"Then I thought, let's just embrace it"

An explorative case study of change recipients' reactions towards management accounting change

Abstract: Management accounting change – in other words, the implementation of new accounting practices – is increasingly on the agenda of top management. For successful implementation of these practices, scholarly research indicates the importance of investigating the reactions of change recipients – that is, those who have to change their daily work routines while implementing the change. Thus, this study places the change recipients center-stage and investigates the following research question: *How can change recipients' reactions towards management accounting change be explained?* To find explanations, this study employs an explorative case study, conducting 24 interviews with change agents and recipients at a Swedish multinational corporation that is implementing a management accounting change project. By utilizing frameworks from organizational change literature, this study suggests that change recipients go through three different stages while implementing management accounting change, thereby displaying different thoughts and reactions at each stage. Our study stresses that, when change is announced, change recipients mostly perceive emotional and attitudinal issues and are prone to react with denial and/or resistance. While the change is being carried out, change recipients mostly attend to process and outcome issues. If these are positively perceived, change recipients can respond with exploration. After the implementation, outcome issues appear to be most important to change recipients and influence the formation of commitment. Overall, we are providing future research and practitioners with an initial framework for understanding the different stages change recipients traverse while management accounting change unfolds and how they relate to different thoughts and reactions towards the change, which influences successful implementation.

Keywords: Change recipients, management accounting change, organizational change, successful implementation, process-view

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Abbreviations

ABC	Activity-Based Costing
BSC	Balanced Scorecard
BTI	Business-Unit Technology Infrastructure
CE	Cost Engineering
MAC	Management Accounting Change
MNC	Multinational Corporation
PDU	Product Development Unit
PL	Product Line
TC	Target Costing

Figures and Tables

1   Introduction

1.1   Background

Due to today's increased globalization, higher market uncertainty, and elevated competitive pressure, the information that managers need for appropriate decision-making is constantly changing (Busco et al., 2006; Burns & Vaivo, 2001). One source from which managers can obtain relevant information is accounting (Bhimani et al., 2008; Kaplan & Atkinson, 1998; Barfield et al., 1991). Hopwood (1990) emphasizes that accounting portrays reality in companies, making constructs such as cost visible that would otherwise not be. Accounting can be separated into two categories: financial or external accounting, which is required to inform stakeholders outside the organization (Palepu & Healy, 2007; Drury, 2008), and management or internal accounting, which is used by managers to steer the company (Kaplan & Atkinson, 1998; Burns et al., 2013). Scholars assert that, if the information needs of managers are now changing, it also forces management accounting to change in order to handle the new environment that companies face (Baines & Langfield-Smith, 2003; Busco & Scapens, 2011).

Management accounting change can therefore be understood as the implementation of new management accounting practices (Vaivio, 1999; Quattrone & Hopper, 2001; Lukka, 2007). Prominent examples are Activity-Based Costing (ABC) (Cooper & Kaplan, 1988; Shank & Govindarajan, 1993), Target Costing (TC) (Ansari et al., 1997; Cooper & Slagmulder, 1997), and the Balanced Scorecard (BSC) (Kaplan & Norton, 1996). As the number of implementations of these practices has steadily increased over the past 25 years, the topic has also been increasingly debated in scholarly research (Wanderley & Cullen, 2013; Busco et al., 2007).

These so-called "advanced" accounting methodologies (Burns & Vaivio, 2001, p. 390) have a wide range of implications within organizations, and so their implementation requires widespread organizational change (Lukka, 2007; Järvenpää, 2007). For instance, ABC implementation requires different departments across the organization, such as marketing and product development, to demonstrate their value and make their contributions visible to the organization (Hopper et al., 2007), whereas TC requires a close, cross-functional working relationship between different departments to establish minimum costs for a product right from the start (Ansari et al., 2006; Swenson et al., 2006).

Not only are these change projects implemented by accountants who take on new roles as managers and change agents (Granlund & Lukka, 1998a; Weber, 2008), but they are also increasingly carried out by business management outside the accounting department (Burns & Vaivio, 2001; Jönsson, 1996). For example, articles about the implementation of ABC or TC suggest that top management not only initiates these practices, but that they also need to provide constant support (e.g. Shields, 1995; Anderson, 1995; Anderson & Young, 1999) and necessary resources for successful implementation (Cooper, 2000).

Within the literature on management accounting change (henceforth to be referred to by the abbreviation *MAC*), scholars investigate a wide range of different topics regarding the successful implementation of MAC projects (Modell, 2007; Wanderley & Cullen, 2013; Lukka, 2007). These include factor studies that identify the factors for successful implementation of management accounting tools, such as ABC (e.g. Shields & Young, 1989; Shields, 1995; Krumwiede, 1998). Other studies try to explain what fosters (e.g. Innes & Mitchell, 1990) or hampers (e.g. Cobb et al., 1995; Kasurinen, 2002) MAC more generally, from an organizational view. Another stream of studies is centered on organizational tensions, failures, and resistance to MAC (e.g. Roberts, 1990; Scapens & Roberts, 1993; Granlund, 2001), thereby highlighting the influence of organizational rules and routines (e.g. Burns & Scapens, 2000) and cultural aspects (e.g. Granlund & Lukka, 1998a; 1998b) on MAC implementation.

1.2   Problem Discussion

Evident from the current literature on MAC is that most of the research focuses on an aggregate level, considering mainly organizational-level investigations (Jermias, 2001; Chenhall & Euske, 2007; Modell et al., 2007). Only minor considerations of a more micro or individual-level perspective appear prevalent within MAC literature to date. Among these are articles about the importance and influence of change agents (e.g. Burns, 2000; Soin et al., 2002; Busco et al., 2006) – that is, those initiating and managing organizational change (Lines, 2005; Hartley et al., 1997). However, even less attention has been given to change recipients, the individuals who have to carry out the organizational change (Bartunek et al., 2006; Lines, 2005). This neglect appears problematic, as the thoughts and reactions of change recipients towards a given change project seem to have a major influence on the success of implementation of MAC, which has been indicated by multiple studies. For instance,

Granlund (2001) asserts that individual human factors may outweigh all other factors in explaining why or why not MAC takes place. Malmi (1997) further indicates the importance of understanding the needs of the employees who are impacted by a change initiative. His study suggests that the degree to which these are met determines whether the implementation will be viewed as a success. This is in line with Argyris and Kaplan (1994), who argue that the impact of new management accounting practices can be seriously hampered if individuals do not engage with the change initiative. In the same vein, multiple studies indicate that successful implementation is correlated with the existence of certain factors that appear to be relevant for change recipients, such as involvement, disposal to change, and knowledge about the change process (Shields & Young, 1989; Shields, 1995; Anderson & Young, 1999). Similarly, McGowan and Klammer (1997) stress that an important determinant of implementation success is the user's attitude towards the change.

In summary, MAC literature seems to not only acknowledge the relevance of change recipients' considerations, but also indicates the importance of instilling a positive attitude in change recipients for a successful implementation of MAC.

1.3   Research Purpose and Research Question

Given the point made above, a significant gap appears in analysis levels within MAC literature, as most research appears to be at an organizational level with neglect of the more individual-level considerations of change recipients. This stands, even though literature indicates that change recipients' reactions to the change can majorly influence the successful implementation of the change initiative.

Thus, this study focuses on change recipients in MAC. We thereby attempt to understand change recipients' subjective experiences during a MAC project to reveal the behavior change recipients display towards the change initiative.

Therefore, we are investigating the following research question:

How can change recipients' reactions towards management accounting change be explained?

In order to investigate this research question, we first attempt to understand what key issues change recipients perceive and attend to during MAC. We follow the suggestion of Jones et al. (2008) and understand key issues as the thoughts and perceptions that change recipients

have during MAC, independently of whether those thoughts and perceptions are positive or negative. Complementary to Jones et al. (2008), we take a process-view to consider the dynamics of a given change in which we see change as a process inheriting different stages that individuals traverse while that change unfolds (Isabella, 1990; Scott & Jaffe, 1988). To that end, we also try to understand what influences and drives the thoughts and perceptions of change recipients and how reactions to change are influenced.

Thus, we explore the following two sub-questions:

I. *What key issues do change recipients perceive during different stages of MAC?*

II. *How do these perceptions influence the change recipients' reactions to the change initiative?*

As change recipients and their reactions to MAC have not yet been in focus within current MAC literature, we answer this research question by utilizing a theoretical framework consisting of three frameworks from organizational change literature. Hence, we consider the MAC project as a type of organizational change initiative (Burns & Vaivio, 2001) with peculiar characteristics, which we further highlight within our framework.

First, to identify the key issues perceived by change recipients while MAC is carried out, we use the three broad categories suggested by Jones et al. (2008) as an initial framework, which include emotional and attitudinal issues, process issues, and outcome issues. We then use two frameworks depicting the different interpretive stages an individual goes through while organizational change unfolds. The framework of Isabella (1990) thereby helps us to understand the underlying reasons for the change recipients' perceptions, while the framework of Scott and Jaffe (1988) helps us to discuss how change recipients react to the change initiative.

The research question is answered by an in-depth case study of a large-scale MAC project within a Swedish multinational corporation (MNC) that is a global provider of communications technology and services. The change project requires a high degree of cross-functionality and hierarchical involvement, thereby combining a diverse field of change recipients.

Since our gap lies within MAC literature, and we are utilizing frameworks from organizational change theory, we attempt to link both literature streams together to thereby contribute to both literature streams.

First, we expect to contribute to MAC literature by extending research on the individual-level considerations, specifically addressing the neglect of change recipients in this domain. Investigating the thoughts and reactions of change recipients in multiple stages can shed further light on the occurrence of resistance towards MAC and on how to manage it in order to successfully implement change (Jermias, 2001; Argyris & Kaplan, 1994). Therefore, we anticipate that change recipients will go through different stages while MAC occurs, with different issues as key concerns that should be addressed by management in order to form positive reactions to the change initiative. We thereby provide future research with an initial framework of what these perceptions and reactions might look like.

Secondly, we contribute to organizational change literature as we synthesize three dominant frameworks to derive a holistic understanding of change recipients' reactions within a MAC project. We thereby investigate how these frameworks can be linked and how they can be utilized outside their original context, which provides future research with an indication of how these frameworks can be employed to investigate different change projects.

From a managerial stance, we provide practical insights into how managers and change agents can more successfully implement MAC, as well as an understanding of what individuals perceive during a change endeavor and how their reactions to MAC projects are influenced. Change agents become aware of potentially subtle issues and concerns early on, thereby having a higher chance of reducing resistance towards change and of implementation success.

1.4   Thesis Outline

In the following chapter, relevant MAC literature is reviewed to create a general understanding of the topic. Chapter 2 also exhibits an elaborate presentation of the theoretical framework, originating from organizational change theory and the reasons why it is applicable for investigating MAC. In Chapter 3, we introduce the choices we have made in terms of methodology; this includes information on the research method, the case study, the data collection and analysis, the quality considerations, and the limitations of the study. Subsequently, the outcomes from the case study are presented (Chapter 4) and theoretically explained in light of the research question (Chapter 5) before theoretical and practical implications and suggestions for further research are demonstrated (Chapter 6).

2   Theory

This chapter displays the theory of our thesis and consists of two parts – a literature review (2.1) and the theoretical framework (2.2).

2.1   Literature Review

This literature review aims at providing an understanding of MAC literature. We first present a background of the topic (2.2.1) and then show that most research focused on successfully implementing MAC lies at the organizational level (2.2.2). We further elaborate on the limited amount of individual-level considerations (2.2.3) and demonstrate that the change recipient is neglected yet worthwhile to research (2.2.4). Lastly, we present a summary, clearly highlighting our research gap (2.2.5).

2.1.1   Background to Management Accounting Change

The trigger for the increased debate about MAC was when the book *Relevance Lost: The Rise and Fall of Management Accounting* was published by Johnson and Kaplan in 1987. The authors questioned whether current accounting practices could adapt to the changing business environment and the increased demand for information (Johnson & Kaplan, 1987). It was suggested that, in order to support managers with relevant information, accounting had to be re-designed (Otley, 2008), and new accounting methodologies had to be consecutively implemented (Busco et al., 2006). With the introduction of Activity-Based Costing (ABC) (Cooper & Kaplan, 1988; Shank & Govindarajan, 1993) and later the Balanced Scorecard (BSC) (Kaplan & Norton, 1996), literature on the topic has been growing in the last decade (Busco et al., 2007; Wanderley & Cullen, 2013). However, so far, accounting research lacks a common and formalized understanding of how to investigate MAC (Burns & Vaivio, 2001). Instead, the focus in scholarly research differs considerably, and there are different approaches and theories of how to study MAC (Busco, 2006; Wanderley & Cullen, 2013). Modell (2007) suggests that research in MAC can be separated into two streams: *factor studies* and *process-oriented approaches*. Factor studies seek to explain and identify the factors that contribute to and impede MAC. They focus on the implementation of accounting practices such as ABC (Shields & Young, 1989). Lukka (2007) describes them as so-called

"consulting genre texts" (Lukka, 2007, p. 79), as they focus on providing checklists of how to successfully implement new accounting techniques. These kinds of studies are often used by North American researchers (Lukka, 2007) and mostly rely on survey-based investigations (Wanderley & Cullen, 2013). Factor studies also attempt to understand the process of MAC more generally (Hopper et al., 2007) by identifying variables facilitating (Innes & Mitchell, 1990) or hindering (Cobb et al., 1995; Kasurinen, 2002) MAC. On the other hand, process-oriented approaches are more concerned with the socio-political dynamics of new management accounting method implementation (Modell, 2007) and are based on a wide range of alternative theories, such as institutional (e.g. Burns & Scapens, 2000), structuration (e.g. Baxter & Chua, 2003), or actor-network theory (Busco, 2006). It follows that this stream often focuses on studying change as a process (e.g. Dent, 1991; Burns & Scapens, 2000; Tuomela, 2000) and tries to explain resistance, organizational tensions, or the failures of MAC initiatives (e.g. Roberts, 1990; Scapens & Roberts, 1993; Granlund, 2001). In general, this kind of research is often based on longitudinal case studies (Busco et al., 2007) and aims to contribute to MAC literature with a richer understanding of contextual and interrelated influences (Scapens, 2006) by considering socio-political aspects, such as culture (e.g. Granlund & Lukka, 1998a; 1998b), organizational stakeholders (e.g. Malmi, 1997; Granlund, 2001), and power relations (e.g. Burns, 2000; Collier, 2001), as well as the way in which these affect management accounting practices (Modell, 2007). Figure 1 provides an overview of topics investigates in MAC literature.

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│             Management Accounting Change Research             │
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Factor Studies	Process-Oriented Approaches
Focus on Factors (Often Survey-Based)	**Focus on Socio-Political Dynamics of Change** (Often Longitudinal Case Studies)
Factors for Successfully Implementing ABC *(e.g. Shields & Young, 1989; Shields, 1995; McGowan & Klammer, 1997; Anderson & Young, 1999)* **Factors that Hamper and Foster MAC from a More General Perspective** *(e.g. Innes & Mitchell, 1990; Cobb et al., 1995; Kasurinen, 2002)*	**Alternative Theories** (e.g. institutional, structuration, actor-network theory) *(e.g. Burns & Scapens, 2000; Baxter & Chua, 2003; Busco, 2006)* **Change as a Process** *(e.g. Dent, 1991; Tuomela, 2000)* **Organizational Tensions, Failures, Resistance** *(e.g. Roberts, 1990; Granlund, 2001; Yazdifar et al., 2008; Lukka, 2007)* **Culture** *(e.g. Granlund & Lukka, 1998a; b)* **Power, History** *(e.g. Scapens & Roberts, 1993; Burns 2000)*

Figure 1: Overview of Management Accounting Change Research

2.1.2 Organizational-Level Investigations

These different approaches to studying MAC demonstrate the complexity and different facets that accompany MAC research. It also displays that explanations for successful implementation of MAC are quite manifold. However, common to all these current explanations appears to be that their level of analysis lies at the aggregate or organizational level, thereby neglecting more micro or individual-level considerations (Jermias, 2001; Chenhall & Euske, 2007; Modell et al., 2007).

For instance, a prominent model within the factor-studies stream that attempts to explain MAC is the framework developed by Innes and Mitchell (1990) (Modell, 2007; Wanderley &

Cullen, 2013). Originally, the authors suggested that three forces press organizations for change, which they call *motivators*, *catalysts*, and *facilitators*. As examples, they list competitive markets as a motivator, loss of market share as a catalyst, and accounting computing-resources as a facilitator (Innes & Mitchell, 1990). While these provide first explanations of what drives MAC, it is argued that they do not provide explanations for how the implementation is successfully carried out (Modell, 2007). Therefore, the model has multiple extensions – for example, Cobb et al. (1995) added the influence of leaders, the momentum of change, and barriers of change. Cobb et al. (1995) assert that the interplay of these factors have an important influence on whether the implementation is successful or not. Kasurinen (2002) further suggests a categorization of these barriers into *confusers*, *frustrators*, and *delayers*. Confusers refer to individual-level aspects such as different understandings of goals, frustrators include organizational-level aspects such as culture and power structures, and delayers are more technical issues, such as inadequate information systems (Kasurinen, 2002). Figure 2 displays the extended framework.
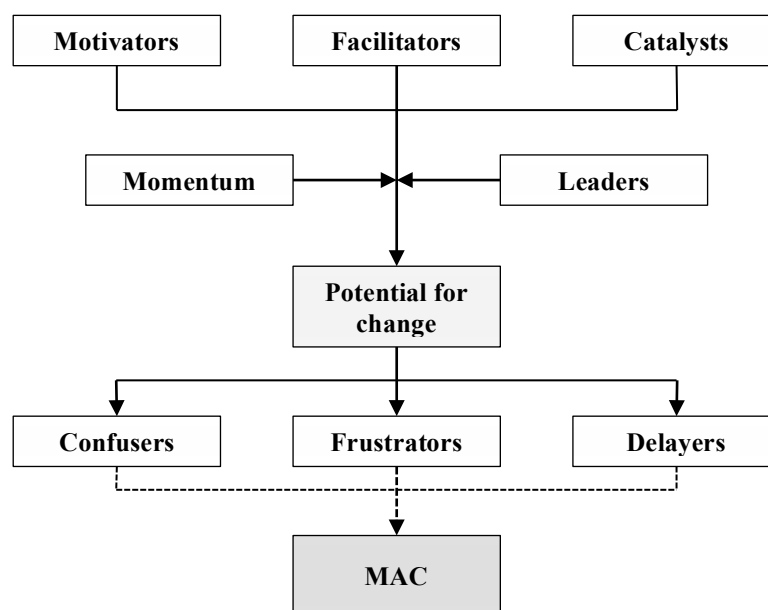
Figure 2: Factor Studies – A Framework for studying MAC (Modell, 2007)

Even though the adapted model now provides more understanding for what influences successful implementation of MAC, it is argued that it does so by examining phenomena in the larger organizational context (Modell, 2007). Therefore, it seems not to provide a comprehensive and thorough understanding of how individual-level characteristics, such as the behavior of leaders (Cobb et al., 1995) or confusers (Kasurinen, 2002), foster the successful implementation of MAC.

Similarly, within the process-oriented approaches, a considerable number of studies advocate the various forces influencing the successful implementation of MAC. One prominent example is the widely used institutional framework proposed by Burns and Scapens (2000) (Guerreiro et al., 2006; Soin et al., 2002). The authors stress that, in order to understand MAC, it is necessary to recognize the rules and routines that are present in an organization, as these represent existing management accounting practices. They state that, for MAC to occur, the relatively stable *rules*, i.e. the formal ways things should be carried out, and *routines*, i.e. the informal ways things are actually carried out, must change (Burns & Scapens, 2000). However, the enactment of new rules and routines may lead to resistance if they challenge the current values within the organization. Therefore, for successful implementation to occur, it appears crucial to understand the current ways of working and the institutions they are embedded in, which goes beyond understanding the formal systems that exist in the organization (Burns & Scapens, 2000). However, it is indicated that the authors neglect to show how individuals can deliberately act constrained by the influence of institutions and routines and how this deliberate individual action impacts the successful change implementation (Van der Steen, 2005).

Related to the idea of institutions and also suggesting the organizational focus of MAC is the influence of culture, the "pattern of shared basic assumptions learned by a group" (Schein, 2010, p. 18). Articles about the role of culture within MAC examine how culture influences a MAC project. For example, Bhimani (2003) proposes that the perceived implementation success of MAC is dependent on how the culture in the organization is aligned with value assumptions displayed in the design of the accounting practices. Also, Henning and Lindahl (1995) stress the necessity for the change initiative to fit with the current culture of the organization. Granlund and Lukka (1998a) even go beyond that and emphasize that the implementation of MAC is not only influenced by the organizational culture, but also by the national culture where the company is located. However, Busco and Scapens (2011) stress that these studies do not focus on how culture actually influences the individual within the organization and how this then affects the MAC initiative.

In the process stream, there are further articles that narrow the topic to change failures and difficulties that accompany MAC implementation. Again, these explanations seem to have aspects of the organizational level as the focus of their investigation. For instance, in their study, Scapens and Roberts (1993) describe how the introduction of a new accounting-control system in multiple unit companies, within a division of a large multinational company, led to problems. They suggest that resistance occurred because the change project was missing

legitimacy, as it was seen as just another centrally driven interference in work routines. In contrast to this is a study done by Yazdifar et al. (2008). The authors investigated how a UK chemical company levied its accounting systems and rules to a subsidiary. They suggest that it was not the change initiative itself that needed to be legitimated, but that the subsidiary implemented the initiative solely because it wanted to appear legitimate to the parent, when, in reality, the new systems were never used. Therefore, the change initiative itself was marked unsuccessful. In a similar vein, Lukka (2007) describes how a global processing-equipment manufacturer wanted to change their systems and standardize them, because reports could not be delivered in an appropriate way. They describe that, even though the initiative was accepted and acknowledged, not so much change was actually visible. However, the change was in fact carried out, but only in the informal routines; the day-to-day work activities seemed to have changed while the formal rules were kept stable, because changing them would have created anxiety and a loss of sovereignty. Lukka (2007) stresses that this indicates stability and change being present at the same time. This is in line with Siti-Nabiha and Scapens (2005), who investigated a gas processing company that introduced a new system of value-based management. On one hand, they state that the system was successfully implemented. However, as this implementation was done within the existing rules, no long-term change was present. Therefore, the authors propose that this change was ceremonial, as it did not change how employees thought about their daily work routines, thereby marking this change as neither successful nor unsuccessful.

In summary, all the articles mentioned offer valuable explanations of a variety of facets that needs to be taken into account while successfully implementing MAC. It is observable that the explanations covered such as factors hampering or fostering the facilitation of MAC (e.g. Innes & Mitchell, 1990; Cobb et al., 1995; Kasurinen, 2002), institutional frameworks (e.g. Burns & Scapens, 2000), cultural aspects (e.g. Granlund, 1998a), missing legitimacy (e.g. Scapens & Roberts, 1993), enforcement that only led to the appearance of adoption (e.g. Yazdifar et al., 2008) and the stability of organizational rules and flexible informal routines within the organization (e.g. Lukka, 2007; Siti-Nabiha & Scapens, 2005) all focus on organizational-level aspects (Chenhall & Euske, 2007; Modell et al., 2007). Therefore, how the individual level influences the success of implementation is not explicitly portrayed. Jermias (2001) stresses that, even though the initiative has been approved at the organizational level, the employees in the organization could still influence the development of the project. Therefore, a more detailed analysis of the individual level would add relevant insights to understanding and counteracting unsuccessful MAC (Jermias, 2001).

2.1.3   Individual-Level Investigations

These individual-level considerations have appeared over the last decade and mainly consider change agents (e.g. Cobb et al., 1995; Jansen, 2011; Kraus, 2014) – that is, the ones initiating and managing organizational change (Lines, 2005; Hartley et al., 1997). Kraus (2014) suggests that change agents can be divided into external and internal change agents. External change agents do not belong to the organization, such as management consultants (Christensen, 2005), while internal change agents are employees within the organization (Burns, 2000; Kraus, 2014).

Cobb et al. (1995) suggest that change agents have the double role of being catalysts for the change but also having the leadership role in the change initiative. In their study, change agents acted as catalysts as they initiated the change initiative, while their leadership during the implementation of change led to the prevention and overcoming of change-related barriers and resistance. Jansen (2011) provides even more details and proposes the different leadership styles that change agents need to have in order to successfully carry out MAC. He also indicates that, in some cases, the leadership style had to change at different points in time during the implementation in order to successfully carry out the change initiative, thereby suggesting a relationship between leadership style and successful MAC implementation.

Besides leadership skills, there are also studies highlighting what personal attributes change agents should have. For example, in a recent study, Kraus (2014) asserts that not only the technical design of the new accounting practice influences the relevance of the change project for employees. Instead, he stresses that it is more important how the change agent actually uses the information in verbal communications with subordinates to show the relevance of the new accounting practice. This portends the importance of the change agent's social skills for successfully initiating and carrying out change (Kraus, 2014; Fligstein, 1997).

Besides articles about change agents, there are also some attempts to more generally understand the role of human agency in MAC implementation. Seo and Creed (2002) assert that human agency – the ability of individuals to decide for their own sake (Van der Steen, 2005) – has not gotten enough attention within management accounting literature. Van der Steen (2005) investigates how individuals constantly make sense of the MAC initiative and suggests that they are sometimes heavily influenced by organizational structures, while at other times they have the opportunity to willfully challenge these structures. Therefore, they have the option to accept the change initiative or not (Van der Steen, 2005).

These few articles about change agents and human agency place the individual-level investigations more in the focus of the research, thereby providing more insights into how they bring about and influence the successful implementation of MAC. What has not been in focus so far is the perspective of those who have to carry out the change in routine in their day-to-day work – the change recipients.

2.1.4   Importance of Change Recipients

This study understands change recipients to be the individuals who have to carry out the organizational change initiated by others (Bartunek et al., 2006; Lines, 2005). Even though they are not the focus of MAC literature, current articles indicate their importance for successfully implementing MAC.

For instance, Malmi (1997) argues that different stakeholders must be considered in order to judge the success of a MAC initiative. In his case study of an ABC implementation at a vehicle manufacturer, he found how different stakeholders have different attitudes towards the change and shows how a department displayed resistance by not using the new system, while the group management used ABC successfully. According to the authors, individuals at both levels basically "conceive success and failure with respect to their own needs and aspirations, whatever they are" (Malmi, 1997, p. 474). This indicates that, for successful implementation, the needs and desires of the employees who ultimately use the new accounting practice must sit center-stage. This is in line with Granlund (2001), who observed a large food manufacturer introducing a new reporting practice. He argues that it would have been important to understand the needs and aspirations of a certain change recipient who ultimately stopped the implementation of the change project. The reasons were that the new system would replace the system developed and used by him, that it would be additional work, and that he was not part of the development of the new system. As the individual had close links with top managers, he had the power to convince the managers to ultimately stop the initiative. This study further highlights the importance of involvement of individuals in the change project (Granlund, 2001; Shields, 1995; McGowan & Klammer, 1997), thereby suggesting that individual human factors may outweigh all other factors in explaining why or why not accounting change takes place and should therefore be attended to in MAC implementation (Granlund, 2001). Besides involvement, more and more studies identify individual factors next to organizational factors as important for successfully implementing MAC (e.g. Shields & Young, 1989; Foster & Gupta, 1990; Anderson & Young, 1999). For instance, Anderson (1995) argues that the success of ABC implementation is further influenced by the general

process knowledge of individuals and the degree to which individuals are disposed to the change. According to Shields (1995), the success of ABC implementation depends on whether it is equivalent to the goals, preferences, and agendas of employees. This is in line with Argyris and Kaplan (1994), who argue that, if subordinates are only implementing change because of a mandate from senior management, the new approach will lack education, caution, and constant improvement. This proposes that the impact of the new processes will be lower, which indicates the importance of individuals agreeing to engage for successful implementation. Within the context of an ABC implementation, a study by McGowan and Klammer (1997) identifies the factors leading to employee satisfaction while implementing ABC. The authors stress that the users' attitudes towards the new system influence their behavior related to it, which is viewed as an important determinant of implementation success.

Thus, even though change recipients are not in focus, scholarly research indicates that their attitude and reactions to the change initiative are crucial factors for successfully implementing MAC, which, in turn, underlines the need to investigate the topic.

2.1.5   Summary and Need for Research

The literature review outlines that scholarly research investigates a broad range of topics within MAC and provides an understanding of how MAC can be successfully implemented (Busco, 2006; Wanderley & Cullen, 2013). However, almost all of the articles are centered around aggregate and organizational-level investigation (Jermias, 2001; Chenhall & Euske, 2007; Modell et al., 2007). Only some considerations are made at a more micro or individual level focusing on human agency (e.g. Seo & Creed, 2002; Van der Steen, 2005) – that is, the ability of the individual to make choices (Van der Steen, 2005) – and on change agents (e.g. Cobb et al., 1995; Jansen, 2011; Kraus, 2014), meaning, those driving and managing change (Lines, 2005; Hartley et al., 1997).

However, those who actually have to change their daily work routines for the change project – namely, the change recipients (Bartunek et al., 2006; Lines, 2005) – have not received much attention in current research, even though the importance of understanding change recipients and their thoughts and reactions to successfully implement MAC is indicated (e.g. Malmi, 1997; Granlund, 2001; Shields, 1995; Anderson, 1995; McGowan & Klammer, 1997).

Therefore, a gap appears at the level of analysis within MAC literature, which is the neglect of investigating change recipients. We fill this gap by making the change recipients in MAC

the focus of our thesis, and we investigate what they experience during a change and how their reactions are influenced and explained. The next chapter outlines the theoretical foundation of how we investigate the change recipients in this study.

2.2   Theoretical Framework

In the following chapter, we present our theoretical framework, in which we first elaborate on why organizational change frameworks are appropriate for answering our research question (2.2.1). We then explain how we investigate the change recipients by using the frameworks of Jones et al. (2008) (2.2.2), as well as the frameworks of Isabella (1990) and Scott and Jaffe (1988) (2.2.3). Lastly, we provide an illustration and a summary of the combined theoretical framework (2.2.4).

2.2.1   Change Recipients Considerations in Organizational Change Literature

Due to the lack of change-recipients considerations within MAC literature, we will use organizational change literature as the basis for our theoretical framework. Scholarly research in this area indicates that the main determinant for the success of organizational change is the reaction of change recipients to organizational change (Bartunek et al., 2006; Oreg et al., 2011). Reactions to organizational change are conceptualized in multiple ways and studies. There are studies focusing on how employees are going to be affected (e.g. Amiot et al., 2006; Bordia et al., 2006; Fugate et al., 2002), on how the change is perceived (e.g. Ashford, 1988; Lam & Schaubroeck, 2000; Walker et al., 2007), and on employee behavior and intentions towards the change (e.g. Bovey & Hede, 2001; Fedor et al., 2006; Herold et al., 2007). Most of these kinds of studies are quantitative empirical studies, aiming at identifying possible factors influencing the reactions to change (Oreg et al., 2011).

Nevertheless, there are also qualitative studies investigating change-recipient reactions to the change. These often lie in the area of sense-making and cognition (e.g. Balogun & Johnson, 2004; Gioia et al., 1994; Labianca et al., 2000) and describe the importance of change recipients' interpretations of change events in a process and the contexts mediating these interpretations. These studies explain that, when individuals face ambiguous events, such as organizational change, they attempt to make sense of them (Dutton & Jackson, 1987; House et al., 1995; Peterson, 1998; Weick, 1995) and try to "bring structure into the unknown" (Waterman, 1990, p. 41). Accordingly, Thomas et al. (1993) define sense-making "as the

reciprocal interaction of information seeking, meaning ascriptions, and action" (Thomas et al., 1993, p. 240). In this wider perspective of sense-making, scholars include the linkage between sense-making and action or engagement in a given situation (Thomas et al., 1993; Sackmann, 1991; Kahn, 1990; Drazin et al., 1999). Drazin et al. (1999) indicate that an individual (1) develops individual cause-and-effect maps of events, actions, and consequences, (2) puts him- or herself into this map, and (3) bases his or her actions on this map as change occurs.

Based on the description of Drazin et al. (1999), the development of an individual cause-and-effect map plays an important role in what actions the individual will pursue in the change event. That means that he or she will also determine whether to engage or resist the change initiative.

As our study aims to investigate the perceptions and reactions during the process of change, the aforementioned studies seem adequate to serve as a theoretical explanation for our investigation. We therefore view our MAC project as a type of organizational change (Burns & Vaivio, 2001) that would further allow us to use the frameworks from organizational change literature to discuss our findings. The three frameworks that we use are displayed and elaborated in the following section.

2.2.2   Identification of Key Issues Perceived by Change Recipients

First, we are interested in identifying the key issues that change recipients perceive and attend to while a change project is implemented. Research suggests that these issues majorly influence whether change recipients accept or resist a change initiative (Oreg, 2006). Oreg (2006) suggests a model that displays how perceptions about change-related outcomes, perceptions about the process of change, and emotional factors are linked with resistance towards the initiative, thereby describing these themes as being responsible for the resistance of the change recipient towards the change initiative (Oreg, 2006). While Oreg's study (2006) was quantitative, his results were in line with the findings of Jones et al. (2008), who did a qualitative study in which they identified the key issues that employees attend to while organizational change is carried out. The authors argue that identifying these issues with open-ended interviews instead of doing a quantitative study in the form of a questionnaire provides more and deeper insights, because it does not limit the participant's answers (Jones et al., 2008).

By investigating a large, downsizing change-project, they suggest three categories of issues that change recipients attended to while the change was carried out:

- – Emotional & attitudinal issues

- – Process issues

- – Outcome issues

Emotional & attitudinal issues refer to people's attitudes towards the change and include: positive and negative perceptions about the change, relationships between people, uncertainty, conflict, power/politics, and values. *Process issues* refer to issues about the way the change was implemented and include: communication, participation/involvement, planning challenges, leadership, and desired process. Important *outcome issues* include: outcome, including structure, services, and staff, and external issues.

As comparable studies within MAC literature do not exist, and the work of Jones et al. (2008) provides a first indication of what change recipients perceive during change, we use the suggested categories of Jones et al. (2008) as an initial framework for our data analysis. We therefore expect to find issues related to all three categories. Although not in the context of change recipients, some issues have already been indicated within MAC literature. These include, for instance, multiple studies that indicate implementation failures were caused by a lack of adequate management support (Shields, 1995), of communication, and of involvement while implementing the change initiative (Anderson & Young, 1999). Jones et al. (2008) describe these as process issues. However, due to the nature of MAC projects and their rather methodological focus on cost savings, the management accounting literature suggests that challenges in implementing MAC are often of "technical" nature (Anderson, 1995, p. 8), highlighting the importance of a clarified scope of the change initiative (McGowan & Klammer, 1997), the clear requirements and methods for implementation (Shields, 1995), its compatibility with existing ways of working, and the benefits of the accounting practice (Stokes & Lawrimore, 1989; Anderson, 1995). We therefore expect that these issues are also of concern for change recipients who have to integrate the change project, and we expect them to be highlighted within the emotional & attitudinal issues, process issues and outcome issues.

Table 1 presents and describes the categories that Jones et al. (2008) identified and our assumptions for how relevant they will be in our investigated MAC. Nevertheless, due to the explorative nature of this study, this table only serves as an indication for what we might find as key issues for change recipients; we may find different issues or even have to extend the categories.

Table 1: Candidate variables for exploratory Analysis of Change Recipients

Theme category	Description	Identified issues	Expected relevance in management accounting change
Emotional & Attitudinal Issues	Refers to people's attitudes towards the change	Positive and negative thoughts and feelings about the change, relationships between people, uncertainty, conflict, power/ politics, and values	Focus on clarity issues, such as goal clarity and clarity of how the system is going to be implemented (e.g. Shields, 1995; McGowan & Klammer, 1997; Anderson & Young, 1999)
Process Issues	Refers to issues about the way the change was implemented	Communication, participation/involvement, planning challenges, leadership, and desired process	Same relevance expected (e.g. McGowan & Klammer, 1997; Shields, 1995)
Outcome Issues	Refers to perceptions about the most important outcomes of the change	Outcome, including structure, services and staff, and external issues	Focus on whether the project will be more beneficial than old ways of working and focus on cost/benefit considerations (e.g. Stokes & Lawrimore, 1989; Anderson, 1995; Anderson & Young, 1999;)

2.2.3   Stages Through Change Recipients Unfold and Reactions Towards MAC

Complementary to the study of Jones et al. (2008), this study takes a more process-oriented view, in which we proclaim that change recipients face different stages while change unfolds, which thereby influence what change recipients perceive as important during the change. Hence, we are in line with Isabella (1990) and Scott and Jaffe (1988). Both studies state that individuals go through different stages while change unfolds, and their frameworks have become two of the most prominent in organizational change literature (Armenakis & Bedeian, 1999). While Isabella (1990) suggest what influences the thoughts and experiences of individuals at certain stages as organizational change is carried out, Scott and Jaffe (1988) proposes an evaluative label at each stage and suggest the reactions individuals have to the organizational change. Therefore, Armenakis and Bedeian (1999) indicate that both

frameworks can be linked and complement each other, which we attempt to demonstrate in the following.

Stage I – Change Event Announced

Isabella (1990) suggests that employees in the first stage have a mindset of *anticipation*, in which change recipients collect the initially available information about an upcoming change that has not yet been officially communicated and attempt to create an understanding about the situation. According to the author, information can range from rumors of suspicions to concrete bits of information. Usually, this information is incomplete, and the individual makes a cognitive effort to frame and make sense of it. Isabella (1990) compares this process to the analogy of a puzzle, in which neither a manual nor clarity exist for which pieces belong in the final picture. The cognitive effort of the individual results in an in-progress frame of reference that provides the first anticipation of the change. During anticipation, individuals seem most likely to experience *denial* (Armenakis & Bedeian, 1999), which is a label Scott and Jaffe (1988) suggest for the first stage. The authors propose that, in this stage, individuals behave as if the change would not affect them personally, which is the result of initial ignorance or lack of sufficient information related to the upcoming change (Scott & Jaffe, 1988). As a consequence, it is suggested that these employees show a lack of engagement, unrealistic enthusiasm towards the change, or make statements such as "I'm not worried, I won't have to do anything different" (Gilley & Gilley, 2007, p. 504). Isabella (1990) suggests that, when the change is officially communicated, individuals shift from an *anticipation* to a *confirmation* mindset, wherein individuals try to answer the question, "What will this event mean to me?" (Isabella, 1990, p. 32). Individuals apparently reduce the prevalent uncertainty with regard to this question by employing cognitive schemas to explain the situation. These conventional frames of reference include past experiences, conventional deductions, and logical associations. In an organizational change, individuals relate the expectations for the current change to similar events from the past (Isabella, 1992). Not only does the applied frame determine which meaning they attribute to the change, but it also proliferates scripted behaviors and actions (Isabella, 1990). In this stage, individuals could also experience the first signs of *resistance* (Armenakis & Bedeian, 1999). According to Scott and Jaffe (1988), resistance occurs when change recipients believe that the change has become personal. Therefore, active resistance from some individuals could become apparent as individuals realize the difficulty or inconvenience. Resistance is also suggested as being present when

employees behave aggressively, refuse to attempt the change, or try to sabotage the change initiative – hence attachment to the old, comfortable ways of working (Jaffe & Scott, 2003).

Stage II – Change Event Occurs

Individuals seem to enter the second stage when the change is actually implemented and can be experienced (Isabella, 1990); Isabella (1990) labels this stage *culmination*. The author asserts that interpretations are no longer based purely on existing frames, but rather, individuals amend and reconstruct their schemata. In so doing, change recipients compare past standards to new conditions and attempt to understand "what the event will mean to [their] work" (Isabella, 1990, p. 32). According to the author, this experience signals that old standards are no longer valid under the new conditions, which requires cognitive shifts. Isabella (1990) stresses that symbols play an important role at this stage, when individuals are searching for new meaning, because they facilitate the learning of new schema. Making sense of the new experience also proliferates a wide array of divergent interpretations across individuals (Isabella, 1990). Armenakis and Bedeian (1999) suggest that, in this stage, individuals could experience *exploration,* in which Scott and Jaffe (1988) suggest that employees may progress towards accepting the change. Characteristics proposed for exploration include employees seeking the positive outcome of the change, showing a greater willingness to participate in the change, and trying to help each other carry out the change (Gilley & Gilley, 2007).

Stage III – Change Event Implemented

Isabella (1999) suggests that the last interpretative stage occurs after the change is implemented and labels the mindset of the individual as *aftermath*, in which the individual shifts to an evaluation mode by answering the question, "What has this event meant overall?" (Isabella, 1990, p. 32). According to the author, at this stage, change recipients have amended their constructed reality of the change; they now seek the consequences that the change has brought about. Having actively sought and having been highly receptive to the strengths and weaknesses of the change, individuals put the change in perspective and create a sense of closure for the experience (Isabella, 1990). The conclusions drawn from this experience may influence the frame of reference individuals use to approach the next comparable situation (Ibid.). Armenakis and Bedeian (1999) stress that this is the stage in which change recipients decide the degree to which they will commit to the change initiative. Scott and Jaffe (1988)

suggest that individuals will display *commitment* when they see the change as positive and attempt to integrate the new behaviors into organizational life (Gilley & Gilley, 2007). Furthermore, it is proposed that change recipients show that they are committed when they are actively supporting the change, managing the implementation, and making statements such as "It's working" or "This makes sense" (Gilley & Gilley, 2007, p. 505).

Both frameworks stress the importance of understanding that change recipients traverse different stages as change unfolds. It follows that we support the view of Armenakis and Bedeian (1999), who state that the two frameworks seem complementary to each other. While Isabella (1990) proposes different stages that an individual goes through while change unfolds with the interpretive processes influencing perceptions and behaviors, Scott and Jaffe (1988) suggest the reactions that correspond with each stage. Therefore, the complementary view is beneficial to our study, because we aim to not only investigate which perceptions change recipients have during the change, but also how they influence reactions to the change.

Due to the popularity of the two frameworks in organizational change literature and their investigation of multiple kinds of organizational change projects (Armenakis & Bedeian, 1999), we expect these models to also provide insights into our MAC project. Especially since it requires cross-functionality between departments and involvement across hierarchies, thereby representing a rather large scale, we view MAC as a type of organizational change (Burns & Vaivio, 2001).

2.2.4   Summary of Theoretical Framework

In order to investigate our research question, *How can change recipients' reactions towards management accounting change be explained?,* we have developed a theoretical framework consisting of three frameworks from organizational change literature, which we combine in order to discuss our findings and which is summarized in Figure 3.

Our framework first suggests three categories of issues with which change recipients are concerned during MAC. We aim at identifying these issues through our study. Complementary to the study of Jones et al. (2008), we take a more process-oriented view. Our study is therefore guided and structured according to three stages (change event announced, change event occurs, change event implemented), which Isabella's study (1990) suggests individuals go through while change unfolds. Hence, we answer our first sub-question, *What key issues do change recipients perceive during different stages of MAC?*

Furthermore, we use the issues identified and the drivers of these perceptions to explain the reaction to the change by utilizing Scott and Jaffe (1988) stages. In that way, we answer our second sub-question, *How do these perceptions influence the change recipients' reactions to the change initiative?*
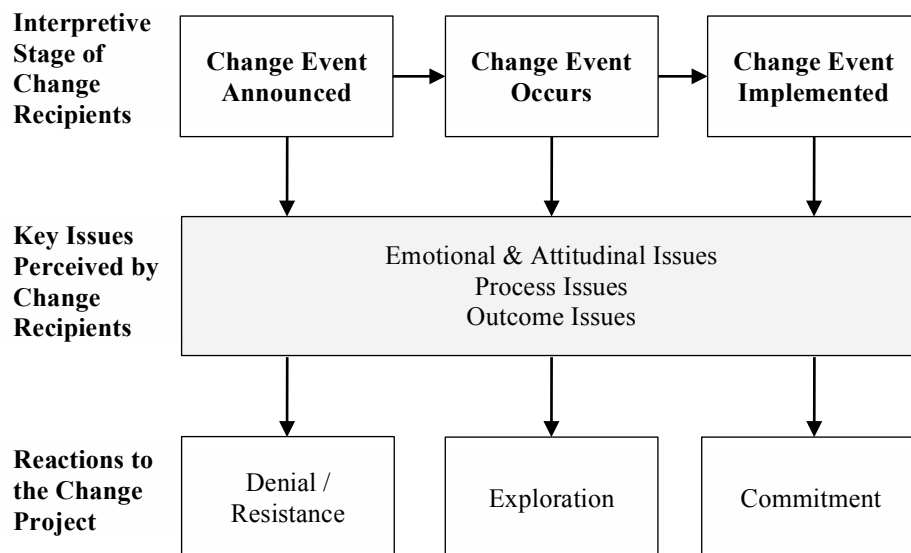
Figure 3: Theoretical Framework

3   Methodology

This chapter provides the methodological choices for our research. We first introduce the research method (3.1), which encompasses an exploratory qualitative case study. This is followed by the case-study description, including its design and selection (3.2). We then outline data collection (3.3) and data analysis (3.4). Finally, we end with quality considerations in terms of reliability and validity (3.5), as well as the studies' limitations (3.6).

3.1   Research Method

In order to answer our research question and close the gap of missing change-recipients considerations within MAC literature, we employ an exploratory qualitative case study by carrying out in-depth interviews. Qualitative data is suggested for investigating research areas that are not well understood and relatively nascent in nature (Edmondson & McManus, 2007; Eisenhardt, 1989), which is the case for change recipient investigations in MAC literature. In general, qualitative studies describe how one thing plays a role in causing something else, or they investigate what the process is that connects two phenomena (Maxwell, 2005; Silverman, 2011). Quantitative studies, on the other hand, aim to explain the variance of a phenomenon by making systematic comparisons – that is, highlighting the measurement and analysis of causal relationships between variables (Denzin & Lincoln, 2011; Silverman, 2011). Our focus is not to prove causal relationships, but rather to explore the different stages individuals go through while change unfolds. Therefore, for identifying the thoughts of individuals and the process of how they influence reactions to MAC a qualitative study is more appropriate, as it allows us to understand the perceptions and actions of individuals while using theoretical models and theories to explain them (Flick, 2009; Trost, 2010). Doing this with a quantitative study, such as a survey, would limit the thoughts and perceptions change recipients would describe and would make it difficult to understand the causes of these thoughts because the contextual information would be neglected (Krumwiede, 1998). Furthermore, Mason (2002) proposes qualitative studies for investigating accounting phenomena such as MAC and how it is produced, experienced, and interpreted by social actors within a complex social world. Finally, we refer to Bryman's mention (1989, p. 140) that "[…] it is rarely possible to understand organizational change in quantitative studies".

3.2   Case Study

We consider a case study to have the best methodological fit with our research method. Yin (2014) suggests three criteria for identifying whether a case study is appropriate or not. First, the author stresses that case studies provide rich and comprehensive data and are suitable for relevant for investigating "how" and "why" questions (Yin, 2014, p. 11; Eisenhardt & Graebner, 2007) that are integrated into our research question. Secondly, we cannot control or influence any of the events researched, and, thirdly, we focus on a contemporary phenomenon in a real life situation (Yin, 2014). Furthermore, it is suggested by Adams et al. (2006) that case studies allow one to discover "the experiences, words, feelings, attitude, and value judgments" (Adams et al., 2006, p. 363) of participants in the organization, which we aim to do by studying what issues and thoughts change recipients perceive and attend to during a given MAC.

Although we acknowledge that the case-study approach has its limitations in terms of reliability and validity (Yin, 2014), this is the approach we adopted. We highlight these quality considerations in Chapter 3.5.

3.2.1   Case Study Design

Our analysis is based on a single case study instead of multiple case studies, even though we acknowledge that multiple case studies commonly allow for more systematic generalization (Eisenhardt & Graebner, 2007; Yin, 2014). However, with the same time invested in them, single case studies have often been found to offer greater depth than multiple case studies (Dubois & Gadde, 2002; Easton, 1995). This depth is necessary for investigating our case's rather complex change process in adequate detail in order to provide material for building theory (Eisenhardt, 1989). We have gained a detailed understanding of the change project itself and the related attitudes and actions of change recipients towards it. To find comparable case-study objects and understand each change project in such great detail would have been difficult, considering the time limitation of this study. Furthermore, as we are doing an exploratory case study about the lack of consideration of change recipients in MAC literature, our goal with this study is not to provide a clear, generalizable outcome, but rather to demonstrate the importance of acknowledging change recipients as a valuable research object and develop ideas for future research (Adams et al., 2006).

3.2.2   Case Selection

In order to find an appropriate company for our single case study, our selection depended on three criteria.

First of all, a MAC project has to have been fully implemented within the company. As it was crucial that employees remembered the events and how they thought about them in an accurate way, we only considered companies where the implementation was not completed more than six month ago.

Secondly, we wanted to investigate a project in a large multinational company, where the scale of the project was big enough in terms of the employees affected. We also wanted the change to be cross-functional and affect employees at different levels of the hierarchy. This would provide us with a large pool of interviewees in different positions and departments to increase the generalizability (see Chapter 3.5) of our study. Moreover, as our theoretical framework is based on organizational-change literature, our case should also exhibit a large-scale organizational change in order to be comparable.

Thirdly, we needed a company where we could perform all interviews face-to-face in either English or German, because it was crucial that employees could express their thoughts about the implementation adequately so we could understand and interpret them as accurately as possible (Opdenakker, 2006).

Our case company "GlobeTel"[1] fulfilled all these criteria and is introduced in detail in the Empirics Section 4.1.

3.3   Data Collection

3.3.1   Selection of Interviewees

In total, we interviewed 24 employees from various departments, from across hierarchies, and from two different product groups that implemented the change project (see Appendix I for an overview); this gave us a broad range of views and experiences. As most individuals affected by the change project were from the Sourcing Department or Product Development Unit, we made sure that most of our interviewees came from these departments (Winch et al., 2012). Out of these in-depth interviews, seven were part of our pre-study (see Chapter 3.3.2) and

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[1] Company name is blanked due to confidentially reasons

included people who could be identified as change agents, while the other 17 interviewees were considered change recipients – the focus of our investigation.

Even though we received suggestions from the company of employees who might be worthwhile to interview, we were able to decide on our own whom we would like to interview. This reduced the selection bias that we would have had if the company had provided the interviewees. Altogether, the number of interviews provided us with a deep understanding of the change process itself, as well as the related thoughts and actions of the change recipients. According to the argumentation of Guest et al. (2006), this can be considered a sufficient number in order to draw comprehensive conclusions (Bazely, 2013).

3.3.2   Interview Process

Pre-study with Change Agents

Before carrying out the interviews with the change recipients, we interviewed seven managers who can be described as the change agents of the initiative. This included the overall sponsor of the project, four additional members of the steering group, and two more operationally working change drivers.

The purpose of the pre-study was to gather as much information as possible on the content and process of the change. Therefore, the interviews with the change agents were all done on an individual basis. The focus of the interviews differed, in that we discussed different topics with every change agent, based on their knowledge and involvement in the project, which provided us with a broad understanding of the project goal, methodology, reporting structures, and problems that occurred. Table 2 displays an overview of the interviews and the topics discussed.

Table 2: Overview of Pre-study

Participant	Role in Project	Discussed topics
1	Project_Owner	Targets, Motivation, Project Outcome, Future Integration
2	Project_Driver_1	Reporting Structure, Project Content, Goals and Method
3	Project_Driver_2	Project Content, Goals and Method, Future Integration
4	Steering Group_1	Project Steering, Governance
5	Steering Group_2	Project Content, Goals and Method
6	Steering Group_3	Difficulties, Project Outcome
7	Steering Group_4	Project Steering, Project Outcome, Future Integration

In addition, we obtained various presentations and documents from the change agents about the change initiative, as well as detailed information about the history of the project.

The pre-study of interviews and documents was valuable for two reasons. First, it gave us the opportunity to better prepare for the interviews with the change recipients. During these interviews, it allowed us to focus solely on the change recipients' thoughts, attitudes, and actions towards the change and not detailed descriptions of the change itself. Secondly, we were able to directly identify interesting topics and potential conflicting views between change agents and change recipients while carrying out the interviews, which not only provided more relevant empirical data for the main interviews, but also further provided reaffirmation for carrying out this study focused on change recipients as a research object.

After the interviews with the change recipients, we met again with the sponsor of the project, as well as three managers of the steering group for a 60-minute reflection and discussion about what we found out during the interviews. This was especially helpful for clarifications and explanations about new problems that we identified during the interviews.

Semi-Structured Interviews

For interviewing the 17 change recipients, we considered semi-structured interviews as most appropriate for our study because they were found especially suitable for exploratory studies and delivering deep insights as to our "how" and "what" research questions (Edmondson & McManus, 2007; Miles & Huberman, 1994). We used a combination of open and probing questions. With an open-question approach, individuals are encouraged to provide extensive and developmental answers that may reveal attitudes (Grummitt, 1980; Saunders et al., 2009), which is crucial to our study, as participants needed to describe events and how they thought about them. For instance, with questions such as "Why did the organization introduce the change initiative?", we occasionally directly sensed the attitude towards the initiative. If not, a probing question, such as "What did you think about it?" or "How did you react to this?", was asked to steer the interviewee in the direction of revealing his thoughts and reactions. This approach also gave us the chance to follow up on interesting findings not originally planned for in our interview, which enriched our empirical understanding (Gillham, 2005).

Although a semi-structured approach was used, the questions that were used to steer the discussion were broadly structured and defined in advance (Eisenhardt, 1989) and took the form of an interview protocol (Yin, 2014). Therefore, we were able to elicit information as follows (see Appendix III for full interview guide):

–   Personal information

–   Understanding of the change project

–   Involvement and role in the change project

–   Attitude and behavior towards the change at different points in time

–   Problems and tensions during the implementation at different points in time

–   Final evaluation

Interview Setting

All interviews were conducted on an individual, face-to-face basis to guarantee anonymity as well as reduce the influence of group effects on answers (Winch et al., 2012; Frey & Fontana, 1991). Additionally, face-to-face interviews are recommended when dealing with personal topics (Gillham, 2005), such as, in our case, an individual's attitude and behavior towards the change. Furthermore, as we needed interviewees to be as open as possible with us with their answers, we highlighted that we had signed a non-disclosure agreement and that answers would be treated completely anonymously before every interview (Woods & McNamara, 1980).

Furthermore, both researchers were present at all interviews, which allowed us to have different roles. One researcher guided the interview and focused on what was being said while the other could take field notes about content, as well as capture the expressions, body language, or thoughts generated by the interviewee. We switched roles after every interview to guarantee that not all interviews were steered by one researcher's opinion.

All interviews lasted between 45 minutes and 85 minutes. The average length was around 60 minutes.

3.3.3   Data Documentation

To support the accuracy of the data, to control bias (such as misinterpretation), and to produce reliable data (Saunders et al., 2009; Gillham, 2005), all interviews were recorded with a professional recording device with permission from every interviewee. All interviews were listened to one more time by both researchers, and transcripts of the whole interview were created, as suggested by scholars (e.g. Merriam, 1988; Kvale & Brinkman, 2009).

We then later discussed the individual notes from the interviews, the individual impressions of both researchers, and the transcripts and combined them into one document for every interview. These documents were the basis for our analysis.

3.4   Data Analysis

In line with the qualitative data method and the aim of our study, we followed an *abductive approach* to analyze our data. While, on one hand, the *inductive approach* involves studying the research object by obtaining data and information and, after that, formulating theory, the *deductive approach* uses established theory as a starting point, which directs the data analysis (Saunders et al., 2009; Bazely, 2013).

The *abductive approach*, also described as "systematic combining" (Dubois & Gadde, 2002, p. 555), is a combination of the two and allows the researcher to alternate between the two approaches (Suddaby, 2006; Dubois & Gadde, 2002). Bazely (2013) suggests that this approach allows an iterative interplay of theoretical understandings and empirical data, which also provides the option of modifying the original theoretical framework as the research progresses to accommodate unanticipated empirical findings and theoretical insights in the data collection process (Dubois & Gadde, 2002).

We started by identifying the following three stages, which display the stages of our implementation process based on our theoretical framework:

–   Change event announced
–   Change event occurs
–   Change event implemented

These categories also directed the main structure of our interview guide (King et al., 2004), which, on one hand, brought some structure into the data collection (Gillham, 2005), but also gave us enough room to identify the codes within these stages so we could also identify other areas that were relevant to our study (Yin, 2014). This was an inductive process, as the coded topics – in our case, change recipients' perceptions and reactions to the change – were only data driven and not related to theory (Braun & Clarke, 2006). Codes were identified by going through transcripts and notes on an individual basis and by listing topics that were recurring. We later compared and discussed the codes (Miles & Huberman, 1994) and consolidated them into one document. In the next step, we categorized similar codes, thereby demonstrating the first signs of relationships (Bazeley, 2013). This was an abductive process because, for categorization of the issues identified, we used the theoretical framework as a basis while being flexible with additional categories and the content of the categories based on our findings (Saunders et al., 2009).

Finally, we worked deductively by explaining and discussing the findings in relation to the theories examined. If we found conflicting interpretations between our findings and the theoretical framework, then we double-checked our data in order to ensure that we had enough data to support our claims and that we had not misinterpreted it.

3.5   Quality Considerations

The quality considerations that we employed are two widely used tests for case-study research: reliability and validity (Yin, 2014; Bazely, 2013).

3.5.1   Reliability

Reliability describes the extent to which the design of a study can be replicated across researchers and across time, thereby leading them to the same findings (Miles & Huberman, 1994; Yin, 2014). The main goal of reliability is, therefore, "to minimize errors and bias in a study" (Yin, 2014, p. 49). A source for creating bias is the interpretation of the researcher, which other researchers would not have (Saunders et al., 2009; Silverman, 2013). One factor that is suggested to increase reliability is the fact that we are two researchers (Bazely, 2013). As described above, this allowed us to have two roles during the interviews, with one of us guiding the interview and focusing on what was said and the other being more the observer focusing on expressions and body language. An immediate discussion after every interview allowed us to make sure that what was being said was also expressed with body language and that we had similar observations. If we had different understandings, we investigated the reason for the variance and came to a shared understanding, which we documented in our interviewee protocol, including field notes, transcripts, and individual observations. Additionally, all the codes and related categories that we identified were documented in an Excel template. We thereby created our own case-study database (Yin, 2014) and made the interpretation process as transparent as possible, which helped us to understand how conclusions were drawn and could facilitate replication in future studies (Lincoln & Guba, 1985; Yin, 2014). Finally, we had the opportunity to contact every interviewee after the interview for clarifications if the meaning of a statement was not clear.

Nevertheless, we must acknowledge that subjective construction is part of the interviewing method and that it must always be considered part of it (Gillham, 2005). Moreover, we carried

out the study at a certain point in time, and it reflects the reality at this point of time, which could be different at another time (Marshall & Rossman, 1989).

3.5.2 Validity

Yin (2014) suggests three types of validity: internal validity, external validity, and construct validity. According to the author internal validity is mainly a concern of explanatory case studies and not exploratory case studies such as ours, so we followed Yin's suggestion not to test it.

External validity is concerned with whether research results are generalizable and whether the conclusions drawn can be transferred to other contexts (Yin, 2014, Saunders et al., 2009; Miles & Huberman, 1994). This appears especially problematic for research in only one organization (Ryan et al., 2002; Saunders et al., 2009), as in our case. Therefore, our findings best apply to a similar MAC project carried out in large MNCs. Thus, we described the company, the change project, and the employees interviewed in as detailed a way as possible, so that comparisons could be made with other environments (Miles & Huberman, 1994). Furthermore, we made the sampling of our interviewees as diverse as possible by considering two implementation teams with cross-functional employees at different hierarchies (Eisenhardt & Graebner, 2007). Lastly, we had multiple discussions with Kalle Kraus and Martin Carlsson-Wall[2], who had investigated MAC in studies before and linked the results to their own research experience (Miles & Huberman, 1994). Nevertheless, we prioritized an in-depth understanding of the under-researched area of change recipients with a single case study and therefore limited the generalizability of our findings (Eisenhardt & Graebner, 2007).

According to Yin (2014) *construct validity* tests whether the study investigates what it claims to investigate – that is, "identifying the correct operational measures for the concepts being studied" (Yin, 2014, p. 46). In order to improve validity, the study utilized multiple data sources (Yin, 2014) in the form of a pre-study with change agents and relevant internal documents (e.g. steering group reports and presentations, documents about the history of change), external documents (e.g. annual reports), and semi-structured interviews (see Appendix II, III) were used. However, as this study focuses on the attitudes of individual change recipients, we mainly relied on the statements we received from the interviews. This is why we confirmed that our interview guide was designed in such a way that it was in line with our theoretical framework. Furthermore, we investigated how other relevant researchers (e.g. Isabella, 1990) designed their questionnaires. We also scheduled the interviews during

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[2] Both Associate Professors at Stockholm School of Economics, Department of Accounting

three consecutive weeks, with interviews spread over multiple days and only having two interviews on the first day. This allowed us to test and adapt our interview guide (Flick, 2009), thereby making sure we would obtain the desired results.

3.6   Limitations

Overall, one main limitation of this study lies in data collection. In addition to in-depth interviews, observations during the change-project implementation would have given us an alternative source of data and created triangulation (Saunders et al., 2009). This would have been valuable, as we are investigating the attitudes and reactions of change recipients based on their explanations. Observation of reactions and related attitudes during the implementation would have increased the quality of our study even further, since we are now limited to what the change recipients told us and whether they were able to remember all their thoughts and reactions. However, due to the length of the implementation, which, in our case company, spanned more than one year, it would have been difficult to observe the entire implementation of any change initiative of this scale in the amount of time we had.

Therefore, as stated in our case selection chapter (3.2.2), we only considered relatively recent implementations to make sure employees could remember their thoughts about and reactions to the initiative as concretely as possible. Since the implementation in our case is still in the follow-up phase, and the employees are still quite involved, we had the impression that all the interviewees were able to give us clear descriptions of their thoughts and actions during the implementation. Due to similar themes between the change recipients' statements, we also believe that the interviewees told us the truth, to our best judgement. Therefore, we only considered data that was affirmed by more than one employee in order to draw conclusions.

Nevertheless, we are strongly aware of the need to repeat the study via a longitudinal case study with observations for future research (see Chapter 6.3).

4   Empirics

This chapter presents the empirical findings of our study. We first introduce the company (4.1) and the change project based on descriptions from the change agents' perspectives and official documents (4.2). We then demonstrate how the change recipients perceived the change during different stages and shed light on our first sub-question, *What key issues do change recipients perceive during different stages of MAC?,* which we will also present in an overview (4.3).

4.1   Company Description

GlobeTel[3] is a large multinational company headquartered in Sweden and operating in more than 170 countries worldwide. The company is structured according to three major business units – technology infrastructure, service, and support – with business-unit technology infrastructure (BTI) being responsible for the largest amount of revenue. BTI is structured according to departmental functions: Product Line (PL), Supply, Sourcing, and Product Development Unit (PDU); all these functions are responsible for multiple product units (see Figure 4 for an overview).
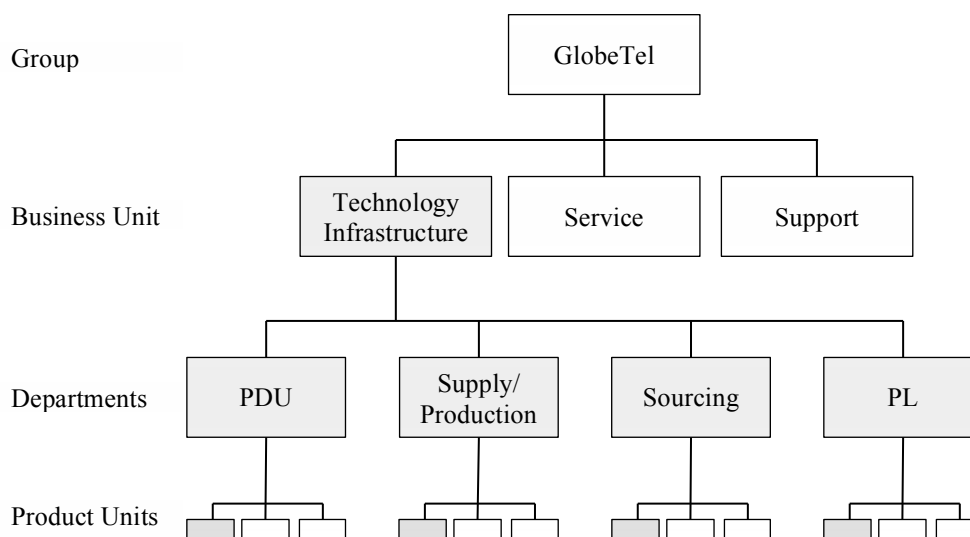

Figure 4: Simplified Organizational Chart

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[3] For reasons of confidentially, we blanked the names of the company, business units, product units, and interviewees

The culture at GlobeTel, and especially within BTI, can be characterized as one of engineering with a focus on technological leadership and innovation. Employees feel proud to develop products with great features and specifications.

However, increased global competition and the growing maturity of products have led to an erosion of margins in recent years. To counteract this development, the business unit introduced a method called "Cost Engineering (CE)" to the development of new products and the reworking of existing product platforms. This accounting practice aims at increasing cross-functional collaboration and at heightening cost visibility to secure a more cost-conscious development of products.

4.2   Change-Project Description

The introduction of Cost Engineering is one of the key initiatives within BTI and was placed on the strategic agenda by the head of BTI with the goal of introducing a new cost culture to development, henceforth strengthening competitiveness in the market. From a change-management perspective, management stressed the ambition to "make the new cost focus stick" within the company. Besides this, fostering cross-functional collaboration between PL, Supply, Sourcing, and PDU is viewed as one of the cornerstones for achieving the goals of the initiative. In order to provide a thorough investigation of change recipients, the focus of this study is on one product unit, which was one of the first units to introduce this initiative. The unit, with its location detached from GlobeTel's headquarters, provides a unique opportunity to study this introduction, which is being carried out globally in a comprehensive subset.

The project has a clear reporting and governance structure. The project owner is the head of Sourcing, and the more operational project driver is a middle manager within the Sourcing Department. Furthermore, a steering group, which consists of higher management from several of the functional units involved, met on a monthly basis to discuss the status and issues occurring during the implementation. The project driver had the role of reporting to the steering group, but also managed the operational rollout of the project, while supported by other individuals and a consultancy called TKA. See Figure 5 for an overview of the reporting structure.
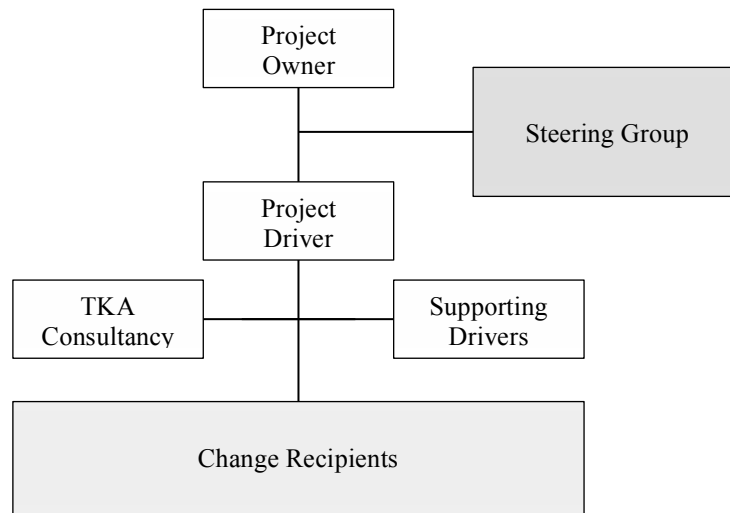
Figure 5: Overview of CE-project Reporting Structure

Overall, the initiation of the Cost Engineering project started centrally at the headquarters in the fall of 2012, and implementation in the product unit was conducted from spring 2013 to mid 2014. As this study places its main focus on implementation within this unit, this later period presents the main frame for our investigation.

The term "Cost Engineering" had been used before this cross-functional initiative within the company, but was, at that time, related to different methodologies. In particular, it is important to acknowledge that a successful project under the label "Cost Engineering" has been conducted independently in the Sourcing Department in 2010, which might have had a slight influence on the perspective on the then-new, cross-functional initiative in 2012. In contrast, the other departments involved in this study have fewer relations to the term "Cost Engineering".

The initial preparation for the implementation started with selecting a consultancy that could support the implementation and that was knowledgeable about the methodology itself. Subsequently, a set of products under development at the time was chosen, for which the introduction of the new methodology was most suitable. For each of the products chosen, one employee of the product team was selected as "Champion" and received extensive training on the methodology. His/her responsibility includes promoting the new methodology, coaching development teams, and facilitating cross-functional work. At the core of the practice are workshops, in which the relevant departments are involved to discuss the necessary specifications of a product and the cost of various design variants. This aims at providing the best mix of functionality of and price for a product. In theory, the methodology includes six

workshops with different focus areas, but it was adapted in practice to the development needs at hand.

At the time of the interviews in August 2014, follow-up activities for the initial implementation had been put in place to close the change project and transfer the methodology to the established ways of working.

From the change agents' perspective, the CE-project and implementation were considered a success:

> *"I think it has been successful. We have been running it quite cost-efficiently, with not that much consultancy, [...] and we challenge the organization in a healthy way, and we have put cost on the agenda again." Project_Owner*

> *"They were really taking on all the measures that we wanted, and they were very positive in working with all the things that we were proposing." Project_Driver_1*

> *"I think it is quite successful. [...] It will most likely be line-organized, and we are preparing structures for that." Member_Steering Group_1*

4.3   Change Recipients' Perceptions in Different Stages

The following describes the change project from the change recipient perspective. Therefore, it focuses on what they perceived and thought at certain stages during the change and how they reacted to the change.

4.3.1   Change Event Announced

There was no one official announcement of the change initiative through which the change recipients heard about said initiative. In fact, all change recipients heard about the upcoming implementation of the CE-project at different points in time from different stakeholders within the organization:

> *"It was in a meeting with the drivers and two consultants from TKA. [...] It was not formal." Supply_Analyst*

> *"It was not like it was presented for all employees or all managers where someone said okay, now we will do this or it's a new initiative. [...] It was more a rumor that you heard something about it." PDU_Manager_2*

Furthermore, it was visible that the change recipients were only told about the change when their involvement was required:

> *"I got the information from [...] the driver. He came to talk to me about this, and I was told that I was responsible for the cost reduction activities." PDU_Manager_1*

Some change recipients were involved in supporting consultancy and product selection while others, such as the "Champions", were only involved later. To the majority of change recipients, the change was communicated right before the workshops were carried out. Furthermore, change recipients obtained different amounts and kinds of information about the change initiative. This was visible in their descriptions of the change project. Seven out of the 17 change recipients interviewed described the purpose and goals of the project in a way that was in line with the official documents and the change agents' ideas about the project. The others focused on the specific aspects of the project that they were involved in and did not provide us with a full explanation of the project goals and purpose.

Based on the initial information that the change recipients received, they portrayed their attitudes towards the change initiative and relayed their first reactions to it. More than half of the interviewees experienced some kind of uncertainty towards the CE-project, and most uncertainty was expressed with regard to the purpose of the project. It was unclear to the employees where the initiative was coming from and why it was necessary:

> *"I think, when it was first was launched, it was kind of a little bit unclear to me what was happening. [...] The start-up was a bit blurry in my view." PDU_Manager_4*

> *"We could have spent more time on the background of why we were doing it, just to make it a little bit clearer." DTC_Champion_2*

Another aspect that was uncertain to employees concerned the methodology of how the project was going to be implemented and what steps were necessary in order to achieve the goals and objectives of the project:

> *"We didn't know how we should reach the goal." Sourcing_Analyst_2*

This was especially a concern for individuals who had to change their daily work routines completely, such as the "Champions" – namely, those who had to carry out a completely new role in the company and drive the initiative*:*

"At first, of course, when you hear about a change project, you don't understand exactly what you will do because you didn't get that good of an explanation. [...] I had to ask for it in some way." SC_Champion_1

The last aspect of uncertainty that was visible concerned the roles that the CE-project brought in. Change recipients did not understand who was involved or the reasons for other employees' involvement:

"For me, it was a little bit unclear who was really in charge, because there was Sourcing and there was [the project driver]. I don't know if he belongs to Sourcing or not, and there was also this consultancy that was coming in" PDU_Manager_5

"[The project drivers'] role in this could have been described even more, and I saw in some e-mail he had called for some meetings with some other drivers and so on." DTC_Champion_1

Others questioned their own roles and were not certain whether they had the right capabilities to carry out the change project:

"I didn't know if I was the right person to drive this." DTC_Champion_2

Besides the different aspects of uncertainty that were expressed and experienced, change recipients described multiple positive and negative reactions to the change.

Based on the information that change recipients received, one-fourth of the interviewees highlighted the opportunities that the initiative would bring to the company. Visible here were relations to past projects and the ways of working at that time; as past activities did not provide the creation of a cost focus, this change initiative was believed to do so:

"In comparison to past projects, this one will provide us (the company) with an opportunity to have an end-to-end mindset shift towards costs or commercial thinking." Sourcing_Manager_1

"There is a window of opportunity, as the development departments usually have no time to work with cost." PL_Manager_2

Besides the opportunity for the company to have a cross-functional mindset towards cost, individuals described opportunities for themselves, as they would be assigned new tasks and would broaden their knowledge:

"It was a personal opportunity for me to build up competence and step into something new." SC_Champion_2

In addition to the positive attitudes towards the change, they highlighted the opportunities this project would bring. More than half of the interviewed change recipients noted negative thoughts and feelings towards the change project when they first heard about the upcoming change. Individuals were concerned that this initiative was nothing really new and did not offer new benefits in comparison with what was being done at the time and what had been done in the past projects:

"Top management doesn't understand that we are doing this already!" PDU_Manager_3

"But we are doing this already! Why should we do it in another way? Same results any way." PDU_Manager_2

These statements were also linked to statements that the initiative would require a lot of time and resources, and people saw it as an extra burden on their then modes of working:

"It will take a lot of time. We don't have time […]." PDU_Manager_5

"I thought, wow, oh, do I have time for this? On top of everything else?" DTC_Champion_2

Further negative thoughts were expressed that considered the initiative as a threat to the performance of some employees, as it criticized the way employees had been performing their daily duties during the last years and signaled that they had not been doing their job in the best possible way:

"I think it was a little bit of a threat, I would say. It's sensitive because […] it is a little bit like, you know, […] you feel that someone came in and criticized your job." SC_Champion_1

Furthermore, one-fourth of the change recipients saw the initiator of the change project as a key issue. As the project driver and project sponsor were coming from Sourcing, this project appeared to be driven by the Sourcing Department. This was seen as unconventional and in a negative view, and was considered a threat because the main responsibility for product development lies within the PDU:

"We have a history where Sourcing has tried to push things like this before. [...] They come from another reality, to be honest. [...] They saw from their view that we need to lower the cost of the products because that was their assignment. If you go into a PDU organization, there are several expectations, and this is just one of them." PDU_Manager_2

"Having it pushed from Sourcing and telling us that this is something you really must be doing and you have no choices or options, I don't think that's a good way to do a change program, but that is what happened. [...] It was kind of a fear I had that now the Sourcing guys would take over and take all the decisions." PDU_Manager_1

4.3.2   Change Event Occurs

The implementation of the change project took over one year and went through different and unexpected delays, especially in the beginning of the implementation. During this time, different related aspects were of importance for change recipients.

Nearly half of the change recipients described involvement as a key issue on their minds during the implementation. Change recipients mainly evaluated their own involvement and stated that they lacked involvement and that the lack of involvement of key stakeholders in the project had led to a slow adoption of the process:

"So, I think that one thing that maybe was making it a bit more difficult to have acceptance and a good pace in the beginning was that we didn't have the Product Line on board from the start, so it was more Sourcing going to the PDU and then trying to change us, even though Product Line actually decided what we should do." PDU_Manager_3

"Maybe that's part of why I think it was not going as fast as it could have gone in the beginning, maybe it was because I didn't invent it myself. [...] I think that selling it to key stakeholders, like myself, in a way other than they did this time, could have been beneficial." PDU_Manager_5

Other change recipients were not only concerned with their own involvement, but also with the involvement of others, explaining that too many other people without a real stake were involved in the project. This led to long discussions and further delays in moving the initiative forward:

> *"The number of people in the workshop was rather extensive, and many of them didn't have the knowledge to give good input in the workshop [...]."* PDU_Analyst

> *"A lot of people were involved, a lot of managers, and then a lot of talking instead of action."* PDU_Manager_5

Another key issue during the implementation that was discussed by change recipients was the role of leadership, which was described by three-fourths of the interviewees. Participants criticized leadership behavior because many change recipients were missing a clear commitment and buy-in from management. This caused individuals to reduce their own engagement with the initiative, which was apparent in their not having the project on top of their agenda and not assigning any resources to the project. This, again, caused delays in carrying out implementation:

> *"My manager [...] was not stressing this to be finished and didn't give priority to this, so that gave me an opportunity to crack [...]. I felt that a lot was asked of me from the side but not enough from above to give it the attention, so I started to give up and not to focus on it."* PDU_Manager_4

Even though management attention was discussed negatively, participants described top management as getting impatient and wanting to see outcomes from the initiative as quickly as possible. This led to frustration, and employees then experienced a clear push coming from top management:

> *"They (top management) don't understand the journey that you need to take even if the scope is very clear. They were pushing us, and so it was, from my point of view, a little bit frustrating that everyone expected that it should have gone quite easily."* Sourcing_Analyst_1

> *"I mean, this leadership team did not have much engagement in this, but they forced us to have some engagement in this, and they forced us to have more focus on costs from a higher level in the organization."* PDU_Manager_2

> *"People were forced to do it [... and ...] just wanted to get it done."* Supply_Analyst

While change recipients experienced push to deliver results, they were also concerned with the suitability and actual timing of the project. They pointed out that some selected products

were not ready for the application of the change project. Nevertheless, due to pressure from top management, they applied the method:

"I don't think it was the right time, […] because you couldn't use it to do any good work. You just said okay, we need to finish this in order to do our job. […] I sat with the mechanical guys and they really got tired of it, and they couldn't do a good job because they didn't know what it would look like. This was more like guess work and testing a new method, and it was not correct." PDU_Analyst

After the application was carried out, it was shown that it would not make sense to implement the method for certain products, which, again, stirred discussions. Finally, the method was not applied to all initially planned products.

Overall, the issue of time and delays was mentioned by more than half of the interviewees. Participants described that major delays in carrying out the implementation were present:

"I felt that we were talking about this quite a lot ... the same things all over again, and we tried to collect what we had already done, so I think it took like six months or something before we could actually get some speed and started to actually change things." PDU_Manager_1

"It took even more time before it was agreed upon within the whole organization, and they pointed out these drives or Champions and so on. So, it took some time before it started." Supply_Analyst

It was only later in the in implementation stage, when change recipients experienced the cross-functional discussions, that the attitudes towards the initiative were more positive and more positive views were gained. As for the first time change recipients could see some results and could compare the previous ways of working with the new ways of working:

"I think that my thoughts about it changed when we could really apply it to reality, […] it was piloted, and we came out with a concrete result, that's when I felt, okay, good! And then I thought, let's just embrace it." PDU_Manager_5

4.3.3   Change Event Implemented

When the project was fully implemented, change recipients revealed that they based their focus on the evaluation of the change initiative. It was apparent that this evaluation of the project was broad, and, to determine whether the project was a success or not, change recipients based their judgments on multiple aspects. Nearly all change recipients valued the

actual content of the CE-project and the new ways of working – in particular, the increased cross-functionality and methods – as positive:

"I think that the overall impression of the workshops has been positive, and the positive feedback that I have seen from everyone is that it's good to collect people from different disciplines in the same room at the same time to work with this concentration." PDU_Manager_1

"So, it was really good to have all the stakeholders sitting at the same table and discussing at the same time." SC_Champion_1

Also positively judged was the personal benefit that some individuals got out of the change initiative. Individuals gained not only from having a new role and new tasks, but also from having higher visibility in the whole company because of the change initiative. This also let them broaden their professional network:

"Now my role is more internal, and I'm involved in many projects as well as with different people within design, and so it's more central. My network is much wider right now." SC_Champion_1

"I've done most of the training, and, being introduced around the company, you also broaden your network enormously, and I think today I'm quite well-known over a huge [...] area." SC_Champion_2

Even though the positive outcomes are appreciated, the majority of the change recipients described the outcomes in relation to the time and resources invested. Visible here is that the cost-benefit considerations of the CE-project were valued rather negatively:

"We have learned a lot, but we have also invested a lot of time. And so, I wonder if maybe we could have used that time in a more efficient way." DTC_Champion_2

"We have made it visible in the organization, we will implement some part of it. In that sense, you could say it's successful, but it was a huge initiative, and, if you compare it to what you put in and what the outcome is, then you can't say it's successful." PDU_Manager_2

"It was successful in terms of goal achievement, not successful in terms of the time it took. So, I think it took too long, but, as I said, we have all been party to that. How we executed it, including myself, I think that we should have been much faster." PDU_Manager_1

Aside from outcome and cost considerations, an important aspect for half of the interviewees after the project was carried out was whether the changes would also be applied in the future and if the cost focus that the project highlighted would be sustained in a large organization such as GlobeTel, where change initiatives are an ongoing concern:

> *"Of course, the challenge right now is to keep sustaining that process. [...] The risk is that it will die or maybe not die immediately but slowly fade away, I would say, because that is usually what happens."* PDU_Manager_3

> *"Now that we have invested in this, I think we need to make sure that it sticks – that it really gets implemented and sticks, and I think that we are not really through with the implementation yet."* PDU_Manager_4

For the entire time of the interviews, the project was in the follow-up phase, and management was in the process of deciding how the project would be further carried out for more product lines. Another concern was how to integrate the new methodology into ways of working so that the change initiative would not be considered an independently executed project.

Overall, only four change recipients out of the 17 interviewed considered the project and its implementation successful. The majority of interviewees demonstrated rather mixed feelings and judged the project as neutral, and therefore as neither successful nor unsuccessful.

4.3.4   Overview of Key Issues Perceived by the Change Recipients

Based on the change recipients' descriptions, we investigated our first sub-question, *What key issues do change recipients perceive during different stages of MAC?* In total, we identified nine different aspects that were perceived as important by the change recipients before, during, and after the change project was carried out. Table 3 provides an overview of the issues and a description.

Table 3: Overview of Key Issues Perceived by Change Recipients During MAC

Category	Sub-category	Description
Change event announced		
Uncertainty		
	Purpose	Participants did not understand goals and objectives of the initiative; it was unclear why the initiative was introduced.
	Methodology	The methods of how to achieve goals and the objectives of the initiative were not clear
	Roles	Change recipients did not understand the responsibilities and involvement of certain individuals, including their own responsibility.
Positive and negative perceptions		
	Positive	Change recipients viewed the opportunities for the company and the individual positively.
	Negative	Participants negatively valued the expected benefits of the project, the resource demand, the threats to ways of working at the time, and the change driver.
Change event occurs		
Involvement		
	Own involvement	Interviewees described their own involvement as being too low.
	Involvement of others	Employees criticized that too many people without a clear stake were involved in the project.
Leadership		
	Attention	Change recipients highlighted that the attention and support from top management was too low during the implementation.
	Push	Interviewees were concerned that top management pushed employees to adapt to the changes and deliver results.
Suitability and timing		Change recipients referred to issues concerning the appropriateness of implementing the changes in the then ways of working, which were deemed unsuitable.
Time and resources		Participants recognized that the duration of carrying out the initiative was too long.
Change event implemented		
Change contend		Change recipients described positive outcomes of the change, including increased cross-functional work and personal gains.
Cost-benefit considerations		Interviewees were concerned with the time and resources it took to achieve the change outcome.
Future integration		Participants were concerned with the outlook of the change initiative and whether the changes would be permanently integrated into ways of working.

5   Analysis

After having identified the key issues perceived by change recipients during the change project, we will focus the analysis on discussing them in relation to our theoretical framework. We therefore discuss the issues that were the most dominant when the change was announced (5.1), while the change was being implemented (5.2.), and after the change was implemented (5.3). It follows that we explain how the stages influenced change recipients and their reactions to the change, as we shed light on our second sub-question, *How do these perceptions influence the change recipients' reactions to the change initiative?* In the final chapter, we present a summary of the findings and conclude this study (5.4).

5.1   Change Event Announced

When change recipients heard about the upcoming MAC for the first time, the key issues they perceived were various forms of uncertainty and positive and negative perceptions of the change, which, according to Jones et al. (2008), can be categorized as emotional and attitudinal issues.

We found that uncertainty concerning the purpose and methodology of the project and roles within the project was discussed. It appears that this uncertainty was caused by the different amounts of information that change recipients received at different points in time. The mostly informal discussions seemed to have not provided the change recipients with a full understanding of the project. Our findings are in line with Isabella (1990), who states that, when change recipients only receive small pieces of information and have to make sense out of this limited information, it leads to uncertainty. Interestingly, while Isabella's study suggests this limited information is mostly caused by rumors about the upcoming change, in our case, only two participants indicated that they heard rumors about the upcoming project. Furthermore, in the study done by Jones et al. (2008), job-related uncertainty, such as job security, were of more concern for employees, which did not receive much attention in our study. It appears that the difference in types of uncertainty and the limited presence of rumors are due to the nature of the MAC project. While Jones et al. (2008) and Isabella (1990) consider downsizing projects, relocations, or acquisitions, which could cause large threats to employees, the MAC project we investigated was a new methodology for reducing cost.

Employees in our study were more concerned with the clarity of the then-current practice and methodology of the project, which our theoretical framework suggests is particular to MAC projects in comparison to organizational change projects (Shields, 1995; McGowan & Klammer, 1997).

Even though the initial information about the CE-project was limited and different for each change recipient, the recipients displayed different initial attitudes and feelings towards the change project when the project was announced. This is in line with Jones et al. (2008), who state that, in their study, change recipients expressed positive as well as negative thoughts. Positively viewed were mostly the opportunities that the change would bring for the company by being more cost-focused. Some individuals also highlighted a personal learning opportunity. However, in our case and in contrast to Jones et al. (2008), more negative than positive thoughts were discussed. It appears that the reason for this is, again, linked to the uncertainty concerning purpose and methodology. It seems that, when employees do not really understand the goals and objectives of the project, it is harder for them to focus on the positive aspects of the change initiative. This would also explain the kinds of negative attitudes present, which were concerned with the perceived benefits of the project in comparison to the existing ways of working, resource demand, threats to ways of working at the time, and negative reflections on the change driver. In particular, the importance of the perceived benefits of the project and the resource demand can be further linked to the peculiarities of MAC, which were found to be key characteristics of implementing MAC (Anderson, 1995; Anderson & Young, 1999). It is apparent that, when positive and negative attitudes towards the change were described, interviewees often compared the project to experiences and projects done in the past and what resulted from them. These references appear to have a strong influence on whether the current perception is interpreted positively or negatively, resulting in the related attitudes and feelings. Isabella (1990) describes this process as "standardization". The author suggests that, when a change is announced, individuals do not have other points of reference upon which to build their judgment about the upcoming change, and they relate to past events as a substitute, which allows them to create meaning out of the situation (Schutz, 1967).

Overall, we saw different key aspects that were perceived after change recipients first heard about the upcoming project. These appear to be rather negatively attributed to the change project. Even though opportunities were mentioned, most interviewees were concerned with uncertainty, negative attitudes, and negative discussion of the change drivers. This would explain why the first reactions to the change were also rather reserved, and the enthusiasm

towards the change could be described as low. It appears that a great deal of this was caused by the limited and different kinds of information that the change recipients perceived, which, in turn, led to uncertainty (Isabella, 1990) about issues, such as objective clarity and perceived benefits in comparison to existing systems, which are indicated as important in MAC projects (Anderson & Young, 1999).

Scott and Jaffe (1988) describe the behavior observed as denial and resistance. On one hand, denial seems to have been demonstrated, as the majority of change recipients were not showing any engagement. This appears to be because the initiative was not completely understood (Scott & Jaffe, 1988). This would also explain why change recipients acted as if the change appeared unnecessary (Armenakis & Bedeian, 1999). However, we also saw even stronger reactions indicated by change recipients who did not see the benefits of the project in comparison to the old ways of working and who therefore expressed being inconvenienced, as they had to perform extra and, in their view, unnecessary work. These reactions are indicators of what Scott and Jaffe (1988) assert as resistance to the change initiative (Gilley & Gilley, 2007).

5.2   Change Event Occurs

While carrying out the change initiative, change recipients were concerned with the involvement, leadership, suitability, and timing of the change, the actual duration for carrying out the change, and the first results of the change initiative. All of these issues have also been identified by Jones et al. (2008). They suggest labeling the first five as "process issues" and the last one as an "outcome issue" (Jones et al., 2008).

Especially at the beginning of the implementation, the lack of their own involvement and the overrepresentation of other employees was a key concern for many change recipients. As our empirical evidence shows, change recipients wanted to be involved in the change project as early as the planning stage. However, most of them were only integrated when their involvement was required, which, for the majority of change recipients, was after the actual planning and initiation. It appears that, due to their lack of involvement, change recipients were not motivated to focus their time and energy towards carrying out the project. This could explain the delays that were present while the change was being carried out. Moreover, the involvement of stakeholders without a real stake in the project seemed to cause the initiative to result in many unnecessary discussions, which further prevented the initiative from moving

forward. Our findings are therefore in line with literature already indicating that involvement is also a key concern for change recipients in MAC (Granlund, 2001; Shields, 1995; McGowan & Klammer, 1997). Even though there was some lack of clarity about certain roles in the project when it was announced, it was discussed more often and appeared a more important issue when the change was being carried out. Empirical evidence suggests that, at that point, change recipients could view their involvement in comparison to other employees.

A topic that was discussed by all change recipients was the behavior of leadership while the change was being carried out and mostly involved attention and support during the implementation of the project (Jones et al., 2008). Interview data suggest that the lack of attention and support from management also led change recipients to reduce their own efforts towards the initiative, which led to delays and phases where very little happened, as change agents appeared to not promote the change actively. Therefore, it seems that change recipients identified the lack of attention of leadership as a sign of the low importance of the project and consequently did not contribute to it. This is in line with Isabella (1990), who states that, while carrying out the change, individuals turn to the symbols around them, as this provides them with clues from which they can derive new meaning or reaffirm old behavior and thereby influences their thoughts and reactions (Isabella, 1990). In line with this theory, our study indicates that the behavior of top management had special symbolic value for change recipients while carrying out the change. Thus, as top management did not put much focus on the implementation, the change recipients perceived that as a signal to reduce their efforts as well, which, as our study shows, consequently led to further delays.

However, further along in the process, the change recipients were also concerned with the issue of pressure coming from top management to deliver results when the implementation was not proceeding. Data suggest that this resulted in two consequences: first, it led to frustration and the negative attitudes of change recipients towards the change project, and, secondly, employees delivered sloppy work just to get their job done.

This can be further explained by the suitability and timing of the change initiative, which appears to have been a key concern for change recipients during the change and which Jones et al. (2008) also identifies as a perceived issue during the change. With consideration of the then-current status of products and systems, change recipients did not see how to introduce the new systems and considered the suitability and timing of the change inappropriate. Change recipients seemed to be perplexed by the new systems replacing the old ones. Isabella (1990) suggests that this indicates the presence of confusion, and this would explain why

employees simply did not know how to integrate the new ways of working and the demands from top management. As our theoretical framework suggests, for a MAC, suitability to current practices is an important factor for successful implementation of said MAC (Stokes & Lawrimore, 1989). It appears that change recipients perceived top management and the change agents as not providing support or an explanation of the process of integrating the methodology, which Isabella (1992) suggests is a key premise for carrying out change. This seems responsible for causing more delays while implementation took place, as implementation for some products had to be abandoned because they were not suitable for the project.

Nevertheless, the implementation progressed, and, at the very end of the implementation, when the workshops were being carried out, most change recipients actually displayed positive attitudes towards the initiative. It appears that the reason for this is that change recipients could actually see results of the change initiative for the very first time. Because the results were perceived as positive, change recipients amended their views towards the change initiative. This is in line with Isabella (1990), who suggests that, while change is being carried out, employees are already comparing the results of the old with the new ways of working, thereby creating the first answers to what this project means.

In our study overall, the issues of involvement, leadership, suitability, and timing appear to have been dominant issues on the minds of change recipients while the change was being carried out. Data further indicate that they can all be connected to slowing down the change initiative and creating delays. Interestingly, the time delays were also noticed by the change recipients themselves, who discussed the issue of duration in great detail.

The reactions to the change showed signs of frustration, negativity, and anger towards the change initiative, which Scott and Jaffe (1988) stress to be common characteristics of displaying resistance. Meanwhile, frustration and anger appear to have been caused by leadership behavior – which forced the new methods in an environment that was not perceived to be suitable for them – and who were not actively supporting the integration. Negativity further seems to have been a consequence based on the change recipients highlighting a lack of their own involvement and the overrepresentation of employees without a real stake in the change (Gilley & Gilley, 2007).

While signs of resistance were already indicated when the change was announced, it appears that it reached its peak while the change was being implemented. Therefore, it seems that the

thoughts and reactions of change recipients at this stage influenced the implementation a great deal, as major delays were present.

Nevertheless, the change project never actually stopped, and the change initiative was fully implemented, even though it took longer than anticipated. It seems that the push coming from management kept the initiative going until the very end, at which point, change recipients could perceive the outcome of the project for the first time. This appears to have been positive and beneficial for the change recipients, which would explain why most change recipients ultimately expressed positive attitudes towards the initiative and tried to make the change project work. Scott and Jaffe (1988) suggest that these characteristics display exploration (Gilley & Gilley, 2007).

5.3   Change Event Implemented

Once the change was fully implemented, we saw that change recipients were mostly concerned with the outcome of the change initiative, cost benefit considerations, and the future integration of the change project, which Jones et al. (2008) emphasize as outcome issues.

Within these issues, change recipients discussed the benefits that the change project brought in terms of new ways of working and personal improvements. We had already seen an indication that change recipients' reactions displayed signs of exploration while the project was implemented (Scott & Jaffe, 1988).

However, especially after implementation, change recipients evaluated the results of the change initiative. This is in line with Isabella (1990), who suggests that, at this stage, employees try to answer the question, "What has this event meant overall?" (Isabella, 1994, p. 62), thereby evaluating the consequences of the change project for both the organization and individual.

We also observed that the change recipients evaluated the outcomes in terms of both positive and negative outcomes. While considering the outcomes in terms of content and personal affect as positive, the change recipients discussed them with consideration of the time and resources it took to achieve them, which also received attention while the change was being carried out. This is further in line with Isabella (1990), who asserts that consequences of the change initiative are evaluated by considering the pros and cons of the change project. The

consideration of positive and negative effects also explains why only four change recipients considered the change project successful and why most change recipients evaluated the project as neither successful nor unsuccessful. While the change recipients acknowledged the positive outcomes of the initiative, they stressed that those outcomes were not convincing enough for the time and resources the initiative required. Another reason for this rather neutral judgment of the change initiative seems to be related to the last key issue that change recipients focused on after the implementation was carried out, which was the future integration of the change project into the organization. As interviewees often mentioned, as part of a large multinational organizational with numerous change projects present, it appears that many change initiatives had not been followed up on within the organization and therefore disappeared. Even though the change initiative was quite neutrally evaluated, the change recipients recognized the positive benefits of the change and expressed desire to integrate new behaviors into daily organizational life, which, according to Scott and Jaffe (1988), are first indications of commitment towards the change (Gilley & Gilley, 2007).

5.4   Summary of Findings and Conclusions

Building up from our empirical findings and the preceding analysis, here, we present the conclusions of our study and the answer to our research question: *How can change recipients' reactions towards management accounting change be explained?*

With our first sub-question, *What key issues do change recipients perceive during different stages of MAC?,* we identified the thoughts and perceptions that the change recipients experienced while the change project unfolded. In total, we found nine issues that the change recipients perceived, which could all be related to the following three categories: emotional and attitudinal issues, process issues, and outcome issues, which we suggest in our theoretical framework based on the work of Jones et al. (2008). Nevertheless, we recognize that the focus and the issues within these categories lie rather in methodologically-related aspects of the change project (goal clarity, relative advantage of project in comparison to existing systems, and time and resource considerations), which find special appearance in MAC projects (e.g. Shields, 1995; Anderson & Young, 1999).

However, because theory suggests that individuals go through different stages while change unfolds, we explored the appearance of perceived issues in relation to their representative stages. The previous analysis has shown that, at each of the three stages we display (change

event announced, change event occurs, change event implemented) in the MAC project, certain issues comprise a dominant theme. This suggests that each of these stages and its characteristics caused and engendered different thoughts in the change recipients. Thus, when the change was announced, our study suggests that the change recipients were concerned with emotional and attitudinal issues and were therefore influenced by the initially limited information about the change and its relation to past experiences (Isabella, 1990). As the change occurred, change recipients appeared to be mainly concerned with process issues, such as management attention or involvement, and were therefore perplexed by the integration of the methods into the then-current ways of working and were looking for symbols around them (Ibid.). Nevertheless, as the first results were apparent, the change recipients had already compared the new ways of working with the old ones (Ibid.), which demonstrates that outcome issues were also underscored as the change occurred. After the implementation was carried out, these outcome issues appeared to comprise the dominant theme, as the change recipients could then compare the old versus the new, as well as identify the strengths and weaknesses of the change initiative (Ibid.).

Furthermore, our study continues to explore with our second sub-question, *How do these perceptions influence the change recipients' reactions to the change initiative?* Our study indicates that, at different stages during the change, different reactions to said change appear to be present. Our findings suggest that change recipients, after the announcement of the change, displayed characteristics of denial and resistance, illustrated by low engagement and low enthusiasm towards the change (Scott & Jaffe, 1988). This conclusion is also suggested by negative emotions and attitudes towards the change, which seem to be linked to the emotional and attitudinal issues change recipients experienced at this stage and which, in turn, seem to have influenced their first reactions to the change. While the MAC initiative was being carried out, the negative perception and judgment of process issues appear to have further driven the resistant behavior of change recipients, while the process issues appear to be linked with frustration, anger, and negativity towards the change initiative (Ibid.). However, it is indicated that, at this stage, change recipients were already able to perceive outcome issues, thereby perceiving the first positive results of the initiative. This appears to be linked with the emergent positive attitudes the change recipients had and the increased desire to focus on actually making the change work, thereby indicating characteristics of exploration (Ibid.).

As the outcome issues also appear to have been dominant after the project was fully implemented, the change recipients seem to have focused on evaluating the change initiative

in terms of strengths and weaknesses (Isabella, 1990). Even though the initiative was, overall, evaluated as neither successful nor unsuccessful, change recipients acknowledged some strengths of project and had the desire to utilize the new ways of working in the future as well, which indicates commitment to trying to be present (Scott & Jaffe, 1988).

In order to understand, *how can change recipients' reactions towards MAC be explained,* our findings suggest acknowledging that change recipients go through different stages while the change unfolds, which thereby influences the perceptions and reactions to a MAC project. Moreover, we display the characteristics, perceptions, and reactions that we have found through our study and conclude with the following adapted theoretical framework.

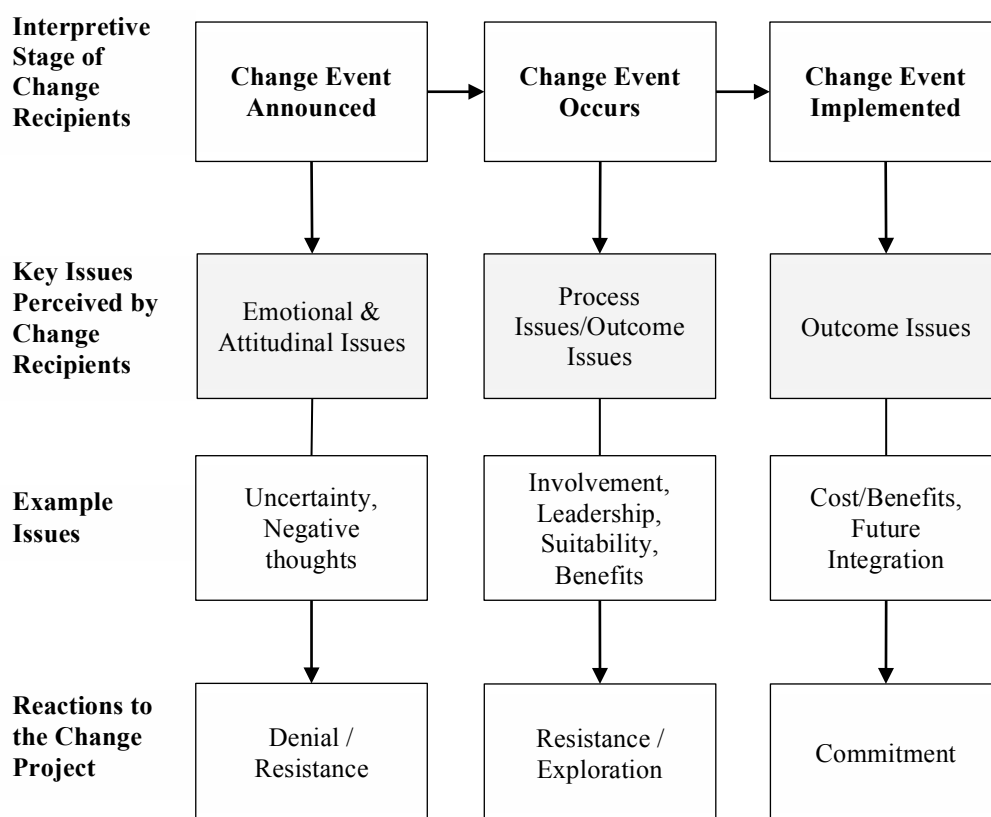| Interpretive Stage of Change Recipients	Change Event Announced	Change Event Occurs	Change Event Implemented
Key Issues Perceived by Change Recipients	Emotional & Attitudinal Issues	Process Issues/Outcome Issues	Outcome Issues
Example Issues	Uncertainty, Negative thoughts	Involvement, Leadership, Suitability, Benefits	Cost/Benefits, Future Integration
Reactions to the Change Project	Denial / Resistance	Resistance / Exploration	Commitment

Figure 6: Suggested Theoretical Framework for Future Research

6   Contribution and Future Research

After highlighting the conclusions to our research question the final chapter in our study provides theoretical (6.1) and practical (6.2) contributions of our study and suggestions for future research (6.3).

6.1   Theoretical contribution

By investigating a gap within MAC literature and building the theoretical framework with frameworks of organizational change literature, this study aims at creating a link between the two literature streams. The MAC project thereby represents a type of organizational change with specific peculiarities compared to other change projects. With such a view, we contribute to both the MAC literature and organizational change literature.

6.1.1   Contribution to Management Accounting Change Research

Our study extends MAC literature with a consideration of the so-far neglected change recipients. Thereby, our study indicates looking at the successful implementation of MAC in a different way than current research.

Instead of focusing on organizational level investigations (e.g. Burns & Scapens, 2000; Kasurinen, 2002) and factors of overcoming resistance in order to successfully implement MAC (e.g. Shields & Young, 1989; Krumwiede, 1998), our study demonstrates the importance of understanding the transition process change recipients go through while MAC unfolds. Our study suggests that change recipients have different thoughts, perceptions, and therefore reactions to the change at different stages of the change process, and that these then majorly influence how the change is implemented. Therefore, we are providing future research with an initial framework for understanding these stages and which perceptions and reactions of change recipients are related to them.

6.1.2   Contribution to Organizational Change Research

Our contribution to organizational change research is the further application and combination of three frameworks that come from this literature stream. Our study thereby advocates the identified categories of issues by Jones et al. (2008) that change recipients perceive while

organizational change is carried out, which also seem relevant to MAC projects. Furthermore, we provide an initial suggestion for an extension of the model, as our study indicates that different categories appear to be dominant at different stages during the change. By utilizing and applying the frameworks of Isabella (1990) and Scott and Jaffe (1988), we provide possible reasons for and consequences of this. We apply and combine these frameworks in a new context, the yet-to-be investigated MAC project. Therefore, we are aiding future research in making these models more generalizable for other types of organizational change projects.

6.2   Practical Contribution

The findings of our study have implications for both managers and change agents who want to carry out MAC projects. Our study provides first indications of how change recipients progress through the change, thereby providing suggestions of what they perceive and what reactions they might display as a result. Change agents can use this information to predict the reactions of change recipients and, by addressing the issues in advance, to limit the effects of resistance and hence avoid the resultant delay or stymying of a change project. Moreover, our study suggests that a MAC should be introduced with sufficient information about its purpose and methodology to reduce initial uncertainty. While the change is being carried out, potential benefits to existing practices should be relayed as early as possible, and management attention and support should be provided for implementing the new practices. Lastly, the overall benefits of the new practice should be communicated, and future relevance should be demonstrated to cultivate commitment to the change initiative in change recipients.

6.3   Future Research

As outlined, this study highlights the importance of investigating change recipients carrying out MAC, which, so far, have not been investigated within MAC literature. This provides multiple possibilities for future research:

First, as already mentioned in the chapter about the limitations of this study (Chapter 3.6), it would be of great benefit to perform such an investigation with a longitudinal case study. This would allow for observation of change recipients' behavior and reactions while implementing the change project. This way, findings and the statements interviewees make about their

reactions to the change would not have to solely rely on interview data, which would create triangulation and would lead to a study with an even higher validity than our approach.

Secondly, our study provides an initial framework for displaying the stages that change recipients traverse as change unfolds, as well as which perceptions and reactions from the change recipients are related to them. In so doing, we provide material for hypothesis testing, which future studies in other MAC projects could employ. Therefore, the key perceptions identified at each stage and the causality between them and a respective stage and reaction could be tested.

Thirdly, as our study indicates that frameworks from organizational change literature seem suitable to enrich the understanding of MAC, we advocate future research to utilize other frameworks from organizational change theory in MAC research. Of interest would be how transition frameworks other than those of Isabella (1990) and Scott and Jaffe (1988) could complement our findings in explaining how change recipients progress through a given MAC project and how this influences the issues that change recipients perceive, as well as their reactions to the change initiative.

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Appendix

Appendix I: Overview of Interviewees

Table 4: Overview of Interviewees – Change Agents (Pre-study)

Participant	Position / Role in Project	Department	Date
1	Project_Owner	Sourcing	01.07.2014
2	Project_Driver_1	Sourcing	16.06.2014
3	Project_Driver_2	PDU	17.06.2014
4	Steering_Group_1	Sourcing	16.06.2014
5	Steering_Group_2	Sourcing	17.06.2014
6	Steering_Group_3	PDU	17.06.2014
7	Steering_Group_4	PDU	01.07.2014

Table 5: Overview of Interviewees – Change Recipients

Participant	Position / Role in Project	Department	Date
1	DTC_Champion_1	PDU	07.08.2014
2	DTC_Champion_2	PDU	21.08.2014
3	PDU_Analyst	PDU	13.08.2014
4	PDU_Manager_1	PDU	07.08.2014
5	PDU_Manager_2	PDU	13.08.2014
6	PDU_Manager_3	PDU	20.08.2014
7	PDU_Manager_4	PDU	20.08.2014
8	PDU_Manager_5	PDU	21.08.2014
9	PL_Manager_1	PL	06.08.2014
10	PL_Manager_2	PL	20.08.2014
11	SC_Champion_1	Sourcing	14.08.2014
12	SC_Champion_2	Sourcing	21.08.2014
13	Sourcing_Analyst_1	Sourcing	13.08.2014
14	Sourcing_Analyst_2	Sourcing	14.08.2014
15	Sourcing_Manager_1	Sourcing	14.08.2014
16	Sourcing_Manager_2	Sourcing	21.08.2014
17	Supply_Analyst	Supply	06.08.2014

Appendix II: Interview Guide – Change Agents (Pre-study)

As already stated for change agents, the interviews and questions asked differed, depending on position and involvement in the project, to gather broad data about the project. Therefore, we only had a small number of questions that we asked all change agents.

All interviews began with an introduction from our side, where we presented the following topics:

– Our name and background

– What the purpose of this interview was

– What we already knew about the project and who we had already talked to

– We further <u>highlighted</u> that:

  – This was an independent research project

  – A non-disclosure agreement was signed

  – Recordings would be kept for our purposes

  – All statements would be treated anonymously

Common Questions

  – What is your background within GlobeTel?

  – What is your present position in this company?

  – What are your main responsibilities?

  – Do you think the project was successful? Why or why not?

  – What problems occurred?

Discussed Topics

  – History of project

  – Targets and goals

  – Project content

  – Project method

  – Project steering and governance

  – Project outcome

  – Difficulties and problems

  – Future integration

Appendix III: Interview Guide – Change Recipients

All interviews began with an introduction from our side, where we presented the following topics:

– Our name and background

– What the purpose of this interview was

– What we already knew about the project and who we had already talked to (based on the pre-study)

– We further <u>highlighted</u> that:

  – This was an independent research project

  – A non-disclosure agreement was signed

  – Recordings would be kept for our purposes

  – All statements would be treated anonymously

Personal Information

– What is your background within GlobeTel?

– What is your present position in this company?

– What are your main responsibilities?

– How long is your tenure?

Understanding of the Change Project

– Can you <u>briefly</u> summarize the change project (CE-Project) and how you understood it?

– What was it about?

– What was the purpose?

– Did the purpose change over the course of the project?

– Why or how was the change initiative different from other changes?

– Do you think the project is something new, compared to what has been done before?

– Was there competition with other initiatives?

Involvement and Role in the Change Project

- What was your role in the project?
- What was different from your previous work?

First Announcement of the Change Project – Change Event Announced

- When did you first hear about the proposed introduction of the CE-project?
- How were you informed?
- What did you think when you first heard about it?
- Could you indicate what you personally expected from the project?
- What were you concerned about when you first heard about the upcoming change?
- How was talk about the project? From Management? From peers?

While the Project Was Implemented – Change Event Occurs

- What were the most important events during the implementation?
- Why were they important?
- How did you think about them?
- What were you concerned about during the implementation?
- How would you describe your attitude towards the change in comparison to when you first heard about the change?

Final Evaluation – Change Event Implemented

- What were your thoughts after the change was implemented?
- What has the event meant to you overall?
- What do you recall the most?
- What were you concerned about after the implementation?

Additional Questions, If Not Automatically Discussed Earlier

- Do you think the project was successful? Why or why not?
- What are points you can think of that could have improved the implementation of the change?