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**AN INCREASINGLY ENTREPRENEURIAL MINDSET AMONG TOP AND MIDDLE
MANAGEMENT IN A STRATEGIC IMPLEMENTATION**



Authors: Carina Klaffl and Luke Thomas James Leonard

Supervisor: Joakim Winborg

ABSTRACT

Title: An increasingly entrepreneurial mindset among top and middle management in a strategic implementation

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Authors: Carina Klaffl and Luke Thomas James Leonard

Supervisor: Joakim Winborg

Keywords: Strategic renewal; strategic change; strategic implementation; managerial activities; mindset change; entrepreneurial mindset; entrepreneurial orientation

Thesis purpose: The purpose was to outline the implications of an increasingly entrepreneurial mindset among top and middle management on the execution of key managerial activities in a successful strategic implementation that have been identified from literature and its effects on the interrelated outcomes. The intention is to draw valid managerial implications for those considering strategic change as well as implications for future research.

Methodology: Research was from an interpretivist, epistemological position. An explorative, single case study at a company was completed over a 4-month period. An inductive, qualitative approach focused research on understanding the social world by analysing the individuals in that world, thus gaining insights via collecting the thoughts, opinions and perspectives of those individuals. Data was collected via 10 interviews with 8 top or middle managers. Entry to the company was initially established via an internship, providing researchers with the necessary access to successfully collect the needed data.

Theoretical perspectives: The main theories and the model created are based on previous literature of strategic renewal, strategic implementation and entrepreneurial mindset. This research study investigates how an increasingly entrepreneurial mindset among management plays a role in the activities that managers carry out in order to successfully implement strategic change. The chosen case company was seen as a good location to examine implementation activities and entrepreneurial mindset change phenomena as, due to perturbing market changes, the company recognised both the need to strive in a new strategic direction as well as change the mental modes held by management.

Conclusions: The research contributed to literature by composing a model to unify the disparate theories on managerial activities in strategic implementation. Research found that an increasingly entrepreneurial mindset influences all five necessary managerial activities for successful implementation of strategic renewal. Research found that, with an increasingly entrepreneurial mindset, managerial activities became progressively interwoven. These five activities influence management mindset, however they do so indirectly – either through the organisational factors or outcomes in strategic implementation. The outcomes from managerial activities that are influenced by an increasingly entrepreneurial mindset are also increasingly entrepreneurial. As a result, there is a potentially positive loop between an increasingly entrepreneurial mindset, managerial activities for strategic renewal and increasingly entrepreneurial outcomes.

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1. INTRODUCTION

1.1. Background

Strategic renewal is one of the five forms of 'strategic entrepreneurship', which many companies engage in (Kuratko et al., 2011). It can be defined as the "process, content, and outcome of refreshment or replacement attributes of an organisation that have the potential to substantially affect its long-term prospects" (Agarwal, Helfat, 2009, p.282). Companies often engage in strategic renewal as a reaction to shifts in a turbulent external environment and redefine their core competencies (Ludwig, Pemberton, 2011; Tripsas, Gavetti, 2000; Tushman et al, 2013).

However, strategic renewal is not easy (Kuratko et al., 2011). Most companies realise that they need to adapt to the changing market conditions, but fail to make a successful transition, or make a transition at all (Storbacka et al., 2013, Tripsas, Gavetti, 2000). Thus, the real challenge is not the recognition, but rather the implementation of a strategic renewal. Strategic implementation is defined as "all the processes and outcomes that accrue to a strategic decision once authorisation has been given to go ahead and put the decision into practice" (Miller et. al, 2004, p. 203). Managers, who are crucial in this process, often invest time and resources in implementing a new strategic direction but tend to neglect the necessary actions (Beer et al, 2005). Throughout the whole process, the interaction of management from different levels is also crucial (Floyd, Lane, 2000, Llop, Garcia-Arrizabalaga, 2015, Beer et. al, 2005). While strategic decisions must be decided by top managers, the entire management team must be committed to them.

It is well known from literature that companies often fail because they do not change their mindset (Tripsas, Gavetti, 2000; Storbacka et al., 2013). This can be defined as cognitive filters people use to categorise and interpret information from their environment and, as a result, the actions taken according to their thoughts (Gollwitzer, Heckhausen, Seller, 1990; Gupta, Govindarajan, 2002). Therefore, integral to a successful strategic renewal is a change in the mental models held by the organisation. (Storbacka et al., 2013; Tripsas , Gavetti, 2000; Hodgkinson, Healy, 2014; Hopkins et al, 2013).

1.2. Problem discussion

A successful strategic implementation is divided into two aspects: processes and outcomes. They are highly interrelated, meaning that processes can lead to outcomes and vice versa (Miller et. al, 2004). Processes are further distinguished into organisational factors and managerial activities. From study of the literature, the first pillar, organisational factors, can be understood to contain three constructs. 'Structure'; the arrangement and relations

of different individuals and departments within an organisation (Miller et al., 2004; Van de Ven, Sun, 2011; Tushman et al., 2013; Burns, 2005; Beer et al., 2005; Floyd, Lane, 2000; Greenwood, Hinings, 1993), 'Culture'; the shared values, beliefs and norms inside an organisation (Kuratko et al., 2011; Llop, Garcia-Arrizabalage, 2015; Beer et al., 2005; Floyd, Lane, 2000; Tushman et al., 1996; Miller et al., 2004), and 'Capabilities/Knowledge'; facts, information, skills and abilities held tacitly by employees or explicitly through codification (Storbacka et al., 2015; Floyd, Lane, 2000; Miller et al., 2004; Beer et al., 2005; Hodgkinson, Healey, 2014; Eggers, Kaplan, 2009; Peltoa, 2012; Llop, Garcia-Arrizabalage, 2015; Simons, 1994; Tripsas, Gavetti, 2000). Aggregation of literature suggests the second pillar, managerial activities, contains five constructs. 'Assessing/Specifying'; the evaluating of the current state of an organisation and highlighting which tasks are needed in order to achieve goals, 'Adapting'; drawing from past or current learning to recognise and make needed changes in on-going situations or processes, 'Resourcing'; providing the necessary resources for activities to be accomplished, 'Communicating'; the exchange of information within an organisation, and 'Committing'; the acknowledgement, acceptance and willingness to carry out organisational ideas (Greve, Tayler, 2000; Miner, 1994; Miller et al., 2004; Floyd, Lane, 2000; Beer et al., 2005; Kuratko et al., 2011; Simons, 1994; Dougherty 1992; Tushman et al., 2013; Llop, Garcia-Arrizabalage, 2015; Guth, Macmillan, 1986; Storbacka et al., 2013; Agarwal, Helfat, 2009; Simons, 1994; Tripsas, Gavetti, 2000).

Leadership plays a major role in strategic change, as leaders are responsible for both the decision of strategy and what factors or activities of implementation are carried out (Beer et. al, 2005; Floyd, Lane, 2000). Therefore, the character and inclinations of leaders in an organisation, such as top management and middle management (from here on to be referred to as TM and MM), are significant for how successful the implementation of a new strategy will be (Beer et. al, 2005; Floyd, Lane, 2000). TM is mainly responsible for strategic decisions and MM for overseeing the actualisation of these decisions. As different departments and levels of management often have different perspectives on the goals and necessary actions that need to be taken (Floyd, Lane, 2000, Dougherty, 1992), the relation and interaction between TM and MM is crucial for success (Beer et. al, 2005). In summary, they need to work closely together. The quality of the coordination and integration is very important in the implementation of strategy (Beer et. al 2005). As already mentioned, literature assumes that management mindset, especially the one of TM and MM, has an important role in a strategic renewal (Tripsas, Gavetti, 2000, Ireland et al. 2003). Nowadays an entrepreneurial orientation - innovativeness, risk taking and proactiveness - is needed to continually adjust, adapt and redefine a company in a fast changing environment (Kuratko et al., 2011). Thus, managers with an entrepreneurial mindset (from here to be referred to as EM) are optimal in a strategic renewal as this thinking is necessary to capture benefits in uncertainty (Shepherd et al, 2009), which dominates the

environment of a strategic renewal. (Ludwig, Pemberton, 2011; Tripsas, Gavetti, 2000; Tushman et al, 2013).

Literature states the role of mindset among TM and MM on the organisational factors in a strategic renewal. Structure has been shown to play a role, whereas reorganisation has been shown to facilitate strategic renewal and bring new teams of people together, potentially catalysing mindset change (Van de Ven, Sun, 2011; Tushman et al., 1996; Burns, 2005; Hopkins et al., 2013; Tushman et al., 2013; Floyd, Lane 2000; McGrath, Macmillan, 2000). Moreover, a deeply held culture and a dynamic mindset are highly interwoven concepts, where it is hard to draw a line between them. An EM among TM and MM can trigger a change in culture (Hopkins et.al, 2013, Shephard et al. 2009). On the other hand, if the strategic and structural context allows a culture that empowers employees, it leads to an increasingly entrepreneurial mindset (Hopkins et.al, 2013, Shephard et al. 2009). Furthermore, the bringing in or changing of individuals within a company has been shown to influence management's mindset through changing capabilities/knowledge (Tripsas, Gavetti, 2000; Llop, Garcia-Arrizabalage, 2015; MacGrath, MacMillian, 2000).

While the above literature extrapolates on organisational factors and mindset in strategic change, research is lacking on mindset change and managerial activities (Hopkins et al., 2013). Previous research indicates that mindset change alters an individual's attitudes, behaviour and decisions (Gollwitzer, Heckhausen, Seller, 1990; Gupta, Govindarajan, 2002; Haynie et. al, 2010; Paul, 2000; McGrath, MacMillan, 2000) and it also indicates that that TM and MM mindset has a role to play in what managerial activities occur in strategic renewal (Hopkins et al., 2013; Eggers, Kaplan, 2009; Hodgkinson, Healey, 2014). Thus, it is logical to assume that mindset change in TM and MM will impact the nature of the managerial activities that are carried out in a strategic renewal. Yet, thus far there is only few research unifying these findings. More research is needed in this field to fully understand what impact a mindset change has on managerial activities in strategic implementation.

From the overview of research stated above a clearly identifiable gap, and the chance to add knowledge to the current literature, presents itself – the role a mindset change towards a more entrepreneurial mindset among management plays in the actions management take in the implementation of a strategy. Therefore, the research question, and goal, of this paper is to discover:

What role does an increasingly entrepreneurial mindset among top and mid-management have in the managerial activities of a strategic implementation?

1.3. Purpose

The purpose of this paper, and the contribution that will be made to literature, is to fill the gap in knowledge regarding the role an increasingly entrepreneurial management team mindset may have in shaping the nature of the managerial activities carried out in implementing a strategic change and how their interaction with each other might change through an increasingly EM. Moreover, this research should give a better understanding how the managerial activities of managers with an EM relate to the outcomes in a strategic renewal. In order to do this, the authors develop a model to have a common understanding from the disparate theories about the necessary steps in a strategic implementation that currently exist in literature. The answers to the question will give companies a better understanding of the interplay between an EM and strategic implementation as well as the practical implications about the considerations that managers should take when contemplating implementing a strategic change.

In order to establish an answer to this question, an investigation via a case study was carried out at the Swedish branch of a multinational utility company (from here to be referred to as UC), which name should not be stated, because of confidentiality reasons. A case study “entails the detailed and intensive analysis of a single case” (Bryman, Bell, 2011, p59) and focuses on the idiosyncrasies of the individual case (Stake, 1995). Politicians are driving towards a more sustainable society, the climate is changing, customers are becoming more educated and technology is developing at a fast pace, all of which lead to changes in the fundamentals of the markets and a blurring of the lines between entire industries. UC has, in the past, already changed their strategic direction, but never before have the changes on the market been that fast and tremendous. 2-3 years ago, management in the company realised the need for a strategic renewal. The need for more innovation in the company came from the management of the global HQ. However in UC, it was clear that it is not enough to just develop new products, services, processes or enter new markets; the people and the culture must be changed too. After implementing some changes, it became clear that the production side and the sales side of the company were drifting further apart. The strategies of the two sides could not be aligned and therefore, it was announced that the company would split into two entities the future. One would focus on energy production in a new entity and the other, engaging in a strategic renewal, would move from selling commodity offerings to solutions as the new UC.

In the past, the company had a deeply entrenched managerial mindset. However, with the realisation of the need to change, a relatively more EM has evolved among TM and MM over time. Thus, UC Sweden was a good situation to study mindset change and its effects on the implementation of strategic renewal. This company provided us with a unique opportunity to answer the above question as, from the ensuing strategic renewal, they had established a

leading innovation project heavily endorsed by management. Whether deliberately or not, this project had come to symbolise and manifest senior management's commitment to organisation-wide change. Therefore, via this project, the opportunity arose to study not only the crucial factors in implementation in the context of a changing mindset among management (brought on by the need for strategic renewal), but also how this mindset change affected implementation.

1.4. Limitations

The nature of mindset change within an organisation presents a measurability issue. Mindset change is a continuous process. Thus the authors of this paper acknowledge that, as this study concentrates on the mindset change of TM and MM, it is not possible to make completed conclusions about this phenomenon. However, a change of at least some significance has occurred thus far since TM and MM is mentally preparing for the split in one years time.

This study also risks retrospective bias because the investigation requires interviewees to compare past behaviour and processes with current ones. Retrospective bias is when individuals recounting past experiences may have biased memories about themselves or others, in either a positive or negative light, or they may misremember events entirely. Although this can be mitigated through correct question formulation, it will always be present in non-longitudinal studies that address a phenomenon of change.

1.5. Key concepts

Strategic renewal/New strategy

“The process, content, and outcome of refreshment or replacement of attributes of an [sic] organization that have the potential to substantially affect its long-term prospects” (Agarwal, Helfat, 2009)

Strategic Implementation

“All the processes and outcomes which accrue to a strategic decision once authorisation has been given to go ahead and put the decision into practice” (Miller et. al, 2004, p. 203)

Organisational factors

The elements or characteristics of the organisation in which the implementation takes place. These factors are the setting, or context, where managerial activities occur and so the actual implementation of the new strategy (Miller et al., 2004)

Managerial activities

The actual actions that managers take or engage in to implement strategic change and start to move the organisation in a new direction. The sum total of these are the planning, organising and implementing needed to achieve change (Miller et al., 2004)

Mindset

The cognitive filter people use to categorise and interpret information from their environment and, as a result, the actions taken according to their thoughts (Gollwitzer, Heckhausen, Sella, 1990; Gupta, Govindarajan, 2002)

Entrepreneurial Mindset

The way of thinking necessary to capture the benefits of uncertainty and the willingness to sense, act and mobilise possible opportunities (Shepherd et al, 2009).

Top Management

An individual who has at least two of three following attributes: is involved in strategic decision making (Amason, 1996; West, Anderson, 1996; Amason, Sapienza 1997; Iaquinto, Fredrickson, 1997); is vice president level or above (Hambrick et al., 1996; Geletkanycz , Hambrick 1997; Keck, 1997); reports directly to a CEO (Tushman, Rosenkopf, 1996; Boeker, 1997; Collins, Clark, 2003).

Middle Management

Individuals whose position required them to serve as an intermediary between TM level and operating level, communicating between the two (Kuratko et al., 2011; Floyd, Lane, 2000).

2. LITERATURE REVIEW

2.1. Strategic renewal

Strategic renewal is the process (Agrarwal, Helfat, 2009; Floyd, Lane, 2000, Tushman, O'Reilly, Harreld, 2013) whereby a company adapts to the occurred discontinuous new technology or political conditions that are a result of market changes (Kuratko et al, 2011, Agrarwal, Helfat, 2009). It could be the replacement or refreshments of attributes of an organisation (Agrarwal, Helfat. 2009), the introduction of new products that are new to the company and their strategy (Eggers, Kaplan, 2009), respective changes to the product domain, or the change of behaviour and the use of new knowledge to change core competencies of the company to the repositioning within the market (Ludwig, Pemberton, 2011). Strategic renewal is important for maintaining competitive advantage for companies that find their value proposition out-dated; that have a short-term business focus; that have reactive business practices; that have regressive clients; or that have uncertain long-term market growth (Peltola, 2012). Depending on the company, old competencies need to be adapted and new competencies developed (Floyd, Lane, 2000). However, a renewal is more than just a slight change in the strategy of a company; it requires a substantial impact on the company in the long term (Agrarwal, Helfat, 2000). Therefore, a company needs to question their current dominant logic, which is a company's beliefs and how they think about their strategy and redefine it (Kuratko et al., 2011). In order to be successful in a strategic renewal, a company must be ready to cannibalise their old products or services through innovation (Tushman, O'Reilly, 1996). If a company is successful in their adaptation to shifts in the market, it can be referred to as strategic renewal (Hopkins et. al, 2013). A successful strategic renewal can lead to a competitive advantage. However, that is not always the case; in certain environments strategic renewal is absolutely necessary to help companies just to survive in the market. Thus, companies have often no choice in pursuing a strategic renewal (Ludwig, Pemberton, 2011)

Literature distinguishes two forms of strategic renewal: discontinuous transformation and incremental renewal (Agrarwal, Helfat, 2009). Discontinuous transformation is characterised by major changes triggered by huge changes in the market like a strategic inflection point (Kuratko et al., 2011), whereas the latter is a continuous adaption of the strategy. However, both will lead to substantial change over time. Neither adapting incrementally nor discontinuously will lead to success alone. Therefore, a company must be able to deal with both incremental and revolutionary change (Tushman, O'Reilly, 1996). This implies that a company thinking about pursuing a major change in their strategy already needs to keep in mind that in the future it will be necessary to adapt to smaller shifts in the market. Thus, a company needs to be ambidextrous in their ability to align strategy with structure and culture. Besides dealing with this ambidexterity, a company

must adopt their business model, technology, structure, resources, capabilities and their mindset (Agarwal, Helfat 2009) in order to align their strategy with the environment. Beer et. al (2005) call that the 'fit' and argue that a company must also be able to learn and adapt in the long term, which they refer to as 'fitness'. Organisational learning is the ability to use feedback from the market and implement it in strategy, structure, culture or people (Tushman, O'Reilly, 1996). The ability to learn is directly linked with the way managers think. If thinking is not in line with the new environment, they will be unable to capitalise on new initiatives; therefore cognitive change is essential for strategic change if it is going to be successful (Tripsas, Gavetti, 2000). If a company holds onto old beliefs and stays committed to them, it blocks the ability to change. Companies therefore needs to break this block and embrace a new way of thinking (Beer et al, 2005).

History has shown that it is not enough to know about the strategic renewal; the right actions are necessary too. Cases like Polaroid teach us that even though companies realise the need to adapt to the market, they can still fail to do so (Tripsas, Gavetti, 2000). A reason for this is that people in the company stick to old ways of doing business with new technology, instead of adapting their dominant logic and mindset. Literature supports the high importance of mindset shift within such an undergoing. In order to be successful in a strategic renewal, companies must change their mental models according to their offering, customers, operations as well as their network (Storbacka et al., 2013).

2.2. Mindset

Human brains are limited in their ability to take in the complex information from the surrounding world (Guptia, Govindarajan, 2002). Thus, in order to manage it, they not only filter what information they absorb from the environment, but also how they interpret it (Gupta, Govindarajan, 2002; Haynie et. al, 2010; Paul, 2000; Hamilton, Vohs, Sellier, Meyvis, 2011) and the actions taken according to their thoughts (Gollwitzer, Heckhausen, Seller, 1990). A mindset can be described as a cognitive filter (Gupta, Govindarajan, 2002, Gollwitzer, 1990; Ananthram, 2014). These filters are built up and evolve over time and are created by our life experiences and learning (Paul, 2000). In other words, a mindset can also be described as mental images and assumptions held by individuals (Paul, 2000). In the same way mindsets are built by our environment, experiences and the learning drawn from it, they are reshaped. The filter of an individual is a dynamic model and evolves over time and constantly adapts not only to input from the environment, but also on goals and motivation (Haynie et. al, 2010; Paul, 2000; Gupta, Govindarajan, 2002), which leads to either a rejection by the individual or adaption of the held mental model. (Hodgkinson, Healey, 2014). Thereby, it is important to mention that it is not necessary for the environment to actually be changed. Simply the belief that there has been a change in the environment represents an opportunity that can motivate individuals (Haynie et. al, 2010).

The more conscious an individual is of their filter, the more he or she is able to critically assess it when new information comes along and the more open he or she will therefore be (and thus more likely) to change it (based on the new information) (Guptia, Govindarajan, 2002). An organisational mindset is simply the aggregated mindset of its individuals (Paul, 2000) that all influence one another (Gupta, Govindarajan, 2002).

2.2.1. Entrepreneurial mindset

It can be argued that an EM is needed in a strategic renewal for several reasons. First, as already mentioned, a turbulent external environment often leads to the need for a strategic renewal (Ludwig, Pemberton, 2011; Tripsas, Gavetti, 2000; Tushman et al, 2013) and an EM is the way of thinking necessary to capture the benefits of uncertainty and the willingness to sense, act and mobilise possible opportunities (Shepherd et al, 2009). Managers with this mindset are able to identify opportunities as well as important capabilities and resources needed to exploit them (MacGrath, MacMillian, 2000). Individuals thereby promote flexibility, creativity, continuous innovation as well as renewal (Ireland, Hitt, Simon, 2003). Moreover, the entrepreneur is focused on the future and is growth-oriented (Kuratko et al., 2011). Conversely, a manager with a managerial mindset is more used to systematic decision-making backed up with practices, procedures and algorithms (Bazerman, 1990) and rather focused on the current state and near future (Kuratko et al., 2011). When leaders are open to learning (Beer et. al, 2005) and the mind is risk oriented (Hopkins et. al, 2013) as entrepreneurs are, they are more likely to take the necessary actions that lead to strategic renewal. Managers with an EM are less likely to hold on to their old strategy; have the ability to reduce emotional commitment to outmoded ideas or activities (Hodgkinson, Healey, 2014); and are more open to strive in a new direction and build new emotional commitments (Hodgkinson, Healey, 2014; MacGrath, MacMillian, 2000). In their metacognitive model, Haynie et. al (2010) argue that the establishment of an EM starts with the interaction between the environment and the entrepreneurial motivation (Hopinks at al. 2013). However, even the desirability to act more entrepreneurially can help an individual to change their filters and become more entrepreneurial (Shepherd et al, 2009).

McGrath and MacMillian (2000) defined five key characteristics of an EM, which can be compared with the concept of entrepreneurial orientation, which is mostly used to define to what extent an organisation is entrepreneurial and consists of innovativeness, risk-taking and proactiveness. Even though entrepreneurial orientation is used for an organisational level assessment, it has many similarities with the five characteristics of an EM and therefore helps to define them further: (1) Entrepreneurs always seek for new opportunities in uncertainty, to profit from them and disrupt old ways of doing business (McGrath, MacMillian 2000). The active search in uncertainty can also be seen as risk-

taking, which is defined by the likelihood that results differ from the predefined expectation. The higher the presumed difference might be, the higher the risk is. By this definition, risk can either be negative or positive. Higher risks do not automatically mean higher potential of success. An organisation should be careful in the selection of the risk; it should not be too extreme and uncontrollable, but rather moderate and calculated. A corporate entrepreneur should be aware of the risk, its implications and manage them (Kuratko et al., 2011; Wales et. al, 2011). The search for new opportunities that may disrupt old ways of doing business is also close to the definition of innovativeness, which means to what extent something is done that is novel, unique or different. That does not mean it needs to be new to the world; it is enough if it is new to the region, country or even to the company. Products, services or processes can be innovative if they are unknown to the company. They are also often unpredictable and can, for example, cannibalise existing products, which leads to internal resistance within the company from various directions. In many cases a manager with an EM has to break the rules in order to innovate in a corporate context (Kuratko et al., 2011; Wales et. al, 2011). But also the second characteristic (2) select best opportunities (McGrath, MacMillian 2000) is part of innovativeness as corporate entrepreneurs are highly selective in their decision for which innovations to go for (Kuratko et al., 2011).

The characteristics (3) entrepreneurs are extremely ambitious and disciplined and (4) focus on execution (McGrath, MacMillian 2000) have similarities with proactiveness, which is the active instead of reactive approach to the environment (Miller, 1987). A corporate entrepreneur is a doer instead of a dreamer. It is the continuous focus on implementation of a new product, service or process. An entrepreneur has to be adaptive and aware not only of possible failures, but be willing for them to happen. In case of a setback an entrepreneur does not give up; they analyse the failure, learn from it and adapt. An entrepreneur is aware that they can actively change the current environment, take responsibility and have endurance (Kuratko et al., 2011; Wales et al., 2011).

Finally, the last characteristic of a manager with an EM is that (5) they do not act alone to profit from opportunities, but rather get help from inside as well as outside the company (McGrath, MacMillian 2000).

2.2.2. Distinction of culture from mindset

Mindset and culture are two highly interwoven concepts where it may be argued that it is hard to draw a line between them. Thus, it is important for this research to define culture and its difference from mindset. Organisational culture is defined as a set of shared values, beliefs, norms and assumptions held by the members of an organisation that shape the firm's structural arrangements and its members' actions (Duobiene, 2008; Dess, Picken,

1999; Pettigrew, 1979). Culture is an effective way of controlling and coordinating people without elaborate and rigid formal control systems. A company can, at the same time, have multiple cultures that are both tight and loose. However, a common overall culture is necessary to keep subcultures together (Tushman, O'Reilly, 1996). An entrepreneurial culture fosters and supports the continuous search for entrepreneurial opportunities that can be exploited to create sustainable competitive advantages (McGrath, MacMillan, 2000) and is characterised by risk taking, being creative, a high tolerance of failure, the support of learning, and, the encouragement to innovate products and services (Ireland et. al, 2003, Duobiene, 2008).

Whereas culture is a deeply held fundamental element in the individual's physical and social environment (Lehemann et al., 2004), mindset is a more dynamic concept that is less grounded in individuals. Shared values and cultural norms are learned and evolve over a long period of time. Changing the culture is a long process and needs more than a simple change or new piece of knowledge. Mindset, on the other hand, can be developed with much more ease and speed. Depending on an individual's openness and willingness, new knowledge can already be the trigger to mindset change (Haynie et. al, 2010).

2.3. Implementation of a strategic renewal

Strategic implementation is defined as "all the processes and outcomes, which accrue to a strategic decision once authorisation has been given to go ahead and put the decision into practice" (Miller et al, 2004). Therefore strategic renewal is divided into processes and outcomes in this research. Processes are further separated into two pillars: organisational factors and managerial activities (Miller et. al., 2004). Organisational factors refer to the elements or characteristics of the organisation in which the implementation takes place such as structure, culture and capabilities/knowledge. These factors are the setting, or context, where managerial activities occur and so the actual implementation of the new strategy (Miller et al., 2004).

Attempts by management to put a new strategy into practice can also mean the reorganisation of a company's structure (Miller et al., 2004). Previous literature does suggest possible structures (Van de Ven, Sun, 2011, Floyd, Lane, 2000, Tushman et al. 1996, Burns 2005) it also concedes that there is no particular structure that makes strategic renewal successful; a company should make sure to not have an implementation-obstructing structure. Meaning, the most important thing about structure "is that it should not get in the way" of the strategic change (Miller et al., 2004, p. 210).

Culture and its development are not only important and profound tools, but also an essential part of strategic implementation in a strategic renewal (Kuratko et al., 2011, Llop,

Garcia-Arrizabalage, 2015, Beer et al., 2005). It must be aligned with the new strategy and eliminate past emotional commitments that may block the change (Beer et.al, 2005). Having a culture that provides the context for change increases a company's readiness to change. If this readiness is lacking, organisations will struggle with implementing that change (Tushman et al., 1996; Miller et al., 2004). As already mentioned in a previous heading, there is a dynamic link between the two concepts of mindset and culture and they are highly interwoven with each other. The deeply held values and beliefs influence the cognitive filter – the mindset – of an individual. Vice versa, a change in mindset can lead to a transformation of culture (McGrath, MacMillan, 2000). Especially the mindset among management can trigger a change in the organisation's culture (Hopkins et.al, 2013). Shephard et al. (2009) argue in research, that an entrepreneurial culture and EM among management not only influence each other, but also lead to so called deviation-amplifying loops. That means an increase in "entrepreneurialness" of a mindset causes an increase in the "entrepreneurialness" of the culture, which starts a loop until it is stopped. The change could either start in the mindset of management or in the organisational culture. The start of a loop could be a shared new knowledge or feasibility of an innovation that is communicated from management throughout the organisation. If management convinces the organisation of the feasibility, a loop is started. Another trigger could be the desirability to act in a more entrepreneurial manner being communicated across the organisation. If the manager's perception of the feasibility or desirability stopped, most likely because of aggregated failures, the loop is stopped. On the other side, an increase in "entrepreneurialness" of entrepreneurial culture can result in a mindset transformation if either the strategic or the structural context is changed in a way where autonomous and entrepreneurial behaviour is encouraged. That means structure has also an indirect influence on mindset. If the possibility for entrepreneurial behaviour is blocked, the loop is stopped (Shephard et al, 2009).

Lastly, to achieve the realignment of the key aspects that make up a company, such as its structure, people and systems, new capabilities/knowledge may be needed – as companies rarely already possess the necessary skills (Storbacka et al., 2015; Floyd, Lane, 2000). Having the right experience base allows organisations to evaluate objectives, identify key tasks and resource implementation successfully. Even if an organisation is able to develop the correct strategy, this will be meaningless without the necessary capabilities in place to implement it (Beer et. al, 2005). Peltola (2012) outlines how strategic renewal necessitates the reorganisation and redefinition of employee roles, so that employees are confident of their new focus. The experience-base of a company is heavily linked to the managerial action of human resourcing, which will be further discussed under the managerial activity "resourcing". Capabilities/knowledge and mindset can influence each other over time. A EM in a strategic renewal can lead to a need for an employee turnover, which then can trigger new ways of thinking as there are new managers or employees with a different

mindset coming in. Also, the change in power of a manager can influence the overall mindset (Gupta, Govindarajan, 2000). In certain cases a mindset change might cause problems in a strategic renewal as the transformation may cause unintended consequences when restructuring capabilities. The shift in the mindset towards a more entrepreneurial approach could lead to experienced employees leaving the company as they disagree with the new direction and refuse to adopt the new culture. This is especially true in the case of utility companies that tend to transition away from the engineering mentality. As it is easier for talented staff to find a new job elsewhere, engineers will leave the company first. This results in a loss of capabilities, which could be a problem in a strategic renewal as tacit knowledge cannot be replaced in the short term (Worch et. al, 2012).

2.3.1. Managerial activities

This research will focus mainly on the managerial activities in strategic implementation, which refer to the actual actions that managers take or engage in to implement strategic change and start to move the organisation in a new direction. The sum total of these are the planning, organising and implementing needed to achieve change (Miller et al., 2004). In literature many definitions and concepts of important or necessary actions for strategic renewal already exist, which are all slightly different from each other. Therefore, a common understanding of necessary steps in a strategic implementation is missing. The authors of this research compare the different concepts of previous literature and put them together into newly defined concepts to develop a consistent model and common understanding, as can be seen later in Figure 1.

Assessing/Specifying

Evaluating the current state of the company, figuring out what needs to be done, and then highlighting which specific tasks are needed in order to achieve goals are essential tasks for managers (Greve, Taylor, 2000; Miner, 1994; Miller et al, 2004). All managers maintain a certain perception about the way their company and its environment are, but when these perceptions are held with less confidence, managerial behaviour changes from passively allowing opportunities to arise to actively seeking them. Actively seeking opportunities can give rise to new strategies while also discrediting old ones (Greve, Taylor, 2000). MM who experiments with novel solutions to new problems must be able to assess the long-term implications of their findings to know whether they have discovered something of value. They then transform to championing their ideas to TM, who, with a complete understanding of the strategic context, are able to assess which initiatives fit with the new direction, and so specify which should be more widely implemented. This process of assessing and specifying between TM and MM in order to implement activities that help the strategic change can be facilitated even more through vague goal setting, which encourages

MM to think independently and assess based on their own individual, expert knowledge that TM may lack (Floyd, Lane, 2000; Miner, 1994; Greve, Taylor, 2000). Miller et al. (2004) support actively seeking opportunities; the assessing of objectives and the specifying of tasks are crucial managerial activities needed to successfully implement change and bring about better performance. Through the process of these two activities, a synthesising of relevant information occurs and confidence in that managers have a strong understanding of what objectives exist and how to achieve them increases, in turn leading to increased support and acceptance company-wide (Miller et al., 2004; Floyd, Lane, 2000). Thus, managers who assess and specify competently facilitate the smoothness and ease with which change occurs (Floyd, Lane, 2000).

Adapting

Adapting is a managerial activity where managers draw from past or current learning to recognise and make the needed changes in on-going situations or processes; These are not working optimally, encouraging new or adaptations to behaviours and processes that better suit the circumstances (Floyd, Lane, 2000). This is crucial in a strategic renewal as it is during implementation that strategy meets environment. In order to be successful, strategies need to have room to be moulded and changed to fit specific circumstances as progress is made (Beer et al., 2005; Floyd, Lane, 2000). When managers act or make decisions, they base their thoughts on already held assumptions. However, changes in the environment of an organisation may create situations that are in conflict with established routines based on assumptions. If operational employees feel this conflict, they may be forced to adjust their behaviours to better carry out their jobs in this new context. MM may need to hide these activities from TM initially, and adjust their own behaviour, in order to increase the organisation's flexibility. This in turn facilitates an organisation's ability to adapt, as new behaviours building up a proven record (hidden by MM) can be more easily championed and sold to TM for organisation-wide implementation (Floyd, Lane, 2000). Indeed, Floyd and Lane (2000) even list some of management's key activities in the implementation of a strategic renewal as nourishing adaptability, sheltering activity, guiding adaptations and facilitating learning.

Beer et al. (2005) advocate that in order to keep up with the necessary strategic changes induced by environmental changes, companies also need to be able to learn and adapt, or have 'fitness'. This 'fitness' is essential if a company is going to achieve the ability to continuously renew strategically. They state a crucial organisational capability to the successful implementation of a strategic renewal as: having dynamic technical, functional, interpersonal and leadership skills that are flexible and able to easily adapt to changes (Beer et al., 2005). Being able to adapt means that managers of every level in an organisation break free from their current mental models and embrace changes as and

when the environment dictates them. Failure to do so will leave the organisation constrained, inert, and acts as a barrier to any implementation of a strategic change (Beer et al., 2005; Tripsas, Gavetti, 2000).

Resourcing

To be successful in putting the decisions of a strategic change into practice, managers need to be able to provide the necessary resources for activities needed to bring about change (Miller et al., 2004; Miner, 1994). This includes access to the right personnel, finances and time (Miller et al., 1994). For Miller et al. (2004), the resourcing of activities needed for strategic change appropriately leads to increased acceptance from those involved in the activities. So resourcing also serves to help align employee attitude in favour of change. Floyd and Lane (2000) also highlight the importance of management's deployment of resources into new product market areas or to support existing product market positions. They argue that resourcing is one third of the necessary managerial activities needed for strategic implementation to happen. Thus, its importance should not be underestimated.

Tripsas and Gavetti (2000) indicate that the resourcing of individuals is a powerful driver of strategic change. By hiring in personnel with needed abilities, companies add to and enrich their capabilities/knowledge base. In doing this, companies simultaneously equip themselves with new skills and allow new personnel to influence current employees to change behaviour. In certain circumstances this can drive out individuals who do not fit with the change. Thus, staff turnover is a comprehensive way to push change throughout a company (Simons, 1994) and is thereby influencing the organisational factor capabilities/knowledge.

Beer et al. (2005) build on the significance of resourcing developed by Floyd and Lane (2000) and Miller et al. (2005). They maintain that one issue which hinders a company's implementation of strategic renewal is management's tendency to over-allocate resources on activities that benefit the current business and under-allocate resources on activities that may become fruitful in the future, benefiting overall performance. The matching of financial/human resources (skills, knowledge) with strategy is a crucial organisational capability needed for the successful implementation of most strategies (Beer et al., 2005).

Managers that allow for slack, which is excess resources for use on unauthorised projects, are often seen as violating basic management principles by traditional standards (Miner, 1994). However, managers that tolerate the use of resources in this way benefit by the creation of variation and experiments, which lead to valuable and scalable innovations (Miner, 1994; Kuratko et al., 2011). Overtime, the overall benefit this brings to the company outweighs the savings from tight efficiency.

Communicating

Communication is both a formal and informal process of control within a company (Simons, 1994). In the context of a strategic renewal, the changing of the communication between TM, MM and employees can be used as a powerful leveraging tool in instigating change (Simons, 1994; Tushman et al., 2013). By creating emotionally engaging mission and vision statements, TM can effectively communicate a new set of values or desired behaviours, which energise and legitimise the new strategic direction in the minds of employees (Simons, 1994; Dougherty 1992; Miner 1994, Tushman et al., 2013). MM is then able to react to these new ideas, in turn deploying them as more 'concrete concepts' for lower employees (Dougherty; 1992). One barrier to successful strategic renewal is TM's failure to communicate a common purpose to the key functional employees who perform the activities that will ultimately end in the implementation, and therefore delivery, of the change (Beer et al., 2005). The communication downwards of an understandable story as to why the new strategy is an effective response to the changing market environment is necessary for employees to know how their daily activities relate to the new goals and how they should prioritise activities (Beer et al., 2005).

Equally as important, however, is communication in the other direction. MM need to act as mediators in communicating novel information known by operational employees to TM who are distanced from it (Floyd, Lane, 2000). Indeed, for successful strategic implementation, communication has to move downwards, upwards and laterally, in order to achieve the clarity needed to fully understand what, why and how things need to happen (Beer et al., 2005). Good multidirectional communication is very important. For example, MM understand the new strategy for renewal better than operational employees; but they also understand the operational process better than top managers, and thus are perfectly positioned to communicate and evaluate important information about an organisation's situation (Floyd, Lane, 2000).

Not only is the content of mission and vision statements important, and the direction in which communication occurs, but also the context in which communications are delivered (Llop, García-Arrizabalaga, 2015). Within a strategic renewal, communication needs to be clear, honest and direct, and this type of information exchange needs to happen through the entire organisation. If not, the open communication needed to help transform a company from crisis-point to having a sustainable competitive advantage cannot be created (Llop, García-Arrizabalaga, 2015).

Committing

To realise a strategic change, the acknowledgement that change is needed plus a willingness to carry it out is paramount (Beer et al., 2005). Gaining commitment, or

acceptance, from managers and employees towards the new strategy is a crucial stage in the implementation process (Guth, Macmillan, 1986; Miller et al., 2004; Floyd, Lane, 2000; Beer et al., 2005). Beer et al. (2005) outline how this can be achieved through top-level engagement and discussion with the rest of the organisation. Managers need to “develop [a] common purpose at the top and then create dialogue with all organizational [sic] members about that purpose to instil...commitment that will translate purpose into action” (Beer et al., 2005, p 450). By engaging in an open, honest conversation with employees and having employees see senior management accept and act on feedback, cynicism decreases and employee enthusiasm for change and trust increases (Beer et al., 2005; Gut, Macmillan, 1986).

Miller et al. (2004) appeal to Darragh and Campbell (2001)’s research to outline that commitment is paramount in ensuring that new initiatives stepping in the direction of change do not get stuck. This can happen when individuals in the implementation process disagree with what is being implemented. These individuals will try to utilise their power to push the decision in a different direction or may deliberately sabotage it if these initiatives are perceived to excessively conflict with self-interested goals (Guth, Macmillan, 1986; Miller et al., 2004).

The discovery of the need to change and set new strategic direction, as well as coming up with a plan and deploying the necessary resources, are the responsibilities of TM (Floyd, Lane, 2000). Therefore, their role in a strategic change is of major importance. The relationship between TM and MM in a strategic renewal is of major importance as well (Floyd, Lane, 2000; Tushman, O’Reilly, Harreld, 2013). Research has shown that the mindset of top managers is especially crucial in a major undertaking (Hopkins et. al, 2013) as managers with an EM encourage: coming up with new ideas, taking risks and accepting failure, as well as highlighting the importance of learning (Ireland, Hitt, Sirmon, 2003). The encouragement of these makes MM feel empowered in their actions, which leads to a higher commitment to the necessary actions needed in a strategic renewal and thus, the likelihood of strategic renewal. As a result, in a company with a TM EM, the goal of strategic renewal is expected to be achieved faster than in other companies. Not only does the thinking of TM need to change; the mindset of MM needs to change as well. While it is TM that recognise the need for a renewal, it is important to instruct for the necessary actions and actively change mental models in order to be able to take those actions (Tripsas, Gavetti, 2000) as the MM is mainly responsible for the implementation of the strategic steps set by the TM (Floyd, Lane, 2000). Therefore there is an indirect link between mindset and commitment.

2.3.2. Outcomes

The possible outcomes from the implementation of strategic change through key managerial activities are various (Miller et al., 2004; Agrarwal, Helfat, 2009). The processes above enable both managers and normal employees the power, freedom, and materials needed to have new ideas and make them happen. The resulting changes allow the organisation to act the way it needs to achieve its new ambition. The actualisation of these changes can end up altering the actions managers choose to take and the ways TM and MM think about doing business. Thus, the three are closely interrelated (Dougherty, 1992; Greve, Taylor, 2000) and it is therefore important to mention them.

Outcomes in a strategic renewal are new markets/industries (Agarwal, Helfat, 2009; Greve, Taylor, 2000), new products/services (Kuratko et al., 2011; Salvato, 2009), existing product development (Kuratko et al., 2011; Agarwal & Helfat, 2009, Kerin et al., 1990) new processes (Hodgkinson, Healey, 2014; Kuratko et al., 2011; Covin, Miles, 1999; Kuratko et al., 2011), spinouts (Agarwal et al., 2007; Agarwal & Helfat, 2009) and acquisitions (Capron & Mitchell, 2009; Agarwal & Helfat, 2009). As noted by Agarwal and Helfat (2009), established organisations that successfully implement strategic renewal are just as likely to identify, pioneer and survive in new markets as new companies are (Franco et al., 2009; Agarwal, Helfat, 2009; Carroll et al., 1996; Bayus, Agarwal 2007; Helfat, Lieberman 2002). Repositioning efforts alter the organisation's relationship with the market and industry competitors, often resulting in new products and services (Kuratko et al., 2011; Salvato, 2009, Greve, Taylor, 2000). But not only new products are created; the further development of the existing product range and the constant release of incremental innovations onto the market is often an outcome (Kuratko et al., 2011; Agarwal, Helfat, 2009, Kerin et al., 1990). Moreover, a change in direction for a company means new aims. To reach these new aims, current organisational processes may not be optimal, therefore organisational rejuvenation may be carried out (Hodgkinson, Healey, 2014; Kuratko et al., 2011; Covin, Miles, 1999; Kuratko et al., 2011). Therefore, internal processes will have to be altered and innovated (Greve, Talyor, 2000). A more extreme outcome is creative construction (Agarwal et al., 2007), which is the creation of new enterprises, more commonly referred to as spinouts (Agarwal et al., 2007; Agarwal & Helfat, 2009). Spinouts benefit companies in that they are a way to gently step into new markets or industries and often help the core business by selling complementary offerings (Agarwal et al., 2007; Agarwal, Helfat, 2009). Lastly, strategic renewal implementation efforts can lead to acquisitions (Agarwal, Helfat, 2009).

Literature tells us that acquisitions as well as new products can either directly or indirectly have an impact on the mindset of management. Acquisitions can help to bring in new capabilities, fill capability gaps and help organisations adapt faster to changes in the market (Capron, Mitchell, 2009; Agarwal, Helfat, 2009). Those new capabilities can, as

already mentioned earlier in the organisational factors, influence the mindset among management. Greve and Taylor (2000) present findings that show successful innovation projects can be used as catalysts for shifting the mindset of employees towards more entrepreneurial inclinations. Thus, firms can also use smaller innovation projects to eliminate an individual’s “not invented here” syndrome by linking the past achievement of those projects with the potential achievements of the new idea. That means a small project can help to strive toward a more EM (Hodgkinson, Healey, 2014).

2.4. Model of an increasingly EM among TM and MM

First, a model (see Figure 1) was defined with all the managerial actions and outcomes in a strategic implementation. Secondly, all the relations of an increasingly EM among TM and MM within the strategic implementation are highlighted in the turquoise lines. The dotted line states that literature suggests mindset has an indirect influence on committing. Processes and outcomes stand relate to each other in both ways, meaning actions can lead to outcomes and vice versa. Positive outcomes (signalled with the “+” sign) such as a successful innovation project can lead to an increasingly entrepreneurial mindset.

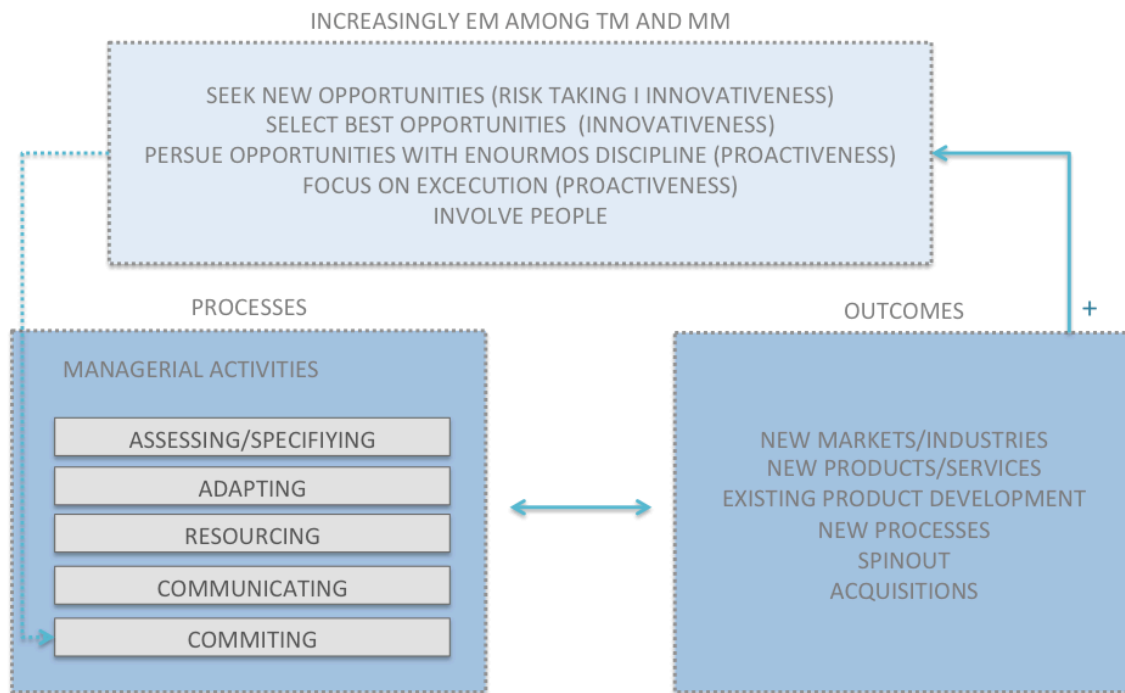


Figure 1: Increasingly EM among TM and MM

3. METHODOLOGY

3.1. Design and Approach

For the investigation, the authors decided to proceed with an inductive case study. This is the thorough and detailed analysis of a single case, scrutinising the complexity and idiosyncrasies of a specific instance of the general phenomena being studied (Bryman, Bell, 2011; Eisenhardt, 1989). The authors felt that, due to the open nature of the possible activities management may have carried out due to, or in instigating, mindset change, this approach would be best for theory building (Glaser, Strauss, 1967 cited in Eisenhardt, 1989; Yin, 1984).

Due to the fact that the intended transformation at UC was not complete at the time of research, an objective measurement of the constructs involved in this case would be difficult. Therefore, the subjective experiences of the individuals involved were concentrated on. This meant that an interpretivist, qualitative approach was best. This is because the authors were analysing a social world via the subjective experiences of actors in that world, meaning qualitative data will grant the best insights (Bryman, Bell, 2011). Therefore the research method here began with interviews and observations, and inductively developed a research topic and theory from the themes that emerged (Bryman, Bell, 2011). Researchers can begin by examining a given social reality and from here develop a theory in line with their with their observations. Propositions are created during this process and can be altered when new data is collected. This statement entails that the process was very iterative, with the authors moving between data and literature until a path presented itself. However such iteration is not necessarily a hindrance, as it can result in increased focus and generalisability of the study (Eisenhardt, 1898).

The authors were amid an internship at UC, working on a business development project, while completing the thesis. This entailed benefits such as greater trust among employees interviewed whom had been met previously, easier access to top level employees and a well developed general understanding of the difficulties and strengths UC faced internally. This knowledge enlightened the authors to potential themes of research that may not have risen had the internship not been taking place. However, these positives have potential risks. It is important to note that an interpretivist approach recognises that researchers will influence the data they collect i.e. the individuals they interview. This influence, or interview bias, occurs due to the personality of the interviewees, if the interviewees and interviewers have a pre-existing relationship, the phrasing of the question and the premise upon which the interviewer has detailed to the interviewee that the research is being carried out (Patton, 2005). In order to mitigate this influence, the authors remained aware

of this fact and chose their words and behaviour carefully, attempting to minimise this. Another potential risk of working in a company while conducting research is that the researchers “go native” (Bryman, Bell, 2011). This is when researchers, having spent too long inside a company, adopt its culture and fail to remain objective when analysing it. Simply being aware of this risk is one way to soften this effect.

The business development project the authors were working on while carrying out research also had an impact on the thesis. The project related to UC’s latest solutions product, and was at the forefront on the strategic change occurring. Thus the authors were able to witness first-hand the mindset of management and which managerial activities this led to in this key area of innovation. As interns, the authors were placed in the Innovation Department, which acted liked a hub for the new products, processes and behaviours that UC was trying to scale.

Bryman and Bell (2011) outline a 6-step qualitative research process (with two sub steps) that was followed by the authors of this paper. The process starts with “General Research Questions” (Bryman, Bell, 2011, p.389). This involves generating a number of different possible questions and topics based on insights gained implicitly from developing a generic understanding of the company. This process was enhanced in this case, due to internship at allowing access and intimate knowledge of the company culture, issues employees were facing, strategic changes at hand etc. Between the authors’ company mentor, University professor and literature, a suitable topic was honed in on.

The next step is “Selecting relevant site(s) and subjects” (Bryman, Bell, 2011, p.390). The site was predetermined – as already participating in an internship at the company, the authors decided to take advantage of this privileged access to internal workings, and thus set out to investigate an area of which the company would be a good site. Interviewees were chosen via the criteria outlined in 3.2.2 Selection of Interviewees.

Step 3, “Collection of Data” (Bryman, Bell, 2011, p.390), was carried out in a systematic way via semi-structured interviews. An interview guide was prepared that remained, for the most part, consistent across all interviews. The detail of these interviews is further extrapolated on below in section 3.2.1 Qualitative interviews.

Steps 4 – 6 are detailed in the next chapters of this thesis: Findings, Analysis and Conclusions.

3.2. Data Collection

Data was collected via two rounds of interviews with TM and MM at UC. These explorative, semi-structured interviews exposed the subjective experiences, opinions and thoughts of TM and MM at UC. Two sets of these were carried out; firstly, to seek clarification of UC's business model and to allow potential research themes to emerge; and secondly, to obtain specific data relating to answering the research question.

3.2.1. Qualitative interviews

All interviews conducted were semi-structured. A semi-structured interview is one where “the researcher has a list of questions on fairly specific topics to be covered...but the interviewee has a great deal of leeway in how to reply” (Bryman, Bell, 2011, p.467). This flexibility is what makes such interviewing so attractive to researchers (Bryman, Bell, 2011). By using this type of interview, the authors were able to gain both specific information and more open ended, free-flowing, explorative information which, while has no exact function in terms of the interview, may enlighten the authors to a particular area or avenue of interest.

Two rounds of interviews were conducted between the months of January and May 2015. These two incarnations of interviews are detailed below. In total, the authors completed 10 interviews with 8 employees at UC.

Semi-structured ‘exploration and clarification’ Interviews

The first round of interviews had the aim of clarifying UC's position in the market, their business model, their goals and visions, and the general perceptions and attitudes of the employees. The reasoning behind this round was to allow the authors general insights into the company, so as to have a better understanding, and leave room for comments by interviewees that were of interest to be focused on, perhaps allowing potential research themes to emerge (Appendix 1).

Introduction questions were included to get a better understanding of the interviewee's background, position and role within UC. The second section was to find out more about the current business model of UC as well as how this would be influenced by the transformation that UC is undergoing. Therefore, interviewees were asked about today's and UC's future value proposition, the way value was created and delivered to customers, and finally how value is captured (Richardson, 2008). This structure revealed the nature of the strategic change UC was attempting and the managerial difficulties faced to achieve it. Thus the themes of mindset, strategic implementation and managerial actions within this emerged as a possible research subject area. The last section was to gain insights about the

company's entrepreneurial capabilities. According to the categorisation of Abdelgawad et al (2015) and Teece et al. (2007), we asked questions about the sensing opportunities, selecting opportunities, creating internal conditions for the realisation of opportunities, actually realising and exploiting opportunities, and adapting and modifying the exploitation of realised opportunities. These questions elucidated the changes in managerial actions brought on by the strategic change in direction and raised the topic of mindset change with interviewees, further confirming the earlier themes as viable research areas.

Semi-structured 'In-depth' Interviews

The second round of interviews was conducted after the research question had been established. This meant that the interview guide honed in on the particular research topic of interest to the authors, rather than being generally about the functioning of the company as a whole. However, the opportunity and open nature of the interview still allowed for the potential exploration of tangential topics if and when they arose. The interviews should allow a deeper understanding of findings already gathered in the first interview round.

In order to answer this research question, the authors had to interview both TM and MM. This is because the research question focuses on the mindset of management, organisational make-up and managerial activities. Because TM and MM have different roles in a strategic implementation, two interview guides were created. One for TM, that focused more on corporate strategy, and one for MM, that focused more on managerial activities. However, the structure of both guides remained the same; only the amount or specificity of the questions differed in each part. The interview guides were structured into four main parts: (1) Introduction, (2) Strategic renewal, where the process of the transformation was focused on according to Agarwal and Helfat (2009) and Floyd and Lane (2000), as well as questioning the relationship between TM and MM (Floyd, Lane, 2000; Beer et. al, 2005), (3) Strategic implementation, which was divided, as Miller et al (2004) suggests, into organisational factors and managerial activities, and mindset, where management's way of thinking was questioned and how this evolved in the strategic implementation (Gupta, Govindarajan, 2002; Paul, 2000) (in order to not influence them, characteristics of an EM where not mentioned) and finally, (4) Innovation Project and other outcomes according to Miller et al (2004) (see Appendix 2,3). When designing the guide the authors attempted to create a logical flow in the structure of the interview (Bryman, Bell, 2011). The first section was to ease interviewees into the context of answering questions (Bryman, Bell, 2011). The second section was to explore exactly the strategic renewal that UC was carrying out. The third section was to understand the relationship between the organisational and managerial implementation activities and the changed mindset. The fourth was to see where their leading innovation project and other outcomes related to all of this.

3.2.2. Selection of interviewees

First round:

Due to the nature of the authors' internship and the relationship between the company mentor and the University, the first round of interviews was established without input from the authors. The interviewees were as follows:

<i>Sales Director B2C & SME</i>	<i>Jan 28, 10.00-11.00</i>
<i>Strategy & Corporate Development</i>	<i>Jan 28, 13.00-14.00</i>
<i>Head of Product & Customer Insights</i>	<i>Feb 2, 09.00-10.00</i>
<i>Deputy CEO</i>	<i>Feb 3, 09.00-10.00</i>
<i>Head of Program Office, Innovation</i>	<i>Feb 3, 11.00-12.00</i>

Second Round:

The interviewees gathered for the second round had several selection criteria.

First, the authors required the selection to be a mix of individuals from both TM and MM. TM was defined by the individual exhibiting at least two the following the three criteria:

- a. Involved in strategic decision making (Amason, 1996; West, Anderson, 1996; Amason, Sapienza 1997; Iaquinto, Fredrickson, 1997 cited in Carpenter et al., 2004)
- b. Vice president level or above (Hambrick et al., 1996; Geletkanycz, Hambrick 1997; Keck, 1997 cited in Carpenter et al., 2004)
- c. Report directly to a CEO (Tushman, Rosenkopf, 1996; Boeker, 1997; Collins, Clark, 2003 cited in Carpenter et al., 2004).

MM was defined as individuals whose position required them to serve as an intermediary between TM level and operating level, communicating between the two (Kuratko et al., 2011; Floyd, Lane, 2000)

Second, the interviewees needed to have been UC employees for one and a half years or longer. The reason for this was so that the interviewees would have had experience of UC internally both before and after the decision for strategic renewal.

Third, the interviewees needed to be a mix of individuals both involved and not involved in UC's leading innovation project. This was so the authors could collect the subjective

perspectives from both those directly involved with newly established innovations at UC, and those who were not - and thus may or may not have felt the effects of it.

Finally, interviewees needed to be individuals involved in more customer-facing, or customer centric, departments, such as Sales or Innovation. The reason for this was that it was the more customer centric areas of the company that were splitting away from the production side of the company and thus would have to complete the strategic renewal from a commodity sales model to a solution one. The production side of the company would remain much as it was before the split. Moreover, it was clear from the first round of interviews that it was in these departments that the mindset change of TM and MM was already having an effect on the managerial activities that were taking place in UC's strategic renewal.

Using these criteria, the authors' internship mentor was able to help secure the following interviewees:

Head of Channel Sales B2C & SME (MM) April 7, 11.00-12.00

CEO of Sales (TM) April 7, 14.30-15.15

CEO of Customer Support (TM) April 23, 14:00-15:00

Head of Product & Customer Insight (TM) May 5, 09.00-10.00

Head of Program Office, Innovation (MM) May 8, 09.00-10.00

After five interviews the authors found that the data collected from the individual cases, both from interview rounds one and two, aligned with each other. Thus the authors stopped conducting further interviews, as is advised once additional data only adds incremental knowledge (Glaser, Strauss, 1967 cited by Eisenhardt, 1998, p.545).

It is also important to note that while the interviewees obtained allowed the authors to successfully complete their case study, UC is a large company, going through a huge renewal and not used to researchers being present internally. Thus, the authors faced difficulties in obtaining interviews with all the desired personnel. Research could have been facilitated with more comprehensive access to top-level employees, but such restrictions are often a part of case study research in a large organisation (Bryman, Bell, 2011).

3.2.3. Interview Setting

In order to elicit unfettered information from the interviewees, the setting of the interview had to be right. First of all, it had to be a private environment away from the day-to-day business activities. This is not only so the interview can occur uninterrupted, but also that the interview does not take place in the interviewee's office or at their desk. With this measure, interviewees feel safe to speak freely about what might be controversial topics internally, or express their dissatisfaction, without the risk of a superior overhearing (Bryman, Bell, 2011).

Another point the authors had to consider was being multiple interviewers. This is actually beneficial for collecting data, as one interviewer can be responsible for conducting the interview, directing all their attention to the interviewee, and the other can concentrate wholly on making sure the recording is working and taking notes. This second interviewer can also make sure all topics are covered and no questions are accidentally skipped (Bechhofer, Elliott, McCrone, 1984). However multiple interviewers can be intimidating to some. In these instances however, the authors felt that all interviewees were confident individuals, who were working in a leadership role in a corporate context, and often dealing with many different types of people. Thus they would feel conformable talking to two interviewers in a relatively informal setting.

Secondary Data

The authors were also able to access secondary data in the form of employee surveys and the observation of one management meeting. This allowed the authors additional understanding about internal circumstances at UC.

Secondary data meant some triangulation and thus the cross checking of information was achieved to make results more reliable and thus findings more substantial. Triangulation involves the collection of multiple sources of data so that one can have more confidence in the findings and subsequent development of theory or conclusions (Webb et al., 1966). It is based on the premise that one source of data may be bias or warped in some way, and like in navigation where multiple points of reference reveal an exact location, multiple sources of data will reveal a more exact understanding (Bryman, Bell, 2011; Eisenhardt, 1989).

3.3. Methods for Data Analysis

The authors followed Eisenhardt's (1989) process of within-case to cross-case analysis. Thus each interview was analysed in turn, before the interviews were compared with one another. These two steps are important for data analysis as although it is the "heart of building theory...it is both the most difficult and the least codified part of the process"

(Eisenhardt, 1989, p.539). Due to this lack of codifying, the authors took inspiration from Saldaña (2012) to develop a systematic way to code subjective statements and therefore increase the reliability of the results.

3.3.1. Within-case Analysis

Within-case analysis was utilised to help the authors deal with the large amount of data collected from the interviews (Pettigrew, 1988). Through all the statements and opinions made by interviewees, relevant measures relating to the constructs being studied needed to be extracted. Thus, the authors employed the generation of Descriptive Codes, which are short words or phrases “that symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based or visual data” (Saldaña, 2012, p.3) and so summarise the primary topic being spoken about. However, in order to remain as close to the source data as possible, this was combined with In Vivo Codes, where the short words or phrases used to form Descriptive Codes were direct quotes from the interviewees. This helped to limit potential preconceptions the authors may have from influencing the creation of codes at this early stage.

The authors worked through each interview and coded words or phrases into representations of both the relevant constructs found in the model and unconsidered concepts that were persistently prevalent. This led the authors to gain intimate knowledge of each case as a stand-alone entity, and thus illuminated unique patterns in each case. Using these, the authors could push to generalise patterns that appeared across cases (Eisenhardt, 1989).

3.3.2. Cross-case Analysis

Cross-case analysis was utilised to help authors find generalisations justified by patterns that occurred multiple times across cases. Here the authors achieved investigation that went further than their initial impressions. The following of the Descriptive and In Vivo Coding techniques advocated by Saldaña (2012) played an important role, as “coding *is* [sic] analysis” (Miles, Huberman, 1994, p.56 cited in Saldaña, 2012, p.5). Via the comprehensive coding completed in within-case analysis, the data was already divided up into categories that could easily be compared. Patterns and corroborative comments naturally emerged when analysis of interviews were positioned next to one another. This provided a structured way to ensure reliability and improve the generalisability of the findings.

The authors defended against over-analysis by terminating the addition of more empirical data once the learning from additional data was only incremental (Eisenhardt, 1989) and

ceased iterating between data and literature once the contribution this case study was going to make to literature was clear (Bryman, Bell, 2011).

4. FINDINGS

4.1. Strategic renewal and changed Mindset among Management

Changing market conditions, decreasing revenue streams from the traditional business, empowerment of consumers and political challenges all lead to a constantly changing and turbulent industry. Management at UC has realised 2-3 years ago that a major transformation was necessary as the market is continuously changing and will be completely restructured in the future – as lines between entire industries blur. This realisation evolved in the Swedish branch and was also communicated from the headquarters. Along the way it became clear that the production and sales part of the company were shifting apart and need completely different strategies that are not compatible. Whereas the old strategy still fits the asset-heavy production side of the company, the sales side needs to focus more on innovation, being more customer-centered, having a shorter time to market and increasing risk in order to adapt to the turbulent changes on the market. Therefore, a decision at headquarters was taken to split the company into two entities. One focusing on energy production as a new entity and the new UC is moving from selling commodity offerings to solutions.

“I think there are couple of things why. First is the climate change and politicians are driving towards a more sustainable society technology development.... you have a very rapid pace at the cost going down for PVs and that would fundamentally change the business as well..... but also the customer development. ... Politicians put more power on the consumers.”

Deputy CEO

UC's management has not only identified changes in the market, but moreover realised that just simple changes of their outmoded ways of doing business in the new UC is not enough to survive through a major transition of the entire industry. The change is a challenge for UC, but their new strategic direction creates enthusiasm among management. The need for innovation in new areas is strongly communicated from the headquarter throughout all regional units. Managers at UC Sweden who are working in departments that are more customer focused sense the urgency of change more, which leads to a higher willingness to change. These managers are open to new ways of thinking and actively searching for inspiration and new ideas. Their mindsets have changed due to many influences over recent years, are still changing and most will likely continue to change into the future.

“What we are trying to do...is to create the environment, which supports our strategy to come up with new innovations all the time, and to bring in a new attitude within the company as well, a new mindset for our organisation”

Deputy CEO

This means management takes more risks in their new initiatives and communicates the allowance of failure and highlight the importance of learning from them. Their focus has shifted to the execution of projects and away from having the perfect solution upfront. They have decided to focus on three innovation areas, where they actively seek new opportunities. They believe in cross-functional working among the several departments of UC in order to implement new projects more successfully. They are not only internally open for new ideas, but also search outside the organisation for new inspiration: from other companies, industries and partner companies.

“As engineers we are 100% accurate...and I think 80% will be our future”

Deputy CEO

Their changed mindset has major implications for the implementation of their new strategy and the organisational factors. The past structure of the company can be described as very hierarchical and top down. Running a big company comes with a lot of bureaucracy, which slows down processes and leads to many decision points. Yet, it is unclear what structural consequences the split of the company will have in the future. Among management it is clear that a flatter structure, an empowerment of employees and less decision points are needed to strive successfully into the new strategic direction and make processes faster. However, they consider changes in both people’s mindset and culture as more important.

“Structural changes will not solve everything, what really matters are people.”

CEO of Sales

Management perceive themselves as role models in the company and see their mental models as the starting point to change the organisational mindset throughout the company through an innovation culture. The goal is to create a culture that supports innovation, risk taking, allowance of failure and learning. However, clear instructions, no allowance for failure, little to no risks and little responsibilities describe the past values, beliefs and norms. The values are nowadays in place, however, the change is an on-going process and will take many years until it is implemented.

“We have a culture change going on when it comes to innovation. I think we have quite a lot of ideas

Sales Director B2C & SME

The company is, as its managers describe, “entering a new world” where new competencies and knowledge is needed on top of the existing knowledge of the current market and the letting go some of the old capabilities. It is believed that the company’s core will change in

the future. There is a need for turnover in staff, new employees and knowledge from outside through partnerships and acquisitions.

“For me it is really important to get new influences by working with new colleagues, having new input from people coming into UC. I have to develop as well.....We as top management also have to change, if we don’t change, how do other people change?”

Head of Product & Customer Insights

“We need to have influence from both other companies and industries. If you combine that with the resources within the company and all the knowledge that we have in UC, that is the best way to go”

Head of Channel Sales B2C & SME

“Before we just had people who could answer questions, now I need people who can answer questions and sell products, new capabilities are needed”

CEO of Customer Support

4.1.1. Managerial Activities

Data collected indicated that, with an increasingly EM, some the managerial activities became increasingly interrelated. Thus, the description of the findings here shall first outline the managerial activities individually and then go on to show the interrelations between particular ones.

Assessing/Specifying

In assessing what to do and specifying to tasks to do it, UC traditionally relied upon a linear process where managers developed exact business cases with time plans. These plans had a focus on efficiency and little or no allowance for change once started. However, this became a problem when they started to work with innovation projects. Business cases without an allowance of failure meant assessment only happened at one time and specified tasks occurred even if it became apparent they were sub-optimal. Also, too many stakeholders being involved meant departments could blame the incompleteness of projects on incomplete work from other departments. Any team working on a project would need to verify actions with multiple departments (e.g. Finance, Legal etc), which would all need time-consuming educating on specifics. With the move into a new strategic direction, UC recognised the need to speed up. Faster processes were needed as a slow time-to-market would mean UC would not successfully compete against rival companies.

To combat this, so that the implementation of their strategic renewal would be successful, UC started to set up a system that had fewer stages and was less rigid:

“What we are trying to do now is work more agile. We are taking the decisions step by step”

Head of Product & Customer Insights

Mindset change in TM and MM towards a focus on execution and a desire to select the best opportunities led to a new, customer-centric, trial and error approach to projects. This meant that while an original plan and needed tasks were mapped out at the beginning, a project would be conducted with a much more “step-by-step” attitude. TM and MM would address projects in a new way so that they would more often assess and specify the goals and tasks needed to be done, understanding that a change in direction was OK (and not a failure):

“Management’s role...is to find quick solutions...I think middle and top management have to set directions”

Head of Channel Sales B2C & SME

As management could no longer be confident about exactly what UC should be offering in the future, mindset change brought with it freedom from having to be 100% correct at the beginning. In assessing and specifying tasks, managers did not have to analyse with such depth as in the past, speeding up the creation of new projects.

The outcome to this step-by-step approach was the freedom to test and validate plans before committing large amounts of resources to them. This let UC attempt many initiatives in the direction of the strategic change but only continue with ones that exhibited potential, increasing their likelihood of success and thus increasing the likelihood that the movement towards the new strategic direction would be a success.

Adapting

TM and MM’s mindset shift towards the pursuit of new opportunities and a focus on execution meant they were able to recognise that, in their changing environment, UC had to change the way it handled business internally. Learning and changing was essential from both the entirety of projects and in between stages within a project.

“You need to be able to change the development: time schedules might be changed, the budget might be changed, and having an acceptance that the business case that you start with will not be the one that you end with, and that that is ok, if you take the right decisions along the way. So having that agile way of thinking is really important to us. We are trying to establish this agile way of working and how we take our decisions”

Head of Product & Customer Insights

UC moved from having fixed, repeated processes to learning from projects, and then applying this learning to new projects. UC's increased willingness to adapt meant it would move more easily in its new strategic direction over the future years.

"We have learned a lot from [the leading innovation project]...we have also taken new decisions and new products, projects...[and] of course we will have to use the skills we have now achieved from [the leading innovation project]"

Head of Product & Customer Insights

The outcomes of learning as they progressed also affected the mindset of TM and MM. Projects would start in one place and be allowed to move into any direction. This would lead to unexpected areas that would help to open up the minds of TM and MM about what was possible for UC and make them more accepting of a change in direction of future ideas.

Resourcing

The shift in TM and MM mindset towards a more EM also changed the way they resourced people and allocate resources for projects in the strategic renewal. UC had a time-consuming resource authorisation procedure and was "struggling quite hard internally" both to be risk willing and properly allocate resources for all the desired projects (if four were already running, and a fifth was proposed, it may be rejected based on the fact that four was already a lot, regardless of the idea). When projects were green lit, UC also found that it did not have the right people to make the projects happen.

TM's increasing desire to involve people more led to the recruiting of people from outside the utility industry to provide the necessary human resources. TM's increasingly EM mindset meant they were more open, and actively sought, to bring in outside perspectives. In doing this, UC would be exposed to new ideas and ways of doing things, allowing them to behave different internally and move into new, unconsidered markets. Such individuals were an invaluable resource for new projects, and therefore also invaluable to the implementation of strategic change.

"If you get someone with a totally different perspective, maybe from working in a related business...for example companies that went through this kind of...radical shift...you get this input of experience...the new way of looking of things really can trigger new ways internally...you can really influence the way the organisation is developing"

Head of Program Office, Business Innovation

UC also achieved this through strategic cooperation i.e. partnerships. When UC lacked the right resources, or necessary amount of resources, they would partner up with companies

who did have the resources. This helped UC resource all the projects it wanted to and the different perspectives and ideas in the partner companies would often pull UC in a new direction or way of thinking that helped the strategic change.

"[UC's partnership with a particular App Developer] is a very good example of how we took a step into an area where there is a totally different perspective on how to do things"

Head of Program Office, Business Innovation

TM and MM's change in mindset also meant that they were less concerned with efficiency and more concerned with experimentation. This led to a change in the way management resourced employees at UC. As previously mentioned, the 'Competency Development' initiative was created:

"This year everyone has a certain amount of money and days set aside that they can use, as long as it has some connection with vision, to improve their own capabilities and skills....This is 'Competency Development'...we don't really ask what you're going to use it for, so its something that you decide, all other training and education you get is to get people engaged, but it has to be aligned with our vision and ambition of change"

CEO of Sales

By resourcing employees to work on their own projects or skills in this way, TM and MM actively encouraged the generation of novel ideas that could result in new opportunities for the company. This shift in focus away from efficiency was coupled with the desire to make employees aware that failure would not be punished, but celebrated.

"Here a project that fails may be seen as a personal failure, and that we have to change"

CEO of Sales

By letting employees know that resources could be 'spent' on failure, TM created an environment where many variations of an idea may be developed. Evolutionary theory indicates that the strongest, most valuable incarnation of that idea will survive. Thus, mindset change in TM led to an environment where UC could experiment and generate the necessary novel ideas that will help the company move in a new strategic direction.

Changes in resourcing protocols also led to further change in TM and MM. The recruitment of individuals from outside the utility industry and the increased strategic cooperation with other companies brought in new ideas about processes and direction into the company. These new ideas influenced the way TM and MM thought, allowing them to further develop and increase in their entrepreneurial disposition.

“If you imagine 5 people are coming from the outside, there is a much bigger possibility for us to change the mindsets internally”

Head of Product & Customer Insights

Communicating

The shift in mindset of TM and MM to involve people, seek opportunities and focus on execution altered many aspects of UC’s communication in the implementation of their strategic change. First of all the vision was changed, from expressing a wish to be the largest company in the sector to wanting to create value for customer. This signalled both to UC customers and also internally that UC’s future would be more customer focused and about creating value for customers. By establishing a common goal throughout the organisation, UC established a common understanding of the change.

“We have managed so far to change the vision and our ambition...we [have] a really good understanding of our vision and ambition, of what we would like to achieve, what we are aiming for”

CEO of Sales

Internally, the shift in TM and MM’s mindset allowed for the establishing of open, honest communication lanes. This was achieved by openly sharing company information with employees from many different levels and departments. By honestly and openly sharing not only positives within the company, but also struggles, lower employees have a better understanding of where the company is and what needs to be done. This leads to lower employees knowing the importance and the context of their job within UC’s larger strategy, supporting the change in direction.

“I’ve been quite open with our vision and numbers and so on, not just with managers but with people in general...being so open, there is a buy in for the change”

CEO of Sales

Another internal change was the use of the communicative technique of storytelling to initiate a change in the behaviour of employees. TM conceded that MM act as a bridging point between their strategic view and lower employee’s operational experience. By telling concrete stories, and not abstract buzzwords, about projects that people could relate to, MM was able to encourage TM’s desire for employees to act differently. Those stories included successes, and failures, which were beneficial and celebrated; in hearing such stories, employees, who see celebrated stories as a role model, gain the confidence needed to behave this way, take more risks and not be afraid of failure.

“The best way of changing people is by showing new examples, success stories that actually has been done. Internal communication is...crucial and a really...great tool for leadership. Really showing this has been done, this was successful. Show also mistakes, show this didn't work out”

Head of Product & Customer Insights

Committing

TM had a common understanding that the engagement of MM and lower employees is imperative to successful direction change. TM expressed the non-negotiable expectation for all MM to believe and trust in the new vision; otherwise they could not work at UC as a manager. This focus on MM by TM was important, as MM must achieve commitment from lower employees, who often are the ones who actually perform the actions that will result in direction change.

“Middle management are normally those who tell stories to our employees, so trying to get all managers very hooked on the change and engaged in the changes is one of my tasks...managers should be as aligned as they can be, as well tell this story to other employees. So [middle managers] are of great...importance”

CEO of Sales

In order to get controversial projects through to the end, some TM at UC had to hold on to and fight for their continuation. This is important for being a role model to MM. When MM see TM's commitment to projects that take UC in a new direction, they gain the confidence and courage to also fight for projects of great change.

The strongest form of gaining commitment from employees at UC was via their empowerment. Mindset change at the top meant UC managers wanted employees to take more responsibility and decisions. This is because, being on the 'front line', employees often know solutions or have better ideas than management.

You have to get employees engaged and to take responsibility for their work because they know more than I, they are with customers all the time everyday and have a better understanding, as a CEO I don't access that so I cannot know all the details... I have to more than give responsibilities to my people, I have to demand it! They should take the decision – they must be able to use their gut feeling!”

CEO of Customer Support

By gaining control over their own jobs and decision-making rights, employees at UC were empowered with the freedom to make the strategic change a reality the way they thought was optimal – which they may know better than senior management. This caused them to

become motivated and committed to the new strategy, as they felt they were a part of it and it benefitted them, helping to lead to its realisation.

“That is something that has to be handled from the top, making sure that - OK, you have this area of responsibility and don’t ask me, just do whatever you like and make sure it’s a good result”

Head of Program Office, Business Innovation

The output of the gaining commitment from MM and employees at UC to the new strategic direction was the faster implementation of stated goals and the creation of new initiatives, originating from employee observations and ideas. These two outputs had an effect on TM and MM's mindset, as the faster implementation of and creation of new projects increased enthusiasm and excitement among TM, as well as increased courage to enter a new domain.

“[This] has shown us, it can be very fast – that we are willing to learn, and that we can takes risks”

Strategy & Corporate Development

Interrelation between Assessing/Specifying and Adapting

Data indicted that with the creation of a trial and error approach, the managerial actions of assessing/specifying and adapting closely aligned to form synergies. While the element of learning present in the construct of adapting, which is absent in assessing/specifying, means the two must remain distinct constructs, with an increasingly EM the two are drawn close together.

“When it comes to changes on the market and customers perception of our needs we need to, we can’t work this way, we can’t find out one year before we’re going to hit the customers what the solution is going to look like, we have to be more agile in our work”

Sales Director B2C & SME

Management understood that they could no longer predict today what they should launch, or what customers would want, in a year. Therefore they must assess and specify more often. In between decision points that instigated, managers need to be able to adapt to the environment as and when it changes. Thus a cycle of assessing, specifying and adapting to the environment is created. Data confirmed that with a trial and error approach, the elements of ‘learning from the past’ and ‘figuring out what/how things should be done’ become increasingly integrated.

Interrelation between Resourcing and Communicating

Data collected indicated that resourcing also acted at a method of communication. Group management made explicit commitments, motivated by their mindset change, to embrace innovation and bring in new ideas. However saying the words is only one part; to truly communicate such change in mindset management must follow through with action, which UC's management did via resourcing - such as recruiting individuals from outside the utilities sector and starting the 'Competency Development' programme for employee personal development. By following talk through with resource allocation to specific areas, employees perceive management commitment and focus to those areas and thus are 'told' by this at these are areas of priority and importance.

Interrelation between Resourcing and Committing

Data also shows that in implementing a new strategic direction there is a striking relationship between the managerial activity of committing and resourcing. As mentioned previously, to truly communicate the new behaviour that management want from employees - due to their changed mindset - management must follow through with action. The actions that resource employees, equipping them with the necessary competencies to act in the way management are asking, shows management are 'putting their money where their mouth is'. 'Competency Development' money increases employee trust in the company ('management mean what they say') and makes employees feel valued. The result of these two feelings is that employees become more engaged. The appropriate resourcing of employee activities needed for strategic change led to increased acceptance from those employees involved in the activities. So resourcing also served to help align employee attitude in favour of the change.

"One of the challenges facing managers now is how to provide the possible resources and support employees, that will get support from employees"

CEO of Customer Support

Interrelation between Communicating and Committing

The data also found a striking relationship between the managerial activity of communicating and gaining commitment. As mentioned above, being open with employees not only gives them better understanding, but it also instils them with trust. They feel that they are included in the change and so feel more positively towards it, hence the comment that being open with numbers created a "buy in for the change". As well as this buy in for change, communicating employee roles and their connection to the wider strategic goals motivates individuals and increases their commitment to doing their jobs well.

“To understand [this connection] is absolutely necessary for our business, the things they are doing, they will be much more motivated...seeing that the actions that they are doing actually has a connection to our strategy”

Head of Product & Customer Insights

4.1.2. Outcomes

The outcomes to these managerial activities were varied and existed both as real outcomes and as new potential avenues for progress. Results included new products such as their leading innovation project, the knowledge that more products will be needed and existing product development, such as selling the old commodity offering with energy solutions. Managerial activities also led to new processes, such as increased speed with lean and agile methodology.

That’s the most important part, that you act in a way that allows for more agile approaches. Acting in that way can also be applied to how processes within the company look...[you] have to make sure the processes inside the organisation are able to adapt”

Head of Program Office, Business Innovation

Another result was partnerships with companies in markets where UC lacked experience, the movement into new markets and the possibility for acquisitions in the future.

“So we are collaborating with others. And in every part, in every project that we set up, we have a partner. Bringing new competence...Trying also to package our services in another way”

Deputy CEO

And finally, the change in mindset of TM and MM led to the willingness of a split at UC, which can be seen as a giant spinout. TM’s mindset shift towards creating a more entrepreneurial company meant they recognised the operations of production side of the business could not fit with the new strategy of the sales side of the business.

“...and taking both these companies and trying to make a strategy that fits them both is very difficult and we have had a big discussion within the group over the last year and this came to the conclusion that is better of to split them off into two companies and be successful on their own strategy and their own criteria for success.”

Deputy CEO

The outcomes also influenced TM and MM’s mindset. The shift towards an EM is reinforced when the results show tangible benefits. When their leading innovation project initially started, it received a lot of criticism. After some time, it proved that UC could operate faster,

could create offerings and could obtain the competencies deliver solutions. These lessons changed the minds of those critical managers, as “most negative [comments] are now positive”.

“UC has learnt a lot of things how we should have been done...in the future we are going to be much faster with that and much more customer focused also...in the future we will do more partnerships, and small services and products for customers. That’s coming from [the leading innovation project”

5. ANALYSIS

5.1. Strategic renewal and changed mindset among TM and MM

Literature tells us that the establishment of a new mindset starts by interaction with the environment (Haynie et. al, 2010, Paul, 2000, Gupta, Govindarajan, 2002). In the case of UC, this is the transformation of the entire utility industry. As it has become clear what possible effects that could have on the business, it has become clear that they need to make some major changes. Instead of just applying old ways of doing business on new technologies, they realised that a new way of thinking – a new mindset is necessary (Tripsas, Gavetti, 2000). The challenge created enthusiasm and a strong motivation among management, which are other important factors for the establishment of an EM (Haynie et. al, 2010). While in the past, the mindset among management at UC was focused on the current state, as is usual for a managerial mindset, and making decisions based on thoroughly calculated analysis (Bazerman, 1990, Kuratko et al., 2011), the management in the sales part of the company are now showing more characteristics of an EM. They are looking much more into the future, thinking about how to benefit from opportunities arising in the changing market and ways to grow business in new areas (Shephard et al, 2009, Ireland, Hitt, Simon, 2003). They show little emotional commitment to the old ways of doing business as they are even seeking opportunities that cannibalise their existing product range (Hodgkinson, Healey, 2014) and are not only open for new inspiration, but actively searching for input from inside and outside the company (Shepherd et al, 2009).

In particular, the mindset among TM and MM in the sales part of UC show some significant similarities with the entrepreneurial characteristics of McGrath and MacMillian (2000) and entrepreneurial orientation (Kuratko et al., 2011). Firstly, managers are now actively searching for opportunities that are likely to cannibalise their old product range (Kuratko et al., 2011) and disrupt old ways of doing business (McGrath, MacMillian 2000, Shepherd et al, 2009). By doing so, they mainly focus on opportunities in three innovation areas as they are aligned with the new strategic direction UC is heading and thereby, are keeping a small and selected portfolio of ideas in various innovation stages. Those innovations do not all necessarily need to be new to the market, but new to the company (Kuratko et al., 2011) as they rather try to combine existing technology in a unique way by using their old and new product range together. By pursuing new opportunities, managers are willing to become more risk-taking than they have been in the past. As UC has in the past shown little to no allowance of risk whatsoever, the dimension risk taking must be seen relative too. Management not only show a high willingness to step in new areas that are defined by uncertainty to UC, but are also aware of its implications and manage the risks (Kuratko et al., 2011 et al., Wales et. al, 2011) by spreading the risk in their innovation areas that have a strategic fit with the company as already above mentioned (McGrath, MacMillian, 2000).

As those opportunities are fairly new to the company, management realised that the old approach of calculating everything in advance and then strictly following the plan will not work for innovation projects. They are opening up and strive towards a trial and error approach and letting loose of the outmoded idea of the perfect solution (Shephard, 2009). As McGrath and MacMillian (2000) describe an EM, they are now rather focused on the execution of their ideas and have the willingness to adapt in case something goes different than expected. They have a new allowance for failure as long as someone is able draw learnings from their mistakes, which Beer et al. (2005) describe as the capacity to learn and fit in new circumstances. UC is to a certain extent proactive (Kuratko et al., 2011, Wales et al., 2011). Even if there is a sense of urgency in the current market conditions, they are still not 'on the edge' yet are actively seeking a new strategic direction instead of just reacting to environmental changes (Kuratko et al., 2011).

According to McGrath and MacMillian (2000) an entrepreneur believes that they need to involve people inside and outside the company in order to seize opportunities. At UC management thinks that they should not and are not able to strive in a new strategic direction on their own; they support cross-functional working within the company. Moreover, they are open for inspiration from outside the company by getting new employees from other industries and working with experienced partners that have capabilities/knowledge that UC is lacking. It is also believed that this consciousness of their current situation and openness for inspiration from outside has been one of the drivers to change their mindset (Guptia, Govindarajan, 2002).

Even though there are some significant similarities between the new mindset among MM and TM at UC and the characteristics described in literature, it should be mentioned that they are relative. In the past the business was very traditional and conservative and even though there have already been some significant changes over recent years, the change is still going on. Moreover, it should not be forgotten that those characteristics reflect the mindset among TM and MM and not of the organisation as such. That becomes also clear, when looking at the last characteristic: pursuing opportunities with enormous discipline and ambition (McGrath, MacMillian, 2000). They are ambitious about their goals and want to be more proactive in their undergoing, but are still very careful in the strategic renewal and are still moving quite slowly in their innovation areas.

The mindset has major implications for organisational factors within the company. Despite all the recommendations given in literature, what really counts at the end is that the organisational structure is not hindering the successful implementation of the new strategy and all the necessary actions in this undertaking (Miller et al., 2004, Greenwood, Hinings, 1993). This is also the belief of the management as they think the current structure slows

processes down and is excessively hierarchical. Moreover, from the perspective of UC management, one of the most important factors as well as challenges in going into this new strategic direction is culture; furthermore, literature supports this importance (Llop, Garcia-Arrizabalage, 2015; Tushman et al., 1996). Moreover, the culture needs to be aligned with the company's strategy (Beer et al. 2005). UC strives into a culture that supports innovation, risk taking, allowance of failure and learning, which are all major components of an entrepreneurial culture (Ireland et. al, 2003, Duobiene, 2008). As we already know from literature, EM and entrepreneurial culture are highly interwoven (Shephard et al, 2009). Management's mindset of seeking opportunities, taking risks, allowance of failure, openness internally and externally leads to the conclusion that a culture is needed to support and enforce that. Lastly, having the right expertise in the company is of tremendous importance in a strategic renewal (Storbacka et al., 2015; Floyd, Lane, 2000, Miller et al., 2004) as it allows the evaluation of objectives, identifying key tasks and resources needs. The new and open mindset among management led them to notice the need for new internal and external capabilities. The development of competences, changed positions and a turnover of existing members can lead to a changed mindset in an organisation (Guptia, Govindarajan, 2002). This is something that the empirical data of UC has also shown; UC actively was searching for this new mindset to bring into the company. TM and MM are open for the new inspiration and ideas coming in from new employees and support them in their implementation of the ideas.

5.1.1. Managerial activities

As can be seen in every activity, an increasingly EM has an influence on all managerial activities that previous literature has identified as important actions for managers to take for strategic renewal in order to be successful:

Assessing/Specifying

Theory suggests that assessing and specifying are instrumental in facilitating a company's strategic renewal (Greve, Taylor, 2000; Miner, 1994; Miller et al, 2004). Literature states that the less confident managers are in their perception about the way the company and its environment are, the more likely it is that managerial behaviour will change from a passive to an active search for opportunities. It is this active searching that discredits old strategies and creates new ones (Greve, Taylor, 2000).

The data collected from within UC supports this configuration. The findings indicate that after the decision to move from commodity to solutions was taken, management could no longer be confident about exactly what UC should offer customers in the future. This lack of confidence shifted management's approach to actively seeking new opportunities (Greve,

Taylor, 2000). Thus they shifted from assessing and specifying tasks in a predetermined, linear fashion to a more agile, trial and error, step-by-step approach – and this was instrumental in helping the organisation pursue its new strategic direction. New opportunities cannot be known beforehand, thus management required assessment and specification more often. This requirement in turn instigated a step-by-step approach, which generated new ideas and discredited old ambitions (Greve, Taylor, 2000).

This change in mindset of TM and MM made them more open and willing to change their way of thinking and the actions in response to new information (Guptia, Govindarajan, 2002). This new openness and willingness changed the way they assessed and specified to make it more trial and error, which allowed them to investigate new ideas and directions. Thus a change in the mindset of TM and MM towards an EM affects the way they assess ideas and specify tasks, which leads to new internal processes and the generation of new ideas or directions, which in turn facilitates a strategic renewal. Although a change in assessing/specifying does not directly influence the mindset of TM and MM mindset, the outcomes of this change can. This is expanded on in the section 5.1.2 Outcomes.

Adapting

The adaptability of managers is crucial in a strategic renewal as it is during implementation that strategy meets environment. In order to be successful, strategies must have the room to be moulded and changed to fit specific circumstances in progress (Beer et al., 2005; Floyd, Lane, 2000; Storbacka et al., 2013). Theory indicates that when management is open to learning (Beer et. al, 2005) and their minds are risk oriented (Hopkins et. al, 2013), they are more likely to take the necessary actions that lead to strategic renewal. Thus the shift to a more EM will have a positive effect on the managerial activity of adapting, and so increase the likely success of a strategic renewal. This is because as an EM is focused on: the execution of ideas, the constant adaptation of this execution, an awareness of possible failures and a willingness for them to happen (McGrath, MacMillian 2000; Kuratko et al., 2011; Wales et. al, 2011).

Data collected showed the combination of this literature to be the case. Managers at UC moved from using fixed processes to learning from projects, and then applying this learning to new projects. Mindset change in management increased their willingness to adapt, meaning that UC would learn from projects, change approach as they progressed, apply this to future projects and thus more easily move in its new strategic direction over the future years. Management at UC was able to analyse failure, learn from it and adapt (Kuratko et al., 2011). If a manager changes their attitudes toward being more willing to take risks and more open for change, it can influence those attitudes of his subordinates (McGrath, MacMillan, 2000). Thus, management at UC's increased EM, which increased

their willingness to take risks and change, increased the adaptability of the whole company. UC's increasingly EM among management was in the process of achieving the ability to learn and adapt continuously organisation-wide (Beer et al. 2005).

Data also indicated that with an increasingly EM, the managerial activities of assessing/specifying and adapting become closely aligned. In synthesising the relevant information (Miller et al., 2004) to be able to actively seek the right type of opportunities (Greve, Taylor, 2000), managers anticipate that when implementation meets the environment (Floyd, Lane, 2000) they may have to embrace changes as and when the environment dictates them (Beer et al., 2005; Tripsas, Gavetti, 2000). Embracing such changes will mean having to re-synthesis at a future time, but this cycle of assessing, specifying and adapting is beneficial as it hinders organisational inertia developing (Tushman, O'Reily, 1996; Beer et al., 2005)

Thus, a change in TM and MM's mindset towards an EM directly increases the ability of management to adapt, learn from failure and accept failure. This increase in risk-taking and openness to change means that managers are more likely to take the necessary decisions to make strategic change happen and change the strategy as it develops in order to make it better fit the market. Moreover, an increasingly EM causes alignment between assessing, specifying and adapting that results in synergies blocking organisational inertia. These actions facilitate the implementation of a strategic renewal. Although a change in adapting does not directly influence the mindset of TM and MM, the outcomes of this change can.

Resourcing

Theory suggests that in being successful when putting decisions of a strategic change into practice, managers must be able to provide the necessary resources for the activities needed to bring about change, like personnel, finances, time etc. (Miller et al., 2004; Miner, 1994). The data collected supports these assertions, as mindset change in TM and MM at UC drastically changed the way people and projects were resourced, in a way that facilitates the movement into a new strategic direction.

The increasingly EM of TM and MM led to the creation of 'Competency Development' money for each employee. Resourcing employees to work on their own projects or skills actively encouraged the generation of novel ideas or products, resulting in new opportunities for the company. Such resourcing provides fertile ground upon which novel ideas can occur, thus facilitating strategic renewal (Floyd, Lane, 2000). These ideas affect TM and MM's mindset (Guptia, Govindarajan, 2002). This is explained further in the section 'Outcomes' below. However, data collected from UC indicated that, although UC provided more resources to chosen areas, and specific amounts of personal resources to employees,

they did not allow for un-specified resources to be available for anyone's experimentation i.e. slack (Miner, 1994; Kuratko et al., 2011). Thus, there was an element of successful resourcing for implementing strategic change that an increasingly EM did not have a role in.

The data collected adds to literature relating resourcing and communicating (Beer et al., 2005; Floyd, Lane, 2000; Miller et al., 2004) by indicating that, indeed, resourcing *is* a form of communication that facilitates the implementation of a strategic renewal. By allocating resources to particular projects, and extra resources to individuals, TM and MM show what areas are of priority or importance to them. This tells lower employees where they should focus their attention. This creates an atmosphere whereby employees feel safe to experiment with resources in areas to be of importance (i.e. innovation, as indicated by management's allocation of resources to those areas) and generate novel ideas, products, process etc. that will help the company move in a new strategic direction (Miner, 1994; Kuratko et al., 2011).

The data collected also indicated that resourcing influences 'capabilities/knowledge'. The increasingly EM of TM made them seek new opportunities and want to work with people to achieve this, both inside and outside of UC (McGrath, MacMillian 2000). Thus they started recruiting personnel from outside the utilities industry and forming strategic cooperation to resource projects successfully.

Thus a change in the mindset of TM and MM towards an EM a shifted the focus of resources from old projects to innovation projects and the types of resources that were made available to people or projects. Resourcing in this way leads to the acquisition of new people and the generation of novel ideas, products, process etc. Resourcing can also act as a form of communication that facilitates the movement towards a new strategic direction. The changes in the resourcing of people and projects do not in turn, directly affect the mindset of TM and MM, but it does cause commitment in employees. This is explained further in the 'Committing' section below.

Communicating

Previous literature shows that, in the context of a strategic renewal, changing communication between TM, MM and employees is a powerful leveraging tool (Simons, 1994; Tushman et al., 2013). TM's role is to communicate a unified goal throughout the organisation. This can be done through an emotionally engaging mission/vision statement to legitimise the new strategic direction, new values and new behaviours in the minds of employees (Simons, 1994; Dougherty 1992; Miner 1994, Tushman et al., 2013). Data at UC supports this assertion. The shift in TM's mindset towards a more entrepreneurial one

caused a change the vision statement. The reformulated one 'energised' and 'legitimised' both customers and employees UC's future focus on creating value for customers (Tushman et al., 2013). TM were able to achieve this through their vision statement due to the fact that a person's position in a company dictates how influential their mindset change is on others (Guptia, Govindarajan, 2002).

Mindset change towards an EM also caused management to become more open (McGrath,, MacMillian 2000), initiating clear, honest and direct information exchange through the entire organisation. They started sharing company information with employees from many different levels and departments. Thus, they successfully enabled key functional employees who were performing key strategic renewal activities to understand how their tasks relate to the entire strategic vision. This increased the likelihood that they would carry out these tasks properly (Beer et al., 2005). This was crucial as employees form strong identities relating to their perceived role within the wider-company. Therefore communicating employee position with the new strategy is necessary so that they do not reject it (Hodgkinson, Healey, 2014).

MM's role is to act as mediators communicating from TM to operational employees in more concrete terms (Floyd, Lane, 2000). MM used storytelling to communicate new behaviours. Storytelling, a communicative technique not extrapolated on in the literature review, communicates tacit knowledge (Goffin, Ursula, 2011). In hearing stories that celebrate experimentation and failure, employees gained the confidence to take more risks and tolerate failure. Thus employees were more likely to engage in activities that resulted in new ideas, products, directions etc.

Thus a change in the mindset of TM and MM towards an EM affects the type of communications made to employees and the way communication is managed through the company. By changing the vision statement, being open with subordinates and fostering certain types of storytelling, management achieve a change in the behaviour and understanding of lower employees. This change in communication does not in turn affect the mindset of TM and MM, but it can cause commitment in employees. This is explained further in the 'Committing' section below.

Committing

Previous research suggests that managers with an EM promote: coming up with new ideas, taking risks, accepting failure and encouraging learning (Ireland, Hitt, Sirmon, 2003). When combined these empower employees in their actions, leading to a higher commitment to the necessary actions needed in a strategic renewal. Thus, the likelihood of strategic renewal is higher (Tripsas, Gavetti, 2000). However, this does not imply a direct link

between an increasingly EM in TM and MM and increased commitment. Instead, correlating with data, this suggests that a change in the mindset of management leads to managerial behaviours – e.g. giving more responsibility – that in turn lead to the empowerment of employees, which leads to the commitment among employees (Hopkins et al., 2013). Previous research does not stipulate exactly what these activities are. Data from UC indicates that these activities are resourcing and communicating.

Previous research supports the phenomenon that increased resourcing of activities increases the acceptance of those activities among those involved (Miller et al., 2004). Data collected showed that the resourcing of desired activities increased employee trust in the company and making them feel valued, with the aim of increasing their engagement. Thus, resourcing also serves align employee attitudes in favour of the change (Miller et al., 2004). This is important in non-customer facing departments who often fail to realise change is needed (Storbacka et al., 2013). Gaining commitment via correct resourcing is important as it acts as a gateway to other important elements to implementing a new strategy (Beer et al., 2005; Darragh, Campbell, 2001). As previously mentioned, resourcing can also function as a form of communication, which instils commitment as outlined below.

Communicating instils commitment through the downward communication of an understandable story as to why the new strategy is needed and how daily employee activities connect to it (Beer et al., 2005). At UC, managers understood the crucial task of making sure employees understand why their job is essential to the new strategy, which they claimed caused increased motivation and engagement. Another way communication can instil commitment is through the creation of open and receptive channels for dialogue with employees (Beer et al., 2005). By engaging in an open, honest conversation with employees, and having employees see senior management accept and act on feedback, employee cynicism decreases and trust and enthusiasm for change increases (Beer et al., 2005; Guth, Macmillan, 1986). Data collected collaborated with this theory, as management at UC engaged in open and honest communication with employees and found there was a 'buy in for change' with this activity.

Thus, a change in TM and MM towards an EM does not directly cause committing, but causes managerial actions that instil commitment in employees to the new strategy. Through appropriate resourcing and communicating, employees feel empowered in their actions, which leads to a higher commitment to the necessary actions needed in a strategic renewal and thus, the likelihood of strategic renewal is higher. In summary, a company with an entrepreneurial TM and MM mindset will have higher commitment from employees when implementing a new strategy, and therefore can be expected to achieve that renewal faster than without this mindset.

5.1.2. Outcomes

Strategic renewal often leads organisations into new markets and industries (Agarwal, Helfat, 2009; Greve, Taylor, 2000). For UC, many industries are converging, resulting in brand new, potentially very attractive, markets (Kuratko et al., 2011; Lieberman, Montgomery, 1988). UC is entering those new markets, dominated by uncertainty, with new products and services. Big companies that successfully utilise their ability to assess, specify and communicate are just as likely to be successful in new markets as start-ups (Franco et al., 2008; Agarwal, Helfat, 2009). Strategic renewal leads to new and old product development (Kuratko et al., 2011; Salvato, 2009; Agarwal, Helfat, 2009). For old products, UC is combining old offerings with new to sustain their competitive advantage in the existing market (Kuratko et al., 2011). For new products, instead of developing new technology UC is combining existing technologies with their product range. New internal processes are often needed for new innovation projects in a strategic renewal (Greve, Taylor, 2000), which is also the case in UC; old processes are not suitable for new projects. New processes at UC create new channels to customers and thus, get a competitive advantage (Covin, Miles, 1999; Kuratko et al., 2011) as well as having a shorter time to market with their new products and services. A spinout is defined as “new ventures founded by employees of established firms” (Agarwal, Helfat, 2009, p. 285). At UC the entire utility production side will be spun out in the future. That is assumed to have major implications, however, it could not be researched as it lies in the future. As acquisitions are a method to bring in new capabilities in order to fill capability gaps (Capron, Mitchell, 2009; Agarwal, Helfat, 2009), UC is thinking strongly about acquiring companies instead of developing everything on their own, but have not completed any yet. UC believes that partnerships are of tremendous importance in strategic renewal as it is a way to bring in new knowledge and that strong partners help deliver competitive advantage in new markets. Those partnerships can range from working with a software developer in an innovation project to having a strategic cooperation with another big player. All outcomes have a more entrepreneurial orientation than before, which means they are more risky, more innovative and proactive (Kuratko et al., 2011).

As a mindset evolves over time by interactions with the environment, experiences and learning drawn from them (Paul, 2000), the outcomes have consequences for the transition of a mindset (Guptia, Govindarajan, 2002, Paul, 2000, Hayne et.al, 2010). In the data it was identified that successes of the outcomes, even if they are only perceived as such, influence mindset as motivation also plays a major role in mindset change (Hayne et.al, 2010). For instance, there was internal resistance among some managers to a new innovation project. However, so far this has been perceived as a successful implementation. Even though there were setbacks, this perception caused an increase in acceptance of the project and thus, mindset changed. As Greve and Taylor (2000) stated in their work, an innovation project

can be a catalyst of a changing mindset. The project cannot be considered innovative in general, but relative to the company as it was something completely new (Kuratko et al, 2011) and a first step into more innovative projects and entering new markets. That successful first step can be used to reinforce future projects (Hodgkinson, Healey, 2014). Another example are the partnerships as management is getting new inspiration from outside, which has also implications for the mindset among TM and MM where UC can profit from expertise and being questioned about their approach.

5.2. Model of an increasingly EM among TM and MM

Together with the findings found in data and previous literature, a further developed model arises that is stating all the relations in the model (Figure 2). Data endorsed what has been known from literature (marked in turquoise) and further developed some relations (marked in blue). As can be seen all managerial activities are influenced either directly or indirectly by an increases of EM among management . Assessing/specifying and adapting are closely related under an EM. Also resourcing, communicating and committing are highly interwoven. Only the strongest outcomes within a new dimension of partnership were mentioned. Acquisitions and the split lie in the future and are thus, not considered in the model. In the data we see as already assumed from literature, that successful outcomes lead to an increasingly EM among MM and TM. As can be seen in the model, there is a loop between changing mindset among TM and MM towards EM, managerial actions in strategic renewal and outcomes. That means that managerial activities do not directly lead to an increasingly EM among TM and MM, but the successful outcomes of them might do.

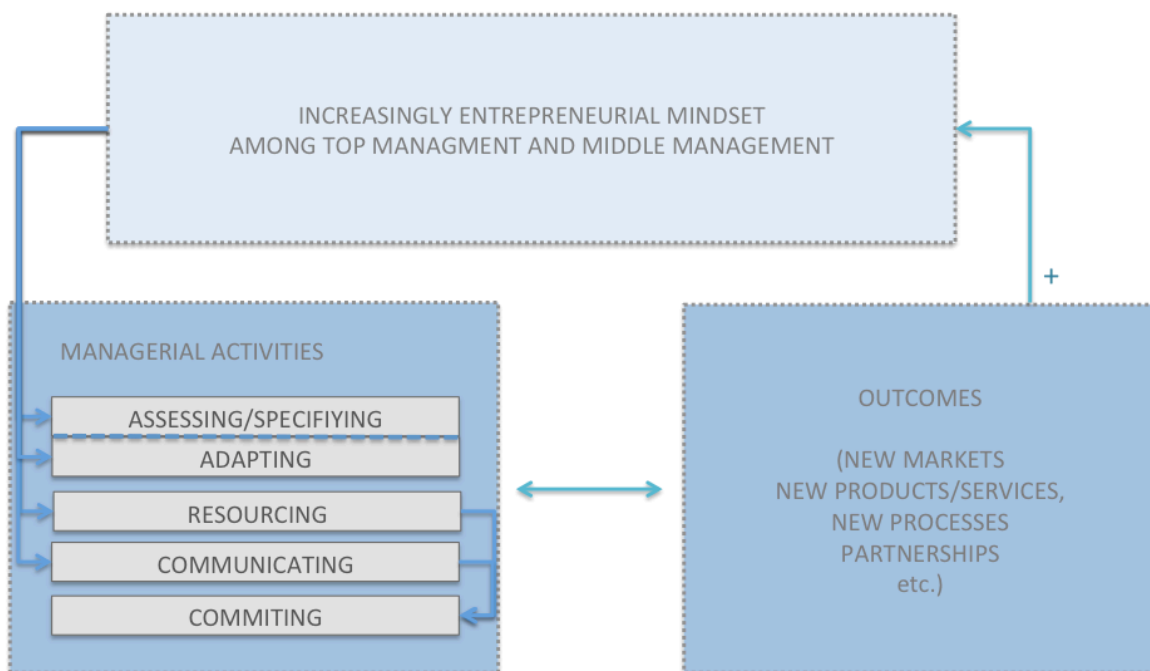


Figure 2: Increasingly EM among TM and MM

6. CONCLUSION AND IMPLICATIONS

6.1. Conclusion

The study aimed to contribute to the managerial activities needed in a strategic renewal as well as understanding about what role an increasingly EM among TM and MM has in a strategic implementation. First of all, previous literature has different models and definitions of what processes and outcomes are necessary in a strategic renewal, so the research combined what was known and came up with all the necessary included factors, activities and outcomes in strategic implementation (Miller et al, 2004). A model was drawn focusing on managerial activities, which included and their interrelation to outcomes and EM. It was identified that an EM influences all five managerial activities: assessing/specifying, adapting, resourcing, communicating and committing (Greve, Tayler, 2000; Miner, 1994; Miller et al, 2004; Floyd, Lane, 2000; Beer et al., 2005; Kuratko et al., 2011; Simons, 1994; Dougherty 1992; Tushman et al., 2013; Llop, Garcia-Arrizabalage, 2015; Guth, Macmillan, 1986; Storbacka et al., 2013; Agarwal, Helfat, 2009; Simons, 1994; Tripsas, Gavetti, 2000), either directly or indirectly, and secondly, the managerial activities are increasingly interwoven in a strategic implementation with entrepreneurial managers. The line between the actions of assessing/specifying and adapting blurs, as an EM leads to a trial and error approach. That means that instead of making a static plan upfront, managers are more focused on the execution from beginning on and are not only willing for adaptation along the way, but actually anticipate it. Also, they are seeking new opportunities in areas that are new to the company and thereby focusing on specific innovation areas that are aligned with the new strategy of the company. As the company has, up to this point, been known as being very traditional and conservative, and it is now striving only relatively in a new entrepreneurial direction, it cannot be stated whether if in truly entrepreneurial company there would be no distinction between assessing/specifying and adapting.

Resourcing, communicating and committing are highly interwoven, as resourcing and communicating can be a tool to get management and employees committed to the new strategic direction. If a company allocates resources for innovation projects and invests in the competences of their managers, that can be an indication from the managers that they are valuable and have the freedom to work on their own ideas, which most will likely lead to a higher commitment. Also the new open and honest communication of vision and goals especially of TM and the involvement of MM in their communication can be a trigger for managers to be more engaged in the strategic renewal. Even if those relations have been identified, it is unclear how great and significant the influence of an EM really is and if these activities can also be achieved with other mindsets.

All those managerial activities together with the organisational factors lead to the outcomes in a strategic renewal, of which new markets/industries, new products/services, and partnerships were the most significant ones. The data contributed the dimension “partnerships” to the existing ones. The outcomes of the managerial activities are considered to be more entrepreneurial as they are innovative, proactive and involve more risks (Kuratko et al., 2011; Wales et. al, 2011). Thus, it can be assumed that an EM leads to actions, which increases the “entrepreneurialness” of the outcomes. Moreover, in the research it became clear that the managerial activities themselves do not influence the mindset of management directly, but rather through (either the organisational factors or) outcomes in a strategic implementation. Successful outcomes such as new products or a new strategic partnership can lead to an even more increasingly EM. Therefore, we propose that an increasingly EM among TM and MM, their activities and outcomes are a loop. Even though direct relations between some outcomes and an increasingly EM could be identified, it is not clear if all of them have significant relation with an increasingly EM.

6.2. Implications for research/Further research:

The conducted research focused on the role of mindset within the strategic implementation and based it on the managerial activities necessary in a strategic renewal according to previous literature. Moreover, it was argued that an EM is necessary in a major undergoing such as a strategic renewal. However, it is inconclusive if the particular effects of an increasingly EM on managerial activities are any good in a strategic renewal and lead to successful and wished outcomes. Therefore, it is suggested to research the outcome of those managerial actions in a strategic renewal in greater detail.

As the line between assessing/specifying and adapting blurred in a company with increasingly EM among TM and MM, it could be proposed that in a company with a well developed EM there may not be a distinction between the two at all. Thus, future research should address this issue.

As already mentioned above, positive outcomes are likely to lead to a more EM. It is assumed that negative outcomes that are considered as small failures will not lead to a less EM as entrepreneurs are willing to take risks and have a high allowance of failure. However, we assume that this loop can be broken, when aggregated negative outcomes or major failures occur. Therefore, we suggest this is subject to further research.

Moreover, it can be assumed that the future split of the company will have major implications for the mindset among management. Most engineers will leave the company into the asset-heavy production part of the company, so the sales side can focus more on

customers and innovation. Therefore, further research could be conducted on the effects of such an exodus on mindset.

The research focused only on the mindset among TM and MM. Lower management and employees play an important role in a strategic renewal as well. Therefore the influence on an EM among TM and MM on lower managers and employees should be researched. Moreover, it is important to know how the organisational mindset influences the actions taken in a strategic implementation.

6.3. Practical implications/Managerial Implications

Whether to facilitate a strategic renewal or not, for top managers interested in cultivating an EM in their organisation, it was found that there is a loop between an increasingly EM, the managerial activities an EM leads to, and, increasingly entrepreneurial outcomes. Over time this loop might develop a highly entrepreneurial mindset across management. Top managers can start the loop either with an innovative project or by changing the environment that management work by, for example, recruiting personnel from outside the industry or empowering MM through increased responsibility.

For TM contemplating strategic renewal, it is important that they are aware and give consideration to the type of mindset their management teams have. Clearly demonstrated in this research is that the management mindset will have significant implications for the managerial activities that will be carried out and thus, the success of the strategic renewal. TM should debate whether the current mindset of their managing teams would help or hinder any strategic renewal ambitions before moving forward.

Within a strategic renewal, TMs should understand that crucially, commitment from MM and normal employees is needed for successful implementation. This is achieved indirectly through proper communicating and resourcing. The two are highly interwoven, thus managers wishing to instil commitment and acceptance of their new direction should concentrate their efforts on proper communication of their ideas and sufficient resourcing. Similarly, as this research shows that resourcing is a form communication, they can save time while strengthening commitment across the organisation by strategically resourcing projects or individuals to communicate priority, employee behaviour or desires outcomes.

Finally, managers can understand and capitalise on the synergies between the managerial activities of assessing, specifying and adapting. Combining these three through a trial and error approach will allow projects and managers the flexibility to potentially create discontinuous innovation and develop ideas into new, previously unconsidered, markets.

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APPENDIX

Interview guide 1: Business Model and Entrepreneurial Capabilities

1. Tell me about yourself and your role at EON. (background, different positions within EON, duration, why)

Business Model

2. What's your perception of a business model?

Value proposition

3. What are UC's different customer groups?
4. What are the various offerings for these customer groups?
5. Why do you think customers choose your products over the ones from your competitors?

Value creation/delivery

6. Can you tell us what is the process from beginning to end on a recent project at UC?
7. Where does UC have a competitive advantage concerning resources?

Value capture

8. How do you make money per customer segment? Follow-up: What are the additional revenue streams you think can come up in the future?
9. What are the major expenditures of UC?

Entrepreneurial Capabilities

Sensing opportunities

10. How does UC recognize new opportunities? (operational opportunities, market opportunities, process opportunities, etc.)
11. What do you think are UC's strengths and weaknesses when recognizing new opportunities?

Selecting opportunities

12. How does UC evaluate the potential of new opportunities?
13. Where is there room for improvement?

Creating internal conditions for realization of opportunities

14. How does organizational culture support opportunity realization (values, norms, symbols, rituals, climate)?
15. How does the company allocate resources for implementation of opportunities?
16. How would you describe the workspace at UC? Follow-up: How does it enhance creativity and idea flow (physical environment)?

Actually realizing and exploiting opportunities

17. Once you identify an opportunity, how do you implement it? Follow-up: Can you elaborate that with respect to *[the leading innovation project]*?
18. How do you view upon UC's capability to realize opportunities?

Adapting and modifying the exploitation of realized opportunities

19. Is UC more a hunter or a gatherer when it comes to new opportunities?
20. When is UC a first-mover and when a follower?
21. How willing is UC to revise its business model/s to capitalize on exploiting a new opportunity?

Interview guide 2: Top Management

1. Tell me about yourself, your background and your role at EON. (background, different positions within EON, duration, why)

Strategic renewal

2. How did the idea for strategic change evolve within the company?
 - a. Why was the decision taken?
3. What has already changed and what still needs to change for this strategic transformation?
 - a. What are the challenges/barriers in this undergoing?
 - b. How do you deal with that?
4. What is your role in the strategic change?

Relation to middle management in strategic renewal

5. What is the role of middle management in driving the strategic change?
 - a. What responsibilities does middle management have now compared to before the decision was made?
6. How has your relationship with middle management changed?

Strategic implementation - change in mindset

7. In previous interviews we heard that managers said UC needs to go away from this being 100% sure about everything engineering approach. What does that mean for you as a manager in the way you think about doing business in UC?
 - a. How does that affect the strategic change?
 - b. How does the shift from the 100% engineering approach influence the actions you as top manager take now?
8. You told us about your experience in XX. From these experiences and the learnings drawn from it how do you perceive the way UC is heading in a new direction?
 - a. Is there anything you think UC needs to do differently in your opinion?
 - b. How do you communicate these ideas?
9. What role have shared values, beliefs and norms inside UC in this strategic undergoing?
 - a. How is that different than from before?
10. What role has the organisational structure in the strategic chance?
 - a. Why do you think it is necessary to change it?/ Why don't you think it is necessary to change it

11. Why has UC decided to recruit personnel from other industries?
 - a. How has that affected the way you are thinking about doing business?
12. What actions does management need to take in order to implement the new strategy?
13. After a decision for a new initiative within this strategic change is made, what are the next steps of top and middle management?
 - a. What happens when a new initiative does not seem to work out in its implementation?
14. How have changes in your environment in UC affected these actions you are taking?

New projects - [the leading innovation project]

15. What role do innovation projects at UC play in the implementation of the new strategy?
 - a. What role has *[the leading innovation project]*?
16. How is the implementation of *[the leading innovation project]* different from a project before the decision for a strategic renewal was taken?
 - a. How has that influence the way you think about other and future projects?
17. What implications has *[the leading innovation project]* for the whole strategic implementation?
 - a. In what way has past success with new implementation strategies changed your attitude/approach to future projects?

Interview guide 3: Middle Management

1. Tell me about yourself and your role at EON and especially in the strategic change UC is currently undergoing. (background, different positions within EON, duration, why)

Relation to middle management in strategic renewal

2. UC decided to split up and head in a new strategic direction. What is the role of top management in driving the strategic change?
 - a. What responsibilities does top management have now compared to before the decision was made?
3. How has your relationship with top management changed?
 - a. How does that influence your work as a middle management?
 - b. How does that influence your role in the strategic change?

Strategic implementation - change in mindset

4. UC's business model was known as very traditional and conservative in the past. How do you perceive the current UC and the future UC in this regard?
 - a. What does that mean for you as a manager in the way you think about doing business in UC?
 - b. How does that affect the strategic change?
 5. In previous interviews we heard that managers said UC needs to go away from this being 100% sure about everything engineering approach. How do you as a manager perceive that?
 - a. How does the shift from the 100% engineering approach influence the actions you as manager take now?
 6. You told us about your experience in XX. From these experiences and the learnings drawn from it how do you perceive the way UC is heading in a new direction?
 - a. Is there anything you think UC needs to do differently in your opinion?
 - b. How do you communicate these ideas?
 7. What role have shared values, beliefs and norms inside UC in this strategic undergoing?
 - a. How is that different than from before?
 - b. What role has the organisational structure in the strategic change?
 - c. Why do you think it is necessary to change it? / Why don't you think it is necessary to change it
 8. Why has UC decided to recruit personnel from other industries? (knowledge / capabilities)
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- a. How has that affected the way you are thinking about doing business?
- 9. What actions does management need to take in order to implement the new strategy?
- 10. After a decision for a new initiative within this strategic change is made, what are the next steps of top and middle management?
 - a. What happens when a new initiative does not seem to work out in its implementation?
- 11. How have changes in your environment in UC affected these actions you are taking?
- 12. We already talked about that UC is going away from the being 100% right engineering UC's business model was known as very traditional and conservative in the past. How do you perceive the current UC and the future UC in this regard?
 - a. What does that mean for you as a manager in the way you think about doing business in UC?
 - b. How does that affect the strategic change?

New projects - [the leading innovation project]

- 13. What role do innovation projects at UC play in the implementation of the new strategy?
 - a. What role has *[the leading innovation project]*?
- 14. How is the implementation of *[the leading innovation project]* different from a project before the decision for a strategic renewal was taken?
 - a. How has that influence the way you think about other and future projects?
- 15. What implications has *[the leading innovation project]* for the whole strategic implementation?
 - a. How do you perceive the strategic change?
- 16. In what way has past success with new implementation strategies changed your attitude/approach to future projects?
- 17. Can you tell us about a new idea in UC aligned with the new strategy that is still in the conceptualisation phase?
 - a. How do you come up with new ideas now?