Improving change readiness

"Who embraces change?"

TIAS

SCHOOL FOR
BUSINESS AND SOCIETY

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Statement of authenticity

I certify that this Management Project is all my own work and does not contain any unacknowledged work from any other sources.

- original signed by -

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14 December 2014

Key words

Change readiness

Commitment and attitude

Intention and behaviour

Climate for change

Change management

Leading change

SAP implementation

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Abstract

The confidential management project focuses on the SAP implementation at GeesinkNorba and describes a model for measuring change readiness and practical recommendations for improving that. It also elaborates on change readiness differences between the Finance team and the SAP management team.

The academic literature, also within Psychology, supplies many different definitions of change readiness. The conceptual model in this paper consists of the variables that are mentioned in several, if not many, definitions. These variables are grouped as follows: Commitment and Attitude, Intention and Behaviour, Climate for Change and Personal Factors. For each variable sub variables are defined and those can be measured, using a questionnaire with a four-point Likert scale, enabling comparison between individuals and, to a limited extent, departments. The latter is difficult as group change readiness is not a simple accumulation of individual scores on change readiness. Change readiness is intrinsic to people; it is crucial how people *feel* about the (expected) change and the (expected) results.

The variables used need to be an instrument for influence; why use variables that cannot be influenced? There are factors that cannot be influenced but that surely do impact. The academic literature mentions culture as a change readiness variable but this cannot be influenced at short notice. Culture is to an organization like personality to an individual; it changes slowly if at all. Some believe age and years of employment also impact change readiness but these cannot be changed without changing the targeted group of people. Such variables have therefore not been taken into account.

Improving change readiness is a continuous long term process experienced differently by each individual. This appears hard to align with organizational short term objectives such as the SAP implementation.

The recommended actions focus on practicality and the recommended timeline also takes into account the present SAP implementation scheme.

Preface

This management project has been an adventure with several challenges. For personal, business as well as academic reasons it was delayed and the topic has been carefully reviewed several times. It is confidential and further disclosure is subject to prior written approval by the author or Martin Nieling (CFO GeesinkNorba).

Despite the delay, I am still very happy to have stayed with Change Readiness and not have moved to a broader change management topic. Change readiness precedes change implementation and should be sustained throughout the change process. It is a continuous long term process that requires investing (it should not be seen as solely cost) in time, energy and money. And above all, in people ! This long term view contradicts the reasonably short term requirement of implementing SAP.

Most leaders are quick to devote time, energy, and resources to redesigning new work processes or preparing new technology or any other major organizational change. However, little energy, if any, is spent getting the people within the organization ready for change (Cohen, 2005). And those people are crucial for making the change successful. It is crucial how they *intrinsically feel* about and experience the (expected) change. Most people want to change but do not want to be changed. This saying also illustrates change readiness is intrinsic and therefore individual.

I would like to thank my GeesinkNorba company coaches Martin Nieling (CFO) and Ruurd de Jong (Group Finance Manager) for giving me the opportunity for this management project and fully supporting it. But also for their input, kind collegiality and great discussions we had.

I also thank my academic TIAS coach professor Freek Aertsen for his support and his sharpness to keep me on track. Furthermore, I highly appreciate the time and valuable input from two other TIAS professors, Woody van Olffen and Peter Gillies whose extensive experience with Change Management was very helpful.

Finally, many thanks to my wife Corrie, my sister Esther, and my many friends, in particular Ton and Toon, for continuously remembering me where my true focus needed to be. Sometimes confronting, but that's what friends are also for !

1)   Company profile

1.1)   GeesinkNorba Group

GeesinkNorba is a private equity owned European leading provider of refuse collection vehicles and waste compactors, manufacturing a wide range of bodies for different applications as well as bin-lifting equipment to operate with them. The company has a manufacturing plant and group headquarters in the Netherlands (Emmeloord) and sales & service operations (SSO's) in the UK, Sweden, Spain, France, Italy, Germany, Netherlands, Romania and Poland. The company employs over 400 colleagues and revenues may not be disclosed.

During the last decade GeesinkNorba has been taken over several times and is fully owned by Mutares, a German private equity firm, since February 2012. Being a former family-owned company the culture is still comparable. The present owner however has different objectives and expects all to have a "real business" attitude, creating significant people management challenges. The executive directors and the management team have almost completely been renewed.

Customers include waste management companies like Van Gansewinkel and Sita, and also municipalities that organise their own waste collection belong to the customer base. The customers buy a chassis cabin with e.g. DAF or Mercedes and GeesinkNorba adds the waste collection part.

The organization chart of the European Finance department is shown in Appendix B. The Controllers in the foreign Sales and Service Organizations hierarchically report to their local General Manager and have a functional reporting line into the CFO. The Dutch Controllers report into the Group Finance Manager.

1.2) Industry

The European waste collection industry has a limited number of major players. The market leader is more than doubling GeesinkNorba's sales volume and the company with the highest but one market share has sales volumes slightly over GeesinkNorba.

The market is changing rapidly. Following the 2008 financial crisis many companies and governmental bodies have postponed renewal of their waste collection vehicles and of course this impacted GeesinkNorba's (and competitors') revenues and profits. Opportunities are emerging in markets like Eastern Europe but those are not materialising yet.

Within the existing markets environmental requirements are becoming more stringent year after year; this applies to both the chassis cabin as well as to the waste collection kit. Hybrid operated material is not only required to meet environmental requirements but also to respect noise limits, especially for vehicles working in city centres.

1.3) SAP implementation plan

The kick-off for the SAP implementation meeting was held early February 2014. For valid reasons the project was postponed in May 2014 and is now expected to restart in the first quarter of 2015. Full European rollout is scheduled to be completed by the end of 2015. Main objective is to have a transparent and efficient organization with a standardized way of working across Europe. As an example a standard chart of accounts and uniform accounting and reporting procedures will be implemented. Clear definitions and procedures will be described in a companywide Finance Manual. As shown in figure 1.1, presently there are numerous systems used across Europe.
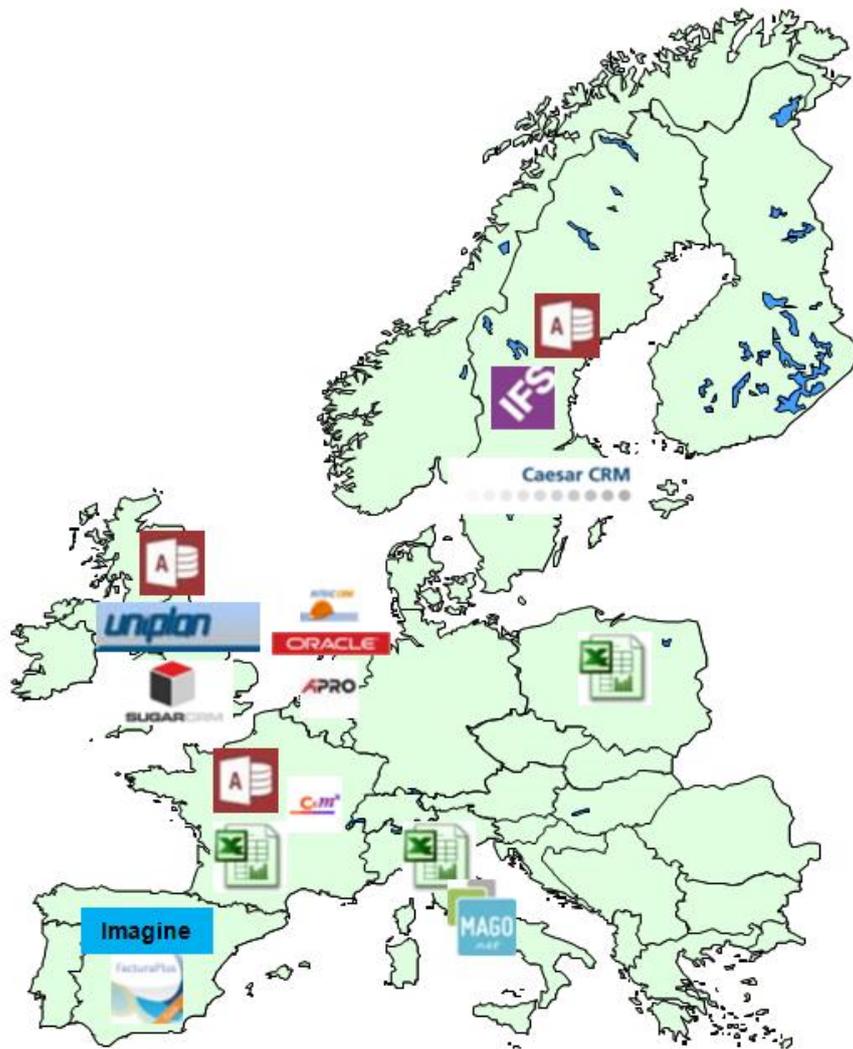
Figure 1.1: systems presently used across Europe

For all departments blueprint documents describing all processes were approved by the end of April 2014 and the preparation phase would initially last until mid-July 2014. On 1 February 2015 a "Go" or "No Go" decision for the first unit (France) will be taken; assuming a "Go" actual implementation will start as per 1 March 2015. Every month another unit will be transferred to SAP and full European roll-out is planned to be completed by the end of 2015.

Delaware Consulting is supporting GeesinkNorba with the SAP implementation and project teams have been setup for each discipline. Each project team consists of at least a Business Process Owner, a Super User (both from GeesinkNorba) and a Delaware consultant. Final responsibility lays with a Steering Committee consisting of the Board, representatives of the shareholder (Mutares) and the partners of Delaware. Operationally two Project Managers, one from GeesinkNorba and one from Delaware, are responsible.

2)   Management project

2.1)   Rationale, relevance and scope

Following the organizational changes over the last decade, almost all units use a different system, including different accounting systems. It has been decided to implement a common ERP system (SAP) across all units and the preparations for this were launched in February 2014; but were, for valid reasons that are out of scope for this management project, postponed in May 2014. The first implementation is now scheduled for March 2015 (GeesinkNorba France) and before the end of 2015 the total project needs to be finalised for all units.

Several of the systems presently used across Europe are outdated and no longer supported by the different suppliers. Not meeting the mentioned deadlines will most likely result in a reduced capacity to supply outstanding service and business volumes, sales and financial results might face an unacceptable risk. The relevance and urgency are obvious.

This management project will focus on the impact on the Finance department in which in total approximately 20 people work. Most Finance staff have been working for GeesinkNorba for years, some even for decades. The CFO was appointed when Mutares took over early 2012 and wants to assure a smooth SAP implementation.

Being private equity owned the (sales) value of the company is of utmost importance. Having a companywide common ERP platform contributes to this. Lipari and Marcotte (2012) report that 60% of the private equity firms they researched report major concerns with outdated ERP systems most or all of the time. Identifying an effective solution for this is essential to generating quality information and maximizing value. A well-managed ERP implementation can be a continuing source of cost savings and operational improvements, both of which help companies to survive and thrive, by increasing company value.

On the other side will a companywide ERP system drastically change the way the country units do business and would thus threaten their distinct national identities (Goss, Pascale & Athos, 1993). But isn't it business as usual for private equity owned firms to risk the present for a powerful future? And increase the company value by successfully doing so?

2.2)   Problem statement

The SAP implementation is a major change in an established company and for this to be successful it is of the utmost importance that all colleagues are ready to change their way-of-work, their processes and their attitude. The problem statement therefore is:

How to improve change readiness at GeesinkNorba for the SAP roll-out?

This problem statement can be broken down in below mentioned research questions.

2.3)   Research questions

Theoretical diagnosis:

1   How to define change readiness?
2   What factors impact change readiness?

Diagnosis at GeesinkNorba:

3   How can the current change readiness at GeesinkNorba be described?
4   What changes are required to maximize the likelihood of a successful SAP implementation?

Practical recommendation:

5   How can GeesinkNorba implement the required changes identified in the diagnosis?
6   What implementation actions are recommended?

2.4)   Research design

The research design is the logical sequence that connects the empirical data to the initial research questions and, ultimately, to its conclusions (Yin, 2014). It's like a research blueprint that needs to cover which relevant data need to be collected to answer the research questions and how to analyse and interpret the results. Addressing the research questions is crucial.

The SAP implementation impacts the entire organization and because there is no best way to increase *overall organizational* readiness for change (Weiner, 2009), this management project will be treated as a "*company-department-specific*" case study. It is not retrospective but an attempt to forecast change readiness as the SAP roll-out is now forecasted to restart in March 2015.

For a case study the following five components are very important (Yin, 2014):
1) Clear research questions; see paragraph 2.3.
2) Propositions need to be defined. Clearly defined assumptions may also set or limit the scope of the study.
3) The unit of analysis: the European Finance organization of GeesinkNorba. Being quite a small group this case research has a well-defined unit of analysis.
4) Linking collected relevant data to the propositions defined above. Irrelevant data should not be collected as this may, or will, disturb the analysis.
5) Predetermined criteria for interpreting the findings.

The more specific, focussed and clearly defined above components are, the more the research will stay within limits and the stronger the overall research design is.

This management project contains two major propositions:

1) Change readiness is *personal* and can be (partly) influenced; regardless of the pace of this. This is the main proposition considered in this management project. Variables that cannot be influenced, like age and years of employment, are not taken into consideration. The same applies to group and organizational change readiness; what will shortly be touched upon in the theoretical review to put things into perspective. It is assumed that change readiness is personal and everyone perceives change readiness along the same set of factors / dimensions.

2) Change readiness supports a smooth SAP implementation. There are other reasons that also support a smooth implementation phase like budgets, leadership capabilities, workloads etc. but these are not primarily taken into consideration.

The data collected via personal questionnaires will be processed manually and will indicate:

1) The present status of change readiness for each variable identified;

2) Whether and where there are improvement areas supported by theories described;

3) Whether and where there are improvement areas identified by the interviewees (how do they *feel*?)

As elaborated on in the Literature Review, Strebel (1998) identified that executives typically see change different than employees. To get an insight in the different views between the operational Controllers, and their Assistant Controllers, and the GeesinkNorba management team, the same questionnaire will be discussed with key management team members, like the CEO, CFO, IT Manager and the four SAP Business Process Owners. Those Business Process owners have management positions at group level in Finance, Sales, Service and Supply Chain.

A two-page questionnaire, consisting of 56 questions, (see appendix C) was used. The questionnaire also includes four control questions to verify reliability of the answers given. This will be emailed and upon request discussed personally. People generally do not want to be surprised and any unexpected actions impact negatively on change readiness (Hofstede, 2013). That's why the Controllers have already been informed in, or before, September 2014 that the questionnaire will be submitted in October 2014. The questionnaires will address some focussed questions for each variable impacting change readiness as identified in the conceptual model at the end of the literature review (next chapter).

The questions have interval (Likert) scale based answers ranging from 1 to 4; hence no "middle answer" possibility. Additional scale points may not necessarily enhance reliability. On the contrary, they may lead to systematic "abuse" of the scale (Chang, 1994). An "I do not know" alternative is not available; forcing the respondents to choose. Using an interval scale enables the analysis to determine the (magnitude of) differences and order of the variables (Sekaran & Bougie, 2011). This enables grading the change readiness and focusing on the items that have the greatest upward potential.

Being a former colleague assures a good understanding of the business environment they are in. Being no longer a colleague of them supports an independent view and might increase the openness of their answers. From a research point of view this both will be beneficial to get relevant and independent results.

These results will be used for this management project only and no personal information from any interviewee will be published to anyone or to any company. This was indicated on beforehand to all interviewees.

3) Literature review

3.1) Change readiness

Change readiness is more than being ready to change. Some might say they are ready to change but do they act accordingly? Actions and behaviours say much more than words.

The most widely used definition of change readiness is: "beliefs, attitudes and intentions regarding the extent to which changes are needed and the organization's capacity to successfully undertake those changes" (Armenakis et al, 1993).

Other definitions published for change readiness at the individual level include:

Readiness for change is conceptualized in terms of an individual's perception of a specific facet of his or her work environment—the extent to which the organization is perceived to be ready to take on large-scale change. Readiness for organizational change reflects an individual's unique interpretive reality of the organization (Eby, Adams, Russell & Gaby, 2000).

Readiness involves "a demonstrable need for change, a sense of one's ability to successfully accomplish change (self-efficacy) and an opportunity to participate in the change process" (Cunningham et al., 2002).

The notion of readiness for change can be defined as the extent to which employees hold positive views about the need for organizational change (i.e., change acceptance), as well as the extent to which employees believe that such changes are likely to have positive implications for themselves and the wider organization" (Jones, Jimmieson & Griffiths, 2005).

Readiness for change is "the extent to which an individual or individuals are cognitively and emotionally inclined to accept, embrace, and adopt a particular plan to purposefully alter the status quo" (Holt, Armenakis, Field & Harris, 2007).

Readiness refers to "an individual's perception of a specific facet of his or her work environment—the extent to which the organization is perceived to be ready for change" (Eby et al, 2000).

Tony Eccles (1994) states: "where readiness is high, change may be straightforward". He defines readiness for change as a predisposition to welcome and *embrace change* and draws special attention to two major issues regarding change readiness. Readiness may improve by simply waiting; timing is an issue. The other one is action that must be managed to heighten the impatience for change or to strengthen the process.

Change readiness exists at two levels; the first is the extent to which staff are aware of the need for change. The second is the amount of personal commitment there is towards changing individual skills, attitudes, behaviours or work practices (Balogun & Hailey, 2008).

Change readiness precedes change implementation and should be sustained during the change implementation. Both should be managed with extreme caution as executives and employees see change differently, with executives typically seeing change as an opportunity, both for the business as for themselves, whilst employees typically see change as disruptive, intrusive and involve loss (Strebel, 1998).

Communication and employee engagement are more important during a change process and significantly impact on cost and results. But also trust needs to be built through predictability and capability (Duck, 1993). It should be clear to all what the vision and the ultimate intentions are, who the accountable colleagues are and management should "walk-the-talk".

Multilevel research of change readiness, hence at group or organizational levels, has not been widely conducted yet. Group and/or organizational change readiness may be stronger or weaker at the different levels. Processes that contribute to the emergence of change readiness at the individual level differ from that at the group and organizational levels (Rafferty et al, 2012).

Again, it is assumed that change readiness is personal and everyone perceives change readiness along the same set of factors / dimensions.

Change readiness is *personal* and can be *influenced*; that's the main proposition for this management project. Culture also impacts change readiness (Hofstede, 1994) but is hard to influence, certainly at short notice for an ERP implementation.

Above definitions indicate that the following variables influence change readiness:

1) Commitment and Attitude
2) Behaviours and Intentions
3) Personal factors
4) The organization's "Climate for Change"
5) Culture.

These variable factors will each be reviewed in the following paragraphs.

3.2)   Commitment and attitude

Be loyal to the company, and the company will be loyal to you, a credo that obviously understates the complexity involved in a person's attitude toward and behaviour within her or his employing organization (McMahon, 2007).

Academic research highlights a distinction between attitudinal commitment, a mind-set in which individuals consider the congruency of their own goals and values with those of their organization, and behavioural commitment, the process by which people's behaviour in an organization binds them to this organization. The complementarity of these two kinds of commitment forms the base of the Three-Component Model (TCM) of organizational commitment (Allen & Meyer, 1991).

According to TCM an employee's commitment to the organization included a desire, a need and an obligation towards the organization. General organizational commitment was therefore divided into affective commitment (desire), continuance commitment (need) and normative commitment (obligation).

Allen and Meyer (1990) described this as follows: "Employees with strong affective commitment remain because they *want* to, those with strong continuance commitment because they *need* to and those with normative commitment because they feel they *ought* to do so".

All forms of commitment reflect a psychological state of the employee, a related organization and all forms can be present simultaneously. Another way the three components of organization commitment have been described is: an affective attachment to the organization, perceived cost of leaving it and a felt obligation to stay.

General organizational commitment can best be conceived as a genuine attitude towards the organization (Solinger, van Olffen & Roe, 2007). In contrast, normative and continuance commitment appear to be strongly linked to behaviour. Behaviour is also reviewed in the next paragraph.

Several studies link affective commitment to positive work-related behaviour; overall job satisfaction was a significant correlate of affective commitment (Solinger, van Olffen & Roe, 2007). Continuance commitment generally correlates slightly negative or not at all with affective commitment. Normative commitment has consistently been found to correlate very strongly with affective commitment. Several studies suggest it is very difficult to make a distinction between affective and normative commitment.

Solinger, van Olffen & Roe (2007) therefore propose the following strictly attitudinal definition of organizational commitment: "*Organizational commitment is an attitude of an employee vis-à-vis the organization reflected in a combination of affect (emotional attachment, identification), cognition (identification and internalization of its goals, norms and values), and action readiness (a generalized behavioural pledge to serve and enhance the organization's interests)*". Organizational commitment evolves over time; it is not a static given fact.

According to Brown (1996) people who feel less attached and affected to the organization show a reduced readiness to act and change for the organization's interests.

Commitment, attitude, intention and behaviour are sequentially related:

| Commitment | → | Attitude | → | Intention | → | Behaviour |
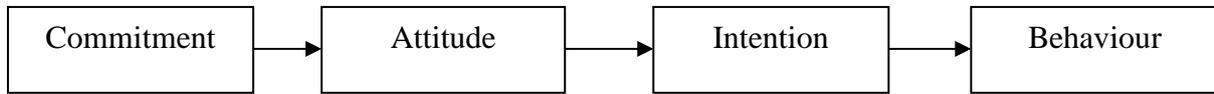
Figure 3.1: from commitment to behaviour

Intention and behaviour will be discussed in the next paragraph.

3.3) Intentions and behaviour

Intentions are behavioural and are concerned with the motivational factors that influence a behaviour and are indicators of how hard a person is willing to try and how much effort he or she is willing to exert in order to perform that behaviour (Ajzen, 1991).

The Theory of Planned Behaviour (TPB) describes intentions as the most proximal determinants of behaviour (Ajzen & Fishbein, 1980) and intentions are in turn depending on three independent determinants: attitude, perceived (personal hence subjective) social pressure and perceived behavioural control. Applied to change readiness this gives: do you want to change, does your group want to change and can you change, are you capable to change?

| Do *you* want to change? |
| Does your *group* want to change? | → | Intentions | → | Behaviour |
| *Can* you change? Are you *capable*? |

Figure 3.2: Theory of Planned Behaviour

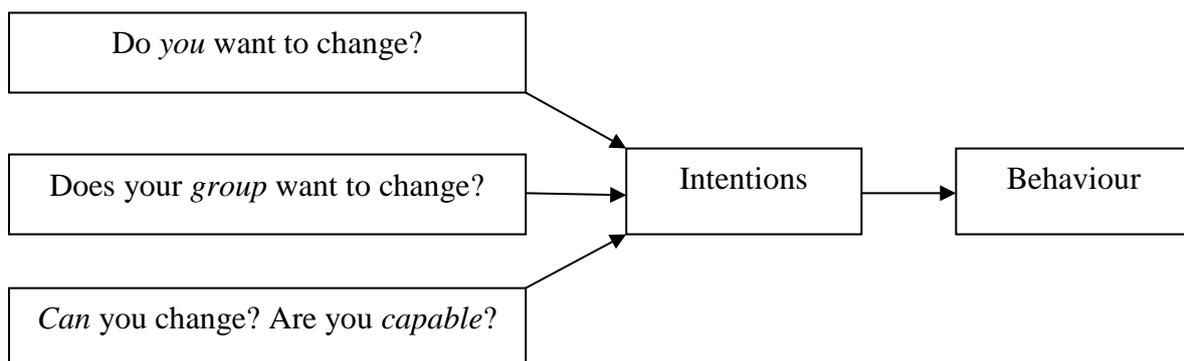Whelan-Barry et al. (2003) argued that "the organizational-level change process inherently involves the group and the individual change processes". It is therefore proposed that a group's and an organization's change readiness attitude emerge from the individual change readiness that becomes shared because of social group interaction processes that ultimately emerge as group and organizational readiness for change. The relevance of (social) group pressure is obvious.

Social group pressure has also been highlighted as very important in the Theory of Planned Behaviour (TPB) by Jimmieson, White and Peach (2004). Social identity impacts social behaviour; what is the group, what are the groups, with whom do we identify ourselves (the most)? Categorization will occur shown by distinguishing between "in-groups" and "out-groups". The own (in-)group is relevant and enhanced over any out-group. Regarding change readiness people will identify themselves as change ready when they perceive their (leading) group(s) members as change ready.

Many methodological limitations have been mentioned but measuring planned behavior during a change process using TPB focuses on:

- intentions
- attitudes
- subjective social pressure
- perceived behavioural (self) control
- (group) norm
- group identification
- communication; both historical and expected
- (expected) participation

3.4)   Personal factors

According to prior paragraphs, change readiness includes an attitude component as well as a capability component. Adaptation to changing requirements must be felt and foreseen (attitude) and acted upon (capability). Limited capabilities will need to be offset by a proactive attitude; shown by looking for assistance when one's own capabilities are (felt) not sufficient. Such a skill is highly personal. When facing changes, self-knowledge is becoming increasingly important.

Evidence of what worked for over 95 of 100 people was seldom used by individuals to change their own behaviour (Armstrong, 1982). Most are generalizing based on own experience and say how they would act in future and predict how others would act; assuming everybody has similar rationales. Of course we need to question the latter but it illustrates that people strongly attach to their own experiences, because these were *felt*.

Armstrong (1982) thus reported the importance of personal experiences and especially of personal feelings. Elaborating on this personal expectations could be added to the list of variables determining change readiness. Change is personally felt, or expected to be felt, and individual change readiness does not readily translate into group change readiness (Edwards et al, 2000).

Cohen (2005) reported that people changed less because of facts and data that shifted their thinking than because compelling experiences changed their feeling. A psychological down drill is out of scope here but it is obvious that the impact of peoples own motivational driving factors should not be underestimated. Experiences do impact; people learn more by doing than by thinking!

Nowadays, the pace of developments is that high that only changing the present might not be enough and all should be prepared to show they are continuously flexible, ready for change and act accordingly. Therefore, the number of compelling experiences as mentioned above is likely to increase for all. Consequently, we all may automatically become increasingly ready for change in future. This would be a nice topic for further research.

McNabb and Sepic (1995) report that job satisfaction and job performance directly impact change readiness. Employees and managers that perform well and find satisfaction in their work will most likely have a positive attitude toward change. The correlation is strongly positive.

3.5) Climate for change

For any change process, Cohen (2005) and Kotter (1996) recognise the following eights variables (1-8) that can be grouped into three major transformation phases (A-C):

A. *Creating a climate for change*
  1) Increase urgency
  2) Build guiding teams
  3) Get the vision right (start with the end in mind)

B. *Engaging and enabling the whole organization*
  4) Communicate for buy-in
  5) Enable action
  6) Create short term wins (low hanging fruits)

C. *Implementing and sustaining the change*
  7) Don't let up
  8) Make it stick

The entire change process is a joint effort but leaders and executives' responsibilities will focus on phases A and B whilst phase C requires significant and fruitful participation by the operational levels in an organization. In line with Benjamin & Levinson (1993), those operational colleagues need to be trained in the change process before this starts, and this training must take into account the unique challenges presented for them in their day-to-day activities. This concerns both technical system features as well as challenges in the change management process.
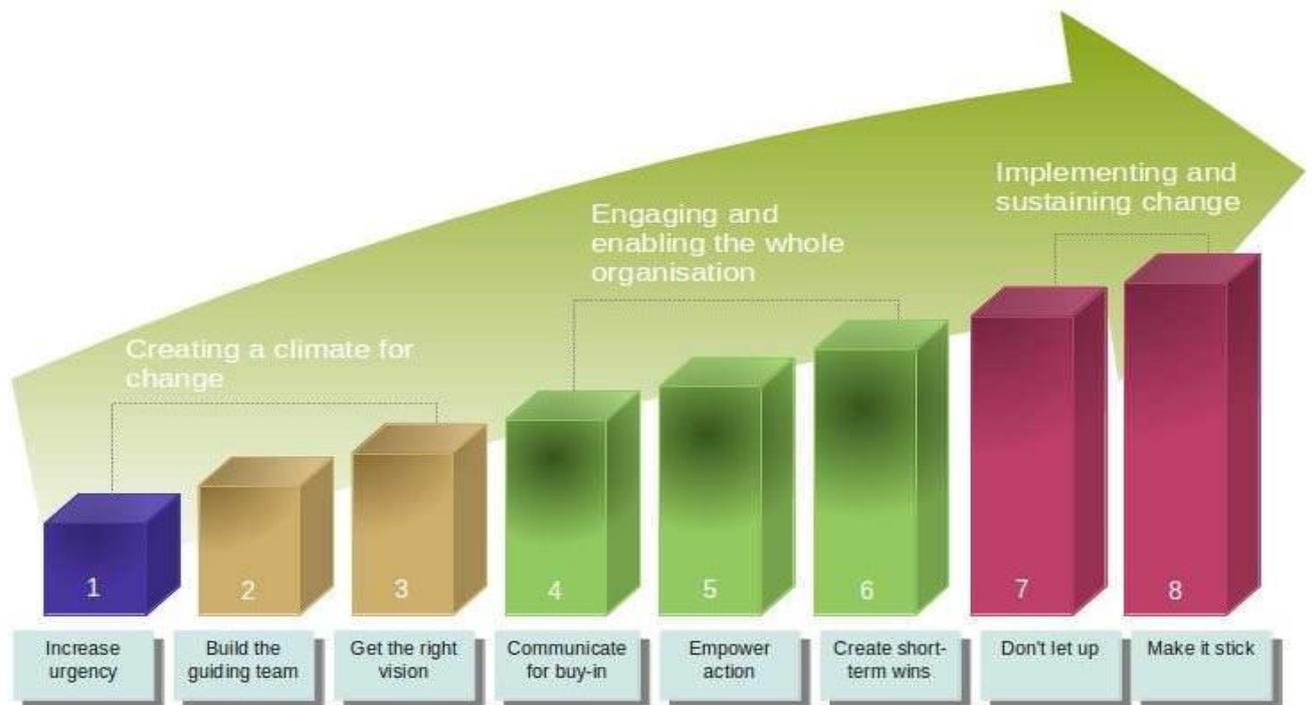
Figure 3.3: Process for leading successful change (Kotter, 1996)

The first four steps mainly relate to (initial) change readiness and the last four steps concern the actual implementation. But no successful implementation without sound change readiness; that's why all steps make up one consistent change process. Furthermore, the last four steps are also required to sustain change readiness throughout the possibly protracted change process.

The rate of change will only continue to increase (Kotter, 2005) and change is not a one-time nor a sequential event but a continuous growth process. A circular graph, or S-curve, could nowadays be more appropriate.

Jackson and Schmidt (2011) focussed on cultural change and have identified the following eight influences (variables) for assessing organizational or cultural change readiness:

1) Urgency; are the consequences for not changing big and widely understood? Is the desire to change strong and widespread?

2) Leaders as sponsors; are the key executives aligned, do they provide visible support and are they experienced at leading change?

3) Trust; do all involved trust each other and the leaders' competency to lead?

4) Change infrastructure; is the team adequately funded and staffed for change?

5) Communication; is there a frequent dialogue between leaders and employees? Are all involved aligned about the need for change?

6) Implementation: do all see the change as consistent and successful? Does the change built a positive expectancy for future changes?

7) Empowerment; are decision rights held where needed most? This is generally low in the organization. Are employees enabled to do their best work?

8) Development; are all involved developing? Is learning and growth embedded in everything the organization does?

The influences on change readiness as identified by Jackson and Schmidt show a great similarity with the change management process steps as identified by Kotter (1996) and Cohen (2005). Both refer to the importance of building and sustaining an "organizational climate for change".

3.6) Culture

Multinational, hence mostly multicultural, companies need to stay aligned with their environment. Nowadays we are facing globalising markets and increased international cooperation and competition between organizations and managing organizational changes and understanding organizational, national and cultural differences appear a key to success.

Savolainen (2007) researched resistance to change and highlights the importance of communication, motivation and involvement. Her research also pointed out the importance of continuous communication during all phases of the change implementation process and stresses national culture as an influential factor in multinational change readiness.

What is culture? According to Tharp (2009) culture can be described as a complex and broad issue that essentially includes all a group's *shared* values, attitudes, beliefs, assumptions, artefacts and behaviours encompassing all aspects of its internal and external relationships. Shared is the key word in this definition. Nowadays, it is recognized by several authors that culture can also be pro-actively used; like for gaining competitive advantages.

Savolainen (2007) researched the impact of company and national culture on change and concluded major differences between those. Most important finding is that national culture has power over company culture. Therefore it makes sense to shortly discuss both separately.

3.6.1) Company culture

Links between company culture and performance have been discussed for decades. According to Cameron and Quinn (1999) the key to using culture to improve performance lies in matching culture to organizational goals and strategies. This implies goals and strategies need to be determined prior to, or simultaneously with, creating a company culture. Having a long term objective, always having the ultimate goal (vision) in scope, is one of the change readiness variables described in prior paragraph.

Company culture is not homogeneous; subcultures are present and might contradict the overall company culture. We might question what an overall company culture is. Fekete and Keith (2001) report that functional teams within the 57 organizations they studied had a different organizational culture type than the overall company culture no less than 81% of the time. Nationality is not a single determining cultural factor; it is however an important one.

Company culture dictates (not just describes) what behaviours are acceptable, the ways problems are addressed, how relationships are defined and how work is done. Once a culture is established, it affects everyone and is extremely difficult to change (McNabb & Sepic, 1995).

Culture is to a company what personality is to an individual. Like human culture, it passes on from one generation to the next and changes slowly, if at all.

According to Rumelt (2012) each situation has one or two critical issues; the same applies to each organization. Culture most likely is one of the critical issues for any organization. Understanding culture avoids wishful thinking and strengthens any organization. Leaders who are not empathic to company nor to national cultural differences and use standard approaches are likely to fail. Managing culture is too often seen as an underestimated soft item, but as the payoffs might be significant, its importance should be recognised.

3.6.2)   National culture

Savolainen (2007) concluded that although company culture is considered a strong force in a change process, it was easy to ascertain that national culture is viewed as a factor much stronger than company culture. She stated: "National culture has the power over organizational culture" and this impacts the change process, including change readiness, in many ways.

Hofstede (1994) developed a theory that different countries have different cultures or value-systems and these can be looked at using several dimensions. Below figure (3.4) reflects those cultural dimensions.
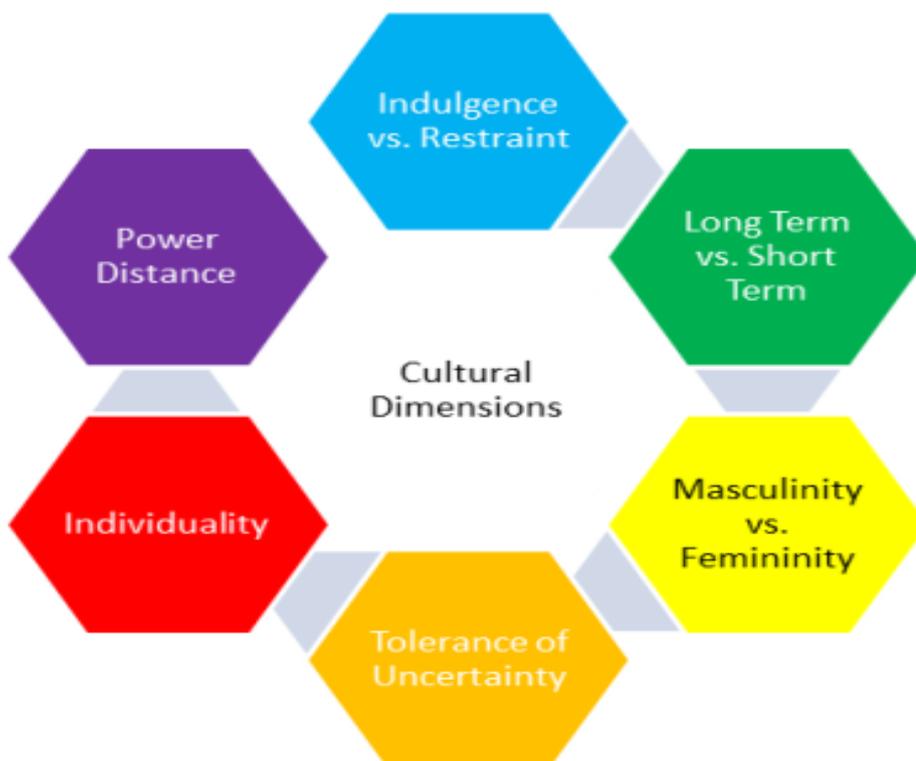

Figure 3.4: Hofstede's Cultural Dimensions

The six cultural dimensions are shortly described below; starting on top of the figure and moving on clockwise.

Indulgence vs. restraint: indulgent cultures allow the expression of feelings whereas restrained cultures discourage the expression of (inner) feelings.

Long term vs. short term, also referred to as Pragmatism: the time horizon of a culture is assumed long term when a culture is future focussed, pragmatic and persistent whilst a short term focus is oriented to the present and past, appreciating steadiness, social relations and fulfilling social obligations.

Masculinity vs. femininity: masculine cultures are competitive, assertive and materialistic whilst feminine cultures value relationships and quality of life.

Tolerance of uncertainty: high uncertainty avoidance cultures are more emotional and try to control change. Low uncertainty avoidance cultures are pragmatic and have as few rules as possible. Cultures that tolerate less uncertainty are generally more resistant to change.

Individuality: Individualistic cultures focus on personal achievements and rights whilst collectivist cultures appreciate groups and loyalty.

Power distance: the degree to which less powerful members of the culture accept power inequality indicates the autocratic or democratic level.

Hofstede's theory is always under development. It started with four dimensions and two have been added later. This makes sense as cultures are continuously developing; just like people and nationalities; in fact anything might (or should?) change over time.

The Hofstede dimensions are also interrelated. As an example, a restrained culture will have more masculine aspects then feminine. On the other hand, correlation between Hofstede's dimensions is not obvious and sometimes hard to predict. A high score on both Individualism and Power Distance is rather unique and has only been found in Belgium and France.

The dimensions are gradually scored ranking from 0 to 100. Below table (3.1) shows the country scores as recently published by The Hofstede Centre (source: www.geert-hofstede.com at 17 May 2014) for the main countries GeesinkNorba Group is present.

	France	Spain	Sweden	UK	Netherlands
Indulgence	48	44	78	69	68
Pragmatism	63	48	53	51	67
Masculinity	43	42	5	66	14
Uncertainty avoidance	86	86	29	35	53
Individualism	71	51	71	89	80
Power distance	68	57	31	35	38

Table 3.1: Country scores according to the Hofstede dimensions

Many conclusions can be drawn from above table; the significant difference in masculinity between Sweden (5) and United Kingdom (66) is remarkable. So is the difference in power distance between the Netherlands (38) and United Kingdom (35); despite being so small.

The following issues should not be neglected when using Hofstede's theory:
- Hofstede's cultural dimensions do not supply a blueprint for analysing cultural issues and have to be used with caution as the theory focusses on nationalities and, as discussed, culture is broader.
- It generates averages by country but those say statistically nothing on the group or person concerned.
- It also evaluates the parties directly involved, but partly ignores external stakeholders who are indirectly involved. As an example, cultural differences with (potential) customers might have an enormous impact on the company's success.
- Finally, the data used might be inaccurate as it has been collected thru questionnaires, mainly with one company (IBM), and the context of the question asked might be as important as the question itself (Sekaran & Bougie, 2011).

Like any theory also Hofstede's theory has some drawbacks of which the most important are mentioned above. Hofstede stated that culture is more often a source of conflict than of synergy and cultural differences are a nuisance at best and often a disaster.

3.7) Conceptual model

The theories mentioned before describe the variables that impact change readiness and that can be influenced. Those variables are influenced by cultural aspects for which Hofstede has determined the dimensions as set out in paragraph 3.6. Studies show that people from different cultural backgrounds vary in terms of their receptiveness to new ideas and change (Michalak, 2010). Consequently, organizations operating in several cultural settings should adopt different approaches to the execution of their change management, and to their efforts to increase change readiness in different cultures. The latter is at the heart of the conceptual model and should precede, and be sustained during, the actual execution.
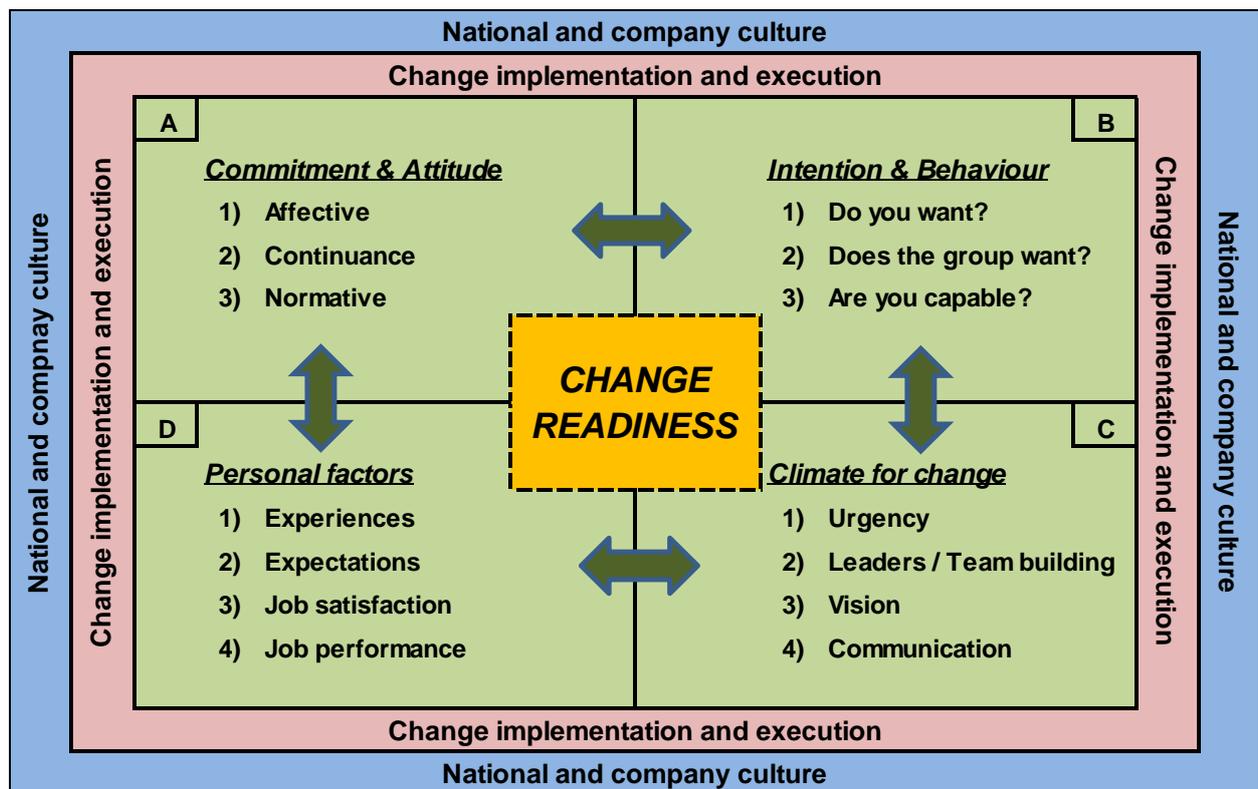

Figure 3.5: Conceptual model on factors that influence change readiness

Variables in boxes A, B and D are more intrinsic to people and are harder to change than the variables mentioned in box C. That's a reason why most executives initially focus on creating a climate for change. But box C represents how the climate for change is *individually felt*; so ultimately all four boxes refer to "the inner side of people".

For this management project it has been assumed that all variables have the same weight for determining the overall change readiness because no academic literature has been found supporting different weights for the variables mentioned. This would be a nice topic for further academic research.

The variables are shown in the green boxes (A-D) and the correlation between, and within, those variables is out-of-scope for this management project but clearly exists (dark green arrows) ; e.g. no joint vision without proper communication. A higher job satisfaction most probably gives a higher affective commitment. If someone is very capable, the job performance will be higher.

An effective change process (the red area) should only start when all variables are taken into consideration. The execution of the change implementation can be influenced but it is of crucial importance to take the varying cultural aspects into consideration. That's why change implementation is shown between the change readiness variables and culture. It is impacted by both. The total process will be influenced by cultural aspects, the blue area, but culture cannot be directly influenced at short notice.

Some believe age and years of employment impact change readiness but these factors have not been taken into consideration because these have not been academically identified as change readiness variables. Furthermore, you cannot change age nor years of employment without changing the targeted group of people. The latter is a given for this management project.

4)   Diagnosis at GeesinkNorba Group

4.1)   Method used

The questionnaire used (see appendix C) contains four questions for each of the fourteen sub variables as identified in the conceptual model mentioned at the end of prior chapter. The questions have interval (Likert) scale based answers ranging from 1 to 4; hence no "middle answer" possibility; so the respondents are forced to make a choice. Using an interval scale enables the analysis to determine the (magnitude of) differences and order of the variables (Sekaran & Bougie, 2011). This enables grading the change readiness and focusing on the items that have the greatest upward potential.

All questions are formulated in a such a way that the more they are agreed upon, the more likely it is that the respondent has a higher degree of change readiness. Furthermore, the questionnaire contained four control questions enabling the evaluation of the reliability of the answers given.

For this management project it has been assumed that all variables have the same weight for determining the overall change readiness because no reasons have been found to apply different weights. This has also been reflected in the theoretical framework (Chapter 3).

Regarding validity of this "company-department-specific" case study (see paragraph 2.4) , the questionnaire and the conceptual model were reviewed by the following three TIAS professors: Freek Aertsen, Woody van Olffen and Peter Gillies. Their valuable input contributed significantly to the final conceptual model and the questionnaire.

This questionnaire was discussed with the CFO and the Group Finance Manager of GeesinkNorba before submission to others. The questionnaire was emailed on 25 October 2014 to the seven Controllers, nine Assistant Controllers and to ten members of the SAP management team, consisting of the CEO, CFO, VP Marketing & Sales, Plant Manager, IT Manager, Engineering Manager and four Business Process Owners who have a corporate management role in Finance, Sales, Service and Supply Chain.

The CFO and the Group Finance Manager are (of course) working in the Finance department but due to the seniority of their positions have been allocated to the SAP Management Team. Upon request of the CFO some questions were added. These relate to the interviewees beliefs how hard the SAP implementation in selected departments will be and to their years of employment with GeesinkNorba. This are not change readiness variables and are therefore out-of-scope.

Employee satisfaction and performance have been identified as change readiness variables by McNabb and Sepic (1995). The last survey on employee satisfaction conducted within GeesinkNorba is from 2006 (source: HR Manager), hence eight years ago and thus considered outdated for use in this management project.

Age (bracket) of all respondents was supplied by HR and upon request, years of employment was included in the questionnaire but those have not been taken into detailed consideration because these have not been identified as change readiness variables as shown in the conceptual model at the end of prior chapter.

More information on the method used can be found in paragraph 2.4 Research Design.

4.2)   Overall diagnosis and remarks

As mentioned twenty-six questionnaires were sent on 25 October and by 18 November twenty were returned; split as follows:

	Sent	Returned	Percentage
Financial Controllers	7	5	71%
Assistant Controllers	9	7	78%
SAP management team	10	8	80%
Total	26	20	77%

Table 4.1: returned questionnaires

The twenty returned questionnaires included fifty-six questions each totalling 1120 questions. Out of those 1090 (97%) were usable. Some questions had two answers; mainly "2-disagree" and "3-agree" so the respondents made their own "I do not know" answer. One of the respondents stated "I want to stay neutral on this". Those answers were not processed. Furthermore, someone who had recently decided to leave GeesinkNorba did not answer questions like "leaving GeesinkNorba would seriously disturb my life" and the other questions related to continuance commitment (variable A2). To a certain degree understandable; just scoring "totally disagree" would also have been appropriate. Thus, some of his answers were also not processed.

Full details are shown in a confidential format in appendix E. The four 'control-questions" were answered similarly, hence OK, in 60% of all cases. This means that similar questions were answered differently in 40% of all cases. Also considering the small Likert scale (only four choices), *you might question the reliability of the answers given.*

The following remark by one of the respondents is worth mentioning: "Jos, I never lied to you but as you are no longer our Group Controller I can be even more open and honest to you". As mentioned in the Research Design (paragraph 2.4), being no longer a colleague may be beneficial.

Change readiness score at the highest level is mentioned in below table:

Overall Change Readiness

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	280	1	4	2,77	7%	25%	54%	15%	100%
Assistant Controllers	377	1	4	2,65	12%	27%	47%	15%	100%
Finance Team	657	1	4	2,70	10%	26%	50%	15%	100%
SAP Management Team	433	1	4	2,86	12%	20%	37%	31%	100%
Total	1.090	1	4	2,76	11%	24%	45%	21%	100%

Table 4.2: score on overall Change Readiness

An average total score on change readiness of 2,76 out of a maximum score of 4,00 (strongly agree) is just above the middle; hence just agreeing and/or slightly not disagreeing. There obviously is room for improvement and the areas with the highest upward potential will be discussed in following paragraphs.

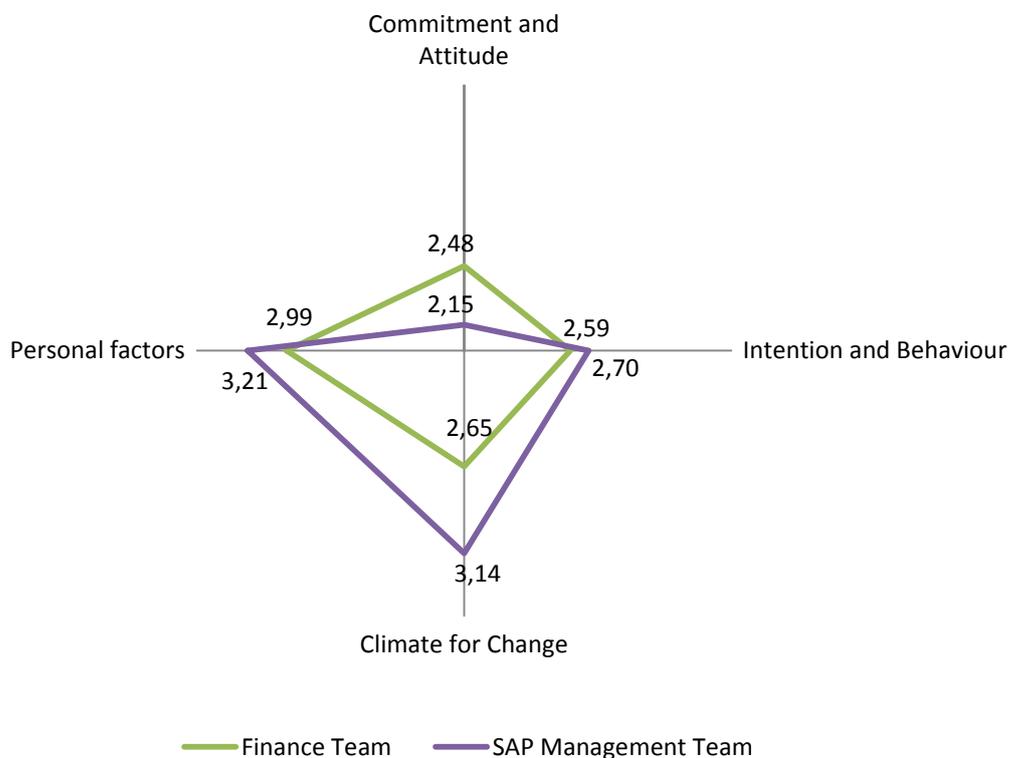Below spin graph shows change readiness for the Finance team vs the SAP management team.

Figure 4.1: overall change readiness – Finance team vs SAP management team

Because there are three sub variables for Commitment and Attitude, three for Intention and Behaviour, four for Climate for Change and four for Personal factors the overall average cannot be calculated by solely looking at the scores mentioned in figure 4.1.

The higher score on commitment and attitude for the Finance team is remarkable. But this results in a similar score on Intention and Behaviour. In the end behaviour makes the difference. The transformation process from commitment to attitude to intention to behaviour obviously differs between the Finance team and the SAP management team and, generally, would be a nice topic for further research on change readiness but is out of scope for this paper.

The SAP management team experiences a better climate for change, but as they are responsible for generating such a climate this is to be expected. They need to convey this better throughout the (Finance) organization as there is some room for improvement. Details will be discussed in below paragraphs.

The overall scores per variable, regardless of the position of the respondent, are shown below:
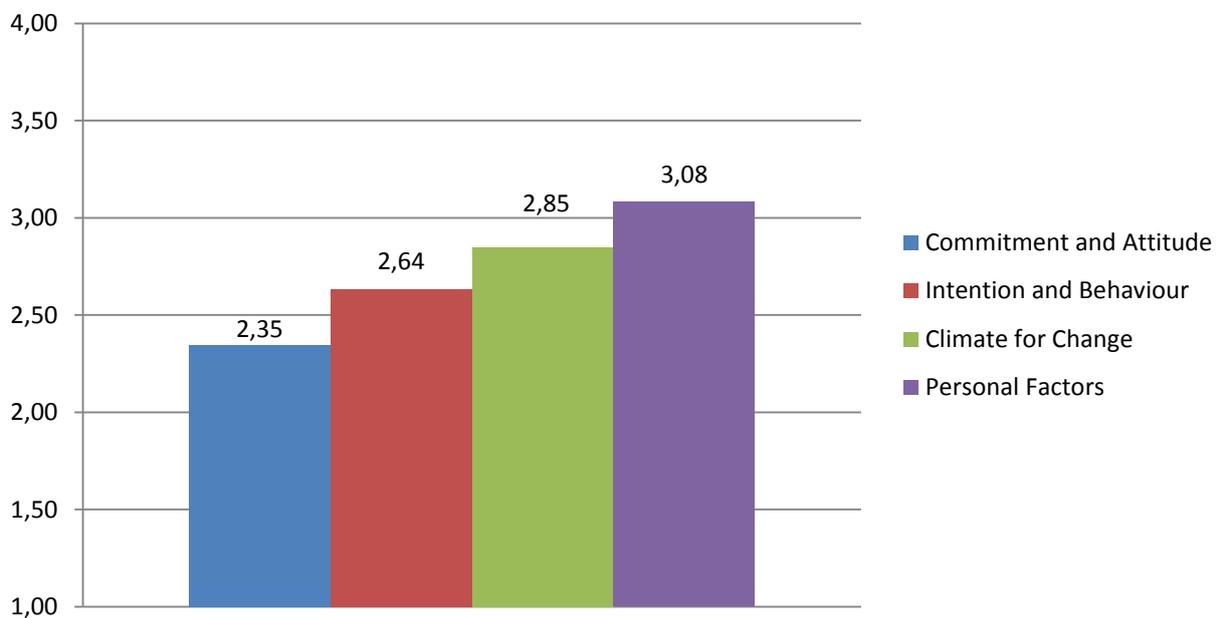

Figure 4.2: change readiness by variable

The maximum score for each variable is 4,00 and the minimum score is 1,00 so this are the maximum and minimum values on the Y-axes, resulting in the top white area as the room for improvement.

	Finance team	SAP management team	Total
Commitment and attitude	2,48	2,15	2,35
Intention and behaviour	2,59	2,70	2,64
Climate for change	2,65	3,14	2,85
Personal factors	2,99	3,21	3,08
Total	2,70	2,86	2,76

Table 4.3: change readiness score by variable by group

As can be concluded from above table, the score of variables by group are similarly ranked. Commitment and Attitude has the highest upward potential for all, whilst Personal Factors has the lowest upward potential.

Down drilling into more detail indicates four sub variables score significantly different between the Finance team and the SAP management team. The averages of those groups deviate between one and two standard deviations. These sub variables are: urgency, continuance commitment, vision and communication. Apart from continuance commitment, these all belong to climate for change. Continuance commitment has a significant negative impact on commitment and attitude. More details will be discussed in following paragraphs.

4.3) Diagnosis commitment and attitude

As mentioned in prior chapter the Finance team scores higher on commitment and attitude than the SAP management team. Below table shows some details.

Commitment & Attitude (variable A)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	60	1	4	2,55	8%	35%	50%	7%	100%
Assistant Controllers	76	1	4	2,42	11%	45%	37%	8%	100%
Finance Team	136	1	4	2,48	10%	40%	43%	7%	100%
SAP Management Team	91	1	4	2,15	26%	36%	27%	10%	100%
Total	227	1	4	2,35	16%	39%	37%	8%	100%

Table 4.4: scores on commitment and attitude

As stated, the main difference can be drilled down to continuance commitment. The SAP management team strongly disagrees on this for 47% whilst the Finance team agrees on continuance commitment much more; they strongly disagree for only 9%; a significant difference. Please see Appendix E for further details. The Finance team feels there are less opportunities for them outside GeesinkNorba.

The SAP management team also disagrees more, but to a lesser extent, on normative commitment (34%) compared to the Finance team (20%). It looks like managers more easily switch jobs compared to their more operational colleagues; resulting in the a different overall score on commitment and attitude.

4.4) Diagnosis intention and behaviour

The scores on intention and behaviour are as follows:

Intention & Behaviour (variable B)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	60	1	4	2,75	7%	30%	45%	18%	100%
Assistant Controllers	83	1	4	2,48	16%	30%	45%	10%	100%
Finance Team	143	1	4	2,59	12%	30%	45%	13%	100%
SAP Management Team	93	1	4	2,70	16%	25%	33%	26%	100%
Total	236	1	4	2,64	14%	28%	40%	18%	100%

Table 4.5: scores on intention and behaviour

The total score on intention and behaviour is 2,64 out of a maximum of 4,00 so here is also room for improvement. No significant difference at the total level has been highlighted between the Finance team and the SAP management team. There are however remarkable differences when digging deeper.

The Finance team appears to "want to a lesser degree" than the SAP management team. This appears to be driven by an extensive workload causing the Finance team not to be able to prioritize the SAP implementation. The question "the SAP implementation is one of my workload priorities" scores 2,1 within the Finance team compared to 3,3 within the SAP management team.

The Finance team scores different on "feeling better amongst functional and local colleagues" (2,0 and 2,2) compared to the SAP management team (1,6 and 1,5) indicating a more multidisciplined and international focus by the SAP management team than by the Finance team. GeesinkNorba Finance team members appear to identify themselves more with their local team than with their functional Finance colleagues abroad.

The questions focusing on the people's capabilities reveal no significant differences between the Finance team and the SAP management team. Both groups indicate they feel they are capable of handling the SAP implementation but they do not have enough time to work on it; this question scores 2,2 and reduces the overall intentions and behaviour score. Hence, if they would have more time to prioritize the SAP implementation they would become, and feel, more ready for it.

The overall score on intentions and behaviour is comparable for the two groups. As mentioned in prior paragraph there is a remarkable difference in commitment and attitude for which the Finance team scores higher than the SAP management team. It appears there are more variables impacting on intentions and behaviour than commitment and attitude only and/or a different process flow for each group. This should result in more possibilities to influence behaviour.

4.5)   Diagnosis climate for change

The questionnaires resulted in below score on climate for change:

Climate for Change (variable C)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	80	1	4	2,78	10%	20%	53%	18%	100%
Assistant Controllers	112	1	4	2,56	18%	21%	49%	13%	100%
Finance Team	192	1	4	2,65	15%	20%	51%	15%	100%
SAP Management Team	126	1	4	3,14	6%	17%	35%	42%	100%
Total	318	1	4	2,85	11%	19%	44%	25%	100%

Table 4.6: scores on climate for change

As also reflected in figure 4.1 the climate for change is perceived differently by the Finance team and the SAP management team. Their scores are resp. 2,65 and 3,14 and especially the difference with "strongly agree" is remarkable, 15% versus 42%.

As the details in appendix E show differences occur for all sub variables:

	Finance team	SAP management team
Urgency	2,83	3,63
Team and leadership	2,30	2,63
Vision	2,92	3,38
Communication	2,56	2,93
Total	2,65	3,14

Table 4.7: scores on climate for change sub variables

As mentioned in the Literature Review the climate for change seems easiest to influence, but it is crucial how it is *intrinsically felt* by colleagues. It looks like the SAP management team did a lot to create an outstanding climate for change but the Finance team might have expected even more, more intensively and/or more frequent.

Especially the difference for sub variable "Urgency" is remarkable. Following the postponement of the SAP implementation to 2015 this might become harder to influence as colleagues might say "nothing significantly changed over the last quarters so the urgency is not that obvious". For urgency, the Finance team scores 75% on (strongly) agree, the SAP management team 94%, so there is a basic agreement that needs to be further strengthened.

Regarding team building and leadership, most of the SAP management team thinks GeesinkNorba management, existing mostly of the same people (!), does not provide enough resources and support to move the SAP implementation forward. Reasons for this have not been disclosed in the questionnaire. On team building and leadership, the SAP management team scores lower (2,0) than the Finance team (2,4).

All agree on the vision, the need for change nowadays and the benefits of the SAP implementation for both GeesinkNorba as well as their customers. These are better recognized by the SAP management team and not to the full extent by the Finance team.

Communication, having an average score of 2,7 appears to have a nice upward potential. Both the frequency as well as the clearness could improve. The SAP management team score themselves at 2,7 for clearly and timely communication. This seems to be a "low hanging fruit" as simply agreeing would have scored 3,0 so some SAP management team members are unsatisfied with the communication by, and within, their own team. Reasons for this have not been disclosed in the questionnaire.

The correlation between the sub variables is out-of-scope for this paper but clearly exists. No joint vision or agreed urgency without proper communication. Communication is important during day to day business but is of crucial importance during a change process (Cohen, 2005).

4.6) Diagnosis personal factors

Total overall score on personal factors is as follows:

Personal factors (variable D)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	80	1	4	2,94	3%	18%	64%	16%	100%
Assistant Controllers	106	1	4	3,04	3%	19%	53%	25%	100%
Finance Team	186	1	4	2,99	3%	18%	58%	22%	100%
SAP Management Team	123	1	4	3,21	5%	7%	50%	37%	100%
Total	309	1	4	3,08	4%	14%	55%	28%	100%

Table 4.8: scores on personal factors

Personal factors impacting change readiness seem to have a slightly higher impact on the SAP management team compared to the Finance team. This is mainly driven by experiences and expectations. Job satisfaction and performance highlight no significant differences between the Finance team and the SAP management team.

The SAP management team significantly has more experiences with major business changes, enjoyed them and learned from them. This aligns with the theories from Armstrong (1982) and Cohen(2005) that are described in paragraph 3.4, personal experiences are compelling when it comes to change readiness and management.

Expectations are also driving the difference, the SAP management team expects more enjoyable jobs and look forward to the SAP implementation. Their score on those averages 3,5 whilst the Finance team scores 2,8 on expectations. Some Finance team members have lower expectations because (three quotes):

- training on new systems with GeesinkNorba is mostly poor or even non-existent, with a "discover-it-yourself" approach, usually without any guidance.

- Emmeloord HQ wants a control system that does not make everyday business easier; the SSO's require systems that make the frontline work easier and more efficient. That's how profits are made; not by more control.

- as all functions are connected a functional approach will make it hard to see how SAP will work. A multi-disciplinary approach would have been better.

Some Finance team members were critical about the expectations they have; whilst they did not communicate that to me when I was their Group Controller. Culture will also impact this but it is difficult for some people to "speak their mind", leaving the devil in the (personal) details. The importance of people management, or better stated personal people management, should not be underestimated. Here is a challenge for all leaders at all levels.

4.7)   Age and employment years

Despite age and years of service not being defined as change readiness variables in the conceptual model these have been shortly investigated; as requested by GeesinkNorba's CFO and Group Finance Manager. Averaged findings are summarized as follows:

Age	Change readiness
< 40	2,80
41 – 50	2,76
> 50	2,70
Total	2,74

Table 4.9: average score for age

Employment years	Change readiness
< 2	2,67
2 – 5	2,85
> 5	2,70
Total	2,74

Table 4.10: average score for employment years

For both factors there does not seem to be any significant differences.

5)   Recommendations

This chapter describes practical recommendations, one paragraph for each change readiness variable. Some recommendations concern more than one change readiness variable and those are discussed in the most appropriate paragraph.

Generally, it is recommended to investigate change readiness also in other departments than Finance only. An external consultant, or e.g. a graduating MBA student to cut cost, can best do this because this enhances objectivity (also referring to the remark in paragraph 4.2). It is recommended to use a similar questionnaire as this enables to evaluate the trend over time and compare the different departments. Regarding Finance, the results as presented in this management report could be used as a starting (zero) point.

Most recommendations do not need excessive funding and could be prioritized at short notice. Why wait when the SAP implementation restarts in March 2015? But, I also understand the other priorities GeesinkNorba is facing nowadays. However, *when the SAP implementation is not a sustained top priority it will be extremely hard to successfully complete this*.

5.1)   Recommendations commitment and attitude

The variable with the most upwards potential is commitment and attitude; overall this scores 2,35 out of a maximum of 4,00; hence it is the only change readiness variable scoring less than the 2,50 average.

One of the main contributors to this is continuance commitment by the SAP management team. It is therefore recommended to implement some kind of employee participation for them that could also be extended to key non managerial staff. As an example GeesinkNorba could supply some shares to them as a gift; certainly when SAP will be successfully implemented. These could be given for free (as a bonus) and/or offered for purchase.

One of the respondents made a remark worth mentioning here. Being proud of your company is an important determining variable for organizational commitment. Company identification and branding is crucial and some operational items contribute to this. Think about an active "company-life" on social media communicating all the good things GeesinkNorba does for their customers and the environment. Very basic things like jackets, USB sticks, pens etc. with the company logo in the company colours won't harm and are appreciated by many. Can also be used for give-aways to prospects and customers.

As mentioned in the Literature Review (Chapter 3), normative commitment has consistently been found to correlate very strongly with affective commitment. Several studies suggest it is very difficult to make a distinction between affective and normative commitment; the recommendations for those are therefore jointly discussed below. Those could easily be extended to other disciplines outside Finance.

According to Vance (2006), (affective and normative) commitment and attitude can be increased via:

1) Job enrichment
2) Training and development
3) Strategic compensation
4) Performance management

Ad1) Job enrichment

With job enrichment employee performance improves but this is subject to clearly prescribing their tasks. Employees generally define their role more broadly and will take on tasks outside their formal job description (Vance, 2006). Reviewing and regularly updating job descriptions, by the employee and the employer jointly, is therefore recommended. This could be included in the annual job appraisal procedure. It manages expectations from both sides.

Extensive workload was also mentioned as a constraining factor; this is described later in this chapter. But perhaps the workload consists of many tasks outside their job description that employees took on. The necessity and the added value of these tasks should be investigated.

It could be considered to have Finance team members attend trade shows. In such a case it is recommended not to go as one Finance team but spread the attendance of the Finance team and make them travel with colleagues from other disciplines. A diversified small group from several departments would be best; they will start communicating with each other. This enables employees to have a better insight in the market, the products and to get to know (the requirements of) other colleagues better.

The questionnaire also revealed that most people identify themselves more with colleagues from their own local functional department. Having insights as mentioned above will help to better align one's workload with requirements from other colleagues; thereby enriching their daily workload. This is a mutual process from what all could benefit.

Somewhat similar to the above, Finance team members could join Sales or Service colleagues when they are visiting customers; as an example once every quarter. This will increase mutual understanding and will have a positive impact on e.g. the collection of Accounts Receivables; a Sales responsibility for which they need support from Finance. Seeing and experiencing (feeling) the benefits increases someone's self-esteem and contributes positively to their organizational commitment.

Ad 2) Training and development

Nowadays, the changes we have to face, are increasing in volume and in frequency. Staff needs to be trained and prepared to cope with those changes. Therefore it is recommended to stimulate studies and courses for all staff. Employers need to question to what extent they need staff that does not want to invest in developing themselves. Furthermore, usually it is agreed to pay back a certain amount when the employee decides to leave within one or two years after completing their studies. This indirectly increases continuance commitment. This will also impact on normative commitment; when my employer pays for my studies would it be polite to leave the company? GeesinkNorba already offers facilities to study, but it is recommended for the employer to pro-actively take the lead and ask employees what studies they prefer to do and when. SAP-training has of course been scheduled but it is proposed to also train and develop "beyond SAP".

Ad 3) Strategic compensation

In the beginning of this paragraph employee participation in the company, in whatever form, was shortly mentioned. Practically it may be wished to limit this to the management team and key employees and not broaden this to all. The latter could however be investigated.

Implementing strategic compensation plans for all could be difficult but below mentioned ideas, which are not strategic by definition, might be worth considering.

Having the GeesinkNorba team jointly working for a charity organization for one day a year not only stimulates teambuilding but also contributes to affective commitment when this aligns with the employees' feelings and GeesinkNorba's mission. Such community service has to be meaningful for all. There will be environmental issues to work on that can also be used for Public Relations purposes. The day should be paid for by the employer. Employees should not be entitled to a day off when not attending such a community service day.

Replacing Christmas gifts with a short driving lesson in GeesinkNorba latest RCV-model (Refuse Collection Vehicle) or a similar truck might impact positively on affective commitment and can be easily arranged for.

Ad 4) Performance management

Management should talk to the employee's, involve them, be consistent and clear, give feedback and "walk the talk". They already do so but some more personal attention would be appreciated; this was especially indicated by foreign SSO's that also mentioned that "SAP was forced upon them by HQ Emmeloord without any prior involvement from local Finance or other local colleagues". They already feel too much controlled and not yet involved; negatively impacting their commitment. It is therefore recommended to involve them more and supply sufficient resources enabling them to prioritize the SAP-implementation when restarting this in March 2015. This will also be touched upon in paragraph 5.3

The SAP Finance blueprints have been prepared centrally with limited input from the local Controllers; this was driven by a valid requirement to quickly standardise processes at a high level. The local Controllers could be asked to review the implications in more detail and present their findings at one of the next European Controllers meetings. They could work in pairs; it is recommended to connect one Dutch Controller with one foreign Controller. Blueprints could be grouped into Accounts Receivables (including credit management), Accounts Payables (including payment processes and banking) and General Ledger (including others like posting and Payroll).

5.2)   Recommendations intention and behaviour

Moving people from intention to behaviour requires a culture in which mistakes are tolerated subject to being learned from. Cultural impacts, as described in paragraph 3.6, should be considered. Reducing central HQ control and increasing local responsibility might help. This should be communicated to all; e.g. a renewed and signed chart of approval could be issued by the Board.

Responsibility should not be shared; it is recommended to appoint the local Controllers as responsible for local SAP-implementation at *their* Finance department. This responsibility should not be allocated to a colleague from HQ Emmeloord nor to an external consultant like Delaware. The local Controller must experience practical day-to-day backup by the central Group Finance Manager; the initiative for support should come from the local Controller ! For cultural reasons this might be different for the different Sales and Service Organizations. The overall planning scheme, for each unit prepared by the local Controller, should be agreed between, and signed-off by, the local Controller and the Group Finance Manager or CFO.

Before the first SAP implementation another company could be visited by all Controllers so they can see and evaluate the SAP-implementation and its benefits at that company. The Board already visited a company in the Netherlands for this but it could be beneficial for all Controllers to do so. And why not in another country like Sweden as some Controllers identify the Netherlands with HQ Control? This could be incorporated as a half day event in a European Controllers meeting.

The different Sales and Service Organizations should learn from each other. Upon SAP implementation in the first unit the other unit's Controllers could be invited over there for a day, or two, evaluate the process and take the improvement points back home. This could be done after each implementation; certainly for the first two or three.

Finally, to directly impact behaviour, the Controllers could be offered an interesting bonus for successful implementing SAP locally. As an companywide ERP system the success should not be limited to Finance. Crucial will be the exact definition of success.

But, according to the questionnaire, the main reason given for the reasonably low score on intention and behaviour is the workload everyone is facing; what is generally experienced as huge. This also influences the climate for change and will be discussed in next paragraph.

5.3)   Recommendations climate for change

Workload has been mentioned several times as a major variable impacting change readiness negatively. Therefore, it could be beneficial to study this in more detail. Without questioning everyone's dedication and hard work it might be worth investigating who is doing what, for who, when and what the added value in the end is. Such an Added Value Analysis could be done as a (MBA) graduation project by a student, again to cut cost. Similar research has been done by myself at other companies and resulted in increased effectiveness, efficiency, customer focus, staff motivation, interdepartmental cooperation and last but not least, reduced cost as non-value adding Finance workload (waste) was eliminated.

It also enables benchmarking the different Finance departments in the Sales and Service Organizations, from what the different Controllers and their team will learn. Regular review should not be too frequent as such overanalyses might have an adverse impact. Scheduling this before the restart of the SAP-implementation appears hard but it could be picked up at a later stage. For now, it is of utmost importance for the SAP management team to assure sufficient resources; according to themselves remarkably this has a higher upward potential than according to the Finance team.

Local Controllers will have a local climate for change and experience this as leading; remember the questionnaire indicated most people see their local team as the leading group. Those Controllers should be involved and actively asked for their input so their input can (it is not a must) be considered when implementing SAP in their department. Why not ask them a planning scheme for their local SAP implementation now and have them sign off to that? Of course this needs to fit in the corporate scheme. Delegating this responsibility confirms trust, increases commitment, stimulates cooperation between all Controllers and enables further evaluation of the Controller's performance.

The questionnaire indicated the Controllers experience a different climate for change than the SAP management team; they need to feel they are appreciated as this intrinsically motivates them. This directly relates to performance management (paragraph 5.1) and increases commitment and attitude. Surely some Controllers require support from CFO or Group Finance Manager.

To increase team building within international Finance it is recommended to rotate the European Controllers meeting, that is presently held twice a year, over all locations. During the SAP implementation year 2015 this could be increased to four; hence quarterly. Involving local Assistant Controllers could be considered but that depends on the topics discussed then. It will surely have a motivating impact on them.

Successes, also those related to the SAP implementation, could be celebrated. No need to end up in a pub every fortnight but beware of the negative consequences of fully ignoring this.

The SAP management team rates the urgency of the SAP implementation significantly higher than the Finance team (also see paragraph 4.2 at the end). The change readiness of the latter is thereby negatively impacted what will be worse when nothing significant has changed until the restart in 2015. Based on prior experiences, most agree that the benefits will be most obvious when the implementation is completed. The Finance team members still question the advantages SAP will bring and are therefore less ready to change. Those advantages need to be shown at a recognizable and detailed, front-office, level as this increases efficiency of everyday work. SAP needs to be "sold" to the employees that need to daily work with it and their benefits over the present system need to be highlighted; over and over again.

Communication is always important but surely during a change process (Cohen, 2005) like a SAP implementation. It is therefore highly recommended to setup a communication plan, one at the companywide level and one for each Sales and Service Organization. This should be preceded with a sound investigation of crucial issues that focus groups, consisting of relevant colleagues have. Frequent, minimum weekly, clear and consistent communication will preserve the momentum required to meet the milestones identified. The communication plan should also cover communication between countries and departments and should be communicated at the start of the implementation process. It is recommended to have a separate one for the Finance department, short and simple, so all Finance team members know what information to expect and when. Locally, the Controllers should regularly share the information with other managers.

5.4)   Recommendations personal factors

As mentioned in the Literature Review (Chapter 3), Cohen (2005) reported that people changed less because of facts and data that shifted their thinking than because compelling experiences changed their feeling. Nowadays, the pace of developments is that high that all should be continuously flexible, ready for change and act accordingly. Therefore, the number of compelling experiences is likely to increase for all and consequently, we all may automatically become increasingly ready for change in future.

GeesinkNorba can supply employees new experiences by actively promoting job rotation, also cross departmental. When SAP will be implemented changed processes and procedures will apply; this could be a perfect timing to initiate job rotation. For now, as a start, employees could be encouraged to work one day every quarter (or a different frequency) at another department. Or, as mentioned in paragraph 5.1, join colleagues when visiting customers, trade fairs etc.

Controllers could work for some days with a Controller in another country on specific projects like the SAP implementation. Locally, Controllers could initiate bi-monthly meeting with Sales, Service or another department to discuss issues that impact both departments. These do not need to take hours, keep them short to only discuss important issues.

Aligning mutual expectations is very important; the SAP management team has different expectations than the Finance team. This requires open and clear communication and that's hard in a multicultural company as such communication should not only be "official" because people open up in an informal setting. Despite the CFO and Group Finance Manager already did a good job on this, even more time and energy should be invested in (international) people management. It is an investment and not a cost.

5.5) Timing and budget for recommendations

Improving change readiness is a long term process that once needs to be kicked-off. The timeline was not included in the research design and has therefore not been investigated.

It is a possibility to start with the (sub)variables with the highest upward potential (see paragraph 4.2). Another option could be to start with the recommendations that can easily, quickly and at low cost be implemented. Appendix F shows a proposed timeline, based on my personal opinion, hence not on the research conducted, that can be used as a basis for further discussion.

The budget for the recommendations will be loaded with assumptions and is therefore hard to quantify. An attempt could be made to quantify cost but it will be even more harder to forecast revenues. Recognizing the recommendations as long term investments is important.

6)   Limitations and reflections

To evaluate the recommendations in this management project below limitations need to be considered.

The SAP implementation has been postponed for valid reasons. No reason to go into further detail but there are other priorities challenging the Board of GeesinkNorba. Business decisions always have more than one dimension.

This management project focusses on change readiness within the Finance department at GeesinkNorba. But Finance is not the only department, it is "just one in a multidisciplined organization". Shouldn't it be a joint effort?

Variables that cannot (easily) be influenced do have an impact and should not be ignored. As an example, cultural differences will have an impact on change readiness. Different cultures might require different approaches.

Regarding the control questions, only 60% of similar questions were answered similarly. You might therefore question the reliability of the answers given.

Change readiness is not a one-off measurement. For many reasons change readiness develops over time.

Further research could be conducted in the following areas that have purposely been left out of scope in this management project:
- The weight of each change readiness (sub) variable in the conceptual model
- The correlation between those (sub) variables
- The extent to what continuance commitment motivates
- The process flow from commitment and attitude to intention and behaviour
- Will we all automatically become increasingly ready for change when we have to handle more, and more frequent, changes?
- Cultural impact on change readiness.

I would like to end this paper with some concluding reflections that are "food for further thought".

When recognizing the importance of change readiness, most leaders want to evaluate group or organizational change readiness. But change readiness refers to a psychological state of mind and concerns feelings and experiences that are intrinsic to all individuals. A group is a group of individuals.

We all belong to several groups and identify ourselves more closely with one group over another. Our belief to what extent our own groups are *capable* of handling the change also impacts intentions and behaviour; next to their *wish* to implement the change. Retrospectively I think this should also have been included in the conceptual model under intentions and behaviour. Thanks a lot to Peter Gillies for the discussion on this.

People management skills of all leaders in an organization, regardless of their level, should not be underestimated as such motivational drivers impact change readiness and ultimately performance. How do the people who are managed by them feel?

Finally some personal questions:
- Are you ready to change?
- Do you embrace change?
- And if so, to what extend?

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Appendix A) Proposal Management Project

1) Company

1a) GeesinkNorba

GeesinkNorba is a private equity owned European leading provider of refuse collection vehicles and waste compactors, manufacturing a wide range of bodies for different applications as well as bin-lifting equipment to operate with them. The company has a manufacturing plant and group headquarters in the Netherlands (Emmeloord) and sales & service operations in the UK, Sweden, Spain, France, Italy, Germany and Poland. The company employs over 400 colleagues and revenues may not be disclosed.

During the last decade GeesinkNorba has been taken over several times and is fully owned by Mutares, a German private equity firm, since February 2012. Being a former family-owned company the culture is still comparable with a family owned company. The present owner however has different objectives and expect all to have a "real business" attitude, creating significant people management challenges. The executive directors and the management team have almost completely been renewed.

Customers include waste management companies like Van Gansewinkel and Sita, and also municipalities that organise their own waste collection belong to the customer base. The customers buy a chassis cabin with e.g. DAF or Mercedes and GeesinkNorba adds the waste collection part.

Please not the abbreviation CIWM on the cover page stands for Chartered Institution for Wastes Management and is the professional body which represents waste and resource professionals working in the sustainable waste and resource management sectors worldwide.

1b) Industry

The European waste collection industry has a limited number of major players. The market leader is doubling GeesinkNorba's sales volume and the company with the highest but one market share has sales volumes slightly over GeesinkNorba.

The market is changing rapidly. Following the crisis many companies and governmental bodies have postponed renewal of their waste collection vehicles and of course this impacted GeesinkNorba's (and competitors') revenues. Opportunities are emerging in markets like eastern Europe but those are not materialising yet.

Within the existing markets environmental requirements are becoming more stringent year after year; this applies to both the chassis cabin as well as to the waste collection kit. Hybrid operated material is not only required to meet environmental requirements but also to respect noise limits, especially for vehicles working in city centres.

2) Management project

2a) Rationale, relevance and scope

Following the organizational changes over the last decade, all units have a different ERP system, including different accounting systems. It has been decided to implement a common ERP system (SAP) across all units and the preparations for this will be launched in February 2014. The first implementation is scheduled for September 2014 (GeesinkNorba France) and within one year the total project needs to be finalised for all units. The relevance and urgency are obvious.

This Management Project will focus on the impact on the Finance departments in which in total approximately 25 colleagues work. Most Finance colleagues have been working for GeesinkNorba for years, some even for decades. The CFO was appointed when Mutares took over early 2012 and wants to assure a smooth SAP implementation.

Being private equity owned the (sales) value of the company is very important. Having a companywide common ERP platform contributes to this.

2b) Problem statement

The SAP implementation will be a major change in an established company and for this to be successful it is of the utmost importance that all colleagues are ready to change their way-of-work, their processes and their attitude. The problem statement therefore is:

How to improve change readiness at GeesinkNorba?

This problem statement can be broken down in below mentioned research questions.

2c) Research questions

Theoretical diagnosis:

1. How to define and measure change readiness?
2. What factors impact change readiness? Which are (in)dependent ?
3. To what extend do cultural differences impact change readiness?

Diagnosis at GeesinkNorba:

4. How can the current change readiness at GeesinkNorba be described?
5. What changes are required to support the new ERP implementation?

Practical recommendation:

6. How can GeesinkNorba implement the required changes identified in the diagnosis?
7. What implementation actions are recommended?

3) Methodology and data sources

3a) Literature review

Change readiness is directly related to resistance to change, what is an emotion almost all people have. Much research has already been conducted in this area and in my literature review I will summarise the most important and relevant ones, including the impact on change readiness. Of course this needs to be accompanied with theoretical research on how to measure change readiness. Furthermore, I will look into cultural impacts on change readiness. But, most importantly, a sound theoretical base about factors determining change readiness, and how these can be influenced, will be discussed.

3b) Desk research

A meeting with the Group HR Manager will indicate whether information is internally available on similar and related topics. There might have been employee satisfaction surveys over the last years or ad hoc information may have reached the HR Manager. For now, I do not know what information is available and whether that is accessible to me. I assume information available via desk research is limited.

Another source for desk research could be GeesinkNorba's SAP implementation partner (Delaware) as implementing SAP is their core business and they must have experienced change readiness issues with other clients. This information may, for confidentiality reasons, not be disclosed to me. But it is worth checking.

3c) Interviews

Interviews will be held with the CFO, the Controllers (8) and some Country Managers as those are the directly involved colleagues. Possibly the Delaware consultant(s) focusing on the financial part of the project will also be asked to contribute. I would like to discuss interviewing other external experts with my academic coach.

Interviews will be conducted personally face-to-face or via Skype because the interviewees work across Europe and the (structure of the) questionnaires will, of course, be soundly discussed with my coach(es) prior to the interviews. Questionnaires will vary depending on the position of the interviewee.

4) MBA aspects

Below mentioned MBA modules from TiasNimbas will be used in my Management Project:
- ✓ Business Research Methods
- ✓ Organizational Behavior and HRM
- ✓ International Business Management
- ✓ Operations and Supply Chain Management
- ✓ Strategic Management
- ✓ Leading Change

Proposed academic coach: Prof. dr. F. Aertsen, as the implementation of a new ERP system impacts all internal operations and he lectures the module Operations and Supply Chain Management at TiasNimbas. For the company coach I refer to chapter 7.

5) Proposed chapter headings

Executive summary / abstract

1) Introduction
   a) Company
   b) Industry
   c) SAP implementation plan

2) Management Project
   a) Scope
   b) Problem statement
   c) Research questions
   d) Relevance

3) Literature review (on change readiness)

    a) Definition

    b) How to measure change readiness?

    c) Cultural impact on change readiness

    d) Motivational issues

4) Diagnosis at GeesinkNorba

    a) Methods used

    b) Main conclusions

    c) Companywide issues

    d) Site specifics

    e) Finance specifics

5) Recommendations

    a) Companywide issues

    b) Site specifics

    c) Finance specifics

6) Time table

Please find below the planned timetable for my Management Project.

Month (2014)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Issue proposal	■								
Feedback on proposal	■								
Theoretical review		■	■						
Desk review		■	■						
Interviews				■					
Writing thesis			■	■	■	■	■	■	
Submission first draft 4-5 chapters					■				
Holiday							■		
Submit full draft version								■	
Final editing thesis								■	■
Submit final version									■

7) Company details

Name of company	GeesinkNorba
Address	Betonweg 8
P.O. box	52
Mail code	8300 AB
City	Emmeloord, the Netherlands
Company coach	mr. Martin J.M. Nieling AC QC (to be confirmed)
Job title	Chief Financial Officer
Email	martin.nieling@geesinknorba.com
Telephone	+31 (0) 527 638 252

Appendix B) GeesinkNorba European Finance Organization

Finance organization as of March 2014.
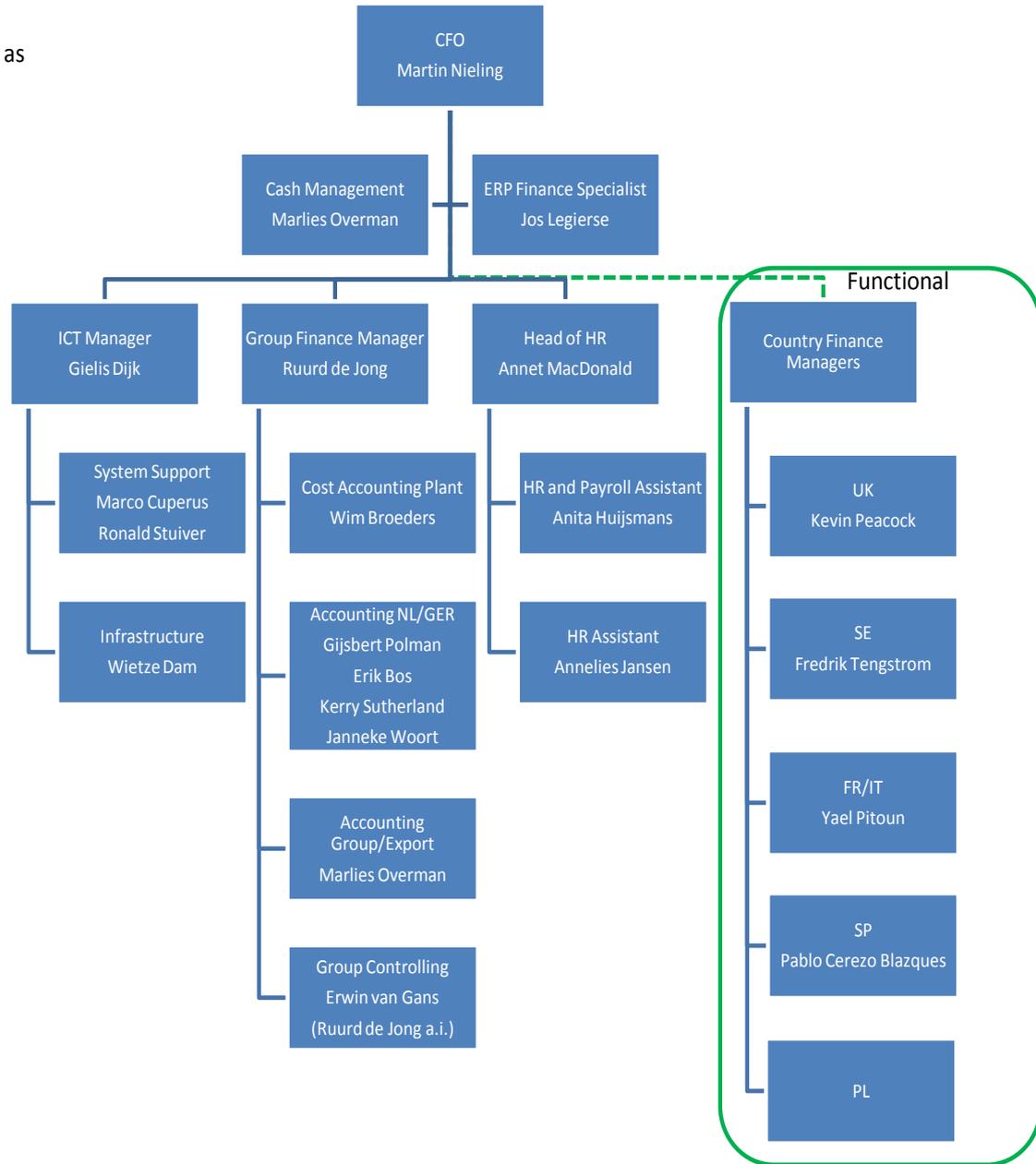
Appendix C) Questionnaire

SAP implementation @ GeesinkNorba Group - questionnaire

GEESINKNORBA

		Strongly disagree			Strongly agree
1	I experience GeesinkNorba's problems as my own problems	☐	☐	☐	☐
2	SAP implementation: I can do it !	☐	☐	☐	☐
3	My functional manager appreciates my contributions / work	☐	☐	☐	☐
4	My job will become more enjoyable / less boring with SAP	☐	☐	☐	☐
5	Not implementing SAP will hurt our company and our business	☐	☐	☐	☐
6	It would be hard for me to find another job outside GeesinkNorba	☐	☐	☐	☐
7	The SAP implementation is one of my workload priorities	☐	☐	☐	☐
8	From Feb14 - Jul14 SAP Project Management communicated frequently about progress	☐	☐	☐	☐
9	My job challenges me and I still learn	☐	☐	☐	☐
10	I feel somewhat emotionally attached to GeesinkNorba	☐	☐	☐	☐
11	I feel accountable for a good SAP implementation in my department	☐	☐	☐	☐
12	Keep changing is inevitable nowadays, we also have to change	☐	☐	☐	☐
13	I have experienced several major changes in my business life / career	☐	☐	☐	☐
14	The changes I experienced in my business life / career were enjoyable	☐	☐	☐	☐
15	I truly belong to the GeesinkNorba family	☐	☐	☐	☐
16	I feel better amongst colleagues from my own functional department then amongst other colleagues	☐	☐	☐	☐
17	It would be impolite and disrespectful to resign from GeesinkNorba	☐	☐	☐	☐
18	I received, or expect to receive, sufficient SAP training	☐	☐	☐	☐
19	SAP will enable me to do a better job	☐	☐	☐	☐
20	It is hard for me to leave GeesinkNorba; even if I wanted to	☐	☐	☐	☐
21	I am already working regularly on the preparations required for SAP	☐	☐	☐	☐
22	I look forward to the SAP implementation and will enjoy this process	☐	☐	☐	☐

23   Once using SAP, we will have one European GeesinkNorba team (not several local ones)   ☐ ☐ ☐ ☐

24   Even if I could benefit and improve my position, I would not leave GeesinkNorba   ☐ ☐ ☐ ☐

25   I feel better amongst local colleagues then amongst colleagues from other countries   ☐ ☐ ☐ ☐

26   I will help my colleagues with the SAP implementation   ☐ ☐ ☐ ☐

27   Management consistently provides resources and support to move the SAP implementation forward   ☐ ☐ ☐ ☐

28   Our customers will benefit from SAP in the long run   ☐ ☐ ☐ ☐

29   SAP Project Management communicates clearly and timely about progress   ☐ ☐ ☐ ☐

30   I might have considered leaving GeesinkNorba if I did not work so hard for the company   ☐ ☐ ☐ ☐

31   Corporate HQ will give me more authority once SAP will be implemented   ☐ ☐ ☐ ☐

32   I experience an overall GeesinkNorba Group team spirit   ☐ ☐ ☐ ☐

33   My functional colleagues support the SAP implementation   ☐ ☐ ☐ ☐

34   I would not resign from GeesinkNorba because I owe my colleagues something   ☐ ☐ ☐ ☐

35   All colleagues, including myself, must now change the way we work   ☐ ☐ ☐ ☐

36   The benefits of changes are most obvious after the change has been completed   ☐ ☐ ☐ ☐

37   The total GeesinkNorba Group will benefit from SAP   ☐ ☐ ☐ ☐

38   I identify myself more closely with my functional colleagues (like Finance) then with other colleagues   ☐ ☐ ☐ ☐

39   GeesinkNorba means a lot to me   ☐ ☐ ☐ ☐

40   We frequently discuss the SAP implementation in our local team   ☐ ☐ ☐ ☐

41   My colleagues appreciate my contributions / work   ☐ ☐ ☐ ☐

42   I am devoting, or will devote, sufficient time and energy to the SAP implementation   ☐ ☐ ☐ ☐

43   I like my job   ☐ ☐ ☐ ☐

44   I feel obliged to GeesinkNorba and will not leave GeesinkNorba   ☐ ☐ ☐ ☐

45   My colleagues like working with me   ☐ ☐ ☐ ☐

		Strongly disagree			Strongly agree
46	Leaving GeesinkNorba would seriously disturb my life	☐	☐	☐	☐
47	My functional manager is great to work for	☐	☐	☐	☐
48	I recognise the advantages SAP will bring us	☐	☐	☐	☐
49	I have enough time to work on the SAP implementation	☐	☐	☐	☐
50	All my colleagues are aware we have to change	☐	☐	☐	☐
51	I will not loose my job once SAP has been implemented	☐	☐	☐	☐
52	I do not require additional training to perform my job well	☐	☐	☐	☐
53	Management inspires me to drive the SAP implementation	☐	☐	☐	☐
54	I learned a lot from changes in my business life / career	☐	☐	☐	☐
55	I expect SAP Project Management to communicate frequently about progress	☐	☐	☐	☐
56	I am happy with my job and would not like to do another job within GeesinkNorba	☐	☐	☐	☐
57	The SAP implementation won't be a problem for me	☐	☐	☐	☐
58	I understand the good things that SAP will generate	☐	☐	☐	☐
59	It is not acceptable for GeesinkNorba to keep using the systems we presently have	☐	☐	☐	☐
60	Using SAP will also help our customers	☐	☐	☐	☐
61	The SAP implementation will be difficult in the After Sales department	☐	☐	☐	☐
62	The SAP implementation will be difficult in the Finance department	☐	☐	☐	☐
63	The SAP implementation will be difficult in Production (Factory Emmeloord)	☐	☐	☐	☐
64	The SAP implementation will be difficult in the Sales department	☐	☐	☐	☐
65	The SAP implementation will be difficult in the Supply Chain department	☐	☐	☐	☐
66	Finally: how many years are you working with GeesinkNorba?	☐	☐	☐	
		< 2 yrs	2-5 yrs	> 5 yrs	

Below space can be used for any remarks you would like to add (if any). Many thanks again for your kind cooperation. Best regards, Jos

Appendix D) List of interviewees

Yael Pitoun – Controller SSO France

Pablo Cerezo Blasquez – Controller SSO Spain

Peter Evans – Controller a.i. SSO United Kingdom

Fredrik Tengstrom – Controller SSO Sweden

Gijsbert Polman – Controller SSO Benelux & Germany

Marlies Overman – Controller SSO Export and Corporate HQ

Wim Broeders – Controller Factory Emmeloord

Martin Nieling - CFO

Wolf Cormelius – CEO a.i.

Gielis Dijk – IT Manager

Maurice Link – Vice President Marketing & Sales

Sander Gorter – Plant Manager

Kees Pruim – Engineering Manager

Ruurd de Jong – Business Process Owner (BPO) Finance

Liesbeth Sijpersma - Business Process Owner (BPO) Supply Chain

Theo Postma – Business Process Owner (BPO) Sales

Paul Sproston – Business Process Owner (BPO) Service

Raquel Tizon - Assistant Controller SSO Spain

Stephanie Cabrera - Assistant Controller SSO France

Helen Francis – Assistant Controller SSO United Kingdom

Tracy Wheeler – Assistant Controller SSO United Kingdom

Agnetha Johanson – Assistant Controller SSO Sweden

Ulla Udden – Assistant Controller SSO Sweden

Janneke Woort – Assistant Controller SSO Benelux, Germany & Factory Emmeloord

Kerrie Sutherland – Assistant Controller SSO Benelux, Germany & Factory Emmeloord

Erik Bos – Assistant Controller SSO Benelux, Germany & Factory Emmeloord

Appendix E) Summarised results of questionnaires

Overall Change Readiness

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	280	1	4	2,77	7%	25%	54%	15%	100%
Assistant Controllers	377	1	4	2,65	12%	27%	47%	15%	100%
Finance Team	657	1	4	2,70	10%	26%	50%	15%	100%
SAP Management Team	433	1	4	2,86	12%	20%	37%	31%	100%
Total	1.090	1	4	2,76	11%	24%	45%	21%	100%

Commitment & Attitude (variable A)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	60	1	4	2,55	8%	35%	50%	7%	100%
Assistant Controllers	76	1	4	2,42	11%	45%	37%	8%	100%
Finance Team	136	1	4	2,48	10%	40%	43%	7%	100%
SAP Management Team	91	1	4	2,15	26%	36%	27%	10%	100%
Total	227	1	4	2,35	16%	39%	37%	8%	100%

Intention & Behaviour (variable B)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	60	1	4	2,75	7%	30%	45%	18%	100%
Assistant Controllers	83	1	4	2,48	16%	30%	45%	10%	100%
Finance Team	143	1	4	2,59	12%	30%	45%	13%	100%
SAP Management Team	93	1	4	2,70	16%	25%	33%	26%	100%
Total	236	1	4	2,64	14%	28%	40%	18%	100%

Climate for Change (variable C)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	80	1	4	2,78	10%	20%	53%	18%	100%
Assistant Controllers	112	1	4	2,56	18%	21%	49%	13%	100%
Finance Team	192	1	4	2,65	15%	20%	51%	15%	100%
SAP Management Team	126	1	4	3,14	6%	17%	35%	42%	100%
Total	318	1	4	2,85	11%	19%	44%	25%	100%

Personal factors (variable D)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	80	1	4	2,94	3%	18%	64%	16%	100%
Assistant Controllers	106	1	4	3,04	3%	19%	53%	25%	100%
Finance Team	186	1	4	2,99	3%	18%	58%	22%	100%
SAP Management Team	123	1	4	3,21	5%	7%	50%	37%	98%
Total	309	1	4	3,08	4%	14%	54%	28%	99%

Commitment & Attitude (variable A)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	60	1	4	2,55	8%	35%	50%	7%	100%
Assistant Controllers	76	1	4	2,42	11%	45%	37%	8%	100%
Finance Team	136	1	4	2,48	10%	40%	43%	7%	100%
SAP Management Team	91	1	4	2,15	26%	36%	27%	10%	100%
Total	227	1	4	2,35	16%	39%	37%	8%	100%

Affective commitment (subvariable A1)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	2	4	3,05	0%	15%	65%	20%	100%
Assistant Controllers	28	2	4	3,00	0%	18%	64%	18%	100%
Finance Team	48	2	4	3,02	0%	17%	65%	19%	100%
SAP Management Team	32	2	4	2,97	0%	25%	47%	29%	100%
Total	80	2	4	3,00	0%	20%	58%	23%	100%

Continuance commitment (subvariable A2)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	3	2,60	5%	30%	65%	0%	100%
Assistant Controllers	24	1	4	2,25	13%	54%	29%	4%	100%
Finance Team	44	1	4	2,41	9%	43%	45%	2%	100%
SAP Management Team	30	1	3	1,59	47%	43%	10%	0%	100%
Total	74	1	4	2,08	24%	43%	31%	1%	100%

Normative commitment (subvariable A3)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	3	2,00	20%	60%	20%	0%	100%
Assistant Controllers	24	1	3	1,92	21%	67%	13%	0%	100%
Finance Team	44	1	3	1,95	20%	64%	16%	0%	100%
SAP Management Team	29	1	3	1,81	34%	41%	24%	0%	100%
Total	73	1	3	1,90	26%	55%	19%	0%	100%

Intention & Behaviour (variable B)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	60	1	4	2,75	7%	30%	45%	18%	100%
Assistant Controllers	83	1	4	2,48	16%	30%	45%	10%	100%
Finance Team	143	1	4	2,59	12%	30%	45%	13%	100%
SAP Management Team	93	1	4	2,70	16%	25%	33%	26%	100%
Total	236	1	4	2,64	14%	28%	40%	18%	100%

Do you want ? (subvariable B1)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	2	4	2,90	0%	30%	50%	20%	100%
Assistant Controllers	28	1	4	2,32	21%	29%	46%	4%	100%
Finance Team	48	1	4	2,56	13%	29%	48%	10%	100%
SAP Management Team	31	1	4	3,19	6%	13%	39%	42%	100%
Total	79	1	4	2,81	10%	23%	44%	23%	100%

Does the group want ? (subvariable B2)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	3	2,33	15%	40%	45%	0%	100%
Assistant Controllers	27	1	3	2,30	11%	48%	41%	0%	100%
Finance Team	47	1	3	2,31	13%	45%	43%	0%	100%
SAP Management Team	32	1	4	1,97	31%	44%	22%	3%	100%
Total	79	1	4	2,17	20%	44%	34%	1%	100%

Are you capable? (subvariable B3)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	4	3,03	5%	20%	40%	35%	100%
Assistant Controllers	28	1	4	2,82	14%	14%	46%	25%	100%
Finance Team	48	1	4	2,91	10%	17%	44%	29%	100%
SAP Management Team	30	1	4	2,97	10%	17%	40%	33%	100%
Total	78	1	4	2,93	10%	17%	42%	31%	100%

Climate for Change (variable C)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	80	1	4	2,78	10%	20%	53%	18%	100%
Assistant Controllers	112	1	4	2,56	18%	21%	49%	13%	100%
Finance Team	192	1	4	2,65	15%	20%	51%	15%	100%
SAP Management Team	126	1	4	3,14	6%	17%	35%	42%	100%
Total	318	1	4	2,85	11%	19%	44%	25%	100%

Urgency (subvariable C1)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	4	2,95	10%	10%	55%	25%	100%
Assistant Controllers	28	1	4	2,75	14%	14%	54%	18%	100%
Finance Team	48	1	4	2,83	13%	13%	54%	21%	100%
SAP Management Team	32	1	4	3,63	3%	3%	22%	72%	100%
Total	80	1	4	3,15	9%	9%	41%	41%	100%

Team building and leadership (subvariable C2)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	4	2,48	20%	25%	45%	10%	100%
Assistant Controllers	28	1	4	2,18	32%	21%	43%	4%	100%
Finance Team	48	1	4	2,30	27%	23%	44%	6%	100%
SAP Management Team	31	1	4	2,63	10%	42%	26%	23%	100%
Total	79	1	4	2,43	20%	30%	37%	13%	100%

Vision (subvariable C3)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	4	3,05	10%	10%	45%	35%	100%
Assistant Controllers	28	1	4	2,82	18%	7%	50%	25%	100%
Finance Team	48	1	4	2,92	15%	8%	48%	29%	100%
SAP Management Team	32	1	4	3,38	6%	13%	19%	63%	100%
Total	80	1	4	3,10	11%	10%	36%	43%	100%

Communication (subvariable C4)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	2	3	2,65	0%	35%	65%	0%	100%
Assistant Controllers	28	1	4	2,50	7%	39%	50%	4%	100%
Finance Team	48	1	4	2,56	4%	38%	56%	2%	100%
SAP Management Team	31	1	4	2,93	3%	13%	74%	10%	100%
Total	79	1	4	2,71	4%	28%	63%	5%	100%

Personal factors (variable D)

	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	80	1	4	2,94	3%	18%	64%	16%	100%
Assistant Controllers	106	1	4	3,04	3%	19%	53%	25%	100%
Finance Team	186	1	4	2,99	3%	18%	58%	22%	100%
SAP Management Team	123	1	4	3,21	5%	7%	50%	37%	100%
Total	309	1	4	3,08	4%	14%	55%	28%	100%

Experiences (subvariable D1)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	2	4	3,05	0%	5%	85%	10%	100%
Assistant Controllers	26	2	4	3,07	0%	19%	54%	27%	100%
Finance Team	46	2	4	3,06	0%	13%	67%	20%	100%
SAP Management Team	32	1	4	3,50	6%	3%	25%	66%	100%
Total	78	1	4	3,24	3%	9%	50%	38%	100%

Expectations (subvariable D2)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	4	2,80	5%	25%	55%	15%	100%
Assistant Controllers	26	1	4	2,61	12%	31%	50%	8%	100%
Finance Team	46	1	4	2,69	9%	28%	52%	11%	100%
SAP Management Team	30	1	4	3,06	13%	13%	33%	40%	100%
Total	76	1	4	2,84	11%	22%	45%	22%	100%

Job satisfaction (subvariable D3)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	1	4	2,90	5%	15%	65%	15%	100%
Assistant Controllers	27	2	4	3,25	0%	11%	56%	33%	100%
Finance Team	47	1	4	3,10	2%	13%	60%	26%	100%
SAP Management Team	29	2	4	3,25	0%	3%	66%	31%	100%
Total	76	1	4	3,16	1%	9%	62%	28%	100%

Job performance (subvariable D4)

Source: 4 questions	Nr.	Min	Max	Average	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Financial Controllers	20	2	4	3,00	0%	25%	50%	25%	100%
Assistant Controllers	27	2	4	3,20	0%	15%	52%	33%	100%
Finance Team	47	2	4	3,12	0%	19%	51%	30%	100%
SAP Management Team	32	2	4	3,03	0%	9%	78%	13%	100%
Total	79	2	4	3,08	0%	15%	62%	23%	100%

Appendix F) Time schedule for recommendations

The following time schedule for mentioned recommendations is proposed. Of course the restart of the SAP implementation in March 2015 has been taken into account.

2015 quarter 1:

- Management team to start "reselling" SAP thereby focusing on continuous confirmation of the vision and the urgency. Especially the latter is important as the Finance team members rate the urgency much lower than the SAP management team. Find ways to "prove" the urgency and also ask Delaware or Change Management experts for their experiences with this.

- Appoint someone who does a workload analysis to determine where time and energy (and in the end money) can be saved. Who does what, when, for who and against which costs? Preferably an external person with a fresh and unbiased view.

- The Board to discuss with Mutares (the shareholder) their view on key employee and management participation.

- Roll-out the change readiness questionnaire to other departments. Could be a nice MBA graduation thesis; hence not too expensive.

- Further enhance company identification and branding; also on social media.

- Start having Finance team members joining colleagues to trade shows and customers.

- HR to actively promote job rotation and setup a scheme for all colleagues to work one (half) day a quarter in another department.

- CFO to consider rotating the Controller SSO Benelux, Controller Factory Emmeloord and the Controller SSO Export and Credit Management. All are in their position for at least 4-5 years, working in the same office in Emmeloord, and should be able to perfectly backup each other. Implementing this when launching SAP could be a great timing as processes and procedures will be reviewed and likely renewed.

- Ask all Finance team members what business related "beyond SAP" studies / courses they are going to do shortly.

- HR to select a (charitable) community service to be done end June 2015 by all colleagues.

- Have a European Controllers meeting in France as this is the first Sales and Service Organization to implement SAP.

- Pair up (local and foreign) Controllers to review Finance implication of blueprints in detail.
- Appoint local Controllers as first responsible for a successful SAP implementation in their unit and offer them a significant bonus when achieving this. Ask for a implementation scheme; including local communication, and have them sign-off to this.
- Management team to review opportunities for additional resources; this might be mainly budget driven.
- CFO, CEO and Group Finance Manager to personally visit a foreign Sales and Service Organization at least every quarter for at least two days.

Because the closing of 2014 and the preparation of the annual accounts will significantly increase the Controllers workload in the first half of the first quarter; it may be considered to postpone their activities to the second half of this quarter.

2015 quarter 2:
- Have a community service for all colleagues end June 2015.
- Have a European Controllers meeting in another Sales and Service Organization and incorporate one half day to visit another company that successfully implemented SAP; preferably outside the Netherlands.
- Start celebrating (SAP implementation) successes.
- CFO, CEO and Group Finance Manager to personally visit a foreign Sales and Service Organization at least every quarter.

2015 quarter 3:
- Have a European Controllers meeting in another Sales and Service Organization.
- CFO, CEO and Group Finance Manager to personally visit a foreign Sales and Service Organization at least every quarter.

2015 quarter 4:
- Have a European Controllers meeting in another Sales and Service Organization.
- Conduct the change readiness questionnaire again in the Finance department to determine last years' development.

- Arrange short driving lessons for all in an RCV or a similar truck; replacing the standard Christmas gift.
- CFO, CEO and Group Finance Manager to personally visit a foreign Sales and Service Organization at least every quarter.
- Celebrate the companywide successful SAP implementation.

Appendix G) Table and figure list