

THESIS FOR THE DEGREE OF LICENTIATE

Capabilities for Change: Trust and Involvement in  
Organization Development

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Gothenburg, Sweden 2019

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Report no L2019:120  
ISSN no: 1654-9732  
Licentiate Thesis

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Chalmers Reproservice  
Gothenburg, Sweden 2019

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## Abstract

The more capable an organization is in changing, the better the result. However, up to 75% of change initiatives still fail. Previous research suggests that trust is a key factor for success, both with regards to trust in managers and in the change itself. One way of creating trust is through employee involvement, which also supports innovation and creation of change since it allows organizations to access the collective knowledge and enable co-creation. How trust and employee involvement are related to capabilities for change is still an under-researched issue that calls for more development of both theoretical and practical knowledge.

This thesis is focused on change with high degrees of employee involvement and explores capabilities for change and the role of trust in change efforts. The basis for discussion is the three appended papers: (1) “Strategy workshops - trust as an enabler”, (2) “Change in Tightly Coupled Systems: Middle Manager Role and Action” and (3) “Locally driven change in a tightly coupled system: challenges and enablers”.

The thesis departs in the view of capabilities as operational *or* dynamic – the first supporting current business and the latter supporting change. This licentiate thesis questions this distinction of opposites. Instead, I propose that change capabilities should be viewed on a scale spanning both operational and dynamic. From this perspective organizations need to consider their internal and external context in order to target and develop the change capabilities that supports them. A differentiating factor found in the studied organizations was their ability to create trust. In this thesis I suggest that trust acts as a facilitator and can enhance the quality of change work. I propose that the ability to create trust should be treated as a capability for change. Implications for the thesis include a suggestion for organizations to consciously develop the capability to create trust, as well as suggestions for how further research can approach different aspects of change capabilities.

Key words: Capabilities, change, trust, involvement

## List of appended papers

### **Paper 1:**

Pregmark, E., J. & Berggren, R. “Strategy Workshops: Trust as an enabler”.

Revise and resubmit status for Management Decision.

### **Paper 2:**

Berggren, R., Pregmark, E, J., Fredberg, T., Frössevi, B. “Change in Tightly Coupled Systems: Middle Manager Role and Action”

Conditionally accepted as book chapter in Researching Organizational Development and Change, vol 28. To be published 2020. Early version presented at SMS Annual conference 2019.

### **Paper 3:**

Berggren, R., Fredberg, T. “Locally driven change in a tightly coupled system: challenges and enablers”

Working paper.

## Acknowledgements

Time really does fly and it is hard to understand that I am at the halfway point of my doctoral studies. I have thoroughly enjoyed myself and love the feeling that there is always more to learn. Getting to this point of my studies has been far from a solo expedition and I want to take this opportunity to acknowledge and give thanks to all the amazing people around me.

A big thank you Tobias Fredberg, my main supervisor. I think you are the artistic director of our group, beautifully painting our purpose and inspiring me to do better. It is a joy to work together. Flemming Norrgren, my assistant supervisor, you are an inspiration in many ways. Even though you have started to embrace your emeritus status during these years you have always time to give good advice, support and new perspectives. Thank you Flemming.

I am thankful to be working with you Johanna Envall Pregmark. You are the coolest and funniest person always. Your advice and support are invaluable – both in academia and wine. Emma Brink, working with you makes me feel safe and certain that we can do anything. Thank you for your warmth and support. Björn Frössevi, you have an amazing gift for seeing people and making them feel appreciated. I am thankful for working with such a supportive and skilled person as you. Hans Björkman, it is always a happy day when you are in the office. Thank you for our many good talks and reflections, you always give me new and valuable perspectives. Apart from these amazing people already mentioned in the Center for Higher Ambition Leadership Europe, I want to thank our partner companies. Without your curiosity and support the research in this licentiate would not have been possible.

I am lucky to have the best office-roommates ever; Charlotta Kronblad, Sarah van Santen and Johanna Envall Pregmark. Thank you for the creativity, focus, laughs and support – you inspire me.

I want to thank my supportive PhD-student colleagues at the division Entrepreneurship and Strategy. I feel that the community and support we have created together is a big help in this academic journey. Also, thanks to the department of Technology Management and Economics in general and the division of Entrepreneurship and Strategy in particular.

Finally, I want to thank my family. Without you nothing would be what it is, and I feel your support in my heart every day. You are my inspiration for all that I do. Marcus, you are the one that are with me all days, in good times and bad. I could not wish for a more amazing partner, thank you for everything. I love you.

Rita Berggren  
Kungälv, December 2019

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## Introduction

Two key factors influencing the success of change are capabilities for change (Helfat & Winter, 2011; Stensaker & Meyer, 2012; Teece, 2007) and change readiness (Armenakis, Harris, & Mossholder, 1993; Choi, 2011; Stensaker, Meyer, Falkenberg, & Haueng, 2002). There are different views of what a capability for change is. Organizational capabilities in general support organizations to carry out a specific activity, they are task specific and imply a level of performance in that the task should be performed to an acceptable level (Helfat & Winter, 2011). In one perspective learning mechanisms is central for enhancing an organizations capability to change (Fredberg, Norrgren, & Shani, 2011). Another perspective is dynamic capabilities. This refers to capabilities that allow an organization to be flexible, able to identify and seize new opportunities (Teece, Pisano, & Shuen, 1997). However, there is ongoing debate about what capabilities for change is and the distinction between operational and dynamic capabilities (Helfat & Winter, 2011; Winter, 2003). The need for change capabilities seems evident in much research. However, most research focuses on managerial capabilities. There is a lack of understanding for the capabilities needed at the level of non-managerial employees (Stensaker & Meyer, 2012). In research on organization development and change, there is a lack of insights concerning capabilities and there is a call for more knowledge around the capabilities that support continuous change (Fredberg et al., 2011; Helfat & Winter, 2011).

Regarding change readiness, the focus is on the change recipients' attitude towards change. Where there is great resistance, change is more difficult to realize (Armenakis et al., 1993). Emotions and reactions are highly present in change readiness, as it is developed through previous experience as well as reactions in the moment (Choi, 2011). One influential emotion in both change readiness (Armenakis et al., 1993) and dynamic capabilities (Huy, 2005) is trust. Authors have established that peoples' trust in the change as such, the leaders and the change agents influences the ability and readiness to change successfully (Armenakis et al., 1993; Huy, 2005; Morgan & Zeffane, 2003; Oreg, Vakola, & Armenakis, 2011). Trust plays a role in other aspects that influence organizations and change too, such as communication, coordination, collaboration and knowledge sharing. Thus, trust can be argued to be essential and is important to understand.

Change is created by people in organizations (Smith, 2005). However, employees are often described in research as change recipients, a wording that bring thoughts to low agency and top down-driven change. The importance of individuals is often underestimated in change efforts and this is argued to be one reason for why change efforts fail (Choi, 2011). Employee involvement in change is suggested to be positive for several reasons. Involvement can increase trust (Lines, Selart, Esepedal, & Johansen, 2005; Whitener, Brodt, Korsgaard, & Werner, 1998), commitment to change (Beer & Nohria, 2000) and allow access to more knowledge in the organization as employees engage in thinking together (Schein, 1993) and dialogue (Bushe & Marshak, 2015). However, "involvement alone does not create commitment" (Wooldridge & Floyd, 1990: 238-239) and many employees are not prepared enough to be involved in change activities (Pasmore & Fagans, 1992). The acts of participation during change can be viewed on a scale from simply conforming and joining the organization to on the high end, creating and

actually designing the new ways of organizing (ibid). The lower end of the scale requires less effort by the participators and also requires less sharing of power (ibid).

Research on involvement uses terms as participation and empowerment in what appears to be overlapping perspectives (e.g. Morgan & Zeffane, 2003). In this thesis the term involvement is used to a higher degree as it connotates more agency and action, thus, better captures what is discussed in the change efforts in focus. Using the scale of participation that Pasmore and Fagans (1992) introduce, I situate involvement at the higher end of the scale. The upper end where employees join in and engage in designing new ways of organizing.

This licentiate thesis is focused on change efforts with high degrees of employee involvement. In this setting the discussion is centered around two areas important for the success of change, namely: capabilities for change and trust. See figure 1 for an illustration of the thesis content.

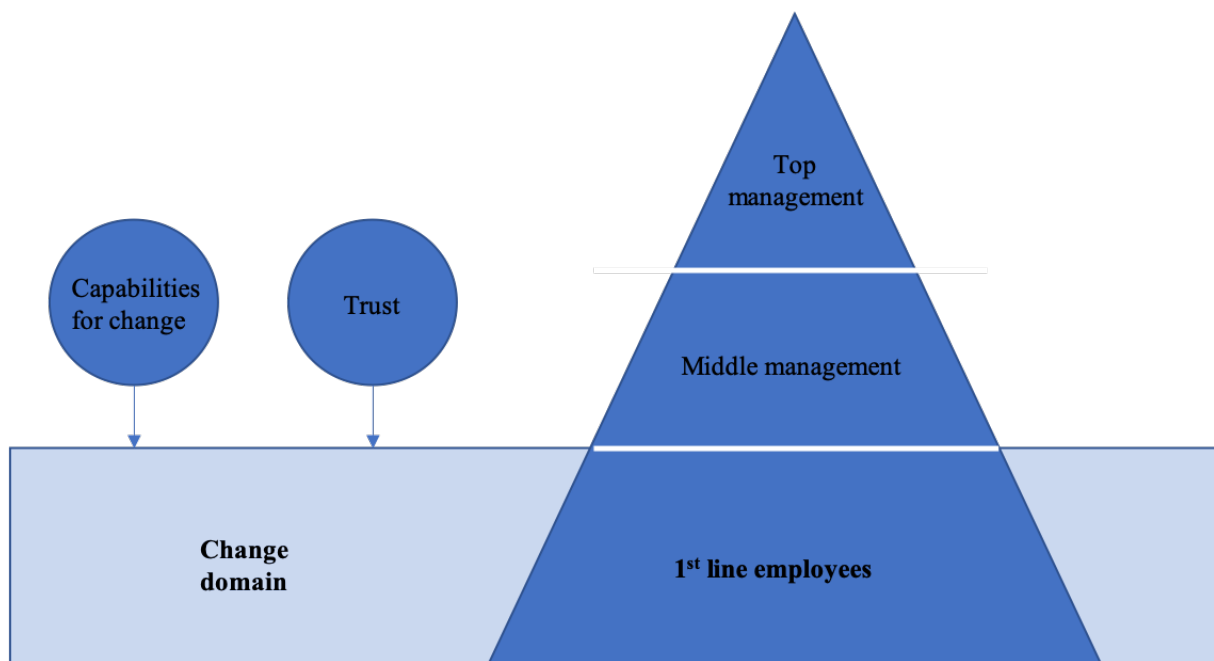


Figure 1 - Overall thesis content.

### Aim and research questions

The aim of this licentiate thesis is to *explore capabilities for change and the role of trust in change efforts*. This leads me to pose the following questions:

RQ 1: What organizational capabilities influence change efforts?

RQ 2: What role does trust play in change efforts?

RQ 3: What joint role does trust and organizational capabilities have in change?



These questions have been studied in the context of change and development with high degrees of employee involvement, illustrated as the change domain in figure 1. In short the three appended papers relate to employee involvement through: change efforts to co-create strategy through inviting a wider circle of employees (paper 1), organization development through continuous re-alignment to the organizational system on a local unit level and the central role of middle managers (paper 2) and lastly, locally driven change by 1<sup>st</sup> line employees being given mandate to design, drive and implement innovation (paper 3). Both paper 2 and paper 3 are developed from studies on organizations within the retail industry. These organizations are characterized as tightly coupled systems where functions and processes are highly interdependent and the organizations are hierarchical and process driven (Burke, 2011). In this type of organization it is typically very hard to succeed with change that is far from the current ways of working and institutionalized set up due to low acceptance of change or lack of ability to create innovative ideas (Heller, 1999).

The connection between the different research questions and theoretical topics is visualized in figure 2, below:

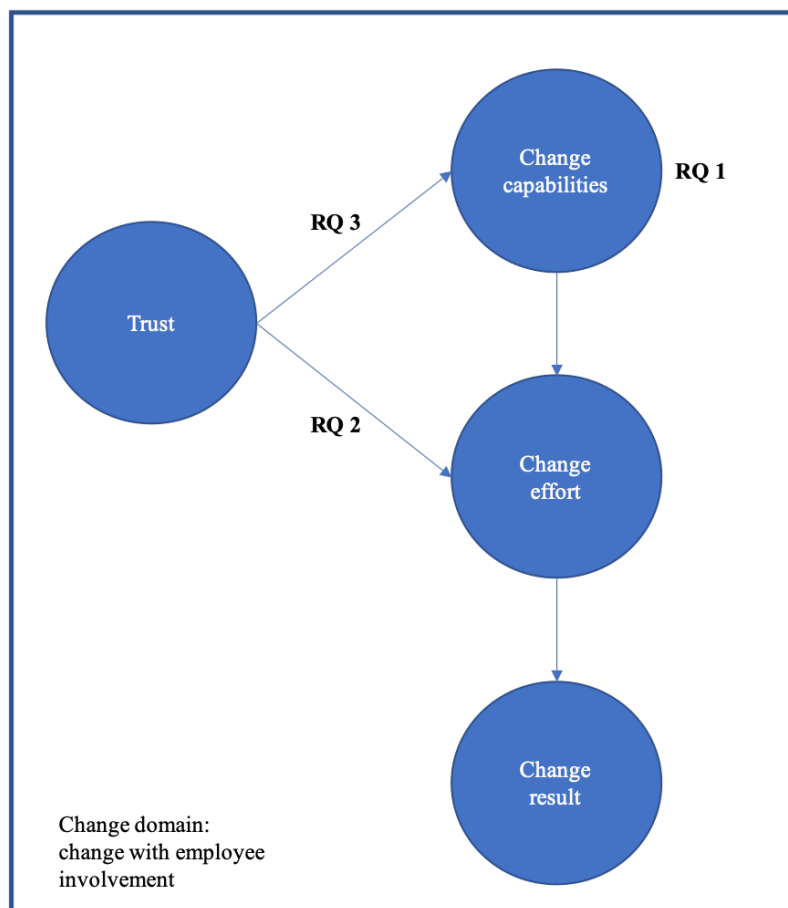


Figure 2 - Visualization of the connection between the research questions and theoretical topics.

The licentiate thesis first introduces a theoretical framework that creates the lens through which we can understand the work throughout this kappa. In focus for the theoretical framework is involvement during change, capabilities for change and organizational trust. Second, a

methodology chapter is presented. Third, the three papers are briefly summarized. Fourth, the discussion is presented. The focus of the discussion is change capabilities and trust. Last, the kappa is finalized with some concluding remarks and thoughts for future research.

## Theoretical framework

The theoretical framework is intended to support the discussion and capture the different streams of research in focus for this thesis. First, different aspects of change in organizations are covered. In particular, involvement in change is presented. Second, change capabilities are introduced. Third, trust in organizations and trust during change is presented. To finalize, theoretical conclusions are given to articulate the direction and the main points from this chapter.

### Changing organizations

To define change, Van de Ven and Poole (1995) write that it is “an empirical observation of difference in form, quality, or state over time in an organizational entity” (p.512). Furthermore, development “is a change process (i.e. a progression of change events that unfold during the duration of an entity’s existence...)” (ibid). They continue to define the term organizational entity as any aspect in the organization, for example an individual’s job, a product or the overall organization. Change is thus a very broad term and can take place at all levels of an organization, both confined to the internal environment or connected to the external environment as well as related to any actor or unit. As indicated, change within an organization is a dynamic process affected by the context the organization is in the midst of, both context within and outside of the organization (see also Pettigrew, Woodman, & Cameron, 2001).

There are many perspectives of what change is or what characterizes change. The fundamental difference between perspectives is whether focus is on the outcome and consequence of change or on the starting- and process conditions (Van de Ven & Poole, 1995). From the perspective of outcomes and consequences, change is described as either radical and occurring in big leaps or as incremental and occurring in smaller steps (Nadler & Tushman, 1989; Van de Ven & Poole, 1995). From the perspective of starting- and process conditions, change is either episodic or continuous. This perspective is based on the idea that organizations strive for and find themselves in states of equilibrium. Episodic change takes place when an organization breaks the equilibrium due to misalignment (Pettigrew et al., 2001; Weick & Quinn, 1999). Such episodes are said to be deliberate, sporadic and discontinuous, whereas in the perspective of continuous change the organization is constantly seeking a state of equilibrium and is seen to be on a constant journey of modifying and improving itself (Weick & Quinn, 1999). Another way of viewing change that combines the two distinctions above is change as either alpha, beta or gamma change. Alpha and beta change focus on changes within a stable environment. The distinction between the two is whether the method for measuring change is (alpha) constant or (beta) not (Golembiewski, Billingsley, & Yeager, 1976). Gamma change, however, is characterized by a “big-bang” transformation going from one state to another without stable methods for measuring the change. Gamma change is identified by the authors as discontinuous and thus, most similar to what e.g. Weick and Quinn (1999) call episodic.

Another interesting aspect to take into consideration when discussing characteristics of change is the organizational context where it happens. One way of characterizing organizations is as tightly or loosely coupled systems (Burke, 2011; Orton & Weick, 1990; Weick, 1976). A

loosely coupled system according to Orton and Weick (1990) has high distinctiveness but low responsiveness between its parts whereas a tightly coupled system has low distinctiveness and high responsiveness. This means that in a tightly coupled system, the different functions and entities are interdependent and changes in one area of the organization has large impact in another, thus triggering responding changes. A loosely coupled system on the other hand is the opposite, not interdependent and can act without impacting other parts. In literature change in tightly and loosely coupled systems are typically prescribed to occur by two opposing logics. Change in tightly coupled systems works should be episodic, large scale and planned whilst in loosely coupled systems change should be continuous, small scale and local (Burke, 2011, 2014).

Change has so far been presented as a rather varied concept approached with many perspectives and with context dependency. However, according to Leana and Barry (2000) the view of change as continuous is becoming more and more treated as a fact. Ability to adapt is presented as the new competitive advantage (Reeves & Deimler, 2011). Still, the scale of change is not implied. Continuous change can be small steps to improve the daily work as well as be organization wide re-conceptualization of the business model. Furthermore, change can affect many different areas of an organization. Changes can be made to the organizational system in whole or in parts, for example to strategy, structure, processes or staffing. Organizations are to a larger extent mobilizing for continuous change through increasing their flexibility and ability to re-mobilize for new business demands (Leana & Barry, 2000). For the purpose of this thesis the concept of change will lean stronger to the view of change as continuous. The thesis seeks to contribute to the understanding of change involving employees to a higher degree in driving and creating during a continuous change journey. This view does not exclude change efforts organized in projects (as for example in paper 3), instead any change effort can be seen in the light of a continuous journey.

### **Involvement and change**

There are different ways of describing employee involvement in literature. According to Morgan and Zeffane (2003), employee involvement is characterized by three dimensions: structure of involvement, form of involvement and degree of involvement/power. Fenton-O'Creevy (2001) defines employee involvement as “the exercise by employees of influence over how their work is organized and carried out” (p.25). From a power perspective employee involvement is a means of sharing control and enabling others to act (ibid).

Research suggest that involvement and team support at work increase motivation (Huy, 2005). The possibility to influence ones work through involvement links to creativity (Amabile & Kramer, 2011) and supports innovation and flexibility (Shani, Chandler, Coget, & Lau, 2009). Employees that are involved in creating and driving change are more prone to commitment to change (Beer, 2009), accept change and feel more positive emotions (Oreg et al., 2011). Thus, involvement contribute to the success of change. Furthermore, for employees to be consulted by managers during change and by that be involved, has also been found to support sustained trust which is also a factor for successful change (Morgan & Zeffane, 2003). However, in most initiatives with employee involvement the degree of participation allowed by the organization

is often low and does not open up for particularly big changes (Pasmore & Fagans, 1992). The degree of participation ranges on a scale from only conforming with initiatives to creating and designing the new system (ibid). However, Pasmore and Fagans (1992) note the importance of creating the context in organizations for which the aspired degree of involvement is supported and endorsed. Furthermore, development and change with employee involvement requires participative competences of the organization's members (Pasmore & Fagans, 1992). For the individual this is thought of as higher levels of adult development expressed as ego development, a concept where Pasmore and Fagans (1992) refer to Loevinger (1976). Higher levels of ego development are conscientiousness and self-awareness that support individuals to see past their own interest, dare to voice opinions and engage in the development collaboratively (Pasmore & Fagans, 1992).

When involving a larger circle of people during change, organizations access more knowledge (Hautz, Seidl, & Whittington, 2017) and can introduce a new way of thinking together (Schein, 1993). The ability to think together during strategic conversations influences the future success of an organization (Liedtka & Rosenblum, 1996). Thinking together or having dialogues is especially powerful when an organization is stuck in its "old" ways, needs to deal with wicked problems, or where no consensus exists on what is happening and how to act (Bushe & Marshak, 2015). But according to Bushe and Marshak (2015), having good conversations is not enough to create change, the dialogues need to actively alter the narratives building the organization. In their perspective organizations are socially constructed through the conversations and storylines members keep in order to explain what is going on in the organization. Thus, Bushe and Marshak (2015) argue that to change organizations you need to change these storylines or narratives or else the narratives stay in place and recreate the same interactions and events as previously. Another similar perspective suggests that we all have mental models of our reality. These mental models guide how we perceive the world and how we act based on that (Senge, 1990a). In order to change behaviors these mental models need to be transformed. Senge (1990b) suggest that mental models are transformed on three levels: systemic structure, patterns of behavior and events. Leaders need to work on creating learning organizations that can develop all three levels to shift the mental models (ibid).

### **Reactions to change and change readiness**

It is established that employees' reactions to change play important roles in the success of change (Oreg et al., 2011). Reactions to change can be both supportive or resisting (Stensaker et al., 2002). Furthermore, employees' reaction to change can differ depending on their experience of earlier changes. Among employees with little experience of change, more react with strong emotions and among experienced employees, more react with calm (Stensaker & Meyer, 2012). Furthermore, depending on previous experience employees can react with cynicism or loyalty – negative experience leads to more cynicism (although it could also lead to loyal behavior) and positive experience to more loyalty (ibid).

Change readiness in the organization is a way forward to avoid or counteract resistance (Armenakis et al., 1993). Change readiness is expressed by Armenakis et al. (1993) as "the *cognitive* precursor to the *behaviors* of either resistance to, or support for, a change

effort” (p.681-682, italics original). There are several suggestions of factors that create change readiness. Armenakis et al. (1993) suggest a complex system of for example contextual factors, individual factors, social dynamics etc. Hence, there is no one way or quick fix for how to create change readiness. In a review by Choi (2011) research boils down to the following eight factors creating change readiness:

- Employees’ belief in organizational ability to accommodate changing situations
- Policies supporting change
- Trust in peers and leaders
- Participation at work
- Change self-efficacy
- Organizational commitment
- Perceived personal competence
- Job satisfaction

Furthermore, organizations that more easily adopt change, contain individuals that trust management, find management supportive and feel respected (Lines et al., 2005; Oreg et al., 2011). The opposite feelings result in organizational members that more likely resist change and have cynical reactions to it. Interestingly, managers that use top-down strategies for transformation more often fail (Beer, 2009). Further, from research on successful multi-product innovation we learn that managers were able to create a motivating workplace by helping the employees to feel direction in the dynamic environment and opened up for improvisation (Brown & Eisenhardt, 1997). Studies suggest that organizational members that could influence or give input in transformations adopt the change more eagerly (Oreg et al., 2011). The reason behind this is that they have a higher level of self-efficacy and/or feel more committed to the organization (ibid).

### Change capabilities

Being adaptive is what can provide organizations with an edge and can be seen as the new capability that supports sustained competitive advantage (Reeves & Deimler, 2011). Capabilities for change support organizations to change but there are different perspectives and foci in research. One example is the capability for ongoing transform and the learning mechanisms for developing this capability (Fredberg et al., 2011). With Fredberg et al. (2011) the learning mechanisms put in place acted as the force for change. Another example is research suggesting that adaptability comes from for example “the ability to manage complex and interconnected systems of multiple stakeholders” and “the ability to motivate employees and partners” (Reeves & Deimler, 2011: 137). Yet other research, suggests that dynamic capabilities is key for organizations to change and transform (Teece, 2007; Teece et al., 1997).

A capability “implies that the organization (or its constituent parts) has the capacity to perform a particular activity in a reliable and at least minimally satisfactory manner” (Helfat & Winter, 2011: 1244). Furthermore, Helfat and Winter (2011) note that a capability is purpose specific. Even though there is debate about the fuzziness surrounding the concept of dynamic capabilities there is a distinction between operational and dynamic capabilities (Helfat & Winter, 2011). Operational capabilities support the present set up and business of a firm (Winter, 2003).

Dynamic capabilities are firm specific competences that create competitive advantage during change through the ability to quickly and with flexibility respond to change (Teece et al., 1997). Research has explained dynamic capabilities in different ways. In 2007, Teece expressed dynamic capabilities as “the capacity (1) to sense and shape opportunities and threats, (2) to seize opportunities, and (3) to maintain competitiveness through enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise's intangible and tangible assets.” (p.1319). Furthermore, Helfat and Winter (2011) discuss a possible dual purpose of some capabilities, dynamic and operational, but maintain that there is a distinction between them as their purpose varies. Hence, a capability is dynamic when it supports a company to alter its current business. However, the same capability could also support the current set up and thus, serve a dual purpose. Helfat and Winter (2011) also note that the distinction between dynamic and operational capabilities does not relate to the rate or scale of change.

Zollo and Winter (2002) emphasize that dynamic capabilities are stable and learnt compared to an ability to handle a changing situation in the moment. Thus, putting focus on the aspect of learning dynamic capabilities and through that creating patterns for action. Senge (1990b) talks about the concept of a learning organization as another way of handling change. An organization with the capacity for learning and a continuous state of learning will be much better at handling change (ibid). Furthermore, research by Stensaker and Meyer (2012) show how employees learn from experience of change and from their previous reactions in order to develop change capabilities. In particular, three capabilities for change developed through experience is suggested as “(1) coping with uncertainty, (2) maintaining control and (3) increasing their own market value” (Stensaker & Meyer, 2012: 117). Compared to the dynamic capabilities these three are seen on the individual level.

Change can be experienced as an attack on identity and emotional stability (Huy, 2005). This attack in turn provokes defense mechanisms showing itself as resistance. Resistance to change is often sprung from individuals' feelings such as anxiety about the unknown, attachment to the past or fear of possible negative results (ibid). The defense against the possible future loss of power, relationships, rewards, competence, esteem and identity is other reasons for resistance to change (Beer, 2009). This loss is highly emotional and the resistance is both conscious and subconscious. Furthermore, Lines et al. (2005) suggests that emotional strain during change has a negative influence on trust. Thus, also a negative influence on change through the loss of trust. Huy (2005) suggest that by taking an aggregate perspective on change promoting emotions and paying attention to them, the organization can improve in managing transformation. To facilitate transformation, managers should aim to develop emotions such as receptivity to change through sympathy, hope, fun, attachment at work and authenticity (ibid). Huy (2005) suggest that emotion-based routines that can elicit these change promoting feelings are emotion-based dynamic capabilities.

### Trust in organizations

Blois (1999) says that trust is “superficially obvious but essentially complex” (p.197). This captures one challenge in discussing the topic. Trust can seem straightforward as we all experience it but there are many views and facets to the emotion. The following section will

focus on the concept of trust before we continue with trust in connection to organizations, people and change.

Trust is defined in many, often similar, ways. However, the common denominator is a connection to the trustor's (i.e. the person trusting another party) vulnerability and risk of opportunism. Trust is defined as "the psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another" (Rousseau, Sitkin, Burt, & Camerer, 1998: 395). This definition will be used for this thesis since it captures the emotional realm as well as the choice of trusting. Dietz and Hartog (2006) conclude based on the nine most quoted definitions that trust can be seen as having three different parts to it; trust as a belief, a decision and an action.

Trust can be categorized by how it has been developed or what it is based upon. These categories provide an understanding for how trust emerges and what influences the level of trust. In the following paragraph the different types of trust are shortly explained in order from low trust to high trust (Dietz & Hartog, 2006; Rousseau et al., 1998). Deterrence-based trust is developed through high penalty/sanction in case of violation and by that assures that the trustee will act trustworthy (Rousseau et al., 1998). Calculus-based trust is based on rational choice and credible information as basis and is limited to a specific exchange (ibid). Interestingly, Dietz and Hartog (2006) argue that deterrence- and calculus-based trust is not actual trust, instead only very low trust or distrust. Knowledge-based trust is positive confidence based on earlier experience and connects to predictability of the person being trusted (Dietz & Hartog, 2006). Relational trust is based on repeated and continuous situations and is robust against minor violations (Rousseau et al., 1998). This is also referred to as affective trust or identity-based trust. Institution-based trust is created around a certain amount of control and/or legal mechanisms and is also connected to predictability – that people will act as expected (Rousseau et al., 1998). However, control mechanisms can undermine trust if the structure is too rigid (ibid).

Authors have established that peoples' trust in the change as such, the leaders and the change agents, influences the ability to change successfully (Lines et al., 2005; Oreg et al., 2011; Whitener et al., 1998). Trust is an important factor in work relationships on all levels and across hierarchical levels. In particular relational trust is important for coordination and successfully performing actions (McAllister, 1995). Relational trust stem more from a subjective and emotional realm based on the relationship than other types of trust that are more linked to peoples' predictability (Dietz & Hartog, 2006). Top management can create trust through the organizational environment, processes, physical traits etc. (Lines et al., 2005). Thus, the organizational system plays a vital role for understanding how change successfully is managed and how trust is created. Control mechanisms in organizations can, however, hinder the development of trust (Schoorman, Mayer, & Davis, 2007). The controls can be viewed as the source for trustworthy behavior instead of the trustee (ibid). Furthermore, in the tension between change and stability there is a link to trust (Leana & Barry, 2000). Trust is crucial for successful change but at the same time people develop trust through predictability and social ties, features more available in a stable organization (ibid).



Linked to trust is trustworthiness. In comparison, trust is a feeling and an action the trustor has whereas trustworthiness is based on characteristics of the trustee (Mayer, Davis, & Schoorman, 1995). When developing trust, the trustor considers different characteristics in order to judge the trustworthiness of the trustee and is then able to place her/his trust in the other party. Mayer et al. (1995) argue for three characteristics as the main factors for trustworthiness; Ability, Benevolence and Integrity. Ability is the skills, competencies and characteristics that the trustee possesses enabling influence in the context where trustworthiness is a variable. Benevolence capture the degree of which the trustee is inclined to have good intentions towards the trustor. Integrity relates to what extent the trustee abides by principles or norms that the trustor finds acceptable.

### **Creation of trust in organization**

Much of the literature on trust covered in the thesis so far has a focal point in trust and creation of interpersonal trust – one person’s trust in another person. However, how trust is created in an organization is influenced by other mechanisms due to the organizational distance between management and employees (Lines et al., 2005). Employees can base their trust in management on if they feel trusted or distrusted in by the leaders. Then the organizational environment, such as processes, structures, climate etc., acts as signals of managements’ trust or distrust in the employees in place of personal interaction (Lines et al., 2005). Naturally, behaviors and actions by managers also influence the trust employees have for management (Whitener et al., 1998). Furthermore, Lines et al. (2005) suggest that trust in management is affected during a transformation process based on events and actions during the process. Organizational members’ trust level during change is positively influenced by perceived decision quality, the possibility to voice one’s mind and negatively influenced by the emotional strain created by change. In addition, open and informative communication from change leaders helps promote trust since it can eliminate a feeling of uncertainty (Lines et al., 2005). Whitener et al. (1998) have developed a general framework for trust creation initiated by managers’ behavior. Their framework contains five categories of behavior: (1) behavioral consistency, (2) behavioral integrity, (3) sharing and delegation of control, (4) communication, (5) demonstration of concern. These five categories are derived from previous work on trust by for example Mayer et al. (1995). In Mayer et al. (1995) suggest three characteristics of a trustee that the feeling of trust builds upon, namely ability, benevolence and integrity. To conclude, Whitener et al. (1998) establish that it is a manager’s responsibility to act as initiators of trust and that there are organizational factors that are needed to support managers in being trustworthy. These organizational factors are suggested to be (1) organizational structure, (2) HR policies and procedures and (3) organizational culture.

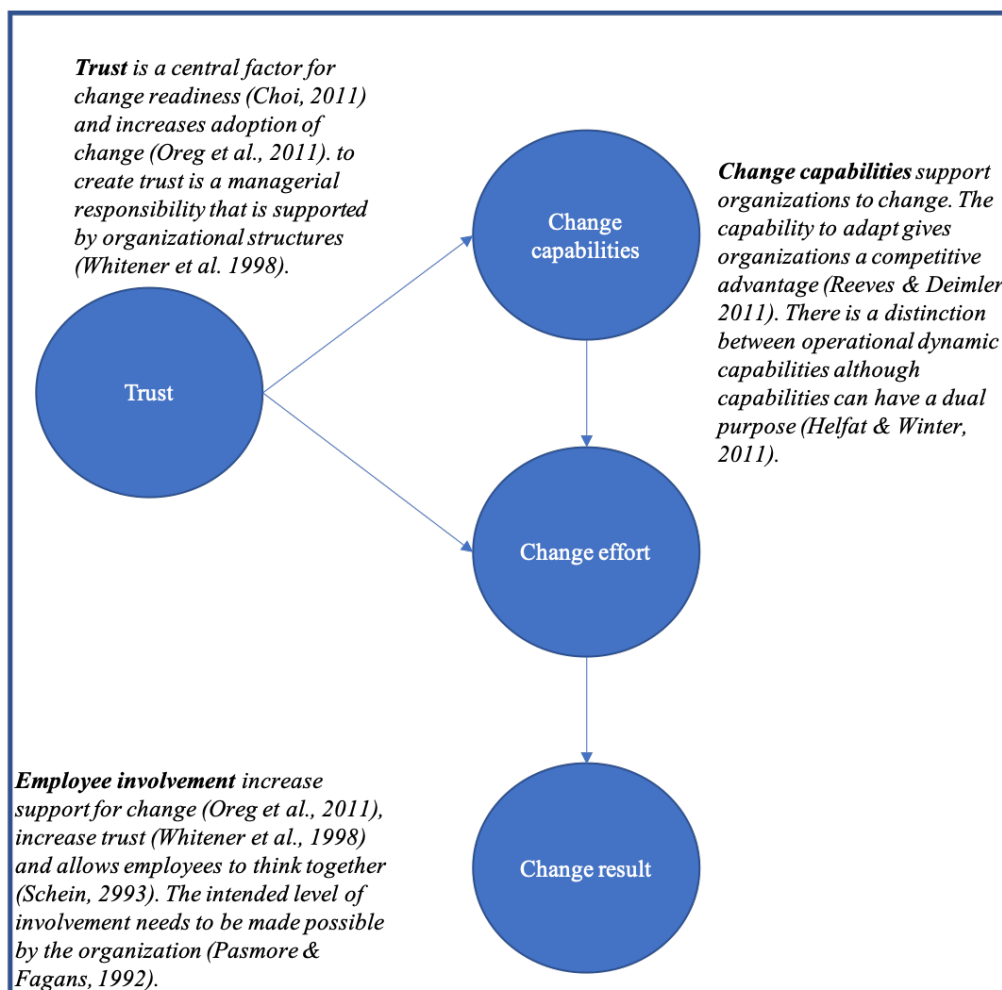
### **Theoretical conclusions**

Adaptability is a key factor influencing organizations’ competitive advantage going forward (Reeves & Deimler, 2011). Capabilities for change is a central concept in this thesis as well as trust and employee involvement. Although there are many different perspectives what capabilities for change is, this thesis is more strongly inspired by the views on operational and dynamic capabilities (Helfat & Winter, 2011). Trust is a central factor for change readiness

(Choi, 2011) and increases adoption of change (Oreg et al., 2011). The need for trust during change is influential for guiding the perspectives in this thesis. Furthermore, to create trust is a managerial responsibility that is supported by organizational structures (Whitener et al. 1998).

Employee involvement is not only a way to increase support for a change (Oreg et al., 2011) it is also a way to create trust (Whitener et al., 1998). Furthermore, it is a key for organizations to be able to think together and co-create (Schein, 1993). Participation in change and development can be viewed on a scale, where high involvement also allows for big changes driven by employees and low entails conforming to the organization (Pasmore & Fagans, 1992). However, organizations are often not open and supporting of high degrees of employee involvement (ibid).

This theoretical framework has presented three main topics that will support the upcoming discussion, namely: capabilities for change, trust and employee involvement in change. General concepts from research on change and change readiness has also been introduced. In figure 3 below, the theoretical framework is illustrated through the same conceptual image that guide the research questions and content of this thesis.



## Methodology

The following chapter will dwell into the methods used during the research for the three appended papers. As the papers themselves describe the method specific for that project and paper, the idea behind this chapter is to expand on the overall approach to research and the used methods.

### **Qualitative research**

In its most aggregate sense, the research for this thesis falls into the category of qualitative research as opposed to quantitative research. Thus, the empirical data is descriptive in nature and in this thesis based on spoken or written accounts, reflections and observations of events or phenomena. Qualitative research is suitable for studying a phenomenon with an explanatory approach as it facilitates an in-depth examination to provide insights (Ritchie, 2013). There are a number of research designs in the scope of qualitative research, but this thesis contains research using two designs in particular, namely action research (Schein, 1987; Shani, David, & Willson, 2004) and case study (Eisenhardt, 1989; Yin, 1994). Paper 1 and 3 falls into the category of action research whilst paper 2 is based on a multi-case study.

### **Action research and collaboration**

For the research in this licentiate thesis the term action research is used in its broadest sense where collaboration with practitioners is put in focus. Shani et al. (2004) define collaborative management research as “an emergent and systematic inquiry process, embedded in a true partnership between researchers and members of a living system for the purpose of generating actionable scientific knowledge” (p.83-84). Other authors add that action research focus on that the scholar develops a close collaboration with the studied organization and its members and studies a matter of concern for the organization (Bradbury-Huang, 2010; Bryman & Bell, 2007). Furthermore, an action research approach allows for iteratively getting data, analyzing, planning, creating action and evaluating (Bryman & Bell, 2007; Schein, 1987). Thus, taking on an action research methodology allows the research project to continuously test the analysis and draw further conclusions on the findings.

To apply action research in the study for paper 3 and paper 1 was useful. Organizational change initiatives are dynamic and full of possible challenges. Action research supports the researcher to capture what unfolds and simultaneously create practical and academic knowledge (Coghlan & Shani, 2014). The studies for paper 1 and paper 3 are different in the type of action created. In paper 1 the focus is strategy creation workshops where management teams invited a wider circle of participants from the organization to give input or co-create the strategy. The workshop structure was designed collaboratively with the organizations by one of the authors (i.e. Pregmark, E. J.), who also moderated the workshops. In paper 3 the focus is locally driven change efforts with first line employees creating, planning and implementing change in their business units. The project method was developed by the research team. Although the researchers did not drive the change initiatives, we were active in coaching and support throughout the project. The research team also initiated and facilitated joint learning sessions for the project managers involved throughout the project. In the study for paper 3, action

research allowed us to test and adapt the method together with practitioners based on the development of the innovation initiatives. It was quite evident in both studies that as an action researcher you need act to reach two goals (Coghlan & Brannick, 2001), both help the organization involved to solve their problem and simultaneously contribute to academic research. In order to understand the effects of this dual role we took notes about the researchers' involvement and influence. As a way to challenge my biases and perspectives I have continuously discussed and reflected on the work with my research team and other colleagues.

In the scholarly community there is an important ongoing discussion about the reason for doing research and for whom research should be useful. Voices are advocating that academic research has become less useful and that there is a growing gap between practice and research (Mohrman & Lawler, 2011; Starkey & Madan, 2001; Van de Ven, 2007). In the action research paradigm, a central notion is that the value of research stems from both the created action and the created practical knowledge (Coghlan & Shani, 2014). When talking about engaged scholarship and knowledge production, Van de Ven (2007) argues that scientific knowledge and practical knowledge are two distinct types that are complementary to understanding our reality. Furthermore, these two complementary types of knowledge need to be viewed and created in close collaboration according to Van de Ven (2007) or else they will be biased and partial. On the same line of thinking is the discussion by Mohrman and Lawler (2011) on useful and dual-impact (i.e. impact on theory and practice) research:

*“We believe that the contribution of research to organizational practice is of critical importance in a world where organizations of all kinds are shaping the future and fundamentally impacting the quality of life and the health of societies”*

*– Mohrman and Lawler (2011, page 1)*

Mohrman and Lawler (ibid) introduce many ways of doing useful research. A common denominator is the close collaboration with practitioners in order to properly understand the practical every day. I attempt to do as other scholars (Mohrman & Lawler, 2011; Van de Ven, 2007) suggest by bringing practical and scientific knowledge to the table and contribute to both realms.

### **Case study**

For paper 2 the study was designed as a multi-case study (Yin, 1994) looking at three organizations in the retail industry. All three were similar from an organizational systems perspective as each could be described as tightly coupled systems (Burke, 2011, 2014). A multi case study is appropriate for comparative studies or for studies where general trends are in focus (Bryman & Bell, 2007). In each of the three cases, semi-structured interviews were performed with members in four business units and managers from several levels in the hierarchy, from unit manager to top manager. The four business units in each case were selected based on their performance and employee engagement, two units above average and two units below average. This sampling was done in order to better understand how the same tightly coupled system can

produce vastly different results. The research team was able to develop analysis with several perspectives: within organization, within business unit and between all three organizations. The possibility for several levels of analysis is a common characteristic of case studies (Eisenhardt, 1989).

### Data collection and analysis

In the three studies behind the three papers a few different methods for data collection were used. In table 1 below a summary can be found of the data collection for all three studies. Thereafter, reflection and discussion about the selection of methods follows.

*Table 1 - Summary per paper of data collection method, research design and number of data points .*

	Research design and data collection	Number of data points
Paper 1	Action research. Reflection meetings and semi structured interviews.	28 strategy workshops from in total 10 processes
Paper 2	Case study. Semi-structured interviews.	47 interviews from in total 3 cases
Paper 3	Action research. Participant observation, informal talks, email, research group reflections, semi-structured interviews.	30 data points from the 3 change initiatives and 8 follow up interviews.

#### *Participant observations*

Paper 3 is based mostly on data from participant observations (Flick, 2014) from three change projects in local business units within an organization characterized as a tightly coupled system. The participant observations occurred about every other week at the projects' weekly meetings and once a month at a learning/reflection meeting including project sponsors and other key stakeholders. In these meetings it was known by all participants that the researcher was there to learn and listen but also to coach and be active, i.e. being a participative observer doing action research. The observations were aimed at covering the dynamic nature of the meetings and projects, the reactions from the participants in relation to driving change, and the progress as well as learnings during the projects. The dynamic nature of these meetings and projects meant that the researchers needed to be flexible and be attentive in hers or his role as participant observer. In the field notes the researchers tried to capture both what was said but also the emotions and feelings in the room. Furthermore, in order to understand the effect of the action research and the involvement of the scholars, notes about coaching and participation were made.

One challenge of collecting data through observations of meetings is that the findings are solely based on what the participants choose to share in a group setting. Thus, the data might not capture what individuals think and feel if they do not show or say it. However, a strength of action research and the close collaboration in such research, is that you as a researcher build a deeper understanding for the phenomenon and the organization. During the project for paper 3, the researchers had continuous conversations with the project leaders, serving as unstructured interviews. These conversations added to the understanding of for example events taking place

or the organization specific politics. Furthermore, about 8-12 months after the change projects had been finalized supplementary semi-structured interviews were made with the project managers, some of the project participants and higher managers directly involved. These interviews also helped the researchers to verify the findings and get individual views on the projects. Such interviews are a well-established practice to increase depth of data from observations (Flick, 2014).

#### *Semi-structured interviews*

The interviews performed in all three papers is characterized as semi-structured in that they were planned to some degree but allowed the interviewer to adapt order of questions and possibly add follow-up questions as the interview took place (Bryman and Bell, 2007). The interviews were also based on mostly open-ended questions that did not steer the interviewee too much but instead allowed the interviewee to give her or his answer based on individual understanding and perspective.

Having follow up interviews as in paper 3 or complementary interviews as in paper 1 was helpful as complement to the bulk of data collected through participant observations or group reflections. These interviews gave us a possibility to also hear the individuals' perspectives.

### Research quality

Traditional perspectives on research quality is more developed for quantitative research methods. The most common way to discuss quality from this perspective is reliability, replication and validity (Bryman & Bell, 2007). However, there is an ongoing debate regarding the applicability of these aspects for qualitative methods. Lincoln and Guba (1985) suggest aspects grounded in trustworthiness as more suitable, namely: credibility, transferability, dependability and confirmability.

*Credibility* develops through time in the field, sometimes called prolonged engagement (Lincoln & Guba, 1985). Furthermore, it connects to if the research is believable or not. In my studies I have strived to create credible research both through consciously reflecting on and questioning my assumptions and methods. I have kept notes during my studies and discussed my work continuously with my colleagues. Furthermore, in the collaborative studies a lot of time was spent in the field and the research is based on many continuous interactions. *Transferability* relates to if the research is possible to generalize and transfer to other contexts. Three different studies create the basis for this thesis and the contributions are made based on similarities that has been found in these three studies. I would not claim that this means that my research is readily transferable to every possible context, but I believe that it opens up the possibilities to continue exploring these topics in other environments. *Dependability* concerns the research design and methodology (Lincoln & Guba, 1985) and relates to reliability of the research. I have tried to be transparent and detailed in describing design and methods for my studies and my analysis of the data. By that I hope to show that my research is dependable. *Confirmability* is an aspect closely linked to objectivity. I would argue that most research cannot claim to be fully objective however, as researchers we need to be aware of our biases and

perspectives that could influence our research. In particular I think action research needs to be mentioned here as it is never objective nor aims to be (Coghlan & Shani, 2014; Schein, 1987). I try to be as open as possible about my methods and analysis. Furthermore, involving a larger team of researchers I think supports confirmability since the analysis and data collection is viewed through several perspectives instead of only one. Thus, in the team we can support each other to be as open and honest as possible to scrutinize how we interpret what we see and how we influence the research process.

## Appended papers

The three appended papers in this licentiate dissertation are in different ways connected to organizational change and. In the following section the three papers are introduced by title, abstract and main contributions for this licentiate dissertation.

With regards to the three research questions, paper 1 and paper 3 are connected to both research questions and paper 2 mostly to RQ 2. Paper 1 looks at the role of trust in strategy creation. The paper give insights to how an early phase of change (i.e. creating new strategy) is influenced by trust and how managers create or damage trust through their practices. Paper 2 is focused on the performance and success of organizations through looking at why business units differ within the same organization. The results are closely linked to both trust and engagement as well as the practices for creating such emotions. Paper 3 is looking at locally driven change in a tightly coupled system and explores the capabilities developed and needed in the organization.

### **Paper 1: “An inclusive invitation to strategy creation: Trust as an enabler”**

#### *Abstract*

**Purpose:** A wider participation outside of the top management team can support strategy creation through access to knowledge, increase innovativeness and create legitimacy for the strategy. To create a climate of trust, where ideas are freely expressed and challenged, is easier said than done. This paper put focus on trust in strategizing, and especially in strategy workshops with wider participation, through asking: *how does trust play a role in strategy workshops with wider participation and how can trust be created in strategy workshops?*

**Design/methodology/approach:** This paper is based on qualitative data from 10 strategy making processes, consisting of 28 strategy workshops in total. Data was collected through interviews and joint reflections with leaders, external facilitators and consultants as well as through action research.

**Findings:** The study suggests three factors that influence trust in strategy workshops with wider participation, namely *opening up the conversation, clarity of participative process* and *delivering upon honest intent*. These factors could have a pivoting role in creating the trust needed for the wider participation in strategy workshops to actually pay off.

**Practical implications:** The paper provide actors of strategy work (e.g. leaders, consultants etc.) with actionable knowledge about what needs to be in place strategy workshops with wider circle of participants.

**Originality/value:** This study connects to the ongoing and increased interest for openness in strategy-as-practice. The paper contributes to theory and practice of strategy creation, in particular strategy workshops with wider participation.

### **Paper 2: “Change in Tightly Coupled Systems: Middle Manager Role and Action”**

#### *Abstract*

How to create adaptive and agile organizations has been a hot topic in change literature since decades. Increasingly, authors are stressing the need for more open and loosely coupled systems to promote adaption. However, many organizations do not operate on such premises, but rather



rely on creating efficient business units through social and administrative control. In this interview study, we investigate how three retail organizations, that could be characterized as tightly coupled systems, are changing within the frame of the set standards. Through contrasting the characteristics of high performing units and low performing units, we find three mechanisms that seem to enable the organizational system to successfully and repeatedly realign and find its new configuration. Moreover, we conclude that the orchestrator of all three realignment mechanisms is the middle manager.

### **Paper 3: “Locally driven change in a tightly coupled system: challenges and enablers”**

#### *Abstract*

Tightly coupled organizational systems are characterized by a rigidity that many other organizational systems do not experience. This is evident especially during efforts of change. In this action research study, three local business units got to drive change initiatives for three months to improve their business results and/or improve employee engagement. Change in this study was designed and initiated in the unit, contrary to modus operandi where systems change normally was centralized. The aim of this paper is to uncover the reactions, both in the units and the larger organization, to this new way of driving change in order to explore what enables and hinders change in tightly coupled systems. The study suggests that the challenge to commit and actually perform the changes was not related to change resistance but rather to a lack of change capabilities. The degrees of freedom locally in a tightly coupled system is low and this translates to an inability to take on mandate and be open to experiment, which was apparent both in the units and from managers around the units. The paper discusses change capabilities and links to alternative theoretical fields.

#### **Researcher’s role in the papers**

All three appended papers are co-authored and have been created through collaboration. In this section I want to be transparent about my role and work for each paper. All the research going into these papers have been made possible by Center for Higher Ambition Leadership Europe and its partner companies.

- Paper 1: Pregmark, E., J. & Berggren, R. “Strategy Workshops: Trust as an enabler”.

Writing the paper has been an iterative collaboration to develop theory and analysis. I have been part of developing the theory, text and arguments. All empirical work has been done by Johanna E. Pregmark.

- Paper 2: Berggren, R., Pregmark, E, J., Fredberg, T., Frössevi, B. “Change in Tightly Coupled Systems: Middle Manager Role and Action”

I was part of the research team that collected the data and have been the main person analyzing the data. Writing the paper has been a collaborate effort between the authors.

- Paper 3: Berggren, R., Fredberg, T. “De-centralized change in a tightly coupled organization: challenges and enablers”

I was part of the research team that collected the data and have been the main person analyzing the data. I have also taken the lead in writing the paper.

## Discussion

In the following section I will discuss findings from the three papers using the theoretical framework in order to answer the research questions. The section follows the logic of the questions by first approaching it from the perspective of capabilities for change. Thereafter, focusing on trust in change efforts and lastly, a combination of the two by linking trust and capabilities.

### Capabilities for change – a range going beyond dynamic capabilities

In paper 3 we follow change efforts driven and created by the employees in each business unit. This way of doing change was very different in that organization for multiple reasons. For one it is an organization that is characterized as a tightly coupled system and as such, planned and large scale change often seems to be necessary (Burke, 2011, 2014). Furthermore, Teece (2007) implicitly suggest that organizations need to be characterized by loose couplings to support adaptability and fast re-configuration. Thus, suggesting that tightly coupled systems are less capable to change than loosely coupled system. Regardless, in many organizations change is typically a top down process that employees are expected to implement, we could see this in some of the organizations in paper 1 as well as paper 3. Turning the logic upside down using change efforts driven by employee involvement, as in paper 3, revealed the need for new change capabilities.

As Pasmore and Fagans (1992) suggest, employees and organizations need to be prepared and have competencies to participate in change and development. On the one hand, ego development makes it possible for an individual to look beyond one's own interest (e.g. by conscientiousness and self-awareness). On the other hand, openness for participation and ability to experiment allows for participation in organizations (ibid). Research on change capabilities by for example Teece (2007), focuses on dynamic capabilities supporting organizations to be flexible and open for new opportunities through for example sensing and seizing opportunities. Both Pasmore and Fagan's (1992) and Teece's (2007) suggestions are on a rather high level of abstraction. So far scholars has also made clear distinction between dynamic capabilities and operational capabilities (Helfat & Winter, 2011). However, I want to question this distinction. The change efforts in paper 3 were by design a way to develop change capabilities through practical training in pinpointing opportunities and do what was necessary to accomplish them. What I believe we experienced in those initiatives was a mismatch between the current operational capabilities and the dynamic capabilities that were under development. Some of the challenges facing the change efforts were due to a span of underdeveloped capabilities that from a traditional point of view could be deemed as operational, for example project management related capabilities and communication skills. Also, the organization needed a set of capabilities related to basic managerial skills such as discipline, stretch, support and trust (Ghoshal & Bartlett, 1994). The lack of capabilities hindered the quality of work and the success of the change efforts. This would suggest that capabilities which we now talk of as operational and focused on realizing current business objectives in fact is supporting change efforts as well. Therefore, I argue that capabilities for change should be viewed as a range spanning from operational to dynamic capabilities (see figure 3).

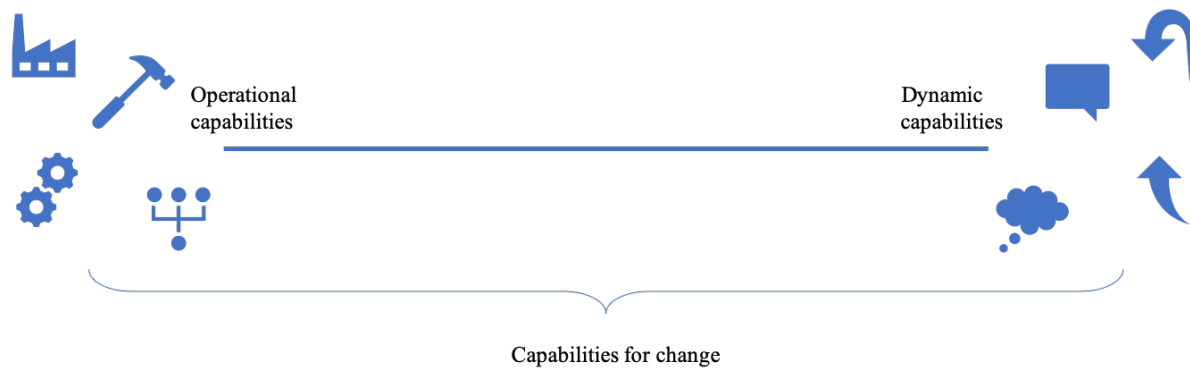


Figure 3 - Capabilities for change as a range spanning from operational capabilities to dynamic capabilities.

Furthermore, this would mean that organizations need to look towards its context, industry and internal capabilities in order to target and develop the capabilities that support them in change. Targeting only the more abstract and dynamic capabilities might not be the way to more successful change if you are lacking more operational capabilities. From a scholarly side, we need to acknowledge that capabilities for change are not only dynamic and continue to explore the capabilities that support organizations during change. Furthermore, to continue to research capabilities for change in the view of tightly or loosely coupled systems opens for interesting contributions through questioning what seems to be a cemented view of how change inherently can play out in the two different setups.

### Trust during change - trust as a facilitator

Trust has been directly or indirectly discussed in all three appended papers. Results from paper 1 suggest that trust was crucial for strategy creation with a wider circle of employees involved. Previous research show that change efforts involving more parts of the organization enables access to more knowledge (Hautz et al., 2017), supports creativity (Amabile & Kramer, 2011) and allows for more commitment to changes (Beer & Nohria, 2000). These workshops can be seen as an early step in a change process (in this case strategy change). Paper 1 suggest that trust is crucial in the workshop itself in order to open up the solution space and allow for the conversation to take place. However, what also became clear was that the trust that organizational members felt in some cases were lowered due to how the workshop was held (by practical factors or by managers' behaviors). Thus, having structures in place and develop behaviors supporting trust creation before, during and after the workshops was found to be crucial for the success of the workshops. Some of the organizations in paper 1 were more able in this regard and some less. From paper 2, we find indications of the importance that trust plays both within teams and towards higher management. This paper suggests that for example, feeling of community and trust in leadership link to mechanisms that allow units to re-align as the organization develop and change. The creation of trust in these organizations was seen both on team level and on an organizational level. In the units we heard expressions of "team spirit" and "feeling like a family". In paper 3, trust is not in the forefront of the contributions and discussion. However, we saw indications for lack of trust both from the teams, the project managers and higher management towards each other. We heard expressions indicating distrust, for example "I'm keeping my eyes on you", a team member's account of what a manager had

said, or “well, we showed them wrong”, said about the top managers disbelief in the team’s performance. Most likely the lack of trust lowered the commitment to change from the teams and lowered the belief in both the teams’ and the organization’s ability to deliver on the ideas that they had.

It is evident that trust plays an important part and supports successful change, thus confirming what previous literature have suggested (Oreg et al., 2011; Whitener et al., 1998). However, in change efforts with employee involvement it is clear that the aspect of relational trust (McAllister, 1995) is central. Trust is in some research highlighted as important to create commitment to change (Lines et al., 2005; Oreg et al., 2011; Whitener et al., 1998). In this perspective the change is often created at a distance and then implemented by the change recipients. However, looking at the efforts with employee involvement trust plays an additional role. I believe that relational trust (McAllister, 1995; Rousseau et al., 1998) becomes more apparent as the employees need to work closely with each other and other colleagues (normally more distant in the organization) during the change effort. We saw indications of this in all three papers. Relational trust is typically more robust and is developed through continuous interaction (Rousseau et al., 1998). In paper 1 for example, employees could engage in the discussions with top management. Hence, employees could develop trust in top management and in the change not from afar, but through close communication and collaboration. Arguably, they could develop more relational trust based on personal interactions. When employee involvement in the workshops were well designed and trust was present, the workshops were perceived as more successful. However, when trust promoting structures were lacking the feeling of success was lower. In paper 3, the teams that seemed to have a closer collaboration and where the project managers worked more closely with the team had more successful change initiatives. Arguably these teams spent more time together and had more interactions to build their relationships and develop trust for each other. As mentioned, in paper 2 we found trust indicated in for example feeling of community and this supported development and change. I would suggest that a positive community feeling certainly is based on close interaction and thus, supports relational trust.

I suggest that trust acts as a facilitator during change efforts with employee involvement. Without trust, change efforts and the organization still works but it is all the more successful and smooth sailing the more trust is present and facilitates the work. Trust should not be viewed as a binary thing or an on/off button in the organization, more as the grease in the engine or the seasoning in the soup. In both the workshops and the de-centralized change initiatives work was achieved even though trust seemed to be low. However, when trust was present or as it seemed to grow the quality of change work increased. The consequence of this view is arguably that organizations need to consider trust and how to create it in a more structured way. To be more successful and get the most out of the employees’ involvement during change continuous work with creating or maintaining trust and, especially relational trust is required.

### [Trust for change – linking trust and capabilities for change](#)

Previous research points towards the need of both capabilities for change (Stensaker and Meyer, 2012; Teece, 2007; Helfat & Winter, 2011) and for trust (Beer & Norhia, 2000; Oreg et al,

2011; Choi, 2011) during change. The discussion in this thesis is not contradicting these scholars but exploring new perspectives and calling for new ways to approach the two topics. So far in this discussion chapter, change capabilities and trust have been treated separately. Firstly, I have proposed that capabilities for change should be viewed as a range spanning from operational capabilities to dynamic capabilities. Thus, change capabilities have been suggested to be a wider concept than previous research have indicated. Second, trust has been identified as a facilitator for change. I have suggested that organizations need to consider how to create trust and go about it in a more structured way in order to facilitate change. Based on these two areas, the discussion will now re-focus and treat them in combination in order to introduce another perspective on their joint purpose during change efforts.

Looking at paper 1 and 2 there are behaviors or practices that enable or hinder creation of trust. In paper 1, this refers to how the strategy creation process was designed and executed. In paper 2, trust was developed through for example, feelings of community and the understanding of the strategy and direction. Although less explored in paper 3, we saw that the collaboration and support developed during the span of the project thus, likely relational trust grew and had an effect in the initiatives. In line with the suggestions by Whitener et al. (1998) concerning managers role to create trust, both these papers indicated that managers played an important role in establishing these structures and practices. Furthermore, in both these papers we saw that in some organizations or teams these trust promoting structures and practices were less established. Thus, creation of trust was hindered, and the quality of work and success of change were negatively influenced. Hence, there is a differentiating factor that support organizations in creating trust and succeeding with change.

I propose that this differing factor lies in the ability to create trust. Arguably, the quality of the trust promoting behaviors and practices is influenced by the ability to create trust. Organizations and individuals that are more capable to create trust will be more well versed in performing these practices or behave more trustworthy. As trust is a facilitator for change, I argue that the capability to create trust is a capability for change. Huy (2005) suggest that emotion-management developing for example hope, fun, sympathy, authenticity and work attachment is a dynamic capability. To the range of emotions suggested by Huy (2005) I want to add trust. Furthermore, I suggest that trust is a central emotion to facilitate successful change and therefore I single out the ability to create trust as a capability for change in its own regard. I want to encourage further research into the behaviors and practices that create trust. Furthermore, we need to continue to explore the capability to create trust both on an aggregate organizational level and on an individual level. It is important to better understand how this capability can be developed and enhanced for organizations to become better prepared to drive change.

## Conclusions

This thesis has focuses on mainly two topics within the domain of change efforts with employee involvement, namely capabilities for change and trust. I make three proposals based on my discussion (see figure 4), (1) capabilities for change is a range spanning both operational and dynamic capabilities, (2) trust is a facilitator for change and (3) the ability to create trust is a change capability. The thesis joins researchers (e.g. Huy, 2005; Whitner, 1998) in emphasizing the need for emotions and trust to support organizations during change. The discussion and subsequent suggestions contribute to the research on change capabilities through expanding our view of what is classified as change capabilities. Furthermore, this thesis adds to the field by suggesting that the capability to create trust is a change capability.

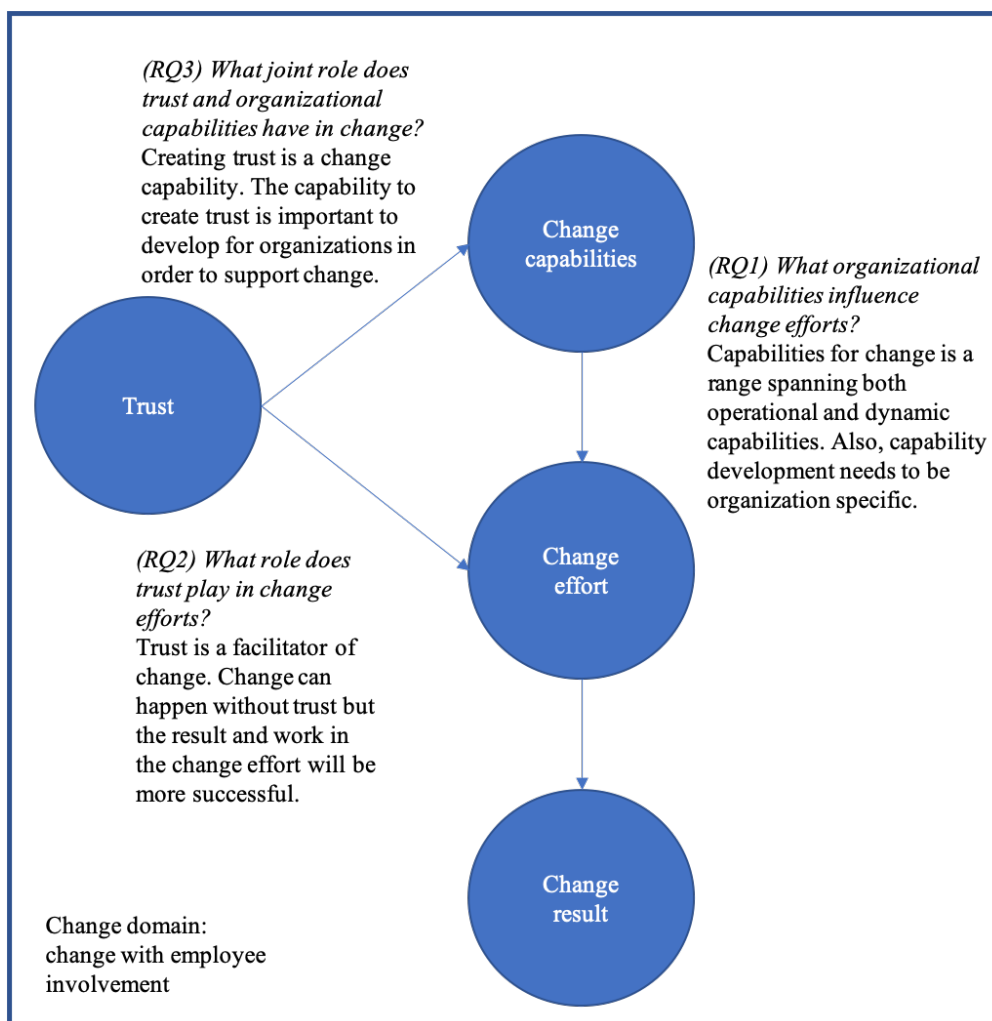


Figure 4 - Proposals in connection to the three research questions.

To term the ability to create trust as a capability for change can support organizations in moving the trust concept from only an emotional realm to a strategic and actionable level. This suggestion means that organizations need to improve and develop this capability both on an organizational level and on an individual level in order to support successful change. Managers have, as suggested by research (e.g. Whitner et al., 1998; Oreg et al., 2011; Lines et al., 2005), an important task to create trust in a more general manner for the performance of the organization and business beyond the perspective of change efforts. However, from my

perspective on change efforts with employee involvement, trust is needed not only for managers but also for each other in the teams. Thus, creating trust is everyone's responsibility. The ability to create trust is important not only for managers to develop. This opens up for further research and there is much we need to learn about trust during change and capabilities for change. Further research is needed in order to deeply understand what the capability to create trust means on the level of individual competences. Furthermore, how organizations can develop the capability to create trust is another important topic for future research.

Expanding the view of what is termed a change capability creates a possibility to view capabilities differently. Organizations need to consider what previously have been seen as basic operational capabilities, as strategically important in order to be well prepared for change. From a scholarly perspective, we can take a broader approach and continue to explore what capabilities that support organizations during change. Interesting future research is also capabilities for change in the perspective of tightly and loosely coupled systems. The view of how tightly and loosely coupled systems can change successfully seems to converge to a single point. Namely, that continuous change and local initiatives are only suitable in loosely coupled systems (Burke, 2011; Teece, 2007). However, as continuous change is more and more seen as a fact (Leana & Barry, 2000), we need to find ways for all types of organizations to continuously handle change. Thus, future research on change capabilities in the perspective of tightly and loosely coupled systems poses for interesting contributions to theory.



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