

## Change Management

### **Tough challenges for middle management during change processes**

**“We have tried to understand the middle manager’s role in the change processes and to determine how the project organisation is used in the planning and implementation of changes,” says Inger Stensaker, an Associate Professor in the Department of Strategic Management at the Norwegian School of Economics (NHH).**

“Due to their position – in the middle – middle management often struggle with the conflicting expectations of a change process,” says Stensaker.

While senior management expects middle managers to take an active role in the change process and loyally carry out corporate decisions, the employees expect these same leaders to protect them from changes driven by top management.

Middle managers have often been referred to as ‘blockers’ in the change process and have been blamed for not implementing changes. Knowledge of the challenges faced by middle management in the implementation phase has greatly improved. Both top management and Statoil employees expressed an understanding that middle management had a particularly demanding job during the integration.

The challenges expressed by middle management in this study were problems associated with conflicting demands and expectations; these were predominantly consistent with findings from similar international research.

“Even if middle managers themselves are actively taking steps to deal with this, the support system around them is essential for them to do a good job,” says Stensaker.

Top management can introduce a number of measures to make middle management better positioned to carry out their assigned tasks.

By establishing a support system that partially limits the middle management’s need to make individual choices, by setting clear directions and, to a greater extent, taking the criticism and responsibility themselves, top management will constructively facilitate the middle management role.

“As the change projects in the integration process took shape, they functioned as a support mechanism,” says Stensaker.

The study also demonstrated that the ‘standard recipe’ for effective middle management, which is often about giving the middle management enough room to manoeuvre, is not necessarily the right one in all cases.

“Due to the organisational framework in this company, with its strong focus on safety and geographically dispersed workplaces, where middle management, especially offshore, is very isolated, we concluded that clear priorities and concisely defined requirements for delivery are an important way for top management to support middle management in a change process such as this,” says Stensaker.

### **The project role**

The research team also studied what effect the establishment change projects had on the process.

“It is clear that Statoil has developed a project management team with high competence, and that projects are used actively in the change processes,” says Stensaker.

The research material points, in particular, to three factors that make projects an important tool in change processes. Firstly, by establishing a project, this ensures that the changes to be implemented get the required focus.

“In the study we saw that a project with a clear mandate and a clear objective often resulted in permanent improvements of the delivery and guidelines,” says Stensaker.

This made it easier for line managers to focus the attention and resources towards implementation of the changes.

Second, the study demonstrated that the use of projects made it possible to focus on change, even in situations with high levels of conflict. This was particularly visible during the integration process in the Exploration and Production Norway (EPN).

“Whilst negotiations between management and unions were ongoing, the team managed to continue the integration planning and execution of the process,” says Stensaker.

That resources remained long enough in the project is a third factor that also proved to be of great importance.

“Change takes time and often brings about multiple processes with new ideas to be realised. It also turns out that the operational managers (middle management) have benefited greatly from the support they can get from a project that has been involved in the process over time. It is important that the projects are not demobilised too early,” says Stensaker.

However, the use of projects in the change process is not without risk. It is important that organisations are aware of a project to remove authority from the line.

“Extensive use of projects can also lead to an undesirable situation where the organisation is developing a number of ‘professional’ project managers with impaired understanding of the operations. One should also note that if the project organisation becomes a permanent structure, the advantage inherent in a temporary organisation may be lost,” says Stensaker.

## **Difficult to explain changes**

“The biggest challenge for management in all change processes is to explain the purpose of the changes, and demonstrate that these changes provide benefits,” says executive director Øystein Michelsen, UPN.

He stressed that one of the prerequisites for success is that leaders at all levels are able to manage the change process. Proper understanding of the process, good support from superiors and authority to make necessary decisions must be in place.

“One of the things we have learned in the integration process is that there should not be a long period of time between decision and implementation. Furthermore, the ability to be persistent and consistent throughout the change process is crucial to achieving a good result.”

Atle Haakon Kjenes was the Project Manager for the introduction of new operational model at Gullfaks. The scope and speed of change made the process challenging.

“The changes were challenging for the entire organisation. In the beginning, the leaders spent a lot of time familiarising themselves with and understanding the model. This was necessary to enable them to communicate the knowledge to all impacted parties. We spent a lot of time communicating the operational model throughout all shifts in a consistent manner,” he says.

First line managers, who were closest to the work force, were challenged daily with questions and issues. They had a tough task, which most of them, according to Kjenes, tackled in an impressive manner.

“Safe and efficient operation was essential throughout the implementation phase. One of the most important and challenging tasks was to have control over the competency and expertise in offshore units at any time. It was very challenging for the leaders to manage this requirement throughout the entire implementation phase.”

Kjenes stresses that the establishment of a project, gave positive results in the process.

“When the local project organisation was established, we achieved a more systematic approach. Project structure and organisation of the work made it feasible to divide up the tasks into smaller, more manageable chunks. As a result, it was also easier to work systematically to resolve these. The key implementation project did a fantastic job for us in the local projects, both in terms of clarifications to the operating model, development of common methods and tools and the establishment of working groups that solved the issues across the installations,” he says.