Corporate initiatives that drive employees' commitment to change when approaching an agile transformation

Master's Thesis

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Abstract

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The rapidly evolving nature of Industry 4.0 has confronted corporates with the challenge of being able to react rapidly and nimbly (Van Solingen, 2020). Hence, many corporates need to embark on a journey of adaptation toward becoming agile organisations (Schmitz, 2018). However, this adaptation can only be achieved if employees fully commit to changing to an agile posture, and the required commitment is simply not forthcoming without proper corporate initiatives (Neves & Caetano, 2009). As there is no holistic summary of corporate initiatives required to boost employees' commitment to change when approaching an agile transformation, this study supplements the current research. The initiatives are derived from the existing literature and from unique insights given into a European automotive supplier that is currently managing a global agile transformation. Employees' perceptions of the transformation in Austria and China were recorded and conclusions regarding what drives employees' commitment to change and what led to job terminations were determined.

Kurzreferat

Unternehmensinitiativen, die das Mitarbeiter Engagement hinsichtlich Veränderung fördern, wenn eine agile Transformation durchgeführt wird.

Die sich rasant entwickelnde Industrie 4.0 stellt Unternehmen vor die Herausforderung, schnell und flexibel agieren zu können (Van Solingen, 2020). Daher müssen sich viele Unternehmen auf eine Anpassungsreise Richtung agile Organisation begeben (Schmitz, 2018). Diese notwendige Anpassung kann jedoch nur erreicht werden, wenn sich die Mitarbeiter vollkommen für den Wandel einsetzen, und das erforderliche Engagement ist ohne geeignete Unternehmensinitiativen schlichtweg nicht gegeben (Neves & Caetano, 2009). Da es keine ganzheitliche Zusammenfassung der erforderlichen Unternehmens-initiativen zur Förderung des Mitarbeiter Engagements für den Wandel gibt, ergänzt diese Studie die aktuelle Forschung. Die notwendigen Unternehmensinitiativen werden aus vorhandener Literatur gewonnen und zusätzlich wird ein einzigartiger Einblick in einen europäischen Automobilzulieferer gewährt, welcher aktuell solch eine agile Transformation global durchführt. Die Wahrnehmung der Transformation durch die Mitarbeiter in Österreich und China wurden erfasst und es wurde eine Schlussfolgerung darüber gezogen, was das Engagement der Mitarbeiter für den Wandel antreibt und was zu Kündigungen geführt hat.

Preface

I would like to thank Richard H. for his constant guidance as my mentor and supervisor and for making all his corporate knowledge available to me. His trust in my capabilities has made me the leader I am today. Furthermore, I would like to thank all the interview participants for their time, trust, and personal insights they provided into how they feel about our corporate transformation. These will enable many companies to better manage change in the future. Moreover, I would like to thank Birgit Hagen for her inspiring mentoring. With her expertise in the field of agile transformation, she enabled me to gain completely new perspectives on this topic.

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List of Abbreviations and Symbols

i.e.	id est, that is
et al.	et alii, and others
OEM	Original equipment manufacturer
C2C	Commitment to change
OC	Organizational commitment
KPI	Key performance indicator

1. Introduction

Start-ups upset entire traditional industries with new innovative ideas, rapid decision-making processes, and short reaction times. It is obvious that these changes have an impact on how we work; in particular, the rapidly evolving technology of Industry 4.0 requires swift market adjustments. Hence, a corporate needs to embark on a journey of adaptation toward becoming a nimble organisation (Schmitz, 2018).

In 2015, the online U.S. retail company Zappos, which is known for its exceptional customer service, was forced to undertake an agile transformation to remain competitive in terms of agility. Surprisingly, it was not accepted by all the employees within the company. Therefore, Zappos' former CEO sent an email to all Zappos' employees, which at that time consisted of approximately 1,500 individuals. In his email, he offered his employees the choice between totally committing to the transition or taking a large severance package and leaving the company. Note, when he sent the email, the company had already begun transforming its organisational structure. Hence, the offer made by the CEO was quite a surprise for everyone. When the deadline arrived, 210 employees, 14% of the company, decided not to continue with the organisation and accepted the severance package (Safont & Gómez, 2020). Although this may sound alarming, triggering employee resignations may be intentional, as doing so can create a desirable holistic employee mindset towards a corporate goal.

Yet not every agile transformation has been successful. Research shows that more than 50% of the companies that have attempted an organisational change did not succeed nor achieved the intended outcomes (Etschmaier, 2010). It has been noted that employees' commitment to change (C2C) is a major variable in an organisational transformation being successful (Mangundjaya, 2015; J. P. Meyer & Herscovitch, 2002).

The essence of an agile transformation is, "… reimagining the organisation as a network of high performing teams, supported by an effective, stable backbone of strategy, structure, processes, people, and technology" (Wouter et al., 2021). An agile organisational setup will boost a company's operational performance and increases customer satisfaction. However, it is indispensable to have the right people working together, who are all driven by a common and clear purpose.

The present research is valuable for anyone considering an agile transformation and seeking to acquire knowledge on corporate initiatives that build employees' C2C. In addition, valuable insights into the restructuring process of an international automotive company with its headquarters in Austria are provided.

1.1 Thesis Structure

This master's thesis is divided into four chapters: an introduction, followed by the literature review on which the empirical research that follows is built, and the conclusion. By way of introduction, the personal motivation is discussed, and a clear picture is created of why a transformation in a leading Austrian automotive company was needed. In addition, the research question is addressed, and the methodological approaches are outlined. In the literature review, basic terminology and important tangential subject areas are discussed, understandings of which are imperative for the empirical research that follows. The conducted empirical research concludes with a how-to guide to help managers and leaders choose the right initiatives for their transformation to achieve the best results. Lastly, the conclusion highlights the relation between the findings and the research question such as limitations of the research with suggestions for future research.

1.2 Personal Motivation

Working as a leader in a rapidly growing automotive company, I was able to gain a glimpse into how corporate governance is applied internationally. The automotive industry is known for traditional management and hierarchical structures; for instance, methods introduced decades ago are still common practice. An outdated distinctive top-down hierarchy is increasingly limiting our corporate performance and the ability to respond agilely to customer requests. This has made us rethink our organisational structure and we decided on carrying out a global substantial transformation into a more efficient future. Surprisingly, after the first information event presented by upper management, some employees resigned without requiring further information on how we will operate in the future. As I lead a team, it was important to me to learn more about the employee drivers that result in employees embracing a C2C or that may lead to job terminations when approaching an agile transformation.

Additionally, I talked to managers working for various companies in Austria and Switzerland. We discussed the current hierarchical settings within their companies and their future vision for an optimal organisation concerning their current limitations due to an outdated organisational structure. Although the labour market demands the adaptation of corporate structures such as flat hierarchies, and almost all managers are aware of this demand, only a few have dared to begin restructuring or rethinking their settings. Some of the managers highlighted that their employees react very sensitively to changes within the company, and a few had even left the company because of structural changes. These conversations highlight once more the importance of discovering the employee drivers that contribute to

the transformation. Moreover, when employees resign, it costs a company a considerable amount of money. A subsequent study reinforces the importance of employee retention due to the high costs of hiring new skilled workers. Results show that average hiring costs range, depending on firm size, from 10 to 17 weeks of wage payments (Blatter et al., 2012). However, not every resignation represents a loss. Ayu noted that "… actively disengaged employees cost the U.S. $450 billion to $550 billion per year; that number doesn't even take into account the 'not engaged' employees" (Ayu, 2014, S. 5). Such losses result from the fact that actively disengaged employees are dissatisfied at work and tend to undermine the accomplishments of their engaged colleagues.

The insights gained from the literature research made it clear that many of the change initiatives applied in our corporate could have been carried out more effectively. External consultants were relied on heavily, but they had only a limited understanding of our corporate culture and the dedication of many employees toward the corporate. Without that dedication, we would not have become a successful global automotive supplier company in such a short time. This only makes it more painful to observe that the external consultants provided solutions without or to a limited extent involving those employees affected by the change. Transparent communication with all employees from day one would have made a significant difference. However, we have been learning over the recent months, and this transformation offers many new opportunities. Thus, this study serves as a lesson learned and a resource for our company as well as for many others that are about to attempt an agile transformation toward a successful competitive future.

1.3   Research Gap

There is a research gap in the literature and a lack of empirical evidence concerning the corporate initiatives that drive employees' C2C. C2C has been extensively studied since the eighties, particularly due to its strong correlation with employee turnover (J. P. Meyer & Allen, 1991; Reichers, 1985). In their study, Neves and Caetano (2009) highlight the need for employee trust in supervisors and vice versa, possibly resulting in C2C, and they additionally emphasise the necessity for corporate initiatives, but do not address these initiatives. Several studies do address individual limitations to employee C2C, but no holistic assessment of the corporate initiatives required has been carried out. Therefore, this research contributes to the field by offering a holistic introduction of corporate initiatives that drive employee C2C when approaching an agile transformation.

<u>Research objectives</u>

This research captures necessary corporate initiatives that drive employee C2C. For many managers, time is a valuable resource and, hence, initiatives that support a successful transformation should be presented concisely along with the most important drivers (Ghoshal, 2005). Furthermore, this work offers insights into an international automotive company that has initiated a transformation and had to overcome many unexpected obstacles. Through the interviews, the reader will gain a sense of how different employees perceive change and the emotions that may emerge during that phase. Additionally, the study addresses the factors that are particularly important to employees when approaching a transformation and when employees feel they no longer fit into the new corporate culture. This motivating study creates awareness of the importance of preparing adequately for a transformation and provides a unique holistic summary of drivers that can lead to higher employee C2C.

<u>Research question</u>

The study was designed to answer the following research question:

"Which corporate initiatives generate employee commitment to change when approaching an agile transformation?"

Research questions are the key to success in a qualitative study and are essential to achieve the thesis objectives (Eriksson and Kovalainen, 2015). Research questions assist with maintaining a clear focus throughout the thesis and help the reader to understand the author's intentions. Additionally, a simple and clearly formulated research question helps to clarify a research question or problem.

1.4 Methodology

To evaluate the existing body of knowledge on this topic, a literature review is conducted. There are two main ways to conduct a literature review. The first approach offers a holistic descriptive summary of previous research and its findings. The second approach provides new insights through evaluating the existing literature, highlighting problems, and executing a critical analysis of the findings (Eriksson & Kovalainen, 2015). This thesis will consider both approaches to further build on the extracted knowledge.

In the second step, empirical research is conducted through semi-structured explorative interviews. A key advantage of semi-structured interviews is that the materials are fairly systematic and comprehensive, while the tone is conversational and informal. Moreover,

Eriksson and Kovalainen (2015) also emphasise the need to be prepared to probe for more in-depth answers to gain additional knowledge to that requested by the guidelines. If the guidelines are followed too strictly, valuable knowledge may not be captured. Conversely, since, according to the interviewees, they had given little initial thought to the change process, such as the influence of the transformation on their work lives, an unstructured interview approach would be unlikely to provide the necessary insights.

The following paragraphs explain why such a grave restructuring and transformation of the corporate was necessary. Managers often use theoretical information found online as a foundation for decisions. This I why it is even more important to interview employees in an early stage of the transformation to understand the effects it will have on them, and which corporate initiatives still need to be introduced for future success. Semi-structured interviews also offer the unique opportunity to delve deeper into the interview partners' topics of interest and emotions, which would not be possible or meaningful with any other method.

1.4.1 Interview Approach

The interviews will be carried out at an international automotive supplier company, with over 6,600 employees worldwide and its headquarters in Austria. The company is undergoing an agile transformation with the aspiration of being more adaptable to customer demands. Inflexibility was identified as the major vulnerability in the corporate analysis. Since the company specialises in customised solutions, the development department must regain this agility through the transformation. Note, that during the interviews, the restructuring had already been initiated. It is worth mentioning that there was previously a large development department that took care of all projects. Now, this department has been divided by product groups into customer-oriented divisions, with the consequence that some employees have been assigned to new leaders. Furthermore, it must also be stated that each division's culture is influenced by the values the customer expects us to maintain. In our division, we only develop for one customer and cooperate with their tier[1] 1 and 2 suppliers. Without referring to other division values in our company, it can be stated that our division strives to meet all the values defined by the original equipment manufacturer (OEM).[2] One of these values is integrity, which builds trust and empowerment, and further leads to creativity and

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[1] Tier 1 are system module suppliers and directly deliver to OEMs. Therefore, Tier 2 suppliers are components suppliers and deliver to Tier 1 companies for further processing of their products (Luo, 2018).

[2] The OEM usually refers to a company that builds a product designed for end-users, such as cars. The Mercedes-Benz Group or the VW Group AG would be an OEM (Wu, 2013).

the unleashing of everyone's full potential. Obtaining a unique customer focus was also one of the main goals of the transformation. In addition, sustainability is highly important to us, both in terms of our products and the sustainable growth of our company. Therefore, only interview candidates from our division will be considered, that is, the division that develops and produces parts for our OEM and its tier suppliers.

The need to initiate the transformation at our corporate

It is essential for the company to be capable of responding quickly and yet professionally to customer requirements. Due to rapid company growth in recent years and the multiplication of the headcount, processes have been introduced in all areas – partly also as a measure to support new employees and to ensure documentation quality. However, these processes have drastically increased the lead time of product development and other corporate processes. As previously mentioned, a corporate analysis was carried out along with several surveys on the whole workforce to determine all the corporate bottlenecks. The analysis indicated that throughout the company the supervisors act as role models, and the cooperation within the departments is predominantly good. Nevertheless, it has become clear that communication with tangential departments is deteriorating and leading to this inefficiency. After further analysis, it was found that the workflow applications were being misused as a means of communication and that employees had stopped talking to each other in person. The individual departments had increasingly distanced themselves from each other and relied on digital media, which led to this drastic lead time increase. Furthermore, this silo effect led to the fact that there was no longer a common corporate goal that all wanted to achieve; rather each department only aimed to position itself well in front of the management with its KPIs.[3] Concluding, the processes, and the communication within the company was heavily criticised and these indicated the necessity for a major corporate change.

Transformation preparation phase

Together with external experts, the knowledge gathered was examined more closely and new internal corporate values were defined. These values have been designed to lead to a more efficient and sustainable future, in which employees are encouraged to contribute to the corporate's success. These values include acting quickly on change, understanding the change, and implementing it holistically. The 'we' must always be in the foreground, as everyone can be affected by the change. Additionally, it is important to process given tasks

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[3] A key performance indicator (KPI) is a measurable value that indicates progress towards a project outcome or result (Dipura and Soediantono, 2022).

as quickly and efficiently as possible to be capable of offering attractive prices to our customers and remaining competitive. Tasks must be achieved with a strong focus on profitability, which also implies that we support our customers with our expertise and do not accept every customer requirement without questioning its necessity. In this way, we guarantee the profitability of the product development and make optimal use of the corporate's resources. The survey analysis additionally highlighted the need of valuing face-to-face communication once again along with a high level of appreciation for one's colleagues. Moreover, the work must be enjoyable. Reliability, above all, is one of the most important values that must be practiced. Agreements and deadlines must be adhered to, as these have been one of the major causes of conflicts in the past. Accordingly, the values were summarised as together, reliable, fast, profitable, and flexible. With these findings and resulting values, the transformation was initiated.

How the transformation was approached

To ensure that these new values are embraced by all employees, a leadership guideline has been created to support everyone on this journey. This guideline includes trust in the employees and reciprocal trust in the supervisors, as well as empowering the employees to take on responsibilities. Communication is a major focus, with the aim of becoming more transparent, more understandable, and interpersonal communication becoming supportive again. The announcement of this transformation and restructuring produced considerable uncertainty and speculation, after which the change team quickly introduced an information hub and gave everyone the opportunity to voice their concerns and questions. The fact that many changes were introduced by external consultants without involving the affected departments in the change process placed many leaders in a defensive posture. This issue once again demonstrates the importance of early transparent communication with the opportunity to include everyone's experience. If the changes do not bear fruit after the transformation, there is a risk that the employees affected by the change will demonstrate little willingness to work with the new approach. Our management is aware that new processes and tools should only be made available if they have been extensively tested and work properly, otherwise those suffering from the errors will be the already overworked employees. Unfortunately, due to poor KPI results, this strategy was not realised, and processes and new tools have been rolled out immediately in the hope that they will contribute to improvement. From the survey, it emerged that sufficient training will be necessary for everyone. When employees witness money being invested in external consultants and months of preparation time for activities that only add to the burden of a department rather than removing the burden, such a scenario does not promote C2C.

According to an extensive survey conducted by McKinsey, the involvement of frontline employees and their supervisors is what distinguishes successful transformations[4] (Keller et al., 2017). For this reason, the employees most affected by the restructuring were selected for the interviews. Hence, developers without executing responsibilities and a department leader will be interviewed, as presented in the following Table 1.

		Plant	
		Austria	China
Function	Development leader of our customer division	1	-
	Developer for our division who remained with the company	1	1
	Developer for the division who left the company	1	1

Table 1: Interviewer overview according to function and plant

Source: Own illustration, based on interview setup

The people working in the development department grew up and live in the country in which they are employed, therefore, a cross-cultural team observation is not addressed in this study. As briefly mentioned, supervisors trusting in their employees and vice versa can contribute positively to change when approaching a transformation. Cultural differences will be addressed basis on Hofstede's seven dimensions (2011) and then through Erin Meyer's further developed culture model (2014), with its eight dimensions. As illustrated in figure 1, significant cultural differences between Austria and China are present in nearly all dimensions. Considering these differences could be decisive in the positive implementation of a transformation.

1.4.2 Consideration of Cultural Differences

Since Austria and China differ greatly in the dimensions cited below, an interesting cultural perspective can be provided. Erin Meyer's culture model helps to illustrate how much the two cultures differ.

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[4] A successful transformation is one that, according to the survey respondents, was very or completely successful at both improving the organisation`s performance and equipping the organisation for sustained, long-term performance (Keller et al., 2017).
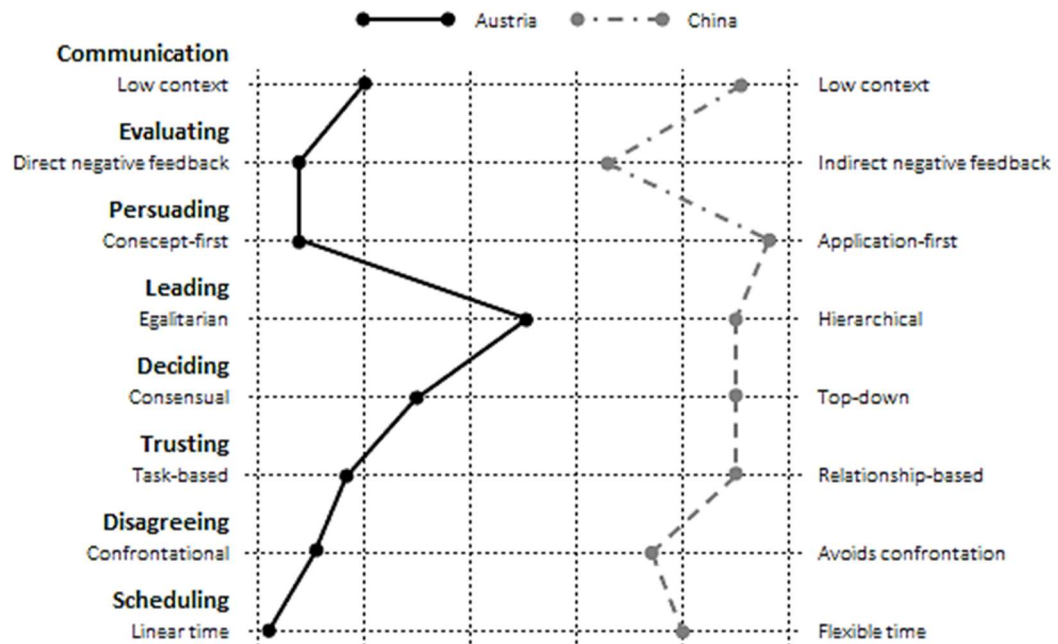
Figure 1: Country Mapping of Austria-China comparison

Source: Own illustration, based on Erin Mayer`s country mapping (2014)

In Chapter 2 Literature ReviewLiterature , more detailed samples are given regarding how the comprehensible and transparent communication of a change process should be undertaken for those affected. Further, the corporate feedback culture is equally relevant to the change process and addresses the perceptions of employee feedback and suggestions for improvement. The opportunity to contribute can have a positive impact on employee C2C. Moreover, an agile transformation demands a shift towards flexible teams and flat organisations, and this change can place considerable pressure on managers. Therefore, the hierarchical setting of an organisation needs to be chosen with care. This however brings up another fear, since "… long-time midlevel managers can become apprehensive once they recognise that their main duties will be redistributed and their job titles erased from the organisational chart" (De Smet et al., 2019). Therefore, to offer a cultural comparison, developers from China were interviewed, and those findings will be compared to the findings derived from the Austrian interviewees.

1.4.3 Limitations

The methodology possesses some limitations. Since criticism about the transformation is not truly appreciated, employees do not want to attract negative attention, especially the employees who are not leaving the company. Therefore, there is a risk that they will not reveal the full truth, despite assured anonymisation. Any observation always introduces

ethical issues that need to be considered. The use of advanced technologies to capture the interviewees' activities and answers, with or without informing them, is an invasion of their privacy and must be approached carefully (Eriksson & Kovalainen, 2015). Therefore, the consent of the participants should be gathered in writing, which may also impede trust. Furthermore, due to the focus on employees from the development department, the mood of the entire company cannot be captured. Another possible limitation is that in the conversations with my Chinese colleagues, their emotions will be difficult to grasp through the digital communication channel. Since I have had little contact with my colleagues in China in the past and therefore no established long-term relationship, there is also the risk that they will reveal even less than my colleagues here in Austria, according to the relationship dimension of Erin Meyer's culture model. This limitation may lead to the loss of important insights.

2. Literature Review

This chapter outlines the existing literature in reference to the research question. Individual relevant focal points are presented, followed by interesting perspectives on the research topic such as the initiatives needed to drive employee commitment.

2.1 Definition of Terms and Fundamental Concepts

2.1.1 Agile Organisation and Transformation

Agility describes the manoeuvrability or mobility of organisations and people or in structures and processes. The organisation reacts flexibly to unforeseen events and new requirements and proactively, rather than reactively, to change (Harraf et al., 2015) because, as Lucas observes, "… flexibility gives the employees the option to come up with the best solution for the situation" (Lucas, 2019).

When using the term "organisation", there is no mandatory link to a hierarchical setting; the term refers only to its purpose. Tran and Tian observe that "… organisations are formed by groups of people with the purpose of achieving goals that one person cannot achieve individually. Better results are created as a consequence of organisational effect which directs the organisation to achieve some organisational goals" (Tran & Tian, 2013, S. 229). Furthermore, the organisational structure of a company should never serve the organisation itself. The major focus of every company's organisation should always be the customer or, more generally, its organisation should always serve all its stakeholders, whereby stakeholders can assume many different characters, such as investors, business owners, employees, managers, or customers (Schmitz, 2018).

Accordingly, an agile transformation is the adaptation of the currently used organisational structure and its processes towards agility. The essence of an agile transformation is to obtain a network of highly efficient teams by realigning the organisation, which also requires a stable strategy, well-functioning operative processes, motivated employees, and state-of-the-art technologies. As Wouter et al. note, "Imagine working on such a team – having the right people working together, all with different capabilities, enables organisations to move with unprecedented speed" (Wouter et al., 2021). An agile transformation will boost corporate performance, increase customer satisfaction, and employees will feel more motivated and engaged by having a clear and common purpose. Organisations should always deliver value to the customer, therefore, a mindset shift toward costumer first must occur (Comella-Dorda et al., 2020).

In addition to the required mindset shifts, Comella-Dorda, Handscomb, and Zaidi also emphasise the importance of cultural change occurring for transformations to succeed (2020). More than 70% of respondents in a McKinsey survey who were part of an agile transformation identified that changing the culture was their largest challenge. Transforming their culture and way of working during an agile transformation even reached 76% compared to other factors like lack of leadership and insufficient resources (Jurisic et al., 2020).

2.1.2 Commitment to Change

Change is perceived as disruptive and intrusive. Moreover, senior managers consistently fail to recognise the impact a gap between their relationships with subordinates and the effort required to gain acceptance for change can have. However, Jan Timmer (former Chairman of the Board of the Philips Group) and Haruo Naito (former CEO and Director of Eisai) drove successful corporate changes by redefining their employees' commitment to new goals in terms that everyone could understand and act on. Strebel observed, "Without such leadership, employees will remain sceptical of the vision for change and distrustful of management, and management will likewise be frustrated and stymied by employees' resistance" (Strebel, 1996).

Meyer and Herscovitch (2001) argued that the core essence of commitment should always be the same, regardless of the target. They defined C2C as the driving force required to successfully implement change initiatives. Hence, different drivers exist: the belief in improvement with advantages for oneself, fear of negative consequences, or simply being in an obligatory position. In other words, individuals can feel bound to support a change initiative because they want to, must, and/or ought to (Turner et al., 2008). These differentiations should be considered because they all have a different impact on the outcome.

Fear of the unknown can play an important role during a transformation since organisational change can result in sweeping life changes for some employees. Most of them fear salary cuts, loss of benefits, job termination, or the downgrading of their job position. Therefore, it is crucial to keep morale up by informing all employees about the upcoming changes to involve them as much as possible and not to forge strategies behind closed doors (Wickford, 2019). Transparent communication can be developed as a driver, along with trust.

2.1.3 Geographical Dimension

Sommer, Bae, and Luthans (1996) found that the age, job tenure, position, and education of Korean employees were significantly related to organisational commitment (OC).[5] Furthermore, they highlighted that employees with higher OC were also more likely to commit to change. It was noticeable that employees in higher positions who had been in the job for longer and were older were generally more engaged in OC. These findings are similar to those of Western countries in Europe (1996). Nevertheless, demographic differences exist, especially compared to the Chinese culture, for example, individualism (Redding & Michael, 1983) and the Chinese guanxi [6], as noted by Chen and Francesco: "Since OC is expected to result if the employee has a positive relationship or guanxi with the boss, an employee who is older or who has worked in the organisation for a longer time, yet does not have guanxi with the boss may not be able to earn the trust of the boss and therefore may not commit to the organisation" (Chen & Francesco, 2000, S. 872). From this finding, it is inferred that age and job tenure are less important, but that the position an employee is working in has a positive correlation with OC and C2C. These findings were confirmed in a similar study by Fischer and Mansell, and, in addition, the following insight was obtained. Workers who work in countries in which poverty is prevalent and financial support from the government is poor are generally more committed to change to avoid the risk of job termination. Conversely, in many Western countries with substantial government financial aid, workers tend to quickly seek alternatives in uncertain times (Fischer & Mansell, 2009).

2.1.4 Temporal Dimension

In addition to the geographical dimension, there is also a temporal dimension to OC: "During any transition, performance will inevitably decline before reaching the improved, desired state" (Schneider & Goldwasser, 1998, S. 42). The explanation for this behaviour can be derived from Figure 2: Change curve performance over time. A typical change curve represents a change programme without significant measures aimed at efficiency, and an effective change programme is characterised by measures such as transparent communication and trust. In this study, only the initiation phase of the change curve is examined and of

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[5] Organisational commitment refers to the dedication and level of engagement employees have for their company or job. Additionally, it describes why employees remain with a company and why some are more likely to look for other opportunities (Chen & Francesco, 2000).

[6] *Guanxi* stands for interpersonal relationships and is one of the major dynamics of Chinese society. *Guanxi* has been an integral part of the Chinese business world for several centuries (Tsui & Jiing-Lih, 1997).

relevance, see the marked phase in Figure 2, since, according to Schneider and Goldwasser, this phase has the most significant impact on the outcome. The change curve model[7] illustrates the stages that are experienced when organisational change is initiated, and an understanding of these stages is crucial for success. Furthermore, it must be mentioned that if the employees' commitment decreases in the initial phase of a change process, it is difficult to re-engage them (J. P. Meyer & Herscovitch, 2001).
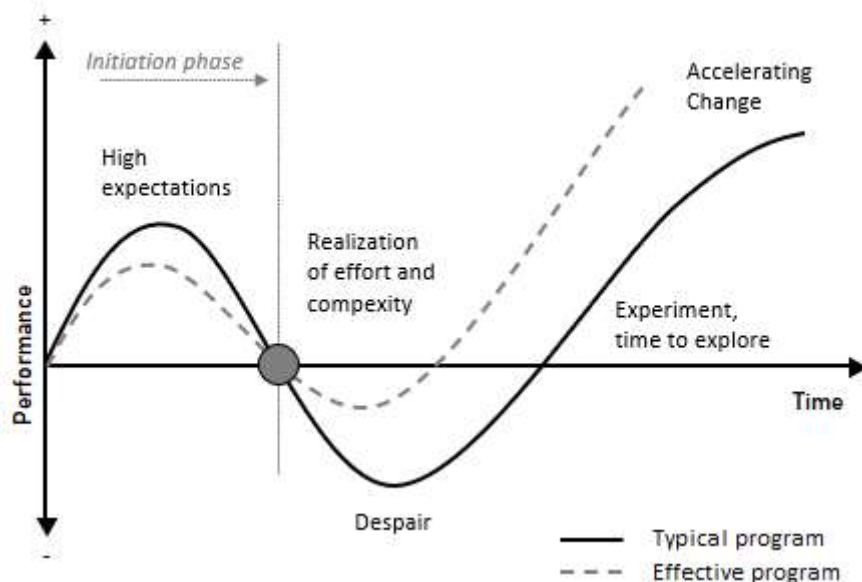
Figure 2: Change curve performance over time

Source: Own illustration, based on the classic change curve (Schneider & Goldwasser, 1998)

2.2   Retrospective and Initiatives That Drive Commitment

If companies want to survive and grow, organisations need to constantly initiate change (Burnes & Jackson, 2011). Furthermore, adaptation is responsible for the survival of an organisation, hence, a company (Carnall, 2007). A McKinsey study in 2008 found that only every third change transformation resulted in success (Meaney & Pung, 2008). Many change initiatives fail because leaders and executive management have underestimated the role employees play during a change process (Ouedraogo & Ouakouak, 2018). Tetenbaum emphasises that employees are indeed the centre of every organisational change (1998). Ertürk notes that "For employees to be affectively committed to their organisation, they must first believe that the organisation is looking after their own best interests" (Ertürk, 2009, S. 413). This supposition was further examined and confirmed in the research by Vakola "What's in there for me?" (2014). However, for the majority of

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[7] The change curve model describes the stages most people go through as they adjust to change, derived from the Kübler-Ross curve (Schneider & Goldwasser, 1998).

individuals employed in an organisation, it is crucial that the company changes to a sustainable corporate landscape and that its overall objectives are met (Paul, 2015). Furthermore, the transparent communication of a corporate's vision and goals, trust in the employees, and a strengthened commitment to change can ultimately lead to a successful transformation (Sirkin et al., 2005).

It is also important that the departments affected by the transformation see the same need as management for change. Often managers only focus on the optimisation of poor financial figures and forget to involve those affected. There must be cooperation with all the departments concerned, even if this results in additional work for them. If management still prefers to work with external consultants or independent employees for the optimisation, then the necessary C2C from the affected departments cannot be anticipated. Since there is often already enough work to be completed on a daily basis, it must also be ensured that all employees understand the importance of transformation in a timely manner. Otherwise, the transformation is likely to receive little support (Darragh & Campbell, 2001).

For a successful change implementation, the necessary resources must be made available, and employees' capabilities should be respected. Each employee role is well defined and therefore the expectations and responsibilities must be aligned with the resources. Unfortunately, the resources and skills of the employees are rarely considered during a change process, as many companies initiate a transformation once the turnover is already suffering as a result of the corporate performance. However, this lack of consideration can lead to an inability to cope with new additional responsibilities and approaches, and employees may even consider leaving the company due to work overloads (Johnston et al., 2017).

Garcia (2022) emphasises that a comprehensive transformation on a large scale requires the commitment and alignment of the entire organisation. This means that the executive management team must be involved, communicating to its leaders in a transparent and understandable way and, most importantly, leading by example. In this respect, it is important to set large but achievable goals and to anticipate a pleasant and successful future for the corporate. In summary, an organisation will only commit to change if the employees see that the executive team is personally committed to its success. Furthermore, the possibility of contribution must be ensured by at least 7% of the workforce. This number of fully engaged employees serves as a multiplier, and their positive attitude towards transformation can make all the difference. Hence, it is essential to encourage employees to feel ownership in driving change and to empower the workforce accordingly (London et al., 2021). Commitment is made possible if the relevant teams are appropriately prepared

for the transformation. It has been demonstrated that value-added and goal-oriented training has a positive impact on employee attitudes toward change. In addition, further studies have repeatedly emphasised that training will increase productivity, minimise absenteeism and performance fluctuations (Sahinidis & Bouris, 2008). A further study emphasised that high-quality training will have a direct influence on the performance of the employee and additionally loyalty toward the company will increase. Hence, if the employees' expectations are aligned with the company's vision and values through proper training investments in the employees, C2C can be promoted (Khan et al., 2011). Along with training, it was particularly noticeable that team collaboration suffered within corporates as a result of the COVID-19 pandemic. Therefore, it is extremely important that executives and leaders understand and support the online collaboration tools available to them. Software can create a lasting culture that can contribute positively to the company's success; however, it can create new challenges (Alexander et al., 2020).

2.3 Corporate Initiatives Summary Based on the Literature

The following Table 2 provides a list of all relevant corporate initiatives found in the existing literature.

		Reference
Corporate Initiatives	An employee's age, job tenure, education, and position must be considered when corporate initiatives are applied, since each variable has a different impact on C2C.	(Sommer et al., 1996)
	Recognise that employees take on a key role during a change process and incorporate them as early as possible. Doing so will ensure a maximum efficient change curve.	(Ouedraogo & Ouakouak, 2018; Schneider & Goldwasser, 1998)
	Highlight possible benefits for the employees through the change. Get to know the employees' change expectations and align these with the sustainable corporate vision.	(Ertürk, 2009; Paul, 2015; Tetenbaum, 1998; Vakola, 2014)
	Communicate the corporate goals and vision as transparently as possible to all employees. This will create trust and C2C.	(Sirkin et al., 2005)
	Problems cannot be measured by KPIs alone; there are always underlying human factors. Do not initiate change to departments or functions without involving them in the change process.	(Darragh & Campbell, 2001; De Smet et al., 2019)
	Provide the necessary resources, if needed, and ensure that employees can accomplish their tasks efficiently. This includes the supply of proper communication channels that contribute positively to a corporate culture.	(Alexander et al., 2020; Johnston et al., 2017)
	The executive management team and all leaders should act as role models and be confident that the changes will contribute positively to corporate success.	(De Smet et al., 2019; Garcia, 2022)

	Encourage ownership and empower employees to achieve progress. Leadership training and motivational coaches are therefore crucial.	(London et al., 2021)

Table 2: Summary of corporate initiatives based on the findings in the literature

Source: Own illustration, corporate initiatives gathered from Chapter 2 Literature Review

3. Empirical Research

This chapter presents the empirical research that has been carried out and discusses the results obtained, as well as my own experience with an agile transformation. First, the profiles of the interview participants are analysed based on key commitment drivers derived from the literature, and then the findings are discussed in more detail.

3.1 Interview Participants Representation and Analysis

Table 3 presents the interview participants based on the selected representative factors and further possible correlations to C2C will be analysed.

		Participant representation			
		Plant	*Gender*	*Age*	*Tenure* [8]
Participants	Development leader who remained with the company	Austria	male	43	10/20
	Developer who remained with the company	Austria	male	59	35/41
	Developer who left the company	Austria	male	33	8/8
	Developer who remained with the company	China	male	30	1.5/2
	Developer who left the company	China	female	26	4/4

Table 3: Interview participants

Source: Own illustration, based on interview participants' data

According to Sommer, Bae, and Luthans (1996), there is a link between OC or C2C and the employee's age, job tenure, position, and education. Yet, no correlation with these factors could be deduced from the interviews. It was rather surprising that despite higher positions and longer company tenure, C2C did not increase accordingly. On the contrary, due to insufficient consultation with the respective development experts during the preparation phase of the agile transformation, they have been rather critical of the change. Conversely, employees who have not been with the company for many years and have not experienced several changes tend to have more commitment to change. Neither were any differences observed between the interviewees in terms of genderIn addition, it must be emphasised that the plant manager in China originates from Europe and that a similar culture exists in the Chinese plant as exists in Austria. However, the agile transformation

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[8] Job tenure indicates how many years this person has been with the company, whereby the first number indicates the tenure in the function as a developer or development leader.

has influenced the hierarchical structure and the decision-making approach of the company and was, therefore, not as easy for the Chinese employees to embrace, especially since *guanxi* is a major cultural component for them. In summary, it can be stated that the age, gender, and position of the employees appear to have little influence on their C2C, but job tenure can certainly influence their attitudes towards C2C.

3.2   Interview Findings

This sub-chapter addresses the initiatives obtained from the conducted interviews. First, the employees' expectations of the transformation coincided well with the focus points of the management and the company values that must be revived again. Employees wanted to work together again on projects with certain reliability from all departments, as well as a fast, flexible, and profitable project realisation approach. In addition, the employees expected that the bureaucracy would decrease to increase the overall efficiency and that the communication channels would become shorter. Better communication, obviously, was required beyond the country's borders. As all the departments and stakeholders in the project implementation phase have become increasingly distanced from each other, and efficiency and processing times have suffered greatly from this distance, this issue had to be addressed first. This was managed by setting up customer divisions and assigning all employees from their discipline departments into project focus teams, as described in Section 1.4 Methodology. This separation into customer divisions had been arranged many months before, but very few people were involved in this decision. It was treated as a secret, but as this restructuring and relocation to a new building affected approximately 400 employees, it resulted in some rumours and uncertainty. Everyone would have liked much more transparency in this case, and since it was lacking, many have already begun looking for alternative employers. As no corporate initiatives counteracted this problem, and the supervisors could not support the employees either due to a lack of information about the strategy, some employees also resigned. This situation, naturally, has led to even more uncertainty. As initially only the managers were informed about the upcoming changes, many employees were not aware of the extent of the restructuring, which to some extent decreased their interest to contribute and increased uncertainty regarding the future within the company. It was pleasing that after the plans became a little more transparent and the arrangements were no longer such a secret, some even returned to our company after they had resigned.

After the relocation to the new building and the simultaneous restructuring, many employees' teams have changed, as has the way they work. New software, new processes, and new responsibilities have been introduced, as new supervisors for some. Evidently,

taking on this new work environment is a huge challenge. In particular, the more senior employees who have been with the company for a long time had problems adapting from one day to the next to all the changes, and, as a result, the mood of the team suffered from it. Since some were already unable and unwilling to work with certain supervisors in the past, further resignations resulted after it was announced that some employees would be subordinated to supervisors they did not like. Unfortunately, only the right constellation in the customer division was aimed for and no consideration was given to employee preferences. If the restructuring had been transparent earlier and certain incompatibilities had become apparent, good employees could have been transferred elsewhere, and the company would not have lost them. In addition, there was criticism that the social structures were fragmented, and some missed the good relationships they had with former work colleagues. The only real disadvantage of concentrating the teams in the divisions is that the supporting departments that are not relocated in the new building, such as logistics or purchasing, feel even more distant and communication is even more difficult.

In addition to the changes initiated by the management, the feedback from the interview participants clarified that they would have liked to have been more involved and able to make their knowledge available, even if this resulted in additional effort. There was little doubt that changes were necessary, but the quality of the implementation was criticised. However, as only selected people redefined entire company processes and adapted the software accordingly, without questioning the needs of the individual users, when these processes and tools were then introduced with a certain error-proneness and caused considerable project delays, the indignation was significant. As a result, the C2C of the affected employees has strongly decreased. All of them emphasised that if they had been involved and contributed to the improvement, it would have compelled their C2C. In addition, many were deprived of creativity and flexibility in the implementation, which was important to them. The introduction of selected teams to test the new tools and processes was therefore well received by the employees, especially with the possibility of making further improvements. However, the pressure from management to distribute the change to the plants worldwide after just one month of testing has once again caused much frustration, and most of the employees have renounced their commitment.

Tailored, high-quality training is needed for everyone who has to work with new processes and software and take over new responsibilities. The affected people criticised their training because there was a great deal of advertising about the changes, but the employees are still missing basic training to be able to work with the new tools and processes. In addition, a future outlook is often given without knowing when the changes are to be expected.

Nevertheless, the new team constellation, the training, and the coach's motivation unleashed C2C toward the agile transformation for some.

Another problem arose shortly after implementation and training that the company should have addressed differently. Some responsibilities shifted and additional tasks were distributed, but this was done entirely without considering the respective capacities. Some functions were already heavily utilised before the transformation and would now have to invest additional hours after the rollout. Since this is simply not possible and no budget was made available for new employees, aside from the current lack of applicants, the new changes could not be realised. This optimisation approach based on KPIs without considering the capabilities and capacities of employees was strongly criticised by all the interviewees. In addition, it was emphasised that this weakens the trust in the transformation and thus reduces the C2C.

Since supervisors were often not involved until very late in the process, they were not able to motivate their teams. As mentioned in Section 2.2 Retrospective and Initiatives That Drive Commitment, this supervisory involvement is an essential prerequisite since employees need role models. The resignation of the managing director during the transformation commencement phase had a serious impact on employees' faith in the corporate's success, although he left due to health reasons. However, this resignation has disconcerted many and made them doubt the transformation. The resignation could not have been avoided, but it was even more important in this case to motivate the leaders to pass on their faith in the transformation to all employees. In addition, the employees would have appreciated having received more trust from management. Instead of promoting full ownership, there was even more monitoring, and a large amount of data was read out to measure employees' performances. As an example, the home office possibility, which many would like to see, was hardly supported. However, this lack of support may only have been because few have taken advantage of this option in the past.

It was surprising that, besides the home office, an increase in salary often made little contribution toward C2C, according to the interview participants. This finding is ultimately due to the corporate compensation system, since most people know that there are few salary increases and, if so, only very small ones. With Austrian taxes, such increases do not add much to the net salary. A promotion to team leader is not always accompanied by a salary increase and is therefore not interesting for many due to the additional responsibilities, but the slightly younger employees seeking to boost their resumes could still imagine doing so. Nevertheless, it was emphasised that promotion does not necessarily improve C2C and is more about self-interest. What really caused consternation, and put the

promotions in a negative light, were the promotions that occurred through relationships. By knowing an upper manager, inexperienced employees from other departments would be placed above employees with much more knowledge in the department. Ultimately, regardless of the salary and possible promotions, it is important to many that they can contribute so that the corporate can offer them a secure job in the long term.

In closing, there is one more important factor. For marketing purposes, the transformation was frequently reported on social media, but only ever in a positive context. However, the employees who now suffer daily from the change and do not share the opinion that is presented to the outside world find this presentation very frustrating. In general, considerable positive marketing occurred, whether externally or internally, without really addressing the problems. During a change, problems are quite normal and awareness of this was confirmed by every interviewee; however, these issues must then be seriously addressed in a timely manner to make work pleasant again for all affected employees.

3.3   The Experience I Made

As a leader who has not been with the company for long, it is evidently difficult to judge whether something is changing for the better, but I can nevertheless provide an impression of the transformation process and how its implementation has occurred. Since I was being offered new job perspectives, transparency was very important to me, which unfortunately was not forthcoming. I had to trust in something that was not tangible. Without transparency, a leader cannot assure their employees of stability and address their concerns regarding the upcoming change. Open and honest communication was necessary much earlier beginning with the top management. To be confronted with all the changes that have a huge impact on how we work today has interposed a lingering and unpleasant feeling. Similar to the interview participants, I would have expected our expertise to be consulted so that we could assist with improving optimisation. However, since this consultation only occurred to a limited extent, there are some processes and tools that have not been thought through and cause considerable problems at the cost to the project teams. Fortunately, my job position empowers me to proactively involve myself by motivating employees, giving my suggestions to the change team, and setting a good example. The employees should always be the focus of attention, and everyone's concerns need to be addressed individually. Additionally, the corporate's strategy and vision must be aligned with the employees' expectations toward a sustainable and successful corporate future. As can be derived from Section 2.3, there is no standardised agile transformation training that can be applied to a corporate for guaranteed success, rather it must be tailored to the needs of each corporate. In addition, experience must be gained and built upon during the process.

Therefore, it is understandable that problems occur; what is decisive is how the problems are addressed. Employee feedback and expertise have to be sought as early as possible.

3.4 Corporate Initiatives Summary Based on Empirical Research

The following Table 4 provides a list of corporate initiatives requested by the employees in the empirical research.

Corporate Initiatives	Transparency during a transformation was at the forefront for everyone. Transparency creates trust, encourages employees to get involved, and promotes ownership.
	Trust your employees, and they will trust you back. Trust in and by the upper management determines a corporate's success during a change process.
	Employees should always be in the spotlight of a company and a transformation should embolden them to further give their best. With every initialised change you should ask yourself "What impact will this change have on the employees?"
	Make sure the supervisors believe in the transformation; they are the role models for the employees. If they do not believe in it, the employees will not believe in it either.
	Only as a team is it possible to master this change. You need to approach this as a team and not, as usual, that each department fights for itself.
	Changes should never be initiated based only on poor KPIs. Employees should be consulted in advance and capacities evaluated. Additional work results in poor performance.
	Obtain as much knowledge as possible from your employees. Every interviewee would have been delighted to provide their expertise since doing so contributes to the corporate's success and therefore creates safe workplaces.
	Do not work only on existing processes or tools and thereby make everything even more complicated for employees. Question the existing and try to simplify it.
	New processes and software must be tested before they are rolled out. Make sure that these changes offer added value and make work easier for employees.
	Training must be efficient, and employees must subsequently feel capable of managing their jobs. Pure motivational speeches have little effect.
	Do not offer just positive marketing, neither external nor internal, because change always brings challenges. Take on the challenges and win your employees' trust by conquering problems.
	Do not tempt people with small salary increases; instead, create perspectives for them. A successful company motivates employees to contribute for many years and to grow with them. All employees should be treated equally and not just promoted as a result of relationships.
	Not everyone is compatible. When restructuring teams, ensure that the employees and the supervisor want and can work with each other.

Table 4: Summary of corporate initiatives based on empirical research findings

Source: Own illustration, corporate initiatives gathered from Chapter 3 Empirical Research

4. Conclusion

Employee C2C is one of the major variables needed to succeed in agile transformations, and corporate initiatives will elevate employees' C2C. The literature review and the empirical research have closed the identified research gap and a holistic corporate initiative summary has been presented. Through the extensive insights provided into a transformation in a global automotive supplier company, it has become clear which corporate initiatives were sorely lacking. In particular, I would like to address the lack of transparency, the lack of employee involvement, and the lack of capacity allocation. If the corporate initiatives gathered from this study had been implemented, according to the interviews conducted, the C2C would have been significantly higher. Moreover, it was surprising that cultural differences were not considered at any time in the transformation, which is essential when approaching a global change. It is also important to emphasise that although the automotive industry was strongly discussed in this study, the conversations with managers from different areas, as pointed out in the introduction, clearly show the need for change in many other industries as well. Therefore, the knowledge gained, especially the findings from the literature review, can be applied in other industries.

In further research, the corporate initiatives from this holistic summary could be applied to a company that is about to approach an agile transformation to capture the increases in success. If confirmed as successful, this knowledge could be transferred into a framework, as occurred with Holocracy[9]. Doing so would make the knowledge even more accessible and applicable.

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[9] Holacracy is a new way of structuring and leading an organisation by replacing traditional management. Power is distributed through a concrete organisational structure that gives freedom to individuals and teams while being aligned with the purpose of the organisation (Robertson, 2015).

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Appendix

- ▪ Age: 43 | male
- ▪ Employed at the plant: Austria | Function: Development Leader | Remained with the company
- ▪ Interview type: face to face | Language: translated from German

Interviewer: *What educational background do you have?*

Participant: I first completed an apprenticeship as a mechatronics engineer and then started working in development here.

Interviewer: *For how long are you with the company and for how long are you in this position of a development engineer?*

Participant: About 10 years ago, I took over as team leader and since the restructuring last year, I have been department leader. I am with the company a bit more than twenty years.

Interviewer: *What exactly is your job as Development Leader?*

Participant: We develop products together with our customers. Additionally, I have the personal responsibility for all our developers, and we work continuously hard on improving our department KPIs.

Interviewer: *What did you expect from the transformation?*

Participant: More transparency, fast and agile project execution, such as team thinking.

Interviewer: *Are the corporate values lived in the company and can you identify with them?*

Participant: I can identify with them, but I don't have the feeling that they are lived by everyone, at least not by all departments.

Interviewer: *(Sub-question) Are these values new or is it just marketing, that they highlight it now?*

Participant: No, we have had these values before, and they have only been described again in more detailed text for the transformation vision.

Interviewer: *What has changed for you in the progress of the agile transformation? (Sub-question) Regarding the team, software, or your task?*

Participant: Nothing has changed for me yet, only the office and my boss due to the separation into customer divisions. Ok, a little bit of the to-do's and that we have to do more reporting because we don't have an assistant anymore. But otherwise, it's almost the same as before.

Interviewer:	Have you been involved in the transformation, or have you been able to contribute somehow?
	(Sub-question) Did get the chance to provide your expertise?
Participant:	No, there were only five chosen ones, and I wasn't one of them. I would have liked to provide my expertise, but they did not ask for it.
Interviewer:	(Sub-question) What was it like when all the changes were announced but every change was planned by others with less experience than you?
Participant:	That is a very good question. It will turn out what the result of all this is, as we already had some trainings. We will soon get to know whether it will bring something, but at the moment I don't have the feeling that this will change much for the better.
Interviewer:	(Sub-question) Have you been adequately trained to be able to work efficiently with the new processes and tools?
Participant:	No, because all the documents and records are not yet available. In addition, half the organization has not yet been trained, i.e., the interfaces have not yet been defined and therefore it is not yet possible to work on the basis of the new process.
Interviewer:	Are there corporate initiatives that have driven your commitment to change during the transformation?
	(Sub-question) Or how the management should have exemplified this?
Participant:	I have more of a problem with management wanting to roll everything out too quickly. Because we have now invented something new and have fixed pilot teams, but now this test time has been cut to one month with the requirement to rolled out everything worldwide and that is simply far too short. No insights can be gained in this one month. It will definitely turn out what happens when the external consultants left, whether everything has value or not. Currently, we don't even have the capacity to implement everything. This has nothing to do with whether I want to commit to change or not, at the moment I simply can't tackle everything because of the lack of capacity.
Interviewer:	Was ownership promoted?
Participant:	Ownership is one thing, but I would have hoped, or even expected, that my expertise would have been called upon, since I have been with the company for a long time. If this had been done, and my insights had been incorporated into the change, then this would certainly have boosted my ownership. Unfortunately, this did not happen, only few selected people have been interviewed such as only few selected projects have been analysed. I don't even know which projects were considered here, depending on the scope,

	these have a completely different impact on the processes. However, I really would have liked to have been involved at least a little.
Interviewer:	*Were there any role models that motivated you to commit to change?*
Participant:	I don't need motivators to work here, I have that basic attitude anyway. That's not the deciding factor for me, for that I've been with the company for too long. Of course, I have seen many changes, many changes that were implemented and then quickly abandoned. That's why you must let it happen first and see what the outcome will be. And as I said, if this change is not to be, then it will be withdrawn again. I have seen many tools that we have tried and used, but in the end, they were not used in the long term.
Interviewer:	*Would a pay rise or a job elevation to for example a team leader position has strengthened your commitment to change.*
Participant:	No, neither a pay rise nor a job elevation. I wouldn't need a parking lot either, it's only nice when you come in late. So, it is only a nice to have.
Interviewer:	*What would have unleashed your commitment to change? What should have been done better?*
Participant:	I would have liked to see more transparency at the beginning, that it hadn't been kept so secret, especially regarding the breakdown into the customer divisions, which affects us all, we have been trapped in the dark for a relatively long time. So, what was planned here and what is being implemented, I am clearly of the opinion that this should have been communicated more openly. I think there have also been some resignations because it was just not clear what was happening and what was being restructured. You can see now that some are coming back. That's how you can tell that it wasn't clear at the time and that the increased transparency has made it a bit better. If it had been communicated better from the beginning, these employees might not have left in the first place. That is, of course, only an assumption.
Interviewer:	*(Sub-question) Did the installed info-hub ever Wednesday help toward a transparent communication?*
Participant:	Well, everything was already done, so not really. We had already moved into the new building and the restructuring was as good as complete. But of course, it's hard to ask something explicitly if I don't know what's going to change. Everything has always been top secret

<u>Participant 2:</u>

- Age: 59 | male
- Employed at the plant: Austria | Function: developer | Remained with the company
- Interview type: face to face | Language: translated from German

Interviewer: *For how long are you with the company and for how long are you in this position of a development engineer?*

Participant: My whole life, it feels like. After an electrician apprenticeship, I started working here directly as a developer. But the tasks were completely different back then, there was a lot more inventing. Today, we have a lot of bureaucracy to deal with. However, after the company was sold and restructured by the new owner, ever since I have been in this position.

Interviewer: *What exactly is your job as a developer?*

Participant: As part of the project core team, I am responsible for the development and implementation of products, which are designed in close coordination with the customer on their requirements. As we are active in the automotive industry, there are many documents to maintain and standards to comply with.

Interviewer: *What did you expect from the transformation?*

(Sub-question) Did you have any expectations regarding the transformation?

Participant: I had very mixed feelings about this restructuring anyway. This was because all employees were very concerned in the initial face and the rumours also reinforced this. One of the rumours was that all employees will be lumped together and then the teams will be configured randomly. This has of course led to some employees quitting because the team was very important to them. And in addition, we in development are deprived of certain activities that made being a developer exciting. If this falls away, then it no longer has much to do with development. This has certainly also caused layoffs. It even happens that not even those who give trainings know exactly what they are doing here. Rather, they gave motivational trainings. They have simply tried to reinvent the wheel. Even processes that worked somehow were abolished and replaced by new ones. And those who introduced new software do not come from the expert departments and therefore they don't care how difficult it is to use. That's probably what caused the most restlessness in the restructuring, and that's why I didn't have too many expectations here.

Interviewer: *What has changed for you in the progress of the agile transformation?*

(Sub-question) Regarding the team, software, or your task?

Participant: Exactly, yes, the team has changed completely. That's also something I don't understand. The teams that has worked together for a long time has been torn apart. Before, you could place a question in the room and gather expertise, now that only the core team is sitting together consisting of different departments, that's no longer possible. And I also think that if someone new starts in our company today, I can't imagine that they'll stay for long, they'll have to gather all the information from everywhere. He has no one at his side whom he can ask quickly and get the missing information. And the online process descriptions are all well and good, but everything is missing here in terms of interpersonal relations. In addition, of course, all the knowledge is lost. I often feel this way, despite many years in the company, but the many changes make it difficult for me to work efficiently. I really don't want to talk badly about the whole thing, the company is close to my heart, but that's why I see the whole thing so critically now. I would have been happy to contribute my knowledge here. I just think that the bureaucrats have the say here in the company.

Interviewer: *(Sub-question) You are referring to KPI`s?*

Participant: Right, here only numbers are considered, and decisions are made on their basis. But what influence this might have on the employees is not questioned. It feels at least for me. Oh, something additionally I also noticed. We have a great problem awareness, which is great in principle. But we talk a lot of nice and nobody takes care of the real problem. I guess everyone just wants to present themself as good as possible in front of the management. And well, there are also often just excuses. There was too little money to overhaul a software and finish properly or capacitively it was not possible. But all this should have been clarified in advance. We also rely heavily on individuals, if they then quit, quite some knowhow is leaving the company with them.

Interviewer: *Have you been involved in the transformation, or have you been able to contribute somehow?*

(Sub-question) Did get the chance to provide your expertise?

(Sub-question) What was it like when all the changes were announced but every change was planned by others with less experience than you?

Participant: I have often asked myself what they actually want to improve. It was not clear to me what exactly they had set as their goal, because there were processes and software that worked quite well. You will then simply be presented with accomplishments, which you can then deal with yourself. For me, all of this is incomprehensible anyway. I like to compare it with the development of

smartphones. The user interfaces are first tested by small children so that further everyone can handle it easily. I am of the opinion; it always has to be simple. And when I look at our tools, many come to my mind, I really wonder whether the right people were hired here. But the thing that weighs on my mind is that no one wants to hear it. It is all just sugar-coated.

Interviewer: *(Sub-question) Have you been adequately trained to be able to work efficiently with the new processes and tools?*

Participant: Training has taken place and there are still some to come. In addition, certificates of attendance are given out, etc., but what is the point really? We have had training, but some of it has left us wondering what it was all about. It felt like it was just held so that they could say that we are now trained and can work with the new processes and software. But then no one is interested in the problems that arise, we should solve them ourselves because we had the training. And the trainings were only carried out by those who don't really know what we do every day. We also need so much training only because it is not self-explanatory. If something is simply constructed, you usually don't need to train it. Again, like the example with the smartphone. Here, you never need training for innovations, they are mostly self-explanatory.

Interviewer: *Was ownership promoted?*

Participant: Not really, the selected consultants have taken care of the implementation here. Actually, for a longer time, I had no idea what was about to happen and what impact this restructuring process will have, a certain transparency would have motivated me to bring in my expertise.

Interviewer: *What would have unleashed your commitment to change? What should have been done better?*

Participant: Change is usually something good. I would have expected this to be done by experts. People who have been working in these fields for years and know the fundamental problems. And as briefly mentioned before, that they would have tried to make our lives easier then to fill it with even more bureaucracy. We had some good tools, for example the time management. The new tool might help administratively, but for us as users, the new one just makes everything harder. Simple self-explanatory tools are also much more pleasant for new employees to grow into the job.

Interviewer: *Were there any role models that motivated you to commit to change?*

Participant: No, not really. But maybe I've been around for too long and maybe I am even too old for the need of external motivators that could have changed my mind.

Interviewer:	*Would a pay rise or a job elevation to for example a team leader position has strengthened your commitment to change.*
Participant:	Absolutely not. Money is no longer an incentive for me. Close to retirement, you often don't need as much as you used to with children etc.
Interviewer:	*(Sub-question) What if this change would have carried out ten years ago, would this have changed your minded? Would you still have sticked to the company?*
Participant:	Because of our dispatch system, it was not so easy to change companies, you would not get the dispatch money anymore. In other words, you often stayed in this respect. But clearly without considering this, I would certainly have looked around for new job opportunities.

Participant 3:

- Age: 33 | male
- Employed at the plant: Austria | Function: developer | Left the company
- Interview type: face to face | Language: translated from German

Interviewer:	*For how long are you with the company and for how long are you in this position of a development engineer?*
Participant:	I have been with the company for almost eight years now and I have been in this position since day one.
Interviewer:	*What exactly is your job as a developer?*
Participant:	We develop customized solutions for any application needed in automotive vehicles, although I have specialized more in connection solutions.
Interviewer:	*What has changed for you in the progress of the agile transformation?*
Participant:	Unfortunately, almost everything. I was assigned to a different team and therefore also to a new team leader. In addition, I am working now on a different product group, and I have to work with new software and processes, which is really exhausting.
Interviewer:	*What were the key factors behind your decision to leave the company?*
Participant:	There are many. As I just mentioned, I was transferred to another team, and I don't really get along with the new team leader. The trust I built up with the previous leader is something I am struggling to regain. In addition, my social structure was broken up and I find that very unfortunate, especially the team cohesion and the shared lunch breaks I will miss.

But what really set off my alarm bells was the resignation of the CEO during a restructuring he had initiated. We know he is ill, or at least was, but we |

needed him at such a time to lead by example and put trust in this huge agile transformation. If he doesn't believe in it, why should we?

What also cost me a lot of energy were all the new processes and the new software tools that had to be used all of a sudden. We were hardly trained, because there was simply no time for it and many programs were still very error prone. This cost us additional time and it is frustration. I believe these tools must be tested properly in advance before they will be imposed on the staff. However, the management does only see the promise of increased efficiency. In addition, all these efficiency-enhancing tools, at least according to the theory, take away all your creativity as well as your flexibility. In companies, all they do is optimize, but rarely do they look at the impact it may have on the employees. Well, in summary, I can say that I can't innovate anymore, and I would do only the work of a clerk after the transformation.

Interviewer: *Would a pay rise or a job elevation to a team leader position could have prevented you from quitting?*

Participant: Sure, more money might have changed my mind, but it would have had to be quite bit more, and I know the salary policy here. They would have fobbed me off with just a few euros. However, I would not have been interested in a promotion to team leader, I like being a developer.

Interviewer: *What would have unleashed your commitment to change?*

Participant: I have hardly thought about that yet. But yes, as already mentioned, it would have been important for me if the leaders and the upper management had set a good example and not leave a sinking ship before we even know what the future will bring with it after the transformation.

In addition, open and early communication would have been very important for me. Processes and changes were always defined behind closed doors, even by employees or external consultants who don't even know what we do on a daily basis. Here, processing times of workflows were analysed without questioning why they might have been blocked by use. I would have been very happy to provide my knowledge and experience, even if this would have involved extra work, but this was not requested. In general, I would have liked to be more involved in the transformation and culture setting. We have a strict top-down feedback culture and feedback from subordinates to their leaders is not often requested. This would have promoted my commitment to change if I had been able to voice my opinion and suggestions.

We also lack the WE philosophy. We were always well harmonized in our team, but there were always conflicts with the other departments, and the

work suffered as a result. Often, the escalation always happened on a leader level without first seeking a dialogue with us. Here, the idea that we are all pulling in the same direction, so that we are one big team, would definitely have boosted my motivation and commitment.

There were also many changes and regulations, monitoring tools, which showed that there was not much trust in the employees. I always got the most trust from my supervisor, which I would have expected from everyone else, especially from the upper management. Just as an example, working for home once a week. I could have done my work from home with the same quality, but because there was no trust, leaders always said that many people at home were taking advantage of it and that they should be present in the company. I worked during a Covid-19 lockdown from home and great results occurred, but still no trust was given by leaders. I would have liked to have this trust and the opportunity to work from home more often, especially since I drive 45-minute one way.

<u>Participant 4:</u>
- Age: 30 | male
- Employed at the plant: China | Function: developer | Remained with the company
- Interview type: Online meeting | Language: English, interview language

Interviewer: *What educational background do you have?*

Participant: I completed a bachelor's and master`s degree in mechatronics, of which I am very proud of.

Interviewer: *For how long are you with the company and for how long are you in this position of a development engineer?*

Participant: I have been with the company for two years and in this position for one and a half years.

Interviewer: *What exactly is your job as a developer?*

Participant: In principle, I develop products together with the customer, or with the customer developer, which he needs. In my case, these are connectors and wiring harnesses with single wires. That means no jacket cables, only single wires.

Interviewer: *What did you expect from the transformation?*
(Sub-question) Did you have any expectations regarding the transformation?

Participant: Yes, I did have expectations. That the bureaucracy will become less and communication more efficient, due to the new teams. This is due to the new

	office structure and the fact that processes are also becoming leaner, that we can operate and clarify problems again way quicker. Those were my expectations.
Interviewer:	*Are the corporate values lived in the company and can you identify with them?*
Participant:	Flexibility, I believe that that this is true, especially due to the new process brought through the transformation, and through the field of change management. So yes, I definitely think that this is lived. The value together, has become much better since we are sitting together here in the new building and with the new team in the office. Especially in the direction of development, so with the core team. Project management, engineering development, quality, and process development. This works much better, in my opinion.
Interviewer:	*(Sub-question) How about reliable, efficient, or profitable?*
Participant:	Of course, if our processes become leaner and have faster throughput times, then it will probably also become more profitable. And also, because we sit together in the office, we have better communication channels. Or by making more clarifications in advance before they become a problem. There is a curve in the development phase as to how much influence changes have on costs. So, in the beginning, changes have very little influence on the costs of a project, and towards the end of the project, the costs become higher and higher. In any case, I think that the faster communication channels will make things much better in the future.
Interviewer:	*What has changed for you in the progress of the agile transformation?* *(Sub-question) Regarding the team, software, or your task?*
Participant:	The team has changed, and I have a new supervisor. Spatially, too, working is completely different when different disciplines sit together. The tasks itself haven't really changed yet, but the transformation will in future change some of my responsibilities.
Interviewer:	*(Sub-question) Was it difficult for you to accept the change, especially with the new team and supervisor?*
Participant:	No, not at all. For me it was relatively unproblematic, because it's a relatively young team and a small office compared to others, and it's going very well. My new supervisor is also a very pleasant person.
Interviewer:	*Have you been involved in the transformation, or have you been able to contribute somehow?*

	(Sub-question) Or did they work on the change behind closed doors and further simply presented it to you, which you now must handle that way?
Participant:	So, I personally was not asked and could not contribute, but my colleagues from my old office were interviewed by external consultants. The consultants observed and analysed the activities of my colleagues. Nevertheless, I am now part of a test team in which we are testing the new processes. I think we can contribute and make a difference.
Interviewer:	*(Sub-question) Do you feel like that not every problem was captured since only a few from your department were interviewed?*
Participant:	I think the most important topics have been recorded and since I'm still a relatively new in the company, I wouldn't have been able to contribute too much here.
Interviewer:	*Have you been adequately trained to be able to work efficiently with the new processes and tools?*
Participant:	Yes, I think it is sufficient. Of course, we must now provide the information material even more clearly, but we had all the trainings, and their content was also understandable for me. So that fits so far for me, and you also know the contact persons, should questions arise once. For that, there are internal Coaches which can support and accompany us.
Interviewer:	*Was ownership promoted?*
Participant:	This was absolutely required. At each training session, it was emphasized that not everything had been worked out yet and that experience with the test teams had to be gained first. Also, that the whole transformation process will accompany us for some time and that everyone can make his contribution. Therefore, like this it can be steered in an even more efficient direction.
Interviewer:	*Are there corporate initiatives that have driven your commitment to change during the transformation?*
Participant:	I believe there were no such general initiatives, but what motivated me was the new team and the coaches. Especially those who have been involved in the transformation from the very beginning radiate that this is a great thing and that they believe in the changes. And if that is the case, it can motivate others as well.
Interviewer:	*Were there any role models that motivated you to commit to change?*
Participant:	Exactly, the coaches who have always spoken very positively about this change process. And of course, you think about it yourself and you do not adopt everything that is said by them, but just when you think about it by yourself, you realize that the changes make sense and can make our work

easier. Well, there is a great atmosphere in the team, and everyone is committing to the change, which also helps.

Interviewer: *Would a pay rise or a job elevation to for example a team leader position has strengthened your commitment to change.*

Participant: No, I don't think that a salary increase here would have spurred me on. I commit out of conviction and money would not have made much difference. But yes, through the new team constellation, in small focus teams, new possibilities have formed which have given me new perspectives. My old department was quite large, and I would only have had a few opportunities to prove myself as a possible team leader, which may now be possible in near future. To be given this prospect definitely motivates me.

Interviewer: *What would have unleashed your commitment to change? What should have been done better?*

Participant: That's difficult, I've not gave it many thoughts so far. But what would have been important to me is transparency. Only since short, we are regularly informed and trained. Before that, however, it was not clear how we will continue and good employees resigned, which I found very unfortunate. Sure, they could have let some time pass and then take a decision, but somewhere I also understand them. It was always a bit uncertain how things would continue. Also, the restructuring, from one big department into small focus teams in a new building. Everything was new and no one really knew what to expect. But I am sure not even everything was always so clear for management either, until it was implemented. However, new software and new processes were placed, but these were not really tested in advance. I think this is also due to the pressure on the management. But these fast rollouts cost the employees a lot of nerves and this could have easily been avoided. Additionally, what I also find quite threatening, in the social media channels we are always reported by the great happenings, but that does not correspond at all with the facts we face internally, and that makes many currently very angry. It would be much better to point out the problems, take care of them and everything would be fine.

- Age: 28 | female
- Employed at the plant: China | Function: developer | Left the company
- Interview type: Online meeting | Language: English, interview language

Interviewer: *What educational background do you have?*

Participant: After primary and then secondary school, I attended university and graduated there in engineering. Right after that, I started working here.

Interviewer: *For how long are you with the company and for how long are you in this position of a development engineer?*

Participant: I have been with the company for roughly four years and have been in this position from the beginning on, where I was trained for the first three months.

Interviewer: *What exactly is your job as a developer?*

Participant: Often we get products from the head quarter in Austria that were developed for the European market, and if the customer wants to sell and produce in China, the country requirements must be adopted to the product accordingly. But we also develop completely new products, and we do that together with our customers.

Interviewer: *What did you expect from the transformation?*
(Sub-question) Did you have any expectations regarding the transformation?

Participant: I expected that the cooperation between the different plants or the individual departments to get better again, processes to become clearer and teamwork to be strengthened. This should make it possible for us to complete projects faster, more flexibly and more efficiently.

Interviewer: *Are the corporate values lived in the company and can you identify with them?*

Participant: Of course, I can only judge based on my rather short time within the company, but I don't have the feeling that the values are lived. But the company wants to change something toward that with the transformation. It will be important that everyone here lives these values in the future.

Interviewer: *What has changed for you in the progress of the agile transformation?*
(Sub-question) Regarding the team, software, or your task?

Participant: Pretty much everything has changed, at least development-wise. Especially for me, we sit in a new team together in one room, with the project manager, the process engineers and the project quality manager. However, my previous supervisor remained, what I am really glad about. Nothing has changed toward the communication with the customer, just that we should

life more the one face to the customer philosophy. But however, the procedures and processes have changed a lot. Now, quite some new software packages are introduced, which I see quite critically, since many system changes have taken place in the past and always new problems occurred. These changes are coming in very quickly, and we are not yet sufficiently trained, and additionally, the system does not cover all requirements. Many tools need to be currently retroactively optimized upon our experience, which is tedious.

Interviewer:	*(Sub-question) What was it like for you when all the new changes were introduced?*
Participant:	What I find unfortunate is that the company has now planned and prepared the optimizations for more than a year and has done it behind closed doors. Now this is presented full of joy, and we are faced with a fait accompli. And now we must acquire all the knowledge we need to work with the new tools and processes in a short time, deal with the error-prone systems, and do all this in addition to our day-to-day business. The current days are intense as well as energy draining and the problems probably could have been solved in advance, with the right transformation approach.
Interviewer:	*(Sub-question) How was to sit with employees from different departments in one room, without your previous colleagues?*
Participant:	At first, I was a little sceptical, but now I think it's great because we have short ways to communicate. We don't have to share simple information via emails anymore and fewer meetings must be held, and we got therefore more time to work on different tasks. So, for communication and teambuilding, within the core team, this change has been great.
Interviewer:	*Have you been involved in the transformation, or have you been able to contribute somehow?*
	(Sub-question) Did get the chance to provide your expertise?
Participant:	No, I didn't have that opportunity. I felt that everything was controlled via the head quarter, and I don't know how our plant in China was involved here. In general, I believe more employees should have been interviewed here. Our leaders were also only slightly involved here, as far as I know, of course. There is always a lot that happens on a voluntary basis, but especially when there is a high workload regarding the customer projects, there is little interest in getting involved here in addition tasks. The employees should simply have been selected, and then everything could have been brought to light. I also notice that all our leaders experience more and more pressure from the top

Interviewer:	management, which is why hardly anyone dares to point out the current problems.
Interviewer:	*(Sub-question) Have you been adequately trained to be able to work efficiently with the new processes and tools?*
Participant:	That is also something wanted to mention. There are trainings, in which it is often emphasized how great everything is new and how smoothly everything works, but that is never the case. It is only understandable if something doesn't work right away on day one without problems, but it doesn't help if you close your eyes to the problems that occur and that you pass on an update to the top management that everything works exactly as expected, just to possibly create a good reputation for yourself. However, the trainings are not tailored, and many hours are purely informative, here I would have expected that really our tasks are trained, instead of a motivational speech.
Interviewer:	*Was ownership promoted?*
Participant:	No, not really. As briefly mentioned, much happens based on once personal initiative, but this was not encouraged through the corporate. You could still bring up ideas or suggestions in a later face of the transformation, but it felt like everything was already set in stone. And if you were asked to commit to change, it was more likely to come from the coaches itself who took care of the transformation.
Interviewer:	*Are there corporate initiatives that have driven your commitment to change during the transformation?*
Participant:	No, I don't think so. Here, expensive external consultants were hired to turn the entire company upside down to optimize on the basis of red KPIs, but no one thought about the employees. Here, not even the employee capacities were considered, and some employees got now twice as many tasks as they had before.
Interviewer:	*Would a pay rise or a job elevation to for example a team leader position has strengthened your commitment to change.*
Participant:	No, in my case this would not have changed my mind. As a team leader, I would only have more pressure and would have to live the wrong processes and tools even more. In other words, what made me leave would not have changed through a pay rise or a job elevation to a team leader or more. What I have noticed from my colleagues in general is that the company rarely gives salary increases and prefers to look for any reason not to give them. Some of those who have left the company and then come back get a good increase

straight away. Although these people would probably thankfully take their old job again for the same money.

Interviewer: *(Sub-question) As a team leader, you would have had the opportunity to steer things in the right direction, does this chance your mind?*

Participant: I have only been in the organization for a short time, of course this would be interesting, but I don't think I would dare to lead a team myself with my limited professional experience.

Interviewer: *What would have unleashed your commitment to change? What should have been done better?*

Participant: A lot. First, it would have been important to me personally that everything related to the transformation is communicated more transparently and that everyone is really involved. I am aware that this means extra work for everyone and costs the company extra money, but the added value would have paid off. Furthermore, how can it be that some functions are burdened with additional tasks, but no budget is made available for new employees? If someone then leaves, their colleagues can no longer save themselves from a high workload. Here it becomes clear once again that the management only looks at the red figures and does not have the big picture in mind. I am of the opinion that the employees are the most important asset, without motivated employees nothing can be implemented. Maybe a small thing about the job elevation, whether it would have motivated me. Maybe it would, but I have also seen that due to the restructuring, some people with a good connection to the management here have been promoted without any qualifications, and well, that has devalued the jobs and promotions for me. I want to convince with my performance.