical change: The questions in this section covered practical issues that go along with the implementation of a radical change, such as how to start a radical change, and whether the interim manager feels satisfied after having performed a successful radical change.

I referenced the interviews using the following code: Int (for Interview) - <number> - <country>. The numbers were assigned consecutively, and each number was used only once. For example, "Int-03-USA" is the third interview of all interviews, but the first with an interim manager from the United States, since interviews 1 and 2 were conducted with German interim managers.

The first interview, "Int-01-GER", is different from the subsequent interviews, because it was the exploratory interview performed before completion of the literature review. Thus, it does not address the questions from section 2 of the guide, which derive from the literature review.

4.1 Interviewing interim managers

This section presents an overview of the interim managers' answers to the interview questions. It identifies insights to each question where applicable. Supporting these insights, I added some original quotes from the interviews if they appeared to be remarkable and expressive. I preferred quotes that contained original terms or metaphors. I rejected quotes if they duplicated material or contained platitudes, such as, "The most important part of the company are the people".

The insights listed below are not a body of wisdom etched in stone, but rather opinions of the interviewed interim managers. In some cases, therefore, they may in fact be contradictory.

4.1.1 Interview guide section one: The nature of radical change

4.1.1.1 When is a change radical, as opposed to a gradual change or a minor repair?

Insight 1: A radical change is usually initiated by the owners of a company by hiring an interim manager.

A typical starting point for a radical organisational change is comes into existence when the owners of a company are dissatisfied with the current management. They see a need for change but do not trust the current management to perform the necessary change on its own. This is why the owners hire an external interim manager. They expect him to perform a more radical change than could be performed by the current management. The following interim managers shared this insight in their own words: 1, 4, 5, 8. In this insight subsection and all the subsequent ones a selection of quotes is added to illustrate the insight in the respondents' original words about their point of view.

- INT-01-GER: I always came in when outsiders said, "If we do not take him [the CEO] out now, if we do not introduce a radical change in the leadership of the enterprise now, the company will no longer exist".¹
- INT-04-USA: Almost everything that I do would require radical change. Gradual changes would just be effectively a continuation of the current management activity, and there is no time for them to continue down that road because

there's an extraordinary amount of pressure being applied by typically external parties.

- INT-05-USA: For whatever reason the company is restructuring, if there's not a loss of confidence in management, in a senior executive team, then I don't know if it's really radical organisational change. [...] [Radical change is initiated when] management loses credibility or management has to lose control of the business' future even if it doesn't get replaced.
- INT-08-GER: [The decision on radical change is being made] by the investors. Ideally, the owner's side (i.e., the equity-issuer's side) does this. Not infrequently, a radical change is also initiated by external capital providers. Rather, this is actually the less desirable option, because that means that the lenders see their interests already threatened. And this means that we are talking about situations where the company value tends to be below the value of the borrowed capital.ⁱⁱ

Insight 2: Radical organisational change often is driven by a liquidity crisis

The decision to perform a radical organisational change is often made in the context of a liquidity crisis of the organisation. Though this may not necessarily always be the case, it is easily comprehensible that the readiness for a radical change is greater when the organisation's survival is threatened by its poor finances. The following interim managers shared this insight in their own words: 1, 5, 7, 8.

- INT-07-GER: [The radical thing about radical change are] the course corrections that are necessary in terms of time and liquidity. In other words, you cannot always only be nice and friendly to each other, but change management also has the consequence that the steering wheel has to be pulled a bit more radically.ⁱⁱⁱ
- INT-08-GER: [A crisis that requires radical change:] In 80 percent of the cases with extreme liquidity bottlenecks, these are homemade situations caused by sleepy, poor management decisions. [...] From my experience, 80 percent is homemade [...] and 20 percent is [...] more externally induced.^{iv}

Insight 3: A radical change has an entrepreneurial character.

One of the reasons external interim managers are brought into the company is in order to compensate for the poor decision-making of their predecessors. The interim manager is expected to be bolder and more entrepreneurial in his decision-making and to be more rigorous in its execution. The following interim managers shared this insight in their own words: 1, 2, 3, 6.

- INT-02-GER: So, a radical change is a situation in which you can think of something fundamentally new, which has not yet existed in this form. This does not include, most importantly, the usual cost-cutting measures for personnel. This does not include the usual savings measures in purchasing. [...] But you can think of something fundamentally new. This usually has an entrepreneurial character.^v
- INT-03-USA: Radical can be long-term and short. It can be both. [...] From my point of view, a radical change is when the organisation is going in a direction or doing things in a way that they've never done before.
- INT-06-USA: When change comes, you don't want to be in front of it; you want to be riding it and shaping it.

Insight 4: An interim manager must provide stability during radical change.

A radical change produces so much turmoil in an organisation that there is an explicit need for a person to be the "rock in the surf". This role is usually performed by the interim manager to symbolize to the employees a minimum of stability among what seems to be mere chaos. The following interim managers shared this insight in their own words: 1, 5.

- INT-05-USA: In a financial restructuring, there's a lot of radical things that happen. There's a lot of very dramatic changes. One of the key roles of a CRO or interim manager in such a project is to try to maintain stability while change is occurring and try to affect the change as efficiently and with as little disruption as possible.

4.1.1.2 To what extent do you think is a radical change a natural part of the life-cycle of an organisation in the sense that each organisation needs a radical change sooner or later?

Insight 5: *Some respondents do not see a general need for a radical change, only in specific cases, such as a dysfunctional organisation.*

Insights 1 and 2 of this subsection of the interview guide represent points of view that seem to contradict each other. The proponents of Insight 5: claim that there is no general need for a radical organisational change, but that under specific circumstances, it may become necessary. A prerequisite mentioned quite often is a dysfunctional organisation. Insight 6 endorses the opposite point of view, namely that every organisation will need a radical change sooner or later. The most refined answer concerning these two insights come from INT-01-GER: According to this respondent, a radical change is necessary if either the organisation is “sick” (i.e., dysfunctional) or the organisation is “healthy” but at the same time has a brand that promises to represent innovative avant-garde. In the latter case every relevant new technology must be implemented as soon as possible. An example for such a brand among the car manufacturers would be AUDI. The following interim managers shared the point of view that a radical change is needed only in specific cases in their own words: 1, 3, 6, 7.

- INT-03-USA: I don't think that radical changes are the normal part of any organisation. I think it's the normal part of a dysfunctional organisation. [...] Unless there is some new technology or government regulation.
- INT-06-USA: If you take gradual changes now, it won't be a radical change later. But if you wake up one day and the market has passed you by, then that's when you need to make a radical change.

Insight 6: *Other respondents see a general need for a radical change, even in a well-run organisation.*

This insight is the counterpoint to the Insight 5:.. These respondents were of the opinion that there is a general need for a radical change in any organisation. The following interim managers shared this point of view in their own words: 2, 5, 8, 9, 10.

- INT-02-GER: Every organisation should do (what I do within the framework of restructuring) every ten years. Even if the restructuring is not necessary at all. Even if the people still do well. Because, if everything runs as it always ran, the people slip into indented ways and then no longer look to the right and left of the way. That is, every organisation should do this every ten years, but not more. Because the changes are so violent that people usually do not tolerate them more often.^{vi}
- INT-05-USA: What my experience is, is that every business will undergo radical change at some point in time. It's inevitable. [...] When things are going well, they just, by nature of the humans that make up the culture, are going to get a little lazy and comfortable. And once humans get lazy and comfortable, they stop reacting as fast as they need to. Despite what they might say in the press, however good they are at marketing their own success, the business ultimately is going to get away from them. Because their customers are changing.

Insight 7: It is agreed upon that a radical change can be necessary due to external triggers, such as a new technology, new markets, or new governmental regulations.

There is a consensus that specific outside influences can trigger the need for a radical change. This opinion is shared by both groups, the proponents of a general need for radical change and the proponents of a need for radical change only for dysfunctional organisations. The following interim managers shared this insight in their own words: 1, 3, 4, 5, 6, 9.

- INT-04-USA: Every company requires some change in strategy. Those companies that are mature or are active in a more mature market can enjoy long periods of less severe change needed. But markets change and therefore strategies have to change. And people have to change as technologies change.
- INT-05-USA: And part of reacting [to disruptive technologies] is the fact that the management team is so fast to be able to evolve. And when I say evolve, I mean they have to constantly renew themselves by shedding people and bringing new people in. That's radical because it doesn't just upset the people that are forced

out of an organisation, but it upsets the people that are in the organisation to stay.

- INT-06-USA: I try to look ahead at least 3 years and sort of live 3 years from now and then look back on how I got there. Sometimes it's a little cloudy, but I could see the future to some degree and I know what changes I need to make to do that. [...] I ran a restructuring business that also financed businesses and I just looked out 3 years. I said, "I don't see where this business is going". Went to my partner and said, "We're liquidating everything, all the assets. We're paying off all the creditors and doing something else". Because if you can't see what the future looks like, you can't keep running that business.
- INT-09-GER: I do not believe there are organisations that are able to change without any external impetus. In the sense that they change with the changing environment. [...] And then along comes Jesus walking on the water, in the form of a new chairman, who suddenly changes everything. He does not do anything differently, he only awakens the sleeping. How does an interim manager recognize when radical change is necessary?

Insight 8: The decision whether a radical change is necessary is made officially (legally) by the shareholders, but actually by the lenders.

The general notion among some respondents is that it is not the interim manager who decides on the necessity of a radical change, but there is someone else who demands a radical change and thus triggers the hiring of an interim manager. Different expressions are used as to who that someone is. One respondent employed the generic term "stakeholder". More specific were two other respondents, one of them using the term "lender", the other one using the German term "Geldgeber", which translates both as "lender" and "investor". But although the lenders may be the first ones to demand a radical change, they have to convince the shareholders to hire an interim manager in order to execute that change. Only the shareholders are in a legal position to do so, according to one respondent. The following interim managers shared this insight in their own words: 1, 2, 5.

- INT-01-GER: The stakeholders say, “Everything must change”. Then this is actually the starting shot.^{vii}
- INT-02-GER: For me, it’s easy. When I get called, it is necessary. Otherwise I will not get called.^{viii}
- INT-05-USA: The lenders scream, and they tell management that you better hire someone that has credibility to come in here and tell us whether or not the business is viable and whether or not we should believe anything you, existing management, are telling us. So, it’s a third-party influence perhaps is the way you want to look at it. In my experience, it’s always the lenders. Whether they’re banks or equity funds, but when management loses credibility and someone else is brought in, that’s the evidence that there’s a radical change about to happen.

Insight 9: There has been a history of constant decline.

The decision to start a radical change is never a spontaneous idea. Rather, the decision makers have been watching a detrimental development of the organisation for quite some time with growing impatience, before concluding that the right time for a radical change has come. As one respondent put it, “Don’t wait for someone else to eat your lunch”. The following interim managers shared this insight in their own words: 1, 4, 6, 7, 8, 9.

- INT-01-GER: The XXX Group has been in a deficit for years. And for years, the shareholder does not change anything in these circumstances. Nothing. Rather, she solves the problem by replacing the consumed liquidity [...] each year with a capital increase. Then I would say I have no crisis, but [...] a problem in the stakeholder area. She is crazy! I cannot take her seriously. So, no! She wants the operation to be continued the way her deceased father [did]. By the way, she is a biologist. Then one possibly has the wrong education.^{ix}
- INT-06-USA: You could look day-to-day or quarter-to-quarter or year-to-year on are sales going up, are margins increasing, or is it just a steady downwards slope? That’s a sign that you need to do something. It’s where you see new businesses within your industry, what they’re doing.

- INT-07-GER: Successive orders are missing, you no longer have growth figures. Sales decline. You can no longer handle the contractual obligations.^x
- INT-09-GER: And if a company has always been sailing in the sunshine of beautiful numbers and warm results for many years, the people at the forefront lack the experience how to react to the high seas with big waves and storms.^{xi}

4.1.1.3 If the interim manager sees the need for a radical change, why did his predecessor (e.g., the CEO he replaced in his position) did not see the need for change?

Insight 10: Some people are selfish. They care about their own advantage, not about the advantage of the organisation.

This question provoked answers of a rather speculative nature. The first insight, or rather the first speculation, presumes that some managers are incapable of working towards a higher goal. They merely focus all their efforts upon their personal advantage. The following interim managers shared this insight in their own words: 1, 2, 10.

- INT-01-GER: It did not hurt them; they got their salary as in the last 25 years. [...] The leadership had no consequences to bear. [...] When someone feels no disadvantages from his behaviour, whether bonuses, workplace safety, warnings, or even denunciation.^{xii}
- INT-02-GER: So, most people [...] in larger organisations, this applies to companies, the state, NGOs, [...] are primarily interested in their own personal advantage and less in the advantage of the organisations they are responsible for. They care therefore more about themselves than about the company. And if they have to do something that is uncomfortable for themselves or dangerous for their career, then they will not do it. They think only about themselves from morning to night. That is the rule.^{xiii}

Insight 11: Some people become blind to what they see every day. That phenomenon is called "hiding in plain sight".

To my surprise, only one respondent (number 3) mentioned this possible reason for not recognising the need for change. It is a phenomenon that even has its own term in German: “betriebsblind”. Loosely translated, it means to become blind towards all matters concerning the organisation you are working for.

- INT-03-USA: To me, it’s human nature—simple. I don’t know if you’ve heard the phrase “hiding in plain sight”. [...] You see it every day, and you don’t see it anymore. It’s not an issue. You see it and you become accustomed to. It becomes part of the normal everyday thing. You don’t even see it anymore. It doesn’t even make sense that it should be there. Why is it there? You don’t ask yourself why it’s there. [...] I have to keep pointing out to people, “I can see it. Why can’t you”? It makes people think.

Insight 12: Not everyone has the personality to think and act from a long-term perspective.

This speculation is somehow related to insight 10 about selfishness. However, this answer is more about the readiness to assume responsibility for one’s own actions. From the point of view of these respondents, this is a personality trait that enables a manager to steer an organisation even through difficult times. However, many managers supposedly do not have this personality trait. The following interim managers shared this insight in their own words: 1, 5, 6, 9, 10.

- INT-01-GER: They were neither prepared by their education, their thought, their character, nor did they have the strength and the courage.^{xiv}
- INT-05-USA: I think most managers whose businesses are in trouble recognise they’re in trouble. They just don’t act upon it. They deny it. So, they go into a state of denial.
- INT-06-USA: There's leadership that leads and there's leadership that operates. So, you're either an operator or an innovator. [...] A totally different track. An operator is not looking to spend lots of money in R&D. They're trying to wring out whatever they can from the profit of today’s operations.

- INT-09-GER: The only radical change, which I experience more or less regularly, is that I usually say goodbye to the executives. The first conversations I have, of course, are with directors and authorized signatories. And the standard answer to the question, "How come things are not alright"? is usually, "Yes, due to the evil people outside". The evil enemy from the competitor, the evil customer. I always use to say, "Friends, close by are the lavatories where the mirrors hang over the washbasin. Look at it, then you will see the society". And this actually answers the question, how great is the half-life of the man sitting opposite to me. This is where I am relatively radical.^{xv} [...] People never get the idea that they themselves have done something wrong. It is always the other ones! And in such a case they do not conclude that something would have to be changed. The evil enemy must change!^{xvi}

Insight 13: Sometimes leadership is geared towards sales and technology rather than towards entrepreneurial thinking.

Only one respondent (7) speculated that the reason for the refusal to implement radical change is that the "entrepreneurial voices" among the managers are not influential enough in the organisation. Their opinions were overshadowed by other managers' favourite aspects, such as technology or sales.

- INT-07-GER: Because in some companies, leadership can sometimes be sales- or technology-oriented. And the former commercial manager does not have the status, which is perhaps necessary because of the situation.^{xvii}

Insight 14: Sometimes the decision maker is not independent in his decisions.

In contrast to the previous speculations, this one assumes there is both a willingness and a capability to make the right entrepreneurial, long-term decisions. However, the decision maker is dependent upon or even blackmailed by someone with an entirely different agenda. The following interim managers shared this insight in their own words: 1, 7, 8, 10.

- INT-08-GER: I think it has a lot to do with dependencies. [...] The dependencies are simply quite different for one coming from the outside and not looking for

longer-term careers in the company. So that's just—I think—always a mental difference. [...] I have seen a case where the commercial management [...] was in a total dependency. Because together with the owner he had a tax-skeleton in the closet. This leads to [...] the effect that many things, which run contrary to the opinions of the owner, are not addressed as they should be addressed.^{xviii}

- INT-10-GER: One reason would be the previous CEO's dependence [...] on the shareholders. It depends, of course, on the company how independent the CEO is.^{xix}

4.1.1.4 What are the limits of radical change and when shouldn't we apply it?

Insight 15: Radical change may be difficult with large or complex organisations.

The proponents of this insight say not so much that you should not perform a radical change on a large and complex organisation; rather, they claim that in these cases a radical change may be so difficult that the change agent should be very well aware of what he is doing. One respondent compared the situation to a large ship (tanker). After having turned the steering wheel, at first nothing seems to happen. It may take a while before you can see any change in the course of the ship. In the meantime, critics may cry out loud, "See, nothing happens! The radical change is a complete failure!" The proponents of this insight claim that a radical organisational change in a comparable situation should only be performed by a change agent who knows how to handle this kind of challenge. It may take him more perseverance and he may have to proceed at a slower speed than with smaller organisations. The following interim managers shared this insight in their own words: 1, 3, 7.

- INT-01-GER: The larger a company is, the more dangerous are strategic changes.^{xx}
- INT-03-USA: So, the analogy is—here, I have in the US an 1894 model before cars were built. It was an 1894 model T or 1920s model T. I can't just pull out the engine, put in a new one, and then hit the gas. Once I try to make a turn, the wheel is going to fall off. The back is going to go around. The next thing, I'm going to be on the sidelines, and could possibly have to junk the thing. Looking at it

from that standpoint, you've got to go slowly. You've got to start looking at the different things that you can do before you pick up speed. If you affect radical change too quickly or try to force it too hard, what you've got is a rubber band effect. You stretch it, but then it pops back; if you stretch it too much, it could snap, which is worse.

Insight 16: When the organisation is doing fine, there is no need for radical change.

This insight ties back to Insight 5:. (Some respondents do not see a general need for a radical change, only in specific cases, such as a dysfunctional organisation.) One respondent (2) mentioned exactly this prerequisite as a condition for refusing to perform a radical organisational change.

- INT-02-GER: Yes, there are of course companies and organisations that simply make a super job. There is nothing to do. So, I have already given back mandates. I was picked by sponsors for a subsidiary. The subsidiary had already done something. This company was outstanding! After two or three months I said to the sponsor who brought me, "No, no, it's all right there. They are doing a great job". And then I gave it back again.^{xxi}

Insight 17: When there is a lack of resources, radical change is not advisable.

The proponents of this insight claim that a change agent needs both enough money and enough people to perform it. If either one is lacking, it would not be realistic to perform the change. A change initiative that ties up available resources in a way that precludes daily operations may endanger the survival of the company. The following interim managers shared this insight in their own words: 5, 7, 10.

- INT-05-USA: The limits of radical change are when you don't have the resources [...] when you don't have either the financial or people resources to address the necessary changes, in which case the business is probably not viable and either is going to be sold [...] or to be otherwise liquidated.
- INT-07-GER: And in the past such an automobile development took seven years. So, depending on the resource, of course, such a 180-degree turnaround is hardly feasible because you simply have existing contracting obligations. You

have capacities. Resource management cannot be adapted as quickly. You have (constraining) labour laws.^{xxii}

- INT-10-GER: The limits are when the change takes a lot of time and resources, that it threatens the survival of the company.^{xxiii}

Insight 18: When there is no understanding of the outcome, radical change is not advisable.

Two respondents claimed that a radical organisational change should only be performed when there is an understanding of the outcome to be achieved, as opposed to the mere desire to execute any change whatsoever. One respondent introduces the metaphor of the ice hockey player who in his mind calculates in which spot the puck is going to be at a certain moment in the future. He then goes to that spot in order to receive the puck. While this respondent stressed the importance of being able to imagine the future, another respondent accentuated the necessity of the organisation's staying true to its core identity. The following interim managers shared this insight in their own words: 6, 9.

- INT-06-USA: If you're doing it without understanding what the outcome is, that's when you shouldn't do it. In other words, I've worked with people who said, "Look, we have to do it because we have no other choice", with no clear outcome of what it's going to look like. That's when it becomes dangerous. You innovate because you see what the market is going to shift to. [A metaphor:] There's an ice hockey guy. [...] He says, "I go to where the puck [...] is going to be".
- INT-09-GER: The thing has to be able to preserve its identity somewhere. Otherwise, I can close the store and start something new. If this is not worth it, then I say: "Well, sorry friends, it does not work anymore!"^{xxiv}

Insight 19: There are no limits to radical change.

The proponents of this insight claim that there is no reason to not perform a radical organisational change. The following interim managers shared this insight in their own words: 4, 8.

- INT-04-USA: There are no limits to radical change as long as we are being mindful of the impact on other human beings. If the organisation of a company's survival is our objective, then one has to lay out all of the changes that are necessary in order to ensure that survival. Always be mindful that humans are involved in those changes, and we must do what is possible to make that landing as soft as possible.

4.1.2 Interview guide section two: The five parameters

This interview section lists interim managers' opinions about the five parameters (of a successful radical change) that were identified in the literature review. A more detailed evaluation of the interview results in contrast to the claims of the literary sources can be found in the subsequent chapter "Analysis".

In contrast to sections one and three, the questions of interview section two ("The Five Parameters") were not part of the very first interview with interim managers INT-01-GER. This is why this one respondent is never mentioned as a source in this section.

4.1.2.1 Can you describe an example in which the speed was critical to the success of a radical change?

Insight 20: There is no general rule that says change as fast as possible or change as slowly as possible.

The proponent of this insight (3) claimed that the proper speed of change depends very much on the circumstances. Although the change manager may have the desire to perform a fast change, he should rather slow down his efforts if, for example, the staff is not sufficiently prepared for the change to come.

- INT-03-USA: Speed is relative. In other words, it depends... The answer is that it depends upon the situation that you're facing. Some companies may be able to change quickly; others not, depending upon what their situation is. [...] Speed is relative. In other words, it depends [...] upon the situation that you're facing. Some companies may be able to change quickly or not, depending upon what their situation is, [...] the level of the education of the staff, the individual, if they

have the skills, the desire, and the reason. And most importantly, management behind it clearly communicating openly and honestly exactly the reasons for the change, why it is they are doing it, and why it's important that they do it quickly.

Insight 21: Fast change is preferred.

The proponents of this insight shared the opinion that, as one respondent put it, “you don't have the privilege of time in a crisis situation”. They claim that speed is a necessary prerequisite for the success of a radical organisational change. The following interim managers shared this insight in their own words: 4, 5, 9.

- INT-04-USA: Gradual change will permit you to think in terms of the years: 1, 2, 3 years. My world thinks in terms of weeks or months at best. So, whatever I need to do in order to change the direction of the company needs to be done in a relatively short period of time.
- INT-05-USA: I think in most cases it's the fast approach. [...] I think speed always matters but it's dependent upon what is the situation and what are you trying to accomplish.
- INT-09-GER: In such changes, this is actually my deep conviction, such restructurings, either they go quickly, or they do not go at all. So, you must quickly make significant improvements, otherwise nobody will believe you!^{xxv}

Insight 22: The sooner you start, the less fast you have to be.

One respondent (10) interpreted the word “speed” in a different way. He differentiated between “fast” and “soon”, meaning the sooner a radical organisational change is initiated, the less speed is necessary. In other words, if the need for a radical organisational change is identified, it should be started immediately. This way it can be performed in less of a hurry and with less pressure and thus be less stressful for the people involved.

- INT-10-GER: I distinguish between "the faster, the better" and "the sooner, the better". "The sooner the better" is, of course, the best. [...] The sooner you start, the less speed you need.^{xxvi}

Insight 23: Speed is especially relevant when product development is concerned. Then the market may dictate how fast you have to change.

Some respondents introduced the aspect of innovation in the form of product development into the discussion. From their point of view, speed becomes an issue if there is a competition in the market as to who is first in introducing a new product. In a situation like this, a fast change is better than a slow change. The following interim managers shared this insight in their own words: 6, 7, 8.

- INT-06-USA: When you're actually dealing with consumers [...] [For] example, Apple. They announced their phone, no plug-in port for your headphones because you're going to go wireless and we have these nifty new wireless headphones for you to use. Except they don't have them ready for Christmas. So, there's the case of they over-promised without being able to deliver, and then you run into reputational issues.
- INT-07-GER: [Automotive supplier] You have these six and seven years of supply contracts, but if the successive orders are not there for the [next car] generation, you know you have only three more years to deliver, but the competition has the succession mandate. And this is the timeframe in which you must adjust.^{xxvii}
- INT-08-GER: It depends on the situation. One example for speed was with the company XXX, television. During the time when a technology change took place, the flat-screen products, which were not explicitly on the strategic agenda. And one had rather tried to drive a cash cow strategy with the old tube television. And keep going as long as possible to conserve resources. This is something I have done differently, in the sense of change. So, this was a relatively radical cut of investment in the old technologies. And a fast build-up of a product line in the new technology environments, LPD TVs, or even the plasma technology, which was still relevant at the time. And since speed plays a decisive role, because the market rhythms are simply clocked by big events, soccer world championships, Olympics. So, of course, there were very tight time frames in which this had to be successful. So that was totally time-driven.^{xxviii}

Insight 24: Radical change should take exactly one and a half years.

One interim manager (2) suggests that a radical change should take exactly one and a half years. He is the only respondent to claim the necessity of a specific length in time. His hypothesis has the potential to be the basis of a controversial discussion among a group of interim managers.

- INT-02-GER: The speed must not be too high, it must not be too slow. And if you change radically, nothing remains as it was. People cannot endure this for any length of time. [...] You must take your time for one and a half years, otherwise it will not work. Otherwise, it is not thorough enough. But you also must not exceed the one and a half years, otherwise the people are so exhausted that you will not succeed.^{xxix}

4.1.2.2 Can you describe an example in which the sequence / direction (from inside to outside or vice versa) was critical to the success of a radical change?

Insight 25: Focus on the customer is the most important aspect. So, you generally start from the outside.

A slight majority of respondents favoured the radical organisational change to start from the outside, for a compelling reason: This is where the customer is. The customer defines the demands of the market. Some respondents argued that all change begins with an understanding of these demands. However, one respondent differentiated between the outside and the inside customer and added that sometimes the customer may be on the inside as well. The following interim managers shared this insight in their own words: 2, 3, 6, 8.

- INT-02-GER: The market determines where it goes. [...] The market is outside. You have to look closely: What is going on in the market? And that is what we have to reproduce in the company. But not only in the case of a change, one should always do that! But companies that are in trouble usually have market problems, have made a mistake on the market. [...] You always have to start on the outside. And then, if you know what you're doing, you have to get the centre into the boat. And not the other way around. [...] I go through the whole

company and take a look: Where are the good people? I do not care where they come from.^{xxx}

- INT-03-USA: You start with the customer – always. [...] There's also the concept of the internal and external customer. [...] It's a way of thinking. It's putting the customer first. It's not starting with central. It's everyone in the entire company that needs to be focussed on the customer.
- INT-06-USA: You know that there's a demand from people and a social change in thinking towards the cannabis industry in the U.S. And that people are demanding it, especially medical marijuana, because of sickness and illness, and they know that it works for many that have acute pain and disease. Not that it's definitely a cure, but it relieves some of the symptoms of it. So, you're seeing the population demand changes. Industry is stepping up for this, but government is lagging behind. So, it's not government that's ahead of the curve saying, "Hey, here's what we're going to do to legalise marijuana in the United States, to get out all the people that are working in the black-market economy, to lower crime. We're going to be forefront and pass new regulations so that we can legalise it". It's coming the opposite way. It's coming from people demanding change.
- INT-08-GER: The whole logic must come from the market side. That is, you have to understand somehow: How is the market? Is it developing positively in the future? [...] There are definitely short-term effects that are necessary to heal situations that are then defined from the inside out. [...] to collect claims. [...] crisis measures in the area of material costs [...] which are also defined internally, but they are not enough for a refurbishment [...]. There is no other chance than to define a concept from the outside [...].^{xxxi}

Insight 26: You generally start at the centre, e.g. at the warehousing.

In contrast to the previous insight, some respondents claimed that a radical organisational change should start at the centre of the organisation. From their point of view, this is where there is the greatest leverage effect for change. The following interim managers shared this insight in their own words: 4, 7, 9.

- INT-04-USA: All the elements of the change are developed internally and are communicated outwardly. [...] So, developing the tactics from the financial analysis first and then developing the human participants in achieving those changes are probably the first two things I would focus on.
- INT-07-GER: So, I come from the crisis-driven change process. And crisis-driven is often cash-driven. And adjustments must be made where the greatest cost saving potentials are. [...] On the material side and production [...] So I am always warning about [starting at] the post office or whatever it is about two heads, that is not the potential to draw cost savings potential. So, the largest block is on the material side.^{xxxii}
- INT-09-GER: As a rule, it goes from the inside. A situation, where it is supposed to be controlled from the outside first, because otherwise there is no survival anymore, that is relatively rare.^{xxxiii}

Insight 27: You should never start at the centre.

One respondent (2) had a strong opinion on the executive departments at the centre of the organisation.

- INT-02-GER: The executive departments are the death of every company.^{xxxiv}

4.1.2.3 Can you describe an example in which the linearity (sequence of specific process steps) was critical to the success of a radical change?

Insight 28: Organisational change has a nonlinear, sometimes even parallel, approach.

The proponents of this insight share the point of view that a radical organisational change needs a very adaptive approach. So, in each case, the sequence of process steps can be quite different. One respondent even stated that, ideally, the process steps should be executed in parallel, provided that the necessary resources are available. The following interim managers shared this insight in their own words: 2, 3, 6, 8, 9.

- INT-02-GER: If it is really about big things, you cannot set all the steps before. That will not work.^{xxxv}

- INT-03-USA: Definitely not linear. Absolutely, no question about it. Not in a company in crisis – nope, it can't be linear.
- INT-06-USA: I know where you're coming from. The 8 Steps to ... or Deming has these 14 steps, I just sort of intuitively do it. I don't really do it from a base ... there is a process of thinking, of running businesses, but it's not ... I don't think you can say, "Okay, do Step 1 and then when you're done with Step 1, now you can do Step 2, now you can do Step 3, 4, 5, 6". Because I think there's lots of different ways, as they say, to skin a cat.
- INT-08-GER: I'd consider it nonsense that linearity is a success factor. [...] Ideally you start all the topics, the short-term ones—stocks, demands, material costs—in parallel to what is necessary in the long run, in a sustainable strategy: products, product profitability, customers, customer profitability, market, market analysis, and so on. Ideally, you start everything in parallel. [...] If one were investing more resources into such a turnaround, one could probably do things in parallel. Yes, and that would be the ideal state from my point of view.^{xxxvi}

Insight 29: In a financial crisis, the linearity of steps is always the same.

In contrast to the previous insight, the proponents of this insight claimed that a radical organisational change is often finance-driven, and, in a financial crisis, the process steps are more or less the same each time. The following interim managers shared this insight in their own words: 4, 5, 7, 10.

- INT-04-USA: The first task, again, the financial analysis. The second task, tactics development. The third task, [...] after the crisis team is identified, communicating with the entire company as to what you are trying to achieve. Admitting that there may be some negative impact on some part of the employment base, but your objective is to protect the life of the company and, thereby, protect the livelihood of as many people as possible in the process. Then you need to communicate with vendors, because you're going to need their continuing cooperation as part of the process. You'll need to meet with key customers to keep them, to inform them as to what you're going to do and what

you expect to accomplish on their behalf. And all the while that this is going on, your lenders have to be party to everything that's happening because they are your lifeblood.

- INT-05-USA: It's a very well-established pattern of [...] you'd get an assignment from a lender or the board because the lender has been screaming. And the board would say, "Okay, go and make an assessment and come back with a proposal". So, you go in and you do a top-down analysis. [...] you go back within most likely less than 2 weeks. [...] You'd say here's what I found. Here's the direction I'm moving. [...] Then you'd iterate to finally come up with a plan, hopefully within 3 weeks or not too much longer, to be able to say, okay, here's what we're going to do in order to [...] stop the bleeding. Because, again, we're in a financial restructuring role so, by definition, you've got a cash liquidity problem [...] We're going to stop the bleeding. [...] So from a linearity standpoint, it's really a very iterative process, starting off slow and then as you continue to move, you keep on widening the scope of what you're looking at.
- INT-07-GER: We always begin with financial planning. Cash situation and sales. What are the contractual and performance obligations? [...] And from there we go deeper. [...] These are always our procedures.^{xxxvii}

Insight 30: In a non-financial crisis, the linearity of steps can be very different each time

One respondent (4) differentiated between a financial and a non-financial crisis. According to him, in a financial crisis, the order of steps is set, as is shown in the previous insight. However, a crisis caused by non-financial issues needs a more elaborate approach, one that can be different each time.

- INT-04-USA: There are crisis situations where financial issues are not the case. For example, probably one of the more interesting and critical situations I was a participant in was a very financially successful business. But succession was the issue and the father had to choose between two sons as a successor chief executive. The son that was not appointed, who believed he was far superior to his brother, physically attacked his brother on the way into the board meeting

where the change was going to be announced. The brother that was attacked pressed charges. I was brought in by the chief counsel to the company to resolve not only the internal corporate issue, but also the family problems that were obviously on the table at this time.

4.1.2.4 Can you describe an example in which the scope (single department versus whole enterprise) was critical to the success of a radical change?

Insight 31: A radical change always comprises the entire organisation.

This question only leads to one insight. It is noteworthy that everyone among the respondents agreed that a radical organisational change always comprises the entire organisation. Two respondents made the remark that, in theory, an organisation may be so big that you may have a cost centre that is completely separate from the rest of the organisation and thus may be subject to a radical organisational change without affecting the rest of the organisation. However, they hasten to add, they have only working experience with medium-sized organisations (“Mittelstand”), and so, the only change they know from their own experience is a change of the entire organisation. The following interim managers shared this insight in their own words: 2, 3, 4, 5, 6, 7, 8, 9, 10.

- INT-02-GER: The benefit is only there when the entire system is ready. If the total system is finished at 35%, the utility is still quite zero. And only if you are at 99.9%, it starts to be useful. This means that it is only when you are done that it works. The whole thing has to be a complete, integrated thing, which works like a gear. This can be imagined: Let's take the car transmission in which a gear is missing. If one gear is missing, the thing does not work.
- INT-06-USA: I think it's the leader says, “Here's the direction we're all going to go, here's where we're going to start rowing”. I think everyone has to then row together and understand where we're going. So, you can't have the guy in steering not knowing where you're going. Everyone's got to know what your vision is and then it's top-down leading by example.

- INT-09-GER: If these companies are [...] so large that they have economically independent areas, then one can certainly differentiate. [...] However, where I am primarily active, that is the upper “Mittelstand”, which are companies with between five hundred and one and a half thousand employees. [...] Such a company must be seen in its entirety. However, there are areas that are particularly difficult in companies. Last but not least, the sales department again and again. The salespeople are always imagining that they are the most important thing in the company. Without them no sales, without sales no employment. Without employment no company. It is so simple. [...] To a certain extent this is true, but everyone else can say that as well!^{xxxviii}

4.1.2.5 Can you describe an example in which the depth (essentials such as corporate culture, values, and success criteria) was critical to the success of a radical change?

Insight 32: Radical organisational change goes deeper than merely looking at key performance indicators (KPIs).

The proponents of this rather frequently stressed insight noted that a radical organisational change is not a superficial event with a few technical implications, but one that deeply affects the organisation’s qualities. Although the respondents are generally hesitant to employ the term “corporate culture”, this may be a convenient expression to circumscribe the complexity or depth of change that is taking place during the kind of upheaval an interim manager usually implements. The following interim managers shared this insight in their own words: 2, 3, 4, 5, 6, 7, 8, 10.

- INT-02-GER: I also do not hold KPIs in high regard. [...] Nothing at all! [It] is gossip. This is the rustling of staff departments.^{xxxix}
- INT-03-USA: In this case with this company, it was critical. It absolutely had to be deep and profound. [...] There has to be a swerve, a disruptor, something that shakes them up for it to sink in.
- INT-04-USA: We've identified basically four issues, which are probably the core issues that are faced in every crisis situation. [...] The first is, not necessarily in

this order, the lack of understanding of what the real cost of delivery of product or services to the customer. It's amazing how many companies don't really understand that. Secondly, the concept of cash flow. Most accountants, from my experience, certainly know how to provide reports of history, meaning profit-loss statements and balance sheets and their concept of statement of condition. But operating cash flow is something that is lacking in most situations that I find myself in. Thirdly, an ill-founded or non-existent strategy [...] And fourthly, poor or delayed management decision-making.

- INT-05-USA: In a restructuring where management has lost credibility. And you touch every aspect of the business and every aspect of the business changes to a greater or lesser extent in order to ensure that it's viable going forward. Because when management loses credibility, you have to really establish a new sense of self for the business. So, I'll use the term culture, although it's not a favourite term. But culture and attitude among the individual employees.
- INT-07-GER: That goes deep. This is also the reason why complementary consultations are made at five, six, and seven sets of screws at the same time. [...] And you must consider liability immediately. The new jurisprudence is forcing very consistent measures.^{xi}
- INT-08-GER: So, of a management-technical nature, I try to work in a way that often leads to a change in values. [...] Then I usually work with task forces, which are cross-functional and also cross-hierarchical.^{xii}

Insight 33: Radical organisational change is linked to the personality of the employees. Both affect each other mutually.

According to the proponent of this insight (2), good leadership equals subsidiary leadership, meaning that the interim manager gives the employees responsibility and power. So, the depth of a radical organisational change lies in the personality change of the employees. They “grow beyond themselves”. Or more accurately: “They do not grow. They are already big. But I finally let them be big”.

- INT-02-GER: When people are given a responsibility, and such a responsibility as they are able to fulfil, leaving them the freedom to fulfil it—the so-called

subsidiary style of leadership—people grow beyond themselves. If they are then later [...] exposed to constant troublemaking from the controlling departments, then they go immediately into the inner emigration. So, it is a pure question of leadership. [...] I give them responsibility and power. And if they cannot fulfil it, then I have to exchange them. I do not tell them how to do their job. [...] [Interviewer: So, people grow by you giving them certain responsibilities?] Oh, they do not grow. They are already big. But I finally let them be big. (Laughs)^{xlii}

Insight 34: Sometimes there is no time for the deeper things such as corporate culture. Only after an immediate crisis has been solved first, they can be addressed.

In contrast to most other respondents, the proponent (9) of this insight differentiated between solving a crisis and working on the corporate culture. Sometimes, there may be an urgency to immediately solve a critical problem, a question of “life and death”. Only after the survival of the organisation is ensured, there is time for curing the ethical or cultural wounds of the organisation.

- INT-09-GER: These are, of course, things that are quite important, but they will only become important at a later stage to consolidate success somewhere. Then these things come into play. But you can hardly save a company, which is just before bankruptcy, with the solution of ethical problems. But when the company is safe again, then such questions should be addressed. [...] Many people have to be taught that one should not abuse power. Sometimes, it must hurt in order for them to learn it.^{xliii}

4.1.3 Interview guide section three: Dealing with organisational change

4.1.3.1 How does an interim manager initiate a radical change?

Insight 35: It is important to make a mark, establish standards, and set a direction.

The proponents of this insight stressed the importance of the leadership role the change agent must accept. He must be willing to set standards and to defend people sticking to them ruthlessly. This is occasionally more important than professional courtesy. As a consequence, this is why the client may confront the interim manager with the

statement, as one interim manager reported: "You are like Jekyll and Hyde, sometimes like this and sometimes like that". The following interim managers shared this insight in their own words: 1, 6, 9.

- INT-01-GER: [...] I said, "This is not the case!" And you have to point out by small examples that you are willing to make a mark. [...] Just contradict it! Take a clear position towards certain people: No! I am of a completely different opinion. [...] Consultants have the habit to say like a part-time lover: "We are doing a job here, yes, but I will not be buried here". So, I do not have to build a nest here for the next twenty years—everybody's darling. [...] I was told by a secretary of a managing director: "You are like Jekyll and Hyde, sometimes like this and sometimes like that". I said, "It always depends on what you need at the moment".^{xliv}
- INT-06-USA: Say, "Okay, this is what we're doing. Here's where we're going. Do I have buy-in from everybody?" And then driving that down into the organisation. Everyone knows what the vision is, why we're doing it.

Insight 36: It is important to grow hope.

The proponent of this insight claimed that one of the first actions an interim manager must perform with a new client is to grow hope among the employees. They may be hungry for hope that now the situation is turning for the better, and it is this hope that carries them through the radical organisational change. The following interim managers shared this insight in their own words: 2, 9.

- INT-02-GER: So, in the beginning I make a short speech in front of the entire workforce. From the beginning, I am integrating the employees' representatives. This is extremely important! [...] I explain what I have seen. I tell them that I will visit them. And indeed, individually. And I'm trying to produce a new mood. A mood that offers hope. Because, in the situations I am involved in, there usually has not been any hope for years. And you have to make sure to grow hope again.^{xlv}

Insight 37: It is important to get an overview of the situation.

The proponents of this insight pointed out that a major challenge with every new client is to achieve an understanding of the most relevant aspects of the organisation as quickly as possible. An interim manager must plough through mountains of complexity in order to identify the essential facts needed to save the organisation. One German respondent observed that there is also a legal dimension to it: In German law, there is the punishable act of “Insolvenzverschleppung”, meaning a delay in filing for insolvency. So, an interim manager must quickly identify if the organisation is too much in debt and then—if needed—take the obligatory next steps in order to be compliant with the law. The following interim managers shared this insight in their own words: 3, 6, 7, 8, 10.

- INT-03-USA: By figuring out who’s doing what to whom. Everywhere.
- INT-07-GER: As a rule, we always try to clarify with a quick analysis: Where does the company stand? [...] [We] have to take the law into account. That is, within 30 to 60 days, noticeable over-indebtedness or permanent default of payment. [...] It forces you to act.^{xlvi}
- INT-08-GER: Talk with the people. Get a picture of them. [...] Can they continue to play in the game or not? Are they perhaps part of the problem, rather than part of the solution?^{xlvii}

Insight 38: It is important to communicate in order to establish credibility.

The proponents of this insight pointed out that in order to be an effective change agent, the interim manager has to establish credibility. This can only be achieved by constantly communicating with the employees and with other stakeholders. This means not only talking but also listening. Also, it is beneficial if the interim manager is able to explain complex concepts by using appropriate metaphors. The following interim managers shared this insight in their own words: 1, 2, 4, 5, 6, 8, 9.

- INT-05-USA: The very first step is establishing your own credibility. [...] You’ve got to listen. You’ve got to repeat what you are told. You’ve got to engage in a thoughtful conversation at multiple levels. I mean, starting with the board, starting with existing management. Whether or not they’ve lost credibility or not, you’ve got to build their faith in you even though you can’t make any

guarantees, but they're going to get at least a fair hearing. Then with the employees who are now confronted with this idea that their whole world and perhaps their incomes are threatened, you've got to say, and be honest with them as far as there are changes coming, that you are going to keep them apprised and that you are going to figure out what the best solution is and negotiate the best future with all the stakeholders, lenders, shareholders, board, management, customers. The same conversation with the customers too. You've got to go out and establish credibility. Yeah, we're going through a change. Because there are no secrets in a corporation. [...] You've got to have a message.

- INT-09-GER: I invite to an employee gathering. [...] First of all, I say, "Well, my name is known to everyone here by now. Now you know what I look like, that is the small chubby guy that stands up here. I may look different than you expected, but that's the way it is, you have to live with it. Clear statement: From today on everything is different." And then they look at me stupidly and ask, "What does it mean, what is different?" And then I give a simple, short, precise definition: "First of all, all I do, I will announce beforehand, but all that I announce, I will do, indeed, and whoever does not believe me will have some quite bad experiences with me. [...] We are here on the high seas in a littered boat. The shore is far away. The storm is mighty, the waves are high. We are all about to flood, no one wants to drown. This means, we must now all take care that we row in the same direction. And in order to row in the same direction, there must be one who says in which direction to row. And to be clear, that is now only me and no one else! [...] Whoever does not row, or row in the wrong direction, is ballast on board. And he goes overboard. [...] And once you get into the situation that you've actually fallen overboard, I'll always try to save you, pull you back into [the boat]. And if you do not even know where the front is, always look at where I am, this is where the front is. And if you stick to the rules, we'll get along very well."^{xlviii}

4.1.3.2 How does an interim manager overcome the resistance to change?

Insight 39: Set new standards and stick to them.

The proponents of this insight claimed that an interim manager has to be a good role model by consequently following the newly established standards of the organisation. In a way, this means communicating by being a role model. The following interim managers shared this insight in their own words: 1, 3, 7, 8.

- INT-01-GER: You have to get all the way to the point quickly. This can only be done with very radical means. [...] It is as if you would take a 300 or 400 grit sanding paper and would constantly grind, grind, it would take you one hundred years! Instead of simply saying, "So, now I take a saw and just take that part out" from the mosaic or from the organisational building block. This simply has to be associated with a clear signal effect, one has decided, this is how it is done.^{xlix}
- INT-03-USA: You have to stay the course. Stand your ground. Continue to explain and demonstrate with facts in finding different ways to communicate why you are there and why you need to change. It needs to be articulated and communicated clearly and transparently to get everyone's buy-in.
- INT-08-GER: Only by [my good] example. Lots of talking, discussing, giving a [good] example.^l

Insight 40: Involve everybody and re-establish communication.

An insight widely shared is the opinion that resistance can best be overcome by constant communication. Behind this insight is the belief that someone who is involved does not resist the change. The following interim managers shared this insight in their own words: 1, 3, 6, 7, 8, 9, 10.

- INT-01-GER: To be honest, financial reorganisations can never be dictated only from above but need a high degree of acceptance from all parties involved. So, you must always count on resistance. And, of course, it is incredibly important that you always integrate the company's opinion, so that the suggestions of these respondents are recognisable. There is no point in going out and none of the suggestions are to be seen [...] That would be as if you changed something against the organisation; that is not acceptable. So, I learned that my success is

only a success if the organisation accepts that. I cannot do anything against the organisation!^{li}

- INT-09-GER: You have to convince the people! You cannot simply stand there and say, "Because I am the one who was called here as a Restructurer, I know everything better than you do", but on the contrary, I tell the people: "Friends, I need you, because you know about this company and everything related to it much more than I will ever know in the one and a half years that I am going to be here, and that is why I am dependent on your knowledge, and it is, plainly and simply, elementarily important for me that you do not resist, when I am going to scrub the last small quantum of specialist knowledge and intimacies out of your noses". [...] For me, it is therefore essential that you get the communication back on track. And that means for me, the essential people who have to communicate with each other, you bring them back together, and in case of doubt, force them to work together, sometimes even by childish tasks. [...] Sometimes there are regular fire walls built up between the departments. And if someone's nose is drifting over them, he immediately gets beaten on the head with a big club.^{lii}

Insight 41: Get rid of resistant people.

As a surprise to me, the majority of respondents were very blunt in revealing their readiness to fire everyone who openly or secretly sabotages or even resists the radical organisational change. The following interim managers shared this insight in their own words: 2, 4, 5, 6, 7, 9.

- INT-02-GER: The people who are unaccommodating leave the company within a very short time. [...] One must always have a whipping boy. If you do not have one, you have to invent one. [...] But there are always some people who are unpleasant, who are bad, who think only of themselves, who are easily corruptible or, or, or. So, it does not take much effort (to find one). They can always be found. [...] And then they are sent home and then the case is closed. And the workforce also notes that the parasites are sent home rather than those who work. This is an incredible motivation!^{liiii}

- INT-04-USA: I have found that you cannot allow individuals to sacrifice the organisation. It's an unfortunate thing that I had to learn the hard way. So, therefore, those people, if they are in critical spots that they are recalcitrant and don't want to be party to the process, they unfortunately have to be excised from the company. And so, you can't allow obstructionists to interfere with the changes that need to be made.
- INT-05-USA: Then it has to do with the judgment of knowing who to fire. Because inevitably, if you have an unhealthy corporation where previous management has lost credibility, sadly, you've got people who are not going to change. You've got to be able to quickly identify who they are that are going to do everything in their power to thwart your attempts to fix the business and redirect the business and you've got to terminate them, and you've got to do it quickly.
- INT-06-USA: When change comes, you don't want to be in front of it, but you want to be riding it and shaping it. [...] When radical change comes, you have a decision. You could say, "No, we can't do that, "or, "That's not right. Over my dead body". And guess what? It's going to be over your dead body because they're just going to plough right through you. [...] And if you don't buy into it, [...] If it's totally radical and doesn't fit into your integrity levels or skillset, then that may be a decision that it's time for you to leave.
- INT-09-GER: So that's why I have no problem with firing such people. This applies to the first and second levels of the hierarchy, to managing directors or directors and authorized signatories. For all the others, I am still having sleepless nights, even though I am in business for many, many years, when I need to make decisions to get rid of someone out of the team, in the broadest sense. And, of course, I am talking about the majority of the staff. And these are the workers, these are the small employees. This is the front porter. This is the caretaker. These still give me have a really big headache and sleepless nights. And these are also things that I definitively only do myself. So, when dismissals are to be pronounced, my deep conviction is when I make such decisions, then I must also implement them myself, and I must also have the courage and the stature to look people in the eye and say, "That's it now". Pleasant things can be delegated,

the unpleasant ones you have to do yourself. That was always my firm conviction. But apart from that, I try to make changes with other means. The changes have to take place primarily in the minds. And when you enter a company where it is crunchy, you always notice at first that the communication is no longer taking place. This is the crucial point that you have to overcome, that you get people to talk to each other.^{liv}

4.1.3.3 How does an interim manager recognise if a radical change was successful?

Insight 42: The interim manager makes himself redundant and the company can take care of itself.

The proponents of this insight attach great importance to the fact that the job as an interim manager is a temporary one, as the term “interim” suggests. The ultimate goal of an interim manager during each mandate should be to stabilize the organisation so that it can take care of itself. If the organisation can survive without the interim manager being present, he has successfully made himself redundant. The following interim managers shared this insight in their own words: 1, 7.

- INT-01-GER: I am really finished with my work when I notice the company can now take care of itself.^{lv}
- INT-07-GER: If it is not successful, the task usually goes in the direction of liquidation. So, this is the most difficult of all situations. It is a success if the whole project is restructured and leads to a reasonable future. However, there may also be intermediate solutions that divide and sell subdivisions. This means that healthy parts are transferred into a future and the rest transferred to a liquidating unit.^{lvi}

Insight 43: Financial measures (such as the EBIT) are a generally accepted measure of success.

This insight ties in to previous comments that a radical organisational change often goes hand in hand with a financial crisis. From this point of view, financial parameters are the most transparent way of demonstrating the success of a radical organisational change.

Most respondents explicitly mentioned financial criteria as a measure of success. The following interim managers shared this insight in their own words: 1, 2, 3, 4, 5, 6, 8, 9.

- INT-02-GER: Very simple - the business result. [...] The EBIT increases.^{lvii}
- INT-03-USA: That depends upon what the metrics are. It's what you're going into. Prior to coming to an organisation to affect change, there have to be some goals communicated to you. [...] Usually it comes back to the financial health of the company and how that needs to be improved—whether it needs to become more profitable, whether it needs to be increased sales, or whatever.
- INT-04-USA: Financial results. That's the first and the easiest way of identifying.
- INT-06-USA: The interim manager prior to change should develop a set of benchmarks (metrics) that can be reviewed.

Insight 44: Auditors play a dubious role in the radical organisational change.

Closely connected to the previous insight about financial measures is the process of having financial data audited by external auditors (“Wirtschaftsprüfer”, in German). This process is obligatory under German law. One respondent (2) had a strong opinion as to how little practical benefit the auditing procedure adds to the entire endeavour of restructuring the organisation.

- INT-02-GER: Very popular, for example, are auditors who have no idea and then write expert opinions that contain what we would like to have. This can be controlled. So, I can always control the auditors' reports. In the end it is written as I want. [...] Because they are as stupid as beanstalks. [...] I have not yet met an auditor, whom I could not give the run-around. [...] The whole [Wirtschaftsprüfer] industry is, in my opinion, as useful as a hole in the head.^{lviii}

Insight 45: The mood improves drastically.

The proponents of this insight stressed that apart from the more matter-of-fact parameters, such as financial measures, there is also another tangible criterium of success: The mood among the employees improves drastically. As one respondent put it, if people stand there with a cup of coffee in their hand, they do not “run away, if I join them”. The following interim managers shared this insight in their own words: 9, 10.

- INT-09-GER: The mood in the whole team is quite different. People are no longer walking around hanging their heads. You are greeted in a friendly way. They also do not scatter away when I come while they are having a chat with mugs of coffee in their hands. [...] Everywhere where I was, I had coffee machines installed in places where many people were walking by. These are points where people communicate with each other. Very intentionally, they are supposed to stand there with a cup of coffee in their hand. And they should not run away, if I join them. If I have achieved this, that is a lot. [...] You will see, if it was successful, the numbers change. The tone changes. The mood changes. People start to laugh again.^{lix}
- INT-10-GER: Whether a positive mood prevails. And the positive mood can be noticed if they seek contact with the interim manager. By confirming his views, by positively spreading suggestions, what can be done [...] even better.^{lx}

Insight 46: Success should be defined in a self-sustaining way.

At first sight, this insight may sound similar to Insight 42: “The interim manager makes himself redundant and the company can take care of itself.” However, this one is more about a long-term perspective even after the interim manager is gone. Some respondents vented their frustration about having spent months of hard work to ensure the survival of an organisation, only to watch their successor as head of the company bring it close to bankruptcy again. This insight has more of a normative character and deals with the question whether an interim manager can stabilize an organisation in a way that it can even survive a less-than-talented successor as head of the company. The following interim managers shared this insight in their own words: 1, 5, 8.

- INT-05-USA: There are many examples out there where a company has had a problem and 6 months or 12 months later, they're right back where they were when they thought they had fixed the problem. That's not a success despite what the perceptions on the day of a date and time was.
- INT-08-GER: The question always is for an interim manager, how sustainable is this being continued, if one is no longer there. There are sometimes situations

where you can achieve [financial goals] by cutting off investments in the future of the company completely. This too can produce a short-term effect. But that would not be what I call a sustainable approach.^{lxi}

4.1.3.4 In what way does an interim manager feel satisfaction after a successful change?

Insight 47: *There is no guarantee of happiness after having completed a mandate.*

One respondent (1) remarked that even after a radical organisational change that could be considered successful from several points of view, the interim manager's own feeling about being successful may be severely impaired by the disputes and hurt feelings that sometimes go along with a radical organisational change.

- INT-01-GER: It happens too often that I am dissatisfied. And that is simply because the situation in which you are in such a company is a huge conflict, with these said stakeholder problems. Only then do I experience a happy ending, if the [stakeholder] can determine for himself that everything went well. [...] There are situations where I leave in a quarrel when people say, "We are not satisfied with the situation". Mr. [name] was not satisfied with my veto when I caught him cheating on the balance sheet. And then he sent me home. I got the money [the interim manager's compensation] with the lawyers' help, but I was not satisfied. I have been mourning for years. That hurt me deeply. [...] I believe the task is not to start the job in order to be happy afterwards. I argue that rescuing companies, resources, technical and economic resources is a task that is not linked to happiness, but to more demanding work where the happiness is in the work and not in the results themselves.^{lxii}

Insight 48: *Being lonely is always a part of an interim manager's job.*

An interim manager will never become metaphorically speaking a lifetime member of the family, when the family refers to the organisation he works for. He will at best be a temporary member of the family, if everything works out as intended. One respondent (4) put this sentiment of being on one's own in words as a part of the feeling he usually has experienced after an interim management mandate is over.

- INT-04-USA: To the true interim manager, there is no long-term relationship developed with your client. You're there primarily to meet the objective, to meet the crisis, and to resolve the issues that have caused the crisis, and for the result to be a stable business that's positioned properly for its future. But recognise that you're not going to be part of the company's future.

Insight 49: Resolving complex challenges is considered a satisfying experience.

Several respondents described the challenge they feel during an interim management mandate as similar to a fiddly logic puzzle one might find in a newspaper. They considered it a personal challenge that, when solved, provided a feeling of relief and satisfaction. The following interim managers shared this insight in their own words: 2, 6, 7, 8, 9, 10.

- INT-02-GER: I'm always exceptionally happy when [the restructuring] was successful. And so far, it was always successful. In this respect, I have many experiences that bring me wealth of life. [...] I could have configured my life much simpler. Many things would have been much easier. But not so nice.^{lxiii}
- INT-09-GER: For me, the most beautiful moment after such a successful restructuring is when I can walk through the company gate with my head up high, pat myself on the shoulder and say, "Yes, you've done a good job again". This is just the beauty of what I do, that you constantly experience moments of success. And when you finally leave the company through the gate, then the moments of success certainly outweigh the moments of failure. Of course, you also will have moments of failure, but that should not mislead you. And the biggest failure is when you are betrayed by people you trusted.^{lxiv}

Insight 50: Seeing the people blossom is experienced as a huge reward.

The proponents of this insight described a feeling similar to the one teachers might have when their students finally have learned a new skill. This is the experience of helping people make more of themselves by confronting them with a challenge and guiding them through it until they have developed the skills to handle the challenge on their own. The following interim managers shared this insight in their own words: 3, 5.

- INT-03-USA: For me, it's seeing the people blossom. This is another thing that I do want to make sure that I mentioned. It's so critical for affecting change rapidly that will happen. I'm not saying that your focus will be around it, but it will happen rapidly faster than your anticipation. I can tell you. That's why I've been able to turn this company around in such a short period of time. I empower people. People who are not empowered before—I empower people to make decisions and to make mistakes. [...] I will tell you that the most important thing and the best thing you can do is have faith in the people that you've hired for their positions. Don't over-think. Don't second-guess. They live and die by their decisions the same way that you live and die by your decisions. It's like that.
- INT-05-USA: For me personally, are the employees that you worked with [...] do they have new confidence in their ability [...] in being able to handle things that come at them in the future? Have you changed that mindset [...] can [you] see that they're better off and that they have individually grown? [...] You need the satisfaction that comes from helping others.

4.2 Interviews of consultants

This section overviews the consultants' answers to the interview questions. The modus operandi of identifying noteworthy insights is analogous to section 4.1. However, I slightly refined section 2 of the interview guide about change parameters, adding open questions about possible additional parameters the respondent may have in mind. Also, I added a brief fourth section about change agents.

4.2.1 Interview guide section one: The nature of radical change

4.2.1.1 When is a change radical, as opposed to a gradual change or a minor repair?

Insight 51: *It is about either changing inside the system or changing the system.*

The proponents of this insight referred to the notion of either working inside a paradigm or changing the paradigm itself. The following interim managers shared this insight in their own words: 11, 13, 15.

- INT-11-GER: I would draw the line, the distinction between those two kinds of change in: The first type is working in the existing organisational mindset model, dogma, mental models, principles, values. [...] Even reorganisation [...] usually it's just reshuffling the org chart with the same mindset. The other kind of change, the transformational, or how you call it, radical change, which is moving to another mindset first, [...] moving away from command and control and moving towards decentralized systemic network organisation.
- INT-13-RSA: Radical [change] would require you to change a couple of the mechanism the company had previously put in place in order to get to the next level. And that obviously disturbs people quite heavily. So, it's about mindsets changing culture, changing structure, anything really required to make the company move in a slightly different direction or sometimes very different direction than it was moving in before. You can't just use the normal structures to actually achieve that outcome.
- INT-15-CAN: A transformation of the organisation's value proposition in a market or entering a new market or scaling their business so that we're getting into 10x-ing, scaling it in such a transformational way that their impact is ten times what it currently is. So, it's either market, scale, or service, product and service, completely different, something they've never done before. [...] Value proposition, how our clients or stakeholders see us providing value. So, our value proposition, what it is that we offer to the outside world of this organisation.

Insight 52: It is about overcoming silo mentality.

One consultant (12) talked about the silo mentality, referring to a mindset limited to the department one is working at while ignoring the needs of other departments.

- INT-12-USA: Radical, to me, does not mean just rearranging the chairs on the deck of the Titanic. [...] It's to get an organisational mindset away from silo mentality. [...] To having an end to end optimization of the process which means you have to have an ownership for the process, whether that be a team or an individual.

Insight 53: Even Kaizen (continuous improvement) can be radical.

One consultant (14) claimed that Kaizen, the concept of continuous improvement, is radical, even though it is more of an evolutionary than of a revolutionary nature.

- INT-14-ITA: There are two kinds of change. On one side there is the Kaizen continuous improvement. [...] But radical change the way I see it is probably something that may be confused for the sudden complete blank slate. [...] In my experience, that's the one that is way, way harder to introduce which ends up in no change at all. [...] So in my view, Kaizen is radical, although it may not be perceived [that way] by some other people.

4.2.1.2 Have you been involved in executing radical change?

All interviewed consultants have been involved in radical change. No surprise here.

4.2.1.3 To what extent do you think is a radical change a natural part of the life-cycle of an organisation in the sense that each organisation needs a radical change sooner or later?

Insight 54: It's transform or perish.

One consultant (15) claimed that there is no alternative to radical change, if the organisation wants to survive.

- INT-15-CAN: It's transform or perish. Yes. If an organisation does not make radical change at some point they will be displaced by a new entrant into that market or a competitor that has proceeded to implement radical change. Yes, they will die, in my humble opinion.

Insight 55: Radical change is the natural movement from one stage to another.

This consultant (11) observed that a progress in the degree of organisational maturity (e.g. from start-up to a more mature organisation) goes along with a radical change in the organisational structure.

- INT-11-GER: The only interpretation that makes sense to me is that radical change is something that is moving from start-up to command and control pyramid. That could be a radical change. Or moving from start-up directly to being a radically decentralized large organisation.

Insight 56: The need for radical change is increasing.

This consultant (13) claims to have observed an increased need for radical change.

- INT-13-RSA: It's a given that every organisation that wants to live long enough is going to have to go through those changes. The only difference from 20 years ago, 50 years ago, to now is that these changes that are being thrust on organisations are coming faster and faster. [...] Companies came together because the founder or CEO had some sort of bright idea and then he built an entire organisation around that idea. And because change really happened slowly that owner had a long opportunity to really operationalize and get the benefit of that change. Now, essentially through the rapid rise of technology, these companies are suddenly forced to change whereas previously they had 20, 30 years with that one idea and it's getting less and less and less. So, it's being almost thrust on them.

Insight 57: Smaller organisations need radical change less than larger organisations.

This consultant (12) maintained that larger organisations have a higher need for radical change.

- INT-12-USA: There are, in my estimation, organisations that do not need radical change. The more entrepreneurial the organisation is, the smaller the organisation is, the more overview top management has of the entire organisation, they can be very nimble very quick to react and they don't need to have this radical change. You take a larger organisation, [...] with the silo functions [...] they don't recognise that they need it, but they do need it very often

Insight 58: There is nothing dramatic about radical change.

This consultant (11) held the opinion that there is no need to dramatize radical change.

- INT-11-GER: So, I believe radical change is not that dramatic. Every organisation has gone through it at some stage, or almost all organisations have undergone this kind of radical change at one point, like it or not. It's not that it's so dramatic.

Insight 59: People and organisations change for two reasons: inspiration or desperation.

One consultant (14) claimed to have identified the two major reasons for change, both on an individual and on an organisational level.

- INT-14-ITA: People and organisations change for two reasons: inspiration or desperation. [...] I would say that organisations don't need the big sudden change. I don't think that's usually part of the natural nature. Should they do it? Maybe once in a while but it's very western thinking and it rarely works.

4.2.1.4 How do you recognise when radical change is necessary?

Insight 60: You have to start radical change even before the necessity arises. By the time you recognise the need for radical change, it may already be too late.

This consultant (13) suggested performing a radical change even before it becomes necessary.

- INT-13-RSA: There's a massive disconnect between what is going to happen in the world as the view of consultants and virtually anybody that reads something, versus actual organisations that are in many cases completely oblivious of how the world is changing around them. Their assumption is, you know what? We've done this for the last ten years. We've changed. We've managed to survive. We're going to continue for a long time. And the challenge of digital transformation especially is an exponential curve so when you really start realising it is a problem, there's a very good chance that you're already so far behind that you will never catch up again. [...] So let's say you lose revenue

against a competitor. If that competitor has actually invested in the right technologies and the mindsets already for a long time, by the time that that competitor has caught up with you, that competitor is on a very much exponential curve already. So, when you only then start investing in your mindsets and how your people think, etc., there's absolutely no chance that you're going to catch up.

Insight 61: Radical change: uncertainty, desperation, and complacency.

The same consultant (14) who maintained in Insight 59 two reasons for change (inspiration and desperation) claimed that these three states indicate a need for radical change: Uncertainty, desperation, and complacency.

- INT-14-ITA: [About complacency:] You have a number of organisations who are either oblivious to what's happening on the outside;, we are in a very tumultuous world, turbulent world, that's the way I look at it, where essentially even if you are a market leader in your own area, you can be easily displaced overnight. [...] There is one question I pretty much always ask, which is what job are your customers trying to accomplish and how well are you helping them accomplish that job. [...] And often what you see is that you see companies who are overconfident. We know our customers. We are the best and blah, blah, blah.

Insight 62: You need radical change when something is slipping.

This consultant (15) chose a numeric approach and claimed that a need for radical change is indicated by plummeting KPIs.

- INT-15-CAN: Something slipping. [...] So whether it's employee retention, customer satisfaction levels, or literally losing customers, these are examples of indicators it's time for radical change.

Insight 63: Radical change is driven by complexity.

One consultant (11) was of the opinion that the higher the complexity, the higher the need for radical change.

- INT-11-GER: I believe that the main driver or the main trigger of radical change today is complexity. Everything else, digitalization, industry 4.0, technology, AI, all that is just, let's say, symptoms of the bigger change that has already been underway since the 1970s. [...] So I think the underlying move towards more complexity has also made the consulting industry boom and grow so much. These are all defence mechanisms of organisations against the increase of complexity. [...] The reason why organisations need to undergo radical change is that command and control isn't capable of absorbing complexity. And that creates all kinds of tension, not just economic failings, economic bankruptcy, and that kind of suffering, but also quality; they have no innovation. The pharmaceutical industry is an excellent example. Huge companies, huge resources, no innovation, and that's not because people are incapable but because their system is incapable of innovating. Sorry for that.

Insight 64: We lack the language to express this need for radical change.

This consultant (11) suggested that the industrial paradigm of planning may not be the adequate way of handling complexity and dealing with radical change.

- INT-11-GER: The language that we stick to, that we adhere to in organisations is still very much the old language from the industrial age. We still talk about planning. Interestingly, the term strategy was popularized in organisations in the 1970s. When complexity came along, we grabbed the concept of strategy and strategic planning and more forecasting and that kind of stuff and scenario planning to deal with complexity, but planning is not ideal to confront complexity. It is actually perfect to confront complicatedness. So, we still stuck to old patterns and old words. We need different and new language or fresh language to make the profound change we're talking about I believe.

Insight 65: In general, we all need change.

This consultant (14) postulated a higher awareness for our constant need for change.

- INT-14-ITA: I say that the world is a little bit like the ocean. It's constantly moving. You stay still, you drown. [...] Inertia, our tendency to do nothing and remain unchanged, is our enemy. And life is made of choices, but we don't choose very often. We take the default option. And so, we are like zombies. We sleepwalk. We drown one by one. We are pulled down by the decisions we don't make. [...] The general observation is that we all need change. [...] Big transformation programs rarely work, that's my observation. They rarely work. And yes, they are the most common western way we introduce change. So, I think we need radical change from the mindsets, from the system point of view which doesn't necessarily translate radical as in we completely work in a different way.

4.2.1.5 If you see the need for a radical change, why do others not see the need for change?

Insight 66: We lack interdisciplinary thinking and qualitative research.

This consultant (11) was of the opinion that people in the world of business administration are undereducated in the way that they lack an understanding for adjacent disciplines and for the complexity that goes along with interdisciplinary thinking.

- INT-11-GER: Because they are unaware. To put it in a nasty way, we have an educational problem among managers and business people. Most of us in the world of business are undereducated I would say. We do not understand systems. We do not understand complexity. [...] We do not very well understand philosophy, psychology, all of these. [...] The science of business administration closed itself towards other sciences, like complexity sciences, sociology, philosophy, psychology, in the 1960s, and so we are very much stuck in business administration and business sciences. We [...] are lacking theory. We are lacking conceptual underpinning from other sciences. So, I believe you can only see the necessity of this profound or radical change [...] if we understand that complexity is different than complicatedness, that organisations cannot be steered anymore, that planning doesn't help anymore. [...] Empirical quantitative

research will not move business studies forward. It's wrong. This economical approach is just wrong for business sciences. I think we should turn to systems theories, to the social science, to philosophy, to psychology, to make advances in business studies.

Insight 67: Some people are used to only thinking inside their niche. They lack the necessary distance.

This insight was shared by three consultants (12, 13, 14) and is related to the Insight 66. The consultants claimed that people lose sight of the "big picture".

- INT-12-USA: There's an old saying, being so close to the trees, you don't see the forest. There's a lot of truth in that. It's very difficult to jump over your own shadow. [...] First of all, you're betriebsblind. [...] You may have a limited experience. You don't have the skill sets necessary to identify the need for a change more than incremental. [...] You've got to have a distance from the operation. This is why outside consultants can have distinct advantages. They're not steeped in the organisation. They don't have an axe to grind.
- INT-13-RSA: You look at the universities in Germany, that's niche thinking. That's outdated thinking. That's completely stupid in my opinion because that's not how the world works anymore, and I've had long arguments with lots of people around why that is this sort of behaviour. And it's not only university but it's also the way that schools are structured, why that is completely ludicrous and why Germany is going to lose hard against a more forward-thinking US in the long run. But I mean, when you're in the system and the system works and Germany just has another surplus of 50 billion euros, I mean, come on. You're on top of the hill in the EU, what is ever going to happen to you? You just need to continue. And that is dangerous thinking if you don't open yourself up to what's actually happening around you. When you do realise you need to change, it's going to be too late because you will have a new cater of people coming out into the job market and they are so specialist in their thinking, and they can't really do much. You can see I'm very passionate about that topic.

- INT-14-ITA: The other thing is they live in a bubble. So, if you don't step back and actually see the organisation within the bigger picture essentially they are focussed on what they can see in front of their nose. They can't see the trains. They can't see the tracks. [...] Also they don't see their power of influence. For people like me and you, we know that if the universe doesn't fit our rules, we change the rules of the universe across continents. I've done it many, many times. But people actually do complain maybe that, not that they don't see it, it's just they don't see themselves as being part of being able to do anything about it.

Insight 68: Not seeing the need for change is a matter of personality.

Two consultants (13, 15) saw the reason for not recognising a need for change in the personality of the observer. People with a progressive mindset may find it easier to agree on a need for change and openly voice its necessity.

- INT-13-RSA: I think personality is one aspect. I mean, what you believe if you're welcoming of change as an individual. I mean, I love change. I love to see the future that is described in science fiction books realised today. I want to be part of that. So, I'm looking for those opportunities which means I'm opening myself up to see what is happening around me. When you're looking at other people that perhaps are not thinking like that, their mission is centred around I've got a particular domain or niche or company that I need to work in and I'm going to optimize that company or niche. So, they wouldn't really look outside if everything is still running and doing well at that local organisation, that little organisation. So, it has something to do with the fact that you're working across so many different domains and companies. Obviously, you have a much broader perspective of what's going on around you coupled with personal believe and actually wanting to see the change.
- INT-15-CAN: I think it's comfort. [...] The cognitive dissonance that is absent for people that are feeling quite comfortable in their individual role or their organisation's position in a market, I think that the absence of the cognitive

dissonance around [being] hungry to do things better, perpetually striving, a ferocious appetite and curiosity for doing things differently, I think that that's not in everybody. [...] Mindsets, to use that language, can be such that we get into some orthodoxies and some patterns of behaviour that say, "Well, it's kind of good enough. We're big". [...] If you do not just have this insatiable appetite for constantly improving and learning and growing then [...] somebody else is going to step in and kick you out of the game.

Insight 69: While change is good for the organisation, it may be perceived as bad for the individual.

This consultant (14) alleged that an improvement for the organisation may go along with an impairment for the individual, whether in reality or just in his imagination.

- INT-14-ITA: There's an anti-fragile discourse there where anti-fragile being the opposite of fragile. [...] In a certain context, the anti-fragility of an organisation may be at the cost of the fragility of the individual. [...] For the organisation [it] would be better if we did experiment a lot more. But on personal level, if the failure of an experiment impacts me and we are in a philosophy where the company is still growing, but if the personal impact means that I'm exposed to higher risk, why should I do it? [...] It's the consequence of failure. So that kind of fear that may preclude people to change. [...] Middle management in particular, they've been successful with the current system. There's actually zero incentive for them to actually change the system because they may not be as successful as they've been before. In the end, they want to take their paycheck. So, there are personal interests versus organisational interests. Sometimes people go there with the assumption that people within organisations want to really improve their organisation. But, in reality, the system in which these people are imbedded is not as conducive to that kind of thinking. [...] And it's like in the end it's like banks may go up and down but as long as the banker takes the big fat paycheck or the CEO gets the bonus or whatever, it's fine. They'll keep doing this work the way they're doing it.

4.2.1.6 What are the limits of radical change and when shouldn't we apply it?

Insight 70: *There are no limits to radical change.*

Two consultants (11, 13) believed that there always is a need for radical change.

- INT-11-GER: I refuse to understand the question. I think most organisations, 99% of organisations need radical change. [...] Any command and control organisation or bureaucratic top-down managed organisation should undergo organisational, transformational, or radical change because they need it, not because I say so but because of complexity and because of humans beings as they are.
- INT-13-RSA: I believe that change is going to be the only real value that we are going to bring to our organisations in the future. Everything else will be automated and as long as we don't operate in that mindset and we still see people as necessary in order to do some sort of work process then we're not going to open ourselves up to the opportunity of continuously changing our current system in order to do something better.

Insight 71: *You should only perform a radical change with the necessary buy-in and resources.*

Two consultants (12, 15) warned that radical change should not be intended when the employees are not yet convinced of its necessity. This insight alludes to the concept of change readiness.

- INT-12-USA: If you're doing a radical change, a significant change, and the organisation, the workers, don't share your vision. They're afraid of it. They're basically not on board. Then you've got a real danger there. The other thing is if your organisation doesn't have the resources to carry it out and in radical change you shouldn't think about being half pregnant. It doesn't work. You've got to go through the whole thing. If people aren't ready to see through to the other side of the valley, then you better rethink your radical change.

- INT-15-CAN: We should not apply radical change when it's going to be so emotionally overwhelming for our workforce. [...] The readiness for our workforce to implement our aspirations is mission critical for transformational change or radical change.

Insight 72: *Radical change is only needed in times of chaos and desperation.*

This consultant (14) claimed that a time of great desperation is an optimal prerequisite for radical change.

- INT-14-ITA: If we define radical change as a sudden big transition program, [...] I don't think we do need to do it. The only reason you would do it is if you are in a chaotic domain where essentially, you're in big, big trouble and you don't have to convince people that you are in big trouble. So that's what in the Cynefin model they call chaotic and dictators pretty much like Trump like to make everything as an emergency and a problem. And the big dictators, they always love that kind of situation, real or perceived. And the reason is what you do then is you act. You need to act. There's not much of analysis or whatever so it's a time of big decisions. [...] Then, it's actually quite easy to actually convince people to do some radical change like from tomorrow we'll do this. I've done it. In a company, we moved 650 people for the right reason in three days. We were able to do this because it was a time of great desperation, and with great desperation, you can take great actions. If the desperation is not high but is just in the head of one or two top managers who create the vision where we say we believe in you and whatever, that radical change is not going to work.

4.2.2 Interview guide section two: The Change Parameters

4.2.2.1 What are the critical success factors for an organisational change?

Insight 73: *Purpose without method is nonsense.*

This consultant (14) maintained that one cannot demand from an employee to change without telling him how to do that specifically.

- INT-14-ITA: The problem [...] for example, on innovation, managers tell us we should innovate but we don't know how. So maybe to that the missing part is that you need a system. As Deming said, purpose without method is nonsense. To tell people that they should change has absolutely no meaning whatsoever. And I think that's actually a big responsibility of management is actually to build a system.

Insight 74: Internalization is critical.

According to this consultant (13), change is only successful if the new paradigms are internalized by the employees.

- INT-13-RSA: In the end, it's about the people, have the people that are in the organisation internalize the work processes, the thinking, the systems, etc., necessary in order to not only continue but continue improving on the system. [...] So, even digital transformation, when we can talk about digital transformation, everybody talks about it's a technical thing. It's not. It's a people thing. It's a culture change thing. It's how do you change the mindset of people and essentially get whoever you work with to realise what those things are that need to be done by themselves so that, essentially, they look back in the end and say, you know what? I didn't even need that change agent because I figured it all out myself. That's when you've made the biggest gain, actually not being seen as the person doing the change but a person somehow working through others to make the change.

Insight 75: Change is like ripples in the water.

This consultant (11) held the philosophical opinion that change is ubiquitous and, thus, there could be no successful change.

- INT-11-GER: Successful change is already an oxymoron. I know that most people would not agree with me, but change is a fact. Organisations change all the time. So, there isn't successful change. There is just change. Change is like ripples in the water. It's not something you can do. You can throw in the stone, but you

cannot ripple the water. [...] We should always ask is this change intentional or not? Is it just happening to us or did we intend to do something, and did we intervene and is there an outcome? We may like the outcome or not, but I believe that only the intervention can be successful or not in a certain way.

Insight 76: It is critical to have measurable parameters and prevent them from being overridden.

This consultant (12) states the importance of KPIs.

- INT-12-USA: You've got three basic lines. One is on-time delivery, first pass shield, and cycle time. Cycle time is your response cycle time, your process cycle time, your reaction cycle time, all combined. That's how healthy your organisation is. [...] You can have what I call hot locks where the CEO goes through the roof and says drop everything. This project has to be delivered at such and such a time because my friend, and I'll lose customers, and I'll lose faith. That's a hot lock. So, he can push it through. But when he's pushing that one through, all the others are back locked. So, you're not looking at the process. You're not looking at the organisation. You're looking at his baby.

Insight 77: You need four things: Big sponsorship from the very top, clarity of intent, being safe to fail, and autonomy.

This consultant (14) had his own model about the prerequisites for successful change.

- INT-14-ITA: The attitude of being safe to fail, essentially to launch a lot of.... I don't want to even call it forgiveness in many ways because it's that attitude of learning that essentially it's to have the support of systems that emphasise the learning over the doing, or the learning as well as the doing. [...] And autonomy is I don't want to be constantly told by someone else how to do my job.

Insight 78: You need resilience.

Resilience is the prerequisite for successful change claimed by this consultant (15).

- INT-15-CAN: Collective resilience and so the ability to bounce back when knocked down, when we don't get it right the first time. [...] I think we should be building up resilience. We should be doing initiatives that already help individuals and functional groups, teams, collections of people within an organisation, [...] so that when it's time to say, "Now let's implement a really radical change", we've already sharpened our capacity to do that.

4.2.2.2 How important is the speed during an organisational change?

Insight 79: Speed is not a helpful criterion.

This consultant (11) rejected speed as being relevant for successful change.

- INT-11-GER: Speed is just a ridiculous criterion. For example, that would be like evaluating the speed of a ripple in the water. That just doesn't make any sense. This only makes sense if we understand change as something that can be planned, like we want to implement an SAP system, ERP system, SAP software, and we want to do it in 18 months, not just 5 years or 15 years. But I think it's a ridiculous mechanistic approach.

Insight 80: Speed is a helpful criterion: Not too fast and not too slow.

Two consultants (12, 15) acknowledged a need for the right kind of speed.

- INT-12-USA: That's a two-edged sword. The sword is sharp on both sides because if you do it too fast, you lose your workers and you lose your organisation, and they lose the vision. If you don't do it fast enough, then your competitors will catch on, and you lose your unique selling advantage [...] So, speed is important, but you can overdo it. You've got to have your organisation behind you. You need to carry them along with you. Don't go too fast.
- INT-15-CAN: So, speed is going to be mission critical for that success. And so, getting the sweet spot around how quickly to implement is the alchemy of change. I don't have the magic wand. I don't have an equation or an algorithm for it, but I've certainly lived in being too quick and being too slow.

Insight 81: *Speed is a helpful criterion: Move fast.*

Two consultants (13, 14) suggested a high speed as a criterion for a successful change.

- INT-13-RSA: If you don't move fast enough, you're going to have fatigue and there's another priority coming very soon again. So, to go from a win to a win to a win when doing something like that is incredibly important and you can't take long. [...] When looking at something like digital transformation, there's not a real end goal. It's not these sorts of changes we're looking at. It's not just a project that you can complete. It's a continuous journey that you need to get on. [...] Because the mindsets of people are so caught up in the traditional way of running a business so when you come in and you propose a different way of working, they need to see the results incredibly fast in order to start believing and start experimenting and doing something so that you can get to the next level. Take too long, and you've lost.
- INT-14-ITA: If I announce a big change and then nothing moves for a long time, that actually is a problem. And I've seen plenty of examples where nothing has changed in a year [...] Of course, you need to be fast. But you're actually proposing something that is extremely dangerous as well. So, the way I look at speed is the speed of how microorganisms evolve. Every 15 minutes there's a new generation. [...] To me speed is every day people should change something which is not how you work the week before or the day before as a team. People need to change at least on a weekly basis.

4.2.2.3 *How important is the sequence / direction (from inside to outside or vice versa) during an organisational change?*

Insight 82: *Change is like an infestation.*

This consultant (11) claimed that change could not be described by top-down or bottom-up, but rather by a process similar to making cheese.

- INT-11-GER: I know that different schools and most people would argue that top-down is not enough and needs to be bottom-up as well but that is also some

unsystemic, undercomplex vocabulary. [...] I think the better metaphor would be an infestation. If you want to make cheese, you need the cheese bacteria in the milk. Let's simplify it a little bit. Milk is not transformed into cheese from the bottom-up, top-down, outside-in, or inside-out. It is an infestation, contamination.

Insight 83: You combine a top-down with a bottom-up approach.

Two consultants (12, 14) were of the opinion that change is not a choice between top-down and bottom-up, but rather a combination of both approaches.

- INT-12-USA: You have to have a champion which means you have to have a buy-in at the top of the organisation, not only to carry it through but you need resources, you need people, and you need funding. You also need legitimacy. [...] Typically, the easiest way to get your champion is at the top of the organisation, the CEO, the CFO. [...] Then, from my experience, the best way to do this is to have a pilot. Take one of his organisations, let his level, let him with his direct reports identify where the shoe hurts the most, where it really is the tightest, where they have to have a radical change. Then, go in with that buy-in at the top, go into that organisation, and then start at the bottom. Then, start teams together, cross-functional teams, from different organisations.
- INT-14-ITA: In general, my approach is bottom-up. So, I start from where the work is and then I pull the thing up. [...] Having said that, I also participate in top-down approaches. [...] The reality is you need both and when I say both I'm not saying that you're not starting at the top... I mean, the top is defined whoever initiates the transition or transformation aspect. I think you need both to be the most effective. [...] The ones who actually resist the most is middle management. So middle management, it's actually easier to start at the top and it's easier to start at the very bottom because the very bottom are the victims and the very top sees what's out there and they see or perceive the reasoning to change. They may not know how but they see that. So, both of them sees pretty much the

consequences of not changing. Middle management is there to take the paycheck.

Insight 84: You start at the periphery.

One consultant (15) referred to the necessity of direction even before being explicitly asked about its importance.

INT-15-CAN: I do believe that direction is mission critical and specifically start with the periphery.

4.2.2.4 How familiar are you with planned change models, such as Kotter's, and what is your opinion about them?

All of the interviewed consultants were familiar with planned change models and were aware of Kotter's model of change.

Insight 85: Kotter's model of organisational change is not about planned change, even if Kotter says so.

One consultant (11) made the controversial statement that Kotter's model is not a planned change model.

- INT-11-GER: I have worked with Kotter's model a lot and I think it is not planned change. Sadly, he himself now claims that it is planned change which I'm very unhappy about, because I understand he always insisted from the 1990s or the 80s [...] that this was not supposed to be a phase concept but just key success factor for change. [...] He [Kotter] wanted to change the world of change but the results remain to be lousy. So, I think that must be frustrating for him. [...] I think the followers are always more stupid than the master and now even maybe the master has gone crazy. Kotter is like Yoda, but maybe he's not understanding himself anymore.

4.2.2.5 Do you use them yourself?

Two of the consultants (11, 13) applied planned change models in their own work.

Insight 86: There is scepticism about planned change models. Most respondents are moving away from them.

All of the interviewed consultants claimed that planned change models are problematic.

- INT-11-GER: The Kotter model, I've been using it a lot. And now I've somewhat stopped using it because I believe we need really come to terms with emergent change concepts.
- INT-12-USA: I've seen very poor results with cookie cutter schemes. My experience is that not all organisations are different but the people in the organisations are different. [...] I've used elements of them but haven't used them as a cookie cutter.
- INT-13-RSA: I like reading; so, I read everything that I can get on the models that are out there, but I'm not going to dogmatically follow just any particular model. [...] I'm very, very careful of just following any particular model because they have blind spots, lots of blind spots. So, I rather read a lot and combine the thinking of all those models. [...] Initially you start and then you find a new model and it's just the best thing under the sun. And you start applying it and start learning where the shortcomings are, what you should do different. And in the end, it's a mix of everything. [...] Let's use whatever you can, learn from it, but take ownership and say I need to build something for this particular company in the current context. And companies are different. They are just so different from each other, even though the look on the surface is similar, every company has its own sort of DNA and some things will work and some things will not.
- INT-14-ITA: I hate them because they give me that kind of feeling of a project [?] manager designer.
- INT-15-CAN: I think they're very helpful because I think they give us some archetype of language, some shared construct to describe some very complex and nuanced dynamics that are at play when we are implementing radical change in organisations. So, I think that planned change models are merely that. They're models. They're placeholders for some very complex variables, and I do like Kotter's quite a bit.

Insight 87: Emergent change models are not yet fully understood.

One consultant (11) was sceptical about frameworks in general and thus maintained that emergent change models are not yet understood.

- INT-11-GER: I think people have not yet figured out how this emergent change thing works. They have no clue basically. [...], We have a ridiculous addiction to frameworks, and I think that is a problem. We love frameworks and all frameworks, I like to say, are undercomplex crap.

4.2.2.6 How important is the linearity (sequence of specific process steps) during an organisational change?

Insight 88: Linearity is not important.

All five consultants refuted the necessity of linearity.

- INT-11-GER: I think there must be logic but never linearity. Linearity leads us back to planned change and phases.
- INT-12-USA: I'm critical about the cookie cutter. I'm very critical because I've seen XXX [a consulting company] did exactly this in Russia and it failed miserably. They had a very good friend of mine went over there and after four or five months he said this isn't going to work because they had a predetermined methodology as to how they were going to do everything, and he said the Russian mentality was totally different and it didn't work.
- INT-13-RSA: There's only one way and that's the second way [emergent change]. The other way [planned change] in today's world is not going to work.
- INT-14-ITA: To me, it's not important at all. I mean, with linearity what I associate is plans like Kotter. So, we have a complex problem and we're trying to address it in a simplistic way. [...] You want simple rules that let us operate in a complex behaviour. So, a lot of the actions that we would take are emergent. They can't be designed in a linear fashion. So, if the linearity introduces this aspect of experimentation and change direction and cycles and stuff like that then by any means that could be a linear way to look at things. But otherwise I don't see how.

Insight 89: The client will only develop trust in the change agent if he has a road map. This is why change agents often have a road map, even if they do not stick to it.

Two consultants (13, 15) claimed that a roadmap is more of a marketing tool or communication device towards the purchaser than a planning device for the consultant himself.

- INT-13-RSA: Smaller organisations want to have much more certainty in terms of this is step one, this is step two, this is step three. So, relatively important, not just any model, but if you come with a proposal, with a way to change something, you need to have that sort of linear model, step-by-step model, worked out. But also, you need to be very careful not to be caught up in this where you can't change if you have to. So, even though you've got a plan and a road map, because you don't really understand the organisation completely, you don't understand the culture, you don't know what they're going to resist, what they're not going to resist; you have to be flexible. And it may mean that in the end you have to change everything, and you move in a different direction. [...] The client needs to know that you as a consultant, that you as a whatever, the big saviour of the organisation, you've got a plan. They don't really understand the plan, but they need to get the feeling that you have that vision. And if you just take them through these simple steps then you're going to get there. When you get down to the actual work, it does very often turn out quite differently and you need to be flexible.
- INT-15-CAN: I think it is important sometimes to use linearity to explain the planned change model sequentially and chunked out in ways that we understand it intellectually. But I think that to say, "And that's how change will happen", in reality, it's misleading. So, I do not think that we go through Kotter's model sequentially and literally one stage ending before the next starts. I think it is messy and mashed up and iterative and sometimes we may even skip steps and have to loop back. [...] But I think as using planned change models to explain the journey that we're going to go through to other stakeholders I think it's good to be able to frame it as linear but don't think it actually plays out that way.

4.2.2.7 How important is the scope (single department versus whole enterprise) during an organisational change?

Insight 90: Scope is important. One should change the entire organisation.

Two consultants (11, 12) suggested that a partial change of the organisation does not make much sense.

- INT-11-GER: Organisations I think should be approached as entire systems and transformed as a whole. That goes back to if what I say is correct that this radical change is a mindset change, why would you change the mindset of just a few people? It doesn't make any sense.
- INT-12-USA: If you take one rotten apple out of a barrel, is that a radical change? My terminology for radical is more encompassing than to optimize one silo or one function against the other or to go in and tweak this sub process against the others.

Insight 91: Scope is important. One should change only parts of the organisation.

In contrast to the Insight 90, one consultant (13) favoured the partial change of the organisation.

- INT-13-RSA: I actually think it's not useful to try and engage an entire organisation at the same time in most instances unless you really have a Jeff Bezos or similar person that really has strong powerful charisma and vision that can move an entire organisation at the same time.

Insight 92: Scope is important. The right scope "depends".

One consultant (15) claimed that the scope of change is always dependent on the situation.

- INT-15-CAN: I think scope is hugely important and sometimes it's too big of a scope and sometimes it's too small of a scope. It's grey. Radical change is grey, buddy. For me, there aren't any black and white simple answers. It depends is always the answer. It depends.

4.2.2.8 How important is the depth (essentials such as corporate culture, values, success criteria, etc.) during an organisational change?

Insight 93: Depth is important.

All consultants agreed that the depth of change is important.

- INT-11-GER: I would call it coherent. But if you understand depth as coherent then I agree 100%. The time of half-baked change like the CEO stepping up and claiming we must become more entrepreneurial and strategic and innovative... This kind of half-baked populist kind of change initiative is always doomed to failure. So, we need to be deeper, but I think deeper in the understanding as well as what needs to be changed in terms of mindset and systems.
- INT-12-USA: The depth for any change is extremely important. If it's only scratching the surface, my experience and my belief is that it will be like a rubber band and snap back. There's no reason for it to give resistance. Unless the organisation has a different philosophy and a different viewpoint and have a vision, they won't maintain it. They'll just go back to where the comfort zone is. That's my belief and my experience.
- INT-15-CAN: The corporate culture is the soft underbelly of the organisation.

Insight 94: Culture and values can only be influenced indirectly via a system.

One consultant (14) was of the opinion that it is not possible to influence the organisational culture directly.

- INT-14-ITA: I can't leverage culture. Culture is an outcome of the systems we put in place. That's the way I look at it. People say, oh, we need to change the culture. Fine, but you don't act on the culture. The culture, as they say, comes for free. It's an outcome. It's not something you act upon. [...] So it's like people who now focus on happiness. Well, happiness is a transient thing and I know when I'm happy when certain things happen to me, but I can't tackle happiness and decide today I'm happy. It's an outcome. [...] It maybe relates to what I said before. Purpose without methods is nonsense. You do need methods. You need to teach

people methods. Like [...] lean problem-solving would be one. Rather than in agile we say you should be a servant leader and I'm saying, well, that's hogwash because that's the outcome. But you can't simply tell people you should be a servant leader. You need to go deep and actually help these guys to develop into being a servant leader. [...] Certain values and certain culture aspects emerge from behaviour and to create the behaviour, you need to install systems that allow those behaviours to grow. So, in a way, I could say, yes, of course it's important. Why wouldn't you do that? But on the other hand, you don't start with values. [...] When you want to cook at the beginning, you don't really want to cook. You want to give me a recipe on how to cook an egg. I don't care where it comes from, who created it, and particularly, [...] I don't care about the values that a very intelligent French cook thought about when he created the best practice and the recipe for cooking an egg, [...] the point being at the beginning, tell me the recipe. I need to do stuff. And then only after, I begin to get an appreciation of systems, values, and whatever.

4.2.2.9 Are there other parameters of a change process that you consider to be important?

Insight 95: Another important parameter is Theory Y.

One consultant (11) was in favour of McGregor's (2006) theory Y as a criterion for successful change.

- INT-11-GER: The assumption that McGregor taught us that other people are self-motivated, intrinsically motivated, that they need not be steered or infantilized. Without that, there is no successful profound change. I think John Kotter would agree with me on that. He writes about it on the last pages of his book.

Insight 96: Another important parameter is vision.

Another consultant (12) stressed the importance of the vision as a criterion for successful change.

- INT-12-USA: If you can't impart a vision from the top of the organisation on down through, you don't get the buy-in from the people, I'm talking about from the C level right down to the shop floor. If you don't show them the vision then they'll build fear [...] My job will be done away with, I won't make as much money, and so forth. They'll find a personal fear. My scope of influence, my area of responsibility will be eliminated, they'll have new departments and I'll now be reporting to somebody else, and so forth and so on. So, you need to impart a vision in the organisation as to how it's going to look like when you finished. And that helps to get the buy-in. Once the buy-in is there then people will much easily follow. It's very easy for somebody to sit in the audience and criticise the speaker. But it's very difficult for somebody when they got up and they spoke and they've said something, we're going to do this, to retract.

Insight 97: Another important parameter is belief.

A third consultant (13) stressed the importance of belief as a criterion for successful change.

- INT-13-RSA: You've won half the battle if you get people to believe that what you need to do or want to do is important. So, because we are often coming in not mandated from the top, we need to build bottom-up, we can't rely on authority to drive through the change. We have to actually make people believe. [...] You can really believe that the world is going to fundamentally change and if you do then you're opening yourself up to those opportunities to the world around you and it's just amazing what happens when you get to that point.

Insight 98: Another important parameter is readiness.

A fourth consultant (15) stressed the importance of change readiness as a criterion for successful change.

- INT-15-CAN: When we, a long time ago, transformed our company to be about sustainability consulting from organisational effectiveness, we put no effort into getting our market ready for us to show up that differently. And when they

showed up and we invited a leadership summit for making organisations more sustainable environmentally, they all looked at each other. [...] That's what it felt like while I'm standing on the stage with 120 executives in the room that were spending a lot of money on us, they went "Huh?" They weren't ready. They weren't ready for it. We didn't do anything to hone and build the readiness for this "ta-da! We've got the best thing in this world on that".

4.2.3 Interview guide section three: Dealing with organisational change

4.2.3.1 How do you initiate an organisational change?

Insight 99: The first step is about changing the mindset, about insight and learning.

One consultant (11) preferred to start organisational change with influencing the mindset.

- INT-11-GER: We should never start with tools. We should never start with processes or solutions. We should always start with mindset. [...] It has to start with clarification, with reflection on systems and human nature, for example. And then once the mindset changes, once there is insight, then there can be solution as well. [...] There must be learning, insight and learning. [...] Some people learn by reading books. Some people need to discuss and debate. Some people need to be teased in a certain way or irritated to gain insight.

Insight 100: Not the people are the problem, the system is the problem.

The same consultant (11) suggested to take a closer look at the system that influences employee behaviour.

- INT-11-GER: Just by observing your own system, you do not see the problem. You will blame people for being the problem because only people behave. The system doesn't behave so how to create the insight that the system is the problem, not the people.

Insight 101: Get a champion.

One consultant (12) preferred to start organisational change with determining a champion who is capable of influencing other employees.

- INT-12-USA: The first step is to get your champion to assure that you're going to have the resources and the organisation behind you on that change. If you don't have the anchor, you're just going to go adrift.

Insight 102: Start off with much momentum.

A third consultant (13) stressed the importance of momentum when starting organisational change.

- INT-13-RSA: It's a very defined 3- month period designed to create so much momentum, but at the end of that period, people say I never want to go back to the old way of working with my silo. Let's do something more.

Insight 103: Ask questions.

Two consultants (14, 15) preferred to start organisational change with asking questions.

- INT-14-ITA: The very first thing is to get a pulse. [...] First of all, I ask a lot of questions. I visit a lot of probing questions just even to understand, first of all, do I want to work with these people? I mean, it's really basic stuff but you can probe questions. Can you clarify this? How do you see it? What problems do you see? [...] So you really get a thorough understanding of the current situation. And then I provide options and I get to agree pretty much on exploring one or more of those options.
- INT-15-CAN: I'd use the L word, landscape, a very broad external understanding, seeking information around the context of the change we're planning for. So, I'd say L, landscape, an environmental scan of the market, the political, the economic, the societal context of the change that we're about to launch into.

4.2.3.2 How do you overcome the resistance to change?

Insight 104: Resistance to change is a misinterpretation of Kurt Lewin.

This consultant (11) reinterpreted the meaning of resistance.

- INT-11-GER: I learned relatively recently that resistance, the term, was brought into our science by Kurt Lewin, but he didn't mean it as people resisting to change but as systems being resistant, like pudding or like jelly.

Insight 105: There is no resistance to change, only resistance to a bad method.

Two consultants (11, 13) put the so-called "resistance to change" in a different context.

- INT-11-GER: Of course, people get irritated when you try to force them or bribe them, what one of my favourite authors, Alan Deutschman, calls facts, force, fear. If you apply facts, force, and fear into people, they will show resistant behaviour. [...] So any interim manager or manager who thinks he or she experienced resistance, actually experienced resistance to bad method, protest against stupid lousy method. This is not an obvious insight. I think it's something that's tricky to abstract from your own experience and say, okay, that wasn't resistance against change. It was resistance against my lousy method. [...] I learned that even if I claim that I'm a change agent, I'm already creating method that should be resisted against. Nobody should be a change agent for other people. That's like, as we say in German, it's "übergriffig", it's intrusive to claim that you are a change agent and the other person isn't. [...] The whole notion of resistance is just a mechanism of blaming other people. And I admit guilty to have done that as well.
- INT-13-RSA: There is not something like resistance to change. There is resistance to change that is stupid, that you don't understand, that you don't believe in.

Insight 106: There are three levels of resistance.

This consultant (15) claimed that there are three levels of resistance: Not understanding the message, not liking the message, and not liking the person who delivers the message.

- INT-15-CAN: There's three levels: one, I don't understand. Two, I get what you're saying, and I don't like it. I don't want to go there. I'm not going to help you. [...] The worst, or the most debilitating is I don't even like you. So now it's personal.

Insight 107: While most people feel resistance, only rebellious characters openly show active resistance.

Two consultants (11, 12) stressed the importance of passive resistance.

- INT-11-GER: I think planned change never worked with anybody. It's just that those with an aversion against authoritarianism, they show it. The others, they just shut up.
- INT-12-USA: And you have to realise that I'm talking about both passive and active resistance. If they don't have the vision, they don't have the buy-in, they will give you passive resistance and they'll load you with activities just to keep you so busy you can't do anything. That's a very common passive resistance. But they're all on board. They will say, hey, we're 100% behind this, but in order to do this, we've got to analyse this, and we've got to make a study on this, and we've got to do this. And that's all passive resistance.

Insight 108: Having a vision can prevent resistance.

One consultant (12) suggested that resistance can be prevented by a vision.

- INT-12-USA: That is with vision. Resistance is typically a manifestation of fear, fear that they will lose influence, a fear that they will lose their job, a fear of something. We call it fear of change, but it's really a fear of something personal. With a vision and if you share that vision, then that's much less resistance.

Insight 109: Resistance can be overcome by making the change small and continuous.

One consultant (14) suggested overcoming resistance by a step-by-step approach to change.

- INT-14-ITA: By making it incredibly small. [...] The suggestion of the change that you may make. So, actually it's one of the principles, if it's hard, make it continuous. So, the short answer is I make it continuous. [...] Instead of saying you should do this, I actually say what problems do you have. So, I start with your problems, not mine. [...] I never commit to a big scary strategy. What I do with them is to co-design options and then begin to explore one or more of them with experiments.

4.2.3.3 How do you recognise if an organisational change was successful?

Insight 110: *The most important criterion is the number of experiments.*

Two consultants (14, 15) preferred an experimental approach to preventing resistance.

- INT-14-ITA: I actually measure the throughput of experiments to actually see are people experimenting or not. If you do understand that in order to move in this world you need to evolve and we're talking about learning organisations. [...] So, are you learning? I can tell you if I'm learning if I did experiment this week or not. [...] So, I actually see across the board how many people are experimenting. [...] What happens is the financial metrics follow. They always follow. [...] It always depends on context. Were you trying to tackle a new market? You can absolutely see were we successful or not on penetrating a particular market or not. So, there's always financial metrics but those are trailing indicators. You can actually see a lot earlier than that [...] have we been transforming here? [...] When I'm talking about transformation, and you're talking about radical transformation, is actually how we think radically in a different way.
- INT-15-CAN: I think that we need to be quite curious. We have to have research, and I don't mean in an empirical, published way, but just even within one organisation, we need to be creating experiments where we're collecting data. And so, it must be data-based decision-making that we use in determining whether that change worked well or was disappointing or we got it kind of 80% right.

Insight 111: The most important criteria are not quantifiable.

One consultant (13) claimed that the “health” of an organisation is difficult to quantify.

- INT-13-RSA: Obviously, you need to deliver on those results [quantifiable measures], but it’s much more about whether the organisation is now healthier than it was. And that’s so difficult to quantify. [...] We recently started working with an IT leader. [...] He was complaining about its culture and the IT team and the business and by changing some small things, a couple of weeks later, he comes back and says my culture problems disappeared. And he starts being asked to get involved in other parts in the business to apply his thinking in other parts of the business, and he just can’t stop talking about it. Now that I see as success. How do you quantify that? It’s very difficult. A person who previously wanted to leave the company because he didn’t see a future, now he’s right in the centre of affecting and driving change.

Insight 112: There is no sustainability in organisational change.

This consultant (11) stressed that change is a perpetual thing and thus cannot be sustainable.

- INT-11-GER: There is no sustainability in organisational development. Sustainability just doesn’t exist. If change is perpetual and if organisations are always in beta, always changing, always interventions and irritations on systems, then nothing you could ever do will ever be sustainable. It’s just impossible. [...] You can say I did a turnaround. It happened. We are now profitable. That you can say. But you could never say we did this change sustainably. Now it’s a different company. It will be like that forever.

Insight 113: The difference between organisational change and organisational development is that organisational change is the outcome of organisational development.

This consultant (11) suggested a way to differentiate between organisational change and organisational development.

- INT-11-GER: Change is the outcome of organisational development. Organisational development is the art of intentionally interfering or irritating organisational systems and the outcome of that is change. And change will always happen. It will happen anyway, even if you do not do organisational development, and that's the difference between organisational development and change.

Insight 114: At the beginning, you define parameters and then you measure against them.

This consultant (12) suggested judging the success of an organisational change by comparing KPIs from before and after the change initiative.

- INT-12-USA: At the very, very beginning, you've got to have a need for the change, analysing performance parameters. [...] If those indicators have not changed, then you haven't been successful.

Insight 115: Internalization must be a part of your success criteria.

This consultant (12) suggested judging the success of organisational change by how much the change has been internalized.

- INT-12-USA: There's a big difference between implementation and internalization. If the organisation hasn't internalized it, it's going to be the rubber band that snaps back. So, one of your indicators has to be oriented for internalization.

4.2.3.4 In what way do you feel satisfaction after a successful change?

Insight 116: Satisfaction lies in learning and in growing people.

These two consultants (13, 14) prided themselves in expanding the scope of action of the employees.

- INT-13-RSA: Obviously, I feel good. So, to me, every engagement is a learning opportunity. Obviously, I have to deliver, and I get a huge kick out of it if people

come back and say I'm doing the following things. I'm getting even more of a kick out of it although it's difficult to really swallow if they talk about all the great things that they have done even though I know I was in many instances the trigger because I know that that is then internalized. It's really something that they believe they have done, and I've just been the guide helping them along the way.

- INT-14-ITA: I consider myself an activist by invention; so, I find it extremely satisfying particularly when people use models that I created.

Insight 117: The world has become a better place.

One consultant (15) prided himself by feeling that he made the world a better place.

- INT-15-CAN: We've created a new way of being in the world. [...] So that's the highest level is that the world is a better place as a result of having done that. [...] I feel like I've made the world a better place.

4.2.4 Interview guide section four: Change agents

4.2.4.1 When does an organisational change require an external change agent, for example an interim manager?

Insight 118: An external change agent is required when the internal management lacks vision.

Two consultants (12, 13) claimed that a lack of vision is an indicator of the need for an external change agent.

- INT-12-USA: [They] have a distinct advantage because they come in with a fresh view. They've been in other organisations. They have a vision of what can be realised. That's the advantage. The disadvantage for the people inside the organisation, they're so steeped in the old school, in the old ways of doing things. Their grandfathers did it this way [...] They don't have a vision that something could be different. It's outside their comfort zone. So, when you have a particularly middle management that can't envision anything different.

- INT-13-RSA: If you've tried things before and you as a CEO, for example, you've done so many things, and they haven't really delivered the results, so you clearly don't have the trust of the people to suggest just another change again. So, then to get somebody else in and say, listen, I'm going to absolve some responsibility. This person is going to lead. That's going to make a lot of sense. And then also in terms of skills, [...] they're not going to be as forward looking, as aware of the new trends, as somebody from the outside is going to be. So, this sort of infusion of new energy and passion and pointing out where the good things are in the organisation, it's not all bad. So, there are good things. Let's leverage on the good things. So, it's a message that's a lot easier received if it comes from the outside than from the inside. So, if you get the good consultant that is prepared not to take ownership but really just to facilitate; it's in almost all instances worth the effort.

Insight 119: An external change agent is required when you have audacious goals.

This consultant (14) made the need for an external change agent dependent upon audacious goals.

- INT-14-ITA: I would say almost always. And the reason is [...] if you are going to play the premier league, get anybody. You want to win the premier league, get the top coach.

Insight 120: An external change agent is required when you have too much emotional commitment.

This consultant (15) made the need for an external change agent dependent upon emotional commitment to paradigms of the past.

INT-15-CAN: There's too much emotional commitment to preserving the way we've already done things, and if we don't bring someone from the outside in, we're going to resist.

4.2.4.2 What does an external change agent (IM) add to the organisation that previously had not been there?

Insight 121: The independent position of an outsider is equivalent to dancing with the system.

Two consultants (11, 13) claimed that his independence is the major asset of an external change agent.

- INT-11-GER: That's by Fritz Simon, I think. So, as a consultant, you cannot be the organisation or part of the organisation. You are only dancing with the system.
- INT-13-RSA: It doesn't matter how good the internal person is, if he's working in a certain business environment that is, for example, not very transparent, not very open towards change; it doesn't matter how good he is. He's going to struggle to get that message across because people are going to put him in his box where he is in the organisation. Whereas a consultant comes in, he is very easily seen as a know-it-all, the hero, and he can affect change a lot faster and a lot more cross-cutting through the business.

Insight 122: There are the two roles of expert and disruptor.

Three consultants (11, 13, 15) postulated these two different roles of an external change agent.

- INT-11-GER: There are two reasons, I think. [...] Technical expertise is one, [...] the other quality [is ...] the capability of irritating the system from the outside, [...] creating insight or self-reflection, [...] self-realisation beyond what members of the organisation can provide.
- INT-13-RSA: Certainly perspective, in many instances, knowledge, [...] a fresh pair of eyes with a perspective, when you've been in an organisation, especially if you've been in an organisation for a long time, you start seeing everything as some sort of repeat of something that already happened. Somebody that doesn't understand your environment very well, that comes from the outside, just sees things and questions things again from completely different point of view.

- INT-15-CAN: It could be on a human level, relationships, and how we communicate. It could be on a technical level.

Insight 123: *An external change agent adds models, experience, and options.*

In the worldview of this consultant (14), an external change agent adds these three things: models, experience, and options.

- INT-14-ITA: As a consultant, I say I bring three things: models, experience, and options. [...] I'm not saying that people internally are dumb. They also have models, experience, and options. I'm sure internal coaches have that. It's just that there's a bigger likelihood that people who work externally have a little bit more experience.

4.2.4.3 In what way is a radical change a good or a bad thing?

Insight 124: *Change is neither good nor bad, but necessary.*

This consultant (11) claimed that the criteria of good and bad do not apply to radical organisational change.

- INT-11-GER: You should always ask is this necessary, not is it good or bad, but is it necessary. [...]. Everybody has to judge for themselves that it is good or bad or what I like or dislike. And of course, organisational development, it always comes at a cost; so, if you judge it as good you tend to overlook the cost, and there's always a consequence.

Insight 125: *Change is bad when the raison d'être is lost.*

Radical organisational change should not lead to a loss of mission and reason, this consultant (12) claimed.

- INT-12-USA: A good thing if [...] it's internalized. They won't revert back. Bad thing is if [...] they lose sight of their mission and their reason, in French: raison d'être, the reason to be.

Insight 126: *Change is good when done right.*

Three consultants (13, 14, 15) had their own interpretation of when a radical organisational change is done right, in which case it is a good thing.

- INT-13-RSA: Change is good. Radical change is good if you can, in an evolutionary way, work yourself towards it. So, what I mean by that is it's so easy to come in and look at something and say everything is wrong. That's bad because that devalues all the efforts that people have done before, all the hard work, all the systems, everything. It's a lot better, and that describes very much to the lean way of thinking, it's a lot better to actually look at what you have at the moment and you set your goal post in terms of where you need to be. That's quite important. But instead of working from that point downwards and saying let's change everything in order to get there, say, okay, well, this is where we have to be. Let's start with what we have at the moment and figure out what is the next important, major step that we need to take but still from a position of comfort from where we are at the moment. That is ideal. And in that process, if it's done transparently with respect for the individuals, with sound measurement systems, you can even change fundamental things like structure over time because people will start realising in order to get there, we need to change these things. But that has to be done in a way where you take everybody along. If you don't take everybody along then you're forced to enforce radical change, changing structure, retrenching people, all of those things with quite a lot of negativity. It's very difficult to recover from that negativity.
- INT-14-ITA: If radical change is people think in a radical different way and then they come up with options of the frequency that I actually told you about. [...] So, if we talk about that as radical then it's always good.
- INT-15-CAN: Oh, it's a great thing. [...] I have ADHD. I am extremely thrilled to be invited to help an organisation make radical change because that's fun for me. It's a rollercoaster ride.

4.3 Interviewing Line Managers

This section covers an overview of the line managers' answers to the interview questions. The modus operandi of identifying noteworthy insights is analogous to the section 4.1, with the changes outlined in section 4.3. In other words, the interview guide for the consultants and for the line managers is identical.

4.3.1 Interview guide section one: The nature of radical change

4.3.1.1 When is a change radical, as opposed to a gradual change or a minor repair?

Insight 127: Radical change is a change in paradigm, completely different from an incremental change.

All line managers agreed on the notion of the paradigm shift as authoritative for a radical organisational change.

- INT-16-GBR: Any change which isn't incremental.
- INT-17-GBR: It is a change in paradigm. A complete change in the focus, strategy and how people act and behave in the organisation post change.
- INT-19-GER: Radical change [...] is more like not taking one step after the other but going in leaps.
- INT-20-GBR: You can have evolutionary change where you become a bit better at something, but radical change involves a step change, a transformation between the initial state and the desired state.

4.3.1.2 Have you been involved in executing radical change?

Four of five line managers (16, 17, 19, 20) had been involved in radical organisational change.

4.3.1.3 To what extent do you think is a radical change a natural part of the life-cycle of an organisation in the sense that each organisation needs a radical change sooner or later?

Insight 128: Radical change is as natural as birth and death.

One line manager (16) considered radical organisational change as a natural part of an organisation's life-cycle.

- INT-16-GBR: If you equate change with loss, loss of some type, the radical change is actually a significant loss to the individuals involved in that change. And that could be a number of things, status, familiarity, belonging, kind of work routines. [... The] birth of an organisation is entirely natural. The death of an organisation is entirely natural; however, to be part of the birth of an organisation which in itself is a radical change and has an entirely different energy level associated with it in comparison to the death of an organisation.

Insight 129: There is a need for radical change maybe once or twice, but no more than that.

Another line manager (17) limited the need for a radical organisational change to once or twice in the life of an organisation.

- INT-17-GBR: I think in an organisation's lifetime that it probably needs to be there maybe once, maybe twice at a push, but beyond that I worry if it's more crisis management and what is really missing is actually good leadership, good business planning and good engagement, and so, I advocate it—where a business is fundamentally underperforming then let's move to radical change. [...] If there's too much radical change everyone gets schizophrenic and they don't quite know then what's going on and clients don't know, customers don't know, employees don't know, suppliers don't know. Management doesn't know. Too many "don't knows".

Insight 130: Radical change is needed if the organisation cannot keep up with changes from the outside world.

Three line managers (18, 19, 20) made the necessity of a radical organisational change dependent upon outside forces.

- INT-18-HKG: The big question is now, can you keep up with the rest of the world with small incremental change or do you get sort of a traffic jam in a sense of

things and you get stuck in certain areas with your technology, with your organisation, with your people, such that you cannot anymore keep up with the changing world. At that point, then, you would have to take big steps and implement radical change

4.3.1.4 How do you recognise when radical change is necessary?

Insight 131: *The board determines whether there is a need for change.*

This line manager (17) made the experience that the board and the owner-managers decide upon the necessity for radical organisational change.

- INT-17-GBR: I work in small and medium sized businesses, so the power and influence of the board and the owner-managers are quite profound.

Insight 132: *Radical change becomes necessary when anomalies show, just as in Thomas Kuhn's model of paradigm shift.*

When talking about the need for change, this line manager (18) referred to Kuhn's paradigm shift.

- INT-18-HKG: It reminds me a little bit of the book by Thomas Kuhn—*The Structure of Scientific Revolutions*, where he is arguing that the scientific process has sort of two faces. The ordinary scientific process where there is one paradigm that works and most people are working within that paradigm and filling out the blanks and gradually extending the picture, but it is one big picture and you just fill out the details in a sense. And then you have anomalies. Some things that don't work within the paradigm. And at the beginning, these anomalies are just somewhere on the side and nobody really cares, and the paradigm is really successful, and everything works except these anomalies and these anomalies become more pronounced and then you realise that, okay, it is not working anymore. And then, there is a sort of this big bang and you have to change paradigm and of course Kuhn says that you have a radical change that is so radical that the paradigms are not even commensurable. And, of course, there is

the famous bon mot by, who was it? Bohr or Planck? Who said that science advances by funerals?

4.3.1.5 If you see the need for a radical change, why do others not see the need for change?

Insight 133: Change is a social construction.

According to this line manager (16), the need for change is not something that can be measured objectively but is rather interpreted subjectively.

- INT-16-GBR: In my view, everything is a social construction. [...] The same signals, same noise, can be interpreted in very different ways by different leadership teams and that's very much a product of previous experience. [...] I very much believe in the kind of social constructivist philosophy that we are all making meaning in some way [...] For some people they feel incredibly comfortable walking into what I may consider high velocity change and for others it isn't a comfortable experience and something they'll avoid like the plague.

Insight 134: Leadership is failing across the world.

This line manager (17) saw deficits in the education of business leaders.

- INT-17-GBR: I think leadership is failing across the world. I think business schools, the way it teaches leadership teaches it badly, and I think business schools and education tend to teach rather than help adults learn to learn. So, I think education is in crisis. I think billions are wasted in developing senior managers and middle managers. So, they continue in the West to perpetrate things that haven't worked for decades.

Insight 135: Often you cannot see the need for change if you do not come from the outside. Legitimate industrial espionage may be helpful.

Being an external change agent is helpful in recognising the need for change, according to this line manager (18).

- INT-18-HKG: Others have been in the organisation for a long time and are blind to it and I come from another group, organisation or university or whatever, and we have done things differently and much better, but people here don't see it. This has happened to me several times. Where it really felt to me that what they are using, technology or process, is quite obviously terrible and much worse than what I have used before. [...] I think it is extremely hard if you are in a team in an organisation which has worked for a long time to come up with possible improvements by yourself. It is much easier to see that when you come from outside and which is incidentally one reason why I think it is good and important that people occasionally change jobs because you can take best practice with you. The alternative for that is, of course, consultants, who basically do that, a sort of legitimate industrial espionage, where they go around and see how other companies in the same field are doing it, and then they come, you pay them, and they tell you how. It is called benchmarking. There is the story about a guy who is trying to cut a tree and the saw is not sharp anymore and people say go and sharpen it and he says, no, I don't have time, I have to cut the tree. So, people really should spend some time updating their process and fixing their process and getting better tools, but they don't because they are just so busy with work. It is often easier if you have an external influence like people coming from a different firm or a consultant that can help with pushing for a change.

Insight 136: People do see the need for change but do not know how to change or do not feel entitled to change.

This line manager (20) claimed that the difficulty lies not in recognising the need for change, but in making the step to execution.

- INT-20-GBR: Often, they do. People are much more perceptive about these things than they are often given credit for. What they don't see is how to make it happen the way forward, and they don't see that they've got permission to be part of making it happen.

4.3.1.6 What are the limits of radical change and when shouldn't we apply it?

Insight 137: There should be sufficient dissatisfaction.

Radical organisational change will be unsuccessful if the decision makers do not feel dissatisfied, according to these two line managers (16, 20).

- INT-16-GBR: Turning the oil tanker around should not be done without some significant assessment, some significant leadership team consultation and with the appropriate readiness, assessments that identify the need for change and the fact that there is high-level dissatisfaction from the significant stakeholders.
- INT-20-GBR: If there's nobody in a leadership position in the organisation who can perceive that change is necessary and persuade the organisation that they want to change and that it's possible to change and that they've got a role to play in making the change happen, then the organisation is doomed.

Insight 138: There is only a limited capacity for radical change.

Two line managers (16, 18) allotted a limited capacity for radical change to each organisation.

- INT-16-GBR: There is only so much human capacity for large-scale change. [...] Those individuals who think they are radical change agents are quite often not in a position to identify the new course of direction and have stamina to see it through. What they do is jump around a little creating kind of energy, it looks like momentum, they are moving things in a certain direction, but often not around long enough to see through that particular change in direction.
- INT-18-HKG: The frequency of radical change cannot be too high, that is counterproductive. [...] People like to do the job that they have been doing. If it is unclear why you are changing things and it is not clear that the result will be much better for everyone involved, then it will be problematic.

Insight 139: There is no alternative to radical change.

These two line managers (19, 20) agreed upon an unlimited need for radical organisational change.

- INT-19-GER: The question is if there is any alternative. [...] Sometimes the alternative to radical change is to go bankrupt, so I don't see any situation where I have to choose.
- INT-20-GBR: Well, if change is necessary but you don't think you can deliver it, you better close your business and go home because you're gonna die anyway.

4.3.2 Interview guide section two: The change parameters

4.3.2.1 What are the critical success factors for an organisational change?

Insight 140: There is no alchemy.

This line manager (16) favoured an individual approach for each radical organisational change.

- INT-16-GBR: There's no alchemy in terms of a recipe for change. [...] There is no one best change strategy but there is one best fit for each change, so by that I mean a very simple planned approach might actually be the right approach for a specific change. You can't discard that, but you're much more able and capable of responding to environmental developments if an emergent/contingent approach is taken.

Insight 141: A crisis is needed.

This line manager (17) considered a crisis as a critical success factor for a radical organisational change and suggested creating a crisis if there was none.

- INT-17-GBR: I think for a radical change, you need a crisis in there. You need to create a crisis and if there isn't one, you create one. [...] So, to me, one of the critical success factors is a senior leader's open mind for the need to change and then literally light up a grenade and get change moving in the organisation. And then be seen to lead that change.

Insight 142: Two respondents elaborately presented their own model.

The open question about critical success factors for radical organisational change inspired two line managers (19, 20) to describe their own models.

- INT-19-GER: There are many, I think. First of all, the company needs to have a vision of what the future state should be like. [...] There is a commitment needed from the highest [position in the] leadership hierarchy or even from the shareholders. [...] A major part of the employees should be in for the change. [...] People should see the benefit, what is in it for them. [...] Clear communication is very, very important. [...] It is very important to assign responsibilities.
- INT-20-GBR: There must be a clear understanding of the imperative for change and at least an outline for the vision for the change. [...] That's the first one. The next critical success factor would be a plan or a feasible set of interventions and changes that can deliver the transformation. [...] Next success factor would be your needing sufficient resources in place to make those changes happen. [...] Number four, I would say, is your need to engage the whole organisation, all the people, in their different ways. [...] And then, perhaps, the fifth success factor would be your needing a change delivery framework, a way of doing things, a methodology for delivering large-scale change that you can deploy so you can keep control of this and can govern it properly.

4.3.2.2 How important is the speed during an organisational change?

Insight 143: *It depends. You must find the right pace.*

“It depends”, any lawyer’s favourite expression, is also the answer to the importance of speed given by three line managers (16, 17, 20).

- INT-16-GBR: For me it's not fast, it's not slow, it's appropriate.
- INT-17-GBR: I don't think speed has an effect. I think what does, though, is a thing called heartbeat, a pace. So long as there is a pace to change. So, trying to find the right pace for that change in the organisation, so that is like a heartbeat.
- INT-20-GBR: It's really important that the impetus for change, the pace of change, is felt throughout the organisation. If you try to push it too fast, then

people will stumble and the whole thing will fall apart. If you take it too slowly, then people will go off the boil and they will stop [start?] doing other stuff instead and the change program will run into the sand. So, it's important that you get the pace of change right, but it depends on the nature of the change whether that is going to be quick or slow.

Insight 144: Fast change is possible if you are well prepared.

This line manager (18) claimed that fast change needs a prerequisite, and he delivered a real-life example for that statement.

- INT-18-HKG: One thing that comes to mind though is that in Hong Kong they built a new airport. The old airport was in Kowloon and it was in the middle of the city and the airplanes would fly... There was no instrument landing system and the airplanes had to fly towards a certain hill that had a red and white checkerboard, and then they would have to turn and go through these skyscrapers. Anyhow, it was not sustainable in the long run and there was only one runway. So, they built a new airport out on Lantau with two parallel runways and it was all nice. It was amazing. They basically moved in one night. So, one evening the last airplane took off and the next day they moved whatever remained over to the new location and the next day the first airplane landed in the new airport. So, that is a quick change if I have ever seen one. [...] This was a very fast change. I am saying that a priori the change should be fast, but it is not always possible.

4.3.2.3 How important is the sequence/direction (from inside to outside or vice versa) during an organisational change?

Insight 145: Context is important. There is no general answer to that question.

Three line managers (16, 19, 20) answered "it depends" to the question about the importance of direction.

- INT-16-GBR: I worked with people before who consider themselves radicalists because they come in and they'll slam their fists on the desk: This is what we're going to do, these are your stats, look at your EBITDAR, this isn't good enough,

right let's go down to the line and do this, and they are action oriented, they're moving the needle so far as they are concerned, but it's not informed. They've taken a few items out of context.

- INT-19-GER: I wouldn't say that the direction is that much important, but rather the starting point that I have to concentrate on; the bigger leverages where I can make the greatest effort with. [...] I would prioritise the change measures from a point of view that that says how much I can gain in efficiency.

Insight 146: If you make changes at the periphery you can achieve quick wins.

One line manager (17) favoured the approach from the periphery.

- INT-17-GBR: I work with people today who think we need to be in the centre to make changes and I say, no, you don't. You can actually make changes at the periphery. If you are at the centre, then you can get things going but you need to get some quick wins. So, the problem is, when the centre decides to change, you are always on the outside. The centre very quickly has got to show some quick wins so that the things at the periphery can then start to see that the change is being made.

Insight 147: You need well-defined interfaces.

This line manager (18) brought up the notion of interfaces as a solution to the question about the proper direction.

INT-18-HKG: What is important is that you have well-defined interfaces between these layers. The good thing about a well-defined interface is that you can change things on one side of the interface while still interfacing. For example, you can have sales people talking to clients over a well-defined interface and you can change how sales people talk to the closer, centre business. If you have well-defined interfaces, you can change one layer of this puzzle without affecting the others.

4.3.2.4 How familiar are you with planned change models, such as Kotter's, and what is your opinion about them?

Four of five line managers (16, 17, 19, 20) were familiar with planned change models.

Insight 148: Kotter's model is too prescriptive.

This line manager (17) renounced Kotter's model of change.

- INT-17-GBR: When it comes to change, I am not a fan of Kotter. Because I think he is too prescriptive. In his original work, he talked about it being sequential but in his more recent work, he has backed away from that and it is more integrated. [... However,] I am more in the planned field than the emergent.

Insight 149: Linear models have their place for people with little experience in change.

This line manager (16) saw a use case for planned change models.

- INT-16-GBR: [They are] rigid, rigorous and unfortunately limited. [... But] for people less experienced in change, recognising signals versus noise, and understanding sensitivity in terms of environment, I think they are excellent places to start.

Insight 150: Linear models are more like a framework than a set of instructions.

One line manager (17) reinterpreted planned change models in a more emergent fashion.

- INT-17-GBR: I think that sequence models like that, like Kotter's, are very useful but you have to use them intelligently. So, certainly, you can't leap into stage three or four before you've done stages one and two. But the stages overlap, and, sometimes, parts of the organisation will regress. And sometimes, you go stage one and stage two and stage three. "Oops, stage three doesn't seem to be working terribly well. Perhaps we need to go back to stage two for a bit and rework". So, they're useful as a framework but not as a detailed set of instructions. You have to use them intelligently. [... These] models are useful, but

then they should not be treated simplistically. They are an aid to thought rather than a substitute for it.

4.3.2.5 Do you use them yourself?

Three of five line managers (16, 17, 20) used planned change models themselves.

4.3.2.6 How important is the linearity (sequence of specific process steps) during an organisational change?

Insight 151: Radical change is not linear.

Two line managers (17, 19) considered radical organisational change as not linear.

- INT-17-GBR: I don't think it is linear. I think you have got to be able to do a number of things simultaneously in radical change.
- INT-19-GER: I believe that it is necessary to do some milestone planning, so to say, but not each step can be planned or needs to be planned necessarily.

Insight 152: Radical change is linear.

In contrast to the Insight 151, one line manager (18) considered radical organisational change as linear.

- INT-18-HKG: First linearity implies that you break down the change in sub goals which are more easily achieved. That seems hugely important. It also seems that when you are changing one part at a time, you must have well-defined interfaces in between, so that you change one part while the next step remains unchanged and the whole thing still works.

4.3.2.7 How important is the scope (single department versus whole enterprise) during an organisational change?

Insight 153: Scope is important. Change the entire organisation.

One line manager (16) preferred applying radical organisational change to the entire organisation at once.

- INT-16-GBR: Radical change needs to have buy-in from the whole organism, because you're actually asking the oil tanker to move, you can't ask the people in the engine room to not participate, to not be aware, not understand.

Insight 154: Scope is important. Change only parts of the organisation. Make a pilot project first.

In contrast to Insight 153, two line managers (17, 18) preferred a partial radical organisational change in the sense of a pilot project.

- INT-17-GBR: So, I see it at the business-unit level. When you've got multiple sites in a multi-national business, I much prefer to do it site by site by site. I think it is really difficult to do it from the centre and trying to do 20, 50, 100 sites simultaneously. I think that is really, really difficult to do.
- INT-18-HKG: More radical change might better be done in a smaller scope at first—more risky change. [...] My understanding is that China, for example, implements policy changes only in a single department or city or municipality or whatever and then observes how it is working. They have some sort of experimentation there. [...] A pilot project, right. So that seems like a good thing to do, even in an organisational change.

Insight 155: Philosophical question: Is a radically changed organisation still the same organisation?

This line manager (18) brought up the parable of the ship of Theseus.

- INT-18-HKG: The other thing that comes to mind is the ship of Theseus. If you have a boat in the philosophical problem. You take one wooden plank and you exchange it for another wooden plank, it is still the same boat. But now if you consecutively change one plank after the other, until you have changed all of the planks, and you take the old planks and build a new boat next to it, then suddenly now you have two boats. One consists of all of the original planks but the other one is the boat that you would intuitively call the original boat. So, in other words, if you have a big organisation and you change everything at the same

time, across your entire organisation, it is a philosophical problem as to whether you have the same organisation

4.3.2.8 How important is the depth (essentials such as corporate culture, values, success criteria, etc.) during an organisational change?

Insight 156: Depth is important.

Four of five line managers (16, 18, 19, 20) attributed a high importance to depth in the context of radical organisational change.

- INT-18-HKG: Depth is, in a sense, a measure of how radical the change is. It seems that more radical, deeper change is harder, it's riskier. So maybe we can come back there and talk about the scope. Maybe deeper change might be change that we want to do in a smaller scope at least initially and then roll out more gradually, but obviously depth of change is hugely important. In so far as deeper change is harder and riskier.
- INT-19-GER: If it is radical, it needs to have some depth otherwise; I would not understand it as radical change [...] plus if I want to have a change that lasts, then I need to go deep.
- INT-20-GBR: If you try and just change the most superficial layers and you haven't transformed a base layout which is going to be affected by this, your change is gonna fail.

Insight 157: Depth (culture) is not a driver, not first priority.

In contrast to Insight 156, one line manager (17) considered depth as less important.

- INT-17-GBR: I think it is a lagging thing. There are other things that you do first. [...] It is not a driver. Because it takes longer to get culture change in play. People take time to see it, for it to take root. [...] The leaders start to act and behave in the culture that you want to see. The people underneath need to see that demonstrated for weeks and months before they might then start to embrace that change.

4.3.2.9 Are there other parameters of a change process which you consider to be important?

Insight 158: There is a gap between theory and practice due to a lack of commitment.

Two line managers (17, 18) stressed the importance of commitment and the lack of it due to excessively short contracts for chief executives.

- INT-17-GBR: So even in the UK if you go the highest level of the company in the FTSE in the city, the top 100 companies in the UK, the average chief executive lasts five years. [...] It is a matter of longevity. In the UK, people are in roles for too short a time. Therefore, they have got to be seen to be doing something and don't care what it is. They'll just do something. And they know that within two years they'll be gone somewhere else, in a different role. So, they don't really care what the outcome is. And people below know that, so they might say, Stephan you're a great manager and you might be a nice person, but you're going to be somewhere else in two years' time. So why should I be bothered doing anything of this stuff because somebody else will come in two years' time, tear all that up and come up with something else.
- INT-18-HKG: One thing is important that you haven't mentioned, which is commitment of management. Sometimes you have changes that are only half-hearted where people feel like they have to do it, but they are not really behind it. It is not commitment really. Those might frequently fail. Whereas if you go all in, if you burn the bridges behind you, if you are really, really committed, that seems to be a predictor also for the success of the change.

Insight 159: There are five critical success factors (according to this respondent).

One line manager (20) answered the open question by presenting his own change model.

- INT-20-GBR: My five were leadership and vision and plan and resources [... and] engagement, yeah. I think your CSFs [= critical success factors] and mine are orthogonal.

4.3.3 Interview guide section three: Dealing with organisational change

4.3.3.1 How do you initiate an organisational change?

Insight 160: *The first step is about creating a crisis, if needed.*

According to this line manager (17), the first step in radical organisational change is to create a crisis.

- INT-17-GBR: Literally on my first day, [...] I created a crisis to accelerate the change and get the change accepted. [...] In effect you are freeing the minds and freeing the spirits of the staff to do the things that they all know can be done, but management traditionally got in the way.

Insight 161: *The first step is to assess the change capabilities of the management.*

An assessment is the first step of radical organisational change, according to this line manager (17).

- INT-17-GBR: [I] sit with the managing director and assess whether the managing director can lead the radical change. And if he can, and he wants help and support, then I'll help him, or her, and then we'll work together looking at the management team around him or her. Can they do what we need them to do? If they can't then we get rid and we bring people in that can.

Insight 162: *The first step is to make it clear (to yourself) and make it essential (to others).*

This line manager (20) stresses the necessity of communication in radical organisational change.

- INT-20-GBR: We came up with a sort of four-stage simple change framework. [...] The first was something like "make it clear"—be clear what the objective is, be

clear what the end goal is that you're trying to do. The second, then, would be "make it essential" and then there's "make it happen", and then there's "make it stick". Now, make it essential is persuade all those people out there who are all busy doing other stuff that this change thing really is essential. You've got to take it seriously, you've got to apply some energy to it, you've got to apply some resources to it. [...] [About the difference between step one and step two] Be clear about what—And you can do that with a small group of people who are the drivers of this change. But making it essential is getting that message, that narrative, into the heads of all the people who are going to be involved in this thing. That's a communications thing and an engagement thing. It's not "tell and sell"; this is about, often, co-creation.

4.3.3.2 How do you overcome the resistance to change?

Insight 163: *There is no resistance to change, only resistance to loss.*

Two line managers (16, 20) denied the existence of resistance to change.

- INT-16-GBR: Resistance to change, I don't believe is natural. I think [...] people always equate change to some type of negative kind of experience and then future loss, so, where there is resistance, the resistance is never associated with change, it's associated with loss. So, once you understand the loss in an individual, organisational or societal sense, you can then make a little more sense of how you can envisage a future state. [...] You are looking at the future state and trying to reduce the anxiety associated with it.
- NT-20-GBR: In their minds, the disbenefits outweigh the benefits. And they might be right, so you better listen to those people and understand what the change looks like from their point of view.

Insight 164: *I put a gun to the head of the organisation.*

This line manager (17) preferred an assertive approach to radical organisational change.

- INT-17-GBR: Because I create a crisis and a sense of urgency, I literally will put a gun to the head of the organisation and say look, this is where we are going to

go. This is what we are going to do. And we want the great people in the organisation to come with us and those who are the good workers will be there, and the rest of you who grump and moan, you've got a choice. You either come with us or you are out.

Insight 165: It is a matter of communication.

Overcoming resistance to change is done by communication, according to these three line managers (18, 19, 20).

- INT-18-HKG: What doesn't work is just saying try harder, and you have to do it. That just never really works, so you really want to have the whole organisational structure, training, and incentives behind it. I'd hope that most resistance can be met by really informing, teaching, and explaining why you want to achieve the change.
- INT-20-GBR: It's part of making it essential. Because the first stage of change [...] is, "Of course change is necessary around here. I've been saying it for a long time. All those other guys need to change". "No, no, you don't understand. You've got to change". "Ah, you mean me? Oh, I hadn't thought about that".

4.3.3.3 How do you recognise if an organisational change was successful?

Insight 166: It is in the customer's perspective.

This line manager (16) maintained that whether a radical organisational change was successful depends on the client's point of view.

- INT-16-GBR: You're world class when your customer tells you that you are.

Insight 167: At the beginning, you define parameters and then you measure against them.

All line managers agreed that the success of radical organisational change must be verified by KPIs.

- INT-17-GBR: But I am looking to see both some financial and some cultural change.
- INT-20-GBR: Put the metrics in place periodically, through the course of the program, measure, “Have we delivered the benefits yet? What proportion of interest have we got?” And by the end of the program, the benefit realisation starts at zero and works its way up to 100%? No, no program ever delivers 100% of the benefits. You might get 80%, you might get 85%. But if you’re running this program, you need to be able to measure, what proportions of the benefits have you delivered?

4.3.3.4 In what way do you feel satisfaction after a successful change?

Insight 168: Satisfaction lies in the harm you avoided.

This line manager (16) found satisfaction in the principle of non-maleficence.

- INT-16-GBR: You look at the principle of non-maleficence, you look at the harm that you haven’t caused by amateur insensitive approaches to change. You look at the harm you’ve avoided.

Insight 169: Satisfaction lies in the personal growth of other people.

Helping people grow is the source of satisfaction for this line manager (17).

- INT-17-GBR: I like to see people feeling empowered. So, they take accountability and are responsible for things, making their own decisions, and are starting to make positive changes in their areas of work.

4.3.4 Interview guide section four: Change agents

4.3.4.1 When does an organisational change require an external change agent, for example an interim manager?

Insight 170: Some respondents are sceptical about the necessity of interim managers.

Two line managers (16, 17) expressed scepticism about interim managers in the role of change agents.

- INT-16-GBR: These were experienced and mature managers, so that failed, it failed, a couple of people left, there were further deteriorations in performance and the individuals weren't treated with respect, there was low levels of trust. So, in some cases, even though it's seen that an external change agent is required, there are examples where I feel that it's been ill-judged.
- INT-17-GBR: I am not a big fan of interim managers, I have to say. I much prefer local management waking up to what they need to do.

Insight 171: An external change agent is required when you have either lack of resources or lack of skills.

In contrast to the Insight 170, these three line managers (18, 19, 20) saw value in interim managers in the role of change agents.

- INT-18-HKG: If people are too busy to do it, to incorporate change, or if people don't see the need for change. It could also be when people see the need for change, but they have no clue how to change or in which direction.

4.3.4.2 What does an external change agent (IM) add to the organisation that previously had not been there?

Insight 172: Sometimes someone external has higher acceptance than someone internal.

This line manager (19) claimed that it can be easier to initiate radical organisational change for someone from the outside.

- INT-19-GER: Sometimes it is also the external prophet that is better than the internal one. [This refers to the German saying: "Der Prophet gilt nichts im eigenen Land", which translates as: "The prophet has no honour in his own country".]

4.3.4.3 In what way is a radical change a good or a bad thing?

Insight 173: Change is natural and a force for good.

This line manager (16) saw radical organisational change in a positive light.

- INT-16-GBR: Radical change is natural if you look at industry developments and changes in technology and so on. Radical change gets you there, not incremental change, so it's a force for good in terms of human and organisational progress. It can be used in a negative way by those who are just impatient for results, who are not willing to play the longer-term game, the stamina game, as it were, and then use radical change after radical change after radical change. So to speak, they turn the oil tanker in multiple different directions, lose the goodwill of the people on that oil tanker, and then disengage and lose the capacity for further change initiatives.

Insight 174: Radical change is not good a priori. It is bad when there is no need for it.

A radical organisational change was considered a good thing by these two line managers (17, 18) but only when certain prerequisites were fulfilled.

- INT-17-GBR: It is a bad thing in a business that is already doing alright, where somebody is open-minded or could form an open mind, just to learn and improve. So, I wouldn't put radical change there.
- INT-18-HKG: It's not good a priori. It's a means to an end. For some people of course, novelty seekers, change is not a means to an end but an end in itself. But here we are talking about organisational change; so, we are trying to hit a goal. We are trying to improve the organisation. So, it is not a good thing a priori. It is helping you to do what you want to do.

Insight 175: Radical change is good for the employees even if it isn't.

From the point of view of this line manager (19), radical organisational change was also good for the individual employee, even when this is not obvious at first sight.

- INT-19-GER: It is not good for the employees who have to change radically because usually people don't like radical change, but it is needed so therefore it has to be good in terms of a market view or efficiency view of the company and therefore in consequence it has to be good for the employees as well.

Insight 176: Radical change is a small price to pay.

Lastly, this line manager (20) affirmed that, in any case, radical organisational change is a small price to pay for the survival of the organisation.

- INT-20-GBR: It is not a simple or a cheap or an easy thing to do. But if it is what needs to be done for survival, then it's a small price to pay.

Chapter 5: Analysis

Where Chapter 4 extracted insights from the respondents' observations and opinions, the present chapter categorises these insights and places them in context with the claims made in the scientific literature as described in the literature review.

5.1 The Number of Insights

Three groups of respondents were interviewed: Interim managers, consultants, and line managers. The groups were interviewed in this order, beginning with each group only after the previous group interviews had been completed. Only at the analysis phase of my thesis did I notice that I had extracted exactly 50 insights from the interim managers and the line managers each. This was not planned in advance but was rather a coincidence. From the consultants, however, I had extracted 76 insights. I attribute this higher number of insights to the all-over higher level of eloquence I noticed with the consultants. It may be due to a felt impetus to explain and teach. While the role of a consultant is not the same as the role of a business trainer, there is a certain adjacency between these roles, and many consultants have experiences in both.

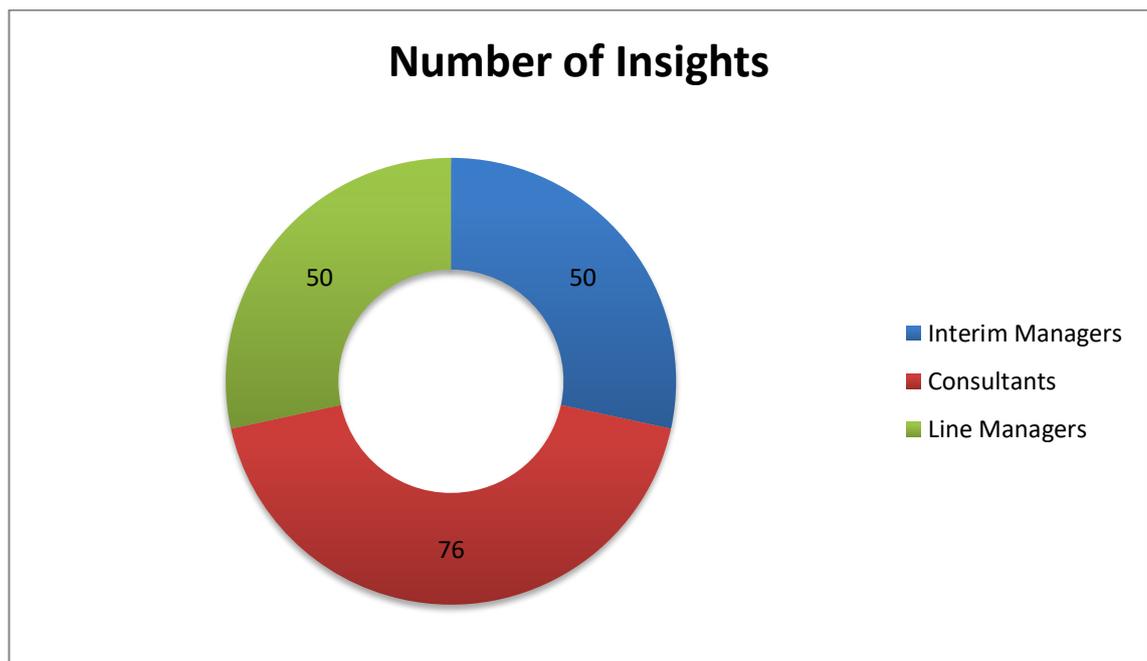


Figure 23. Number of insights. Source: Author

5.2 The Topics Covered

In preparing the material for this section, I grouped the insights developed from the data into thematic categories. I allocated each to a category irrespective of the context given by the previously asked question. For example, if the interviewer asked about a specific action on how to implement change, but the answer given by the respondent was more about the nature of change, then I grouped the resulting insight under “the nature of change”. I coded each insight with a number that resulted from the order presented in Chapter 4, and with a two-letter combination that referred to the respondent group. For example, “Insight 003-IM” stood for Insight 3 by an interim manager, while “Insight 084-CO” stood for Insight 84 from a consultant. The line managers’ insights are coded with the combination “LM”. Not always could an insight be allocated uniquely to a single topic; however, in order to list each insight only once, I allocated it to the category that seemed to be the most appropriate. The compilation is shown in Figure 25.

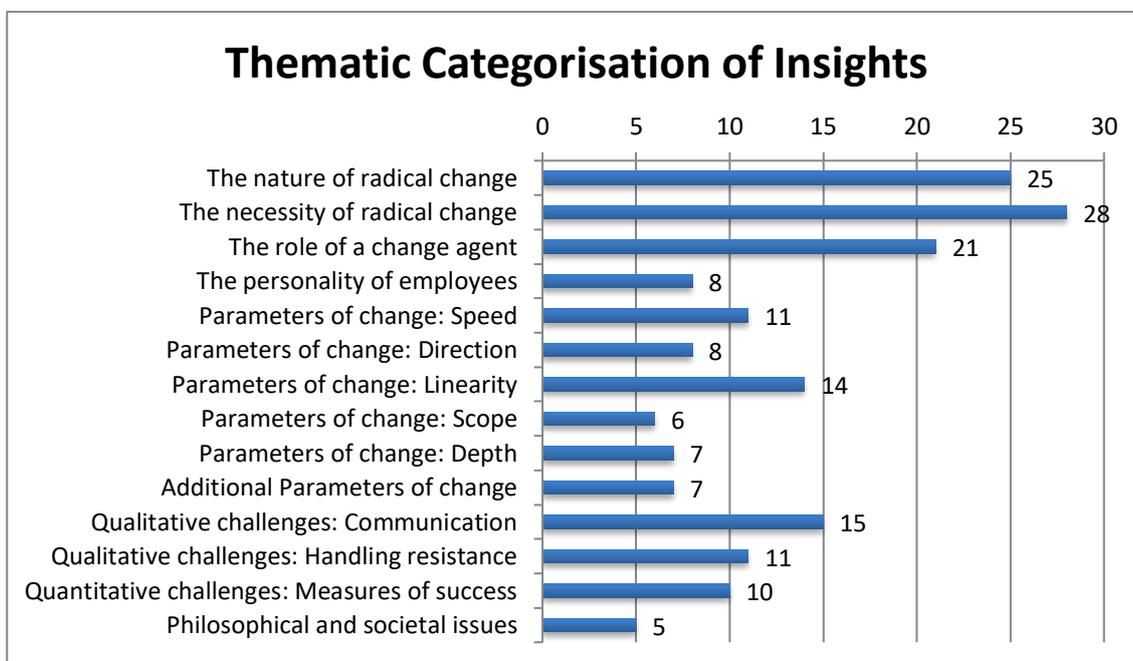


Figure 24: Thematic compilation of insights from all respondent groups. Source: Author

5.2.1 The nature of radical change

This theme gathers insights about the question how radical change can be defined and what sets it apart from other kinds of change.

- Insight 003-IM: A radical change has an entrepreneurial character.
- Insight 045-IM: The mood improves drastically.
- Insight 051-CO: It is about either changing inside the system or changing the system.
- Insight 052-CO: It is about overcoming silo mentality.
- Insight 053-CO: Even Kaizen (continuous improvement) can be radical.
- Insight 054-CO: It's transform or perish.
- Insight 055-CO: Radical change is the natural movement from one stage to another.
- Insight 056-CO: The need for radical change is increasing.
- Insight 057-CO: Smaller organisations need radical change less than larger organisations.
- Insight 058-CO: There is nothing dramatic about radical change.
- Insight 069-CO: While change is good for the organisation, it may be perceived as bad for the individual.
- Insight 073-CO: Purpose without method is nonsense.
- Insight 075-CO: Change is like ripples in the water.
- Insight 082-CO: Change is like an infestation.
- Insight 112-CO: There is no sustainability in organisational change.
- Insight 113-CO: The difference between organisational change and organisational development is that organisational change is the outcome of organisational development.
- Insight 124-CO: Change is neither good nor bad, but necessary.
- Insight 125-CO: Change is bad when the raison d'être is lost.
- Insight 126-CO: Change is good when done right.
- Insight 127-LM: Radical change is a change in paradigm, completely different from an incremental change.

- Insight 128-LM: Radical change is as natural as birth and death.
- Insight 173-LM: Change is natural and a force for good.
- Insight 174-LM: Radical change is not good a priori. It is bad when there is no need for it.
- Insight 175-LM: Radical change is good for the employees even if it isn't.
- Insight 176-LM: Radical change is a small price to pay.

5.2.2 The necessity for radical change

This topic deals with the question of what needs to happen for stakeholders to recognise that there is a need for radical change. It is also about the indicators showing that radical change is not necessary.

- Insight 001-IM: A radical change is usually initiated by the owners of a company by hiring an interim manager.
- Insight 002-IM: Radical organisational change often is driven by a liquidity crisis.
- Insight 005-IM: Some respondents did not see a general need for a radical change, except for specific cases, such as a dysfunctional organisation.
- Insight 006-IM: Other respondents saw a general need for a radical change, even in well-run organisations.
- Insight 007-IM: It was agreed that a radical change can be necessary due to external triggers such as a new technology, new markets, or new governmental regulations.
- Insight 008-IM: The decision whether a radical change is necessary is made officially (legally) by the shareholders, but actually by the lenders.
- Insight 009-IM: There has been a history of constant decline.
- Insight 015-IM: Radical change may be difficult with large or complex organisations.
- Insight 016-IM: When the organisation is doing fine, there is no need for radical change.
- Insight 017-IM: When there is a lack of resources, radical change is not advisable.

- Insight 018-IM: When there is no understanding of the outcome, radical change is not advisable.
- Insight 019-IM: There are no limits to radical change.
- Insight 059-CO: People and organisations change for two reasons: inspiration or desperation.
- Insight 060-CO: You have to start radical change even before the necessity arises. By the time you recognise the need for radical change, it may already be too late.
- Insight 061-CO: There are three indicators for the need for radical change: uncertainty, desperation, and complacency.
- Insight 062-CO: You need radical change when something is slipping.
- Insight 063-CO: Radical change is driven by complexity.
- Insight 065-CO: In general, we all need change.
- Insight 070-CO: There are no limits to radical change.
- Insight 071-CO: You should only perform a radical change with the necessary buy-in and resources.
- Insight 072-CO: Radical change is only needed in times of chaos and desperation.
- Insight 129-LM: There is a need for radical change maybe once or twice, but no more than that.
- Insight 130-LM: Radical change is needed if the organisation cannot keep up with changes from the outside world.
- Insight 131-LM: The board determines whether there is a need for change.
- Insight 132-LM: Radical change becomes necessary when anomalies show, just as in Thomas Kuhn's model of paradigm shift.
- Insight 137-LM: There should be sufficient dissatisfaction.
- Insight 138-LM: There is only a limited capacity for radical change.
- Insight 139-LM: There is no alternative to radical change.

5.2.3 The role of a change agent

The change agent—the person responsible for driving the change—has responsibilities as well as typical experiences. These insights are about them.

- Insight 004-IM: An interim manager must provide stability during radical change.
- Insight 042-IM: The interim manager makes himself redundant and the company can take care of itself.
- Insight 047-IM: There is no guarantee of happiness after having completed a mandate.
- Insight 048-IM: Being lonely is always a part of an interim manager's job.
- Insight 049-IM: Resolving complex challenges is considered a satisfying experience.
- Insight 050-IM: Seeing the people blossom is experienced as a huge reward.
- Insight 116-CO: Satisfaction lies in learning and in growing people.
- Insight 117-CO: The world has become a better place.
- Insight 118-CO: An external change agent is required when the internal management lacks vision.
- Insight 119-CO: An external change agent is required when you have audacious goals.
- Insight 120-CO: An external change agent is required when you have too much emotional commitment.
- Insight 121-CO: The independent position of an outsider is equivalent to dancing with the system.
- Insight 122-CO: There are the two roles of expert and disruptor.
- Insight 123-CO: An external change agent adds models, experience, and options.
- Insight 135-LM: Often, you cannot see the need for change if you do not come from the outside. Legitimate industrial espionage may be helpful.
- Insight 136-LM: People do see the need for change but do not know how to change or do not feel entitled to change.
- Insight 168-LM: Satisfaction lies in the harm you avoided.
- Insight 169-LM: Satisfaction lies in the personal growth of other people.
- Insight 170-LM: Some respondents are sceptical about the necessity of interim managers.

- Insight 171-LM: An external change agent is required when you have either lack of resources or lack of skills.
- Insight 172-LM: Sometimes someone external has higher acceptance than someone internal.

5.2.4 The personality of employees

The personality of some employees may be either the reason why a radical change is necessary or the reason why a change initiative is not successful.

- Insight 010-IM: Some people are selfish. They care about their own advantage, not about the advantage of the organisation.
- Insight 011-IM: Some people become blind to what they see every day. That phenomenon is called “hiding in plain sight”.
- Insight 012-IM: Not everyone has the personality to think and act from a long-term perspective.
- Insight 013-IM: Sometimes leadership is rather geared towards sales and technology than towards entrepreneurial thinking.
- Insight 014-IM: Sometimes the decision maker is not independent in his decisions.
- Insight 067-CO: Some people are used to thinking only inside their niche. They lack the necessary distance.
- Insight 068-CO: Not seeing the need for change is a matter of personality.
- Insight 100-CO: Not the people are the problem; the system is the problem.

5.2.5 Parameters of change: Speed

These insights cover what the respondents thought about the speed of change.

- Insight 020-IM: There is no general rule saying to change as fast as possible or change as slowly as possible.
- Insight 021-IM: Fast change is preferred.
- Insight 022-IM: The sooner you start, the less is speed necessary.

- Insight 023-IM: Speed is especially relevant when product development is concerned. Then the market may dictate how fast you have to change.
- Insight 024-IM: Radical change should take exactly one and a half years.
- Insight 079-CO: Speed is not a helpful criterion.
- Insight 080-CO: Speed is a helpful criterion—not too fast and not too slow.
- Insight 081-CO: Speed is a helpful criterion: Move fast.
- Insight 133-LM: Change is a social construction.
- Insight 143-LM: It depends. You must find the right pace.
- Insight 144-LM: Fast change is possible if you are well prepared.

5.2.6 Parameters of change: Direction

These insights cover what the respondents thought about the direction of change.

- Insight 025-IM: Focus on the customer is the most important aspect. So, you generally start from the outside.
- Insight 026-IM: You generally start at the centre, e.g., at the warehousing.
- Insight 027-IM: You should never start at the centre.
- Insight 083-CO: You combine a top-down with a bottom-up approach.
- Insight 084-CO: You start at the periphery.
- Insight 145-LM: Context is important. There is no general answer to that question.
- Insight 146-LM: If you make changes at the periphery, you can achieve quick wins.
- Insight 147-LM: You need well-defined interfaces.

5.2.7 Parameters of change: Linearity

These insights cover what the respondents thought about the linearity of change.

- Insight 028-IM: Organisational change has a nonlinear, sometimes even parallel, approach.
- Insight 029-IM: In a financial crisis, the linearity of steps is always the same.

- Insight 030-IM: In a non-financial crisis, the linearity of steps can be very different each time.
- Insight 085-CO: Kotter's model of organisational change is not about planned change, even if Kotter says so.
- Insight 086-CO: There is scepticism about planned change models. Most respondents are moving away from them.
- Insight 087-CO: Emergent change models are not yet fully understood.
- Insight 088-CO: Linearity is not important.
- Insight 089-CO: The client will only develop trust in the change agent if the change agent has a road map. This is why change agents often have a road map, even if they do not stick to it.
- Insight 140-LM: There is no alchemy.
- Insight 148-LM: Kotter's model is too prescriptive.
- Insight 149-LM: Linear models have their place for people with little experience in change.
- Insight 150-LM: Linear models are more like a framework than a set of instructions.
- Insight 151-LM: Radical change is not linear.
- Insight 152-LM: Radical change is linear.

5.2.8 Parameters of change: Scope

These insights cover what the respondents thought about the scope of change.

- Insight 031-IM: A radical change always comprises the entire organisation.
- Insight 090-CO: Scope is important. One should change the entire organisation.
- Insight 091-CO: Scope is important. One should change only parts of the organisation.
- Insight 092-CO: Scope is important. The right scope depends.
- Insight 153-LM: Scope is important. Change the entire organisation.
- Insight 154-LM: Scope is important. Change only parts of the organisation. Make a pilot project first.

5.2.9 Parameters of change: Depth

These insights cover what the respondents thought about the depth of change.

- Insight 032-IM: Radical organisational change goes deeper than merely looking at KPIs.
- Insight 033-IM: Radical organisational change is linked to the personality of the employees. Both affect each other mutually.
- Insight 034-IM: Sometimes there is no time for the deeper things like corporate culture. Only after an immediate crisis has been solved first, they can be addressed.
- Insight 093-CO: Depth is important.
- Insight 094-CO: Culture and values can only be influenced indirectly via a system.
- Insight 156-LM: Depth is important.
- Insight 157-LM: Depth (culture) is not a driver, not the first priority.

5.2.10 Additional Parameters of change

The consultants and line managers were asked if they would add any parameters of change in addition to the five mentioned by the interviewer.

- Insight 095-CO: Another important parameter is Theory Y.
- Insight 096-CO: Another important parameter is vision.
- Insight 097-CO: Another important parameter is belief.
- Insight 098-CO: Another important parameter is readiness.
- Insight 142-LM: Two respondents elaborately presented their own model.
- Insight 158-LM: There is a gap between theory and practice due to a lack of commitment.
- Insight 159-LM: There are five critical success factors (according to this respondent).

5.2.11 Qualitative challenges for the change agent: Communication

Many insights dealt with the change agent's responsibility to communicate.

- Insight 035-IM: It is important to make a mark, establish standards, and set a direction.
- Insight 036-IM: It is important to grow hope.
- Insight 038-IM: It is important to communicate to establish credibility.
- Insight 040-IM: Involve everybody and re-establish communication.
- Insight 074-CO: Internalization is critical.
- Insight 077-CO: You need four things: (a) big sponsorship from the very top, (b) clarity of intent, (c) being safe to fail and (d) autonomy.
- Insight 099-CO: The first step is about changing the mindset about insight and learning.
- Insight 101-CO: Get a champion.
- Insight 102-CO: Start off with much momentum.
- Insight 103-CO: Ask questions.
- Insight 115-CO: Internalization must be a part of your success criteria.
- Insight 141-LM: A crisis is needed.
- Insight 160-LM: The first step is about creating a crisis, if needed.
- Insight 161-LM: The first step is to assess the change capabilities of the management.
- Insight 162-LM: The first step is to make it clear (to yourself) and make it essential (to others).

5.2.12 Qualitative challenges for the change agent: Handling resistance

A specific challenge for the change agent is handling resistance. These insights convey a diverse understanding of this challenge.

- Insight 041-IM: Get rid of resistant people.
- Insight 078-CO: You need resilience.
- Insight 104-CO: Resistance to change is a misinterpretation of Kurt Lewin.
- Insight 105-CO: There is no resistance to change, only resistance to a bad method.
- Insight 106-CO: There are three levels of resistance.

- Insight 107-CO: While most people feel resistance, only rebellious characters openly show active resistance.
- Insight 108-CO: Having a vision can prevent resistance.
- Insight 109-CO: Resistance can be overcome by making changes that are small and continuous.
- Insight 163-LM: There is no resistance to change, only resistance to loss.
- Insight 164-LM: I put a gun to the head of the organisation.
- Insight 165-LM: It is a matter of communication.

5.2.13 Quantitative challenges for the change agent: Measures of success

Some insights were advocates for hard facts: Numbers do not lie when measuring the success of a radical change.

- Insight 037-IM: It is important to get an overview of the situation.
- Insight 039-IM: Set new standards and stick to them.
- Insight 043-IM: Financial measures (such as the EBIT) are a generally accepted measure of success.
- Insight 046-IM: Success should be defined in a self-sustaining way.
- Insight 076-CO: It is critical to have measurable parameters and prevent them from being overridden.
- Insight 110-CO: The most important criterion is the number of experiments.
- Insight 111-CO: The most important criteria are not quantifiable.
- Insight 114-CO: At the beginning, one defines parameters and then one measures against them.
- Insight 166-LM: It is in the customer's perspective.
- Insight 167-LM: At the beginning, you define parameters and then you measure against them.

5.2.14 Philosophical and societal issues

Some insights went far beyond the focus of radical organisational change, dealing with more general questions of economy and society.

- Insight 044-IM: Auditors play a dubious role in the radical organisational change.
- Insight 064-CO: We lack the language to express this need for radical change.
- Insight 066-CO: We lack interdisciplinary thinking and qualitative research.
- Insight 134-LM: Leadership is failing across the world.
- Insight 155-LM: Philosophical question: Is a radically changed organisation still the same organisation?

5.3 The similarities between the respondent groups

All three sample groups acknowledged a need for radical organisational change. Most respondents name specific prerequisites for radical change; a few respondents even assume a constant need for change. This high acceptance of radical change may not be surprising for group one and two, since it is the “business model” of interim managers and consultants to perform change. They are hired explicitly to organise a radical change. This is why they are expected to speak favourably of it. However, even the line managers acknowledge a need for change, although from their perspective it may be seen as a nuisance, something that keeps them from doing their regular work.

5.4 The differences between the respondent groups

5.4.1 The eloquence in describing change

Whereas both interim managers and consultants take on an active role as a change agent, they have a different way of talking about it. The interim managers seem to argue very much “from their gut”. They have a gut feeling about what works and what does not work, based on many years of personal experience. They have strong opinions about what is right and what is wrong when executing a radical organisational change. They leave little room for what other people may think about this, because interim managers can often back up their decision with a remembrance of a similar situation they experienced in the past. This experience provides them with a strong guidance of the proper action to choose. They often cannot really put into words exactly why this specific action is the right choice as opposed to some alternative action they may have chosen instead. In contrast to that, the consultants argue not from their guts but from

their heads. Their heads are filled with a plethora of theories and change models. They can flexibly switch from one model to another in the style of: “If I choose this model, my next step will be this one, but if I choose that other model, my next step will be something completely different”. Consultants also quite often prefer some models over some other models and can eloquently explain why this framework is better than that framework. In contrast to the interim managers, their choice of action sometimes is not so much based on what works from their own experience (though it can be), but what works according to the preferred framework. Among the three groups, the consultants are the most eloquent when talking about organisational change. They have an impetus to teach and to explain. They seem to love the intellectual challenge to “juggle” with different theories simultaneously in their heads. What came as a surprise to me was that the line managers’ eloquence in describing change was closer to that of the consultants than to that of the interim managers. At least the line managers I interviewed were accustomed to thinking in frameworks and change theories. Their breadth of knowledge about change theories was presumably not as wide as that of the consultants, and also their readiness to continuously switch between different change theories was not as distinctive as with the “theory-promiscuous” consultants, but still the line managers were quite eloquent in describing essential aspects of the change process. I had the impression that line managers rather chose a specific change framework and then stuck to it “for the rest of their lives”.

5.4.2 Scepticism about external change agents

It does not come as a big surprise that both the interim managers and the consultants were not at all sceptical about external change agents. Why should they? It is their business model to come into an organisation from the outside in order to perform change. However, the picture is slightly different with the line managers. While three of five line managers could see a benefit in external change agents, two line managers expressed their scepticism. One of them described bad experiences he made with interim managers, the other one expressed: “I much prefer local management waking up to what they need to do”. This statement insinuates that the necessary skills to

perform radical organisational change already lie within the internal managers, it just takes some effort to generate their readiness to change.

5.4.3 Considering organisational context

The one respondent group that referred to organisational context more than the other ones were the line managers. Not surprising: Line managers are very sensitive to the organisational context because they live inside the organisation. This is why their answers quite often contain the expression: “It depends”! An interim manager or a consultant may be prepared to take a methodology that has worked with a previous organisation and transfer it to the current organisation. A line manager probably would be much more hesitant to do that. From his point of view, the organisational context such as the structure, the culture or the history make it almost impossible to transfer that methodology and apply it at their own organisation. I can add from my own consulting experience, that clients quite often say something like: “Your methodology may have worked with organisation XY, but it won’t work with our organisation. We are different”!

5.4.4 Individuality in their change approach

Both consultants and line managers demonstrated less individuality in their change approach than the interim managers. This is because consultants and line managers show a higher awareness of common frameworks and change theories. Thus, they are also much more subject to certain “change fashions”. Popular frameworks come and go; they may be in fashion for a few years or even decades but then disappear in favour of a newer state of the art. Everyone who joins the crowd and favours a specific change framework indirectly becomes a member of this specific change community. The members of this framework community might expand the framework or develop it further, but they will still stick to the basic paradigms of the framework. Some of them may even attend conferences where change professionals convince each other mutually how great their change framework is. This slightly exaggerated cliché of change framework communities is in stark contrast to the world of the interim manager. Interim managers more than the other two respondent groups fulfil the cliché of the lone wolf

or the maverick. An interim manager is much more likely to develop his very own change approach. If it proves successful, he considers it as part of the secret of his success. He hardly sees the need to share his approach with others, much less build a community around it. This is why one interim manager may be the only person to apply this a specific change approach. Within a group of interim managers, each one may prefer a totally different approach from each other, but still everyone is very likely to believe he has the right answer.

5.5 Opinions about the Parameters of Change

This section puts the respondents' opinions in context with the claims made in the scientific literature as described previously in the literature review. Five parameters were identified that supposedly have an influence on the success of a radical organisational change: speed, sequence, linearity, scope, and depth. This chapter compares the claims found in the literature with the statements made by the interim managers, the consultants, and the line managers. Since the very first interview (the exploratory interview) did not yet contain questions about the five parameters, the number of interim managers that contributed to the results in this section is n=9 for each parameter, instead of n=10 for the other questions.

5.5.1 Opinions about the preferred speed of radical change

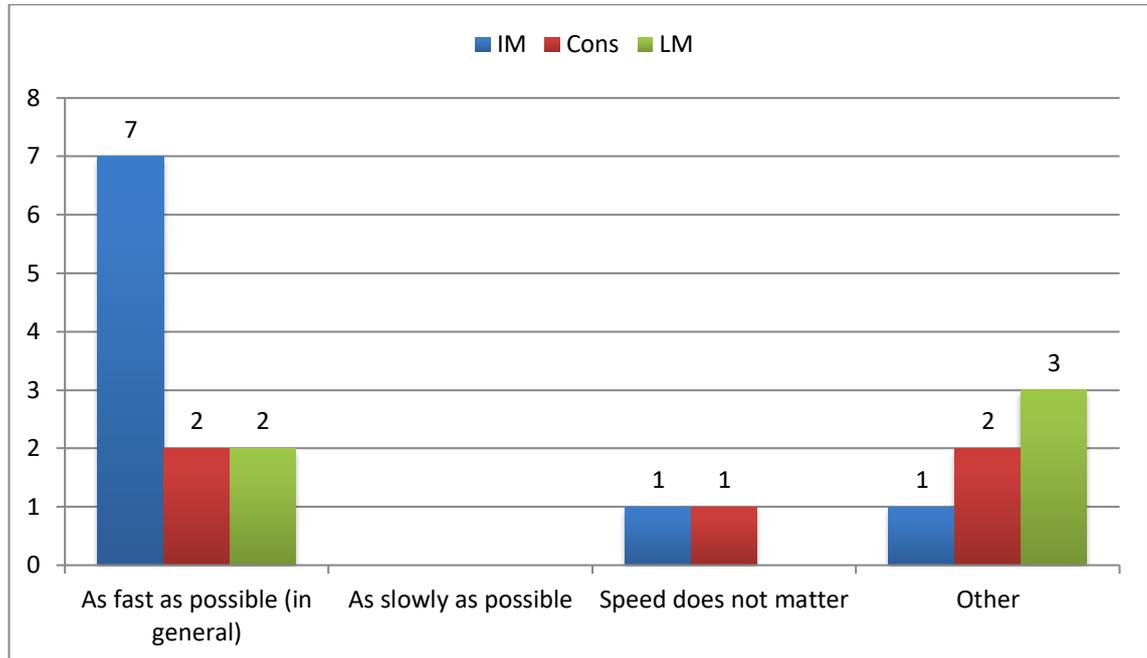


Figure 25: Preferred speed of radical change. Source: Author

So how does speed (or “pace” as it is sometimes referred to in the literature) from the change agents’ point of view match up with the literary standpoint as it is described in subsection 2.4.1? Most interim managers agreed that, in general, high speed plays an important role in the success of a radical change. Also, two consultants and two line managers each favoured the speedy approach. No one preferred a slow approach, and only two respondents claimed that speed does not matter.

The one “other” statement from an interim manager came from a respondent who claimed an exact duration of a radical change to be the best circumstance for a radical change. Since no other respondent shared this point of view, it can be considered an outlier. Five “other” statements from consultants and line managers were variations of the answer “it depends”, stressing the sensitivity to organisational context.

The majority of the authors quoted in subsection 2.4.1 agreed that speed plays an important role in radical organisational change. Some of these authors favoured high speed, others slow speed. However, none of the respondents supported the view that a radical change must be performed slowly in order to be successful. A neutral observer might argue that “slow” and “fast” are relative terms. A process that seems fast to one

observer might seem rather slow to another one. But still, the respondents also do not resort to the terminology the literary proponents of a slow approach use, such as “incrementalism” (Braybrooke & Lindblom, 1963; Quinn, 1980). An incremental—or step-by-step—approach is rather the opposite of the approach that was best described by the respondent who claimed that if he only had the necessary resources, he would do everything at once. Also, none of the respondents claimed that a fast change approach is equal to a “quick fix”, as has been suggested by some authors (Pettigrew et al., 1992a).

On the contrary, the majority of the respondents were much more in accord with the authors who claimed that “fast is good”, such as Romanelli and Tushman (1994) or Miller and Friesen (1984). However, two insights can be gained from the interviews that may add a more differentiated view upon this topic. One aspect is that the perceived necessity of performing a radical organisational change whose nature is fast rather than slow puts a severe strain on the responsible change agent and results in long working hours. This is why some interim managers told me about potential health issues and sometimes even the necessity of a “downtime” period after each interim mandate to recover from exhaustion and regain bodily fitness.

A second aspect is a consideration, per one respondent, that speed is not only about “how fast you act” but also about “how early you start”. In other words, the sooner the radical organisational change is started, the less need there is to hurry. If there is any truth to this notion, at least some of the pressure on the interim manager can be relieved, which also would make it easier for the affected employees of the organisation undergoing change. However, it is rarely interim managers who decide upon the starting point of the radical organisational change, but rather the people who hire them. Usually, by the time they do hire interim managers, it is already late and valuable time has already been wasted. Also, some interim managers feel a certain pride to be thrown into distressed situations as the accountable change managers for challenges with which most “ordinary” line managers could not cope. So, a part of the distress that goes along with a radical organisational change may be exactly the sensation the interim manager is looking for.

5.5.2 Opinions about the preferred sequence / direction of radical change

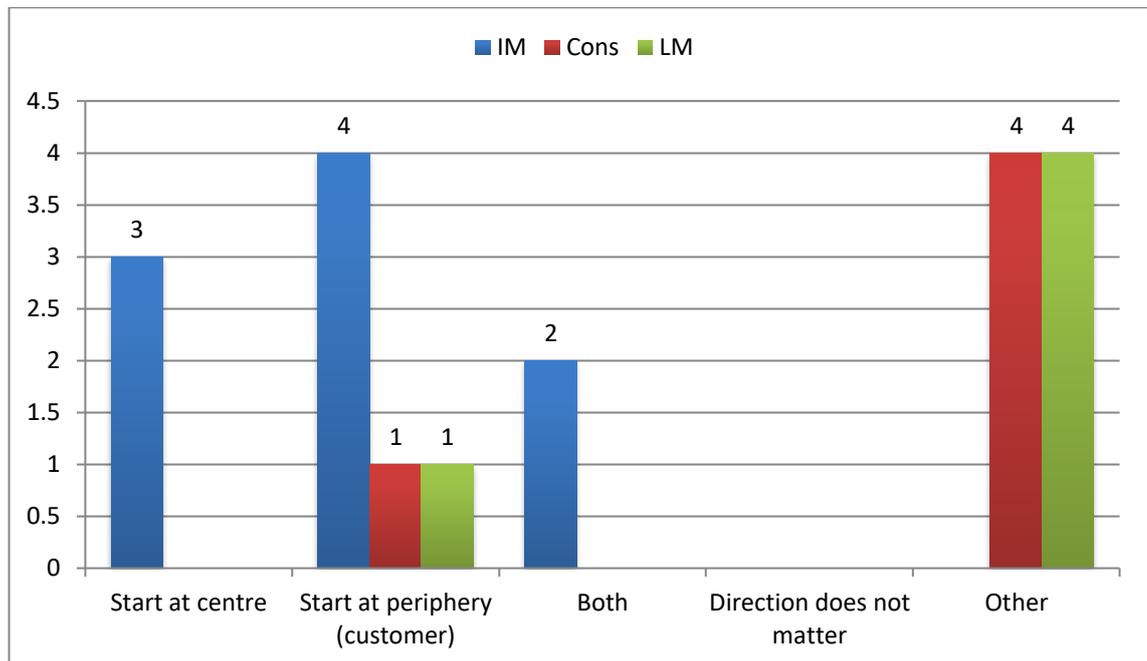


Figure 26. Preferred sequence / direction of radical change. Source: Author

A slim majority of interim managers preferred to start at the periphery as opposed to the centre. Some interim managers do not exclude either option. According to them, both starting points are viable, depending on the situation. Of the consultants and the line managers only one of each interviewed preferred to start at the periphery, and nobody preferred starting at the centre or at both places. However, no respondent stated that the starting point does not matter. Here are the answers of the “other” category given: Three consultants interpreted the differentiation between centre and periphery more as a differentiation between top-down versus bottom-up and claimed that both approaches have their merit. One consultant maintained that the situation is even more complex than a mere top-down-bottom-up categorisation and compared the change process to an infestation. Three line managers demonstrate their sensitivity to context by answering the question about centre versus periphery with a sophisticated version of “it depends”. One line manager came up the innovative approach of defining interfaces and claimed that once having installed them, the starting point—centre versus periphery—becomes irrelevant.

As far as the question of sequence/direction of radical change is concerned, the statements of the respondents are in some contrast to the ones found in the literature. The only literary proponent of starting at the periphery (M. Beer, Eisenstat, & Spector, 1990a) was in favour of doing so, because it is supposedly easier to target “small, isolated, peripheral operations”. This is reasoning not shared by any of the respondents. It is noteworthy that none of the sources from the literature mention the important role of the customer. The respondents in favour of starting a radical change at the periphery claimed that when you go to the periphery, you do so because that is where the customer is. Only the periphery of the organisation is in direct contact with the customer. That aspect seems to have been overlooked so far in the literature. According to the respondents, the customer is a vital source of information concerning the question concerning in what way the organisation is supposed to be changed.

Most respondents mentioning the important role of the customer used this expression in a traditional sense as the customer being an external entity and the recipient of goods, services, products, or ideas. This meaning of customer is commonly synonymous with “buyer” or “client”. This interpretation of “customer” represents the market forces and, thus, acts as a valuable source of information about what the market wants, especially when the radical organisational change was induced due to changing market demands. Nevertheless, as one respondent pointed out, there is also the internal customer. This interpretation of the expression “customer” is less about the market, but rather about how the different departments of the organisation cooperate. In other words, this is about internal communication and the smoothness of internal processes.

There are significantly more literary sources that suggest starting at the centre rather than starting at the periphery. This proportionality of opinions was not shared among the respondents. Here is a possible explanation for that. Some authors claiming that it is necessary to start at the centre of the organisation argued that this is where the “high impact systems” are. But perhaps this argument does not apply in a radical organisational change when an interim manager is already put in place as the change agent. In this case, the interim manager is right at the centre of the organisation, and he

himself does not need to be changed, since he—being the driver of organisational change—is already in a change-friendly “mode”.

5.5.3 Opinions about the preferred linearity of radical change

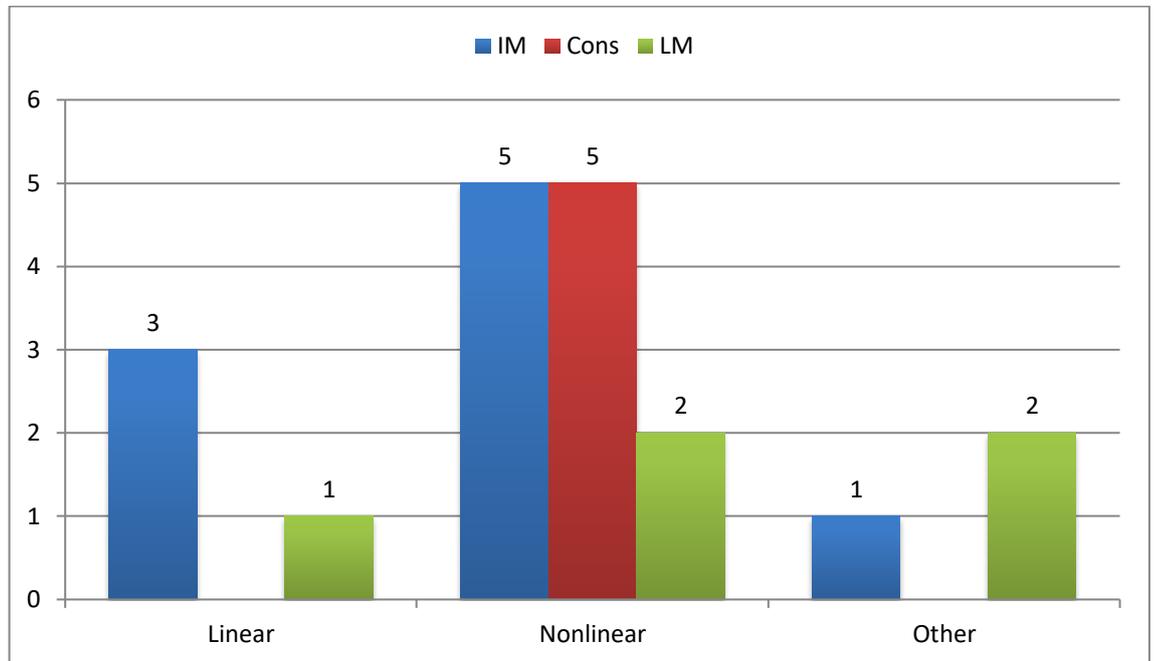


Figure 27. Preferred linearity of radical change. Source: Author

Only a minority of the interim managers supported the opinion that “the sequence of specific process steps repeats itself during each organisational change”, whereas a majority favoured the view that “they are different every time”. The former option was mentioned specifically in the context of a financial restructuring. One interim manager differentiated between financial projects (linear) and non-financial projects, which are often very different from each other and, thus, require a nonlinear approach. All the consultants were in favour of a nonlinear approach. They clearly disapproved of a simplistic step-by-step scheme of change. The perspective of the line managers again was more differentiated. One of them favoured a linear approach, two of them a nonlinear one. In addition, there were two line managers listed in the “other” category. One of them claimed that a linear approach is only suitable for a less experienced change agent as a starting point for “learning” how to change an organisation. The second line

manager of the “other” category had a more differentiated point of view. He maintained that linear models of planned change are useful as a framework but not as a detailed set of instructions. You would have to use them intelligently, he opined, meaning that sometimes they would require an iterative interpretation that is not originally part of the model.

The “linear” approach suggests that it is possible to standardise the process of a radical organisational change, at least to a certain degree. In contrast, the “nonlinear” approach suggests that the next step in the process of a radical organisational change must be determined individually by the responsible change agent. This point of view could be triggered by the bias that the change agent’s personal assessment of the situation is vital to the success of the endeavour. In more colloquial terms: If you have a big ego and consider yourself irreplaceable, it is easy to be in favour of a nonlinear procedure where each next possible step requires an evaluation by your very personal, valuable opinion.

The change agents who are in favour of a nonlinear approach have the majority of literary sources on their side. Authors such as Kanter (1984) or Greenwood and Hinings (1988) argued with the complexity and the iterative character of organisational change that would make a linear approach rather unlikely. So, one can only speculate why still some respondents were proponents of a linear approach in the sense that—especially during a financial restructuring—the necessary steps of each mandate are essentially the same. Did they know something the others did not? Were they more willing to admit something other interim managers would rather conceal? Or, were the “nonlinear” change agents right in the sense that a change agent is comparable to a renowned Chef de Cuisine whose unique experience is resistant to any form of standardisation? In any case, the literature and the change agents interviewed were concordant as far as this criterion is concerned: A majority preferred a nonlinear approach.

5.5.4 Opinions about the preferred scope of radical change

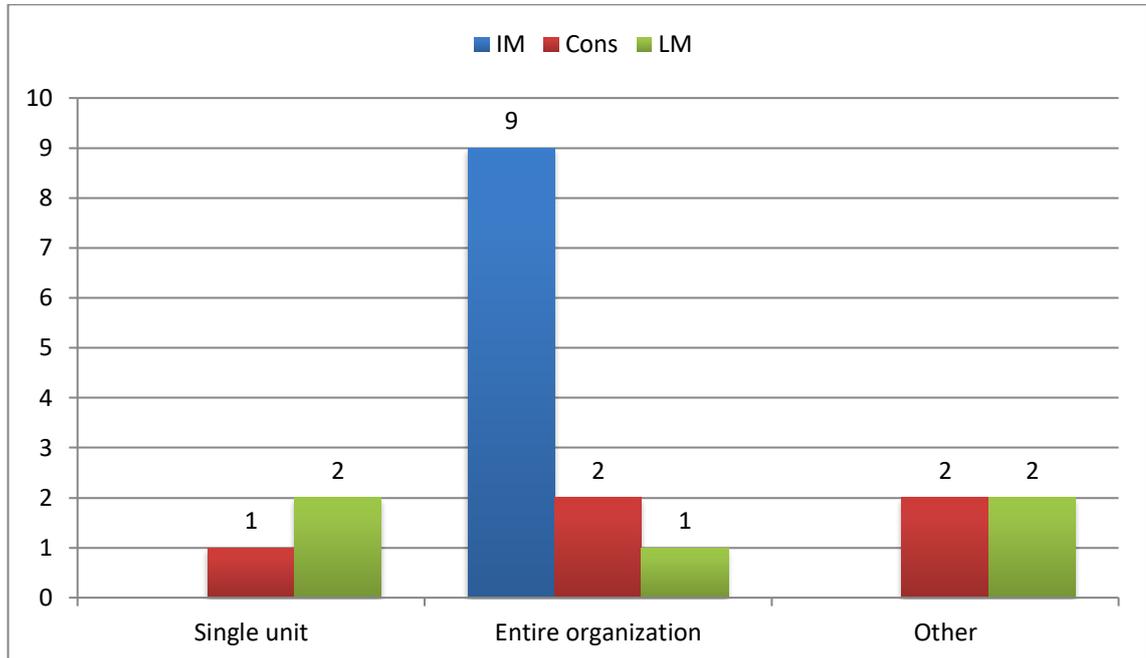


Figure 28. Preferred scope of radical change. Source: Author

Every interim manager agreed that a radical change must comprise the entire organisation. No one could provide an example where the radical change of only a specific department was successful, leaving the rest of the organisation untouched. So, from the point of view of the interviewed interim managers there is only one kind of scope: It is either the complete organisation, or there is no change at all. The situation is a bit more differentiated with the consultants and the line managers. The consultants prefer the entire organisation approach versus the single unit approach two to one, while the line managers have it exactly the other way around: Two prefer the single unit approach and only one line manager prefers the entire organisation approach. Both the consultants and the line managers have two respondents each at the “other” category. One consultant and line manager each deliver an answer that puts “it depends” in their own words. In addition to that, one consultant stresses the approach of starting at a single unit, gathering experience and then expanding the change. The second line manager in the “other” category prefers an 80/20-approach, meaning that one should start where a change is most urgently needed and then work oneself through the

organisation until the most relevant units are all covered, but not the entire organisation.

When authors such as Stoddard and Jarvenpaa (1995), Roberts (1998) or Kofoed, Gertsen and Jørgensen (2002) accentuated different scopes of change, are they not referring to the kind of radical change an interim manager has to deal with? One could at least argue that the scope of change is definitely a critical success factor in so far as when the scope of the radical organisational change does not comprise the entire organisation, the change is not likely to be successful, according to the majority of respondents.

This ties in to a remark one respondent made that relates to both the speed and the scope of change: From his viewpoint a radical change is easier to do than a non-radical change. This may sound counter-intuitive at first. However, he does have a point: When handling complexity while introducing “new rules of the game” during a radical organisational change, it is preferable to introduce them all at once and equally encompassing throughout the organisation. This leads to an organisation easier to manage due to much less complexity than an organisation that is in the midst of a slow change with different “rules of the game” in each department, with exceptions everywhere and with confused employees who constantly wonder which set of rules is currently the relevant one.

5.5.5 Opinions about the preferred depth of radical change

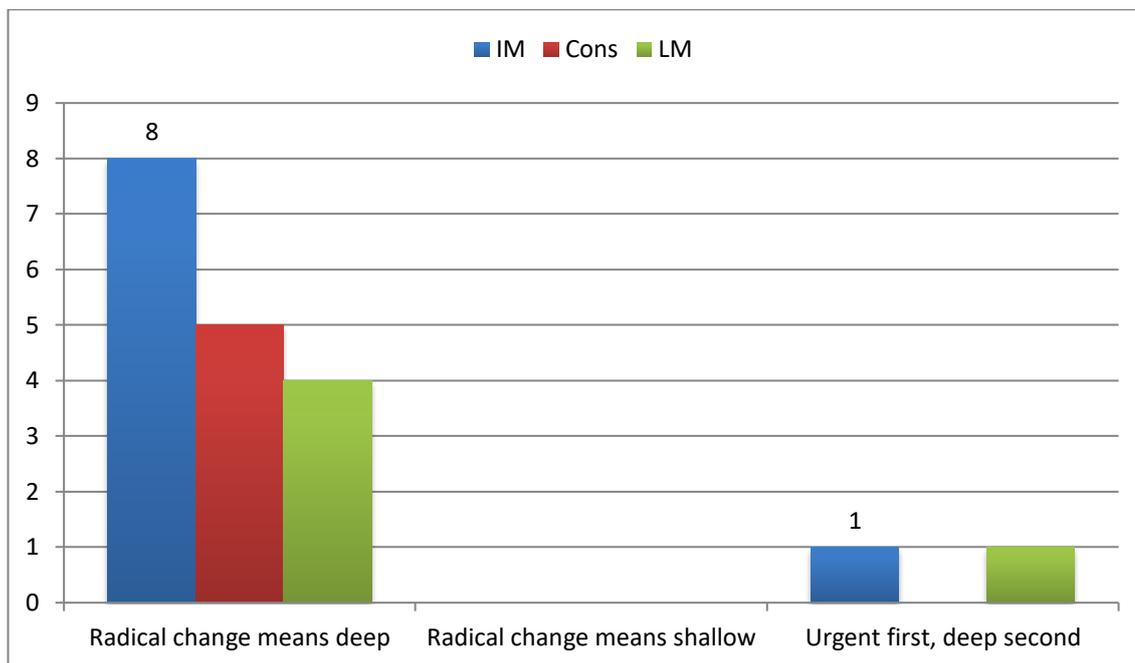


Figure 29: Preferred depth of radical change. Source: Author

Most interim managers agree that a radical organisational change always comprises a deep intervention into company essentials, such as corporate culture, values, success criteria, etc. All of the consultants agreed with that opinion, as well as four of five line managers. However, one interim manager stresses that in an immediate crisis the urgent issues have to be addressed first, before there is time to deal with the underlying deeper problems of the organisation. One line manager is of a similar opinion. According to him, depth is not a driver but a lagging thing. Because it takes longer to get culture change into play, the employees take time to see it, so that it can become part of the organisation.

When decision makers in an organisation make their decisions, they do so based on certain algorithms. A radical organisational change changes the way decisions are made, changes these algorithms. This is a less romantic way of expressing what corporate culture is all about: A different culture leads to a different kind of decision-making. This is why authors writing about the depth of change, such as Huy (1998, 1999b), often refer to the culture of the organisation.

5.6 Condensation of the Findings

This section is not a typical summary, but an effort to condense and solidify the findings of this research. When interviewing the change agents, I noticed nine general themes that were referred to over and over again. They kept reappearing, clothed in different expressions and mentioned in different contexts, but still accentuated continuously as something that from the respondents' point of view has an influence on the success of radical organisational change. In the subsequent text, I will refer to these themes as "dimensions".

5.6.1 Communication

You have to stay the course. Stand your ground. Continue to explain and demonstrate with facts in finding different ways to communicate why you are there and why you need to change. It needs to be articulated and communicated clearly, transparently to everyone to get buy-in. (INT-03-USA)

A major dimension of radical organisational change that is stressed repeatedly by the respondents is the change agent's responsibility to communicate, to exchange points of view. It is not sufficient to quietly do some "change work" and then confront the employees with the results. It is rather advised to continuously communicate about the change initiative, firstly before it even starts, secondly while it lasts, and thirdly when certain milestones are reached. In other words, communication is not something separate from change work, it is an essential part of change work. The following exemplary insights refer to the need for communication.

- Insight 004-IM: An interim manager must provide stability during radical change.
- Insight 036-IM: It is important to grow hope.
- Insight 038-IM: It is important to communicate in order to establish credibility.
- Insight 040-IM: Involve everybody and re-establish communication.

These insights reveal some information as to why communication is so important: The change agent's communication provides stability during the long and sometimes

turbulent times of radical organisational change. While a changing organisation itself cannot provide stability during the process of changing, instead the change agent will fulfil the need for stability by—almost like a pilot—explaining the change journey and providing information about direction and distance to the final destination. The notion “to grow hope” relates to the impression that this final destination can realistically be reached at all. Also, just like a pilot, the change agent must establish credibility about himself, so that people are ready to take his advice, because they feel he knows about the change journey the organisation is currently travelling. Lastly, communication is a tool to involve everybody, to turn ‘those affected’ into ‘participants’, as we say in German, “Betroffene zu Beteiligten machen”.

5.6.2 Organisation

So, in that sense I have no problem whatsoever with firing such people. This applies to the first and the second levels of hierarchy, to managing directors or executives and authorized signatories. For all the rest, although I have been in business for many, many years, I still have really sleepless nights.^{lxv} (INT-09-GER)

A second dimension of radical organisational change refers to implementing the appropriate organisational structure. The relevant decision maker positions in the organisation have to be occupied by people who fulfil the high standards of a supple organisation. They graciously handle the balance between stability and flexibility, they are “agile”—as a popular buzzword would describe it. The following exemplary insights refer to the need for organisational structure.

- Insight 100-CO: Not the people are the problem, the system is the problem.
- Insight 094-CO: Culture and values can only be influenced indirectly via a system.
- Insight 147-LM: You need well-defined interfaces.
- Insight 041-IM: Get rid of resistant people.

These insights reveal some information as to why structure is so important: The expression “system” refers to both the organisational structure and the workflow; this is why it is also mentioned in the subsequent section about the transaction. If we relate the system to the organisational structure, it means that each responsibility has to be

clearly allocated to a specific person. Employees must know who is responsible for which result. In a supple organisation, every responsibility is covered by someone. This also implies that the employees know that with a “problem X” they must go to “person Y” to have it adequately solved. The idea of well-defined interfaces implies that these different responsibilities interlock with each other like cogwheels. Every issue is covered, there is always someone who is eager to resolve that specific issue. On the other hand, this idea of a system with intertwining responsibilities imposes on the change agent the unpleasant task of removing everyone who refuses to be part of this system, of this well-oiled machine, of this supple organisation.

5.6.3 Workflow

So, people really should spend some time updating their process and fixing their process and getting better tools, but they don't because they are just so busy with work. (INT-18-HKG)

A third dimension of radical organisational change refers to maintaining the workflow by keeping the processes and tools up-to-date. In most professions, processes and tools can become outdated. They are not considered state-of-the-art anymore, because new processes and tools have evolved that deliver results either faster or cheaper or more reliably or in a higher quality. Still, many employees stick to their old way of doing things, because they feel most comfortable with it. From their perspective, this is the way they were schooled, this is the way things have always been done around here, and everything else is just some “newfangled fashion”. The following exemplary insights refer to the need for a current transaction or workflow.

- Insight 100-CO: Not the people are the problem, the system is the problem.
- Insight 115-CO: Internalization must be a part of your success criteria.
- Insight 073-CO: Purpose without method is nonsense.
- Insight 052-CO: It is about overcoming silo mentality.

These insights reveal some information as to why workflow is so important: The expression “system” refers to both the organisational structure and the workflow; this is why it is also mentioned in the previous section about the organisation. In German

language we differentiate between “Aufbauorganisation” and “Ablauforganisation”. They are the two sides of the same coin: Aufbauorganisation means the organisational structure while Ablauforganisation means the workflow, the processes and tools used. So, a part of the “system” dimension is that the transactions are well defined, that people know what to do and which tools to use. The more internalized the workflow is, the better. The above quotation “purpose without method is nonsense” relates to the leadership principle that instructing employees on a merely theoretical level leaves them helpless unless they know how to translate the instruction into something they can “do”, into tools they can use and processes they can execute. And similar to the last section, also the different workflows must interlock with each other like cogwheels. “Overcoming silo mentality” means that the workflows do not end at the border of the department, of the organisational unit. Rather, they are a part of the holistic entirety of processes and, thus, must interlock with the workflows of neighbouring units.

5.6.4 Skin in the game

I think it's comfort. [...] The cognitive dissonance that is absent for people that are feeling quite comfortable in their individual role or their organisation's position in a market, I think that the absence of the cognitive dissonance around [being] hungry to do things better, perpetually striving, a ferocious appetite and curiosity for doing things differently, I think that that's not in everybody. [...] Mindsets, to use that language, can be such that we get into some orthodoxies and some patterns of behaviour that say, “Well, it's kind of good enough. We're big”. [...] If you do not just have this insatiable appetite for constantly improving and learning and growing then [...] somebody else is going to step in and kick you out of the game. (INT-15-CAN)

A fourth dimension of radical organisational change refers to the opposite of indifference: It is about people feeling responsible and accountable for what they do. It is taking pride in creating something of value. Responsible employees care, they want to make customers happy. They have, as the saying goes, “skin in the game” (Taleb, 2018). There is emotion involved, because the outcome matters, and a good outcome delivers a sensation of satisfaction. It is a matter of honour, the old-fashioned word

“truth” may be applicable here. The following exemplary insights refer to the need for skin in the game.

- Insight 033-IM: Radical organisational change is linked to the personality of the employees. Both affect each other mutually.
- Insight 074-CO: Internalization is critical.
- Insight 115-CO: Internalization must be a part of your success criteria.
- Insight 136-LM: People do see the need for change but do not know how to change or do not feel entitled to change.

These insights reveal some truths as to why skin in the game is so important, in the sense of employees have a felt stake in the change and accountability for its successful implementation. Some change agents claim that the reason why organisations develop an urgent need for radical organisational change is that the decision makers do not have a sense of accountability. They do not care about the organisation, they do not care about the customer, they do not care about the outcome of it all. Maybe while they do not care about their work life, they only care about their private life. Or even if they do care about their organisation, they only do it from a short-term perspective: For example, the manager who likes to “massage” the financial parameters, so they look good in the fiscal quarter, even if this damages the organisation in the long run. Or the engineer who likes to develop a product with the fanciest technological features, even if this does not make any sense from an entrepreneurial perspective. All of these are examples of employees who do not have “skin in the game”, who do not sufficiently feel responsible for the results of their endeavours.

5.6.5 Autonomy

I like to see people feeling empowered. So, they take accountability and are responsible for things, making their own decisions, and are starting to make positive changes in their areas of work. (INT-17-GBR)

A fifth dimension of radical organisational change refers to the question: “Are the employees allowed to make their own decisions in their area of responsibility?” Although it may be easier momentarily for the immediate superior to make a decision

himself, leaving the decision-making up to the employee may help the employee to become a better decision maker on a long-term basis. This may lead to some shortcomings but will enable the employee to learn from his own mistakes. The entire process of helping the employee “grow” to become a more experienced decision maker is only possible under the prerequisite that his immediate superior is comfortable with the principle of delegation.

- Insight 042-IM: The interim manager makes himself redundant and the company can take care of itself.
- Insight 050-IM: Seeing the people blossom is experienced as a huge reward.
- Insight 077-CO: You need four things: (a) big sponsorship from the very top, (b) clarity of intent, (c) being safe to fail and (d) autonomy.
- Insight 116-CO: Satisfaction lies in learning and in growing people.
- Insight 169-LM: Satisfaction lies in the personal growth of other people.

These insights reveal some information as to why autonomy is so important: Employees who used to wait passively for instructions suddenly show initiative. They come up with their own ideas. This is why interim managers, consultants, and line managers all state that they like to see people “blossom” or “grow”. One knows it when one sees it, even if one cannot read it in the balance sheet.

5.6.6 Credentials

At the very, very beginning, you've got to have a need for the change, analysing performance parameters. [...] If those indicators have not changed, then you haven't been successful. (INT-12-USA)

A sixth dimension of radical organisational change refers to the maxim: “What gets measured gets done”. There is some truth in the maxim. A supple organisation consists of more than the “touchy-feely” dimensions. There are also the hard facts, the numbers, and the KPIs. They can be measured objectively and are the way they are, meaning that there is no room for interpretation as to whether they have become better or worse. On the other hand, when during radical organisational change, improvement has been implemented, and it is a pleasurable experience to see the numbers improve gradually,

but steadily. This is the moment when cold, hard facts stimulate emotion in the observer. The following exemplary insights refer to the need for transparency by measurable parameters.

- Insight 035-IM: It is important to make a mark, establish standards and set a direction.
- Insight 039-IM: Set new standards and stick to them.
- Insight 043-IM: Financial measures (such as the EBIT) are a generally accepted measure of success.
- Insight 076-CO: It is critical to have measurable parameters and prevent them from being overridden.
- Insight 114-CO: At the beginning, you define parameters and then you measure against them.

These insights reveal some information as to why objective evaluation by transparently measurable parameters is so important: objective parameters help define a goal and measure progress. The most basic parameters are the financial parameters, such as turnover and profit. However, transparency references much more than the financial dimensions—the volume of sales and the EBIT. Everything on the way to generating these financial dimensions can be a “key performance indicator (KPI)”. Apart from the financial KPIs, there are also parameters such as customer metrics (number of customers, Net Promoter Score etc.), process metrics (duration of production, number of faulty products etc.) and people metrics (employee turnover rate, employee satisfaction etc.)

5.6.7 Relationships

The very first step is establishing your own credibility. [...] You've got to listen. You've got to repeat what you are told. You've got to engage in a thoughtful conversation at multiple levels. I mean, starting with the board, starting with existing management. Whether or not they've lost credibility or not, you've got to build their faith in you even though you can't make any guarantees, but they're going to get at least a fair hearing. Then with the employees who are now

confronted with this idea that their whole world and perhaps their incomes are threatened, you've got to say, and be honest with them as far as there are changes coming, that you are going to keep them apprised and that you are going to figure out what the best solution is and negotiate the best future with all the stakeholders, lenders, shareholders, board, management, customers. The same conversation with the customers too. You've got to go out and establish credibility. Yeah, we're going through a change. Because there are no secrets in a corporation. [...] You've got to have a message. (INT-05-USA)

A seventh dimension of radical organisational change refers to the question: “Do we interact with each other as human beings”? People want to be respected at their workplace, and the style of human interaction needs to reflect that. Do the employees feel secure at their workplace? In what way do they have the impression that they can trust each other? These are no all-or-nothing criteria; a perfect state is hardly ever achieved. Still, the organisation should constantly strive towards it. Also, the parameters of human interaction are of such a high complexity that they can rarely be expressed in mere numbers. This is what the word “relationship” means. Whether the style of human interaction is good or not so good is perceived in a “gestalt” or holistic kind of way, not by looking at the details, but by judging the situation in its entirety. The following exemplary insights refer to the need for a fair human interaction.

- Insight 045-IM: The mood improves drastically.
- Insight 032-IM: Radical organisational change goes deeper than merely looking at KPIs.
- Insight 036-IM: It is important to grow hope.
- Insight 061-CO: There are three indicators for the need for radical change: uncertainty, desperation, and complacency.
- Insight 072-CO: Radical change is only needed in times of chaos and desperation.

These insights reveal some information as to why fairness, the style of human interaction, is so important: When a radical organisational change is necessary but not performed, often the mood inside an organisation becomes despondent. When the discrepancy between what the management says and what the management does

becomes too big, employees mutate into cynics. Some “good” people leave the company, the ones who stay behind become even more desperate. This is why when a radical organisational change is finally started and directed by a capable change agent, a typical observation is made that “the mood improves drastically”.

5.6.8 Entrepreneurship

So, most people [...] in larger organisations, this applies to companies, the state, NGOs, [...] are primarily interested in their own personal advantage and less in the advantage of the organisations they are responsible for. They care therefore more about themselves than about the company. And if they have to do something that is uncomfortable for themselves or dangerous for their career, then they will not do it. They think only about themselves from morning to night. That is the rule.^{lxvi} (INT-02-GER)

An eighth dimension of radical organisational change refers to an aspect of personal responsibility that goes even deeper than skin in the game and autonomy. It is the dimension of entrepreneurship. Entrepreneurship refers to both the capability and the readiness to take calculated risks in order to make a business thrive. It is an adult worldview in so far as it is less directed by the thought of immediate short-term survival as it might be pursued by an infant. On the contrary, the entrepreneurial worldview looks far into the future and demonstrates readiness to build something long-lasting of substance. Entrepreneurship means to resist short-term consumption in order to sow something that will be larger in the long run when the time for harvest has come. The following exemplary insights refer to the need for entrepreneurship.

- Insight 003-IM: A radical change has an entrepreneurial character.
- Insight 010-IM: Some people are selfish. They care about their own advantage, not about the advantage of the organisation.
- Insight 012-IM: Not everyone has the personality to think and act from a long-term perspective.
- Insight 013-IM: Sometimes leadership is rather geared towards sales and technology than towards entrepreneurial thinking.

These insights reveal some information as to why entrepreneurship is so important. Especially the interim managers who had their own long-term experiences with entrepreneurship were sometimes astounded how little the employees in their organisations demonstrated entrepreneurial behaviour. If, on the other hand, the change agent was not the only person with entrepreneurial thinking in the organisation, it became so much easier for the change agent to initiate radical organisational change and make the organisation profitable again.

5.6.9 Difference

“Say, ‘Okay, this is what we’re doing. Here’s where we’re going. Do I have buy-in from everybody?’ And then driving that down into the organisation. Everyone knows what the vision is, why we’re doing it”. (INT-06-USA)

Finally, a ninth dimension of radical organisational change refers to a higher purpose, to having an impact, here labelled as making a difference. Working in an organisation requires most of all time, but also effort and dedication. The question is legitimate: Is it really worth it? Is it more than a means to an end, more than a malady to earn one’s living? The best professions are more than just “jobs”, they are an answer to the question: “Why am I doing this?” The best professions offer a higher purpose, they are as the saying goes “larger than life”. The following exemplary insights refer to the need for impact.

- Insight 125-CO: Change is bad when the raison d’être is lost.
- Insight 061-CO: There are three indicators for the need for radical change: uncertainty, desperation, and complacency.
- Insight 117-CO: The world has become a better place.
- Insight 118-CO: An external change agent is required when the internal management lacks vision.
- Insight 108-CO: Having a vision can prevent resistance.

These insights reveal some information as to why impact is so important: The French expression “raison d’être” says it all – a reason to be. In contrast to this, a feeling of uncertainty, desperation, and complacency only can arise when the raison d’être is lost.

In order to convey the reason to be, the change agent must develop and communicate a vision. “Why are we doing all of this?” is a sentiment that frequently arises during a change that whose intended outcome has been inadequately communicated. The change agent may even insinuate that after a phase of “blood, sweat and tears” a new era may come, and everybody will arrive in “paradise”. The common endeavour is more than the sum of its parts; it is a major effort to make the world a better place. Granted, “making the world a better place” is a very subjective criterion, leaving room for a broad range of interpretation. For some people it may be an environmental thing, developing a solution that is less wasteful with natural resources. It can be a social innovation, bringing people into productive work and thus abolishing poverty. Maybe it is something practical that makes life a little easier and saves time for people in their everyday life. From improving people’s health to simply making them feel better, the interpretations of “making the world a better place” are manifold. In any case, people love to work in organisations that establish exactly that.

Chapter 6: Conclusion

6.1 Discussion of key findings

The goal of this chapter is to discuss the outcomes of this research. First, these are discussed in terms of answers to each of the research questions. The contributions to knowledge that arose from the research are introduced and contextualised. This is followed by a reflection on the limitations of this study. Issues raised by this research are discussed in terms of recommendations for future research and implications for practice. Lastly, the reflection section reviews my experience with this research project and offers a glimpse into the future.

6.2 Answers to research questions with discussion

In the section that follows, I revisit the research questions and critically review the answers to them provided by the research outcomes. The research questions are addressed in the following order:

1. What is radical organisational change?
2. When is radical organisational change necessary?
3. How should radical organisational change be implemented?
4. How can the outcomes of radical change be evaluated?

6.2.1 What is radical organisational change?

The questions about the essence of radical organisational change were answered broadly and in depth by the respondents, resulting in lengthy discussions of multiple perspectives. These can be grouped into two different themes, which are discussed in the following subsections. The first theme focuses on the ways in which radical change is different from incremental change. The second theme focuses on organisational aspects (here called “dimensions”) that are affected by radical organisational change.

6.2.1.1 In what ways is radical change different from incremental change?

My original curiosity about radical change evolved around the question of whether there is a difference between radical and gradual organisational change. If there is a difference, is there perhaps a continuum from gradual to radical change, or is radical change something inherently different? The majority of the respondents considered radical change to be something inherently different. According to them, radical change has an entrepreneurial character, is a natural thing like birth and death, comprises paradigm shifts, and helps the organisation to develop from one stage to another. The expression “paradigm”, established by Kuhn (1970), has achieved broader global currency. It was a term used occasionally by the respondents, of whom one explicitly referred to Kuhn’s model of change.

The idea that radical change is something inherently different from incremental change found support in all three groups of respondents: the interim managers, the consultants, and the line managers. The interim managers used terms such as “fundamentally new” or “things they’ve never done before” to express the entrepreneurial character of radical change in quotations such as:

1. INT-02-GER: So, a radical change is a situation in which you can think of something fundamentally new, which has not yet existed in this form. This does not include, most importantly, the usual cost-cutting measures for personnel. This does not include the usual savings measures in purchasing. [...] But you can think of something fundamentally new. This usually has an entrepreneurial character.^{lxvii}
- INT-03-USA: Radical can be long-term and short. It can be both. [...] From my point of view, a radical change is when the organisation is going in a direction or doing things in a way that they’ve never done before.

The consultants referred to expressions in the mode of “inside” or “outside”. From their point of view, one is either inside the system or outside of the system, either working inside a paradigm or changing the paradigm itself:

- INT-11-GER: I would draw the line, the distinction between those two kinds of change in: The first type is working in the existing organisational mindset model, dogma, mental models, principles, values. [...] Even reorganisation [...] usually it's just reshuffling the org chart with the same mindset. The other kind of change, the transformational, or how you call it, radical change, which is moving to another mindset first, [...] moving away from command and control and moving towards decentralized systemic network organisation.
- INT-13-RSA: Radical [change] would require you to change a couple of the mechanisms the company had previously put in place in order to get to the next level. And that obviously disturbs people quite heavily. So, it's about mindsets changing culture, changing structure, anything really required to make the company move in a slightly different direction or sometimes very different direction than it was moving in before. You can't just use the normal structures to actually achieve that outcome.
- INT-15-CAN: A transformation of the organisation's value proposition in a market or entering a new market or scaling their business so that we're getting into 10x-ing, scaling it in such a transformational way that their impact is ten times what it currently is. So, it's either market, scale, or service, product and service, completely different, something they've never done before. [...] Value proposition, how our clients or stakeholders see us providing value. So, our value proposition, what it is that we offer to the outside world of this organisation.

The line managers argued in a similar fashion to the consultants. From their worldview, a radical change is about a change in paradigm, a transformation not stepwise but "leapwise":

- INT-17-GBR: It is a change in paradigm. A complete change in the focus, strategy and how people act and behave in the organisation post change.
- INT-19-GER: Radical change [...] is more like not taking one step after the other but going in leaps.

- INT-20-GBR: You can have evolutionary change where you become a bit better, at something, but radical change involves a step change, a transformation between the initial state and the desired state.

One could argue that, in a way, all change is radical. However, I found this point of view hardly ever supported in the interview data. The only statement I found that clearly tried to level the difference between incremental and radical change came from a consultant. He claims that even Kaizen, the concept of continuous improvement, can be considered radical, even though it is more of an evolutionary than of a revolutionary nature:

- INT-14-ITA: There are two kinds of change. On one side there is the Kaizen continuous improvement. [...] But radical change the way I see it is probably something that may be confused for the sudden complete blank slate. [...] In my experience, that's the one that is way, way harder to introduce which ends up in no change at all. [...] So, in my view, Kaizen is radical, although it may not be perceived [that way] by some other people.

When explaining my personal point of view about the question, regardless of whether Kaizen is radical, I like to resort to the analogy of watching wild animals. When you are out in the wild, for example in the forest, and you want to observe wild animals, it is advisable not to move for a long time. Some wild animals are unable to detect human beings as long as they do not move. Only when the observer starts to move, the animal may feel threatened and shy away. Similar to this analogy, if an organisational change is practised in a Kaizen style, so very slowly that it will hardly be noticed, it can “fly under the radar” of any potential resistor to change. However, when trying to find a label for this kind of change, I would hardly resort to the expression “radical”, but rather to something along the lines of “subversive”.

To sum it all, there was a general consensus that radical change is something inherently different from incremental change. When describing the difference, the interim managers resorted to terms of “newness”, whereas the consultants and line managers resorted to a distinction between “inside” and “outside”, with occasional reference to a paradigm shift. The idea of a continuum from incremental change to radical change was almost never supported. In other words, there is no “gas pedal” for change that, if

pushed softly, delivers an incremental change, and if pushed harder, delivers a radical change. Instead, the results suggest that resorting to radical change requires different skills and different tools from resorting to incremental change. In consequence, not everyone with experience in incremental change can perform a successful radical change. That may be a reason why external change agents tend to be favoured when it comes to executing radical organisational change.

The radicalness of change

In what way is radical change different from incremental change?

Interim Managers



Fundamentally New

Consultants



Inside Outside

Line Managers



Inside Outside

Figure 30: The radicalness of change. Source: Author

6.2.1.2 The dimensions of radical organisational change

While there is no simple answer as to what exactly radical organisational change is, there are some insights as to what radical organisational change is about. Each change initiative covers most of or all the following dimensions of an organisation (see Table 11). This overview is based on the findings discussed in the condensation section of the analysis section (5.6). The logic of the table is explained in the text below.

Table 11. Overview of Dimension Types Mentioned by Respondents

Label	Related themes	Desired outcome
Organisational Dimensions		
Communication	Information exchange, Conveying messages	Hope, goal-orientation, clarity
Organisation	Hierarchy, organisational structure, governance	Clear roles and responsibilities
Workflow	Transaction, Processes	Effectiveness and efficiency
Change Dimensions		
Skin in the game	Accepting responsibility, accountability	Commitment, dedication, stakeholder mentality
Autonomy	Enablement, delegation	Locus of control
Credentials	Hard factors: KPIs, objective measures of performance and outcome	Proof of progress, mastery
Relationships	Soft factors: Interaction as human beings (internal)	Mutual trust, respect, laughter, fairness
Entrepreneurship	Taking calculated risks	Ownership, rewarding experimentation, avoiding blame culture
Difference	Making a difference, having impact, added value	Higher purpose, larger than life, sustainability of change

Note. Source: Author

Here is a brief overview of the organisational dimensions: The dimension of communication refers to the change agent and the management conveying messages to the employees and the stakeholders about the goal and the current status of the change initiative. The desired outcome of doing so is to uphold morale by providing clarity of what to expect and hope of reaching a common goal for which to strive. The

dimension of organisation refers to building an organisational structure (German: "Aufbauorganisation") so that all relevant roles are covered by competent personnel. The desired outcomes are clear roles and responsibilities. In other words, everyone knows about his own role and responsibilities, but also about whom to turn to for everything that does not belong to his own responsibilities. The dimension of workflow (German: "Ablauforganisation") relates to the necessary processes and transactions. The desired outcome is that all necessary processes and transactions are covered and handled in an effective and efficient manner.

Here is a brief overview of the dimensions of change: The dimension of skin in the game refers to the status that, for every process in the organisation, at least one person is responsible, and that every employee of the organisation is responsible for something. The desired outcome is the increased commitment and dedication of the employees, commonly expressed as saying that everyone has "skin in the game" (Taleb, 2018). The dimension of autonomy (Pink, 2009) refers to enabling the employees to make their own decisions. This is closely related to the psychological concept called "locus of control", developed by Rotter (1966). It relates to the belief that one has control over the outcome of one's actions so that one's work for the organisation is not in vain. In a nutshell, it is the notion that a person controls his own destiny. The dimension of credentials refers to the hard factors, to the KPIs, to everything measurable in numbers including but not limited to finance, customers, employees, production, and quality. The desired outcome is a proof of progress, meaning that a cause-and-effect relationship becomes visible between the sanctions of change and the subsequent results. Also, if the employees become so excellent at what they do as to achieve a state of mastery (Pink, 2009), this is where the mastery becomes transparent. The dimension of relationships refers to the soft factors, to the style of human interaction. The desired outcome is to establish mutual trust and respect. An indicator for doing this successfully may be an increase of laughter in a formerly distressed environment. The dimension of entrepreneurship refers to the employee's readiness and capability to take calculated risks, just the way a classical entrepreneur would. This may cause the feeling of rightfully "owning" the achieved results. The dimension of difference refers to the perception of

making a difference and having an impact on the world, of adding value with the common goal of making the world a better place. The desired outcome is the motivation to serve a higher purpose, to establish something “larger than life”.

6.2.2 When is radical organisational change necessary?

The questions about the necessity of radical organisational change can be summed up in two different perspectives discussed in the following subsections. The first perspective focuses on how the decision to enact radical change is made. The second perspective tries to answer the question as to whether radical change is a natural part of the life-cycle of any organisation.

6.2.2.1 What determines the necessity of radical change?

This question produced completely different answers from the interim managers, on the one hand, and the consultants, on the other hand, with the line managers holding a position somewhere in the middle.

The interim managers tended not to worry whether a radical organisational change is necessary. Often, it is not the interim manager who decides on the need for change. The decision makers are the financial stakeholders, i.e., the people who have a financial stake in the organisation, including the investors (colloquially “owners”) and the creditors (colloquially “lenders”; for lack of a better expression, the term “stakeholder” will be used here. There does not seem to be an appropriate term in the English language to categorically sum up both the investors and the creditors and exclude everyone else. So, while usually the “stakeholders” of an organisation also comprise other groups of people, such as the employees, in this context “financial stakeholders” refers to the owners/investors and creditors of the organisation.)

When the financial stakeholders decide that there is a need, they hire an interim manager. When the interim manager appears, he already knows about the need for change, so there is no reason to question the need. Room for interpretation is only about how the change is to be done. This point of view is reflected in the following quotes:

- INT-01-GER: The stakeholders say: "Everything must change", then this is actually the starting shot.^{lxviii}
- INT-02-GER: For me, it's easy. When I get called, it is necessary. Otherwise I will not get called.^{lxix}
- INT-05-USA: The lenders scream and tell management that you better hire someone that has credibility to come in here and tell us whether or not the business is viable and whether or not we should believe anything you, existing management, are telling us. So, it's a third-party influence perhaps is the way you want to look at it. In my experience, it's always the lenders. Whether they're banks or equity funds, but when management loses credibility and someone else is brought in, that's the evidence that there's a radical change about to happen.

That leads immediately to the question: When do the decision makers see a need for radical organisational change? This question is answered in the last quote. The stakeholders see a need for change when they lose confidence in the current management of the organisation. However, one should note that interim managers, once they arrive at their new mandate, usually always find evidence to support the stakeholders' decision that radical change is necessary. The organisation is in a state of continuous decline, with a decrease in liquidity, in sales, in margins, in new products, and so on.

In contrast to the interim managers, the consultants are not in the position to be hired only after someone else identified a need for radical organisational change. This is why the interviews showed a diverse set of opinions about the need for radical organisational change. What they tended to mention were criteria such as uncertainty, desperation, and complacency. Also, the term "something is slipping" was applied, which is a different way of talking about the continuous decline that some interim managers referred to. "Complexity" was also mentioned as a trigger for the need for radical change. However, some answers by the consultants refused to name specific criteria but rather made general statements about the need for radical change. One consultant complained that we lack the language to express this need for radical change. He suggested that the

industrial paradigm of planning may not be the adequate way of handling complexity and dealing with radical change:

- INT-11-GER: The language that we stick to, that we adhere to at organisations is still very much the old language from the industrial age. We still talk about planning. Interestingly, the term “strategy” was popularized in organisations in the 1970s. When complexity came along, we grabbed the concept of strategy and strategic planning and more forecasting and that kind of stuff and scenario planning to deal with complexity, but planning is not ideal to confront complexity. [...] So, we still stuck to old patterns and old words. We need different and new language or fresh language to make the profound change we’re talking about I believe.

Another consultant did not see a reason for identifying a need, because in general, we are all in constant need of radical change:

- INT-14-ITA: I say that the world is a little bit like the ocean. It’s constantly moving. You stay still, you drown. [...] Inertia, our tendency to do nothing and remain unchanged, is our enemy. And life is made of choices, but we don’t choose very often. We take the default option. And so, we are like zombies. We sleepwalk. We drown one by one. We are pulled down by the decisions we don’t make. [...] The general observation is that we all need change. [...] Big transformation programs rarely work, that’s my observation. They rarely work. And yes, they are the most common western way we introduce change. So, I think we need radical change from the mindsets, from the system point of view which doesn’t necessarily translate radical as in we completely work in a different way.

A third consultant had a slightly different approach. From his point of view, radical change commences even before the necessity arises. By the time the need for radical change is recognized, it may already be too late:

- INT-13-RSA: There’s a massive disconnect between what is going to happen in the world as the view of consultants and virtually anybody that reads something, versus actual organisations that are in many cases completely oblivious of how

the world is changing around them. Their assumption is, you know what? We've done this for the last ten years. We've changed. We've managed to survive. We're going to continue for a long time. And the challenge of digital transformation especially is an exponential curve, so when you really start realising it is a problem, there's a very good chance that you're already so far behind that you will never catch up again. [...] So let's say you lose revenue against a competitor. If that competitor has actually invested in the right technologies and the mindsets already for a long time, by the time that that competitor has caught up with you, that competitor is on a very much exponential curve already. So, when you only then start investing in your mindsets and how your people think, etc., there's absolutely no chance that you're going to catch up.

In contrast to the consultants, the line managers' position was similar to the interim managers concerning one aspect—a stakeholder decides for them when a radical change is necessary:

- INT-17-GBR: I work in small and medium sized businesses, so the power and influence of the board and the owner-managers are quite profound.

But line managers may also see the need for change themselves. One line manager claimed that radical change becomes necessary when anomalies show, just as in Thomas Kuhn's model of paradigm shift:

- INT-18-HKG: It reminds me a little bit of the book by Thomas Kuhn—*The Structure of Scientific Revolutions*, where he is arguing that the scientific process has sort of two faces. The ordinary scientific process where there is one paradigm that works and most people are working within that paradigm and filling out the blanks and gradually extending the picture, but it is one big picture and you just fill out the details in a sense. And then you have anomalies. Some things which don't work within the paradigm. And at the beginning these anomalies are just somewhere on the side and nobody really cares, and the paradigm is really successful and everything works except these anomalies and these anomalies become more pronounced and then you realise that, okay, it is not working

anymore and then there is a sort of this big bang and you have to change paradigm and of course Kuhn says that you have a radical change that is so radical that the paradigms are not even commensurable. And, of course, there is the famous bon mot by, who was it? Bohr or Planck? Who said that “science advances by funerals”?

Summing up, there is no simple answer to the question of how to identify the need for radical change. The different answers by each group relate to the different roles they play in the organisation. The most striking insight for me is that the interim managers do not feel a need to question the necessity of radical change, because usually some stakeholder is making the decision for them.



Figure 31. The necessity of change. Source: Author

6.2.2.2 Is radical change a natural part of the life-cycle of an organisation?

As I discovered in my literature review, the discussion about radical change being a natural part of the life-cycle of an organisation does not take place in the literature. Two questions might thus be posed: Does every organisation need radical organisational change sooner or later? If so, why do radical changes not occur more often?

Here we can divide the respondents with the interim managers and the consultants on one side and the line managers on the other. Half of the interim managers saw a need for every organisation to engage in a radical organisational change every now and then. This applied even to a well-run organisation. The other half still saw value in radical change, but delimited this need to certain prerequisites such as a dysfunctional organisation:

- INT-02-GER: Every organisation should do (what I do within the framework of restructuring) every ten years. Even if the restructuring is not necessary at all. Even if the people still do well. Because, if everything runs as it always ran, the people slip into ingrained ways and then no longer look to the right and left of the way. That is, every organisation should do this every 10 years but not more. Because the changes are so violent that people usually do not tolerate them more often.^{lxx}
- INT-03-USA: I don't think that radical changes are the normal part of any organisation. I think it's the normal part of a dysfunctional organisation. [...] Unless there is some new technology or government regulation.

Among the consultants, three respondents supported the idea that radical organisational change is a natural part of the life-cycle of an organisation. According to one consultant, every organisation needs radical organisational change if it does not want to perish. Another consultant compared radical change to the movement of an organisation through different stages of maturity:

- INT-15-CAN: It's transform or perish. Yes. If an organisation does not make radical change at some point they will be displaced by a new entrant into that market or a competitor that has proceeded to implement radical change. Yes, they will die, in my humble opinion.
- INT-11-GER: The only interpretation that makes sense to me is that radical change is something that is moving from start-up to a command and control pyramid. That could be a radical change. Or moving from start-up directly to being a radically decentralized large organisation.

Among the line managers, only one respondent considered radical organisational change as a natural part of an organisation's life-cycle. According to him, radical change is as natural as birth and death. Another line manager claimed there is a need for radical change maybe once or twice, but no more than that. Three line managers made the necessity of a radical organisational change dependent upon outside forces.

According to them, radical change is needed if the organisation cannot keep up with changes from the outside world. In general, line managers are much more careful with the statement that any organisation needs radical change. This may be due to their close embeddedness inside the organisation.

Summing this up, there are diverging opinions as to whether radical change is a natural part of the life-cycle of an organisation. However, considering that among experienced change agents there are some strong proponents of this opinion, it is perhaps surprising that radical organisational changes do not occur more often on a regular basis.



Figure 32. The naturalness of change. Source: Author

6.2.3 How should radical organisational change be implemented?

Similar to the previous subsections, it seems reasonable to break this question down into two different perspectives. Both perspectives of looking at the implementation

have in common that they evolved throughout the research. The rather generic question of how radical organisational change should be implemented developed into two more specific considerations. In order to go more into depth about these considerations, more specific questions about them were added to the interview guide for the interviews with the consultants and with the line managers.

The first perspective is about the externality of an external change agent. This perspective comprises the prerequisite that the question of how to implement a radical organisational change has already been answered insofar as part of the answer is “with an external change agent!” In other words, if the initiator of the radical change already decided to employ an external change agent, what does the external change agent add to the organisation that had not already been there? The second perspective of answering this question is about the necessity of conceptual frameworks. Is there something like a recipe to organise radical change, and in what way do change agents stick to it?

6.2.3.1 Why should radical organisational change be implemented by an external change agent?

The arguments mentioned in favour of an external change agent can be divided into three groups: vision, independence, and expertise. The vision refers not only to the different perspective, but also to the change agent’s previous experience with other clients. He has seen what is possible and therefore approaches his new client with certain expectations about which goals are attainable. His goals may sound very audacious to the client employees, but he is the most credible advocate to instil the vision of reaching these audacious goals in the minds of the employees. So, when the internal management lacks vision, there is a reason to employ an external change agent.

- INT-12-USA: [They] have a distinct advantage because they come in with a fresh view. They’ve been in other organisations. They have a vision of what can be realised. That’s the advantage. The disadvantage for the people inside the organisation, they’re so steeped in the old school, in the old ways of doing things. Their grandfathers did it this way [...] They don’t have a vision that something

could be different. It's outside their comfort zone. So, when you have a particular middle management that can't envision anything different.

- INT-13-RSA: Certainly perspective, in many instances, knowledge, [...] a fresh pair of eyes with a perspective, when you've been in an organisation, especially if you've been in an organisation for a long time, you start seeing everything as some sort of repeat of something that already happened. Somebody that doesn't understand your environment very well, that comes from the outside, just sees things and questions things again from completely different point of view.
- INT-14-ITA: If you are going to play the premier league, get anybody. You want to win the premier league, get the top coach.

The second reason to employ an external change agent is independence. Someone from the outside is not wound up in political affairs and does not have to demonstrate false deference due to political power structures. The external change agent knows his time inside the organisation is limited, so he can do what he has to do, regardless of all other aspects that do not relate to the well-being of the organisation. One consultant compared the change agent's independence as being equivalent to dancing with the system. One line manager claimed that it can be easier to initiate radical organisational change for someone from the outside because his independence gives him higher acceptance with the employees than someone internal.

- INT-11-GER: That's by Fritz Simon, I think. So as a consultant you cannot be the organisation or part of the organisation. You are only dancing with the system.
- INT-13-RSA: It doesn't matter how good the internal person is, if he's working in a certain business environment that is, for example, not very transparent, not very open towards change, it doesn't matter how good he is. He's going to struggle to get that message across because people are going to put him in his box where he is in the organisation. Whereas a consultant comes in, he is very easily seen as a know-it-all, the hero, and he can affect change a lot faster and a lot more cross-cutting through the business.
- INT-19-GER: Sometimes it is also the external prophet that is better than the internal one. [This refers to the German saying: "Der Prophet gilt nichts im

eigenen Land“, which translates as: “The prophet has no honour in his own country”.]

The third reason to employ an external change agent is expertise. This refers to skills and methodical knowledge. One interim manager mentioned technical skills. One consultant summed this up as “models, experience, and options”. The three line managers who saw value in external change agents trusted that they knew how change itself is done.

- INT-11-GER: There are two reasons, I think. [...] Technical expertise is one, [...] the other quality [is ...] the capability of irritating the system from the outside, [...] creating insight or self-reflection, [...] self-realisation beyond what members of the organisation can provide.
- INT-14-ITA: As a consultant, I say I bring three things: models, experience, and options. [...] I’m not saying that people internally are dumb. They also have models, experience, and options. I’m sure internal coaches have that. It’s just that there’s a bigger likelihood that people who work externally have a little bit more experience.
- INT-18-HKG: If people are too busy to do it, to incorporate change, or if people don’t see the need for change. It could also be when people see the need for change, but they have no clue how to change or in which direction.

In this evaluation about the reasons for employing an external change agent, I intentionally omitted all references to the argument of “resources”. This argument comes from the perspective that a necessary change cannot be performed because all the internal resources are already busy doing something else but change, so an additional change agent brings in an additional “resource”, meaning the necessary time (colloquially called “manpower”), to take care of the change initiative. From my point of view, this is not really an argument in favour of an external change agent (with accentuation on “external”), because some other internal resource may be from another department of the same organisation may have satisfied the need for an additional resource quite as well. What I am looking for are arguments in favour of an

external change agent that an internal change agent or any other internal resource cannot fulfil.

Lastly, it should be mentioned that there is also scepticism about employing an external change agent. Two line managers expressed their dislike for interim managers. They favoured solving change challenges with internal resources.

- INT-17-GBR: I am not a big fan of interim managers, I have to say. I much prefer local management waking up to what they need to do.

In sum, despite some criticism of external change agents, there are three strong arguments in favour of employing them in times of an organisational crisis: External change agents can instil the vision to reach audacious goals. They act independently of previously established political power structures and bring the expertise on how to perform a change initiative. All three of these items may contribute to establishing trust and credibility among the employees: The expertise of having performed similar changes in the past, the vision of communicating a realistic goal for the future, and the independence from the previous management of the organisation.

The externality of change

Why should radical organisational change be implemented with an external change agent?



Figure 33. The externality of change. Source: Author

6.2.3.2 What role do conceptual frameworks play in radical organisational change?

While there are numerous change frameworks available in the literature (as per the literature review), none of them were mentioned during the interviews with the interim managers. So, for the interviews with the consultants and line managers, I enriched the question about the sequence of change process steps with additional questions about the respondent's knowledge and use of change frameworks, as well as the respondent's opinion about the dispute between adherents of planned versus emergent frameworks.

There are two separate aspects to consider here. One is the question as to whether a change process is linear. The other aspect is the question as to whether a change process can be mapped onto a planned change framework. Although these two aspects are separate, they are not independent from each other. A planned change framework always requires a linear process. So, the question whether external change agents accept planned change frameworks can partially be answered by finding out whether they accept a linear change process. The group of people who deny the value of planned change frameworks should theoretically be bigger than the group of people who challenge the notion of a linear change process.

Starting with the interim managers, they divide almost in half, into a group of five who claimed that radical organisational change is never linear, and a group of four who claimed that in a financial crisis, the steps are always more or less the same. The proponents of a nonlinear approach shared the point of view that a radical organisational change needs a very adaptive treatment. In each case, the sequence of process steps can be quite different. One respondent even stated that ideally the process steps should be done in parallel, provided that the necessary resources are available.

- INT-06-USA: I know where you're coming from. The 8 Steps to ... or Deming has these 14 steps, I just sort of intuitively do it. I don't really do it from a base ... there is a process of thinking, of running businesses but it's not ... I don't think you can say, "Okay, do Step 1 and then when you're done with Step 1 now you

can do Step 2, now you can do Step 3, 4, 5, 6". Because I think there's lots of different ways as they say to skin a cat.

- INT-08-GER: I'd consider it nonsense that linearity is a success factor. [...] Ideally you start all the topics, the short-term ones - stocks, demands, material costs - in parallel to what is necessary in the long run, in a sustainable strategy: products, product profitability, customers, customer profitability, market, market analysis and so on. Ideally, you start everything in parallel. [...] If one were investing more resources into such a turnaround, one could probably do things in parallel. Yes, and that would be the ideal state from my point of view.^{lxxi}

In contrast to the previous insight, the proponents of a linear approach claimed that a radical organisational change is often finance-driven, and in a financial crisis the process steps are essentially the same each time. It should be mentioned in this context that some of the German interim managers, but by far not all of them, follow the model "IDW ES" when planning a financial restructuring. This model, established by the IDW (Institut der Wirtschaftsprüfer, English: Institute of Auditors), constitutes an effort to standardise the ES (Erstellung von Sanierungskonzepten, English: Creation of financial restructuring concepts; Crone et al., 2012). It is self-evident that the disciples of this model asserted that they strictly follow the steps prescribed. One of the respondents of this group conceded, however, that if the crisis had a non-financial background, it also had to be handled in a more nonlinear fashion.

- INT-04-USA: The first task, again, the financial analysis. The second task, tactics development. The third task, [...] after the crisis team is identified, communicating with the entire company as to what you are trying to achieve. Admitting that there may be some negative impact on some part of the employment base, but your objective is to protect the life of the company and therefore protect the livelihood of as many people as possible in the process. Then you need to communicate with vendors, because you're going to need their continuing cooperation as part of the process. You'll need to meet with key customers to keep them, to inform them as to what you're going to do and what you expect to accomplish on their behalf. And all the while this is going on, your

lenders must be party to everything that's happening because they're the ones that are your lifeblood.

- INT-07-GER: We always begin with financial planning. Cash situation and sales. What are the contractual and performance obligations? [...] And from there we go deeper. [...] These are always our procedures.^{lxxii}
- INT-04-USA: There are crisis situations where financial issues are not the case. For example, probably one of the more interesting and critical situations I was a participant in, was a very financially successful business. But succession was the issue and the father had to choose between two sons as a successor chief executive. The son that was not appointed, who believed he was far superior to his brother, physically attacked his brother on the way into the board meeting where that change was going to be announced. The brother that was attacked pressed charges. I was brought in by the chief counsel to the company to resolve not only the internal corporate issue but also the family problems that were obviously on the table at this time.

At first sight, it seems that there were two contrasting points of view among the interim managers: One group claimed that radical organisational change always happens in a nonlinear fashion. The other group claimed that at least in a situation of a financial crisis there is a linearity in the interim manager's approach—two points of view opposing each other. But on second thought, I have my doubts as to whether these positions are actually much different. When comparing the statements of the first group with the statements of the second group, I wonder if they are describing quite similar challenges in a slightly different tonality. The first group talks from a standpoint of: "This is a very complex matter. Every challenge is different. My value lies in my long experience. Only I can make an appropriate judgment on which one the next step needs to be. No standard model out of the drawer can provide that knowledge the way I can provide it". The second group talks from a standpoint of: "I am a professional, so I adhere to certain standards. All the good interim managers do it in a similar way as I do it. We show our professionalism by doing things more or less the same way". To better understand this attitude, it is helpful to imagine a typical context for a situation like this in Germany: A

bank (creditor) has a client in financial distress. The bank decides that they will continue the client's credit line only when the client submits to a financial restructuring with a CRO chosen by the bank. If the client agrees, the bank will select an experienced interim manager as CRO, a person who has to commit himself to a standard such as "IDW ES", so as to provide the bank with all the legal documentation it needs. In other words, the interim manager's receiving a mandate from the bank depends on his readiness to subscribe to the model "IDW ES". If the interim manager wants to stay on good terms with the bank, he simply must assert that he sticks to certain standards, even if, in reality, his decision-making during a financial restructuring is more directed from his experience and "straight from the gut". It is up to the observer to decide whether a gut decision that is afterwards reinterpreted as a standard procedure is either a contrived approach or simply a necessary "part of the game".

If my assumption is true, both groups would use different forms of words to express a similar approach to change. The first group would stress the attitude that a radical organisational change is not standardisable, whereas the second group would stress the attitude that interim managers already have established a de facto standard of the trade. In practice that means that the second group may always encounter the same clusters of tasks during their engagement; however, the way they work inside these clusters may be very different each time. All of this is still my speculation. What leads me to this speculation is a quote (i.e., the following paragraph) from one of the members of the second group. The key sentence in this quote is: "So from a linearity standpoint, it's really a very iterative process". In other words, while the members of the first group are definitely adherents to an emergent approach, it may be that the members of the second group are that as well, even if they constantly stress the de-facto standard of their work?

- INT-05-USA: It's a very well-established pattern of [...] you'd get an assignment from a lender or the board because the lender has been screaming. And the board would say, "Okay, go and make an assessment and come back with a proposal". So, you go in and you do a top-down analysis. [...] you go back within most likely less than 2 weeks. [...] You'd say here's

what I found. Here's the direction I'm moving. [...] Then you'd iterate to finally come up with a plan, hopefully within 3 weeks or not too much longer, to be able to say, okay, here's what we're going to do in order to [...] stop the bleeding. Because, again, we're in a financial restructuring role so, by definition, you've got a cash liquidity problem [...] We're going to stop the bleeding. [...] So from a linearity standpoint, it's really a very iterative process, starting off slow and then as you continue to move, you keep on widening the scope of what you're looking at.

In the interviews with the consultants and the line managers, I asked an additional introductory question before asking about the linearity of a specific order of change process steps. The introductory question is about the familiarity with planned change models, such as Kotter's (1995). It turns out that all the consultants and all but one of the line managers were aware of these models. Also, all the consultants and one of the line managers expressed their scepticism about either planned change models in general or Kotter's model in particular. They claimed that they are moving away from them.

- INT-11-GER: The Kotter model, I've been using it a lot. And now I've somewhat stopped using it because I believe we need really come to terms with emergent change concepts.
- INT-12-USA: I've seen very poor results with cookie cutter schemes. My experience is that not all organisations are different but the people in the organisations are different. [...] I've used elements of them, but I haven't used them as a cookie cutter.

All the consultants and two of the line managers refuted the statement that radical change is linear. Only one line manager saw value in a linear approach to radical change.

- INT-13-RSA: There's only one way and that's the second way [emergent change]. The other way [planned change] in today's world is not going to work.
- INT-18-HKG: First linearity implies that you break down the change in sub goals which are more easily achieved. That seems hugely important. It also seems that

when you are changing one part at a time, you must have well-defined interfaces in between, so that you change one part while the next step remains unchanged and the whole thing still works.

The consultants especially were aware of the advent of emergent change models. They knew about different models and could eloquently express their opinions about them. If I would have interviewed the consultants ten years earlier or ten years later, they probably would have mentioned different frameworks, due to a change in fashion. I have more than 20 years of business experience in change management, and I have seen many framework fashions come and go. I do not expect this constant process of “in style” becoming “out of style” to change any time soon.

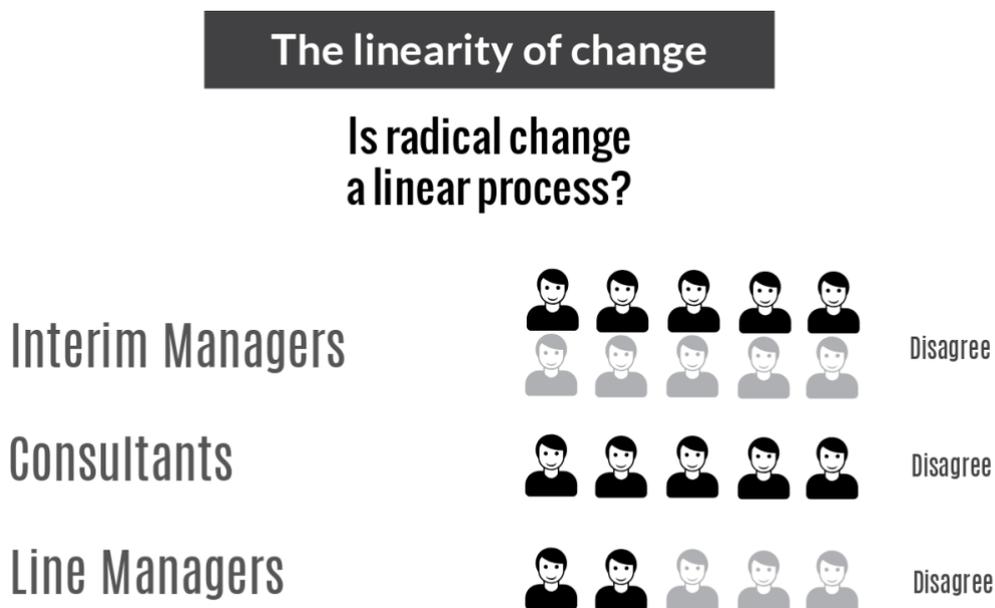


Figure 34. The linearity of change. Source: Author

To sum up, the question of conceptual frameworks used to guide radical organisational change initiatives was driven by the research. It turned out that there is an inherent scepticism about linear change processes among half of the interim managers and all the consultants. Those interim managers that argued in favour of a linear process may be inclined to do so in order to satisfy the creditor who is also a provider of interim management mandates. None of the interim managers referred to academic frameworks of change (such as Kotter’s model) while all the

consultants make such reference. The consultants and line managers were aware of such models, but had a differentiated, sometimes even sceptical, attitude. From my point of view, change models are subject to fashion. They come and go. In that way they are similar to clothing: What is considered fashionable changes constantly. From a practical perspective, it does not matter what you wear; it is only important that you wear any clothing at all. To bring this analogy back to change models: It does not matter so much which change model you choose, provided that you know what you are doing.

6.2.4 How can the outcomes of radical change be evaluated?

To put it bluntly, radical organisational change is always about money, but it is hardly ever only about money. It is about money, because hiring an external change agent to perform a radical change is a costly thing to do. The financial stakeholders who do so expect a return on investment, and rightfully so. However, there are also emotions involved, especially in a family-run business. Hurt feelings, disappointments, people having lost trust in each other. To a certain degree, a good external change agent is expected to repair these things as well, besides the financial issues. So, some principals hiring an external change agent may be satisfied if the agent only repairs the finances; others may expect much more of him.

So, first there are the measurable criteria, the quantitative evidence. They are the financial criteria as to whether a radical organisational change has been successful. The interim managers are very open about that. Also, there are other metrics that directly influence financial metrics, such as sales or inventory.

- INT-02-GER: Very simple - the business result. [...] The EBIT increases.^{lxxiii}
- INT-03-USA: That depends upon what the metrics are. It's what you're going into. Prior to coming to an organisation to affect change, there have to be some goals that need to be communicated to you. [...] Usually it comes back to the financial health of the company and how that needs to be improved – whether it needs to become more profitable, whether it needs to be increased sales, or whatever.
- INT-04-USA: Financial results. That's the first and the easiest way of identifying.

Both the consultants and the line managers agreed with the interim managers that numerical evidence is important; however they talked more often about non-financial metrics than did the interim managers.

- INT-12-USA: At the very, very beginning, you've got to have a need for the change, analysing performance parameters. [...] If those indicators have not changed, then you haven't been successful.
- INT-17-GBR: But I am looking to see both some financial and some cultural change.
- INT-20-GBR: Put the metrics in place periodically, through the course of the program, measure, "Have we delivered the benefits yet? What proportion of interest have we got?" And by the end of the program, the benefit realisation starts at zero and works its way up to 100%? No, no program ever delivers 100% of the benefits. You might get 80%, you might get 85%. But if you're running this program, you need to be able to measure, what proportions of the benefits have you delivered?

Second, there are the non-financial and not always measurable criteria. For example, the interim managers refer to what can be called sustainability: The organisation can take care of itself, even after the interim manager has left.

- INT-01-GER: I am really finished with my work when I notice the company can now take care of itself.^{lxxiv}
- INT-05-USA: There are many examples out there where a company has had a problem and 6 months or 12 months later, they're right back where they were when they thought they had fixed the problem. That's not a success despite what the perceptions on the day of a date and time was.
- INT-08-GER: The question always is for an interim manager, how sustainable is this being continued, if one is no longer there. There are sometimes situations where you can achieve [financial goals] by cutting off investments in the future of the company completely. This too can produce a short-term effect. But that would not be what I call a sustainable approach.^{lxxv}

In contrast, one consultant claimed that there is no sustainability. This seems to be contradictory to what the interim managers say but may be so only at first sight. What the consultant wanted to say is that change is perpetual and thus organisational change is never finished. Another consultant brought in the aspect of internalization, probably in a meaning similar to the interim managers' references to sustainability.

- INT-11-GER: There is no sustainability in organisational development. Sustainability just doesn't exist. If change is perpetual and if organisations are always in beta, always changing, always interventions and irritations on systems, then nothing you could ever do will ever be sustainable. It's just impossible. [...] You can say I did a turnaround. It happened. We are now profitable. That you can say. But you could never say we did this change sustainably. Now, it's a different company. It will be like that forever.
- INT-12-USA: There's a big difference between implementation and internalization. If the organisation hasn't internalized it, it's going to be the rubber band that snaps back. So, one of your indicators must be oriented for internalization.

From the interim managers' perspective, a radical organisational change is always an intellectual challenge, almost like a logic puzzle. An interim manager is deeply satisfied when he has proven to himself and to the world that he has been able to solve that puzzle.

- INT-02-GER: I'm always exceptionally happy when [the restructuring] was successful. And so far, it was always successful. In this respect, I have many experiences that bring me wealth of life. [...] I could have configured my life much more simply. Many things would have been much easier. But not so nice.^{lxxvi}
- INT-09-GER: For me, the most beautiful moment after such a successful restructuring is when I can walk through the company gate with my head up high, pat myself on the shoulder and say, "Yes, you've done a good job again". This is just the beauty of what I do, that you constantly experience moments of success. And when you finally leave the company through the gate, then the moments of success certainly outweigh the moments of failure. Of course, you also will have

moments of failure, but that should not mislead you. And the biggest failure is when you are betrayed by people you trusted.^{lxxvii}

Interim managers have the image of not being overly emotional people, and there is some truth to that. However, there is one very emotional aspect of a successful radical organisational change that is only mentioned by the interim managers but not by the other two groups of respondents. It seems to be a source of satisfaction for an interim manager at the end of a successful change mandate: The employees are in a much better mood than at the beginning of the change initiative.

- INT-09-GER: The mood in the whole team is quite different. People are no longer walking around hanging their heads. You are greeted in a friendly way. They also do not scatter away when I come while they have a chat with a mug of coffee in their hand. [...] Everywhere where I was, I had coffee machines installed in places where many people were walking by. These are points where people communicate with each other. Very intentionally, they are supposed to stand there with a cup of coffee in their hand. And they should not run away, if I join them. If I have achieved this, that is a lot. [...] You will see, if it was successful, the numbers change. The tone changes. The mood changes. People start to laugh again.^{lxxviii}
- INT-10-GER: Whether a positive mood prevails. And the positive mood can be noticed if they seek contact with the interim manager. By confirming his views, by positively spreading suggestions, what can be done [...] even better.^{lxxix}

There is another indicator of success and source of satisfaction for change agents that is closely related to the improved mood, but still something significantly different: It is the experience of watching the organisation's employees blossom. Seeing them grow to their full potential, unfurling their talents, taking risks, and reaping what they sowed. In contrast to the mood aspect, this is a success criterion that was shared by all three respondent groups alike. Here is what the interim managers had to say:

- INT-03-USA: For me, it's seeing the people blossom. This is another thing that I do want to make sure that I mentioned. It's so critical for affecting change rapidly

that will happen. I'm not saying that your focus will be around it, but it will happen rapidly faster than your anticipation. I can tell you. That's why I've been able to turn this company around in such a short period of time. I empower people. People who are not empowered before – I empower people to make decisions and to make mistakes. [...] I will tell you that the most important thing and the best thing you can do is have faith in the people that you've hired for their positions. Don't over-think. Don't second-guess. They live and die by their decisions the same way that you live and die by your decisions. It's like that.

- INT-05-USA: For me personally, are the employees that you worked with [...] do they have new confidence in their ability [...] in being able to handle things that come at them in the future? Have you changed that mindset [...] can [you] see that they're better off and that they have individually grown? [...] You need the satisfaction that comes from helping others.

Consultants and line managers argued in a similar fashion. From their point of view, satisfaction resided in witnessing the growth of people.

- INT-13-RSA: Obviously I feel good. So, to me, every engagement is a learning opportunity. Obviously, I have to deliver, and I get a huge kick out of it if people come back and say I'm doing the following things. I'm getting even more of a kick out of it although it's difficult to really swallow if they talk about all the great things that they have done even though I know I was in many instances the trigger because I know that that is then internalized. It's really something that they believe they have done, and I've just been the guide helping them along the way.
- INT-14-ITA: I consider myself an activist by invention; so, I find it extremely satisfying particularly when people use models that I created.
- INT-17-GBR: I like to see people feeling empowered. So, they take accountability and are responsible for things, making their own decisions, and are starting to make positive changes in their areas of work.

Two consultants mentioned an aspect that is closely related to growing people. It is about the employees conducting "experiments" to broaden their horizons about what

is possible. This would actually be an approach to turn the hardly graspable “growing people” into something measurable. If the number of experiments is a reliable indicator of people growth (in the sense of maturity and personality development), as these consultants claim, then it is possible to operationalize this rather abstract criterion. However, this opinion remains subject to critical discussion. It is related to the topic of the learning organisation (Pedler, Boydell, & Burgoyne, 1989), which is not within the scope of this thesis.

- INT-14-ITA: I actually measure the throughput of experiments to actually see are people experimenting or not. If you do understand that in order to move in this world you need to evolve and we’re talking about learning organisations. [...] So, are you learning? I can tell you if I’m learning if I did experiments this week or not. [...] So, I actually see across the board how many people are experimenting. [...] What happens is the financial metrics follow. They always follow. [...] It always depends on context. Were you trying to tackle a new market? You can absolutely see were we successful or not on penetrating a particular market or not. So, there’s always financial metrics but those are trailing indicators. You can actually see a lot earlier than that [... and decide whether] we [have] been transforming here? [...] When I’m talking about transformation, and you’re talking about radical transformation, is actually how we think radically in a different way.
- INT-15-CAN: I think that we need to be quite curious. We have to have research, and I don’t mean in an empirical, published way, but just even within one organisation, we need to be creating experiments where we’re collecting data. And so, it must be data-based decision-making that we use in determining whether that change worked well or was disappointing or we got it kind of 80% right.

In a much broader sense, a consultant found satisfaction in making the world a better place while a line manager found it in avoiding harm.

- INT-15-CAN: We've created a new way of being in the world. [...] So that's the highest level is that the world is a better place as a result of having done that. [...] I feel like I've made the world a better place.
- INT-16-GBR: You look at the principle of non-maleficence, you look at the harm that you haven't caused by amateur insensitive approaches to change. You look at the harm you've avoided.

When talking about what motivates change agents, one might also mention that change comes at a price. There is a palpable notion with change agents that is mostly relevant for interim managers, to a lesser degree for consultants, but not at all for line managers. This is the notion of the "lone wolf". External change agents are most of all mavericks. They are not really a part of the organisation they try to change, nor will they ever be. While most interim managers seem to find delight in being lone wolves, there is always a feeling of melancholy in the air when they talk about it.

- INT-04-USA: To the true interim manager, there is no long-term relationship developed with your client. You're there primarily to meet the objective, to meet the crisis, and to resolve the issues that have caused the crisis, and for the result to be a stable business that's positioned properly for its future. But recognise that you're not going to be part of the company's future.

When trying gently to categorise the outcomes of radical change into their relevance to specific parties involved in the change endeavour, one could speculate that the financial measures and the measures influencing finance are most relevant to the financial stakeholders. The intellectual challenge is most relevant to the change agent. An improved mood and the blossoming of people is most relevant to the employees. Sustainability is most relevant to both the financial stakeholders and the employees. From the point of view of the change agent, (a) the financial measures can be interpreted as a proof of work, (b) the intellectual challenge can be interpreted as an egotistical motive, and (c) the sustainability, the improved mood, and the blossoming of people can be interpreted as an altruistic motive.

Summing up, critical success factors for a radical organisational change are primarily financial metrics and secondarily non-financial metrics that influence the financial ones, such as sales and inventory. However, on a deeper level, there are other criteria that cannot always be measured directly, that is, intangible criteria such as sustainability, intellectual challenge, improved mood, and, quite dominantly, making people grow and blossom.

The outcomes of change

How can the outcomes of radical change be evaluated?

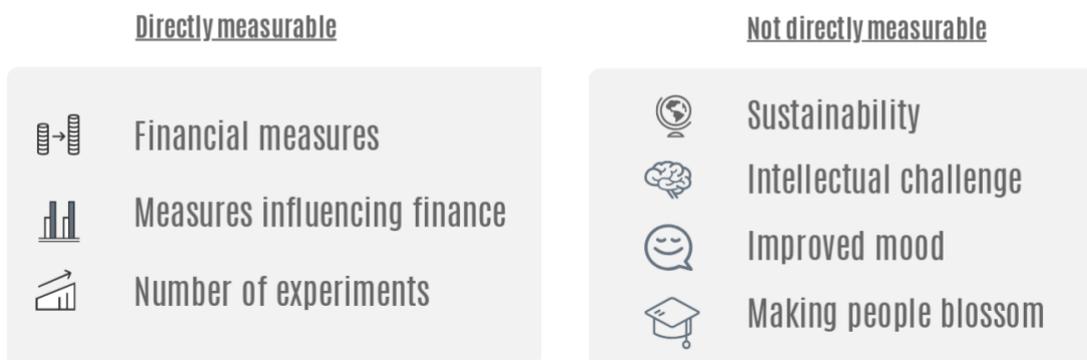


Figure 35. The outcomes of change. Source: Author

6.3 Contributions to Knowledge

What should be written in the concluding chapter of a doctorate thesis? This question is covered in a paper by Trafford, Leshem, and Bitzer (2014). They share the opinion that it is sufficient to contribute only an incremental step in understanding and that, unfortunately, supervisors do not usually tell their student this. They even quote the title of a famous research paper that says it all: “It’s a PhD not a Nobel Prize” (Mullins & Kiley, 2002). So, for the sake of this piece of writing, I will humbly limit my focus to the PhD related matter and save the Nobel Prize for later.

6.3.1 Radical change as a “natural” element of an organisation's life-cycle

As an organisation ages, it passes through different stages of maturity. Radical change may be an essential part of this maturation process, specifically in the transition from one stage to the next.

The evidence for this can be found in detail in the findings of sections 4.1, 4.2, and 4.3 and is summed up in section 6.2.2. As the evidence shows, change agents held mixed opinions as to whether radical organisational change is a natural part of an organisation's life-cycle. Some respondents were very much in accord with this claim, while others were more sceptical or delimited the need for radical change only to specific kinds of organisations. In other words, the claim that any organisation needs a radical organisational change sooner or later was not supported by a strong majority; however, there were some passionate supporters of this notion. The supporters offered their opinion as to what contributes to the need for radical change from their point of view: external forces such as technical progress, innovative competition, or new governmental regulation.

So, what does the literature have to say about the role of radical change in an organisation's life-cycle? Indeed, the answer is “very little”. Among the frameworks of organisational life-cycles described in section 2.11, only two models support the idea that a radical change (in the sense of a revolution) is built into this process of an organisation maturing from one stage to another. Most frameworks, such as that of Adizes (1979), provide lengthy description about what characterizes each stage of the model and in what way each stage is different from the previous one, but little information is provided as to why and how the organisation changes from one stage to the next one. The only two sources I could find that provide deeper insight into “the stage between the stages” is the model by Larry Greiner of 1972, which, along with the Scott and Bruce model (1987), is a variation of the Greiner model. Greiner (1998) suggested that evolutionary stages of growth are interrupted by revolutionary stages of crisis. He postulated different kinds of crises, such as a leadership crisis or a crisis of control. He claimed to know in which part of the life-cycle each crisis is supposed to

happen and how it can be overcome. Although one can be sceptical whether organisational maturation really takes place in such orderly fashion of “stage 1”, “crisis 1”, “stage 2”, “crisis 2”, etc., there is some value in the claim that a crisis, and thus a radical change, is a natural component of this process of maturation. The disruptive character of crises is also stressed by Scott and Bruce (1987), who explicitly referred back to Greiner’s model. They presented a variation that is more focussed on the situation of small businesses. As in Greiner’s model, it consisted of five stages that are initiated by crises. The differences compared to Greiner’s model were the characteristics of each phase and the names with which Greiner tagged them. However, while Greiner and Scott and Bruce at least saw an occasional need for radical change initiated by an organisational crisis, they attributed the reason for these crises mostly to internal factors of the organisation. To be fair, Scott and Bruce mentioned, among other causes, the crisis-inducing power of competition. However, they suggested as a solution to this exemplified by entering an economy of scale, thus being able to lower the price. I do not view this as a paradigm shift. Nor does either model mention that external change agents could help resolve such a crisis. In sum, there is not much to be found in the world of organisational life-cycles about the notion that sometimes outside forces leave no other option than to radically change the organisation or that external help may be essential to achieve this.

So, the question one might ask is whether the idea of a crisis and a radical organisational change that goes along with that should find more consideration in the literature of organisational life-cycles. This idea is not entirely new if one considers not only the life-cycle literature, but literature in general. The historical predecessor of this notion (Kuhn, 1962) claimed this a long time ago. However, and this occasionally seems to be forgotten by some of his passionate enthusiasts, Kuhn limited the essential role of crises and concurrent radical changes to the world of science. But, as I described in section 2.5.1, Kuhn coined the term “paradigm shift”, which since then has smoothly transitioned into the world of organisational leadership and management. Other authors, such as Gersick (1991), Barker (1993), or Burkan (1997) picked up on the idea of leadership and management being in a constant alternation of calm and crisis. However, little

information is available about the question of whether a crisis with a concurrent radical change should be induced intentionally. To initiate a radical change before a crisis even occurs is a piece of advice seldom given, such as in Tushman, Newman, and Romanelli (1986). Also, there could be more research available as to how the crisis can be overcome and radical change be navigated by leadership and management on a practical level. If the proponents of radical change in the sample of this study are correct, namely that the need for radical change can be induced by external forces such as technical progress, innovative competition, or new governmental regulation, then this aspect should find more reflection in the literature.

My impression is that there are two separate bodies of knowledge: the literature about organisational change and the literature about organisational life-cycles. These two bodies of knowledge have not yet been satisfactorily integrated. In time, there should be more literature available that combines the idea of changing through time from the life-cycle literature and the idea of proactively causing and resolving a crisis from the organisational change literature. Highlighting this gap in the literature and the advantages of such an integration is a significant contribution of this thesis.

6.3.2 The role of external change agents in conducting radical change

As we have seen, the leadership of radical organisational change is quite often conducted by external change agents, especially when financial stakeholders of the organisation have lost their trust in the internal management. It seems, therefore, that external change agents play a key role in conducting radical change. A further contribution of this thesis is a more explicit exploration of what external change agents “bring to the party”. These aspects are vision, independence, and expertise. In other words, their broad range of experience in combination with a focussed approach prevents them from being misled by sacred cows.

The evidence for this can be found in detail in the findings of sections 4.1, 4.2, and 4.3 and is summed up in section 6.6.3. As the evidence shows, the interim managers claim to receive a mandate by the financial stakeholders to conduct a radical organisational

change because the stakeholders have lost trust in the organisation's management. This point of view was supported by some line managers.

While there is quite substantial literature available about radical organisational change, as is described in section 2.3 the expression "external change agent" is rarely used in this context. There are few exceptions to that (Case et al., 1990; Chapman, 2002; Volberda et al., 2014). More often, the notion can be found that the internal management should cover—besides its usual core tasks—also the endeavour of an occasional radical organisational change (Tushman et al., 1986). There should be more discussion as to whether one expects too much if one requires the same internal management that may be part of the problem (organisational crisis) to become part of the solution (radical organisational change). In other words, if the financial stakeholders who call in an external change agent know what they are doing, the role of external change agents deserves much more coverage in the literature of radical organisational change. With this thesis, I am mapping the ground for more research about change leadership by external change agents.

6.3.3 The applicability of planned change frameworks

It seems that planned change frameworks are somewhat overrated, as the research has demonstrated that practitioners rarely resort to them. The evidence for this can be found in detail in the findings of sections 4.1, 4.2 and 4.3 and is summed up in section 6.2.3. As the evidence showed, there is scepticism about the value of planned change models. The majority of the interviewed interim managers did not much believe in change models at all. Among the consultants and line managers, there were some proponents of the idea that planned change models were a historical "aberration" and should be replaced by more iterative, emergent approaches.

It can be argued that frameworks in general are over-estimated by academics. In practice, they do not play as important a role as many academics would ascribe to them. Particularly the consultants and line managers, most with strong academic backgrounds, seem constantly to struggle in order to apply the idealistic models they know from the world of academia to the harsh and brutal circumstances to be found in real-life projects.

All the consultants and most of the line managers I talked to seemed to have a library of change models in their head, constantly pondering which model could be most appropriate for the current situation, which model they liked and which one they disliked. None of the consultants valued linear processes highly. Some suggested the need for developing “emergent models”, but what does this even mean? Isn’t an emergent model a contradiction in itself?

Perhaps change is not a linear process but rather a creative process. Why then do so many academics insist on their linear models? Maybe the simple reason for that is because academics are rewarded for and base their careers upon inventing such models. This explains the over-abundance of models of change even though the majority are never used in practice. Academics have to live with the criticisms that they much rather produce something to publish about than something that can be used as a tool in everyday practice. To be fair, some academics exert themselves to produce a model that is applicable in everyday life and to present this model in an accessible fashion. Take John Kotter, for example. In his business management fable “Our iceberg is melting” (Kotter & Rathgeber, 2006; Kotter, Rathgeber, Stadler, & Mueller, 2006), he presents his change model known from “leading change” (Kotter, 2007) in the form of a story about penguins in dire need of radical change. This way, his model even reached the world of people who are usually not fond of reading academic literature. I personally know of an entrepreneur (a very practical and non-academic character) who used this fable to present the need for change of her midsize company to her employees. So, academic models may work if you present them in an appropriate way. Nevertheless, this also applies to the model itself. Some of my respondents who were well-acquainted with Kotter’s model appreciated it when it was presented as “the eight prerequisites to radical change”; at the same time, they resented it when it was presented as “the eight sequential steps to radical change”. Planned change frameworks may have their place. However, they often suggest an incremental approach, but incremental change is not radical change. Raising the question whether a planned approach is appropriate for radical organisational change is a contribution of this thesis. As I discussed in 2.12.1 there are numerous criticisms of planned change models in the literature. However, the

criticisms tend to refer to “change in general”, rather than radical change, which may have different characteristics and requirements.

6.3.4 How the outcome of radical change is evaluated by change agents

This contribution provides enriched insights into the change agents’ evaluation of change, specifically about their motivation for taking on the role as a change agent and the satisfaction they find in being one. This is barely mentioned in the extant literature, and neither is there evidence of it having been explored in empirical research. Through this research, several insights have been gained into these aspects of the inner worlds of change agents and these are discussed here. There are also potential contributions to practice that derive from this enriched understanding and these are discussed in 6.6.3.

The research findings presented in this contribution are discussed in detail in sections 4.1, 4.2, and 4.3 and are summed up in sections 6.2.3 and 6.2.4. As the evidence shows, change agents are quite aware of the metrics used to judge their work. These are primarily financial metrics, which are especially relevant for the interim managers. Supporting financial metrics are other metrics that have direct influence on them, such as sales and inventory. Part of the satisfaction of being a change agent is improving those metrics significantly. These are success criteria that are hard to deny, even by critics of organisational change.

However, apart from these metrics, there are also criteria not directly measurable that build a strong foundation for the satisfaction of being a change agent. One of them is what can be called “sustainability”. This is about the organisation being able to survive and thrive on its own, even after the change agent has left because his mandate is completed. The pride of accomplishing that can be compared to what a paramedic feels after successfully having given life-saving treatment to a patient who was about to die.

Another source of satisfaction lies in seeing the mandate as an intellectual challenge, a logic puzzle that only the best and the brightest are able to solve. Once the puzzle is solved, the change agent briefly bathes in the delight of victory before moving on to the next challenge ahead.

Lastly, there are two more sources of satisfaction that are grounded in the well-being of others. One of them is the improved mood in the organisation, an aspect mentioned mostly by the interim managers. When one can suddenly hear laughter again where laughter has not been heard for a long time, this is not only a pleasant experience for the people laughing but also for the change agent who accomplished this improved atmosphere in the organisation. The other source of satisfaction is one that is shared by all change agents: seeing people blossom. Enabling and encouraging the employees of an organisation to live and work to their full potential, to take risks, accept responsibility, and celebrate the successes they have achieved on their own, especially if the same people previously could rather be described as submissive and full of self-doubt, is particularly satisfying.

6.3.5 A framework to better understand radical organisational change

As a distillation of the key findings of this research, I will propose a conceptual framework in this section. I would like to compare the construction of this thesis to a fruit, let us say an orange: It is narrow at the top, broad in the middle, and again narrow at the bottom. Similarly, this thesis starts with a narrow focus at the beginning: “What is radical organisational change?” The focus broadens during the literature review when presenting different opinions and different ways of looking at the topic. The focus broadens even more in the middle of the thesis when I present my findings. One hundred seventy-six insights (findings) show a very differentiated and complex spectrum of radical change. This number of insights may well be overwhelming or confusing to some readers. This is why towards the end of the thesis, I have tried to narrow the focus again by drawing conclusions, by summarising, and by categorising. Now, at the end of this thesis, comparable to the narrow bottom of the orange, I will present a focussed framework as a distillation of the key findings of this research: something to take away, something easy to remember. I hope that it is also something of value in a real-life situation of radical organisational change. My challenge here is to maintain the delicate balance between simple and simplistic. On the one hand, I would like the framework to be so simple that one can keep it in mind, without having to look it up every time one needs it. On the other hand, the framework should offer enough complexity to guide

one through the different challenges in the realm of radical organisational change. My readers may judge to what extent I have achieved these set goals.

The framework is called the “Sacred Cow Framework” because the dimensions of the framework produce the acronym “Sacred Cow”, as a reference to the metaphor of radical change by dealing with sacred cows. This metaphor was introduced in section 1.4. The framework shown in Figure 36 is intended to provide a better understanding of what radical organisational change is all about. It introduces those dimensions that are relevant from the point of view of experienced change agents. I will carry this idea forward to 6.6.3, where I briefly discuss a way in which the framework could be applied for the benefit of practitioners. There will also be an applied version of this framework presented in section 6.6.5. as a contribution to practice, highlighting the leadership challenges that arise from the implementation of radical change.

Sacred Cow Framework

What are the dimensions to consider when implementing radical organisational change?

	Communication	Organisation	Workflow
Skin in the Game 			
	How can the change design best encourage a stakeholder mentality among employees?		
Autonomy 	How can the change design best encourage autonomy in the sense of delegating workplace decisions to the most appropriate level?		
Credentials 	How can the change design best encourage transparency and understanding of measures of performance and outcome?		
Relationships 	How can the change design best encourage building and enhancing internal relationships?		
Entrepreneurship 	How can the change design best encourage entrepreneurship in the sense of rewarding experimentation and avoiding blame culture?		
Difference 	How can the change design best encourage the achievement of desired outcomes, not only in financial terms, but also in the sustainability of change in the sense of a higher purpose?		

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Figure 36. Conceptual framework for better understanding radical change. Source: Author

In this matrix framework, the horizontal axis represents the organisational dimensions whereas the vertical axis represents the key ingredients of successful radical change, as identified by the experienced change agents who contributed to this research. The organisational dimensions (communication, organisation and workflow) are analysed under the point of view of the six change dimensions: skin in the game, autonomy, credentials, relationships, entrepreneurship and difference. All of these dimensions have previously been introduced as “the dimensions of radical organisational change” in section 6.2.1. The distinction between organisational dimensions and change dimensions is as follows: The three organisational dimensions are about the “nuts and bolts” of change design. They represent the more traditional aspects of change design, aspects that can be found in many frameworks about organisational change. In contrast to that, the six change dimensions of the vertical axis are much more distinctive and derived from the reflection of experienced change agents. Based on the data, they are considered the desirable success factors in the execution of radical organisational change.

6.4 Limitations of the Research

6.4.1 Limitations of the sample

Size: Due to the sample of respondents being a small group of change agents, no generalizations can be made concerning the entire population of change agents. The research started out very focussed on the input from interim managers from Germany. This input was expanded in two steps during the research phase. Firstly, interim managers from the USA were added to the group of respondents. Secondly, other change agents, namely consultants and line managers, were added to the group of respondents. Despite the two-step expansion of the sample of potential respondents by reaching out to additional subgroups, the number of respondents is still small and in no way representative of the entire population of change agents.

Preselection: The group of respondents was preselected, meaning that they were not a random sample that could have statistically matched any potential diversity among the entire population of change agents. The preselection is both a benefit and a limitation to the research. In my view it is a benefit, because I selected the respondents for their potential to contribute to the topic of radical organisational change. In other words, I deselected respondents that had seemed to have little or no experience with radical change. At the same time, the preselection is a limitation, because I could only select respondents with whom I could establish a personal contact. Other potential respondents thus were excluded, such as change agents that were not introduced to me, or that did not have the time or the readiness to contribute to this research. For example, there was an interim manager who in a personal conversation with me declared his readiness to be interviewed. Later, during the process of arranging a time and place for the interview, he changed his mind. It turned out to be a real challenge to not only identify suitable interim managers, but also to establish a level of trust and then find a free timeslot in their usually cramped schedules. This process became a little easier later on with the consultants and the line managers who turned out to be less fully occupied than the interim managers. In general, for every change agent that was interviewed, there were many that were not. Although I continued the interviews until a certain degree of saturation was reached, there is always the probability that someone who did not get interviewed might have contributed that would have been significantly different from the other ones and thus would have added some valuable data.

Geography: There are different ways of determining the number of countries in the world. One of them is the membership in the United Nations. The United Nations have 193 member states ('List of sovereign states', 2018). If you choose one sample of one specific country, at the same time you ignore a comparable sample from one of the 192 other countries that you could have chosen instead. This research began with a focus on Germany, was then extended with an additional focus on the United States by interviewing interim managers from there, and then became even more internationally diversified with the interviews of the consultants from countries such as Hong Kong, Canada or the Republic of South Africa. Still, this is only a tiny fraction of the world.

While not in every corner of the world there may be a mature market for organisational change agents, let alone interim managers, there is still a high probability that respondents from a different cultural background would have added a different point of view to this research.

Change agents: The list of respondents is limited to change agents. Other people may have added a complementary point of view. These people include the financial stakeholders, such as the investors and the creditors. It also includes other internal stakeholders, such as the top management and the employees, as well as other external stakeholders, such as the suppliers and the customers, the society and the government.

Company size: The German word “Mittelstand” has already become an established foreign word in the English language. It relates to the small and mid-sized businesses that build a strong backbone of some national economies, especially of the German economy. The interim managers from Germany that were interviewed for this research all had a strong focus on “Mittelstand” clients. Several of the other respondents also had an inclination towards “Mittelstand” clients. In this respect, the perspective of radical change of large corporate organisations is under-represented in this research.

6.4.2 Limitations of the process of data gathering

6.4.2.1 Confidentiality

Once a certain degree of trust was established with the respondent, there was a high level of openness to talk about rather confidential aspects of the respondent’s business experience. While some respondents were ready to talk even about delicate matters, others were more reserved. Delicate matters comprised topics such as the personal exhaustion and detrimental health aspects of an interim management mandate or a perceived lack of integrity of clients or other service providers in the change process. However, every respondent, even the most open and talkative ones, would certainly only tell me about issues he felt comfortable with in the realm of confidentiality. In other words, I in my role of interviewer would not hear about other issues that might have been interesting for my research but were out of the bounds of confidentiality from the

respondent's perspective. Every respondent had the freedom to limit his own contribution to the aspects he felt comfortable with conveying.

6.4.2.2 Focus on topic

In my role as interviewer, I walked a tightrope to find the right amount of focus for each question. On the one hand, there were the talkative respondents who would constantly drift into some related topic, moving further and further away from the core of the question. Then, gently, I had to interrupt their train of thought and lead them back to the original question. On the other hand, there were the taciturn respondents, giving short answers, sparing words. Then, again gently, I had to elicit more information by asking additional questions. Also, I always used my freedom in the realm of a semi-structured interview each time the respondent gave a surprising answer to go a little deeper into the topic by asking further questions. In my role as interviewer, I tried to keep the balance between extracting everything interesting the respondent had to say without taking advantage of too much of their time. There is always the possibility of my not getting a specific answer I might have received had I only asked the question a little differently.

6.4.2.3 Subjectivity

Since this is not quantitative but qualitative research, the main sources of input were the highly subjective points of view of the respondents. As such, they were strongly tinted by individual perceptions. This is where psychology comes into play, more specifically all the aspects of "sensory disorder". In what way would an respondent perceive the situation differently from any other observer had that observer been in the same place as the respondent? Individual differences in perceiving and interpreting situations make this research both interesting and error-prone. One of the most important aspects of this topic is so-called "self-efficacy", meaning that persons believe in their ability to accomplish a task. Bandura (1997), who first used the term, claimed, "expectations of personal efficacy determine whether coping behaviour will be initiated, how much effort will be expended, and how long it will be sustained in the face of obstacles and aversive experiences" (p. 191). In other words, change agents'

perceptions are tainted by their belief in their capacity to influence the change process positively. How much this belief is justified can certainly be evaluated by actual performance, but this was impossible within the constraints of this study.

6.4.3 Concluding summary of limitations

Summing up the limitations of this research, it becomes clear that this thesis is not a final product. Rather, it is a contribution to a starting point for further research with more refinement. A brave adventurer who is inclined to accept the challenge of further researching this topic may consider the following options: (a) a larger sample of opinion holders should be evaluated, (b) the preselection should be broader or even randomized, (c) a wider range of geography and cultures should be evaluated, (d) apart from change agents other stakeholders should also be interviewed, and (e) a broader range of organisational size should be considered. As far as the data gathering process is concerned, it should be challenging to find elegant approaches to receive valuable insights while keeping opinion holders focussed on the topic, while ensuring confidentiality, and while keeping sensory disorders to a minimum.

The biggest limiting issue was probably the last one mentioned, namely respondent bias that derives from a high level of self-efficacy. I would argue that both strong self-efficacy and a tendency to project it are aspects of the professional culture of interim managers, and perhaps of change agents in general. It may not be possible to overcome such tendencies completely, but they certainly should be taken into consideration when conducting interviews and attempting to mitigate their effects.

6.5 Implications for Future Research

One may delve deeper into the subject of this research in a number of ways, as follows:

6.5.1 Perform quantitative research

The qualitative approach of this thesis is nothing but a spot check with a small sample of opinions about radical organisational change. Future research might delve deeper by inquiring into a much larger number of subjects about these issues. Instead of

performing intense interviews with a length of up to three hours, as I did for this thesis, a researcher might gather many more points of view by employing a standardised online questionnaire with an automatic algorithm for the evaluation. This way, a much larger sample of opinion holders might be addressed. This would also help in identifying and eliminating potential outliers, thus achieving a clearer impression as to the inclinations of the mainstream opinion.

6.5.2 Add the voices of other stakeholders

The opinion holders interviewed for this thesis are the change agents, the interim managers, consultants, and line managers experienced in radical organisational change. However, there are several other categories of people who may have an opinion about radical change. Everybody who is a stakeholder of an organisation, be it a financial or a non-financial stakeholder, will have something to contribute to the research. At a minimum, I would consider the both internal stakeholders of an organisation—the investors, the management, and the employees—and the external stakeholders—the creditors, the suppliers, the customers, the broader society, and the government.

Another issue that is closely related to engaging an external change agent in the role of a CRO is the topic of leadership succession (in German “Unternehmensnachfolge”). Who is going to replace the external change agent in his leadership role after his mandate has expired? From my personal experience with German family businesses, I witnessed several occasions where leadership succession became a topic intensely discussed when it was time to hand over leadership from one generation to the next. Some entrepreneurs even hire an interim manager deliberately so as to gain a few more years before they must answer the question about who will be the next to lead the company. So, when discussing family businesses, one should consider that among the stakeholders whose voices are to be heard for the research, there may be at least two generations of entrepreneurs: the parent generation that is about to give up leadership responsibility and the child generation that is about to take on leadership responsibility. This is why especially the topic of succession or handover after an external-led change process is one of the major effectiveness issues and, thus, should be an issue for future research.

6.5.3 Research the cross-cultural meaning of change

Although the research for this thesis started out with a focus on German opinion holders, it gradually developed into a more international project. However, this international and cross-cultural aspect could be researched in a much more systematic fashion. This would imply that specific cultural groups are identified and then researched in depth to detect differences and similarities between these cultural groups. For example, the interim managers interviewed for the research of this thesis are either from Germany or the USA. While there are certainly some differences in the culture of these two groups, there are also similarities. One of the most obvious common grounds between these two groups are their inclination to a rather direct mode of communication. It might be of interest to contrast these groups with cultural groups that are inclined towards a much more indirect mode of communication. Japan, for example, represents a culture where an indirect style of communication is employed in order to prevent other people from “losing face”. If the change agent resorts to a confrontational style of communication that may be perceived as an insult by the opponent and makes him “lose his face”, this approach would be considered a major sin and should be avoided at all cost. Also, an interesting contrast between cultural groups could be to compare authoritarian styles of leadership with cultures that are rather consensus-oriented. In general, it would be interesting to find out whether there are cultures that have found an easier or more elegant way to handle radical organisational change so as present useful alternatives for others to emulate.

6.5.4 Research the aspects of digitization

In the time this thesis is being written, among the most popular buzzwords of the economy are “digitization” and “digital transformation”. According to *Collins English Dictionary* (2018), digitization means “to transcribe (data) into a digital form so that it can be directly processed by a computer”. More generally speaking, digitization or digital transformation refers to the practice of changing processes of an organisation in the way that a more traditional, analogue workflow is transformed into an automatic, computer-supported workflow. This new workflow is generally faster, more reliable, and

less error-prone than the traditional. When we transfer the idea of digitization into the world of radical organisational change, a few questions may arise:

- In what way can the necessity for radical organisational change be determined by a machine? In other words, by the time human beings identify the need for change, it may already be too late for some organisations. Is there an automatic way of detecting the need for change that is more reliable, more objective, and less refutable than the traditional?
- In what way can a machine guide human beings through the process of radical organisational change? Will a machine be able to support or even replace a change agent in the future?
- In what way will a machine be able to evaluate the outcomes of radical organisational change? Will it be possible to find objective and less refutable criteria as to whether a radical change was successful or not?

6.6 Implications for Practice

From a practitioner's point of view, everything written above this section is mere theory. Impatiently, the practitioner has been skimming over the previous chapters: The theoretical background in the literature review, a sample of quotes and insights in the findings chapter, a condensation of the findings in the analysis chapter, and the efforts to find answers to the rather academic research questions in the previous sections of this conclusion chapter. Having reached this section of the document with such a promising headline, the still impatient practitioner now finally hopes to find an answer to his most pressing question: Taking into consideration all of the above, how would I, the author, advise the practitioner to think or act differently going forward from here? Well, with all expedient cautiousness, I offer three suggestions of practical implications for implementing radical organisational change.

6.6.1 Check whether radical organisational change should be performed on a regular basis

While there are still different opinions about the exact necessity for radical change, it is advisable to form one's own opinion and choose one of two options: Either any organisation needs radical change on a regular basis in any case or any organisation needs radical change only when certain triggers are active. What are the implications?

The adherents to the first point of view—that any organisation needs radical change on a regular basis in any case—should decide on a timeframe at the end of which the next radical organisational change is due. When this point in time comes, everyone should be well prepared, and the prerequisites should be available: Are sufficient human resources available to do the change work? Do the available human resources have the necessary skills? Is the change initiative led by an experienced change agent, ideally an external one? Apart from the human resources, which other resources are needed—financial, technological, etc.? It is advisable to prepare for the radical change initiative as of a certain milestone date so as to be ready when the initiative begins. The adherents of radical change on a regular basis do not need and do not want to wait for their initiative to begin only when a crisis occurs. On the contrary, they want to prevent the crisis by a “pre-emptive strike” of radical change. Just as one respondent claimed: “You have to start radical change even before the necessity arises. By the time you recognise the need for radical change, it may already be too late!” Having said that, I do not propose change for change's sake. Such a pattern often occurs in a context where certain members of top management (and political leaders as well) who want to justify their well-paid positions by showing off some decision-making. The kind of radical organisational change that is discussed above is focussed on results and the well-being of the organisation rather than on the decision maker's ego.

The adherents of the second point of view that a trigger is required before the necessity for a radical organisational change arises should be well prepared. This attitude requires clear decision-making as to what these triggers are. For example, are there new governmental regulations released that threaten the sales process? Are there new technologies emerging that endanger the business model? It is a challenge in any

organisation for the people responsible for strategic issues to be aware of these triggers. The next step would be to install a trend radar, a constant long-term screening of the development of these potential triggers. It is not a one-time task to make a SWOT analysis at the start-up phase of the company and then forget about it. On the contrary, opportunities and threats may change. Ideally, a group of responsible people in an organisation work together and decide amongst themselves who will be responsible for screening which aspect of the market. This group of people meets on a regular basis and exchanges their observations. In this way, they can decide whether the current outside change can be absorbed internally by incremental change or whether now is the time that a radical change becomes necessary. However, one should be careful not to strangle the employees' enthusiasm with an overload of simultaneous change programmes. The focus should be on change initiatives that have an easily recognisable validity to "make a difference".

6.6.2 Give the responsibility for radical organisational change into the hands of an experienced external change agent

This statement may be controversial, because not everyone will agree that a radical organisational change has to be led by someone external to the organisation. However, the research revealed a number of arguments that support the view that an external change agent is in a much better position to successfully lead a change initiative.

First, an external change agent can provide a vision. With the agent's experience from previous radical change initiatives with different organisations, he is the most credible advocate to instil the vision of a realistically achievable future in the minds of the employees. He has experienced radical change more than once, has already made many mistakes and learned from them, but most of all has real-life experience with how to turn even the most self-destructive organisation into a self-sustaining place where people love to work. When this external change agent talks about his vision, he is credible, because more than once in the past, he had seen the light at the end of the tunnel and worked his way towards it.

Second, an external change agent is independent. Internal leaders may have gotten used to the limitations and dysfunctions of the organisation, may have learned not to mention them, or even may have become blind to them. They may also be entangled in political dependencies and may have become too deferential when absolute clarity is needed; none of this applies to the external change agent. The time for his mandate inside the organisation is limited. He does not want to make a career there; his career is predicated on finishing the task at hand and moving on. He can afford to be straight to the point, to address issues directly, and to solve problems immediately.

Third, an external change agent brings experience and expertise that may not exist internally. Sometimes external triggers require specific expertise that is currently not available in the organisation. But even on a more general level, not everyone knows how to “do” change. Internal leaders may be highly competent in their areas of expertise, but that does not mean that they possess the necessary skills to change exactly that area of expertise. Organisational change may appear quite easy if you look at it from the outside, but only once one has been deeply involved in organisational change does one begin to comprehend the complexity that goes along with it.

6.6.3 Ensure that you cover all relevant aspects of radical organisational change by using the fittest framework

In section 6.3.5, I suggested a framework that can facilitate a better understanding of the leadership challenges presented by a radical organisational change. Seven dimensions of change are organised into a matrix that represents the sensitive and challenging issues of such change. This framework may serve as a valuable set of guidelines to the conscientious change agent in answering one pressing question: What key issues do I need to consider when planning and performing a radical organisational change? Leadership is an all-embracing issue, and the specific leadership challenges inherent in radical change are represented by the twelve cells of this framework.

6.6.4 Benefits of a richer understanding of the motivation of change agents

One of the contributions to knowledge that derives from this research is a richer understanding of the motivation and job satisfaction of change agents. These new insights are of potential value to organisational stakeholders who commission, recruit, and oversee external change agents and senior managers who are responsible for the work of internal change agents.

The recruitment of an external change agent is a high-risk commitment for any organisation, particularly for one that is in a severe crisis. A better understanding of the motivation and worldview of change agents could be of significant value in facilitating recruitment decisions and enhancing internal relationships with the agent.

Moreover, change agents with a demonstrably successful track record tend to be in high demand, so they can choose among the mandate offers they receive. In such a market, the buyer's challenge is to motivate the agent to take the buyer's offer instead of a competing offer, indeed one that may even be more lucrative than the buyer's offer. An improved understanding of motivation could increase the chances of recruiting the in-demand agent. For example, if the case is presented as an intellectual challenge, as a difficult puzzle to solve, that may be more in tune with the agent's motivation than a straightforward presentation of the organisation's difficulties.

As another example, given that many agents mention the satisfaction that they derive from empowering and developing employees, it could be beneficial to emphasise that the employees are capable of so much more than they currently dare to contribute. Will he, the change agent, be able to unleash their power and make them blossom? If addressed in this manner, the change agent will perhaps be attracted to the challenge, especially if he or she is as competitive and self-assertive as many interim managers tend to be (Bandura, 1977).

6.6.5 A framework to better implement radical organisational change

As a contribution to practice, I would like to present a more detailed and applied version of the framework introduced in section 6.3.5. It is more specific as to what are the

leadership challenges during a radical organisational change. The framework is called the “Sacred Cow Framework” because the dimensions of the framework produce the acronym “Sacred Cow”, as a reference to the metaphor of radical change by dealing with sacred cows. The metaphor was introduced in section 1.4. The framework comes into play after the decision to conduct a radical organisational change has already been made, when someone in a leadership position will have to surmount all the different leadership challenges that go along with a radical organisational change. The model presented in Figure 37 is a map of these multiple challenges, all of which can be taxing. Sometimes leaders tend to “forget” the sectors with which they are not so comfortable or experienced. This model can serve as a map to cross-check whether there are areas of opportunity that have yet been overlooked, based on the worldview of experienced change agents.

Sacred Cow Framework

What are the leadership challenges when implementing radical organisational change?

Leadership Challenges 	Communication 	Organisation 	Workflow
Skin in the Game 	How can we communicate in order to establish a sense of responsibility and skin in the game?	Which organisational structure is best to establish a sense of responsibility and skin in the game?	Which workflow is suitable to establish a sense of responsibility and skin in the game?
Autonomy 	How can we communicate in order to establish autonomy?	Which organisational structure is best to establish autonomy?	Which workflow is suitable to establish autonomy?
Credentials 	How can we communicate in order to establish transparency about our credentials?	Which organisational structure is best to establish transparency about our credentials?	Which workflow is suitable to establish transparency about our credentials?
Relationships 	How can we communicate in order to establish relationships of respect and fairness?	Which organisational structure is best to establish relationships of respect and fairness?	Which workflow is suitable to establish relationships of respect and fairness?
Entrepreneurship 	How can we communicate in order to establish a sense of entrepreneurship?	Which organisational structure is best to establish a sense of entrepreneurship?	Which workflow is suitable to establish a sense of entrepreneurship?
Difference 	How can we communicate in order to make a difference in the world?	Which organisational structure is best to make a difference in the world?	Which workflow is suitable to make a difference in the world?

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Figure 37. Conceptual framework for applying the findings in practice. Source: Author

In this matrix framework, each organisational dimension (communication, organisation and workflow) is analysed under the point of view of the six change dimensions: skin in the game, autonomy, credentials, relationships, entrepreneurship and difference. These dimensions have previously been introduced as “the dimensions of radical organisational change” in section 6.2.1. This matrix leads to eighteen topical fields that together comprise the leadership challenges posed by a radical organisational change. The research represented in this thesis has shown that, from the point of view of experienced external change agents, usually most of or all these topical fields need to be covered. For example, the combination of relationships and communication leads to the question: “How can we communicate in order to establish relationships of respect and fairness?” A very experienced change agent may not even have to think about this consciously, but by intuition and on a gut-level, the agent will most certainly have a strong opinion about that.

As a second example, we take the combination of skin in the game and workflow. The question is: “Which workflow is suitable to establish a sense of responsibility and skin in the game?” This topical field demands that there is a process behind every part of the value chain, and there is a responsible person behind every step of the process. While for the experienced process designer, this may be self-evident, there are—from my experience—numerous other people who never wasted a thought about things like this.

When I presented this framework to a group of experienced change agents to receive a first feedback on a draft version, one of the questions that arose concerned why leadership is not mentioned as one of the seven dimensions. There is a reason for that. From my point of view, all dimensions add up to what leadership of change is supposed to achieve. In other words, being a leader means to take care of all the eighteen challenges that appear in the matrix. That is quite challenging. This is why I see a need for discussion about whether this can be achieved by one person alone or whether there

is a need for a “distributed leadership”, a concept favoured by several authors (Bolden, 2011; Gronn, 2002; Harris, 2009; Kegan & Lahey, 2001; Menon, 2013).

Once explained and discussed, the framework was positively received by the change agents, who agreed that it provides interesting areas of opportunity for practical application.

6.7 Reflection

In a certain way, this research project is like a good wine. It has needed several years to mature to its full complexity. The disadvantage for me, the researcher, is that the entire endeavour took much longer than initially expected. Hopefully the advantage for you, the reader, lies in an added value you can find that would not have been there otherwise. My initial intention to make a plan about this research project at the very beginning and then stick to it for the rest of the project did not match up with reality. This research project was as emergent and iterative as some of the respondents claim their very own work to be—not to mention the several effects of radical change I experienced throughout this research in my professional and private life.

As a look into the future, I wish for two things to come true concerning the topics of this thesis: First, I hope that radical change becomes as normal as incremental change already is. If my assumption that we know a lot about incremental change but very little about radical change is correct, and if also the assumption held by some respondents is true that everyone needs radical change, then hopefully we will gain not only the skills and experience to perform a better radical change, but also the cool-headedness and composure to turn it into a pleasant experience with a satisfying result.

My second wish is that both our increasing knowledge about radical change and our increasing competence in radical change is not only limited to the world of private organisations. I have always been fascinated by the “rules of the game”, the general framework of society. How grand is personal freedom, on the one hand, and economic freedom, on the other, and how can both dimensions be turned up as close to the maximum as possible? In the process of writing this thesis I had the impression that I

live in turbulent times and that both freedoms were severely diminished by the government of my country of domicile. New laws were passed. Some diminished private freedoms, such as the “Netzwerkdurchsetzungsgesetz” (NetzDG, English: Network Enforcement Act), which limited freedom of opinion and incited denunciation among the people. Others diminished economic freedoms, such as the Datenschutz-Grundverordnung (DSVGO, English: GDPR), which burdened every entrepreneur with additional bureaucracy, costs, and insecurity about what is legal and what is illegal. If radical change can do good, it can also do good in the realm of public organisations. What is needed is the courage to create a society with as little regulation as possible, a society that treats people as the adults they are. McGregor’s “Theory Y” (2006) does not only apply to the workplace, it applies to society as a whole. The very moment people comprehend this, they are ready for the ultimate radical change for the good.

So, lastly, I hope that in this wine-like composition lies so much maturity, insight, reflection, and maybe even inspiration that there is a little something for everyone to savour. Cheers!

There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.

--Machiavelli, 1532, chapter VI

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Appendix 1: Initial version of the interview guide (German)

Interviewfragen

0) Einstiegsfragen

a.

1) Was ist die Natur radikalen Wandels?

a. Wann ist ein Wandel radikal, im Gegensatz zu einer allmählicher Änderung oder einer geringfügigen Reparatur?

b. Ist ein Wandel an sich in Ihren Augen eher etwas Normales oder etwas Ungewöhnliches?

c. Ist eine radikale Änderung ein natürlicher Bestandteil unserer Business-Welt?

d. Woher weiß ein Interim Manager, wann eine radikale Veränderung notwendig ist?

e. Ist sich ein Interim Manager der Situation bewusst, dass er ausdrücklich für die Durchführung einer radikalen Veränderung angeheuert wurde?

f. Wenn er die Notwendigkeit für eine radikale Veränderung sieht, warum sah sein Vorgänger (z.B. der CEO den er in seiner Position ersetzt) vermutlich nicht die Notwendigkeit zur Veränderung?

g. Hat der Interim Manager eine höhere Neigung zu radikalem Wandel?

h. Wo sind die Grenzen einer radikalen Veränderung und wann sollten wir sie lieber nicht anwenden?

2) Wie geht ein Interim Manager mit radikalem Wandel um?

a. Wie führt ein Interim Manager eine radikale Veränderung herbei?

b. Nachdem er bereits Erfahrungen gesammelt hat mit Veränderungen, welche die erfolgreich waren und andere, die schlecht gelaufen haben, wie würde ein Interim Manager die Wahrscheinlichkeit erhöhen, bei der Veränderung erfolgreich zu sein?

c. Wie würde er den Widerstand zum Wandel überwinden?

d. Woran erkennt ein Interim Manager, ob eine radikale Veränderung erfolgreich war?

e. Verspürt ein Interim Manager Zufriedenheit nach einer erfolgreichen Veränderung?

f. Was sind die Kriterien, um eine erfolgreiche Veränderung zu erkennen?

g. Sind diese Kriterien eher interner oder externer Natur?

Appendix 2: Second version of the interview guide (English)

Interview Questions

0) Initial Question

- a. You are an interim manager and you agree to the recording of this interview as part of the dissertation by Stephan Meyer?

1) The nature of radical change

- a. **When is a change radical, as opposed to a gradual change or a minor repair?**
- b. To what extent do you think is a radical change a natural part of the life cycle of an organization in the sense that each organization needs a radical change sooner or later?
- c. **f. How does an interim manager recognize when radical change is necessary?**
- d. If the interim manager sees the need for a radical change, why did his predecessor (e.g. the CEO he replaced in his position) did not see the need for change?
- e. What are the limits of radical change and when shouldn't we apply it?

2) The Five Attributes

- a. Can you describe an example in which the **speed** was critical to the success of a radical change?
- b. Can you describe an example in which the **sequence / direction** (from inside to outside or vice versa) was critical to the success of a radical change?
- c. Can you describe an example in which the **linearity** (sequence of specific process steps) was critical to the success of a radical change?
- d. Can you describe an example in which the **scope** (single department vs whole enterprise) was critical to the success of a radical change?
- e. Can you describe an example in which the **depth** (essentials such as corporate culture, values, success criteria, etc.) was critical to the success of a radical change?

3) Dealing with Radical Change

- a. **How does an Interim Manager initiate a radical change?**
- b. How does an Interim Manager overcome the resistance to change?
- c. **How does an Interim Manager recognize if a radical change was successful?**
- d. In what way does an Interim Manager feel satisfaction after a successful change?

Appendix 3: Final version of the interview guide (English)

Interview Questions for Change Agents

0) Initial Question

- a. You agree to the recording of this interview as part of the dissertation by Stephan Meyer?

1) The nature of radical change

- a. When is a change radical, as opposed to a gradual change or a minor repair?
- b. Have you been involved in executing radical change?
- c. To what extent do you think is a radical change a natural part of the life cycle of an organization in the sense that each organization needs a radical change sooner or later?
- d. How do you recognize when radical change is necessary?
- e. If you see the need for a radical change, why do others not see the need for change?
- f. What are the limits of radical change and when shouldn't we apply it?

2) The Change Parameters

- a. What are the critical success factors for an organizational change?
- b. How important is the **speed** during an organizational change?
- c. How important is the **sequence / direction** (from inside to outside or vice versa) during an organizational change?
- d. How familiar are you with planned change models, such as Kotter's, and what is your opinion about them?
- e. Do you use them yourself?
- f. How important is the **linearity** (sequence of specific process steps) during an organizational change?
- g. How important is the **scope** (single department vs whole enterprise) during an organizational change?
- h. How important is the **depth** (essentials such as corporate culture, values, success criteria, etc.) during an organizational change?
- i. Are there other parameters of a change process which you consider to be important?

3) Dealing with Organizational Change

- a. How do you initiate an organizational change?
- b. How do you overcome the resistance to change?
- c. How do you recognize if an organizational change was successful?
- d. In what way do you feel satisfaction after a successful change?

4) Change Agents

- a. When does an organizational change require an external change agent, for example an Interim Manager?
- b. What does an external change agent (IM) add to the organization that previously had not been there?
- c. In what way is a radical change a good or a bad thing?

Appendix 4: Interview guide: Cheat sheet for the interviewer (English)

Cheat Sheet for the Interviewer

1) Information

- a. Goal: Dissertation, Business Administration, Uni Glos
- b. Topic: Radical change seen through the eyes of interim managers (originally: Killing the Holy Cow)
- c. Looking for: Language patterns, mind sets, key words
- d. Style: Narrative, in anecdotes
- e. Financing: Only me
- f. Anonymity: Name of the interviewees, mentioned persons and (client) company names
- g. Publication: The final thesis will be published and will be accessible on the Internet in a dissertation database
- h. Recording. The interview will be recorded. The purpose is to evaluate the speech pattern in a later analysis.

2) Questions

- a. Consent?
- b. Ready and in a position to speak freely?
- c. Health? Feeling well?
- d. Time?
- e. Supply (drinks etc.)?

Appendix 5: Supplementary Table

Non-radical expression	Authors using this expression	Radical expression	Authors using this expression
(Step-by-)step	(M. Beer et al., 1990a; Isern & Pung, 2007; Johnston, Fitzgerald, Markou, & Brignall, 2001; Newman & Nollen, 1998)	Radical	(Aggestam, 2006; Aguilan, 1973; Allarakhia & Walsh, 2011; Amis et al., 2004; Achilles A Armenakis & Bedeian, 1999; Arnold, 1978; Blazejewski & Dorow, 2003; Blohowiak, 1996; Chamberlin, 2010; Child & Smith, 1987; Choi, Holmberg, Löwstedt, & Brommels, 2011; Denison, 1999; Dobrogosz, 1966; Doyle, 1995; Dresang & Kotrla, 2009; Dunlap-Hinkler, Kotabe, & Mudambi, 2010; M. Fiedler et al., 2010; Garvin & Roberto,

2005; C. J. G. Gersick, 1994, 1991; Greenwood & Hinings, 1993; Honold, 1999; Huy, 1998, 1999b, 2002; Huy & Mintzberg, 2003; Isern & Pung, 2007; Jarvenpaa & Stoddard, 1998; Jones, 2003; J. P. Kotter, 1995; C. B. Meyer & Stensaker, 2009; K. Meyer, 2004; Ndofor, Priem, Rathburn, & Dhir, 2009; Newman & Nollen, 1998; Oakes & Rogers, 2007; Petersen, Boer, & Gertsen, 2004; Pettigrew, Ferlie, & McKee, 1992b; Pilcher, 2001; Rigsbee, 1981; Roberts, 1998; Robinson, 2007; Rynkiewicz, 2008; Schreyögg & Noss, 2000; Sheaffer,

			Honig, Zionit, & Yeheskel, 2011; Stoddard & Jarvenpaa, 1995; Storey, 1997; Suhomlinova, 2000; Todd, 1999; Venard, 2002; Vitiello, 1993; Voges et al., 2009; Voss, Vitiello, Winslow, & Johnson, 1993; Want, 1993)
Evolutionary	(M. Beer et al., 1990a; Blazejewski & Dorow, 2003; Choi et al., 2011; M. Fiedler et al., 2010; S. S. Gordon, Stewart Jr., Sweo, & Luker, 2000; Greenwood & Hinings, 1996; Hedberg et al., 1976; Hurt & Trombley, 2007; Huy, 1998, 1999a, 2001; Jarvenpaa & Stoddard, 1998; Johnston et al., 2001; Kikulis et al., 1995; Lichtenstein,	Revolutionary	(Allmendinger & Hackman, 1996; Blazejewski & Dorow, 2003; C. J. G. Gersick, 1991; Connie J. G. Gersick, 1988; S. S. Gordon et al., 2000; Greenwood & Hinings, 1996; Hamel, 2001; Huy, 1998, 2001; Jarvenpaa & Stoddard, 1998; Kikulis et al., 1995; Kuhn, 1996; Malhotra & Hinings, 2013; McAdam,

	1995; Malhotra & Hinings, 2013; Miller, 1982; Sabherwal, Hirschheim, & Goles, 2001; Stoddard & Jarvenpaa, 1995; M L Tushman & O'Reilly, 1996; Van De Ven & Poole, 1995; Voges et al., 2009)		2003; Miller, 1982; Orlikowski, 1991; Rice, Kelley, Peters, & Colarelli O'Connor, 2001; Romanelli & Tushman, 1994; Sabherwal et al., 2001; Stoddard & Jarvenpaa, 1995; M L Tushman & O'Reilly, 1996)
Incremental	(A. A. Armenakis et al., 1993; Beng, 2006; S. L. Brown & Eisenhardt, 1997; Chang, Bordia, & Duck, 2003; Choi et al., 2011; Dutton et al., 2001; C. J. G. Gersick, 1991, 1994; S. S. Gordon et al., 2000; Greenwood & Hinings, 1993; Huy, 1998; Jarvenpaa & Stoddard, 1998; Kikulis et al., 1995; Kofoed et al., 2002; Lichtenstein, 1995; MacIntosh, 2003; McAdam, 2003;	Discontinuous	(Angehrn & Atherton, 1999; Beng, 2006; Chang et al., 2003; Dunlap-Hinkler et al., 2010; C. J. G. Gersick, 1991; S. Gordon, 2000; Huy, 1998, 1999b; Jarvenpaa & Stoddard, 1998; Kikulis et al., 1995; McAdam, 2003; Orlikowski, 1991; Romanelli & Tushman, 1994; Sheaffer et al., 2011; Thomond & Lettice, 2002; M L Tushman & O'Reilly, 1996;

	Miller, 1982; Newman & Nollen, 1998; Petersen et al., 2004; Robinson, 2007; Romanelli & Tushman, 1994; Rynikiewicz, 2008; Sheaffer et al., 2011; Stoddard & Jarvenpaa, 1995; Terry & Levin, 1998; Todd, 1999; M L Tushman & O'Reilly, 1996; Michael L Tushman et al., 1986; Tushman & Romanelli, 1985; Van De Ven & Poole, 1995; Wang, Lim, & Kamardeen, 2012)	Michael L Tushman et al., 1986; Tushman & Romanelli, 1985; Van De Ven & Poole, 1995)
Convergent	(Blazejewski & Dorow, 2003; Choi et al., 2011; C. J. G. Gersick, 1991; Greenwood & Hinings, 1996)	Diverging (Newman & Nollen, 1998)
Single-loop (in the context of learning)	(Angehrn & Atherton, 1999; Doyle, 1995; Huy,	Double-loop (in the context of learning) (Angehrn & Atherton, 1999; Doyle, 1995; R. Ford,

<p>1998, 1999b, 2005; J. P. Kotter, 1995; Petersen et al., 2004)</p>	<p>2006; Huy, 1998, 1999b, 2005; J. P. Kotter, 1995; Petersen et al., 2004)</p>
<p>Paradigm shift</p>	<p>(Beng, 2006; Caldwell, 2003; Dahlin & Behrens, 2005; Huy, 1998, 1999b; Johnston et al., 2001; Kikulis et al., 1995; J. P. Kotter, 1995; Kuhn, 1996; Orlikowski, 1991; Pickett, 1999; Rynikiewicz, 2008; Stoddard & Jarvenpaa, 1995)</p>
<p>Frame-breaking</p>	<p>(C. J. G. Gersick, 1991; S. S. Gordon et al., 2000; Greenwood & Hinings, 1993; Kikulis et al., 1995; Ndofo et al., 2009; Stoddard & Jarvenpaa, 1995; Michael L Tushman et al., 1986; Van De Ven & Poole, 1995)</p>

Frame-bending	(Greenwood & Hinings, 1993, 1996; Huy, 1998; Kikulis et al., 1995)
Fundamental	(Allmendinger & Hackman, 1996; A. A. Armenakis et al., 1993; M. Beer et al., 1990a; Beng, 2006; Child & Smith, 1987; Dresang & Kotrla, 2009; C. J. G. Gersick, 1991, 1994; Huy, 1998, 2005; Isern & Pung, 2007; Kikulis et al., 1995; J. P. Kotter, 1995; McAdam, 2003; Newman & Nollen, 1998; Romanelli & Tushman, 1994; Sheaffer et al., 2011; Stoddard & Jarvenpaa, 1995; M L Tushman & O'Reilly, 1996; Michael L Tushman et al., 1986; Tushman & Romanelli, 1985;

	Wang et al., 2012; Want, 1993)
Second-order	(Achilles A Armenakis & Bedeian, 1999; Beng, 2006; Blazejewski & Dorow, 2003; Denis et al., 2001; Doyle, 1995; Greenwood & Hinings, 1996; Huy, 1999a; Lichtenstein, 1995; Newman & Nollen, 1998; Stummer & Zuchi, 2010; Van De Ven & Poole, 1995),

Footnotes

ⁱ Ich bin eigentlich IMMER dann gekommen, wenn Außenstehende gesagt haben: "Wenn wir DEN jetzt nicht rausnehmen, wenn wir jetzt nicht einen RADIKALEN Wechsel in der Führung des Unternehmens einleiten, GIBT es das Unternehmen nicht mehr."

ⁱⁱ Kapitalgeber sind das. Idealerweise tut das die Eigentümerseite, also die Eigenkapitalgeber-Seite, aus eigenen Stücken. Nicht selten kommt das halt vor, dass das auch durch Fremdkapitalgeber radikaler Wandel initiiert wird. Sondern das ist eigentlich eher die weniger wünschenswerte Seite, weil das ja dann bedeutet, dass die Fremdkapitalgeber ihre Interessen schon bedroht sehen. Und das heißt, dass wir hier über Situationen reden, wo tendenziell die Werte des Unternehmens unterhalb der Werte für das Fremdkapital sind.

ⁱⁱⁱ [Das Radikale am radikalen Wandel sind] die unter Zeit- und Liquiditätsgesichtspunkten notwendigen Kurs-Korrekturen. Das heißt, man kann nicht immer nur dann lieb und nett zueinander sein, sondern Change-Management hat dann auch zur Konsequenz, dass das Steuer doch ein bisschen radikaler rumgezogen werden muss.

^{iv} [Eine Krise, die radikalen Wandel erfordert:] 80 Prozent der Fälle, wo ich jetzt davon gesprochen habe, dass da extreme [...] Liquiditätsengpässe erzeugt worden sind, sind hausgemachte Situationen, die durch, ja, verschlafene, schlechte Management-Entscheidungen passiert sind. [...] Aus der Erfahrung [ist] 80 Prozent hausgemacht und 20 Prozent ist [...] eher von außen induziert.

^v Also ein radikaler Wandel ist eine Situation, in der man sich etwas grundsätzlich Neues einfallen lässt, was es in dieser Form vorher noch nicht gegeben hat. Dazu zählen NICHT, ganz wichtig, die üblichen Einsparmaßnahmen bei Personal. Dazu zählen NICHT die üblichen Einsparmaßnahmen im Einkauf. [...] Sondern man lässt sich etwas grundsätzlich Neues einfallen. Das hat meistens einen unternehmerischen Charakter.

^{vi} Jede Organisation sollte alle zehn Jahre so etwas machen, was ich im Rahmen der Restrukturierung mache. Auch dann, wenn die Restrukturierung eigentlich gar nicht nötig ist. Auch wenn es den Leuten noch einigermaßen gut geht. Weil nämlich, wenn alles so läuft wie es immer gelaufen ist, die Leute in eingefahrene Wege rutschen und dann nicht mehr rechts und links vom Weg gucken. Das heißt, eigentlich

sollte JEDE Organisation etwa alle zehn Jahre das machen, aber auch nicht häufiger. Weil die Änderungen sind so heftig, dass die Menschen das in der Regel nicht öfter vertragen.

^{vii} Die Stakeholder sagen: "Es muss sich alles ändern", dann ist das eigentlich der Startschuss, wo es losgeht.

^{viii} Bei mir ist es ganz einfach. Wenn ich gerufen werde ist er notwendig. Sonst werde ich nicht gerufen.

^{ix} Die XXX-Gruppe ist seit Jahren hoch defizitär. Und seit Jahren ändert die Gesellschafterin an diesen Umständen nichts. REIN gar nichts. Sondern sie löst das Problem, indem sie JEDES Jahr über eine Kapitalerhöhung [...] die verbrauchte Liquidität ersetzt. Dann würde ich sagen, habe ich keine KRISE, sondern [...] ein Problem im Stakeholder-Bereich. Die ist bekloppt! Die kann ich nicht ernstnehmen, ja? So. Nein! Die will, dass der Betrieb so fortgeführt wird, wie ihr verstorbener Vater [es tat]. Sie ist übrigens Biologin. Da hat man dann eventuell die falsche Ausbildung.

^x Es fehlen Nachfolgeaufträge, sie haben keine Wachstumsziffern mehr. Der Umsatz geht zurück. Sie kriegen die vertraglichen Verpflichtungen nicht mehr in den Griff.

^{xi} Und wenn ein Unternehmen über viele Jahre lang immer im Sonnenschein schöner Zahlen und warmer Ergebnisse gefahren wurde, dann fehlt es natürlich auch den Leuten an der Spitze an Erfahrung, wie man auf hoher See bei hohem Seegang und Sturm reagieren muss.

^{xii} Es tat denen ja auch nicht weh, sie kriegten ihr Gehalt wie die letzten 25 Jahre. [...] Die Führung hatte keine Konsequenzen zu ertragen. [...] WENN jemand KEINE NACHTEILE aus seinem Verhalten spürt, ob nun Boni, Arbeitsplatzsicherheit, Abmahnungen, oder sogar Kündigung.

^{xiii} Also die meisten Leute [...] in größeren Organisationen, das gilt für Unternehmen, Staat, NGO's, [...] sind vor allen Dingen an ihrem EIGENEM PERSÖNLICHEN Fortkommen interessiert und weniger am Fortkommen der Organisationen, die sie verantworten. Die achten also mehr auf sich als auf das Unternehmen. Und wenn sie etwas tun müssten, was für sie selber unbequem wäre oder GEFÄHRLICH im Sinne ihrer Karriere, dann tun sie es nicht. Die denken von morgens bis abends nur an sich. Das ist die Regel.

^{xiv} Sie waren einfach von der Ausbildung, von der Denke, vom Charakter dafür weder vorgesehen, noch haben sie die Kraft und den Mut gehabt.

^{xv} Der radikale Wandel, der bei mir mehr oder minder regelmäßig stattfindet, ist einzig und alleine, dass ich mich in aller Regel von den Führungskräften verabschiede. Das heißt also, meine ersten Gespräche,

die ich führe, führe ich natürlich mit Geschäftsführern und Prokuristen. Und die Standardantwort auf die Frage, "wo dran liegt es denn, dass es nicht läuft?", ist in der Regel, "ja, an den bösen Leuten draußen." Der böse Feind vom Mitbewerber, die bösen Kunden. Ich pflege dann immer zu sagen, "Freunde, hier in der Nähe sind sicherlich irgendwo Toilettenräume, wo Spiegel über dem Waschbecken hängen. Da guckt mal rein, dann seht ihr den Verein." Und damit ist bei mir eigentlich auch schon die Frage beantwortet, wie groß ist die Halbwertszeit von dem Menschen, der mir da gegenüber sitzt. Da bin ich also relativ radikal.

^{xvi} Die Leute kommen ja nie auf die Idee, dass sie selber was falsch gemacht haben. Sind ja immer die Anderen! Und in so einem Fall kommen die auch nicht auf die Idee, dass da irgendwas verändert werden müsste. Der böse Feind muss sich ändern!

^{xvii} Weil in verschiedenen Unternehmen Führung auch mal vertriebs- oder technikorientiert sein kann. Und der ehemalige kaufmännische Leiter nicht den Stellenwert und Status hat, der aufgrund der Situation dann vielleicht notwendig wird.

^{xviii} Ich glaube, es hat viel was mit Abhängigkeiten zu tun. [...] Die Abhängigkeiten sind einfach ganz andere, als wenn einer von außen reinkommt und nicht darauf bedacht ist, längerfristige Karrieren im Unternehmen vollziehen zu wollen. Also das ist einfach glaube ich immer ein mentaler Unterschied. [...] Ich habe da einen Fall erlebt, wo die kaufmännische Führung [...] eine totale Abhängigkeit hatte. Weil man da sich gemeinsam auch irgendwelche Steuerleichen in den Keller reingelegt hat mit dem Eigentümer. Das führt dann schon zu [...] dem Effekt, dass viele Dinge, die gegen gefühlte Meinungen des Eigentümers laufen, nicht so ausgesprochen werden, wie sie ausgesprochen werden sollten.

^{xix} Ein Grund wäre die Abhängigkeit des vorherigen CEOs [...] von den Gesellschaftern. Das hängt natürlich vom Unternehmen ab, wie unabhängig ein CEO ist.

^{xx} Je GRÖßER man als Unternehmen ist, umso gefährlicher SIND auch strategische Wechsel.

^{xxi} Ja es gibt natürlich Unternehmen und Organisationen, die einfach einen super Job machen. Da braucht man nichts zu tun. Also ich habe auch schon Mandate wieder zurückgegeben. Ich wurde von Geldgebern geholt für eine Tochtergesellschaft. Die Tochtergesellschaft hatte bereits etwas unternommen. Dieses Unternehmen war hervorragend! Ich habe dann nach zwei oder drei Monaten dem Geldgeber, der mich geholt hat, gesagt: "Nein, nein. Es ist alles in Ordnung dort. Die machen das richtig." Und dann habe ich es wieder zurückgegeben.

^{xxii} Und früher hat so eine Automobilentwicklung sieben Jahre gedauert. So, je nach Resource ist natürlich so eine 180-Grad-Wende dann kaum durchführbar, weil sie einfach bestehende Vertragsverpflichtungen haben. Sie haben Kapazitäten. Das Ressourcen-Management kann nicht so schnell angepasst werden. Sie haben arbeitsrechtliche Spielregeln.

^{xxiii} Die Grenzen sind, wenn der Wandel sehr viel Zeit und Ressourcen in Anspruch nimmt, dass es das Überleben des Unternehmens gefährdet.

^{xxiv} Das Ding muss irgendwo seine Identität bewahren können. Sonst kann ich den Laden auch zumachen und was Neues anfangen. Wenn sich das nicht lohnt, dann sage ich auch: "Also, sorry Freunde, das bringt es nicht mehr!"

^{xxv} Bei solchen Veränderungen ist das eigentlich meine tiefe Überzeugung, solche Sanierungen, entweder die gehen schnell, oder sie gehen gar nicht. Sie müssen also schnell deutliche Verbesserungen erzielen, sonst glaubt ihnen keiner!

^{xxvi} Ich unterscheide zwischen, "je schneller, desto besser" und "je früher, desto besser". "Je früher, desto besser" ist natürlich das Beste. [...] Je früher man anfängt, desto weniger Geschwindigkeit braucht [man].

^{xxvii} [Automobilzulieferer] Du hast zwar diese sechs und sieben Jahre Lieferverträge, aber wenn die Nachfolgeaufträge nicht mehr da sind für die [nächste Automobil-] Generation, weißt du doch genau, du hast jetzt noch drei Jahre zu liefern, aber das Nachfolgemandat hat der Wettbewerb bekommen. Und da in diesem Zeitraum gilt es [sich] dann eben anzupassen.

^{xxviii} Es hängt von der Situation ab. Also da wo Geschwindigkeit zum Beispiel eine Rolle gespielt hatte, ich hatte in der Vergangenheit mit der Firma XXX zu tun, Fernseher. Und zwar in der Zeit, als dort auch noch ein Technologiewandel stattfand, hin zu den Flachbildprodukten, die explizit nicht auf der strategischen Agenda standen. Und man hatte da eher versucht mit den alten Röhrenfernsehern eine Cashcow-Strategie zu fahren. Und die so lange wie möglich zu halten, um Ressourcen zu schonen. Das ist etwas, was ich anders gemacht habe, wohl geändert habe im Sinne von Wandel. Also das war ein relativ radikales Abschneiden von Investitionen in die alten Technologien. Und ein schnelles Aufbauen einer Produktlinie in den neuen Technologieumfeldern, LPD-Fernseher oder auch die Plasma-Technologie, die damals noch relevant war. Und da spielte Geschwindigkeit eine entscheidende Rolle, weil die Markt-Rhythmen einfach getaktet sind von großen Ereignissen, Fußballweltmeisterschaften, Olympiaden. Also von daher, es gab ganz enge Zeitrahmen, in denen das tatsächlich auch gelingen musste, diese Produktlinie fertigzustellen. Also das war total zeitgetrieben.

^{xxxix} Die Geschwindigkeit darf nicht zu hoch sein, sie darf auch nicht zu langsam sein. Und wenn man etwas radikal ändert, dann bleibt kein Stein auf dem anderen. Das halten die Leute nicht beliebig lange AUS. [...] Anderthalb Jahre muss man sich Zeit nehmen, sonst wird es nichts. Sonst ist es nicht gründlich genug. Man darf die anderthalb Jahre aber nicht überschreiten, sonst sind die Leute derartig fertig, dass es nicht mehr geht.

^{xxx} Der Markt bestimmt wo es langgeht. [...] Der Markt ist außen. Man muss sich genau angucken: Was ist im Markt los? Und das müssen wir im Unternehmen abbilden. Das muss dann aber nicht nur im Falle eines Wandels, sondern das sollte man IMMER tun! Aber Unternehmen, die in Schwierigkeiten geraten, haben in der Regel am Markt Probleme, haben am Markt Fehler gemacht. [...] Man muss immer dezentral anfangen. Und dann anschließend, wenn man, weiß was man tut, muss man die Zentrale ins Boot holen. Und nicht umgekehrt. [...] Ich gehe durch das gesamte Unternehmen durch und gucke mir an: Wo gibt es gute Leute? Das ist mir VÖLLIG egal, wo die herkommen.

^{xxxix} Die ganze Denklogik muss von der Marktseite her kommen. Das heißt, man muss irgendwo verstehen jetzt: Wie ist der Markt? Entwickelt der sich in der Zukunft positiv? [...] Es gibt durchaus kurzfristige Effekte die notwendig sind, um Situationen zu heilen, die man dann von innen heraus definiert. [...] Forderungen eintreiben. [...] Krisenmaßnahmen im Sachkostenbereich [...] Die auch von innen heraus definiert sind, aber die reichen für eine Sanierung [...] nicht aus. Es geht gar nicht anders, als dass man [...] von außen ein Konzept definiert.

^{xxxii} Also ich komme ja sehr stark jetzt aus dem Krisen-getriebenen Veränderungsprozess. Und Krisen-getrieben heißt dann oft, Cash-getrieben. Und da gilt es dann anzupassen, da wo die größten Kosteneinsparungspotenziale sind. [...] Auf der Materialseite und Produktion [...] Also ich warne immer davor, im Postbüro oder was auch immer, wo es um zwei Köpfe geht, das ist nicht das Potenzial, um Kosteneinsparungspotenziale zu ziehen. Also der größte Block ist materialseitig.

^{xxxiii} In der Regel geht es von innen. Also so eine Situation, wo es also wirklich klassischerweise erst mal außen zu regeln ist, weil man sonst überhaupt keine Überlebenschance mehr hat, das ist relativ selten.

^{xxxiv} Die Stabsstellen sind der TOD eines jeden Unternehmens.

^{xxxv} Wenn es wirklich um große Sachen geht, kann man nicht alle Schritte vorher festlegen. Das geht nicht.

^{xxxvi} Das würde ich für Quatsch halten, dass Linearität irgendwie ein Erfolgsfaktor ist. Idealerweise stößt man alle Themen, also, sowohl die kurzfristig Notwendigen [...] also - Bestände, Forderungen, Sachkosten - parallel zu dem an, was an Erarbeitung, an nachhaltiger Strategie notwendig ist. Also: Produkte, Produkt-

Profitabilitäten, Kunden, Kunden-Profitabilitäten, Markt, Marktanalysen und so weiter. Man stößt das idealerweise alles parallel an. [...] Wenn man mehr Ressourcen in so einen Turnaround reinvestieren würde, könnte man wahrscheinlich die Dinge parallel machen. Ja, und das wäre aus meiner Sicht der Idealzustand.

^{xxxvii} Wir fangen zunächst immer mit der Finanzplanung an. Cash-Situation und parallel dazu die Vertriebsseite. Welche Vertrags- und Leistungsverpflichtungen gibt es? [...] und gehen von da aus dann in die Tiefe. [...] Das sind eigentlich immer unsere Vorgehensweisen.

^{xxxviii} Wenn diese Unternehmen [...] so groß sind, dass sie wirtschaftlich voneinander unabhängige Bereiche haben, dann kann man das also sicherlich differenzieren. [...] da, wo ich ja primär tätig bin, das ist der gehobene Mittelstand, das sind Firmen mit, zwischen fünfhundert und anderthalb Tausend Beschäftigten. [...] So ein Unternehmen muss man in seiner Gesamtheit sehen. Es gibt allerdings in den Unternehmen immer wieder Bereiche, die besonders schwierig sind. Nicht zuletzt muss man da immer wieder den Vertrieb nehmen. Die Vertriebsleute bilden sich immer ein, sie wären das Wichtigste im Unternehmen überhaupt. Ohne sie kein Umsatz, ohne Umsatz keine Beschäftigung. Ohne Beschäftigung keine Firma. So einfach ist das. [...] Zu einem gewissen Teil ist das richtig, aber das kann jeder andere auch sagen!

^{xxxix} Ich halte auch nicht viel von KPIs. [...] Gar nichts! Ist Gequatsch. Das ist Gesäusel von Stabsabteilungen.

^{xl} Das geht in die Tiefe. Und da werden auch an - deswegen komplementäre Beratung -, an fünf, sechs, sieben Stellschrauben gleichzeitig gedreht. [...] Und da ist dann auch so diese Thematik Haftung unverzüglich mit zu berücksichtigen. Da zwingt mittlerweile die neue Rechtsprechung zu sehr konsequenten Maßnahmen.

^{xli} Also führungstechnischer Natur, versuche ich in einer Art und Weise zu arbeiten, die oft zu einer Werteveränderung führt. [...] Dann arbeite ich meistens mit Task Forces, die funktionsübergreifend und auch hierarchieübergreifend sind.

^{xlii} Wenn man den Leuten eine Verantwortung gibt, und zwar eine solche Verantwortung, die sie auch wahrnehmen können, und ihnen dabei auch die Freiheiten lässt, sie wahrzunehmen - [...] der sogenannte subsidiäre Führungsstil -, dann wachsen die Leute über sich hinaus. Wenn man sie dann später [...] ständigem Querulamentum aus den Controlling-Abteilungen unterzieht, dann gehen die sofort in die innere Emigration. Also es ist eine reine Führungsfrage. [...] Ich gebe ihnen Verantwortung und Macht. Und wenn die das nicht ausfüllen können, dann muss ich sie tauschen. Ich erzähle denen nicht, wie sie

ihren Job machen müssen. (Interviewer: Also die Menschen wachsen daran, dass du ihnen bestimmte Verantwortung übergibst?) Ach die wachsen nicht. Die sind schon groß. Aber ich LASSE sie endlich mal. (Lacht.)

^{xliii} Das sind natürlich Dinge, die durchaus Bedeutung haben, die aber erst in einem späteren Zeitpunkt tatsächlich wichtig werden, um Erfolge irgendwo tatsächlich auch zu verfestigen. Dann kommen diese Dinge ins Spiel. Aber sie können sicherlich kaum mit der Lösung von ethischen Problemen irgendwo ein Unternehmen, was kurz vor der Pleite steht, sanieren. Aber wenn der Laden wieder läuft, dann sind solche Fragen sehr wohl angesagt. [...] Vielen muss man auch beibringen, dass man Macht nicht missbrauchen darf. Das muss auch manchmal wehtun, damit die das lernen.

^{xliiv} Ich habe gesagt: "So geht das nicht!" Und sie müssen an KLEINEN Beispielen aufzeigen, SIE sind gewillt Zeichen zu setzen. [...] Widersprechen Sie einfach! Zeigen Sie bestimmten Leuten Kante: Nein! Bin ich ganz anderer Meinung. [...] Berater haben die Angewohnheit zu sagen, wie so ein Part Time-Lover: "Wir machen hier einen Job, ja, aber ich werde hier nicht beerdigt." Also ich muss mir jetzt nicht hier ein Nest bauen für die nächsten zwanzig Jahre - everybodys Darling. [...] Das hat mir mal so eine Sekretärin eines Geschäftsführers gesagt: "Sie sind wie Jekyll and Hyde, mal so und mal so." Ich sage: "Es kommt immer darauf an, was Sie gerade brauchen."

^{xliv} Also ich gehe am Anfang hin und mache eine kurze Rede vor der gesamten Belegschaft. Ich integriere von Anfang an die Belegschaftsvertreter. Das ist extrem wichtig! [...] Ich erkläre denen, was ich gesehen habe. Ich erzähle ihnen, dass ich bei ihnen vorbeikommen werde. Und zwar einzeln. Und ich versuche auf diese Weise, eine neue Stimmung zu erzielen. Eine Stimmung, die HOFFNUNG bietet. Weil, in den Situationen wo ich persönlich reinkomme, gibt es in der Regel seit Jahren keine Hoffnung mehr. Und da muss man dafür sorgen, dass man wieder eine Hoffnung erzeugt.

^{xlvi} In der Regel versuchen wir immer mit einer Quick-Analyse uns Klarheit zu verschaffen: Wo steht das Unternehmen? [...] [Wir] haben Rechtsprechung mittlerweile zu berücksichtigen. Das heißt, innerhalb von dreißig, sechzig Tagen erkennbare Überschuldung oder dauernder Zahlungsverzug. [...] Die zwingt dann zu handeln.

^{xlvii} Eine Runde mit den Leuten sprechen. Das Bild von denen erst mal aufnehmen. [...] Können die weiter mitspielen oder auch nicht? Sind sie vielleicht eher Teil des Problems, als Teil einer Lösung?

^{xlviii} Ich lade zu einer Mitarbeiterversammlung ein. [...] Als Erstes sage ich: "So, meinen Namen kennt hier mittlerweile jeder. [...] Jetzt wisst ihr auch, wie ich aussehe. Das ist der kleine Dicke, der hier oben steht."

Ich sehe vielleicht anders aus, als ihr das gedacht habt, aber das ist nun mal so. Damit müsst ihr jetzt leben. [...] Ganz klare Aussage: Ab heute ist alles anders." Und dann gucken die mich doof an und, "was heißt hier, was ist alles anders?" Und dann kommt von mir eine ganz einfache, kurze, präzise Definition: "Erstens, alles was ich tue, sage ich vorher an. Aber auch alles, was ich ansage, tue ich tatsächlich! Und wer mir das nicht glaubt, macht ganz schlechte Erfahrungen mit mir."

[...] Wir befinden uns hier auf hoher See in einem leckgeschlagenen Boot. Das Ufer ist weit entfernt. Der Sturm ist/ peitscht mächtig, die Wellen sind hoch. Wir alle drohen abzusaufen, keiner will ertrinken. Das heißt also, wir müssen jetzt alle zusehen, dass wir in die gleiche Richtung rudern. Und die gleiche Richtung zu rudern bedeutet, es muss einer da sein, der sagt, in welche Richtung zu rudern ist. Und das ist klar, das bin ab sofort nur ich und niemand anders!

[...] Wer nicht mit rudert, oder in die falsche Richtung rudert, der ist Ballast an Bord. Und der geht über Bord. [...] Und wenn Sie mal in die Situation kommen, dass Sie tatsächlich mal über Bord gefallen sind, ich werde immer bemüht sein, Sie zu retten, Sie wieder [ins Boot] zu ziehen. Und wenn Sie mal nicht mehr wissen, wo vorne ist, gucken Sie immer, wo ich bin, da ist immer vorne. Und wenn Sie sich an die Spielregeln halten, dann kommen wir wunderbar miteinander aus."

^{xlix} Sie müssen GANZ schnell präzise auf einen Punkt kommen. Das geht eigentlich nur mit ganz radikalen Mitteln. [...] Sie würden jetzt eine 300er oder 400er Körnung Schleifpapier nehmen und würden STÄNDIG schleifen, schleifen, da sind sie HUNDERT Jahre mit beschäftigt! Statt einfach mal zu sagen: "So, jetzt nehme ich eine Säge und nehme diesen Teil einfach raus.", aus dem Mosaik oder aus dem organisatorischen Baustein. Das muss einfach mit einer deutlichen Signalwirkung verbunden sein, man HAT sich entschlossen, es wird jetzt SO gemacht.

^l Nur durch Vorleben. Also viel Reden, Argumentieren, Vorleben.

^{li} Wenn ich ehrlich bin, Sanierungen können niemals, nur von oben quasi diktiert werden, sondern sie BEDÜRFEN einer hohen Akzeptanz aller Beteiligten. Sie müssen also auch immer mit EINWAND rechnen. Und da ist es natürlich wahnsinnig wichtig, dass sie [...] IMMER wieder die Meinung im Betrieb mit aufnehmen, damit sichergestellt ist, die ANREGUNGEN dieser Befragten sind wiederzuerkennen. Es hat keinen Sinn, am Ende rauszugehen und KEINER der Vorschläge [der anderen, die da mit meinen Befragungen konfrontiert worden [...] sind zu sehen [...] Das wäre so, als ob sie im Grunde genommen GEGEN die Organisation des Betriebes etwas ändern, das geht ÜBERHAUPT NICHT. Also ich habe

GELERNT, dass mein Erfolg ein Erfolg ist, wenn das Unternehmen DAS akzeptiert. Ich KANN NICHTS gegen die Organisationen machen!

^{lii} INT-09-GER: Man muss die Leute schon überzeugen! Es geht nicht, dass sie sich einfach hinstellen und sagen: "Weil ich jetzt derjenige bin, der hier als Restrukturierer gerufen wurde, weiß ich alles besser als du", sondern ganz im Gegenteil, ich sage den Leuten: "Freunde, ich need euch, denn ihr wisst über dieses Unternehmen und alles, was damit zusammenhängt, wesentlich mehr als ich in den anderthalb Jahren, die ich hier sein werde, jemals wissen werde! Und deswegen bin ich auf euer Wissen angewiesen. Und es ist schlicht und ergreifend für mich elementar wichtig, dass ihr euch nicht wehrt, wenn ich also das letzte kleine Quantum an Fachkenntnissen, an Intimitäten euch aus der Nase puhle." [...] Für mich ist also elementar wichtig, dass man die Kommunikation wieder ans Laufen bringt. Und das heißt also für mich, die wesentlichen Leute, die miteinander kommunizieren müssen, dass man die also ständig wieder zusammenbringt, und die im Zweifelsfalle durch manchmal auch kindische Aufgaben dazu zwingt zusammenzuarbeiten. [...] Es gibt Situationen, da sind regelrechte Brandmauern zwischen den Abteilungen aufgebaut. Und wenn da einer die Nase drüber steckt, der kriegt sofort mit einem dicken Knüppel einen auf den Kopf gehauen.

^{liii} Die Leute, die unbelehrbar sind, verlassen innerhalb kürzester Zeit das Unternehmen. [...] Man muss IMMER einen Prügelknaben haben. Wenn man keinen hat, muss man ihn erfinden. [...] Aber es gibt immer irgendwelche Leute, die unangenehm sind, die schlecht sind, die nur an sich denken, die leicht korrumpierbar sind oder, oder, oder. Also da braucht man sich gar keine große Mühe zu geben. Die findet man immer. [...] Und dann werden die nach Hause geschickt und dann ist der Fall erledigt. Und die Belegschaft merkt ja auch, dass eher die Schmarotzer nach Hause geschickt werden und nicht diejenigen, die arbeiten. Das ist da eine unglaubliche MOTIVATION!

^{liv} Also insofern habe ich da also ÜBERHAUPT kein Problem, solche Leute zu feuern. Das gilt für die erste und die zweite Reihe, für Geschäftsführer oder Vorstände und Prokuristen. Bei allen anderen bereitet es mir NACH WIE VOR, obwohl ich viele, viele Jahre im Geschäft bin, immer noch wirklich SCHLAFLOSE Nächte. Wenn ich also Entscheidungen treffen muss, die dazu führen, dass ich also aus der Mannschaft, im weitesten Sinne. Und da spreche ich natürlich zu allererst von den/ von der Mehrzahl der Mitarbeiter. Und das sind die Arbeiter, das sind die kleinen Angestellten. Das ist der Pförtner vorne. Das ist der Hausmeister [...] Das bereitet mir nach wie vor also wirklich GROßE Kopfschmerzen, schlaflose Nächte. Und das sind auch Dinge, die mache ich DEFINITIV nur selbst. Also wenn Entlassungen auszusprechen sind, ist meine tiefe Überzeugung, wenn ich solche Entscheidungen treffe, dann muss ich sie auch selber

umsetzen und muss ich auch selber den Mut und die Größe haben, den Leuten in die Augen zu gucken und zu sagen: "DAs war es jetzt." Angenehme Sachen kann man delegieren, die unangenehmen muss man selber machen. Das war immer meine/ meine feste Überzeugung. Aber sagen wir mal, darüber hinaus versuche ich eigentlich erst mal mit anderen Mitteln Veränderungen zu bewirken. #00:06:24-1# Die Veränderungen müssen ja primär in den Köpfen stattfinden. Und wenn man in ein Unternehmen kommt, in dem es mächtig knirscht, stellt man IMMER wieder als Erstes fest, die Kommunikation findet nicht mehr statt. Das ist der entscheidende Punkt, den man erst mal überwinden muss, dass man die Leute wieder dazu bringt, miteinander zu reden.

^{lv} Ich bin wirklich fertig mit meiner Arbeit, wenn ich in der Lage bin festzustellen, das Unternehmen kann jetzt für sich selber sorgen.

^{lvi} Wenn es nicht erfolgreich ist, geht in der Regel die Aufgabe in Richtung Abwicklung. So, das ist die schwierigste aller Situationen. Erfolgreich ist, wenn es im Ganzen gilt, dieses Projekt zu restrukturieren und auf eine vernünftige Zukunft zu führen. Es kann aber auch Zwischenlösungen geben, dass man Teilbereiche herauslöst und veräußert. Das heißt also, gesunde Teile in eine Zukunft überführt und den Rest in eine Abwicklungseinheit überträgt.

^{lvii} Ganz einfach - am Geschäftsergebnis. [...] Das Ebit steigt.

^{lviii} Sehr beliebt sind zum Beispiel Wirtschaftsprüfer, die keine Ahnung haben und dann Gutachten machen, wo das drin steht, was man gerne hätte. Das kann man steuern. Also Wirtschaftsprüfungsgutachten kann ich immer steuern. Da steht am Ende das drin, was ich will. [...] Weil die so dumm sind wie Bohnenstroh. [...] Ich habe noch keinen Wirtschaftsprüfer kennengelernt, den ich nicht an der Nase rumführen kann. [...] Die ganze [Wirtschaftsprüfer] Branche ist meiner Ansicht nach überflüssig wie ein Kropf.

^{lix} Die Stimmung in der gesamten Mannschaft ist eine ganz andere. Die Leute laufen nicht mehr mit hängenden Köpfen durch die Gegend. Man wird freundlich begrüßt. Die stieben auch nicht mehr auseinander, wenn ich komme, und die mal mit dem Becher Kaffee in der Hand irgendwo ein Quetschen halten. [...] Überall, wo ich war, habe ich an Stellen, wo viele Leute vorbeikommen, so Kaffee-Automaten aufstellen lassen. Das sind so Punkte, wo die Leute miteinander kommunizieren. Ganz bewusst, die sollen da auch mal stehenbleiben mit einer Tasse Kaffee oder einem Becher Kaffee in der Hand. Und die sollen auch nicht wegrennen, wenn ich mich dann dazu stelle. Wenn ich das erreicht habe, dann ist schon viel

erreicht. [...] Sie stellen einfach fest, wenn es erfolgreich war, ändern sich die Zahlen. Es ändert sich der Umgangston. Es ändert sich die Stimmung. Es wird auch wieder gelacht.

^{lx} Ob eine positive Stimmung herrscht. Und die positive Stimmung, die kann man merken durch Kontaktsuche mit dem Interim Manager. Durch Bestätigung seiner Ansichten, durch positive Verbreitung von Vorschlägen, was man [...] noch besser machen kann.

^{lxi} Die Frage darüber hinaus ist dann immer für einen Interim Manager, wie nachhaltig wird das dann weitergeführt, wenn man nicht mehr da ist. Es gibt manchmal Situationen, wo man so was natürlich auch erreichen kann, indem man Investitionen in die Zukunft des Unternehmens komplett abschneidet. Auch das kann ja kurzfristig Wirkung erzeugen. Was für mich jetzt keine nachhaltige Vorgehensweise wäre.

^{lxii} Das kommt ZU oft vor, dass ich unzufrieden bin. Und das liegt einfach daran, dass die Situation, in der man sich in so einem Unternehmen befindet, in einem GANZ erheblichen Konflikt steht, mit diesen besagten Stakeholder-Problemen. Es ist nur dann ein glückliches Ende, wenn derjenige für sich feststellen kann, es ist alles gutgegangen. [...] Es gibt Situationen, wo ich im Streit ausscheide, wo man richtig sagt: "Wir sind nicht zufrieden mit der Situation." Der Herr XXX war nicht mit meinem Einspruch zufrieden, als ich ihn beim Bilanzbetrug erwischt habe. Und dann hat er mich nach Hause geschickt. Ich habe mir über die Rechtsanwälte das Geld geholt, aber ich war NICHT zufrieden. Ich habe JAHRELANG Trauerarbeiten leisten müssen. Das hat mich SEHR gekränkt. [...] Es ist ja auch glaube ich nicht die Aufgabe, den Job anzutreten, damit man danach glücklich ist. ICH behaupte mal, das Erhalten von Unternehmen, von Ressourcen, von technischen und wirtschaftlichen Ressourcen, ist eine Aufgabe, die kann man nicht mit Glück, sondern die kann man mit anspruchsvoller Arbeit verbinden, wo das GLÜCK in der Arbeit liegt und nicht im Ergebnis an sich.

^{lxiii} Ich freue mich jedes Mal ganz außerordentlich, wenn es geklappt hat. Und bisher hat es immer geklappt. Insofern habe ich lauter Fälle, die mir also einen Lebensreichtum bringen. [...] Ich kann mein Leben viel einfacher strukturiert haben. Ich hätte vieles viel einfacher gehabt. Aber nicht so schön.

^{lxiv} Für mich ist der schönste Moment nach so einer erfolgreichen Restrukturierung, wenn ich erhobenen Hauptes durchs Firmentor gehen kann, mir auf die Schulter klopfen kann und sagen kann: "Ja, hast du mal wieder gut hingekriegt." Das ist ja eben das Schöne an dem, was ich mache, dass man eben ständig irgendwelche Erfolgserlebnisse hat. Und wenn man am Ende wirklich so aus dem Tor rausmarschieren kann oder fahren kann, dann war ja die Anzahl und das Gewicht der Erfolgserlebnisse mit Sicherheit größer als das Gewicht der Misserfolge. Man hat natürlich auch Misserfolge, aber davon darf man sich

nicht beirren lassen. Wobei, die größten Misserfolge sind die, wenn man von Leuten, denen man vertraut hat, hintergangen wird.

^{lxv} Also insofern habe ich da also überhaupt kein Problem, solche Leute zu feuern. Das gilt für die erste und die zweite Reihe, für Geschäftsführer oder Vorstände und Prokuristen. Bei allen anderen bereitet es mir nach wie vor, obwohl ich viele, viele Jahre im Geschäft bin, immer noch wirklich schlaflose Nächte.

^{lxvi} Also die meisten Leute [...] in größeren Organisationen, das gilt für Unternehmen, Staat, NGO's, [...] sind vor allen Dingen an ihrem EIGENEM PERSÖNLICHEN Fortkommen interessiert und weniger am Fortkommen der Organisationen, die sie verantworten. Die achten also mehr auf sich als auf das Unternehmen. Und wenn sie etwas tun müssten, was für sie selber unbequem wäre oder GEFÄHRLICH im Sinne ihrer Karriere, dann tun sie es nicht. Die denken von morgens bis abends nur an sich. Das ist die Regel.

^{lxvii} Also ein radikaler Wandel ist eine Situation, in der man sich etwas grundsätzlich Neues einfallen lässt, was es in dieser Form vorher noch nicht gegeben hat. Dazu zählen NICHT, ganz wichtig, die üblichen Einsparmaßnahmen bei Personal. Dazu zählen NICHT die üblichen Einsparmaßnahmen im Einkauf. [...] Sondern man lässt sich etwas grundsätzlich Neues einfallen. Das hat meistens einen unternehmerischen Charakter.

^{lxviii} Die Stakeholder sagen: "Es muss sich alles ändern", dann ist das eigentlich der Startschuss, wo es losgeht.

^{lxix} Bei mir ist es ganz einfach. Wenn ich gerufen werde ist er notwendig. Sonst werde ich nicht gerufen.

^{lxx} Jede Organisation sollte alle zehn Jahre so etwas machen, was ich im Rahmen der Restrukturierung mache. Auch dann, wenn die Restrukturierung eigentlich gar nicht nötig ist. Auch wenn es den Leuten noch einigermaßen gut geht. Weil nämlich, wenn alles so läuft wie es immer gelaufen ist, die Leute in eingefahrene Wege rutschen und dann nicht mehr rechts und links vom Weg gucken. Das heißt, eigentlich sollte JEDE Organisation etwa alle zehn Jahre das machen, aber auch nicht häufiger. Weil die Änderungen sind so heftig, dass die Menschen das in der Regel nicht öfter vertragen.

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