OUTSOURCING AT ABC COMPANY: RISKS EXIST AND CAN BE CONTROLLED

by

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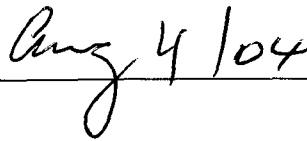
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Title of Project:

Outsourcing at ABC Company: Risks Exist and Can Be Controlled

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ABSTRACT

This project utilizes the Inspire Action Method for organizational change to identify what went well and what are opportunities for learning at ABC Company. The Inspire Action Method focuses on 8 factors which include: strategic alignment, project structure, change leadership, success stories, stakeholder commitment, entrepreneurship, resilient teams, and aligned performance (MacKay, 2004).

The ABC Company example indicates that progress has been made in the change leadership and project structure aspects. The greatest opportunity for improvement is in the strategic alignment and aligned performance areas. To facilitate ABC Company's change initiative a number of recommendations have been made in an effort to make future change a success.

Ideas regarding outsourcing are taken from various academic literature, which introduces the characteristics of outsourcing, elaborates on the risks organizations face while outsourcing, describes issues that organizations should consider, and interprets the concept of transformational outsourcing. The final part of this paper outlines key learnings from the field project. Through this field project I obtained information from the operation of an actual organization and learned new knowledge by relating literature to the real world. I enjoyed the opportunity to combine practical and theoretical aspects of outsourcing in a project format. Working in a group for this project was very educational and I learned many useful things from my team members regarding leadership and collaboration.

ACKNOWLEDGEMENTS

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1 PROJECT CHARTER

ABC Company
"Change Audit for Outsourcing Janitorial Services"

Project Charter
-Final -

Document Information and Revision History

Version	Date	Change by:	Description of Change
1	May 29, 2004	Sheila	Initial draft
	Jun 4, 2004	Sheila	Added more detail to the project objectives and scope sections
	Jun 9, 2004	Sheila	Clarified dates, fixed headers & table of contents

1.1   Introduction

1.1.1   Background

> The Company: ABC Company is a service organization located in British Columbia. ABC is a large employer with more than 70 locations.

> The Department: Janitorial Services have historically been delivered via unionized staff.

> Janitorial Services are primarily a cleaning service with some additional responsibilities such as waste management, and basic maintenance. ABC previously employed hundreds of in-house janitorial staff.

> The Change: Through a formal tendering process the ABC began to explore new opportunities to obtain an equal or better level and quality of Janitorial Service, a reduced rate from the private sector.

The janitorial evaluation team comprised of 13 ABC Company non-contract staff members from across ABC. The evaluation team composition was multidisciplinary and included both service provider and customer. This team evaluated each vendor bid and used a weighted criteria format to select a successful bidder.

1.2   Scope and Objectives

1.2.1   Objectives

1.2.1.1   Business Objectives

This initiative supported the performance improvement objective in their strategic plan. Specifically, other countries have been able to maintain or improve some administrative functions such as janitorial services by outsourcing.

1.2.1.2   Project Objectives

To evaluate the outsourcing of janitorial services' change utilizing the "Inspire Action Method For Leading Organization Change", by July 31, 2004. Through evaluation of strategic alignment, project structure and change leadership a report focused on stakeholder satisfaction will be produced. This report is intended to capture stakeholder opinion of what went well and what did not go so well during the change.

1.2.2   Scope

1.2.2.1   The Project Scope will include:

Preparation of a written report documenting the findings of:

➤ Interviews with the primary implementation team. Including the Director of Janitorial Services, two Janitorial Managers, the Director of Human Resources, Risk Management Prime, Materials Prime, the Project Manager, the Chief Financial Officer and the Chief Executive Officer to capture their opinions on what went well and what did not go so well.

➤ Surveys will be conducted with:

  ■ Second-level Managers from at least three locations

  ■ Supervisors from at least three locations

  ■ Displaced Janitors who have taken positions with Clean Team Services or been redeployed to other ABC Company position

➤ The interviews and surveys will be used to capture information in four key areas:

  ■ Awareness of strategic alignment

  ■ Stakeholder engagement

  ■ Change leadership (communications, openness to resistance/input and planning)

- Confidence in Clean Team Services

1.2.2.2 The scope of the project will not include:

➢ The success of Clean Team Services in fulfilling its contract obligations.

➢ The validity of the outsourcing business case.

1.2.2.3 Project Assumptions

The completion of this project is based upon the following assumptions:

➢ ABC implementation team members will be available to discuss the initiative

➢ Impacted staff will be willing to complete surveys and/or interviews

➢ All interviews will not be anonymous or confidential.

➢ All surveys will be anonymous but not confidential.

➢ Information provided by the client will be assumed to be accurate.

➢ Previous janitorial staff to fill out surveys will be selected by Janitorial contract management.

1.3 Project Organization

1.3.1 Project Team

Following is a table listing the project team members:

Table 1

Steering Committee	Jim Taylor and Calvin James
Project Sponsor	Jim Taylor
Academic Supervisor	Gervase Bushe
Project Team	Oscar Garcia, Sheila LeBlanc and Marti Wang

1.3.2   Stakeholders

Internal stakeholders:

➢   Initiating Sponsor – Jim Taylor, Director, Janitorial Services

➢   Sustaining Sponsor – Calvin James, Director, Strategic Initiatives Human Resources
& Organization Development

➢   Change Agent – Jim Taylor

➢   Direct Targets: Affected janitorial staff

➢   Indirect Targets: Janitorial Supervisors, Logistics team, HR team and other ABC
Company staff

1.4   Project Management

1.4.1   Project Reporting

The Project Team will provide the Project Sponsor and update of all changes to the
implementation plan. This communication will be completed via email or telephone for the entire
length of the project.

1.4.2   Change Control

The project team, the project sponsor and the academic supervisor must agree to all
changes in scope.

1.4.3   Risk & Issue Management

Any risks or issues that are found by any member of the project team will be
communicated to the project sponsor within 48 hours. Types of risks to be identified include
risks to Project: Scope; Timescales; Deliverables; Resources; Milestones.

1.5   Phases, Schedule & Work Plan

Table 2

Phase / Activity	Duration	Target Completion Date	Deliverables
1 –Initial meetings with Steering Committee	2 days	May 20, 2004	▪ Discuss scope and deliverables ▪ Acquire documentation
2 –Create and sign off project charter	1 week	Jun 4, 2004	▪ Review documentation ▪ Sign off P.C. with Academic Supervisor and Project Sponsor.
3 – Interview key project primes	1 weeks	Jun 11, 2004	▪ Interview guide created ▪ Interviews completed
4 – Survey supervisors & possibly other stakeholders (as agreed by the project primes)	1 weeks	Jun 16, 2004	▪ Survey signed off ▪ Surveys completed
5 Analyse findings	2 days	Jun 17, 2004	▪ Data complied and analyzed
6 –Create report outline and acquire project sponsor approval	1 day	Jun 18, 2004	▪ Report outline complete and approved
7 Complete report	2 weeks	Jul 9, 2004	▪ Report completed for academic supervisor review
8 Report revised and presented to Project Sponsor	1 week	Jul 16, 2004	▪ Completed report provided to Project Sponsor
9 If required, report edited and final version presented to Steering Committee	1 day	Jul 20, 2004	▪ Finalized report provided to steering committee

2 FIELD STUDY

Organizational Change Assessment

ABC Company

Outsourcing of Janitorial Services

2.1 Executive Summary

ABC Company engaged three Simon Fraser University's MBA student to help ABC learn from the janitorial outsourcing project. The "Inspire Action Method for Organizational Change" was utilized to identify what went well and what are opportunities for learning when compared to the best practices outlined in the method. The "Inspire Action Method" focuses on 8 factors and was also as key levers in a change projects success. They are: strategic alignment, project structure, change leadership, using success stories, stakeholders commitment, entrepreneurship, resilient teams and aligned performance (MacKay, 2004).

Questionnaires were developed and sent to ex-janitors, janitorial supervisors and second-level managers. Forty-eight responses were received. An interview guideline was designed to capture details on the 8 factors and utilized in face-to-face or telephone interviews with the project primes.

The analysis indicates that the ABC project team has been successful in many factors, especially in the area of change leadership and project structure. The greatest opportunities for improvement are identified within strategic alignment and aligned performance.

It was also noted that the factors needing the greatest improvement are tied to systemic challenges. ABC Company, due to its very nature as a 24-hour organization has span of control and communication challenges. ABC Company is also in the process of addressing one of its largest systemic challenges, that of performance management. It is recommended that a strong performance management system can assist in embedding the strategic plan into day-to-day operations by creating a close alignment between performance measurement and strategic goals.

As expected, on the questionnaires, the ex-janitorial staff did identify some concerns with the timeliness and accuracy of information regarding the change. Although the majority of the supervisors and second-level managers indicated they did receive the information they needed in a timely and accurate way.

A number of recommendations to increase the probability of success for future change efforts were also made.

2.2 Introduction

2.2.1 Purpose

The purpose of this study was to evaluate the outsourcing of janitorial services utilizing the "Inspire Action Method For Leading Organization Change" and to capture stakeholder opinion of what went well and what did not go so well during the change. This report is not intended to assess the success of Clean Team Services in fulfilling its contract obligations or the validity of the outsourcing business case.

2.2.2 Background

2.2.2.1 The Company

ABC Company is a service organization located in British Columbia. ABC is a large employer with more than 70 locations.

2.2.2.2 The Department

Janitorial Services have historically been delivered via unionized staff.

Janitorial Services are primarily a cleaning service with some additional responsibilities such as waste management, and basic maintenance. ABC previously employed hundreds of in-house janitorial staff.

2.2.2.3 The Change

Through a formal tendering process the ABC began to explore new opportunities to obtain an equal or better level and quality of Janitorial Service, a reduced rate from the private sector.

The janitorial evaluation team comprised of 13 ABC Company non-contract staff members from across ABC. The evaluation team composition was multidisciplinary and included both service provider and customer. This team evaluated each vendor bid and used a weighted criteria format to select a successful bidder.

2.2.3   Scope

The report includes a content analysis of interviews with the primary implementation team and the findings of 48 questionnaires targeted at previous janitors, supervisors and second-level managers. ABC management did attempt to select a range of supportive and non-supportive targets to complete the questionnaires. For the purpose of this report analysis only, they are assumed to be representative of their teams.

2.2.4   Method

Initial meetings were held with Jim Taylor, the Director of Janitorial Services and Calvin James, the Director of Human Resources to design the study. An interview guide to answer questions in the eight key areas of the "Inspire Action Method" was designed and then approved by the project sponsor. Telephone or face-to-face interviews were conducted with the primary implementation team. This implementation team included the Director of Janitorial Services, a Second-level Manager, the Director of Human Resources, the Risk Management Prime, Materials Prime, Project Manager, Clean Team Services prime, the Chief Financial Officer and the Chief Executive Officer. Concurrently, a questionnaire was designed and approved to answer the following four questions:

- ➢ Awareness of strategic alignment
- ➢ Stakeholder engagement
- ➢ Change leadership (communications, openness to resistance/input and planning)
- ➢ Confidence in Clean Team Services

The data from the questionnaires and a content analysis from the interviews and questionnaire comments were used to analyze the results against the best practices defined in the "Inspire Action Model". Dr. Nancy MacKay designed and teaches the Inspire Action Model. Dr. MacKay is a speaker, consultant, executive coach and professor in the Business Faculty at Simon Fraser University. Over the past 15 years, Nancy has provided coaching, consulting, and training services to a variety of companies including: Alberta Health, BC Hydro, BC Gas, City of Vancouver, Ford Motor Company, Duke Energy, and Teldon International Inc. She has extensive experience as a consultant and facilitator in the areas of strategic planning, team building and change leadership. Nancy is a certified coach (CPCC), a certified *Myers-Briggs Type* facilitator and a certified *Managing Organizational Change* consultant. She is a member of The International Coach Federation, the Canadian Information Processing Society, The CIO Association of BC and the Canadian Association of Professional Speakers.

2.3 Questionnaire Findings

The questionnaire questions were designed to answer the following four questions:

➢ Awareness of strategic alignment

➢ Stakeholder engagement

➢ Change leadership (communications, openness to resistance/input and planning)

➢ Confidence in Clean Team Services

The following results were generated. Please note: some columns will not equal 100%, as a few respondents did not respond to all questions. This study represents the views of a small sample only (48); it cannot be utilized to represent the views of the entire ex janitorial, supervisory or second-level management team

2.3.1 Awareness of Strategic Alignment

Table 3

	Ex-Janitors		Supervisors		Second-level Managers	
	disagree	agree	disagree	agree	disagree	agree
I am familiar with ABC Company strategic plan.	42	39	43	38	0	100
I understand how the outsourcing of janitorial services aligns to the overall strategic plan.	70	18	24	52	0	100
I felt the outsourcing of janitorial services was necessary.	94	0	66	14	10	70

2.3.2 Stakeholder Engagement

Table 4

	Ex-Janitors		Supervisors		Second-level Managers	
	disagree	agree	disagree	agree	disagree	agree
The Second-level Management team was properly represented in planning the process.	N/A	N/A	15	0	10	40
My manager was open to listen to my suggestions regarding the outsourcing of janitorial services.	N/A	N/A	14	48	N/A	N/A
The project primes for the outsourcing of janitorial services project were willing to consider input from the second-level management team when creating the implementation plan.	N/A	N/A	N/A	N/A	10	30

2.3.3   Change Leadership

Table 5

(Communications, openness to resistance/input and planning)

	Ex-Janitors		Supervisors		Second-level Managers	
	disagree	agree	disagree	agree	disagree	agree
The outsourcing of janitorial services change initiative was communicated to me accurately.	30	35	34	62	10	90
The outsourcing of janitorial services change initiative was communicated to me in a timely fashion.	34	62	10	76	0	90
My manager was able to answer my questions about the outsourcing of janitorial services project.	47	41	N/A	N/A	0	90
I was treated fairly during the outsourcing of janitorial services.	59	18	N/A	N/A	N/A	N/A
I had the knowledge to answer my teams' questions about the outsourcing of janitorial services change initiative.	N/A	N/A	N/A	N/A	10	80
In my opinion, the outsourcing of janitorial services seemed to be well planned.	71	18	38	43	20	60

2.3.4   Confidence in Team Clean Services

Table 6

	Ex-Janitors		Supervisors		Second-level Managers	
	disagree	agree	disagree	agree	disagree	agree
In my opinion, the outsourcing of janitorial services has improved the quality of janitorial services.	83	6	91	5	50	30
I have confidence in Clean Team Services to meet the requirements of the janitorial quality audits.	65	18	53	5	20	40
I believe auditing janitorial services quality will maintain or improve janitorial services.	30	47	43	48	10	90

2.4 Questionnaire Comments

The questionnaire allowed for respondents to answer two questions:

➤ If you were implementing the outsourcing of janitorial services project, what would you have done differently?

➤ What would you do to improve the current situation with janitorial services?

During the content analysis it was discovered the questionnaire comment responses focused in the following areas:

➤ Training of Janitorial Staff

➤ Controls/Measurement

➤ Negotiate a Separate deal with Janitorial staff

➤ Transition Management

➤ Current Process/Procedures

➤ Create a Team Environment

➤ Miscellaneous

2.5 Inspire Action Method Analysis:

The "Inspire Action Method" considers eight key areas as factors that contribute to the success or failure of a change initiative. They are:

1. Strategic Alignment

2. Project Structure

3. Change Leadership

4. Success Stories

5. 20-60-20 Rule: Stakeholder Commitment

6. Entrepreneurship

7. Resilient Teams

8. Aligned Performance

The following sections review the best practices, compare those best practices against the information provided in the interviews and questionnaires, and then provide recommendations to improve future change efforts. The areas of greatest strength are first presented followed by the areas with the greatest opportunity for learning.

2.5.1   Project Structure

2.5.1.1   Best Practices

In order for a change to be successful, it is crucial to ensure that the structure of the project is aligned for success. In doing this, it is important to evaluate the organizational structure of the firm and reporting relationships to determine whether the right individuals are responsible for implementing and sustaining the changes.

Authority and hierarchy play an extremely important role in planning change initiatives. In order for change efforts to succeed, they should be implemented along linear, rather than triangular, reporting lines. An example of a triangular reporting line would be if Jim attempted to implement a change that directly affected the staff in HR as its primary targets. This change would be unlikely to succeed, as Jim Taylor Janitorial Services) would not have the power and influence necessary to enforce and sustain the change without involving Calvin James (HR).

Another key component for project structure success is getting the right people involved at the right time and identifying their roles. The primary roles include: Initiating Sponsor(s), Sustaining Sponsor(s), Change Agent(s), Target(s), Stakeholder(s) and Advocate(s).

2.5.1.2   ABC Analysis

This project was established with the linear structure. Jim Taylor, as the Director of Janitorial Services, had both the power and influence to create the desired change.

From the data provided, Jim and his team did a good job of engaging the right people and acquiring representation from the right areas. It does appear that there was an opportunity to adjust some of the timing. Specifically Project Management could have been engaged earlier in the process and kept engaged longer to add the same discipline to creating sustainability and measurements. As a large organization ABC faces a common challenge, that of knowing what resources are available and what can be expected from different resource groups.

2.5.1.3   Recommendations

> Create a "project role template" for the organization, listing the various shared services/support areas and departments that may need to be engaged. For example, a checklist with areas such as Security, Human Resources, Labour Relations, Payroll, Benefits, Project Management, Risk Management and Quality Improvement can become a common document for all major projects.

Each organization, especially a large one, has a unique configuration with different delineations between roles and responsibilities. Support areas are often forgotten in projects, as many business managers tend to focus on the areas needed to "get the day-to-day job done", rather than the areas that "support the process". ABC will obviously change overtime, but a checklist of potential areas to engage will provide a good starting point.

> Formally (write it down) identify who will play what role (sponsor, change agent, etc.) in the change effort. This provides a quick reference for those outside the project and creates clarity for those involved.

> Ensure key areas such as project management are engaged early in the process and keep them involved until sustainability measures are established.

2.5.2   Change Leadership

2.5.2.1   Best Practices

Change leadership involves identifying change leaders and ensuring that they have the competencies required to effectively implement and sustain the change. The leadership dimensions that are deemed critical for a successful change leader are the following:

> An understanding of the scope of the project;

> Power to authorize project and necessary resources;

> Personal resilience and the ability to minimize resistance;

> The ability to appreciate and empathize with individuals;

> The ability and willingness to show public support and commitment; and

> A willingness to reward and support those who resist.

2.5.2.2   ABC Analysis

Overall the change leadership shown by Jim Taylor was very strong. All levels of the organization interviewed commented on Jim's strong leadership throughout this change initiative. He clearly understood the scope of the project and had the power to authorize the necessary resources. His personal resilience was demonstrated in how quickly he was able to personally accept and then successfully drive the initiative that literally turned his department upside down. The interview comments display Jim's ability to appreciate and empathize with individuals.

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Examples of the comments on Jim's leadership are: "Strong, consistent, <u>personal</u> leadership",

"He cared about each and every person." "He communicated in every direction." "He asked

questions when he didn't know the answers." Jim clearly supported the project publicly and

showed his commitment through his consistent actions, continuously moving the project forward.

Although not surprising, the targets of the change (janitors) were not as positive about the

change leadership. 71% of respondents indicated they did not believe the change appeared well

planned. Furthermore, 47% indicated their managers were not able to answer questions about the

change and 47% indicated the information was not communicated to them accurately. The

supervisors and second level managers were much more satisfied with the change leadership.

2.5.2.3   Recommendations

> Critically review each change leader's ability in each of the six dimensions noted

   above and ensure the change leader treats each of the dimensions as a priority.

> When ever possible, share the information with the targets of a change quickly.

> Ensure the information the targets receive is accurate. If the situation changes, share

   why the plan is changing.

2.5.3   Entrepreneurship

2.5.3.1   Best Practices

The elements under entrepreneurship include: completing a project SWOT analysis

based on risk and reality, committing to the project, and focusing on success.

2.5.3.2   ABC Analysis

The detailed risk assessment work was very well done. It clearly and accurately

identified each of the stakeholder groups and their potential risk. Some interviews indicated that

the actual <u>reaction</u> strategies, had any of the larger risks manifested themselves, were not as

clearly planned as they could have been. Luckily those larger risks haven't, yet, appeared. One small surprise was the unions' ability to garner support from the local municipal councils, but the ability of this group to threaten is low enough to not be a large concern.

ABC had a clear line of sight to the commitment on this project. Regardless of where the instigation for the change came, the management commitment of time and resources was well established from the top to the bottom of the management house.

The Outsourcing Janitorial Services team did an excellent job on "focusing on success", where "success" was defined as "Make it happen so we can save money," and "get through the process without any service disruptions." For some people on the team that meant compassionately dealing with the displaced staff members. For others that meant working with Clean Team Services to set up training schedules for new janitors.

2.5.3.3   Recommendations

➢ Continue utilizing the risk management methodology currently used in ABC.

➢ Utilize the power of "focusing on success" by creating a clear vision of "what success looks like" so that the positive momentum has a focal point.

2.5.4   Success Stories

2.5.4.1   Best Practices

Communication plays an integral role in any change process because it not only keeps the affected individual informed about the change, but also provides them with the reasoning for the change. When individuals within an organization are aware of the reasons for a change, they will be more likely to buy in and support it. When communication and implementation plans are built around success stories, they tend to focus on the positive rather than the negative. When possible, it is ideal to use success stories as a tool to focus people on what can be done and how success is possible.

2.5.4.2 ABC Analysis

There appears to be some inconsistency on how success stories were used in this project. Some respondents indicated the Security Department example was used as a success story and that the Janitorial Outsourcing team learned from their experience. Others didn't mention this example at all. Some noted the similar projects in Europe, and others still referred to the Clean Team Project in another Canadian city.

The interview comments also indicate these examples were used more as a source of learning than a motivational tool. Although the authors of this report are not familiar enough with each of these examples to validly claim they could be used as overall success stories, it is our assumption that there are elements of these projects that were done well and could have consciously been used as a motivation tool.

2.5.4.3 Recommendations

➢ Whenever possible, use both internal and external success stories, as <u>both</u> a learning and a motivational tool.

2.5.5 20-60-20 Rule and Stakeholder Commitment

2.5.5.1 Best Practices

Clearly identifying all stakeholder groups is a requirement. Two of the most common tools used to fulfill this requirement are stakeholder's maps and mapping each stakeholder's potential to threaten or to cooperate into a topology matrix. Once the stakeholders are identified, the potential risks and unique strategies for dealing with different stakeholder groups must also be planned.

The 20-60-20 rule states that in any change effort the stakeholders will usually fall into the following three categories: 20% that support the change, 60% that neither support for object to the change, and 20% that resist the change. The best practice is to focus your energies on the

middle 60%, as it is easier to move them towards supporting the change than making significant movement in the bottom 20%. This focus allows change leaders to "get the biggest bang" for their commitment efforts.

2.5.5.2   ABC Analysis

At a project level, the Janitorial Outsourcing Team did an excellent job of identifying all the stakeholder groups and creating unique strategies to deal with each stakeholder group. Specifically the interviewees talked about the "inform" versus "engage" approach, which allowed the team to prioritize and manage multiple simultaneous demands.

A number of interviewee comments as well as the survey results imply that resistance was not particularly well received. Some wondered if the opportunity to learn from resistance was really leveraged. For example, one interviewee stated, "Commitment wasn't an option". Many comments also indicated that more should have been done to engage and gain the support of the supervising team.

The engagement of the unit managers to assist in developing the service level agreements (SLA's) was an excellent decision that had helped bring commitment and support to the project.

There was a significant amount of communication, both formal and informal that took place. This communication, helped create commitment for the project.

2.5.5.3   Recommendations

➢   Consider using tools that will help expose resistance and adopt management practices that support a culture where people are rewarded for resisting in a constructive fashion.

➢   Continue looking for ways to involve the people doing the jobs in the decisions that are being made about their work (i.e. the SLA's).

> ➢ Continue communicating in every direction, but realign the message to regularly incorporate a strong vision of what success looks like and how that success fits with the overall corporate strategy.

2.5.6   Strategic Alignment

2.5.6.1   Best Practices

In order for a change effort to be successful, it is necessary for it to be aligned with the strategy of the firm. Furthermore, the change must be something that creates a convincing vision of the future that the leaders within the business can own and advocate for themselves.

The best practice is for leaders to envision "what does it look like when this change is implemented" and then clearly articulate that vision of what success looks like and how that vision fits into the strategic plan.

2.5.6.2   ABC Analysis

The area of strategic alignment appears to be an opportunity for ABC to improve their future change efforts. Ironically, the questionnaires indicate that although a number of employees are aware of the strategic plan, very few understood how this change fit in to the overall plan. The interview data shows that awareness of ABC's strategy and a clear understanding of how this project supported that strategy is low, except at the most senior levels.

The number one response, when respondents were asked about how this project fit into the strategy was, "To save money." Some even saw the cost saving focus as conflicting with the strategic imperatives. Some sample comments were: "It was spawned in the days of cost reduction only," "The key motivation was COST SAVINGS," "We wanted to save money," "Purely monetary savings…doing the same or better with less." Some team members did provide additional comments such as the savings could then be used for clinical work, but the perceived alignment to a higher-level strategy was non-existent.

There was also a trend of respondents stating they can see how the project aligns after the fact, but this vision and alignment wasn't established prior to implementation.

For example, "Post not pre, I can see the alignment, we looked at the adoption of best practices, collaborated with external business and are working towards becoming a more efficient organization."

A more disconcerting theme is the lack of general strategic vision support. The comment, "Selling to the strategic plan isn't overly effective in ABC as there is little tie between the two at the grassroots" demonstrates this point.

2.5.6.3   Recommendations

➤ Bring the strategic plan to the "grassroots", embedding strategy into the decision-making framework.

Utilize the management levers such as the developing performance management process to ensure the strategic plan is disseminated and understood. At the senior level, cultural artefacts such as vision posters in work areas and CEO video broadcasts can share the message. From middle management, area business plans should be directly tied to the strategic plan and the communication of those business plans needs to emphasize their strategic fit. Line managers need to be coached and questioned, both on how their business decisions and the decisions they see made around them fit into the strategic plan. Through actions such as these, a compelling vision, tied to strategy can become a powerful tool.

➤ For future change initiatives, give conscious thought to how changes fit into the overall strategy, create a compelling vision for the change and OVER communicate that message.

As sense making beings, most people need to understand the "why" and "so what" before they are motivated to make changes. Change leaders need to provide answers to these questions in a clear and effective way, so that the maximum project commitment can be garnered. ABC should spend more time "setting the stage". Just brushing over why this is important or just sharing the tactical activities that need to be done, is not a best practice approach.

2.5.7   Resilient Teams

2.5.7.1   Best Practices

It is also important to recognize that employees typically have the highest potential to make change efforts a success; therefore special efforts should be made to create resilient teams and resilient employees. A resilient team is a team of people who can adapt and embrace change quickly. Through using the team coaching approach more resilient teams are created. The team coaching approach includes the following elements:

> A high performance team strategy implemented;

> A team vision established;

> Best team stories are cultivated;

> Team values are defined; and

> Team behaviours that recognize honouring the values are utilized.

Although an individual's personal resilience is based on their individual experience, there are several ways to help increase personal resilience. Two typical means are individual coaching and education on the natural human reaction to change.

The goals of these actions are to reduce team conflict and increase team creativity, trust and performance.

2.5.7.2   ABC Analysis

Little was done in this change project to address team resilience, however on an individual basis, some coaching was done. Fortunately, the interviews indicate a number of very resilient individuals who were engaged to participate in this project team, making the project it self more effective. It does appear, however, that two particular stakeholder groups could have benefited from some strategies focused on resilience, specifically the contract managers (janitorial managers) and the supervisory team.

At an organizational level, ABC has been described as insular and slow moving. This service industry that has required stability and consistency to meet the demands of its clients, therefore many individual employees have long-term tenure and have done the same job in the same way for many years. The changes at ABC have typically been evolutionary, not transformational; therefore, in areas where large changes are taking place, the need to address team resiliency is critical. There may be individuals who's personal resilience will carry them through, but in a future where change will become inevitable, creating team resilience creates the momentum that helps pull the less resilient individuals through the change process.

2.5.7.3   Recommendations

> Although a large-scale focus on resilience would be ideal, a more realistic recommendation is to identify teams targeted for major changes and implement strategies to increase their resilience. For intact teams, the team coaching approach is recommended. Also, workshops on managing change can be very effective. As individuals learn about the process of change, they learn to accept the stages and hopefully identify ways in which to go through the process more quickly. Resilient people are defined as those who can go through the change process more quickly.

2.5.8   Aligned Performance

2.5.8.1   Best Practice

The last dimension, and one of the most important, is aligning company performance to the management strategy. The competencies and behaviours needed for success must be identified and acquired. Best practice is to utilize all of the organization's performance levers to create consistent messages throughout the organization.

The key steps in aligning performance are:

➤   The competencies needed to support the change are clearly defined.

➤   Training strategies to develop new competencies are created and implemented.

➤   The organization structure, reporting relationships and HR processes (e.g., pay, performance measurement, staffing) are assessed and where required are redesigned.

2.5.8.2   ABC Analysis

ABC did identify and acquire competencies needed to complete the project. Some of the competencies could have been identified earlier in the process, such as project management. The skills not available in-house, such as industrial relations legal council were engaged appropriately to ensure success.

From the interviews completed, it appears performance alignment is the area of greatest opportunity for ABC. When asked, "How was your performance going to be measured (on the project)?" Not one interviewee had an answer that meets HR best practices. Answers such as, "Wasn't really", "There weren't any specific performance measures for me", "It (performance measures) was not communicated...I think they trusted me" and "As far as I know it wasn't" were the typical responses.

This theme existed throughout the interviews and questionnaires. Not having clear performance objectives and measures is a challenge, both at the individual performance level and

at the corporate level. For example, clear measurements and historical data have made the comparison between Clean Team Services and in-house staff difficult.

ABC is in the process of designing and rolling out a performance management process at the senior levels.

2.5.8.3 Recommendations

> Create job descriptions and create associated objectives and measures for the Contract Manager role. This is especially important for new roles.

> Continue to roll the performance management process throughout the entire ABC organization. The process may have to be modified to be practical and sustainable in all areas, but clear expectations and measurements that identify whether if those expectations are being met are critical to long-term success, especially when a change is required.

> Engage the team in designing their own SMART (specific, measurable, achievable, realistic and time bound) measures. This serves multiple purposes, it ensures clear understanding of objectives; as the leader, it ensures you don't forget anything, creates an opportunity for dialogue about strategy and alignment, and creates buy-in.

2.6 Conclusions

The "Inspire Action Method" is simply a tool that encourages leaders to look at all the possible factors that can be utilized in a change effort to increase the odds of success. While reviewing this change effort after the fact, it appears that there were both strengths and weaknesses to this implementation. Areas such as strategic alignment and aligned performance are opportunities for improvement whereas the project team was very successful in factors such as project structure and change leadership.

The findings also point to a number of systemic challenges, such as the span of control for second-level managers, the communication challenges for a 24-hour organization and the overall lack of performance measures. These challenges also directly affect the "change readiness" of ABC.

Each element in the inspire action model has research, literature and unique models available to leaders who would like to learn about, or make changes in that area.

3 LITERATURE REVIEW

Outsourcing: A Risky Choice

3.1 Introduction

Companies are increasingly involved in the behavior of outsourcing. Not only IT companies, who are seen as aggressive in outsourcing their non-core technology and businesses, but also organizations that are conventional and stable have accelerated their pace of outsourcing. This article introduces the characteristics of outsourcing, elaborates the risks that organizations face while outsourcing part of their operations, describes the issues that organizations should consider, and interprets the concept of transformational outsourcing.

3.2 What is Outsourcing?

"Outsourcing means purchasing ongoing services from an outside company that a company currently provides, or that most organizations normally provide, for themselves" (Linder, 2004, p54). Some argue that if organizations are purchasing services or business processes from outside companies then it is outsourcing. Still others argue that it is not outsourcing unless the organizations' employees are transferred to the service providers (Linder, 2004). Despite all of the arguments, outsourcing involves purchasing products or services from outside, that were previously produced or provided by the organizations themselves. These two characteristics imply the obvious reasons for companies to outsource, which are to get financial benefits or better products. Some less obvious reasons are to change the current operations, structure and culture of organizations.

Whether outsourcing costs less or not, there is no exact amount to show the answer. At least in the beverage industry, the general perception is that outsourcing costs more, although many managers find if outsourcing is structured properly, it can cost the same or less (Deierlein, 1995). However due to the fact that more and more business processes are outsourced, it is reasonable to say outsourcing can bring some benefits to companies as well as various risks.

3.3   Risks of Outsourcing

According to Beasley, Bradford, and Pagach (2004), from the perspective of enterprise risk management (ERM), outsourcing some of the business processes and information technology functions to entities, especially entities overseas, may appear to cut costs and maximize profitability. However it can also cause other significant risks if it is not managed effectively so that it may ultimately increase rather than decrease the total risk for organizations (Beasley, Bradford, & Pagach, 2004). The following part will elaborate on risks that come from the influence of outsourcing on the strategy/operation, structure, culture, cost, quality, human resource management, and reputation of the organization (Beasley, Bradford, & Pagach, 2004).

3.3.1   Strategic & Operational Risks

Outsourcing generally is seen as a part of the company's strategy that is to create a more effective, efficient and economically sound organization by getting rid of some non-core or core operations so as to get focus on core businesses. However when these non-core operations are closely related to core operations and involve interaction with customers and other vital business stakeholders, the behavior of the service providers will directly affect the efficiency of operation as well as the effectiveness of the strategy.

ABC Company outsourced its Janitorial Services in 2003. According to our research, the relationship between the outsourcing and the company's strategy of adopting of best practices, collaborating with external business and working towards becoming a more efficient organization was not elaborated and clarified to the staff involved in the outsourcing. If people are not aware of the existence of the alignment between outsourcing and strategy at a higher level, then they will have difficulty in understanding the overall goals of the outsourcing initiative.

Another strategic risk of outsourcing is that revealing confidential information and bringing an outsourcing partner into a company's business processes will inherently reveal parts of the company's strategy (Beasley, Bradford, & Pagach, 2004). If the outsourced operation is

directly related to the core business of the company, then the company will have to share at least some information with its outsourcing partner. When the operation is not properly split apart from the main business, the company may face the decision of having to disclose strategic information that it otherwise would have wanted to remain confidential.

3.3.2   Structure Risks

Structure is generally believed to follow strategy; implementation of strategic decisions has long been hypothesized to influence or determine structure (Daugherty & Droge, 1997).

There are two major dimensions of structure identified: configurational and structural (Daugherty & Droge, 1997). Organizational configuration dimensions are those that can be represented pictorially by an organizational chart, while structural dimensions include the extent of formalization and specialization, and cannot be presented in the form of a chart (Daugherty & Droge, 1997).

Outsourcing means to separate one or some businesses from the whole process of the operation of the company and to let outside providers do these jobs. On the configuration dimensions, by splitting these businesses the company changes its current organizational structure, hierarchies and responsibilities. Outsourcing providers are not like suppliers who simply sell the company what it needs. Outsourcing providers normally are involved in the operation of the company, have a much closer relationship and sometimes share technology and information with the company, which also influences the structural dimensions of the company. "This is a commercial relationship and there still is a large responsibility for the company to oversee the relationship. They have to make sure it is working the way it was intended" (Hann, 1996, p75). When the company is drawing its organization chart, it may include outsourcing providers because those providers' behavior influences the company's performance to a fairly great extent. If the company does not design its new structure very well before the outsourcing

happens, risks emerge when the whole entity has to be adapted to new and unknown working relationships, processes, as well as hierarchies.

For ABC Company the structural change was that the Janitorial Services disappeared and was replaced by an outsider, the director of this department became the controller handling the outsourcing issues, and the previous Janitorial Services managers became contract managers. Following the change, supervisors had to communicate with parties that had different interests than themselves or other staff within the company. Structural change might affect risks related to the work that was outsourced as well the performance as other departments in the companies.

3.3.3 Culture Risks

Sometimes outsourcing becomes very difficult because of cultural conflicts between the outsourcer and service provider. "Culture is nothing more and nothing less than the norms or guiding principles – expressed in decisions or taken as actions – that we have learned are crucial for our market success" (Gunn, 2002, p15). Culture reflects the company's values, mission, and way of doing business, and influences a company's creativity and originality. When the service provider gets involved with the business of the outsourcer, it cannot avoid exposing its own culture to the outsourcer's culture, thus creating the potential for a clash of cultures.

An example from the ABC Company explains the above idea well. Before outsourcing happened, Janitorial Services staff was the employees of the company, interacting with other staff, which improved and enhanced the relationship between them. After the outsourcing, the new service provider completed jobs on a contractual basis, which had forced a change in communication patterns. This change had made it more difficult for the fulfillment of the service requirements of the staff. Supervisors complained that it became time-consuming to phone the provider every time cleaning service was needed. This different way of doing business led to the perception by these supervisors of lower efficiency and effectiveness.

3.3.4 Cost Risks

Cost cutting is one of the main reasons for many companies outsourcing parts of their operations, especially those who are interested in offshore outsourcing. ABC Company outsourced its Janitorial Services with the estimation that it could save $50 million over 5 years. The saving undoubtedly made the outsourcing very attractive.

However do all outsourcing decisions prove to be cost effective? A survey of 146 pension schemes covering 4.6 million members finds that the result is not the same for all outsourcers. The average in-house administrative cost for small schemes is found to be $101 per member, $30 more than when they are outsourced, while large schemes have average in-house administrative costs of $36, $12 less per member per year when they are outsourced (Anonymous, 2004).

While outsourcing is designed to increase net cash flows, many hidden costs may actually decrease cash flows if the costs are not managed effectively (Beasley, Bradford, & Pagach, 2004). These costs can be ongoing and cannot always be completely predicted. For instance, operations are outsourced because the company is sure that the quality can be the same as before, however often the quality level is acceptable but much lower. Therefore the cost attributable to decreased quality is unanticipated and difficult to estimate. It may influence the reputation of the company's product or the relationship with customers, and the intangible loss is hard to measure.

3.3.5 Quality Risks

Just as mentioned above, if the quality of outsourced service or products turns out to be sub par, not only will the reputation of the company but also the relationship with the customers will be affected. Poor quality can lead to lawsuits in the high tech industry.

According to our research, the biggest problem after outsourcing ABC Company's Janitorial Services was that the quality of the service was below expectation. Most of the supervisors disagreed that outsourcing improves the quality of cleaning. And only 5% of the supervisors believed that the provider would meet the requirements of the quality audits. One of

the reasons why executives are considering outsourcing is to focus on core competencies (Friedman, 2004). However without a clean environment, how could ABC Company engender clients' trust that it had the ability to provide superior services?

3.3.6   Human Resource Management Risks

As outsourcing trends continue, employee groups, including labor unions, are paying closer attention to the relationship between outsourcing and unemployment (Beasley, Bradford, & Pagach, 2004). Many articles have addressed the HRM problems of downsizing that comes with outsourcing. Ramsey developed some tips to comfort workers and smooth the process of downsizing: deliver the message in person and in private; be swift and merciful; be honest; state the reason; discuss a timetable and answer questions; do whatever you can to allow the leaving workers to retain some dignity and get help (Ramsey, 2004). Also, generous severance pay will contribute a lot to a smooth downsizing as well as comfort those who remain in the company. ABC Company provided excellent severance payments that resulted in fewer complaints regarding its financial treatment to ex-janitors.

Besides the big issue of layoff, who escapes from downsizing, should also be taken into consideration. Especially, for those managers whose department does not exist anymore and who have to take new positions such as contract managers whose responsibilities are strange to them, it is a big challenge. The company needs their experience to control quality, however they may not have enough experience in dealing with outsiders. Uncomfortable feelings arise when the managers are not satisfied with their new roles, and morale will go down even if they stay in the company. When ABC Company transferred its managers to contract managers, it increased the risks that it might not be able to maintain high quality cleaning services after the outsourcing because these managers might not be able to control the quality in the same manner as was before.

Before outsourcing, employees should be evaluated with caution. Those who will stay need to be trained so that they fit their new positions with new working partners. Especially at the beginning of outsourcing, communication is vital so that both parties can get to know each other's requirements and thoughts. Nowadays, long lasting quality control is established on the basis of cooperation, and cooperation is based on understanding and trust, which requires communication as well as good managerial abilities.

3.3.7   Reputation Risks

Reputation risks are the hardest to measure, however often are the most crucial (Beasley, Bradford & Pagach, 2004). Damage to reputation can come from low quality products and services and bad public image arising from the downsizing. If outsourcing overseas, publicity may be more negative during depressed economic times. When reputation is damaged, it is hard to recover within a short time. So it is crucial that companies think of the influence and evaluate the risks beforehand.

3.4   Issues to be Emphasized before and during Outsourcing

Outsourcing should be treated as part of the company's strategy. First issue is that a company should address why it needs to outsource its operation. Outsourcing is situational, not formulaic. "Deciding whether it makes sense to outsource an activity is usually best resolved by looking at internal capabilities compared to strategic objectives and core competencies and then determining whether the best value-added response will result from using in-house or outside resources" (Hignite, 2004, p36). This means that a company should know its strengths and weaknesses before making decisions of outsourcing. Carmichael (2004) suggests that starters consider the high-volume, stable products that don't change much in type or quantity over time (mature products). If a product is volatile, using a third-party distributor to remove the internal hassle of dealing with product volatility may help manage fluctuations (Carmichael, 2004).

Also, a company needs to know the purposes of outsourcing. Reasons for outsourcings include cost cutting, the replacement of old technology, and restructuring the company to make it more flexible and competitive. If the purpose is financial benefits, then focus should be on estimation of financial numbers. If it is for innovation and growth, price no longer is the dominant driver while selecting vendors.

Second issue that needs to be addressed is measurement. Without measurements it is impossible to quantify and evaluate performance. The quality control of ABC Company cleaning services was difficult partly because ABC Company did not have quality measurement in the past precluding it from obtaining quantified data regarding the current cleaning services performance.

The third issue is to stay engaged with the work and keep developing a relationship with the service provider. To ensure that the vendor delivers and to manage the ongoing relationship, companies need to devote staff to the management of outsourced services (Gomolski, 2004). To develop a relationship, companies better visit their providers to see their capabilities and infrastructure and culture, as well as the quality of their people, which translates their ability to serve through their resources (Carmichael, 2004).

The fourth issue is to be prepared for the culture conflicts. In a business relationship, culture conflicts are easy to be ignored because they are intangible and hard to anticipate and assess beforehand. However the unseen wall between two different entities will cause many troubles in communication, which may result in misunderstanding, complaints, and breakdown of the agreement.

Setting unrealistic expectations could be dangerous to organizational success. Some companies outsource their operations with expectations of performance beyond the vendors' ability. Sometimes vendors have executed their part of agreement, however they still cannot satisfy the outsourcers. High expectations will damage a relationship that could be good and healthy, and eventually influence outsourcers' operation and performance.

3.5 Transformational Outsourcing

The ideas presented above are based on conventional outsourcing. Linder (2004) argues that transformational outsourcing is very different from conventional outsourcing. Transformational outsourcing is a special variety of outsourcing that it involves outsourcing ongoing services that are critical to the performance of the business. Outsourcing here is used to achieve a rapid, sustainable step-change improvement in enterprise-level performance (Linder, 2004). Conventional outsourcing is about cost effectiveness, non-core operations, and core businesses focused. Transformational outsourcing is more about innovation and dramatic improvements.

Linder (2004) also argues that conventional outsourcing does not perform very well. There is a study finding that three-quarters of managers in companies surveyed believe that outsourcing outcomes have fallen short o expectations. Another study found that 20 to 25 percent of all outsourcing relationships fail within two years and that 50 percent fail within five (Linder, 2004).

Linder (2004) compares four approaches that organizations can use to initiate a change to obtain a capability: do it in house, acquisitions, joint ventures, and outsourcing. Doing it in house means the organization has to develop a capability it lacks and executives have to be distracted from other focuses to get into a field they are not familiar with (Linder, 2004).

Companies can get the capability quickly through acquisitions. However the sequelae are complicated and long lasting. Whether it is worth acquiring a whole entity to get one capability is also an issue that should be considered and assessed.

A joint venture, as Linder (2004) argued, in short, has to take over in the parent companies to instill their way of operating. Thus, to expect it to get new capabilities in a short time is not realistic.

However, by looking for a vendor that has already engaged this capability and by outsourcing part of the operation that is related, companies can get what they want quickly. At the same time, the management team that is experienced in the capability is empowered by the outsourcing process and is able to implement the practices effectively and efficiently (Linder, 2004). Transformational outsourcing becomes a business behavior that helps a company implement innovation and obtain extra strengths with comparatively low costs and efforts.

3.6   Conclusion

This article addresses the risks that arise from the behavior of outsourcing and that are unanticipated and difficult to evaluate. Those risks include strategy/operation, structure, culture, cost, quality, human resource management, and reputation risks. Also in this article some issues are clarified to help outsourcing be implemented more efficiently and effectively. The last part is the introduction of the idea of transformational outsourcing, which is a type of outsourcing with the purpose of initiating radical changes inside the company. Transformational outsourcing by its definition is directly related to the strategy, core operations, and growth of the outsourcers.

4 REFLECTIONS AND LEARNINGS ON STUDYING ORGANIZATION

4.1   Introduction

This project was the final project that I put lots of effort in. While doing the project, I obtained information from the operation of a real organization, and learned new knowledge by relating literature to the real world. I enjoyed it immensely as this was the first time I was able to combine the literature knowledge with field project. I learned many things from my team members regarding leadership and collaboration. During the whole project, I further recognized my strengths and weaknesses, showed my collaboration, as well as realized what I lacked to be a good leader.

4.2   What I Learned from the Field Project?

From the project, I learned how outsourcing was implemented in the real world. It involved lots of preparation and evaluation before the outsourcing began. The purpose of outsourcing needed to be considered carefully and addressed clearly in the implementation. Research showed that the strategic purpose was not addressed to most of the staff during and after the outsourcing so that many people thought of the outsourcing as a means of getting rid of a non-core operation and cutting costs.

Selecting vendors was a very time-consuming process. Vendors must be evaluated from all aspects: finance, job implementation, capability, culture, stability, and possibility to establish long-term relationship. After choosing a vendor, job responsibilities should be completely described and quality control must be monitored. The organization selected its vendor very cautiously, which helped the success of the outsourcing. However, the following quality control seemed to have space to be improved. Quality control was not only a problem in those hospitals, but also the concern of all the outsourcers. As far as I see, training and communication were the two ways to solve the problems if vendors were chosen correctly. The comments of the staff of

the organization also showed that they were worrying about the training and communication ability of the service providers.

The organization had a charismatic leader, who had a strong ability to communicate and had a vivid personal leadership style, to act as the change initiative. All the people who were interviewed praised his leadership. During a downsizing, organizations needed a leader who cared about people, comforted them, and helped them. I do think that a good leader together with generous benefits could decrease the negative influences of downsizing to the least, just as this organization had done.

While implementing the field project, I found that using a questionnaire was very useful. It gave me not only the idea whether they agreed or not, but also detailed opinions about the issues investigated. For example, the comments in the questionnaire helped me to figure out why the staff did not trust the service provider and what their expectations were. It was interesting to read those comments and increased the level of learning from doing the project. After analysing the comments, we were able to better understand the main issues and problems.

4.3   What I Learned from my Teammates?

This project was a group project implemented by three people. Because of limited time we needed to assign clear tasks and responsibilities to each member, and finish our parts on time. In a word, we needed to cooperate and collaborate with each other and create an efficient team.

Sheila acted as the leader of our team. She thought thoroughly about the project during the preparation, designed the tasks, and proposed the assignment of the tasks. I respected her because of her sufficient preparation and consideration. And she became our leader very naturally. I learned from the very beginning of the project that if you thought ahead of the others, you would get more chances to present your ideas completely as well as to become a leader to promote your ideas.

Also Sheila's patience and ability to communicate impressed me. While speaking, she elaborated issues to make sure listeners understood her points. She showed her patience and reasonableness not only to team members, but also to our client. At the beginning of the project, the communication with the organization was not smooth. There was no suitable person available for us to establish the relationship between our team and the organization, which made us a little frustrated. Sheila kept communicating with the organization patiently, and with the help of our instructor, everything went on the right track. Before, I thought being patient was a waste of time. However Sheila would not use coercion on anybody. Her experience in this project told me that without patience, communication was vulnerable to be interrupted and relationships would be damaged. When you were developing and sustaining a relationship, patience could lead to good communication, help to find out and clarify things misunderstood information, and have problems resolved. From a long-term perspective, good communication helped us to save time and efforts.

4.4   What I Learned about Myself?

I am a collaborative person. During the project I proved it one more time. I couldn't be a leader, however I was a good team member who was considerate of others, finished my assigned task on time, and thought ahead to plan for the tasks so that the teamwork would never be stalled because of my inefficiency.

However the question is: why could I not become a leader?

I think the first difficulty was language. This was obvious and I was trying to figure out a solution throughout the program. There were ways to overcome the difficulty, which required lasting efforts. I was making improvements, however my complacency held me back from making greater improvements. Lack of confidence was also a main reason. Oscar was an international student, however he never hesitated to express his opinions. And his confidence made everyone listen to him, which further encouraged him to take part in the activities.

Another difficulty came from my habits, as I was prone to plan for things right to the last minute. Subconsciously I did this to save my time and force myself to increase my efficiency. Normally this was a good method if I only wanted to maintain an average or a little above average performance. However in a team, people could not rely on a person who did not plan very well. If I wanted to be a leader, I would have had to actively try to obtain information, anticipate things beforehand, and prepare for the future. Without good preparation, communication could not be smooth and effective.

4.5   Conclusion

I obtained a different experience from the project and teamwork, compared to what I learned from textbooks. Books elaborate the theories of changes and teamwork, describe different situations, and address the main issues that should be emphasized. The field project, however, gave me the idea and experience of the whole process of changes. I actually could see and feel the difficulties. And it made me think what to do to make the changes better. Our teamwork on this project was of a long duration and in a complicated situation, which also enhanced my experience and improved my understanding of teamwork.

APPENDICES

Appendix 1 – Janitorial Questionnaire

The purpose of this questionnaire is to gather information on what went well, and what did not go so well during the outsourcing of janitorial services. We are MBA students specializing in Leadership and Organizational change who have been requested to help ABC learn from the janitorial outsourcing project. As a critical stakeholder, your observations and insight on how this change occurred is of great importance. Therefore, we would appreciate you taking a few minutes to answer these short questions.

Please check the square that corresponds to your opinion and respond the question as asked. Your anonymity will be respected.

1. I felt the outsourcing of janitorial services was necessary.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

2. I willingly embraced the outsourcing of janitorial services change.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

3. The outsourcing of janitorial services change initiative was communicated to me accurately.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

4. The outsourcing of janitorial services change initiative was communicated to me in a timely fashion.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

5. My manager was able to answer my questions about the outsourcing of janitorial services project.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

6. I was treated fairly during the outsourcing of janitorial services.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

7. In my opinion, the outsourcing of janitorial services seemed to be well planned.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

8. In my opinion, the outsourcing janitorial services have improved the quality of janitorial services.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

1.   I believe auditing janitorial services quality will maintain or improve janitorial services.
[ ]Strongly agree   [ ]Agree   [ ]Neither agree nor disagree   [ ]Disagree   [ ]Strongly disagree

2.   I have confidence in Clean Team Services to meet the requirements of the janitorial quality audits.
[ ]Strongly agree   [ ]Agree   [ ]Neither agree nor disagree   [ ]Disagree   [ ]Strongly disagree

3.   I am familiar with ABC Companies strategic plan.
[ ]Strongly agree   [ ]Agree   [ ]Neither agree nor disagree   [ ]Disagree   [ ]Strongly disagree

4.   I understand how the outsourcing janitorial services align to the overall strategic plan.
[ ]Strongly agree   [ ]Agree   [ ]Neither agree nor disagree   [ ]Disagree   [ ]Strongly disagree

13. If you were implementing the outsourcing of janitorial services project, what would you have done differently?

_____

14. What would you do to improve the current situation with janitorial services?

_____

Appendix 2 – Supervisor Questionnaire

The purpose of this questionnaire is to gather information on what went well, and what did not go so well during the outsourcing of janitorial services. We are MBA students specializing in Leadership and Organizational change who have been requested to help ABC learn from the janitorial outsourcing project. As a critical stakeholder, your observations and insight on how this change occurred is of great importance. Therefore, we would appreciate you taking a few minutes to answer these short questions.

Please mark the answer that corresponds to your opinion and respond to the question as asked. Your anonymity will be respected.

1. I felt the outsourcing of janitorial services was necessary.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

2. I willingly embraced the outsourcing of janitorial services change.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

3. The second-level management team was properly represented in planning the process.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

4. The outsourcing of janitorial services change initiative was communicated to me accurately.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

5. The outsourcing of janitorial services change initiative was communicated to me in a timely fashion.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

6. My manager was open to listen to my suggestions regarding the outsourcing of janitorial services.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

7. In my opinion, the outsourcing of janitorial services seemed to be well planned.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

8. In my opinion, the outsourcing janitorial services have improved the quality of janitorial services.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

9. I believe auditing janitorial services quality will maintain or improve janitorial services.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

10. I have confidence in Clean Team Services to meet the requirements of the janitorial quality audits.
☐Strongly agree   ☐Agree   ☐Neither agree nor disagree   ☐Disagree   ☐Strongly disagree

11. I am familiar with ABC Company's strategic plan.
☐ Strongly agree   ☐ Agree   ☐ Neither agree nor disagree   ☐ Disagree   ☐ Strongly disagree

12. I understand how the outsourcing janitorial services align to the overall strategic plan.
☐ Strongly agree   ☐ Agree   ☐ Neither agree nor disagree   ☐ Disagree   ☐ Strongly disagree

13. If you were implementing the outsourcing of janitorial services project, what would you have done differently?

14. What would you do to improve the current situation with janitorial services?

Appendix 3 – Second-level Management Questionnaire

The purpose of this questionnaire is to gather information on what went well, and what did not go so well during the outsourcing of janitorial services. We are MBA students specializing in Leadership and Organizational change who have been requested to help ABC learn from the janitorial outsourcing project. As a critical stakeholder, your observations and insight on how this change occurred is of great importance. Therefore, we would appreciate you taking a few minutes to answer these short questions.

Please check the answer that corresponds to your opinion and respond to the question as asked. Your anonymity will be respected.

1. I felt the outsourcing of janitorial services was necessary.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

2. I willingly embraced the outsourcing of janitorial services change.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

3. The supervisory team was properly represented in planning the process.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

4. The outsourcing of janitorial services change initiative was communicated to me accurately.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

5. The outsourcing of janitorial services change initiative was communicated to me in a timely fashion.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

6. My manager was able to answer my questions about the outsourcing of janitorial services project.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

7. I had the knowledge to answer my teams' questions about the outsourcing of janitorial services change initiative.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

8. The project primes for the outsourcing of janitorial services project were willing to consider input from the second-level management team when creating the implementation plan.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

9. In my opinion, the outsourcing of janitorial services seemed to be well planned.
☐Strongly agree ☐Agree ☐Neither agree nor disagree ☐Disagree ☐Strongly disagree

10. In my opinion, the outsourcing janitorial services have improved the quality of janitorial services.

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

11. I believe auditing janitorial services quality will maintain or improve janitorial services.
☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

12. I have confidence in Clean Team Services to meet the requirements of the janitorial quality audits.
☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

13. I am familiar with ABC Company's strategic plan.
☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

14. I understand how the outsourcing janitorial services align to the overall strategic plan.
☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

15. If you were implementing the outsourcing of janitorial services project, what would you have done differently?

16. What would you do to improve the current situation with janitorial services?

Appendix 4 – Interview Guideline

a) Generalities

> Could you tell us a bit about your contribution to this project?

> When did you start actively participating?

> What were your instructions?

> How was your performance going to be measured?

> How would you rate your participation (non-important, important or very important) to the change initiative?

b) Strategic alignment

> ABC Company has set, as part of its overall strategy, a number of points which will help it move towards its vision

In your opinion how did this change initiative fit into the overall strategy? More importantly, did you take in consideration the any of these points during the planning and implementation of the change?

c) Every change initiative needs great leaders to inspire and motivate the personnel; and consequently, accomplish the intended change. Please tell us a bit about the leadership style used in this change initiative.

> Was the vision of "what success looks like" communicated?

> What was your own vision of success?

> Where you empowered to develop activities you felt were necessary for success?

➤ Did you receive support from higher authorities when needed?

➤ Were you able to visualize all the resources you would need?

➤ Were those resources provided those in timely fashion?

➤ Were you expecting resistance?

➤ What was your strategy to overcome this resistance?

➤ Were monitoring procedures designed and established that would track progress or problems that occurred?

➤ Did you have the capacity to demonstrate consistent sustained support for the project?

d) There exists a belief that what we focus on becomes our reality. Thus, it is helpful to share stories to create synergy and momentum.

➤ Did you have knowledge of any change initiative similar to this one that was successful?

➤ If so, did you use it to motivate those that were going to be affected by the change initiative?

e) It is very important to identify your stakeholders as well as supporting and resistant groups to minimize failure in any change initiative.

➤ Were you able to identify your stakeholders? Who were they? Did you miss any?

➤ To the best of your knowledge, what were their expressed needs and issues?

➤ What was their level of involvement?

➤ In which group(s), were the majority of your efforts focused on?

f) Commitment and risk prevention.

> Could you tell us a bit about the strategy you used to create commitment to the change?

> What risks did you consider before the change?

> Which one(s) appeared?

g) Creating resilient teams.

> As part of the leadership team, how did you communicate the change to your managers?

> Did you do anything to prepare them for the change?

h) Competencies, support and performance measurement.

> Were you able to identify the competencies you needed to successfully complete your part of the change? What were they?

> Were these competencies available? Did you have to develop them?

> Were you fully supported to get these competencies or to develop them?

> How did you measure the performance of those who were part of the change?

How does this measure align to the companies' performance management strategy?

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