



VILNIAUS UNIVERSITETO
VERSLO MOKYKLA

INTERNATIONAL BUSINESS PROGRAMME

EIVIDAS AUGUSTINAS GRINIUS

BACHELOR THESIS

<p><i>POKYČIŲ VALDYMAS ORGANIZACIJOSE NEAPIBRĖŽTUMO SĄLYGOMIS</i></p>	<p><i>CHANGE MANAGEMENT IN ORGANIZATIONS UNDER CONDITIONS OF UNCERTAINTY</i></p>
--	---

Student

A handwritten signature in blue ink, appearing to read "Eividas Grinius", written over a horizontal line.

Supervisor prof. Dr. Danguolė Oželienė

Vilnius, 2021

SUMMARY

VILNIUS UNIVERSITY

BUSINESS SCHOOL

INTERNATIONAL BUSINESS PROGRAMME

EIVIDAS AUGUSTINAS GRINIUS

CHANGE MANAGEMENT IN ORGANIZATIONS UNDER CONDITIONS OF UNCERTAINTY

Supervisor prof. Dr. Danguolė Oželienė

Bachelor thesis prepared – 2021, Vilnius

The thesis consists of 58 pages.

Number of tables at work – 9 pcs.

Number of literature and sources - 43 pcs.

Trumpas aprašymas:

Kiekviename versle visada galima ką nors patobulinti, kad būtų išvengta atliekų, išlaidų ar žmogiškųjų klaidų. Norėdama padidinti efektyvumą, sumažinti riziką ir supaprastinti verslo operacijas dėl didesnio pelningumo, organizacija turi priimti protingus sprendimus. Beveik kiekvienas pasirinkimas lemia mažą ar didelį procesų ar darbo eigos pakeitimą, todėl tinkamas pokyčių proceso valdymas yra būtinas norint bet kokią pakeitimą įgyvendinti efektyviai ir nesukeliant papildomų sunkumų. Baigiamajame darbe bus analizuojami trys populiariausi pokyčių valdymo modeliai, kurių metu bus išsiaiškinta, kas yra esminiai dalykai sėkmingiems pokyčiams organizacijoje. Taip pat, pasitelkus literatūros analizę, įgyta žinių, kodėl įmonėms reikalingas pokyčių valdymas. Be to, bus atliekami ir analizuojami kokybiniai ir kiekybiniai tyrimai. Kokybinis tyrimas buvo atliktas su dviem vadovais iš labai skirtingų įmonių: viena siūlo programinę įrangą elektroninės prekybos pardavėjams, o antroji siūlo visas laidojimo paslaugas, įskaitant kremavimą, nes įmonė turi savo krematoriumą Lietuvoje. Kiekybinio tyrimo metu buvo atlikta šių dviejų įmonių darbuotojų apklausa, nes būtent jie susidurs su darbo krūvio ar naudojamų technologijų pokyčiais. Po to, remiantis literatūros analize ir tyrimų analize, buvo padarytos išvados.

Short description:

There is always something that can be improved in each business to eliminate waste, expenses, or human mistakes. To boost efficiency, decrease risks, and streamline business operations as a consequence of increased profitability, the organization must make wise judgments. Almost every choice results in a minor or big change in the processes or workflow, therefore managing the change process appropriately is essential for implementing any change efficiently and without causing extra difficulties. In this thesis, there will be an analysis of the three most popular change management models where it will be found out what are the key things for successful change in an organization. Also, the knowledge was gained on why companies need change management using a literature analysis. Moreover, there will be qualitative and quantitative researches conducted and analyzed. The qualitative research was held with two CEOs from very different companies: one offering software for e-commerce sellers and the second one offering all funeral services including cremation as the company has its own crematorium in Lithuania. On the quantitative research, there was a survey created to these two companies' employees as they are the ones who will face the change directly on their workload or technology used. After that, the conclusions were created based on the literature analysis and research analysis.

Problem, goal, and tasks of the work:

The problem is that when businesses strive to adopt changes to save costs, eliminate risks or human errors, and generally streamline the business, the process of change includes more than just changing some things. Employees are human beings with opinions, beliefs, and habits, and if they are dissatisfied with the change, their performance will drop significantly, which will be detrimental to the organization and the team. The goal of this study is to create a change management model. The main tasks for this thesis:

1. To familiarize, compare and comprehend the most popular change management models using a literature analysis
2. To understand why companies need change management using a literature analysis
3. To conduct qualitative research with CEOs to understand the current situation in two companies
4. To conduct quantitative research with two companies' employees to hear the voice of the ones, who have to face the consequences of change
5. To create conclusions based on the literature analysis and research results analysis

Research methods used in the work:

Literature analysis, quantitative and qualitative researches.

Research and results obtained:

Conducted analysis showed that it is very important to prepare companies' team before the change period.

Conclusions of the work:

1. The knowledge was gained about the main similarities and differences between 3 the most popular change management models by analyzing various literature sources about them. These models were Lewin's change management model, the systematic change model (Kast) and Leavitt change model. It is crucial to note that all of these models are still extensively used and popular, and they are suitable for firms that are experiencing internal changes today. When these models are compared, it is seen that they have certain parallels and differences. Some models dives deeper into the preparation for the change which is very important, as seen on the research part of this thesis.
2. It is crucial to note that change management is not simple. There are a few major issues to consider while managing change, such as resistance. The process itself can be time-consuming, and it is critical that everyone knows why this change is necessary and what advantages will arise. All personnel at all levels of the business must communicate effectively and participate. It requires people who recognize that this little period will produce significant benefits for them in the long run. Every day, managers must assess how changes in their environment may influence the strategy of their business unit (e.g., is it time to abandon a product line). Their responsibility is to determine if the strategy change need immediate action or if it can be postponed until a later period or year. They must also determine if adding resources to solve the problem would exacerbate the problem (i.e. offer no value) or whether the resources can be redeployed to address a different problem (i.e. it adds value). So it is crucial to use change management to aquire certain results as smoothly as possible.
3. According to the qualitative research it is clear that two things for change implementation is the most important: relationship between team and managers and teams' preparation for the change period. In the C1 data has shown clearly that the team was well prepared for the change, each team member knew what was going to happen, what will be the direct change on their workload and what will be changed technology wise. As Lorsch (2011), stated "the planning necessary to understand the nature of the events one is facing, the response

required for successful adaptability, and communications that will bring about a responsive response." It wasn't the same with C2 as they did have a lot of misunderstandings and risen unexpected incidents that they have to deal in addition to the change management.

4. According to Gaili (2020) one of the most important things is to work with the people that will have the direct impact on their daily tasks or workload during and after the change. After analyzing the quantitative research that was made with two companies' employees a very huge difference between these two companies was seen. The preparation for the team was way smaller in C2 when compared with C1. It was seen on some questions about having the ability to express themselves to employees regarding the changes they were experiencing or evaluating managements' decisions. C1 employees' are more positive about their management's decisions. As for the C2, the results were more shifted to the negative side. It is crucial for management to have a great relationship with their employees and prepare them directly before the change period as they will be the ones, who will directly feel the change on the workload, technicality of their jobs or other things.
5. Overall, to successfully implement any change in organization it mandatory to use any kind of change management model. Besides that, as the research of this thesis showed, it is crucial to prepare the team before the change. To explain the need for change, reason for that and answer all the questions they might have.

Information about the publication of the work results or adaptation to publication:

The thesis was sent to two companies' management: Multiorders and K2 LT. As these were the companies that the research was conducted and both CEOs wanted to get the research analysis about their businesses.

TABLE OF CONTENTS

INTRODUCTION	7
1. THEORETICAL OVERVIEW OF THE TOPIC	10
1.1 Change management	10
1.1.1 Challenges of Change Management:.....	12
1.1.2 Starting points for change management	15
1.1.3 Conditions of uncertainty	18
1.2 Change management models	19
1.2.1 Lewin's change management model	19
1.2.2 The Systematic Change Model (Kast)	21
1.2.3 Leavitt Change Model	22
1.3 Comparison of change management models	23
2. RESEARCH METHODOLOGY	24
3. RESEARCH FINDINGS	27
CONCLUSIONS.....	36
LIST OF LITERATURE AND SOURCES REFERENCES.....	38
ANNEXES	42

List of tables

Table 1 Significant Barriers to Leading Successful Change, Source: IBM Research Findings, 2008.....	13
Table 2 Starting points for change management. Source: Staehle, 1999, Kostka and Mönch, 2002.....	15
Table 3 Lewin’s change management model, Source: Lewin, 1940.	20
Table 4 Harold Leavitt Diamond change management model, Source: Leavitt 1965.....	22
Table 5 Survey answers on statement “working conditions changed when the pandemic started”, 2021.	31
Table 6 Survey answers on statement “with the onset of the pandemic, the workload changed”, 2021.	32
Table 7 Survey answers on statement “with the onset of the pandemic, the workload changed”, 2021.	33
Table 8 Survey answers on statement “I appreciate the additional motivation of the management”, 2021.	33
Table 9 Survey answers on statement “What do I think is most important in change management?” 2021.....	35

INTRODUCTION

There is always something that can be improved in each business to eliminate waste, expenses, or human mistakes. To boost efficiency, decrease risks, and streamline business operations as a consequence of increased profitability, the organization must make wise judgments. Almost every choice results in a tiny or large modification in the operations or methods, so to speak. Any modification should be implemented correctly without causing extra issues. It is necessary to correctly handle the change process.

“The only constant is change, it is commonly said. This is undoubtedly and increasingly true for the business world - and thus also for the individual companies that play a central role in it.” (Caras, Shapiro, Lauer, 2020) So the notion of change covers worldwide changes in the globe to which businesses must adjust, such as climate change, globalization, and, as we have all experienced and it is still ongoing - the global epidemic. It had been caused by the SARS-CoV-2 virus, commonly known as the COVID-19 virus. It had a significant influence on the majority of enterprises, thus firms had to adjust to the present circumstances, which forced firms to make adjustments in order to survive and if the restrictions did not allow it to run, the businesses were forced to cut down costs. Employees and everyone else engaged must be included since everyone has their own set of requirements, ideas, experiences, emotions, and personalities. They will be the ones who will have to deal with the change immediately, whether that be a new process or system, or a direct shift in their workflow. As a result, the path is critical, which is why it is usual to have a specialized person in charge of change management.

The key to successful change management is to challenge the way individuals think and behave. Change facilitators help to change people's attitudes and behaviors by influencing the factors that affect their thinking and influencing the factors that affect their behaviors. There are many different enablers depending on one's situation; for example, in some organizations the enablers may be more strategic in nature whereas others may focus more on technical enablers. The drivers of change are seen in different forms, i.e., process reengineering, technology push or market pull or information push or information pull all work towards driving improvements in an organization's performance.

The problem that will be analysed in this paper is that when companies are trying to implement any changes to reduce costs, decrease risks or human mistakes and overall to streamline the business, the process of change has more than just implementing new things. Employees are humans with views, values, and habits, and if they are unhappy with the change,

their performance will suffer dramatically, which will be bad for the firm and the team. There are some approaches and strategies for smoothly implementing change in an organization, which we shall examine in this thesis.

The **purpose** of this study is to create a change management model. To do that, it is needed to familiarize, compare, and comprehend the most prominent change management models and why do any company need it. To do so, it is needed to consider the advantages and disadvantages of each model, as well as the situations in which each model would be most applicable. Aside from that, we need to know the present reality in existing organizations in order to compare whether or not the managers of their firms are aware of change management models.

The main **tasks** for this thesis:

1. To familiarize, compare and comprehend the most popular change management models using a literature analysis
2. To understand why companies need change management using a literature analysis
3. To conduct qualitative research with CEOs to understand the current situation in two companies
4. To conduct quantitative research with two companies' employees to hear the voice of the ones, who have to face the consequences of change
5. To create conclusions based on the literature analysis and research results analysis

Methods: literature analysis, qualitative and quantitative research, with semi-structured interviews and a Likert scale survey.

Gathering information from many sources in order to have a comprehensive knowledge of change management models, and then it will be studied and compared. Following that, there will be conducted two semi-structured qualitative research interviews with the CEOs of two separate firms. Following the interviews, there will be examined the responses and provided conclusions and suggestions. After this, the second – quantitative analysis will be conducted using Likert scale method.

1. THEORETICAL OVERVIEW OF THE TOPIC

1.1 Change management

Change management refers to the way in which an organization manages change within its structures, policies, functions, and personnel. It's a popular idea that things need to change in order for people to be either more productive or happier. However, it is also a common experience that when individuals are faced with the prospect of change they will often react in a way that can hamper the process. Business organizations also have to face change. The question is whether they will prepare for it and in what way.

Change management is the process of organizing for, supporting, and managing change. According to Lorsch, change management comprises "the planning necessary to understand the nature of the events one is facing, the response required for successful adaptability, and communications that will bring about a responsive response." Support comes in many forms, including training programs and developing relevant documents such as performance appraisals or performance goals for example, it would be unwise to link performance goals with changes that are out of your control unless you have made plans in advance. Compare this with a discussion of affirmative action in the hiring process, where an employee complains that he or she was not fairly selected for a promotion because of race, rather than stating it is because the company believes its best employees are white. The problem with these "don't ask, don't tell" policies is that they foster a culture of non-reporting.

Change management is one of the most commonly cited topics in human resources and information security consulting firms. Consulting firms providing change management point out that a common mistake in change management programs is treating it as a program owned by HR or IT staff. This too often results in a "mistake making" approach to change management which focuses on what needs to change and not what should remain constant.

Organizations may benefit from change management by integrating and aligning people, processes, structures, culture, and strategy. "Successful organizations do not evolve randomly, but through purposeful and dynamic strategies that anticipate, influence, and respond effectively to emergent and shifting external trends, patterns, and events." (Project Management Institute, *Managing Change in Organizations: A Practice Guide*, 2013) Change management is the process of aligning an organization with a planned and organized approach to change. Change management, in its most basic and successful form, entails working with an organization's stakeholder groups to help them comprehend what the change means for them,

make and sustain the transition, and overcome any hurdles. From a management standpoint, this refers to the organizational and behavioral changes that must be done in order to accommodate and sustain the shift.

Change in development enhances the present condition, procedure, and approach. Massive or smaller development adjustments are frequently implemented in business entities in order to maximize the effectiveness of various portions of the company and preserve overall competitiveness. A transitional shift is a substantial organizational change in which existing new processes or procedures, products or production aspects replace existing ones. Other instances of change include firm acquisitions, mergers, new product development, and the introduction of new technology. Transformational change is a major transition to a new state of being, involving a saturation point of stakeholders and a radical shift in operations and processes, structure, culture, and strategy. It also establishes the organization's new strategic vision. "A fundamental change in the meanings that cultural members attribute to their values and assumptions, which leads to a shift in the nature of cultural themes in use and the expressive content of the cultural paradigm" (McCalman & Potter, 2015).

Change is a transitional process involving various and diverse events that support the goal of shifting an organization and its stakeholders from a current state to a future state. There is often a drop in performance when responding to a change owing to an individual's usual reaction to change. The interruption might occur at any point throughout the transitional phase before the future state is reached. Adoption of the change may fail in some situations, particularly if change management is not implemented, and old behaviors may reappear. For the change to be implemented, stakeholders must begin to behave differently.

Change management leader, Fields (2017), tells "The planning of change is like trying to prevent rain. If you can't plan for it, you will not be able to manage it." It's true - if you don't know what is coming next or aren't prepared with strategies or plans in advance, then there is very little chance that your changes will go smoothly. And the longer they take to complete the more likely they are to fail. Outcomes can vary from a slight slip to a complete disaster.

Changes in organizations can be seen in different ways. The change can always be considered from both a positive and a negative perspective. A positive change in an organization is one that makes the operations run better, more smoothly, and efficiently with improvements in the quality and / or quantity of products or services produced. In some cases, the positive changes may even bring unexpected benefits, such as when it leads to better coordination throughout the department. A negative change in an organization is one that makes operations run worse, more slowly, less smoothly, with worse quality and / or lower

productivity in the production of goods or services or fewer goods or services. Negative change can also result in lowered morale among employees when they are faced with the stress that comes with running operations under new management. Another common aspect of change is the problem of resistance to it.

"Resistance to change" refers to the response to a proposal for change, either by an individual or by a group of individuals, who feel negatively about it. Resistance is expressed through actions where there are attempts to hinder the process of change.

Besides change management, there is another similar term for that. Business Process Reengineering. Business Process Reengineering (BPR) is a systematic and holistic approach to streamlining and improving all business processes in an organization. BPR, also known as re-engineering, attempts to identify and correct flaws in the current business process. It is the redesign of business processes to meet customer requirements and reduce costs. "Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed." Hammer & Champy (1993).

1.1.1 Challenges of Change Management:

It is important to mention that change management is not really easy. There are a few main problems with managing change, such as resistance. The process itself can be lengthy, and it is vital that everyone understands why this change is needed and what benefits will result from it. It needs good communication and participation from all employees in all levels of the organization. It needs people who will understand that this temporary period will reap big rewards for them in the long term.

Change management participants are seen as highly committed to the change process. Their opinions are taken into account, and they are included in all steps of the change process. The expectations of interested parties are carefully satisfied, and their support is actively sought. This approach requires good communication skills, good organizational skills, and an understanding that people want to feel that they have had a hand in planning the changes, even if it's just by listening to their ideas. It also requires channeling employees' creativity so that they can help come up with solutions instead of getting frustrated by roadblocks or feeling upset because their ideas aren't being used.

Organizations that are too established to innovate are at risk of being stifled by inertia. To be successful, an organization needs to have a culture that encourages constant learning and

provides an abundance of opportunities for people to become involved in new ideas. But how do you create this environment? It can't just be an easy button for the CEO to press. It must be intentional, involving education, rewards, collaboration, communication, mentoring and other measures.

The other choice is an empirical approach to organizational change management that looks at organizational change through the lens of business strategy formulation (BFS). BFS is a strategic framework for the management of business units that goes beyond traditional strategy models, such as those of Porter and Ansoff. BFS has been developed within the Strategic Management Society for over 20 years and is now widely taught in academic institutions worldwide.

BFS emphasizes the importance of change management in the implementation of strategy. BFS proposes that new strategies be implemented systematically and that this new framework be treated like an identity. Every day, managers must determine how changes in their environment may affect their business unit's strategy (e.g., is it time to abandon a product line). Their role is to decide whether the strategic change requires immediate action or if it can be delayed until another time or year. They must also decide whether adding resources to address the problem will make the problem worse (i.e. it does not add value) or whether the resources can be redeployed to address a different problem (i.e. it adds value).

Why do 70 % of change initiatives fail to achieve all of their objectives?

These are top three cultural change fault lines according to Anderson and Anderson (2010):

- Weak “Soft” leadership skills - that dilutes stakeholder commitment
- Inability to shift mind-sets - the channels remain closed
- Organisational culture - unreflective habits blocking change

Factor	Percentage
Changing mindsets and attitudes	58%
Corporate culture	49%
Complexity is underestimated	35%
Shortage of resources	33%
Lack of commitment of higher	32%
Lack of change know-how	20%
Lack of transparency because of missing or wrong information	18%

Table 1 Significant Barriers to Leading Successful Change, Source: IBM Research Findings, 2008.

Complex organization in complex and changing environment. There are five dimensions of complexity.

1. The geographic scope of the organization increases the complexity of management, since more people are involved in making decisions. For example, an organization with employees in more than one country (a multinational corporation) faces greater complexity than an organization whose activities are confined to one country (e.g., a purely domestic company).

2. Increasing the diversity within an organization is usually associated with greater complexity of managing the firm, since there are more types of employee, with different knowledge and skills, to manage effectively. For example, single-gender organizations face less complex diversity issues than mixed-gender organizations do.

3. The variability of the workforce environment increases the complexity of managing the firm. More variability means that there are more sources of uncertainty, and hence managing this type of environmental complexity would be more difficult. For example, an organization with mobile employees faces greater environmental complexity than one with employees who are not likely to move to another job or firm.

4. The rate of technological change affects the complexity of managing an organization, since it increases the rate at which information must flow through the organization. For example, organizations that have products with shorter manufacturing life-cycles have to respond to production fluctuations more frequently than do organizations whose products have longer life-cycles.

5. The pace of environmental change affects the complexity of managing an organization, since it increases the rate at which decisions must be made. For example, organizations grappling with hyper-competition (extremely intense price competition) face greater environmental change than firms that are not faced with this competitive condition.

Strategy execution on change management.

- Change management is an important aspect in opportunities for value generation.
- It is critical that all key stakeholders participate in the formulation and implementation of the portfolio of programs and projects that attempt to satisfy the strategic aspirations.

Involving stakeholders as early as feasible enhances buy-in, improves the overall resilience of the component programs and projects, and raises the likelihood of effective benefit realization from the change.

1.1.2 Starting points for change management

We shall discuss the change management models in the following section, however there are three major aspects that all change management models operate with.

STARTING POINTS FOR CHANGE MANAGEMENT

STRUCTURE

- Strategy
- Organizational structure
- Process organization
- Resources
- Technology

CULTURE

- Symbols
- Values and standards
- Basic assumptions

INDIVIDUAL

- Skills
- Roles
- Behavior

Table 2 Starting points for change management. Source: Staehle, 1999, Kostka and Mönch, 2002.

- Formal organizational structures and procedures, as well as strategies and resources, are included. On the surface, their alteration looks simple, but informal structures, which emerge through time and via evolution, typically resist these modifications.
- Culture refers to these persistent, somewhat informal structures that are responsible for attitudes, ideas, and informal norms of behavior that are mostly independent of the individual. Individual and structural improvements that do not include company culture are typically fraught with difficulties, if not doomed to failure.
- Individuals. They are the most insignificant social components of organizations. Change in business is impossible without their active participation. Individual change management requires not only adapting talents to new challenges,

but also cultivating the necessary positive attitude toward the aims of change and participation in it.

On the other hand, every change management model contains a comparable set of phases. The first phase is an analytical phase during which changes are planned and controlled. Its output is the assignment of starting points, which serve as input data for defining required changes and planning their execution within larger change initiatives. There are two main areas according to Smolarek, Dzieńdziora, Zawada, Dziewięcka and Sidło (2016) to make the analysis of:

- Analysis of the external environment - this includes all general variables concerning the location where the firm is now located.
- Analysis of the internal environment - it gives us the present scenario in terms of insights into the company's internal operations, including team competencies.

To summarize, it makes no big difference which change management approach the organization employs. All models include the major stages of successfully implementing change in the company. To select the optimal change management model, consider the type of business, the change that has to be implemented, its complexity, and the size of the firm.

The success of a program or project relies on having the right combination of individuals in key roles with different skill sets. The best candidates are recognized leaders in their own disciplines who are recognized by their peers as having both the right technical expertise and leadership capabilities. They are also able to have the right communication skills with the different parts of the organization that are involved in the change initiative.

Businesses are in a constant state of flux; technological advancements, globalisation, economic cycles and social changes are just some of the many factors that can cause change. Technological advancements also known as technology-push include the introduction of new products or approaches to an industry, introducing completely new technologies where previously there was none. The pace at which technology is developing today means that existing products are constantly being improved upon; existing markets are flooded with improved versions of pre-existing devices and processes rather than the creation of entirely new products or services. While this may be unsettling to some businesses it can also present opportunities for established firms to seize market share from their competitors by adapting to become more efficient.

Technological

- Knowledge management
- Computational power
- Increasing capability
- Global communications

Cultural

- Higher levels of education
- Social networking
- Cultural shift
- Social pressures

Socioeconomic

- Global economy
- Growing population
- Shifting demographics
- New markets
- Legal/regulatory

The pace of change is accelerating. Because of the instability of the economic environment, most firms have decreased their time frames for business forecasting and strategic planning. Most people agree on two aspects of the future:

- The corporate environment is evolving at a rapid pace. This change is driven by the exponential growth and global access to information, technologies, and technology-based infrastructure, as well as the expanding global marketplace.
- Accurate, detailed predicting over a long time scope is not possible, and thus cannot be used to develop long-term plans to ensure future competitiveness.

To prosper in the future, an organization must have a robust change process - one that can continually retune an organization's processes to support management's vision and respond rapidly to changes in the business environment.

1.1.3 Conditions of uncertainty

This paper discusses how organizations should go about managing the change management, but it is important to mention, that one of the critical things that makes change management not so easy process is conditions of uncertainty in an uncertain world. With many different levels of unpredictability, it is difficult for organizations to navigate change over time. The overriding theme of this paper is that while our world constantly changes, as human beings we have learned how to respond with adaptability and creativity.

Change happens every day and to different degrees; this has been a nagging problem for organizations over time. Historic change management literature has always addressed the issue of how to manage change in an organization with a long-term view, where there is some level of certainty about their business and the future challenges.

In our contemporary world, where knowledge is power, it is inevitable that organizations need to thrive in changing environments. Much of the literature on change management has addressed change in long-term environments, like organizations that need to survive over time. However the world is dynamic and new opportunities and risks emerge daily. How do we deal with the turbulence?

Leaders in organizations have always been confronted with "ad hoc" changes in their environment, whether it be a natural disaster or an epidemic. It is no surprise that there are many books written about these problems including "Plan for Chaos" by Schwartz (1995). Author of "Change Management: A primer for change agents", Grant (2000) points out that staff at all levels can play an important role in the changes they make.

The future of change management in organizations will require more than just management of uncertainty, it will require management of uncertainty from all levels as well as managing change at all levels.

It is important for managers to realize that the changes they are making are not going to be the same every time. Organizations need to respond appropriately and learn to manage uncertainty as they go. They need to work hard on building a resilient organization that can cope with changes in a dynamic environment.

"Uncertainty is part of our everyday lives." Tells Schoeman¹ and Vlok (2014). Organization are generally concerned about the unpredictable elements considered to be the root causes of most change. These unanticipated events include, but are not limited to natural disasters, economic recession, pandemics and stock market crashes. Page (2006) often refers to uncertainty as "the fourth major challenge of organizational life in the 21st century."

1.2 Change management models

Change management models aim to reduce the effects of change stress and give you a way to deal with it. Change management models refer to how an organization copes with change, and what the outcomes of that particular change will be.

When managers see that their business is changing, or even just think that it might be changing, they are faced with the task of managing the change. When individuals within organizations sense that some sort of major change might be about to happen, they need to know how it will affect their role in the business.

According to Stouten, Rousseau, Cremer, 2018, these are the most popular Change Management Models:

1. Unfreeze-change-refreeze model (Lewin 1948)
2. Seven-phase model of planned change (Spalding and Lippitt, 1958)
3. 7 phases of consulting model (Burke, 1982)
4. The Appreciative Inquiry 4D Cycle (Cooperrider et al., 1987)
5. Five-step Change Model (Judson, 1991)
6. The ten commandments for executing change (Kanter et al., 1992)
7. Six Steps to Effective Change (Beer et al., 1993)
8. The reinvention roller coaster (Goss and Pascale, 1993)
9. Eight steps to transforming an organization (Kotter, 1995; Kotter, 2012)
10. Change Through Persuasion (Garvin and Roberto, 2005)
11. ADKAR change management methodology (Hiatt, 2006)

In this part, is a look at three of the most well-known change management models, more details about one another, and comparison of them.

1.2.1 Lewin's change management model

Kurt Lewin established one of the most well-known change management models for analyzing organizational transformations in the 1940s. His model is well-known for its simplicity and efficiency. This concept is divided into three steps, which are commonly known as unfreeze, change, and refreeze, as seen in Figure 1. This three-stage model was developed in order to clarify and teach on how to implement, execute, and stabilize the organizational change process.

According to Lewin Kurt (1940), the organization is a balance that maintains a constant posture and is formed by opposing equal forces. He felt that several driving elements exist in the organization, such as change pressure, competitive pressure, the transfer of new technologies, and so on. As we all learned in physics class, the balance occurs when two opposing forces are equally pushing or pulling on one other. So, if the motive for pushing changes and the opposing force in the organization are equal, the forces will replace each other as the environment changes. If one of the forces is greater than the other, you might expect problems since the organization will no longer be balanced.



Table 3 Lewin's change management model, Source: Lewin, 1940.

The first step, unfreeze, focuses on preparing for change. It will begin with the acknowledgment that change is required, and there will be a need to break down the present status quo before you can develop a new workflow or anything else that the company is willing to modify. Aside from that, the institution should be prepared to step outside of its comfort zone because any change, in one way or another, would affect all parties involved, including personnel. The key to preventing riddles is to design and express a compelling message explaining why the current way of accomplishing certain things cannot continue. To properly prepare an organization for change, you must start at the beginning — you must evaluate the ideas, goals, acts, and habits that it now embodies. “The mission in the unfreezing stage is to figure out the resisting forces of the organizational changes, and the solutions to conquer the resisting forces must be adapted to further sketch the blueprint of the organizational changes.” However, for the vast majority of enterprises, the initial step is the most challenging and demanding. When you begin to modify something that has previously functioned well (or at least well enough for that period of time), it will undoubtedly put everyone off balance.

The second stage of Kurt Lewin's method is called change. This is the stage in which the uncertainty introduced in the previous stage of this model begins to find its way with new methods of doing things. This is the internal movement for enacting certain changes. “The

mission in this stage is to operate the specific change movements, following the finished change proposal so that the organization can transit from the current model to the target model” Cameron and Green (2019) stated. At this stage, two things are critical: time and communication. The need for time is for workers' general comprehension and execution of the change itself, as well as communication - to guarantee that everyone inside the institution feels highly involved and that all anxieties that may arise are calmed down so that everyone feels comfortable in the firm.

The third and final stage is known as the refreezing stage. Employees now know two methods to perform the same thing as previously, and the organization is ready to refreeze. Individuals and organizations must be assisted in internalizing or institutionalizing the changes during the refreeze stage. This requires ensuring that the improvements are consistently executed and incorporated into day-to-day firm operations. Employees are more hopeful and comfortable with current methods of operation, and they are now more confident in them.

Having said that, Lewin's change management approach is still employed today due to its simplicity and efficacy. This concept is simple to learn and applies to a wide range of businesses. The effectiveness of the shift is entirely dependent on how deeply each stage is engaged.

1.2.2 The Systematic Change Model (Kast)

There are six implementation phases in the Systematic Change Model. The process begins with an examination of the company's existing state. To conduct an in-depth study of the current situation, the responsible person must analyze and evaluate an organization's internal and external environments. The second stage would be to identify the faults that were discovered during the first phase's study. This is required to guarantee that the institution changes. Furthermore, this collection of facts may be offered to departments that will be affected by the planned change in order to prevent staff from dreading the change on its own. This demonstrates that the organization has to make certain changes in order to get better outcomes. The third phase in the Systematic Change model is to identify the gap. Identifying the discrepancy between the existing and intended organizational status. This will allow the responsible person to assess the issues presented in the second stage. The fourth phase is to create the solutions after they have been analyzed. According to Galli and Brian J., this is the time and place for the person in charge of the change to "propose and assess several options and alternatives" (2019) clearly, the choice must be taken after an examination of all viable

alternatives to reach the desired outcome or aim. After we've decided on a method, the fifth step directs us to put the adjustments into action. The person in charge of this change should now put the change into action in the organization. Of course, it is dependent on the solution approach chosen and the strategy developed in the preceding phases. It is critical that any adverse effects and misconceptions be managed and considerably reduced throughout this stage, while the change is executed. The final step is to provide feedback. After all of the work has been done to modify some processes or whatever else, it is necessary to conduct a critical review of the new output's results. Employees will become accustomed to the new approach of performing the same duties over time, and their performance will improve. This will also improve the ultimate outcomes, which is a positive thing. If any new difficulties arise, simply execute these six steps again, this time with the new obstacles in mind.

This change management approach contains twice as many phases as Lewin's because it covers smaller processes like recognizing issues and proposing solutions. This concept is still widely utilized today due to its direct appeal to the circumstance. Because the responsible person is managing the change for the first time, this model will assist him through the change period phases with all the specifics to accomplish a seamless shift in the company.

1.2.3 Leavitt Change Model

Harold Leavitt Diamond (1965) was a great believer in the existence of four major autonomous components in any organization that would be involved in the process of transformation. The mission (goal), people resources, technology, and organizational structure on their own.

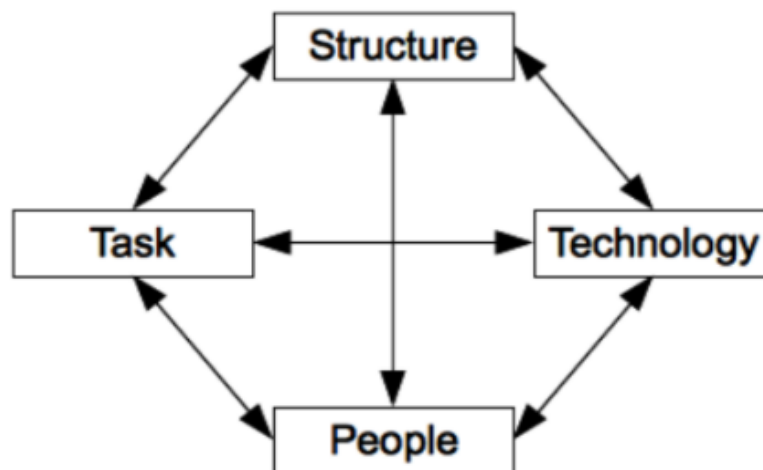


Table 4 Harold Leavitt Diamond change management model, Source: Leavitt 1965.

To begin, consider the mission. It relates to the primary aims of a company, which for an enterprise would be to offer and produce the items or services that the market requires. Within this paradigm, the goal would include the internal responsibilities of the personnel, as well as the structure of the product manufacture if the business is a manufacturing one. The second component, as previously said, is human resources (HR). According to Galli and Brian J, HR stands for "the status of the leaders and employees in the organization, in which the working attitude, working competence, working expectancy, beliefs, and working styles are evaluated" (2019). Furthermore, it is critical to guarantee that staff and all human resources are adequately organized. They would be well-informed about the transition and would be ready for it. Regarding the Technology component, Harold Leavitt Diamond (1965) emphasizes the need of handling the installation of new technology such as machines, systems, or whatever else. Aside from that, the adoption of new materials is critical.

1.3 Comparison of change management models

In today's literature, there are numerous hypotheses on the change management paradigm. In certain aspects, the bulk of them are similar. This study will extensively investigate three major change management models that I have previously discussed in order to establish their similarities and differences.

To begin, consider Lewin's change management model, which is pretty simple. The approach presupposes that the change has already been planned, thus people are at the center of the change, regardless of the type of change being implemented. The primary goal of this strategy is to maintain a balance between two opposing forces in company during the transition phase. The negative factor is habit and being comfortable; in order to overcome this, it is critical to explicitly describe why there is a need for change. And the driving force is generally the person in charge of change management, encouraging and demonstrating the need for change in the organization. This model's simplicity comes with drawbacks. This model is very mechanical in nature. These things are simple to express, but for larger or more extreme changes, there is a long, continuous, and intricate time period under the "Change" section of the model. This concept is also controversial if we need to adjust one process in a scenario where many processes are intertwined. "Lewin's change management model is regarded that it can be only integrated into progressive and isolated projects, which are not capable of integrating the radical change" Gaili (2020).

In terms of the Kast Systematic model, the people are once again at the center of this idea. To be more specific, individuals are over-concentrated through the whole transition time. More precisely, the persons doing the first inquiry on the firm operation. The following sections focus on the people rather than the change implementation.

2. RESEARCH METHODOLOGY

As it is a very unique situation in every single organization, it wouldn't be fair to apply the same change management models to every business. Models or methods have to be adjusted to the specific company to match its size, aim for the change and difficulty. According to Smolarek, Dzieńdziora, Zawada, Dziewięcka and Sidło (2016) there are two main areas to make the analysis of:

1. External environment analysis - this encompasses all general variables concerning the location where the organization is currently located.

2. Internal environment analysis - it gives us the present scenario in terms of insights into the company's internal operations, including team competencies.

In order to determine the main external variables that could disrupt the company, it is highly important to identify possible threats. A threat can be seen as a condition, which might occur and which could have negative consequences for an organization. Any external factor that may influence the project in a negative way is recognized as a threat. It has to be mentioned that threats are generally taken from a macro level and it is not necessary for them to arise in reality, only their possibility has to be taken into attention.

To determine the main internal variables that could disrupt the achievement of the change, it is important to identify possible weaknesses in the organization. A weakness can be seen as a problematic situation, which might occur and which could have negative consequences for an organization. This can be done by analyzing an employee's competencies and by checking organizational reviews.

It was chosen to conduct both qualitative and quantitative research methods with CEOs and employees from two very different businesses because it enables to reach a clear answer for the problem and to arrive at the most efficient way of solving it.

These CEOs were chosen because they each had their own companies, and the first one still does, which we will explore. Both of them have been CEOs for at least four years.

The aim of quantitative research to hear the voice of the ones, who have to face the consequences of change management. Quantitative approaches are used by researchers to

observe conditions or events that have an impact on individuals. Quantitative research generates objective facts that can be expressed effectively using statistics and figures.

The goal of qualitative research is to gain a deeper understanding by firsthand experience, accurate reporting, and quotes from genuine conversations. It seeks to comprehend how people get meaning from their environment, as well as how their meaning drives their conduct.

These were the main steps taken in order to achieve the aim and to answer the research question:

1. Choose a target group of employees from which to collect data.

To do that, it is necessary to set a number of criteria, such as: conducting the research in the workplace, selecting employees with different functions and their roles in the team. With that being said, it was chosen to conduct the survey with two very different companies' employees excluding management team. By selecting this target group, results will be more objective and data that will be gathered will show the exact situation in the company and the existing relationship between managers and employees.

2. Create statements

When creating statements it is necessary that each one would have direct aim why this data is being collected. In this way, the researcher can analyze how the statements are structured and how it is divided between them. To be more precise, statements have to have a clear relation with the research question. In addition to that, it is important that there would be no doubts about each statement's purpose – whether it would be justified or not. With this in mind, each statement should be structured as clear as possible and there should not be any contradictions between them.

3. Collect data from the employees

At this stage, it is important to ensure that respondents would take their time and honestly answer the questions. Because we cannot analyze data that has no quality in it. It was done by contacting the CEOs of both companies and asking them to pass the link to an online form when their team had the freest time to conduct the answers.

4. Make a conclusion

After gathering the data it is important to summarize it and prepare conclusions. To do that, the data had to be examined, classified and interpreted accordingly. It was also important to learn more about the factors that affect people's perception of statements.

5. Prepare recommendations

This is the most important step because everything that has been done so far will lead to those. After preparing charts with a summary of the results it was time to make conclusions that would help answer the research question. To do that, it was necessary to divide two companies' data and compare them.

3. RESEARCH FINDINGS

It was decided to conduct both qualitative and quantitative researches in order to complete the study. For the qualitative research it was chosen to do two semi structured type interviews with two CEOs. It is a more casual interview approach used by researchers to build rapport and comfort with participants, and it is especially beneficial when dealing with sensitive topics. It was decided to do these interviews with the same companies that was done on my term paper about “Change management in small and medium size companies during global pandemic” as the topics are similar and the businesses have already adapted to the conditions of COVID-19 virus. The questions and transcripts are attached in annexes. (Annex 1)

For the quantitative research that was done with 100% of employees from two companies, we can clearly see what employees, the main drive of the company, had to face during the period of change, after that period, how did they feel about the management decisions and how is the workflow now. The statements from the survey that was taken with two companies' employees could be found in annexes (Annex 3).

Multorders is a multi-channel inventory, orders and shipping management software for almost any ecommerce business designed to use Ebay, Amazon, Shopify, Woocommerce and other ecommerce platforms. Multorders automates all aspects of the process of selling on multiple marketplaces. From managing stock on your own website or marketplace, to processing orders, all the way through to shipping products on your ecommerce stores. This business is very young as it is operating for only 3 years now.

K2 LT is a company which offers services from A to Z when it comes to funeral topic. The biggest part of revenue comes from Lithuanian Crematorium which is also built by this company. It is important to mention that K2 LT is a business monopoly when it comes to offering cremation services as there are no other company in Lithuania offering that. The company has already been in the market for 13 years now and is expanding rapidly.

It is addressed that changes as well as genuine employees' feelings regarding the change period and the working environment following the change with these questions.

The overall in this survey participated 21 employee: 10 from the first company called Multorders (C1) and 11 from the second company K2 LT (C2). It is important to mention, that this is 100% of each companies' employees. As expected, 14 respondents (67%) were team members that did not have subordinates. 7 other respondents (33%) were team leaders that have their team or subordinates.

Quantitative research

The plan was to conduct two interviews with two companies' CEOs but as it is known globally when someone's planning something, God is laughing. The plan was to compare two same companies' answers to the same questions with the research that I have conducted for my Term paper around half a year ago. It did not work out because the second company did not face any changes since the global pandemic. As this thesis is about change management under the conditions of uncertainty, not only about pandemic, it would not be possible to compare second companies' answers.

When comparing first companies' answer about need for any change, the answer that was conducted in spring 2021 (half a year ago) was pretty short, only stating that the whole team had to shift to 100% remote work environment because of global pandemic. This time during the research the answer was way longer. CEO started to talk about the change in revenue when pandemic started and stated "The changes of the global pandemic gave us pink glasses and let our company grow faster than it should in normal circumstances because of product market fit" Zelenkov (2021) he was referring into the point, when after three to four months, when the peak ended, revenue growth got back to normal. In the meantime, there were a lot of meetings between cofounders of the company and each one was saying that the company was not reaching their expectations. As a result, they have decided to change companies CEO and a couple of employees and responsibilities. There were three cofounders who were also working in the company as CEO, CFO and CTO. So the decision was for CFO to change CEO and do both, financial and executive officers responsibilities and for the CEO to leave the company and be only a shareholder. This is the change that happened this summer and the company had to smoothly implement it.

After asking about whether company has used any of change management models, both times CEO said no. Both of them mentioned, that they thought change management models are for bigger companies with more employees and bigger, more complicated structures. The second CEO continued with explanation why it was not hard to change CEO "It wasn't very hard to change the CEO because my influence in this company was great even before the change of the management. I didn't come from outside, I wasn't hired from somewhere, say another company. I was inside all this time and plus I did a lot of everyday things." Zelenkov (2021). This is an important statement as it is easier to understand, that he was working on a daily basis with same team but on different topics. On the other hand, half a year ago the previous CEO mentioned that the main problem was to ensure the human contact when the

whole team was working from home. The solution he offered was more virtual presence using Zoom, Google Meet or MS Teams. While the new CEO points out another problem that employees did not know who to ask certain questions as there were two general managers (CEO and CFO). New CEO also mentions that employees were asking to make this topic clear to who to talk about what topic. So it is clear that there were uncertainty conditions even inside the company. The decision seems like might solved the problem by changing CEO and merging CFO and CEO into one person.

To the question about how did CEOs select the responsible person for the change management, both CEOs now and then answered that it happened very naturally – as it was a small company, it was common sense that CEO will take this responsibility.

Next question touched very important topic of this thesis. Preparation of the team for the change. So according to the previous CEO half a year ago he answered “There were no systematic meeting to prepare the team” Bakutis (2021) he also mentioned, that as it was a small team of tech savvy employees it was not hard for people to adjust to the new environment as working from home. On the other hand, the new CEO admits that the preparation was not very strong. The reason for that he mentioned that the team was already working with both managers so it should not be too bad. According to Lewin’s (1940) change management model it is very important to prepare every team member before the change.

When asked about how companies’ team went through the period of change, previous CEO stated, that the team has all the tools they need to connect with each other, all are young and tech savvy so the change from working in office to working from home did not create any big problems. While the current CEO states, that when managers changed, there was almost no changes for IT developers as they still have their direct manager. But still, some general rules about holidays or sick days have changed. So they had to adapt without too much discussions. At this point it is important to mention that after change period it is very important to collect feedback as it is possible that the change even caused more troubles than streamlined the business.

The question about unexpected incidents did not get anything special. The previous CEO mentioned one unexpected incident that employees would not have the suitable working environment to work from home efficiently so he came up with an easy solution by offering employees to take furniture and everything they need from the office. On the other hand, the current CEO mentioned that they did not face any unexpected incidents, but mentioned this: “What makes it harder all the time is who we are, the startup. Our capital, we are partly dependent on funds, that is our way to choose or not to choose, but we also have existing

investors and potential so besides the employees needed to let everyone know about the change of CEO, say why how what.” Zelenkov (2021) and mentions that they have prepared all the investors, potential investors, team members about the change of CEO with all the arguments why is it happening, for what reason and so on. This is commendable as preparation is very important to smoothly manage the change.

“After the change period, did you collect any feedback from your employees?” was the question on the interviews. The previous CEO did not have certain meetings or questionnaires, he says “We asked through questions like *Have you settled in or is everything alright*. The answers were positive” Bakutis (2021) this is not a best way to collect feedback as employees could have thought that these questions are a brief small talk and not the ability to share their opinion on the changes. But it is very good that new CEO have done three meetings overall. One before the change for preparation and adjusting the idea, then immediately after the change and then another meeting to gather feedback about a month after the change. This is way better than ignoring the teams’ feelings and voices as that’s the part of how managers can create the relationship with employees.

When asked about what CEOs would do differently if they would have the knowledge that has now, previous one said that he would implement the new infrastructure of the calls and messages internally as soon as possible. He also states “It was necessary to analyze everything from A to Z before developing the format of our weekly meetings. So if we would have a second try - we would arrange communication, processes and meetings details way sooner.” Bakutis (2021) it is commendable that before, previous CEO did not know anything about change management models and now he knows very important part about analyzing the current situation before making any changes. On the other hand, current CEO did not have to face the change alone as there was consulting company involved into the change process and they had a lot of influence for the team. So it was easier for him because the consulting company helped him to cope with the tasks of change management.

Quantitative research

The mass majority (86%) of all respondents mentioned that the working conditions have changed completely or strongly, when the global pandemic started. Collected data shows, that it was mandatory for both companies to establish changes inside the business. As mentioned in the theoretical part of this thesis, it is mandatory to prepare the team and company for the change to make the change as smooth as possible without causing any additional problems.

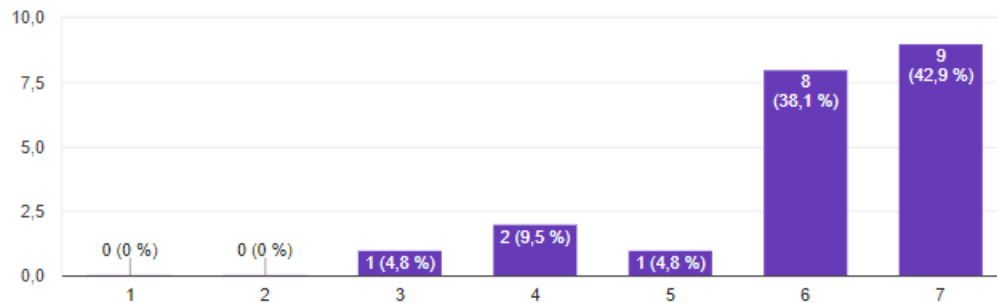


Table 5 Survey answers on statement “working conditions changed when the pandemic started”, 2021.

About coping with the challenges, the question has three parts:

- To cope with the challenges personally, by themselves
- To cope with the challenges with help from their direct manager
- To cope with the challenges with help from their colleagues

And the answers were pretty interesting, as overcoming challenges personally, both companies managed quite well, only 2 employees (10%) chose answer 3, which is one step less than neutral. But when looked at data that was collected about the help from direct managers, C1 employees mass majority (9, 90%) stated that they agree, while the C2 employees were not too satisfied as the median answer was 5 (average 4.72) which means that employees are not fully satisfied, but rather satisfied that not satisfied. Having this data we can clearly state that the first companies’ direct managers were more helpful to their team members than the second companies’ direct managers. On the other hand, both companies were very positive about their colleagues. 12 respondents (57%) fully agreed that their colleagues helped to cope with new challenges and all the other respondents (9, 43%) also were positive or neutral about their colleagues.

When it comes to rating the work that’s been done by each employee, the answers were different. As the answers gathered were from 1 to 7 (where 1 stands for “I completely disagree” and 7 stands for “I fully agree”), four is the middle one – neutral. 7 respondents (33%) chose less than four which means, their work haven’t been properly rated during the change period.

The bigger part, 12 respondents (57%) chose more than neutral. Half of them chose 5, which indicates that employees were quite satisfied with the valuation of their work, but not fully happy about it. The neutral satisfaction answer was chosen by 2 respondents (10%). According to this data, it is clear that not all of the employees were happy about the ratings of their work during the change period.

Interesting data was gathered on the statement “With the onset of the pandemic, the workload changed”. When looking to the general answers from both companies, we can see, that answers vary from 1 all the way to 7. But when we divide the answers company by company, we can see, that the C2 employees were certain that the workload have changed when the pandemic started: 9 employees (82%) marked 7, and 2 (18%) marked 6 as showed in the graph.

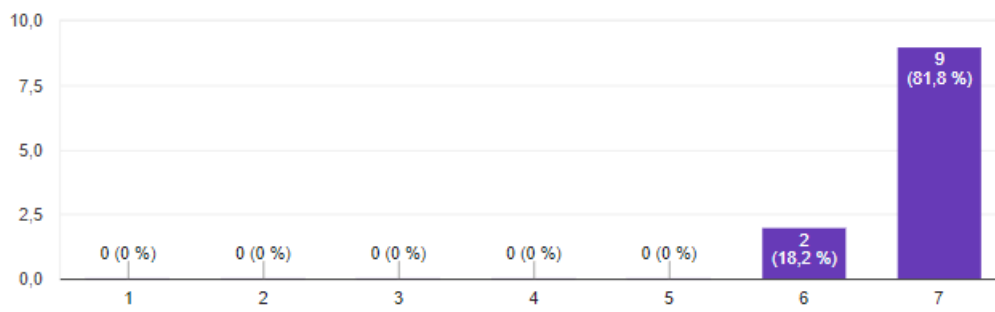


Table 6 Survey answers on statement “with the onset of the pandemic, the workload changed”, 2021.

Taking into account that this survey covered 100% of the companies’ employees, it is clearly seen that C2 had big change on the workload. On the other hand, the C1 employees divided themselves into two equal categories: five (50%) who had a change on their workload and other 5 (50%) stated that they rather disagree with this statement than agree. After diving deeper into the details, why the team diversified like this, I have come up with the answer. As this company is an IT software company, half of the team are IT developers, so the workload for them didn’t change as the pandemic didn’t have any affect for programmers. For sales and support teams pandemic caused a big increase in workload as the demand of the product have increased significantly. This explains why the graph diversifies into two equal parts.

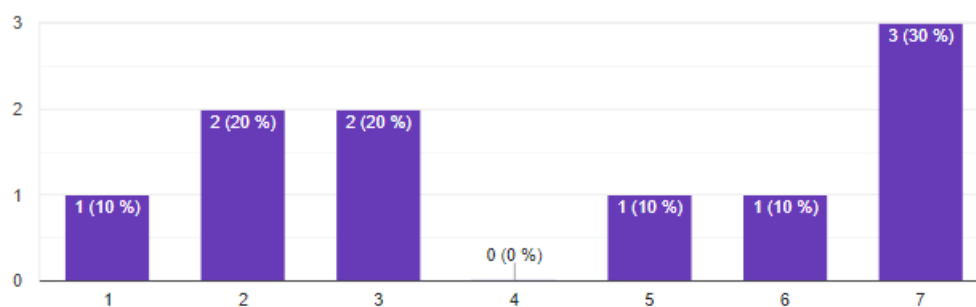


Table 7 Survey answers on statement “with the onset of the pandemic, the workload changed”, 2021.

When asked about the current workload, employees chose very different answers from both businesses. In the C1, 7 employees (70%) stated, that they do agree more than disagree with the statement “Currently, my workload is the same as it was before the pandemic”. But 3 employees (30%) marked 2 on the 7 point scale, what stands for disagreeing with the statement. After deeper analysis of the company the answer was clear, that in the last six months this company fired couple of their employees which resulted in bigger workload for colleagues that are working on the same department. That explains why 3 employees has more workload than before pandemic. On the other hand, C2 didn’t have any big changes in their team capacity, but 4 (36%) employees still disagreed with that statement. That might be caused by having to dedicate more time and recourses on personal hygiene and safety precautions. While the majority (6 employees, 55%) were positive and one employee (9%) was neutral.

Statement “Uncertainty is still felt in the work environment” as expected, had mostly (15 employees from both companies, 71%) negative responses. 4 employees (19%) were neutral and it is important to mention 2 employees (9%, one from each business) agreed to the statement. This might be related with these answers that stated that the increased workload is still ongoing because of the lack of employees. On the other hand, it could be related to the need of management control over the workflow and employee performance in order to improve quality of service.

After asking about how employees appreciate the additional motivation including bonuses, monetary bonuses, work tools for setting up a workplace at home, etc. Employees made pretty interesting results. If the look would be taken on a bigger picture (both companies combined):

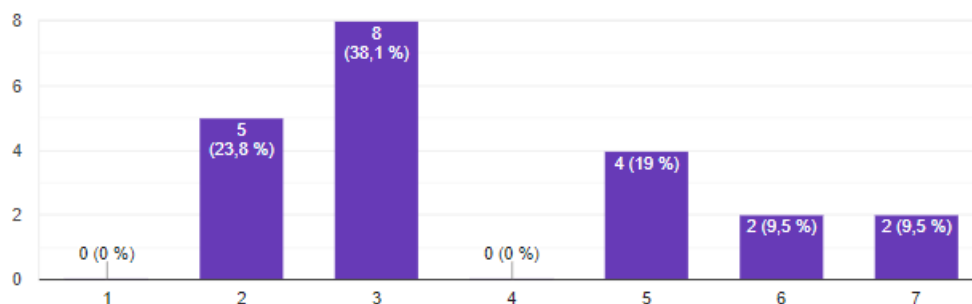


Table 8 Survey answers on statement “I appreciate the additional motivation of the management”, 2021.

It might seem that just a small amount of employees are happy about it. But when divided the data by the company, the results are getting more interesting. First company reached median equilibrium with 1 employee (10%) choosing 2; 4 employees (40%) choosing 3; 1 employee

(10%) choosing 5; 2 employees (20%) choosing 6; 2 employees (20%) choosing 7. This shows us that the C1 employees are much diversified on this statement. The companies' management has to take action on this to ensure, that the whole team would be satisfied with the additional motivation, because that's the main point of motivation – to satisfy and engage with all business employees. There is no such story in the C2. The results are much worse as the majority (8 employees, 73%) were negative about this statement. This definitely shows that companies' management has made mistakes while creating or implementing additional motivation system.

During the changes, employees valued their management's decisions neutrally. It was equilibrium between positive and negative values when looking at the graph with combined two companies' results. When divided, the results shift a bit and shows that the C1 employees' are more positive about their management's decisions, as 6 employees (60%) were positive and 3 employees (30%) were negative. One employee (10%) chose neutral answer. As for the C2, the results were more shifted to the negative side with 6 employees (55%) evaluated managements' decisions' negatively, 3 employees (27%) positively and 2 (18%) employees neutrally. With this data in mind we can see that the first company was more positive about the managements' decisions and the C2 was more negative. That's definitely provocative question, but it is important for the management to understand how their employees react to their decisions.

“I had the opportunity to express my views on the issues involved in changing the organization” was the statement on the questionnaire, and the results between the companies are very different. The C1 8 (80%) employees were positive about this statement, with only two (20%) negative responses. There is still a big chunk of team left behind, without having the ability to express their views, so it is important that management would ensure that all of the employees would be able to provide views, thoughts and feedback back to the managers because employees are the ones who are going to be working with those changes each day. The C2 has way more trouble with that. Only three employees (14%) were positive about this statement. This shows that there is still a long way to go in building proper relationships between the management and the team members.

There was one more provocative statement by the end of questionnaire. “Management could have made better decisions in change management” This data gives the final understanding about the relationship between managers and employees, how do employees feel about the managements' decisions which is the key to successfully manage any change in the company. There was also a difference between two businesses. The C1 employees divided themselves into two equal groups: positive and negative. On the positive side, there were 5

employees (50%) as well as on the negative. With this provocative statement it is normal to expect employees to state that their management could have made better decisions during the period of change, because they might have faced some incidents that required more resources than usual which will automatically create a thought that it was management's fault. But it is very commendable that other half of the team really think that decisions that management made were correct. This also directly resonates with the question about teams' ability to interact and provide their thoughts during the change period as that helps management to have more insights and to come up with reasonable decisions. On the other hand, 7 employees (64%) from the C2 were positive about this statement. This data instantly tells us that there is a big problem in the relationship between managers and their employees. 2 workers (18%) were neutral and also 2 employees (18%) were slightly negative about the statement.

The last question to employees asked to choose 3 most important things in the change management.

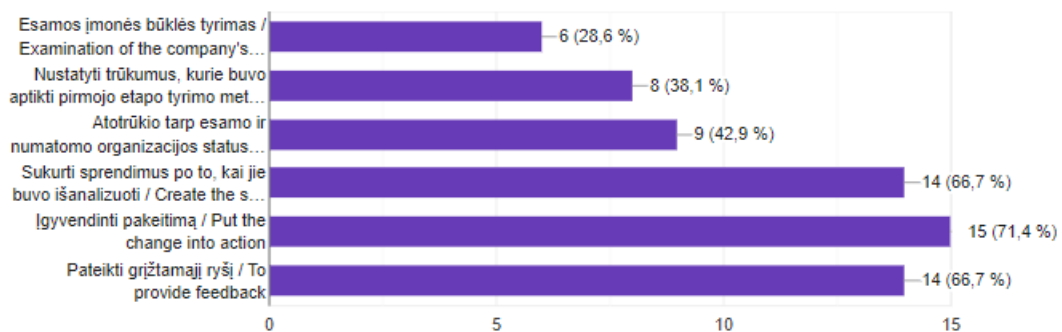


Table 9 Survey answers on statement "What do I think is most important in change management?" 2021.

When looking into the chart where we can see both companies' employees' answers, it is clear, that the 3 most important steps are:

- Create the solutions after they have been analyzed
- Put the change into action
- To provide feedback

For sure, all these steps are very important, as these steps are taken from *The Systematic Change Model (Kast)*. It is interesting to see how two companies' employees selected different steps, as they seemed more important than others. The importance for employees might be caused by the lack of that specific step during the change management period in their organization. The most popular answer from the first companies' employees was to create the solutions after they have been analyzed. This is fair to state, when reading other answers from this company. The second companies' employees' selected feedback providing as the most popular in their team.

This selection makes a lot of sense because in this company, from the previous questions we can clearly see that the relationship between employees and management is not the best where employees would be able to express their voice about certain things happening during the period of change.

CONCLUSIONS

1. The knowledge was gained about the main similarities and differences between 3 the most popular change management models by analyzing various literature sources about them. These models were Lewin's change management model, the systematic change model (Kast) and Leavitt change model. It is crucial to note that all of these models are still extensively used and popular, and they are suitable for firms that are experiencing internal changes today. When these models are compared, it is seen that they have certain parallels and differences. The first one was developed by Kurt Lewin in 1940s. This model is known to this day for its simplicity and effectiveness. It contains three main stages which are named unfreeze, change, refreeze. The second change management model is proposed by Kast. It has six steps in it which helps to proceed with the change. The stages are more detailed than in Lewin's model and consist of: inspecting the current status, identifying the problems, identifying the gap, designing of the solutions, implementing the changes and collecting feedback. This model dives deeper into the preparation for the change which is very important, as seen on the research part of this thesis. The third was Leavitt change management model. Which was offered by Harold Leavitt Diamond back in 1965. He was firm believer that there are four main independent components in each company that is involved during the period of change: task, people, technology and structure. Overall this model focuses not on the steps within the timeline, but on the things to consider during the period of change, about things to manage during the period of change.
2. It is crucial to note that change management is not simple. There are a few major issues to consider while managing change, such as resistance. The process itself can be time-consuming, and it is critical that everyone knows why this change is necessary and what advantages will arise. All personnel at all levels of the business must communicate effectively and participate. It requires people who recognize that this little period will produce significant benefits for them in the long run. Organizations that have become too entrenched to innovate risk being suffocated by stagnation. To be successful, a business must have a culture that supports continuous learning and gives numerous

opportunities for individuals to participate in new ideas. But how do you go about creating this environment? It can't just be a simple button that the CEO presses. It must be deliberate, encompassing education, rewards, teamwork, communication, mentorship, and other strategies. Every day, managers must assess how changes in their environment may influence the strategy of their business unit (e.g., is it time to abandon a product line). Their responsibility is to determine if the strategy change need immediate action or if it can be postponed until a later period or year. They must also determine if adding resources to solve the problem would exacerbate the problem (i.e. offer no value) or whether the resources can be redeployed to address a different problem (i.e. it adds value). So it is crucial to use change management to acquire certain results as smoothly as possible.

3. According to the qualitative research it is clear that two things for change implementation is the most important: relationship between team and managers and teams' preparation for the change period. In the C1 data has shown clearly that the team was well prepared for the change, each team member knew what was going to happen, what will be the direct change on their workload and what will be changed technology wise. As David A. Lorsch (2011), stated "the planning necessary to understand the nature of the events one is facing, the response required for successful adaptability, and communications that will bring about a responsive response." It wasn't the same with C2 as they did have a lot of misunderstandings and risen unexpected incidents that they have to deal in addition to the change management.
4. According to Gaili (2020) one of the most important things is to work with the people that will have the direct impact on their daily tasks or workload during and after the change. After analyzing the quantitative research that was made with two companies' employees a very huge difference between these two companies was seen. The preparation for the team was way smaller in C2 when compared with C1. It was seen on some questions about having the ability to express themselves to employees regarding the changes they were experiencing or evaluating managements' decisions. C1 employees' are more positive about their management's decisions. As for the C2, the results were more shifted to the negative side. It is crucial for management to have a great relationship with their employees and prepare them directly before the change period as they will be the ones, who will directly feel the change on the workload, technicality of their jobs or other things.

5. Overall, to successfully implement any change in organization it mandatory to use any kind of change management model. Besides that, as the research of this thesis showed, it is crucial to prepare the team before the change. To explain the need for change, reason for that and answer all the questions they might have.

With any adjustment that organization have an idea to implement it is crucial to have an in depth analysis of the current state in the company and prepare the team for change. Research findings shows that having a bad relationship between team and management creates a big disturbance during the change period. But only good relationship will not be enough to establish a smooth change. It is very important to prepare the team beforehand that each employee would know what is the reason for the change, what company is trying to achieve from that, what will happen during the transition time and how it will all go. Of course, there should be one person responsible for the change management. The change leader will then need to select the best suiting change management model for the business and prepare according that model. With analysis before starting any changes, with prepared team and feedback collection afterwards, the company is ready to start the change.

LIST OF LITERATURE AND SOURCES REFERENCES

1. A conceptual lean implementation framework based on change management theory, Almanei, Mohammed, Salonitis, Konstantinos, Tsinopoulos, Christos (2018)
2. A review of coastal management approaches to support the integration of ecological and human community planning for climate change, Powell, Emily J Tyrrell, Megan C Milliken, Andrew Tirpak, John M Staudinger, Michelle D (2018)
3. Adapting infrastructure to climate change: Advancing decision-making under conditions of uncertainty, Schenk, Todd (2017)
4. Adaptive decision-making under conditions of uncertainty, Sarku, Rebecca Dewulf, Art van Slobbe, Erik Termeer, Katrien Kranjac-Berisavljevic, Gordana (2020)
5. Ali, B. J., & Anwar, G. (2021). The Mediation Role of Change Management in
6. Anderson, D., & Anderson, L. A. (2010). Beyond change management: How to achieve breakthrough results through conscious change leadership: John Wiley & Sons.
7. Business Process Management, Kumar Akhil (2017)
8. Caras Ingrid, Shapiro, B., Lauer Thomas (2020) Change management - basics of

9. Change management for sustainability: Evaluating the role of human, operational and technological factors in leading Indian firms in home appliances sector, Thakur, Vikas Mangla, Sachin Kumar (2019)
Change Management– Fundamentals and Success Factors - Thomas Lauer
10. Change Management Process and Leadership Styles, Ismaila Akinbode, Akintola Rashid Ali Al Shuhumi, Said, (2018)
11. Claire McCarthy, Douglas Eastman, David E. Garets (2021) Change Management Strategies for an Effective EMR Implementation
12. DECISION MAKING IN INDUSTRIAL ENTERPRISES IN CONDITIONS OF UNCERTAINTY, Sandra Milunovic Koprivica, Aleksandar Maric, Olga Ristic, Slavko Arsovsk (2019)
13. E. Cameron, M. Green (2012) Making sense of change management: a complete guide to the models, tools, and techniques of organizational change
14. EFFECTIVE LEADERSHIP AND CHANGE MANAGEMENT FOR SUSTAINABLE DEVELOPMENT, Victoria Ahonya Obera, Sani Isaac (2017)
15. Employee Development. International Journal of English Literature and Social Sciences, 6(2), 361–374
16. Functional brain networks involved in decision-making under certain and uncertain conditions, Farrar, Danielle C., Mian, Asim Z., Budson, Andrew E., Moss, Mark B., Killiany, Ronald J. (2017)
17. Galli, Brian J. (2019) Comparison of Change Management Models: Similarities, Differences, and Which Is Most Effective?
18. How Do Entrepreneurs Organize Firms Under Conditions of Uncertainty? Alvarez, Sharon A., Barney, Jay B. (2016)
19. Impacts of change management on Six Sigma team leadership style, Galli, Brian J., Kaviani, Mohamad Amin, Margulis, Chloe Salome (2017)
20. Knowledge Management : linchpin of change, Webb Sylvia P (2017)
21. Leadership and Change Management, Tang, Keow Ngang (2019)
22. Leadership and Change Management: Examining Gender, Cultural and ‘Hero Leader’ Stereotypes, Holmes, Janet, (2017)
23. Leading Change Toward Sustainability, Doppelt, Bob McDonough, William (2017)
24. Leading Cultural Change– The Theory and Practice of Successful ... - James McCalman, David Potter

25. Management and Change in Africa– A Cross-cultural Perspective, Terence Jackson (2004)
26. Managing change Bernard Burnes seventh edition (2017)
27. Managing change in organizations: a practice guide (2013)
28. Multicriteria Decision-Making Under Conditions of Uncertainty, Petr Ekel, Witold Pedrycz, Joel Pereira Jr. (2020)
29. Multi-criteria evaluation of alternatives under conditions of uncertainty in the decision maker's preferences, V. A. Shakirov, (2018)
30. On Intelligent Decision Making in Multiagent Systems in Conditions of Uncertainty, Chumachenko, Dmytro Meniailov, Ievgen Bazilevych, Kseniia Chumachenko, Tetyana (2019)
31. Optimize Change Management Procedures with a Case Study, Huang, Yu Lun Huang, Ding Hau (2020)
32. Organizational Change and Change Management, Dag Ingvar Jacobsen (2021)
33. Organizational Decision Making Behavior Under Varying Conditions of Uncertainty, Conrath, David W. (1967)
34. Planned organisational change management: Forward to the past? An exploratory literature, Rosenbaum, David More, Elizabeth Steane, Peter (2018)
35. Planned organisational change management: Forward to the past? Rosenbaum, David More, Elizabeth Steane, Peter (2018)
36. Re-engineering the Enterprise - Jim Browne and David O'Sullivan first edition (1995)
37. Responding to COVID-19 Supply Chain Risks—Insights from Supply Chain Change Management, Total Cost of Ownership and Supplier Segmentation Theory, Hoek, Remko van (2020)
38. Smolarek, Dzieńdziora, Zawada, Dziewięcka, Sidło (2016) Starting points within management of change
39. Stouten, J., Rousseau, D. M. & De Cremer, D. (2018). Successful organizational change: Integrating the management practice and scholarly literatures. *Academy of Management Annals*
40. Success factors influencing requirements change management process in global software development, Akbar, Muhammad Azeem Sang, Jun Nasrullah Khan, Arif Ali Mahmood, Sajjad Qadri, Syed Furqan Hu, Haibo Xiang, Hong (2019)
successful corporate change

41. The possible influence of risk management, forecasting and personnel training in physical asset management, J.S. Schoeman and P.J. Vlok (2014)
42. Towards successful business process improvement – An extension of change acceleration process model, Ibrahim, Maha Syed Hanif, Aamer Jamal, Faheem Qaisar Ahsan, Ali (2019)
43. Uncertainty during Organizational Change: Managing Perceptions through Communication, Allen, James Jimmieson, Nerina L. Bordia, Prashant Irmer, Bernd E. (2007)

ANNEXES

Annex 1

Questions from qualitative research interviews

1. Have you faced an urgent need for any change in your organization, after global pandemic started?
2. Have you heard that there are a bunch of change management models? If yes, how did you choose which one to use in your organization? If not, how did you set the plan for the change period?
3. Describe how did you select the responsible person for the change management in your organization
4. Describe how did the responsible person for the change management prepare your team for the upcoming changes
5. Describe how did your team go through the period of change
6. Has your company faced any unexpected incidents during the period of change? If yes, describe it.
7. Describe how the responsible person dealt with unexpected incidents.
8. After the change period, did you collect any feedback from your employees?
9. If there would be another urgent need for change. What would you do differently?
10. Did you apply to get any governmental support as affected companies from the pandemic? Or did your company manage it all with the resources it had?

Annex 2

Transcript of qualitative research interviews

1. Have you faced an urgent need for any change in your organization, after global pandemic started?

C1: No, we didn't face any other big changes. We had other changes which were not caused by a global pandemic. The changes of the global pandemic gave us pink glasses and let our company grow faster than it should in normal circumstances because of product market fit. Our product was not finished yet, but it still sold itself, because there were a lot of new people and companies who entered the ecommerce market, who tried to enter ecommerce as fast as possible to sell Covid related stuff like hand sanitizers, masks and so on. So after the peak time, around 3-4 months, that's it, the peak has gone away and the rush disappeared, the shops closed themselves by that time. The management changed way after the pandemic peak. It happened because we understood that we are shareholders and we have certain expectations from our company, so lets say three of us, we are shareholders and managers: CTO, CFO and CEO and deep inside, we were not happy enough with the results that company was bringing. A lot of effort has been put into the company from all of us, a lot of money was put into it, a lot of developers working hours were put into the product and it is not without any purpose, but not as directly to the winning strategy as it could have been. So at some point we (shareholders) understood that from my side of view, I could just go and establish another project instantly and just hire another management team, but it was a shame to leave so much of our effort and money that was already put in the company, so after deeper analysis we understood that we couldn't stop, but make some little changes or tweaks after analysing the market, find unoccupied niches and take smart decisions to make great revenue. As it is with the IT business world, you sell your product and it's not selling as good as it could have, that means there is a problem with market size, your clients or pricing so you shift your business to the better way. So we made a slight pivot in our management team so I moved from CFO to CEO position and our previous CEO became only a shareholder of our business.

C2: I think no. The changes were caused by the global pandemic, for now we are just moving back to the normal working pace.

2. Have you heard that there are a bunch of change management models? If yes, how did you choose which one to use in your organization? If not, how did you set the plan for the change period?

C1: As I imagine, there's an organizational thing where there is a bigger structure and how to manage those changes, so no, we didn't use any change management models or methods because we're just too small for that. It wasn't very hard to change the CEO because my influence in this company was great even before the change of the management. I didn't come from outside, I wasn't hired from somewhere, say another company, I was inside all this time and plus I did a lot of everyday things. I was quite deeply involved in the company and even before the change I solved a lot of questions as the manager to leave the old CEO only with the fundraising responsibility, so this CEO change wasn't a big surprise for the team, they were already waiting for some change, they were questioning us how we will work in the future. The employees themselves lacked specificity, who to contact with what questions, who is responsible for what. In our past situation there were two managers, so naturally, then there was a lot of misunderstanding and with this change, that there is one person who is in charge of everything and you know and are assured who is the person in charge and from what has someone to go to if the problem is not solved, in the end everything will fall on one person's shoulders instead of sharing, will not get lost, there will be no pointing fingers after that and so on. In my case, what really helped was that I really spent a lot of time trying to delve into the ecommerce market, to customers, how they work, what they do, why they use our product, I tried to delve into what the market competitors are, what product they offer, what they don't offer, what prices they offer, do they sell their business to a larger company and look directly at where we have a competitive advantage, where we have room to move and grow, because the fact that there is a lot of functionality in our software just needs to target it precisely. I would say all this change management happened naturally plus with a lot of time put into preparation. There was no plan or strategy, we had a goal to take away the previous CEO completely from all responsibilities, to remove it from all places where he should not be. It was clearly communicated to the team why this was being done and asked if everything was clear.

C2: -

3. Describe how did you select the responsible person for the change management in your organization

C1: It was very natural here again that we don't have a lot of employees, so we were the shareholders responsible for the change management with the IT manager, who also continues to work. We planned and implemented it all.

C2: -

4. Describe how did the responsible person for the change management prepare your team for the upcoming changes

C1: The preparation in, say, our case was not very strong, because before that the staff had been in contact with both managers, it was not necessary to put a whole new person in a new position, the person who (I) was in a new position, I already knew everything I needed before the change, but to prepare my team it's just both the partner talked and I talked to the staff before the change itself and I asked you if it would be a good decision because there is such an idea, some employees themselves came up with the idea that it would be good to flesh out this thing to leave one person, it is very simple, we inside the company did not feel anything negative actions or consequences of that change so far.

C2: -

5. Describe how did your team go through the period of change

C1: It happens that we are an IT company, nothing has changed too much for the IT developers, they have had their own manager before the change, and the same one is after the change, they just have more specific rules for the whole team if you want to go on vacation, who to contact, who to fill in the documents to, who to inform about it, if you have a sick day, who to talk to, if you plan to work from the office or from home, there is a lot more transparency, everything is being talked about, and the employee may have had extra rules that didn't exist before, but those rules just stabilised and became easier to work with. we have certain processes, even for a simple sick day management or holiday management, that in the past, for example, it may have been that the person is going on holiday, and the rest of the team does not even know that it will happen, and another team that is directly involved in business development, sales, and with the management, it reacted very positively, it became clear to them at that time, not only about what to turn to or about responsibilities, but also about their own work activities or daily routine, what you are responsible for and what you do and so you don't lose from there to that, and you would know exactly what your role is here and what your influence is in the company as a whole.

C2: -

6. Has your company faced any unexpected incidents during the period of change? If yes, describe it.

C1: There were no unexpected incidents, but what makes it harder all the time is who we are, the startup. Our capital, we are partly dependent on funds, that is our way to choose or

not to choose, but we also have existing investors and potential so besides the employees needed to let everyone know about the change of CEO, say why how what. And there were no such incidents, because we planned that they would have questions and why here's what, because usually if a start-up starts with a certain director, that director only leaves when the company reaches a certain level when another person will be better able to achieve new goals. or when a company is sold, the shareholders stay away for a few more years and then break up and go out to do their own things. We were surprised how everyone reacted simply and positively, there were no additional questions, everyone talked and everyone understood the common sense. on the downside until some time has passed. Investors did not question this change and everything went quite steadily.

C2: -

7. Describe how the responsible person dealt with unexpected incidents.

C1: We didn't get as many questions as we planned, it's like everything was prepared in advance.

C2: -

8. After the change period, did you collect any feedback from your employees?

C1: Definitely yes, of course, I talked to all the staff in person, immediately after the change, before the change and a month later, these are two categories of people, one of whom did not change much about the specifics of their job because they did not work directly with management such as IT developers. As they had their routine and processes, it didn't change. After the CEO change, I implemented some kind of company rules that have changed. And the other half of the people responded very positively because they see the value in it all, they understand the meaning of that whole vision, they all understand where it comes from and how. About the new rules, a lot of people say it's much easier to work with and a lot more structured because in the end it all comes down to one person making the decision. And plus you can see that people still lacked some kind of guidance at our stage where, let's say we have that team, everything is fine with it, but still building such a project for the first time, just like the management is building such a project for the first time, but people are too involved in their daily tasks to understand my own processes or bigger picture things, those bigger picture things need me to give them and put them on the right path to have a common vision so that there are no additional questions as to why we are doing this and not the other way around. The questions

are that even if there are supplementary questions, there is now someone who will answer them and the answers would make perfect sense.

C2: -

9. If there would be another urgent need for change. What would you do differently?

C1: the first change as it happened, it was still going on as we worked with a consulting firm, and that consulting firm had a lot of influence on the decisions because the current director or shareholders didn't delve into the entire kitchen so much that they realized what it needed was what the change would have been overcome much earlier if we had all stepped into this business with our heads and seen exactly how things work in our daily lives, maybe we wouldn't even lie to ourselves at some point that everything was fine and that we just had to be afraid of that change once it is said, it will be easier to notice, because the current shareholders are in a different situation now, as we say, I have entered this area with my head and we see who is there somewhere, every little thing, what complaints, what is breaking down, we read a lot, we try a lot everywhere engage as a fox in the woods to watch and see every detail. It is so much clearer how and what actions need to be taken.

C2: -

10. Did you apply to get any governmental support as affected companies from the pandemic? Or did your company manage it all with the resources it had?

C1: Due to the pandemic this way, we received relief from GPM payments, contributions were suspended and stuck to the debt that we will have to pay next year. But it was at that time that it was possible to reduce cash flow. And as for management, this change has been easier, because neither I nor the former manager who is also a shareholder, we do not pay ourselves, it was not a big shock or stress for us to think like and what to do, nor for me. we had to look for an extra amount to hire something extra, it was done quite smoothly and as shareholders, we both want the company to be fine in the future longterm, be it one, second or third shareholder, everyone looked positive, none had any extra observations, so we did everything on our own.

C2: -

Annex 2.1

Transcript of qualitative research interviews from Term paper (2021)

1. Have you faced an urgent need for any change in your organization, when the global pandemic started?

First company: The government prohibited the possibility to work in an office if it is unnecessary, that meant that our whole team would have to work from home. Besides that, there was no urgent need for any change.

Second company: Yes. When all the country borders have closed, we understood that we are the only crematorium here in Lithuania (Before lockdown, some people used to use cremation services abroad) to handle all the market. So if there would be a regulation like in China, that if a person had a positive Covid-19 test and has died, it doesn't matter whether he died from the virus or any other illness, the cremation would be the only way to prepare the body for the funeral. So we would have significantly increased demand for our service, which might exceed our capabilities. Also, at the beginning of the first wave, we decided to narrow our business services. Before the pandemic we offered the ability to see your loved ones for the last time before the cremation, but we could not take that risk so we minimize the flow of unnecessary people to the lowest number.

2. Have you heard that there are a bunch of change management models? If yes, how did you choose which one to use in your organization? If not, how did you set the plan for the change period?

First company: I haven't heard of any change management models. The way we approached it is by having way more virtual presence within the company with apps such as Zoom, Google Meet or MS Teams. The process went really fast, we declined our office which was on rent while communicating with all the team which is around 10 people. It was a good choice for our finances, we had to find a way to reduce our companies' costs and the global pandemic boosted us to decline our office rent, because there was no need to keep it empty. Cofounders calculated the possibilities to keep the office, because the deposit was 3 months upfront. We took the decision that the pandemic will last more than that and declined our office rent agreement. Besides that, we raised the question regarding the effectiveness of working from home. For our tech developers it was very good to work from home, because they did not get disturbed from

colleagues entering their office room. For others, we needed to cover only human contact, so we introduced a lot more virtual presence as I mentioned before.

Second company: Yes I did, but when the pandemic hit - there was no time to find the best model that fits our business so we simply started the analysis of the cases similar to coronavirus like Ebola or other viruses in foreign countries and implemented the changes based on logical predictions.

3. Describe how did you select the responsible person for the change management in your organization

First company: Me and my colleague, also co-founder of the company, took the responsibility because our company is small, so we thought that we do not need to select another responsible person. The wish was that all the team would do their tasks in a new method - working from home.

Second company: It was simply our management question, as we are talking about the first pandemic wave and crematorium. Regarding this question, I was the one who created the guidelines for our team on how we are going to adjust our business for the pandemic scenario. Then, it was our team's goal to polish the internal processes to reach maximum effectiveness as they are the ones working each day and I am responsible that the company would meet the requirements of the government.

4. Describe how did the responsible person for the change management prepare your team for the upcoming changes

First company: There was no one systematic meeting to prepare the team. It was a natural cycle through a few weeks. When employees expressed the differences between working as usual (from office) and from home, accordingly we adjusted the workflows to meet the needs. We are talking about a small company which had around 10 employees at that time, so the workflow and processes are clear, that's why we didn't need any additional strategies or resources.

Second company: There was no time to prepare both business and team for these kinds of changes. So we only had the option to help the team as much as possible and try to support, motivate the team. Because they are people, they have their lives, their families and they had

to work during the Christmas or New Year's Eve because we had an increased demand for our service.

5. Describe how did your team go through the period of change

First company: I would say quite easily. At least in my opinion there is no chaos when it is needed to work from home, because we are using quite connectable tools like Slack, Asana, Notion, meeting platforms and that lets us integrate and feel like we are all together, even though people are in the isolated setting. I think the very big advantage for the smooth change is that our team is very tech savvy and young. The average age of our employees is around 27 years.

Second company: Our team did great. Our business is not very sexy, it is the opposite – very sensitive. So not everybody could even be a part of our team. Our team understood the need for change and they helped each other to find best ways and solutions. Of course there are some individuals that were not too happy about all that, but one way or another, the team did great.

6. Has your company faced any unexpected incidents during the period of change? If yes, describe it.

First company: Our employees did not have a comfortable workstation at home. So we offered our employees to take any furniture and equipment to arrange a convenient working environment at home. Another unexpected incident was to store the furniture from our office. As we decided to cancel the rent of our office, we needed a place to store the unused furniture. We were lucky to have a personal connection with one place, which accepted to hold our inventory until we will be back in the office so we manage to save some money on rent.

Second company: I have called the public health center here in Lithuania to ask about recommendations for organizing the funeral ceremony and cremation process. First question from their side was “has someone already died?” I answered, not yet and they followed up with this “You are very pessimistic, it's gonna be alright”. At this point I understood that I would not get proper answers, so... I started googling to see what's happening and what the recommendations in the world are. Also, as we all know, there are some people that know better than the media and the government, so we had some people like drivers or diggers that didnt want to obey the new rules. Also, we didn't succeed without getting the infection in our team. So we had to shift a bit regarding these changes.

7. Describe how the responsible person dealt with unexpected incidents.

First company: It's pretty simple out here. We have an incident, we come up with the solution, and we implement the solution.

Second company: To find the recommendations for the workflow under pandemic situation I simply read all I could on the internet and found a lot of great examples and experiences from abroad, regarding the ones who did not believe in the pandemic, we kept our word, our statements and didn't let anyone work if they wouldn't want to obey the existing rules. When we got the disease in-house, we just reorganized the workflow with fewer people and shifts, which wasn't too bad, because everybody on our team understood the necessity and did their best.

8. After the change period, did you collect any feedback from your employees?

First company: In some form yes. Not a direct questionnaire. We asked through questions like "Have you settled in" or "is everything alright". The answers were positive at the first part of the pandemic, everybody was happy to save time on commuting. You can simply get up in the morning, make your cup of coffee and start to work right away. With the time, we got some comments, that to some degree employees have missed their colleagues, office, fast responses and all the little things that live meetings give. Solution for that was weekly meetings which helped to gather, see and have discussions about the macro questions in the company. With time, weekly meetings evolved to more direct topics to discuss. With that, we had an approach to raise the questions you have straight to the related meeting, just like you would come to the colleagues room in the office. Besides that, we are always using the communications app Slack, so everybody could have a direct or a group conversation about anything at any time to get a faster response.

Second company: If we are talking about the internal processes and the team, we always collect the feedback and we are trying to improve processes each day. But if we are talking about the pandemic, we had some additional meetings to talk about everything we could improve.

9. If there would be another urgent need for change. What would you do differently?

First company: I think I would change the infrastructure of the calls and messages internally. I would implement it way sooner, because now it took a bit long to find the best way to adapt to

the changes. It was necessary to analyze everything from A to Z before developing the format of our weekly meetings. So if we would have a second try - we would arrange communication, processes and meetings details way sooner. Overall, I wouldn't say that there would be a lot to change, as I mentioned, our team was around 10 people with an average of around 27 years of age, so in my opinion, bigger companies or corporations with higher age average would have way more work to implement such change.

Second company: At that time we made our decisions based on the knowledge we had then. So if there would be a new challenge we might use something that we have learned so far, but i'm not sure. Maybe I would involve the team into the decision making process, but when there is an extreme case like Covid, there is an urgent need to make decisions fast. Discussions are always good but it takes time to gather the team and discuss. China didn't have a lot of discussions and simply closed everything and... they succeeded to curb the virus, at least that's what I know.

10. Did you apply to get any governmental support as affected companies from the pandemic? Or did your company manage it all with the resources it had?

First company: Yes, we got. We got the ability to pay income taxes only when the extreme situation (pandemic) will end under a structured payment plan.

Second company: No, I would say it was the opposite. We had an increased demand for our services, of course, we had more costs for the hygiene products like respirators or hand sanitizers. We took all the costs to ourselves and we did not increase the prices of our services (because of increased costs) like other companies did. We sponsored a couple of hospitals which asked for donations, also, we motivated our team with additional bonuses because of working in this new environment, so we didn't get neither asked for support, we were the ones that offered it.

Annex 3

Survey statements:

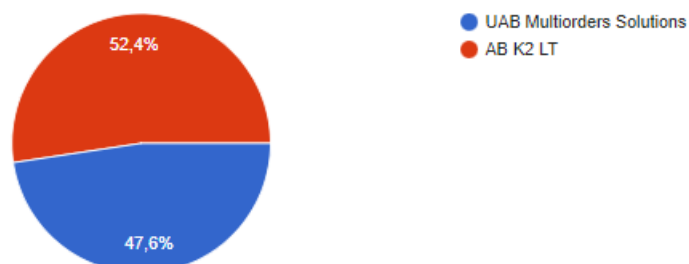
1. *The company I represent*
2. *My duties in organization*
3. *Working conditions changed when the pandemic started*
4. *I (personally) managed to cope with the challenges perfectly*
5. *Direct manager helped to cope with new challenges*
6. *Colleagues helped to cope with new challenges*
7. *My work has been properly rated during the changes*
8. *With the onset of the pandemic, the workload changed*
9. *Currently, my workload is the same as it was before the pandemic*
10. *Uncertainty is still felt in the work environment*
11. *I appreciate the additional motivation of the management (bonuses, monetary bonuses, work tools for setting up a workplace at home, etc.)*
12. *During the changes I value management's decisions during the changes*
13. *I had the opportunity to express my views on the issues involved in changing the organization*
14. *Management could have made better decisions in change management*
15. *What do I think is most important in change management? Mark the 3 most important things*

Annex 4

Quantitative research results

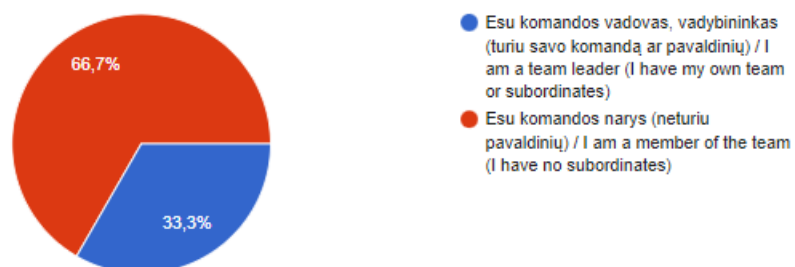
Įmonė, kuriai atstovauju / The company I represent

21 atsakymas



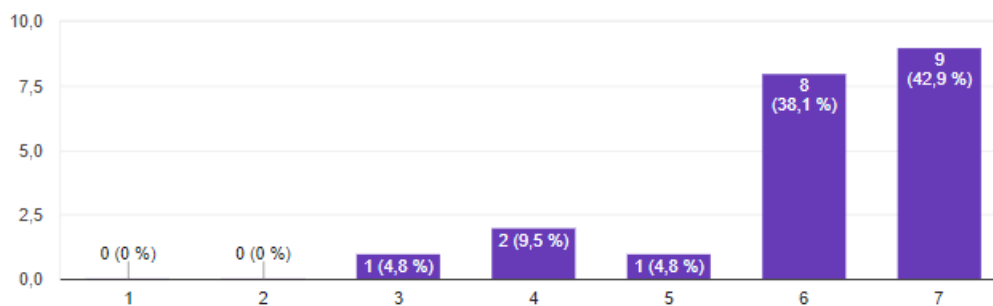
Mano pareigos organizacijoje: / My duties in organization

21 atsakymas



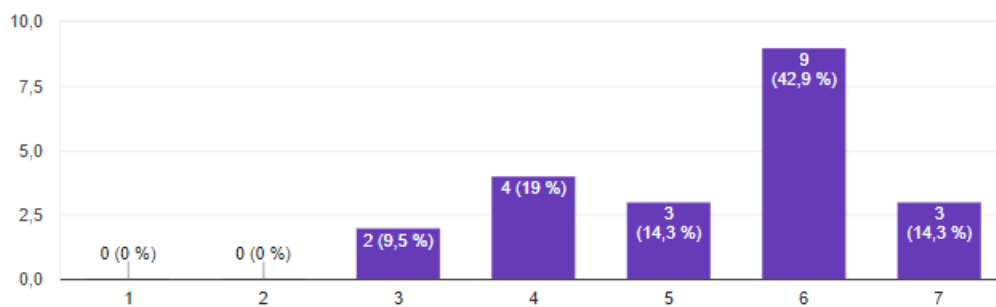
Darbo sąlygos pakito prasidėjus pandemijai / Working conditions changed when the pandemic started

21 atsakymas



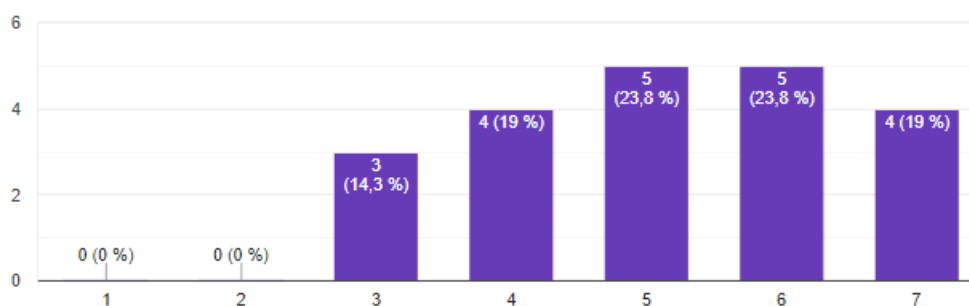
Su kilusiais iššūkiais MAN sekėsi susitvarkyti puikiai / I (personally) managed to cope with the challenges perfectly

21 atsakymas



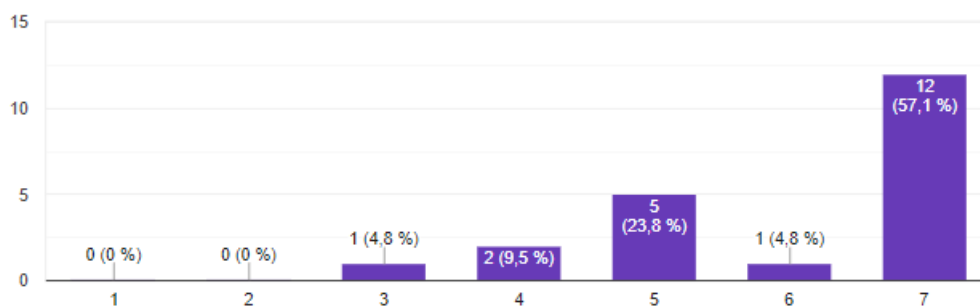
TIESIOGINIS VADOVAS padėjo susitvarkyti su kilusiais iššūkiais / Direct manager helped to cope with new challenges

21 atsakymas



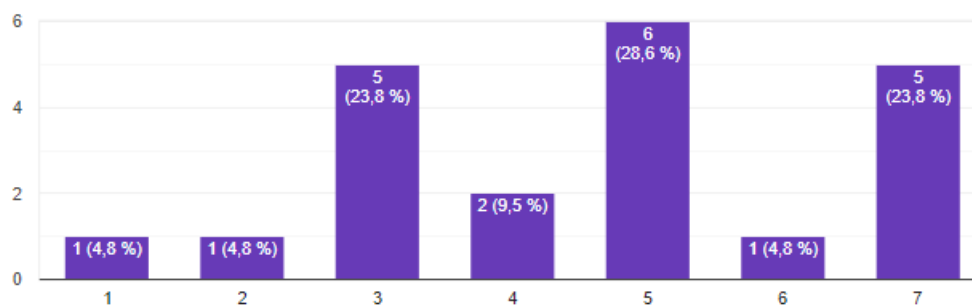
KOLEGOS padėjo susitvarkyti su kilusiais iššūkiais / COLLEAGUES helped to cope with new challenges

21 atsakymas



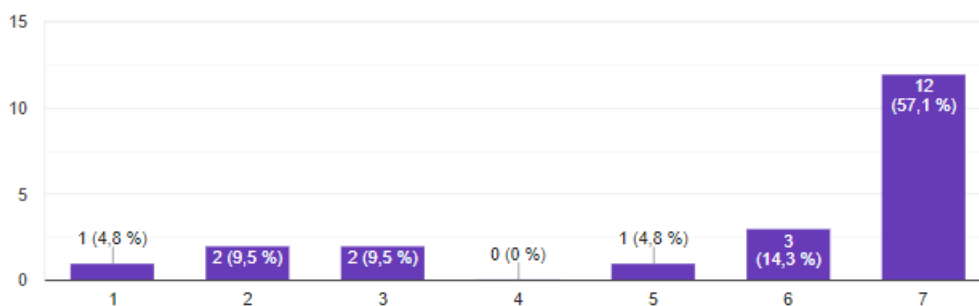
Mano darbas buvo tinkamai įvertintas pokyčių metu / My work has been properly rated during the changes

21 atsakymas



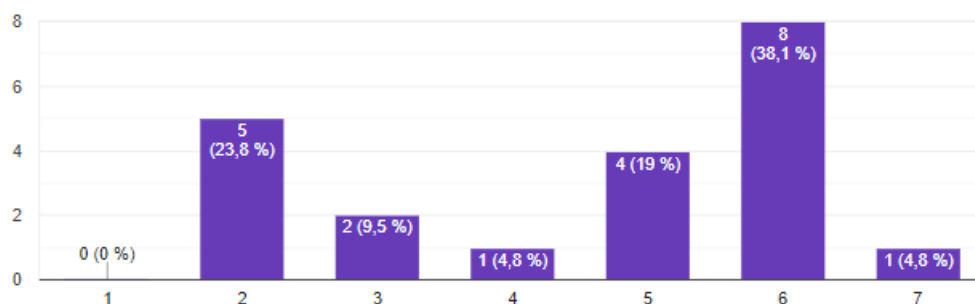
Prasidėjus pandemijai, darbo krūvis keitėsi / With the onset of the pandemic, the workload changed

21 atsakymas



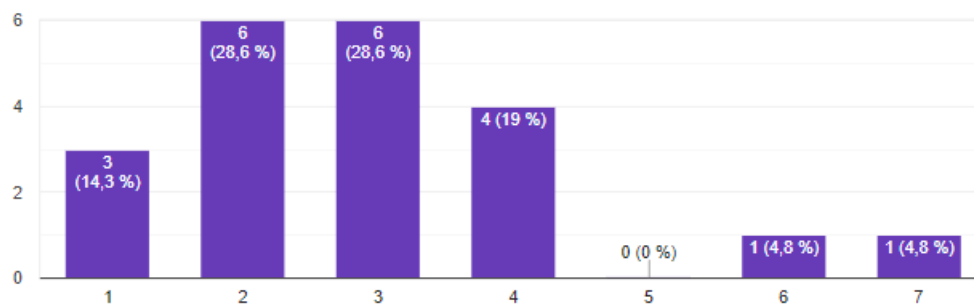
Šiuo metu mano darbo krūvis toks pat kaip ir prieš prasidedant pandemijai / Currently, my workload is the same as it was before the pandemic

21 atsakymas



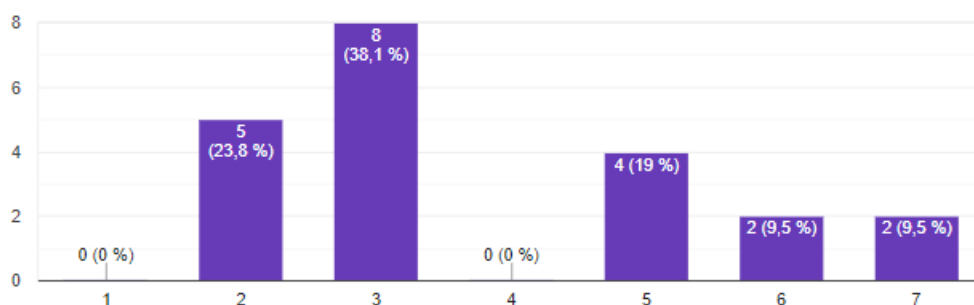
Vis dar jaučiamas neapibrėžtumas darbo aplinkoje / Uncertainty is still felt in the work environment

21 atsakymas



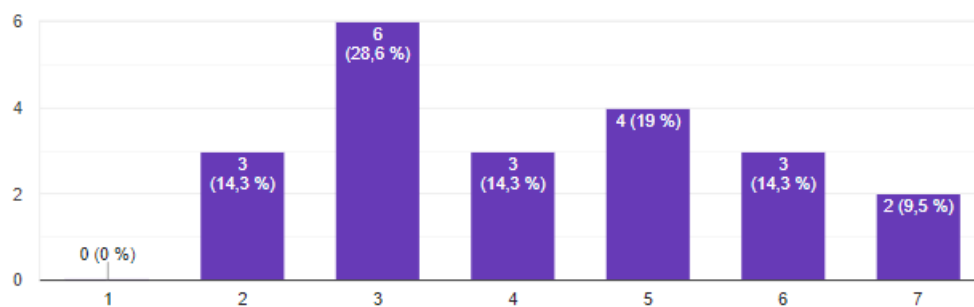
Vadovybės papildomą motyvaciją (bonusai, piniginiai priedai, darbo priemonės darbo vietos namuose įsirengimui ir kt.) vertinu: / I appreciate the additional motivation of the management (bonuses, monetary bonuses, work tools for setting up a workplace at home, etc.):

21 atsakymas



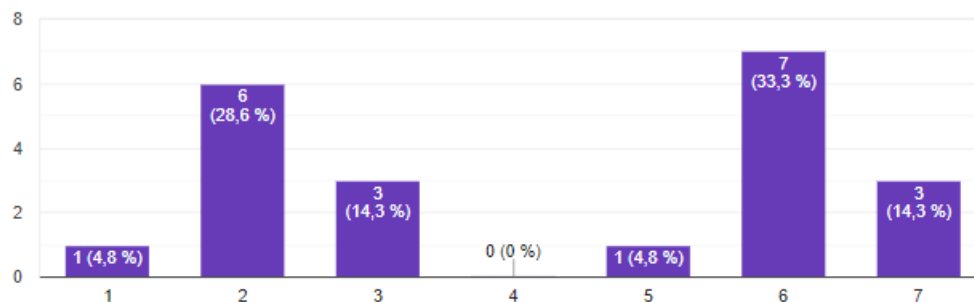
Pokyčių metu vadovybės sprendimus vertinu: / During the changes I value management's decisions during the changes:

21 atsakymas



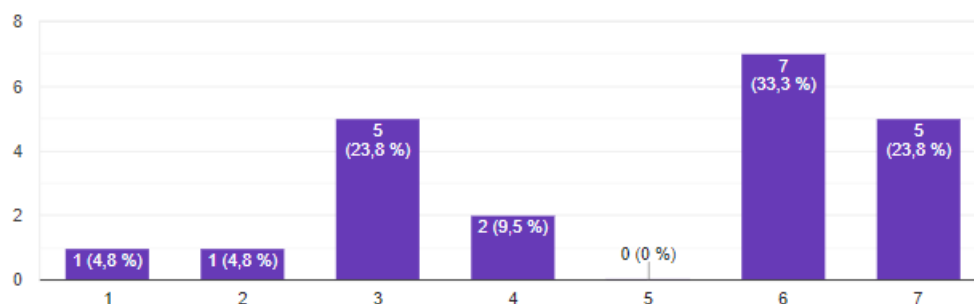
Aš turėjau galimybę išreikšti savo nuomonę apie kylančias problemas susijusias su pokyčiais organizacijoje / I had the opportunity to express my views on the issues involved in changing the organization

21 atsakymas



Vadovybė galėjo priimti geresnius sprendimus pokyčių valdyme / Management could have made better decisions in change management

21 atsakymas



Kas mano nuomone yra svarbiausia pokyčių valdyme? Pažymėkite 3 svarbiausius dalykus / What do I think is most important in change management? Mark the 3 most important things

21 atsakymas

