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# Developing day-to-day management with dynamic capabilities

Case study

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#### ABSTRACT:

There has long been a fascination with how organizations sustain a competitive advantage in changing and dynamic environments in the discipline of strategic management. Dynamic capabilities are used to illustrate how organizations adapt and maintain a sustainable competitive advantage in a continuously changing environment by developing routines and capabilities. The day-to-day management of personnel is the basis for the company's competitiveness. The continuous development of the company is especially important in today's dynamic operating environments. The entire organizational improvement process involves the entire organization, where the day-to-day management aims to complement various mapping processes. The purpose of this study is to find out the ways in which the day-to-day management of a case company can be developed and supported.

The theoretical framework of the study is built around dynamic capabilities and day-to-day management, what kind of inertias are observable and how to get over them. The literature section outlines how change is managed through dynamic features and how the role of personnel influences this. The literature section also focuses on the development of daily management routines and the barriers and inertia in the successful implementation of change management.

The empirical part of the study has been carried out as both a qualitative and a quantitative study. The method of data collection for qualitative research is a thematic interview. The study is a single case study, and its material consists of six interviews conducted in the case company at different organizational levels and a quantitative study questionnaire sent to whole personnel.

Change management is an integral part of day-to-day management and the skills of continuous renewal has become part of an organization's strategy. The importance of dynamic capabilities was highlighted in the work. According to the case company's research results, the most important findings were related to the importance of management in the development of operations. Interaction and communication came to the fore. In addition, the possibilities of various trainings for the development of day-to-day management emerged. In addition, different inertias were found from the organization. In general, more involvement of employees in organizational change was seen as important part.

Opportunities for further research emphasize the need to understand the personnel's attitude to change. In addition, the implementation of Lean operations to the entire organizational level could be seen as the next research topic in the company.

**KEYWORDS:** Dynamic capabilities, organizational inertia, change management, development, communication

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#### TIIVISTELMÄ:

Strategisen johtamisen alalla on pitkään oltu kiinnostuneita, kuinka organisaatiot ylläpitävät kilpailuetua muuttuvissa ja dynaamisissa ympäristöissä. Dynaamisia ominaisuuksia käytetään havainnollistamaan, kuinka organisaatiot mukautuvat ja ylläpitävät kestävää kilpailuetua jatkuvasti muuttuvassa ympäristössä kehittämällä rutiineja ja kyvykkyyksiä. Päivittäinen henkilöstöjohtaminen on yrityksen kilpailukyvyn perusta. Yrityksen jatkuva kehittäminen on erityisen tärkeää nykypäivän dynaamisissa toimintaympäristöissä. Koko organisaation kehittämisprosessi koskee koko organisaatiota, jossa päivittäisen johdon tavoitteena on täydentää erilaisia kartoitusprosesseja. Tämän tutkimuksen tarkoituksena on selvittää tapoja, joilla tapausyrityksen päivittäistä johtamista voidaan kehittää ja tukea.

Tutkimuksen teoreettinen viitekehys rakentuu dynaamisten kyvykkyyksien ja päivittäisen johtamisen ympärille, millaisia haasteita muutoksessa on havaittavissa ja miten niistä päästään yli. Kirjallisuusosiossa hahmotellaan, miten muutosta hallitaan dynaamisten piirteiden kautta ja miten henkilöstön rooli vaikuttaa tähän. Kirjallisuusosio keskittyy myös päivittäisten johtamisrutiinien kehittämiseen sekä muutoksenhallinnan onnistuneen toimeenpanon esteisiin ja inertioihin.

Tutkimuksen empiirinen osa on toteutettu sekä kvalitatiivisena että kvantitatiivisena yksittäisenä tapaustutkimuksena. Laadullisen tutkimuksen tiedonkeruumenetelmänä on temaattinen haastattelu. Tutkimus on tapaustutkimus, ja sen materiaali koostuu kuudesta tapausyhtiössä eri organisaatiotasoilla tehdystä haastattelusta. Haastateltavat pyrkivät tuomaan oman organisaatiotason toimintaa esille. Määrällisen tutkimuksen osuudessa koko henkilöstölle lähetettiin tutkimuskysely, jossa pyrittiin saamaan selville, miten tyytyväisiä henkilöstö on jo aloitettuun päivittäisjohtamisen kehittämiseen.

Muutosjohtaminen on kiinteä osa jokapäiväistä johtamista ja jatkuvan uudistumisen taidosta on tullut osa organisaation strategiaa. Dynaamisten kyvykkyyksien tärkeys nousi työssä esille. Tapausyhtiön tutkimustulosten mukaan tärkeimmät havainnot liittyivät esimiestoiminnan tärkeyteen toiminnan kehittämisessä. Vuorovaikutus ja viestintä nousivat erityisesti esille. Lisäksi erilaisten koulutusten mahdollisuudet päivittäisjohtamisen kehittämiseen nousivat esille. Lisäksi työssä löydettiin organisaatiossa liikkuvia inertioita. Yleisesti työntekijöiden sitouttamista enemmän organisaation muutokseen nähtiin tärkeänä.

Jatkotutkimusmahdollisuudet korostavat tarvetta ymmärtää henkilöstön asennetta muutokseen. Lisäksi Lean-toiminnan toteuttamista koko organisaatiotasolla voitaisiin nähdä seuraavana tutkimusaiheena yrityksessä.

**AVAINSANAT:** Dynamic capabilities, organizational inertia, change management, development, communication

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#### 1 Introduction

By (2007) argues that change management is critical for any organization to survive and succeed. For the current business environment, it is very competitive as well as constantly evolving. It must be remembered that change management is a complex, dynamic, and challenging process.

The most important tasks of a day-to-day director include information, decision-making, interaction, and maintaining and developing relationships (Yukl, 2013). Day-to-day management usually refers to the invisible aspect of a supervisor's work where the supervisor takes care of the organization's operations and efficiency. The supervisor works in the organization between employees and senior management, striving to achieve the goals set in the organization. (Hokkanen, Mäkelä & Taatila; 2008, p.16,19) According to Salminen (2014) day-to-day management is a systematic way in which the work unit manages operations and development on a daily basis. Organizations can nowadays control fewer factors in their working environment, making retaining a competitive advantage more difficult. This relates to the concept of dynamic capabilities and how successful businesses are able to produce and pool resources in the most efficient way possible. There is still lack of understanding how organizational inertia controls the dimensions of dynamic capabilities (Danneels, 2010; Eisenhardt & Martin, 2000).

#### 1.1 Subject selection backgrounds

The thesis will be a case study for the company called Yaskawa Environmental Energy / The Switch. The author of this thesis has worked at The Switch since 2018, in two different departments, initially in the purchasing department and two years ago also moved partly to the financial management side. Day-to-day management has already been developed in the company by starting daily fifteen-minutes meetings on a team-by-team basis with the agenda to cover possible topics related to the day. Thanks to the versatile work tasks, the author of the thesis believes that the view of the activities of different departments brings an even better perspective to the solution of the problem.

In a broader context, this thesis is an important development target for the company, as it has been noticed that there is room for improvement in day-to-day management as well as in change management. How to take advantage of day-to-day management throughout the company, including the management team. These issues have been identified through various job satisfaction surveys, which will also be utilized in this work. In addition, day-to-day management has recently been discussed on various channels and it has been discussed how important it is from the perspective of the competitive advantage of company. It is something that should be talked about more and put into practice. The entire organizational improvement process involves the entire organization, where the day-to-day management aims to complement various mapping processes.

The topics raised in the job satisfaction survey have been, among other things: employees may not know how the company operates in relation to competitors in terms of customer service quality, operational efficiency, and product quality. In addition, the survey revealed how employees are dissatisfied with how many approvals for routine decisions there are, and employees do not know what opportunities for career development within the company could be.

#### 1.2 Research objective and research questions

This study will research of how change management is developed through dynamic capabilities, how it can be made a smoother and how to get rid of resistance to change and how the effects of inertia can be overcome. Day-to-day management is one aspect of change management, the aim is also to analyse the advantages, and disadvantages of

its development at both the employee and management team level are highlighted in this study. Organizational inertia can become dangerous when companies engage in organizational changes or, for example, in an uncertain environment (Rowe, Besson & Hemon, 2017). Thus, the development of day-to-day management and the change resulting from its development is seen as a research problem. How to make it smoother. To understand better the development of day-to-day management and its problems the thesis is guided by the following research questions:

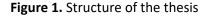
- 1. How day-to-day management can bring the change?
- 2. What kind of problem areas are identified in day-to-day management?
- 3. How to develop day-to-day management to increase efficiency?

#### **1.3** Thesis structure

This study consists of five chapters. The second chapter is the literature review, which has sought to highlight an inertial perspective in each paragraph. The top theory deals with change management through dynamic capabilities and the role of personnel in exercising change management through dynamic capabilities. In addition, inertia itself is addressed in the context of organizational change management. Change management is a big part of the literature review, as day-to-day management is part of change management, they follow very much hand in hand. The literature review then examines the development of day-to-day management routines to facilitate organizational change, which includes communication in day-to-day management, the role of the management team in day-to-day management, and the importance of the lean method in day-to-day management. Lean method has become popular in companies' recent years. The theory section identifies the most important and significant theories in the field of this research. Last part of this chapter goes through the thesis framework. What kind of connection has been found between the theory and the framework. The third chapter includes methodology, where the research methods of the work are presented. Both quantitative and qualitative research methods are used in this work. To get the most accurate and

comprehensive result possible. In the qualitative interview, six employees working in supervisory positions were interviewed. In terms of quantitative research, a questionnaire was sent to all personnel with simple questions about how the development of day-to-day management is perceived in the work community and what further steps should be taken to improve it. Quantitative research provides figures that can be examined by statistical analysis to confirm the hypothesis. The interviews as a whole paint a picture of the company's current situation and where it needs to develop. This creates a new perspective on the development of day-to-day and change management. The fourth chapter presents the results based on the interviews and survey. The fifth chapter presents the results consistently against the research questions of this study and the significant findings are reflected in theoretical and practical perspectives. Last chapter goes through the final conclusion. Structure is illustrated in figure 1.





With the help of a case company's interviews, thesis aims to find fresh insight into developing day-to-day management both at the functionary and management team level. In addition, this work seeks to find answers to the smoothness of change management, promoting the company's competitiveness, and responding to changes in the operating environment.

#### 2 Change management through dynamic capabilities

Change is an ever-present element that affects all organizations. It assesses, plans, and implements the company's operational as well as tactical and strategic aspects. (Paton & McCalman, 2008; By, 2007) In a growing and highly competitive business environment, change is vital for organizations. Change theories can describe the effectiveness whereby organizations can modify their strategies, processes, resources, and structures. (Hussain, Lei, Akram, Haider, Hussain, Ali., 2018) According to Lindell (2017) the change management is seen in organizations as an activity that helps to bring about the desired changes. Action can mean the formal processes of change, or informal interaction situations in which even a small amount of influence achieves significant results. (Lindell, 2017) There has been a great deal of research into organizational change, however, many companies have struggled to achieve the changes what they have sought to implement. (Rosenberg & Mosca, 2011).

It has been studied (Dingweth et al. 2019) that there have been many pressures for change in working life in recent years. The transformation of the world economy continues to change the structures and conditions of work. More and more organizations have to rethink their practices and seek competitive advantage in flexibility, speed, and the productivity of innovation to increase their own value. (Dingweth et al. 2019)

There is a lot of literature and research on change management, many define change as a step-by-step process. (Valpola, 2004; Juuti, Rannikko & Saarikoski., 2004; Rosenbaum, More & Steane., 2018) The process of change begins with considering the need for change itself and mapping it out. This is usually followed by planning, implementing, and consolidating the change. (Juuti et al., 2004) The change process also emphasizes the monitoring and evaluation of change (Valtee, 2002). According to Rosenbaum et al. (2018) the change management is a difficult goal to achieve and can be approached in a variety of ways. The concept of dynamic capabilities seeks to explain how organizations can achieve and maintain a competitive advantage (Andreeva & Chayka, 2006). The concept of dynamic capabilities has emerged from the theory of strategic management (Andreeva & Ritala, 2016). There are several definitions for dynamic capabilities. A classical definition of dynamic capabilities has been provided by Teece et al. (1997). Dynamic capabilities are defined as a company's ability to integrate, build, and reorganize internal and external abilities to account for a fast-changing environment (Teece et al. 1997). Teece (2007) has also looked at how dynamic capabilities may be broken down into capabilities that identify and shape opportunities and threats, take opportunities, and preserve competitiveness by improving, merging, safeguarding, and, whenever required, changing an intangible and tangible asset. The perspective of dynamic capabilities has attracted attention in the management science literature in the 21st century (Barreto, 2010, p.256). Dynamic capabilities can also be doing the right things at the right time (Teece 2016, p. 210). It has been one of the most impressive theoretical lenses for strategic management (Schilke 2014, p. 179). The dynamic capabilities perspective can be seen as an extension from a resource-based perspective, as it is considered insufficient in nature to explain the competitive advantage of companies in a changing environment, as dynamic capabilities also focus on resource restructuring. (Barreto 2010; Eisenhardt & Martin 2000; Schilke 2014, p.180; Teece et al. 1997, p.515) Dynamic capabilities are value-adding factors that increase a company's competitive advantage and add value to it. According to Teece (2007), dynamic capabilities can be divided into sensing or searching for new knowledge and skills, grasping them, and modifying the organization accordingly.

Rajabi and Lee (2010) argues that many business processes are very dynamic and require changes already during their implementation. According to Easterby-Smith, Lyles and Peteraf (2009) the dynamic features do not automatically lead to performance improvements. Dynamic capabilities can take on multiple roles to an organization, such as changing organizational processes and routines (Feldman & Pentland, 2003), resource allocation (Danneels, 2011), and knowledge development and transfer (Prange & Verdier, 2011), and in some cases decision-making (Eisenhardt, 1999). Dynamic capabilities are a wide-ranging function that allows for the continuous development of an organization's operations. (Esterby-Smith et al. 2009) By allocating resources, their change processes have been studied to function as dynamic elements and to emphasize resource cognition as a missing element in the theory of dynamic capabilities (Danneels, 2011). According to both Teece et al. (1997) and Easterby-Smith et al. (2009) dynamic capabilities are responses to change needs or new opportunities. Changes may include changes in organizational processes, resource allocations, and operations. Known organizational and strategic processes are part of dynamic capabilities, such as alliances and product development, whose strategic value lies in their ability to manipulate resources into value-creating strategies (Eisenhardt & Martin, 2000).

Teece (2007) has set three general dynamic capabilities as the basis for a firm's existence and operations: sensing opportunities and threats, seizing opportunities, and reorganizing resources. These three capabilities form the frame of reference that describes the creation of a sustainable competitive advantage that is challenging for competitors to replicate and that can be used to design and implement a business model (Teece 2018, p.44). These so-called upper-level dynamic capabilities (Teece, 2007) are not dynamic capabilities per se, but rather management and organizational processes that support and enable the deployment of dynamic capabilities (Ambrosini & Bowman, 2009). Teece (2007) refers to lower-level dynamic capabilities as micro foundations, which are discrete company skills, procedures, decision-making norms, and organizational structures. These micro-capabilities serve as a foundation for higher-level capabilities (Teece, 2007). Companies develop and implement processes that reflect dynamic capabilities, detect change, seize opportunities, and bring about change together and on top of each other. (Teece, Peteraf & Leih, 2016) Combined with dynamic capabilities and strategy, they create and shape a business model that drives organizational change. It is difficult to emulate the business models attached to the strategy, which can be used to gain a competitive advantage in the market. The frame of reference is shown in Figure 2.

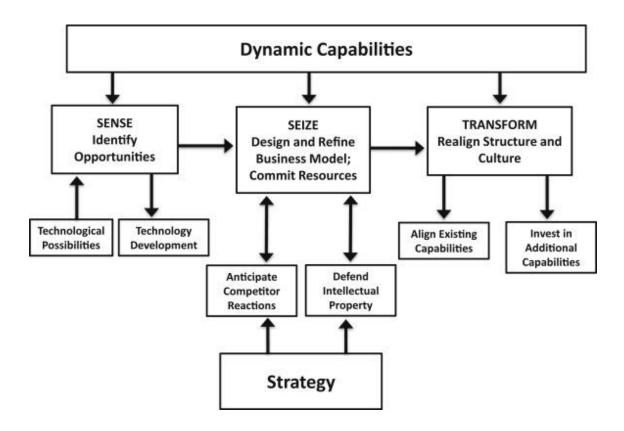


Figure 2. Simplified schema of dynamic capabilities, business models, and strategy. (Teece, 2018)

The consequences of organizational inertia on a company's dynamic capabilities have been investigated by Mikalef, Wetering, and Krogstie (2021). According to Mikalef, van de Wetering & Krogstie, (2021) while dynamic capabilities are widely characterized in management literature, there is still lack of knowledge of the inertial factors that come into play when attempting to improve them. Understanding and evaluating inertia can help organizations better understand the information contained in their data and leverage it to create new options to improve business, leading to more efficient operations and revenue growth. It has been researched how many types of organizational inertia, such as economic, political, socio cognitive, negative psychology, and socio-technical inertia, stifle the growth of dynamic capacities. These inertias are discussed in more detail in chapter 2.2. It would be critical to be able to recognize these issues throughout the design phase. Early detection of inertia combinations aids in the formulation of organizational strategies and the prediction of future inertial pressures. (Mikalef, van de Wetering & Krogstie, 2021)

According to Mattila (2011) when it comes to change management in general, there are normally four errors. The first mistake in change is complacency, which prevents us from seeing the need for change. The second is staying put, which the worst leads to excessive self-protection. Third is the pessimistic attitude to everything that eats up motivation. Fourth is the open refusal to change. (Mattila, 2011) It is often said that the commensurability of change is a major error in change management. Organizations must be able to verify the direction of change and develop the appropriate indicators of change. These will allow for adequate monitoring of the effects of change. The challenge in measuring change is to find suitable measurement methods for the change itself. Old measurement methods and criteria should be forgotten, as they confuse the measurement of new activity. (Erämetsä, 2003)

Vikman (2019) amplify that corporate culture consists of the conscious and unconscious values, structures, and operating the methods of a company. They act as a unifying factor for employees, guiding their thinking and behaviours, and differentiating the organization from other organizations. During the change process, care must be taken to ensure that the new operating methods are compatible with the corporate culture. It is important that practices are embedded in shared values and norms. In addition, it is ensured that policies become strong enough to displace old traditions. (Vikman, 2019)

According to Nurmi (2012) it must be remembered that companies are not the same, everyone has a different situation, resources, and history. Therefore, the comparison is also difficult. Benchmarking has long been seen as a tool for comparing others, to support change. The main idea is to compare one's own activities with those of others, often with best practice. Track how your competitors are doing. Benchmarking can also be used to create a comprehensive competitive advantage. In general, copied practices are proven to be good, this will also help you learn and develop faster. Overall, benchmarking can mean almost any comparative assessment. Often, small differences between companies are important, as they can grow even more along the way. (Nurmi, 2012) However, change management is inevitable for success. In projects and in the organization's operations, changes are often met, and the most important thing is to be able to manage the situations brought about by change so that the organization stays together, and the result is successful despite adversity. (Carman, 2012)

## 2.1 The role of personnel to exercise change management through dynamic capabilities

According to Järvinen (2016), it must be remembered that in working life we are in a constant cycle of change and sometimes they go through the entire organization. Changes require the supervisor to have a good knowledge of people and sufficient consideration of the principles that guide human behaviour. Human resource management is critical since people are an organization's most valuable resource, and a supervisor must be able to achieve outcomes with them. Personnel management is regarded as one of the organization's strategic paths for growth. Personnel management is also regarded as one of the organization's strategic paths for growth. (Akhmetshin, Brager, Pokramovich, Mariya & Yu., 2018)

Hänninen (2014) has been studied that change management is an integral part of dayto-day management, and the skill of continuous renewal has become part of an organization's strategy. The strategies and values of organizations should be brought to the day-to-day work of supervisors. It must be remembered that the need for change can arise for a variety of reasons: it can be a systematic organizational change or the resulting change that results from constant change, it can also be a forced change. Innovation management, handling creativity and innovativeness in the organization are very important for continuous renewal. In such an environment, questioning, the courage to make mistakes, transparency and trust are key. (Jafari, Doorbash & Mirzaei, 2019) Ponteva (2012) writes that the experience of employees in an organization is influenced by the leadership style of the leaders. Innovative and creative management methods are perceived as more effective alternatives than, for example, performance-based management. Employee alienation is not just caused by technology or the nature of the work, it is more influenced by management practices and practices in the workplace. Supervisors play an important role in this case when it comes to keeping employees in their jobs after the change. (Ponteva, 2012)

Tuning (2022) emphasize that everyone has a role to play in organizational change. Usually, managers and supervisors are able to see the big picture of change, but employees themselves bear the burden of day-to-day implementation that leads to significant changes in the organization. During organizational change, the interaction of front-line employees with each other, with the company, and with the change itself often plays a key role in making the necessary changes for success. Employees must accept the change because they work closest to the work or to the client most of the time. Thus, successful change requires support from employees. Accepting change means accepting the fact that things change no matter how you feel. (Tuning, 2022) Organizations are more likely to change as a result of external pressure than as a result of an internal desire or need to change (Goodstein & Burke, 1991).

The role of personnel in change management through dynamic capabilities can come from the various HR systems studied by Lopez-Cabrales, Bornay-Barrachina, and Diaz-Fernandez (2017). According to them, the most effective way to develop change management is to implement it together with transformation leadership and transaction management behaviour, not forgetting the support of knowledge based HRM practices. With these leadership styles, HR systems can be an effective tool for acquiring dynamic capabilities. Leadership styles facilitate the different orientations of HR systems, whether skill-based or job-based, giving the organization a full range of dynamic capabilities. Transformational leadership seeks to achieve identification with organizational values, missions, and visions (Bass et al., 2003). It aims to instill in employees a sense of responsibility for their job and to urge them to think beyond their own self-interests (Yukl, 2006). It is also described as a type of strategic leadership that emphasizes the transformation of organizational members as well as the adaptation of individuals and shared interests. In transactional leadership, social values seek to mitigate the impact of transactional leadership on performance. Which means managers and employees have a more delicate connection, addressing what is expected of everyone and what everyone receives. Lopez-Cabrales, Bornay-Barrachina, and Diaz-Fernandez (2017) also demonstrated that transformative leadership requires the development of defined norms, expectations, and trust in the leader, as seen in effective transactional leadership. They also noted that if a company can apply different HR systems to take advantage of employee behavior, this would create a variety of dynamic capabilities that contribute to competitive advantage and business success. (Lopez-Cabrales et al., 2017)

According to Kurmollaiev (2020) the regular operations that build, expand, and adjust an organization's resource base are referred to as dynamic properties. At the individual level, it indicates that a person's desire to change the status quo in an organization, as well as his or her high level of influence inside the organization, are both essential and sufficient requirements for dynamic capabilities. (Kurmollaiev, 2020) Dynamic capabilities are shaped by allowing and blocking variables inside and outside the firm, including the perceptions and motivations of supervisors; they identify the processes that create dynamic properties; and explains that dynamic properties do not automatically lead to performance improvements (Ambrosini & Bowman, 2009). Dynamic capabilities are the theory of strategic leadership. The entire organizational improvement process involves the entire organization -from top to bottom-, where the day-to-day management aims to complement various mapping processes. (Moran, 1991) Change management is not a simple process, it can be called continuous improvement. For example, according to Moran (1991), the PDCA cycle is one of the possible plans for the whole process. This requires the support of the entire organization. PDCA cycle was developed in 1930, when there were no distinct items and the global market demanded a higher level of quality

management focused on competitiveness (Realyvásquez-Vargas, Arredondo-Soto, Carrillo-Gutiérrez & Ravelo, 2018). The PDCA-cycle is illustrated in figure 3.



Figure 3. The Plan-Do-Check-Act Cycle. PDCA Model courtesy of The W. Edwards Deming Institute

This cycle is a well-known model for continual process improvement. It is divided to four parts, where the idea of the first part is to identify the opportunity and plan for its change. Second part needs to test the planned change and the third part checks it, it reviews the test, analyses the results, and identifies learnings. On the fourth, last part, is time for action. Action will be taken based on what has emerged during the review phase, either the lessons will be incorporated into wider changes, or the cycle will be re-examined with a different plan. (Johnson, 2002) It was previously noted how personnel have a major influence on change management and often their opinions are expressed through inertia. Aladwani (2001, p. 269) discusses how an employee may perceive the net benefit of change as negative if the effect experienced by the change's object undermines his or

her own job description in some way. The following sections discuss in more detail the effects of inertia on the organization as a whole and the inertia associated with personnel behaviour. Inertia and managerial intentionality may both play a role as crucial limiting and releasing factors, according to Dow, Liesch, and Welch (2018). According to them his phenomenon suggests that the passage of time and practical experience may not always be beneficial to corporate internationalization.

#### 2.2 Factors challenging the change

Inertia is part of physics where the body's ability to resist a change in its state of motion. Inertia is strongly present and inevitable even when change is sought in an organization's operations (Proha, 2018). Change is always about benefits. Cognition, routines, abilities, commitment to resources can be sources of inertia (Tripsas, 2009). The introduction of new products and procedures can be crucial for a company's competitiveness, but managing structural inertia is considered as the most difficult problem. Although dynamic skills are successfully linked to organizational change, organizational inertia affects new value creation pathways and can lead to firms failing to recognize the potential of change. (Teece, 2007)

There have been numerous studies on inertia, each looking at it from a different perspective. In underdeveloped countries, organizational inertia is thought to be a roadblock to both organizational reform and organizational affectivity. (Moradi, Mohammadbagher, Mohammadi & Mirzaei., 2021) The ability of an organization to make internal adjustments in the face of large external changes is known as organizational inertia. When inertia creeps into an organization's operations, it reflexively reacts based on previous experiences and is adamant about not changing. According to some academics, when norms and habits restrict organizational behaviour, they become stable and static. (Moradi, 2021) Different types of inertias are explained more detailed in table 1.

Type of Inertia	Definition	
Economic	When a business uses the cost and cost savings to shift procedures	
	for new ways, this is referred to as cost and cost savin	
	Organizations are generally averse to new systems or econom	
	solutions. (Moradi et al. 2021)	
Political	Due to vested interests and alliances, there is a reluctance to	
	change. (Mikalef et al. 2021)	
Socio Cognitive	Routines embedded in the organization cause socio-cognitive	
	inertia at the organizational level. This form of inertia has been	
	proven to be stronger when routines have been in place for a long	
	time. Individuals feel at ease in familiar settings, and because	
	employees learn from their experiences, they are more likely to	
	consider solutions that have worked in the past rather than novel	
	ideas. People act on their existing values, as they have in the past,	
	according to socio-cognitive inertia. (Ertl, Setzke, Böhm & Krcmar.,	
	2020)	
Negative Psychology	Changes are frequently opposed by members of the organization,	
	regardless matter how necessary they are. From the employee's	
	perspective, change suggests several things: long-term connections	
	may be disrupted, new skills may be required, or the nature and	
	expectations of work may change. People's reluctance isn't	
	necessarily against change; rather, it is with the loss of things that	
	occurs during the transformation process. (Moradi et al. 2021)	
Socio Technical	Employees that are unable or unwilling to work on new technology	
	or processes are to blame for this inertia, which is based on	
	technological and socio-technical interdependence. (Soto Setzke,	
	2020)	

Table 1. Different types of organizational inertia

Larsen and Lomi (2002) explains how according to one perspective, as businesses become older and larger, they amass abilities, resources, and expertise that can be used to maintain and strengthen their competitive advantage. An alternate viewpoint contends that as organizations grows older and larger, they become increasingly subject to self-reproduction processes that drain resources and reduce their ability to respond appropriately to new rivals' challenges of innovation and change. The assumption regarding organizational inertia, or the speed (and cost) whereby established procedures may be changed to match current needs and demands, determines which of these two approaches are more feasible. Kelly and Amburgey (1991) discovered that in older organizations that are more exposed to large changes in their basic processes than younger organizations, inertia is higher. As a result, historical constraints constrain old organizations. It has also been discovered that environmental change is linked to a lower likelihood of corporate-level change. One of the most impressive studies of the conceptualization of organizational inertia has come from Hannan and Freeman (1984), in which they describe how succeeded in front of external pressure. They claim that because new organizational structures are adopted at the population level, disparities in success in creating new strategy and structure can be explained in part by inertial forces.

Feldman and Pentland (2003) explain that organizational routines may be aimed at achieving some management goals or responding to environmental pressures. Organizational routines promote behaviour in a certain way and may conform to established norms. Routines in organizations are described as recurring, recognized the patterns of interdependent actions performed by several authors (Mousavi, Bossink & van Vliet, 2018; Wolthuis, Hubers, van Veen & de Vries, 2021; Feldman & Pentland, 2003). Routines act as social replicators in evolution and evolutionary economics, assisting in the maintenance of organizational behaviours and knowledge (Nelson et al. 2018). Thus, routines can be very effective, as they can minimize costs and increase management control while maximizing the legitimacy of the organization. Therefore, changes in routines may cause inertia. Disruption of routines can be one factor in barriers to change management. Routines can be described as an agreement on how work is done that

reduces conflicts but can also prevent or slow down change management. Organizational routines can also be considered as a product of organizational learning, as they may indicate a response to a managerial strategy or environmental pressure. (Feldman & Pentland, 2003) In Huber's view, changes in routines are often the result of external pressures to improve performance, such pressures for change come from management (Huber, 1991). The ability of an organization's routines to preserve history can lead to inertia, but routines can also bring variety (Feldman & Pentland, 2003).

Organizational change and the impacts of inertia have been studied by Shimizu and Hitt (2005). They define an organization as a holistic idea that encompasses personal devotion, financial investment, and institutional procedures that enable us to operate as we do now. Routines and established thinking and operating habits have been shown to produce organizational inertia, which leads to resistance to change. Another key component is that organizations must virtually constantly be subjected to change in order to adapt to a dynamic environment, which causes inertia. These inertial pressures frequently prohibit a company from making a change. (Shimizu & Hitt, 2005)

Resistance to change refers to behaviour that disagrees with change. It can manifest itself as a denial of change or a critique of change. Opponents of change usually have a strong need for clarity about their own future role and they see no rational, financial, or other reason to implement change. (Laaksonen, Niskanen & Ollila, 2021) Resistance to change can be thought of as a matter of tolerating and accepting difference (Arjanne, 2006). Resistance to change can also be seen as a positive thing. Resistance to change in the work community is therefore healthy and is perceived as a better option than, for example, indifference (Torppa, 2012). Ansoff (1984) defines resistance to the change process as a phenomenon that causes delays, costs, and disruptions. Employees frequently fear change for a variety of reasons, as a result of which they resist or oppose any change in their current working practices or procedures (Kamenets, 2021)

Change resistance is one important factor in an organization's change efforts to succeed or fails (Waddel & Sohal, 1998). Barriers to change can be the content of the change as well as poor implementation of the design. In order to avoid barriers and inertia in the successful implementation of change management, it is also good to observe appropriate communication and the development of employee participation systems in the organization. Rosenberg et al. (2019) also recalls that there is no general approach to reducing obstacles and inertia. There are many reasons for opposing change management, organizational factors can include leadership (poor leadership and lack of management trust), culture, structure, and related organizational factors such as organizational conflicts or dysfunctional organizational culture, these are the biggest barriers or obstacles to successful change management. (Rosenberg et al. 2019) Other factors worth mentioning that may prevent or slow down the successful implementation of change management include employee attitudes, lack of understanding resulting in uncertainty, or increased workload.

Waddel and Sohal (1998) explains how change resistance can be described in different ways, for example it can be a complex phenomenon that brings unexpected delays as well as costs, it can also be any kind of use that helps to maintain the status quo in the face of changing pressure. In an organizational environment, resistance arises normally in response to or reaction to change. Indeed, resistance to change is said to be one of the most common organizational phenomena. They also found (Wadden & Sohal, 1998) that resistance remains a complex, multifaceted phenomenon that continues to affect the outcome of change, both negatively and positively. The theoretical understanding of resistance is well advanced, it is unfortunate that this knowledge has not influenced the general perceptions of control. People do not oppose change per se, they oppose factors such as uncertainties as well as the possible consequences of change. Therefore, leaders should be encouraged to look for alternative ways to implement change. They should be able to communicate and negotiate regularly with their employees. This may be one of the most critical success factors in implementing change in an organization. Employees must be given the opportunity to be involved in all aspects of the change project and given the opportunity to provide feedback. Management and employee teamwork can overcome many of the difficulties organizations have experienced in the past if employees are provided with the right environment and resources to participate in change. (Wadden & Sohal, 1998)

## 2.3 Development of day-to-day management routines to facilitate organizational change

In day-to-day management, the aim is to mean the regular interaction of the supervisor and his / her team in the management of everyday life, and at the same time a systematic dialogue and escalation of issues between different functions, through organizational levels. Such activities aim to provide better situational awareness, faster decisionmaking, and responsiveness to all activities and at the organizational level. (NPI, 2021)

Jalava and Uhinki (2007) defines that when we talk about an organization, we often talk about goals and objectives. Employees are expected to be aware of these and are expected to commit to them. It is often possible that the objectives of an action are ambiguous or have different interpretations. People's own values, views, and work experience influence the goals they set, and the supervisor should remember this. From the point of view of successful management, it is good to agree on goals by discussion, because the unilateral setting of goals does not necessarily lead to the employee's active contribution to the desired goal. (Jalava & Uhinki, 2007.) The operation of organizations is often based on a basic task that can be called a core process, for which an organization usually exists. The success of an organization often depends on its ability to perform its core mission, so its performance should be viewed from the core mission. In large organizations in particular, the challenge may be the fragmentation of the whole, with employees focusing only on the activities of their own personal work or unit. The basic task of an organization is always fulfilled through the activities of individual employees. (Järvinen, 2014) Change refers to processes within an organization or in the environment. This requires multi-directional interaction and a fundamental change in practice. In a

situation of change, the role of management is critical and central. Management is the party that is expected to take responsibility for anticipating situations and creating new policies. Even when change is intended in an organization's operations, it must be noted that inertia is strong and unavoidable. People and communities have a natural resistance to change, which must be considered whenever an organization's operations are changed. (Juholin 2001; Proha, 2018) In order to achieve the goals, it is important that the supervisor inspires and engages the employees and makes the group see the vision, goals, and values. (Jalava & Uhinki, 2007)

NPI (2021) has investigated that day-to-day management can also be said to have two main goals: the things discussed at the meetings are put into practice and raising the key role of people and processes in refining rather than senior management and consolidating continuous improvement into the organization's operations. Without adequate infrastructure and policies, development will only continue as long as there is enough enthusiasm from individuals. The aim of such activities is to prevent errors and problems in advance by digging up their root causes. (Hammarsten, 2016) If the principles and methods of continuous improvement are to be applied effectively, one must always have the courage and desire to consider the development of management at all levels of the organization. (NPI,2021)

Berlanga and Husby (2017) talks about a lean day-to-day management system where they emphasize how problems are solved at the right levels in the organization. Problems are addressed at the personnel or production line level through various day-to-day means, if there is no solution to the problem then the problem is raised to middle or senior management level. This avoids the unnecessary rotations of problems at higher organizational levels if problems can be resolved through day-to-day management at the lowest organizational level. According to them, lean day-to-day management consists of four different parts: the supervisor's daily work supervision, lean day-to-day management boards, the supervisor's daily tours of the workstations, and lean projects. In order to achieve effective day-to-day management, the elements must be taken into account in order for this to work. Management must have standardized roles in day-to-day management at different organizational levels; visual control modes and models for detecting various anomalies; monitoring routines, day-to-day responsibilities and response must be in place; elements include audit responsibilities for supervisors and ensuring continuity. (NPI, 2021)

#### 2.3.1 Communication and interaction in day-to-day management

Effective internal communication is a prerequisite for an organization's success (Ruck & Welch, 2012). The role of communication emerges and is a particularly important factor in understanding the value of an organization's intangible assets (Ritter, 2003) It is important for supervisors to be able to evaluate internal communication, and therefore internal communication can be said to be one of the aspects of the development of day-to-day management. With the right kind of communication, especially internal communication, it is possible to avoid or at least reduce the resistance to change and its inertia. Internal communication should be viewed more from an employee perspective, it is often thought from a management perspective. (Ruck & Welch, 2012; Rumelt, 1995)

The conceptual communication model encourages a focus on the communication needs of employees in terms of both content and channels. Expanding the theoretical basis of internal communication could give rise to new approaches to practice and evaluation. (Ruck & Welch, 2012) Today, it goes without saying that communication management is a strategic management function. (Raupp & Hoffjann, 2012)

Change communication in the development of daily management routines to facilitate organizational change is an important aspect. It often seeks better competitiveness, efficiency, and productivity. The communication of change must take into account the fact that change can be either a great opportunity or a threat to employees. (Juholin, 2001, p. 242) Change communication can also be said to be part of strategic

communication as well as management communication, as management is considered a communication process that covers many stages than just the communication from the manager to the subordinate. Leadership is an opportunity to be seen in all social situations, within all groups, in organizations, and in different contexts. Management communication also extends to all levels of the hierarchy and units of the organization. (Ruben & Gigliotti, 2017)

In a situation of change, communication through different channels is key. The problem may be the experience of the sender and recipient of the message, which may change the content of the message through the recipient's interpretation. It can be said that if the communication fails, the changes will fail. In the situations of change, it is important that there is a personal encounter with the personnel in the communication. (Stenvall & Virtanen 2007)

Stenvall and Virtanen (2007) have said that there are three ways of distinguishing in communication; rational, dissipative, and dialogical communication. In rational work community communication, the message travels from top to bottom within the organization. This is not the most fruitful means of communication in change projects. (Stenvall & Virtanen 2007, p. 61–62.) According to Stenvall and Virtanen (2007), dissipative work community communication works for an organization in a fragmented state. Communication is mainly communication between people and unfortunately it lacks planning. This communication may work in a small organization undergoing change. (Stenvall & Virtanen 2007, p. 62.) Dialogic communication, on the other hand, is suitable for a network-like stakeholder actor. There is visionary leadership in an organization, where leaders, by their own example, get in touch with their subordinates. Dialogic communication is thus two-way. Discussions are bilateral, polyphonic, debate-oriented and focus on strategic values. (Stenvall & Virtanen 2007, p. 63–64.) In a change situation, communication supports the implementation of the change. Communication can create an image of change that can be sold to personnel. Communications informs the people about the content and goals of the change, it also helps to engage personnel in the

change project and thus better achieve goals. At the same time, communication can speed up personnel interaction. (Stenvall & Virtanen 2007, p. 66–67)

Leadership requires communication and cooperation between the employee and the manager, because without followers, there are no managers. Many scholars agree that managers have an ethical duty to consider the needs and concerns of their subordinates. This obligation is emphasized in a situation of change, which often causes uncertainty. (Ruben & Gigliotti, 2017) Communication has been treated with contempt in the past, in which case communication has been considered very managerial and has not met the needs of employees. Communication should be developed through a new perspective, emphasizing interprofessional, communication content and dialogue. (Ruck & Welch, 2012, p. 301) Communication in change processes has implications for leadership style. If there are problems with communication, the supervisor will not be able to use all the information he or she needs in his or her management work (Vesterinen, 2013, p. 71–80).

#### 2.3.2 The role of management team

The management team is especially strong when each team member can bring out their own area of expertise. In addition, the business benefits from looking at its overall direction and goals from different perspectives. (Addison & Cunningham, 2006) A strong management team is especially important if the entire business is to grow and develop. As the company grows, an effective management team is also important in spreading managerial responsibility. (Addison & Cunningham, 2006)

The role of the management team in the development and implementation of operational processes should also be considered; the management team can have a great influence on the creation of barriers and slowness in change management. (Rosenberg et al. 2019) Today, it can be said that most of the business is global in scope of one way or another. For this reason, more and more leaders are struggling to

understand how globalization is affecting their approach to leadership. (Gabrielsson, Seristö & Darling, 2009)

Resilio (2021) teaches that the management team must be able to look at different perspectives in parallel, both in relation to what has already happened and in relation to the future. It is a good idea for the management team to look at its own way of working and its relationship with the organization from time to time. Interaction, communication, and the manifestation of power relations are worth observing. The management team plays a major role in the development of operational processes and their implementation, so it must be remembered to look at management from different perspectives. In addition to looking at one's own work and practices, the goal of such activities is to be able to realize something new about them.

NPI (2022) recalls that it is unrealistic to think that an organization becomes agile by training front-line units in Lean methods without simultaneously developing middle and senior management leadership and priorities. The strengths in the current management model need to be identified and strengthened, leadership roles and styles need to be agreed and new skills need to be coached to enable the desired everyday behaviour. In the development of operating processes, the tasks of management are emphasized. According to NPI, it is important to provide a clear vision and focus on everything you do. The strategy must be clear and the indicators clear and prioritized. The management team must ensure that the tasks created for development also generate value for customers, this requires clear value chains as described. There are always routines involved in management work. Describing and standardizing these routines clarifies how leadership is implemented, and this, in turn, allows continuous improvement to be extended to leadership as well. One of the fastest and most popular ways to develop leadership is to implement different daily management routines. (NPI, 2021)

In addition, the organization should involve the management in change management, as there may very often be a need for change and development in its operations. Leadership development can increase profits with proper leadership, saving time and costs on recruitment, for example by developing supervisors in-house. Development can be used to enable personnel promotions by increasing new abilities, increase customer satisfaction by improving relationships, and motivate personnel by encouraging personal development. (Addison, 2007) It should be known that there is not a right model to lead successfully. Therefore, even in the development of management, it is necessary to find a company-specific progress model. (NPI, 2021) In the upper-level dynamic capabilities mentioned in chapter 2, which were sensing, seizing, and reconfiguring. The role of managers in these activities is thus emphasized in the identification and utilization of new strategic opportunities, in the organization of the company's capabilities, and in the design of business models and new organizational forms (Augier & Teece, 2007).

According to Iordanoglou (2018) the leadership is becoming increasingly vital in today's fast changing and uncertain business climate. It can be described that leadership skills in the future meant being able to understand diversity, resolve contradictions and inspire. In addition, it must be remembered that although traditionally leadership is associated with the organization's management team and supervisory roles, everyone should be able to lead and motivate themselves. (Iordanoglou, 2018)

#### 2.3.3 Lean method

It is good to remember that day-to-day management is part of Lean management culture. According to Airila (2021) in the light of research data, the Lean philosophy has been proven to be a driver of reform and change in various fields. Lean is a business development tool and management system based on streamlining operations (Jorma, Tiirinki, Bloigu & Turkki., 2016). Lean is an easy concept to remember, but hard to understand the ultimate purpose (Modic & Åhlström, 2020). At the heart of Lean is the elimination of unnecessary doing, standard operating models, and continuous improvement. (Airila, 2021) Lean is a process management philosophy that considers a company or supply chain as a whole rather than individual items (Juhta, 2012). Lean has been described in various ways in the past and these definitions still describe Lean's work well today. Lean uses fewer organizational resources (Krafcik, 1988), consists of principles and best practices for continuous improvement (Womack, Jones & Roos, 2007), and is also said to be an integrated system designed to create value for the customer through interrelated elements and management practices (Shah & Ward, 2003), the operation can also be thought of as a socio-technical system that focuses on eliminating waste throughout the organization (Shah & Ward, 2007). Modig and Åhlström (2021, p. 117) have also studied how lean is an operational strategy that places a premium on flow efficiency over resource efficiency. To put it another way, Lean is a strategy for moving up and right in the efficiency matrix. They define that a company can decrease needless effort and eliminate waste by concentrating on flow efficiency. Dayto-day management is one important factor in the successful use of the Lean method. Lean thinking has been developed by Toyota, which says the approach is based on a holistic development philosophy. (Modig & Åhlström, 2020) Other systemic and observable changes resulting from Lean projects are thought to require the development of leadership capacity and culture (Goodridge, Westhorp, Rotter, Dobson & Batch, 2015).

Change management has been explored from a variety of angles and various models have been produced. In the process of altering the business culture, lean management must be implemented. John P. Kotter devised an eight-step change model that outlines the stages of a successful change process step by step. (Appelbaum, Habashy, Mal & Shafiq 2012) The model is illustrated in figure 4.

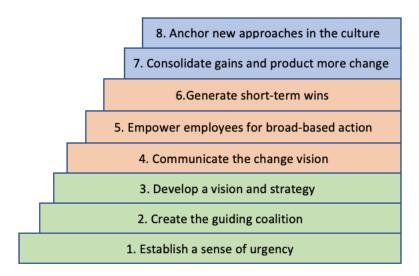


Figure 4. Kotter's 8 step model of change following Hackman, 2017.

Steps one to three creates the necessary atmosphere. Steps four to six engages and enables the change. The last two steps embody change and lean leadership. The process of effectiveness depends on systematic advancement, with the role of leadership being highlighted. Although the need of governance is emphasized in change processes, the most challenging difficulty is managing change. (Kotter, 1996, p.22–24,27,30)

Recently, lean has played a major role in the development of successful companies. (Logistiikan maailma, 2022) According to Logistiikan maailma (2022) continuous improvement is also the cornerstone of Lean thinking. This continuous improvement should be supported by measuring performance and integrating indicators into day-to-day management. With the help of such activities, it is possible to detect deviations in time and the root causes can be resolved in time. However, it should also be remembered that many studies have been reported failures to achieve the expected result in lean implementation, however, these lean production strategies have had much good potential (Karim & Arif-Uz-Zaman, 2013). It has been researched that the value generated by a business, which consists of processes that combine complicated activities, is converted into a sequence of functions known as value chains or value flows in Lean

processes. Successful value creation benefits not only the company's customers, but also its internal operations. (Womack, 2006, p. 145)

Singh and Kumar (2021) explains how project activities can be called fragmented, as each project involves numerous stakeholders. The downside here is that the stakeholders do not go through the whole project together, but each has their own specially, is invested in their own role and then the project moves on to the next stakeholder. It is very possible that proper communication and relationship will not be maintained throughout the project between the various stakeholders. The activities of Lean are aimed at increasing the flow of information in the workplace and removing obstacles to that flow. These wastes must be recognized and disposed of in the workplace in order to add value. Visual management is one of the most effective strategies for removing this waste. Visual management is a Lean tool that allows everyone to see essential information. It uses visual signals instead of text to display information, making it easier to understand for all project stakeholders. To maximize efficiency, value, and clarity, the design should be highlighted so that it can be readily adopted and conveyed across stakeholders. (Singh & Kumar, 2021)

Lean thinking can be divided into five areas, which is illustrated in figure 5. Cole (2002) explains that this quality circle or cycle is an endless process in which, after each round, the organization is in principle closer to its target level. The essential concept of development by cycles or rounds is based on continual learning, where our own ways, thoughts, and information, as well as their informative constraints, develop over time (Cole, 2002). Thangarajoo and Smith (2015) explains that the first lean thinking principle is to define value from the standpoint of the client. The principle requires organizations to assess and reassess who their actual customers are, as well as what those consumers consider valuable. Defining value is the process of determining the form, a feature, or function that a client is prepared to pay for when they can't execute the required work on their own or without spending a significant amount of money or time. Identify the value stream is the second LT principle. The concept of value stream differs from the

typical supply or value chain concepts. The method necessitates an organization's value stream to be analysed and all direct and indirect actions, both value-adding and nonvalue-adding, to be identified. After eliminating the obvious wastes in a value stream, the third tenet of lean thinking is to introduce flow in the remaining value-added operations. To cut costs, management often focuses on improving workstation efficiencies, such as increasing machine utilization rates, rather than the product value chain, which requires more attention. The pull-based production concept is the fourth principle of lean thinking and it is possibly the most counterintuitive. The pull principle is the next crucial part of lean thinking in ensuring customers receive their preferred product or service when they want it, once the previous three principals have been implemented. Always strive for excellence is the ultimate concept of lean thinking. Enterprises will be able to strive for perfection if the first four principles are implemented to a high degree, as the operations in a value stream will become more transparent than previously. This idea pushes management to keep looking for new ways to develop because of implementing four principles. This approach instils a culture of always looking for ways to increase operational efficiency, cut expenses, and improve product quality. (Thangarajoo & Smith, 2015) These five key principles of lean thinking are illustrated in figure 5.

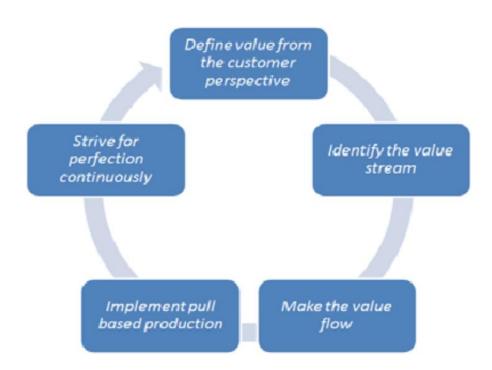


Figure 5. Five key principles of lean thinking. (Thangarajoo and Smith, 2015).

Because implementing and adhering to a Lean mindset has such a large and long-term impact on a company, the Lean approach can be defined as a strategic tool (Vuorinen, 2013, p. 78). Vuorinen (2013) uses the term strategic positioning, where the distinction from other tools is the striving for higher performance through Lean processes, supported by pragmatic management and a practice-based management style, through strengthening the organization's problem-solving capabilities internally.

According to QDC (2008), the lean-to-day management system is built on three components: management standardization, visual management, and short-cycle performance monitoring. It must be remembered that in lean activities, it is not enough to record the results in monthly reports, but the achievement of goals must be monitored hourly, daily, and weekly. Deviations from reporting are analysed and improvements are developed based on the significance and frequency of the deviations. The ultimate goal of a day-to-day management system is to lay a foundation for

systematic problem solving. It has been stated that as part of the day-to-day management system, smaller problems are solved immediately, and larger problems receive the attention and resources they deserve. (QDC, 2008)

Being heavily involved in change management throughout the adoption of Lean operations is beneficial. This activity can be described as strategic choices, computational scenarios, and mathematical, easy-to-understand measurements that steer change. At this time, cultural change is an ephemeral concept (Macomber & Howell, 2004) Successful implementation necessitates a shared organizational vision and strategy shared by all employees and process stakeholders (Holweg & Pil 2001; Holweg 2003).

## 2.4 Theoretical framework

This chapter presents the theoretical framework of the thesis, on which the research part is also based. The framework has been constructed using previous research and a theoretical review. The theoretical frame of reference is based on the set of Figure 6.

A literature review has been identified by Snyder (2019) as a useful and efficient research method in the field of business research. It can be broadly defined as a method of collecting and summarizing existing research on the subject. It establishes a solid foundation for the advancement of knowledge and the development of theories. The theoretical framework should indicate what theories and research will be employed. In general, the best research is relevant to the research problem. There must be a close connection between the theory and the empirical part. (Kananen, 2017, p.17) The theoretical framework describes the key concepts of the study and the meanings and interrelationships between them (Tuomi & Sarajärvi, 2018, p. 24).

The theoretical framework provides the basis for the research and thus supports other parts of the thesis. This chapter presents the theoretical framework of the thesis, on

which the research part is also based. The framework has been constructed using previous research and a theoretical review. The theoretical frame of reference is based on the set of figure 6. Change management and day-to-day management concepts are depicted in the figure.

The framework consists of topics closely related to this study, i.e., managing change through its dynamic capabilities to its cornerstones in both different resistance and human resource management. Day-to-day management is part of the frame of reference, as its development creates change management. In addition to employees, the framework also manages the management process of the management team and communication management from the perspective of day-to-day management. Theoretical framework aims to reach the main factors of the research and the relationships between them; therefore, the concepts of dynamic capabilities and competitive advantage have been singled out in the research, the definition of these key concepts in the theoretical part is essential for the research problem. (Scribbs, 2018) The main goal of the thesis is to develop daily management, the theory pieces support the empirical part. The frame of reference is left loose so that the inductive nature of the dissertation is free to guide the results.

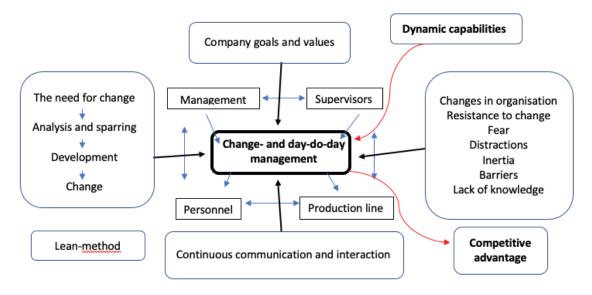


Figure 6. Theoretical framework adapted from Elving (2005) and Teece (2018)

As shown in figure 6, everything is based around change management as well as day-today management. Dynamic capabilities play a major role both in this framework and in the thesis, as both Teece et al. (1997) and Easterby-Smith et al. (2009) suggests that dynamic capabilities are a response to changing needs as well as new opportunities. Thus, with the help of dynamic capabilities, changes in change management as well as in day-to-day management can create a competitive advantage. Therefore, Andreewa and Chayka (2006) have argued that the concept of dynamic capabilities seeks to explain how organizations can achieve and maintain a competitive advantage.

The framework also presents the importance of communication between the management team, supervisors, employees and production line employees. The role of communication emerges as a particularly essential aspect in understanding the value of an organization's intangible assets, and it has been explored as a precondition for successful internal communication to be an organization's success. (Ruck & Welch, 2012; Ritter, 2003) The observation has shown that the management team and supervisors have had the greatest impact on the development of change management and day-to-day management. Their efforts shape the development, after which the changes are implemented for the use of employees and the production line. Here, too, it is important to remember the importance of communicating each concept to each other. Chapter 2.3.2 mentioned how Rosenberg et al. (2006) have investigated the potential impact of higher-ranking individuals (management team and supervisors) disabling the creation of barriers and the inertia of change management. Therefore, chapter 2.1 explains the importance of personnel when it comes to change management. Also, in theory sections the role of management team has been reviewed separately (Chapter 2.3.2).

It must be remembered according to Figure 6 that the goals and values of the organization also drive change and day-to-day management as one of the areas. According to Jalava and Uhinki (2007), in order to achieve goals, it is important to inspire and engage employees to see the company's values, goals and vision. Therefore, they have an important role to play in change and its development. Other factors in the

development of these changes are the changes in the organization classified on the right side, resistance to change, fear, distractions, inertia, obstacles, and lack of knowledge. It is a good idea to take a close look at the factors above. Shimizu and Hitt (2005) talks how companies will have to constantly change in order to adapt to a dynamic environment, which will cause, among other things, inertia and resistance to change. From another perspective, distractions and inertia are also caused by routines as well as established practices. (Shimizu & Hitt, 2005) The third component in the framework is continuous communication and interaction. For, according to Tuning (2022), during change and development, the interaction of employees with each other, with the company and with the change itself is often key to bringing about the necessary changes. Therefore, these topics are also covered and explained more deeply in the chapter 2.3.1. The fourth section can be seen on the left side of the frame. Change management as well as dayto-day management is also affected by the need for change, which involves analysing and sparring, which moves into the development of the organization and helps to follow the change itself. Juuti et al. (2004) investigated how the change process begins with identifying and mapping the need for change. Planning, implementation, and confirmation of the modification are usually next. According to Valtee (2002), it is critical that the change process also emphasizes monitoring and evaluating change. The lean method is also mentioned in the framework, since in theory part the lean has its own chapter, as it is a necessary tool for business development, according to Modic and Ålhström (2020). In addition, the client company thinks from Lean's perspective. In the interviews, Lean's philosophy came to the fore and it was hoped that the importance of Lean would be even more involved throughout the organization.

# 3 Methodology

This chapter presents the research and data collection methods used in the study. At the end of the chapter, we will focus on the implementation of the study.

## 3.1 Research method

The aim of the study is to map the current state, challenges, and problem factors of dayto-day management from the perspective of Yaskawa Environmental Energy / The Switch.

The Switch was founded in 2006. The company focuses on designing permanent magnet generators as well as various power modification packages. Company tailor products to specific operating conditions. In 2014, Yaskawa Electric Corporation, the world's leading manufacturer of motion control and robotics, bought The Switch. This will support the strategic goals of both companies and strengthen their international presence. The company's innovative products, features and solutions create energy in a sustainable way. The company enables more profitable electricity generation, energy storage and use, while reducing electricity and operating costs. Industries where the company is concentrated, divided into three business units: wind, the sea, and turbo / industry. (The Switch, 2022)

Both qualitative and quantitative research are used in the empirical part of the study. The study is a single case study. The purpose of the single case study is to obtain a comprehensive and diversified picture of the phenomenon under investigation. Qualitative and quantitative research complete each other. The study may well consist of both research approaches. (Kananen, 2011) The use of a combination of qualitative and quantitative data improves assessment by ensuring that the limitations of one data are balanced with the strengths of the other. This ensures better understanding by combining different ways of knowing. (Carvalho & White, 1997) Empirical data can be acquired from a variety of sources, and case study researchers frequently do so. By cross-

checking the material, gathering data from many sources aids to a more objective appraisal of the situation. (Eriksson & Kovalainen, 2015) These two different research approaches are complementary and there are no competing methods in this study. The quantitative research approach brings scope and qualitative depth to the research (Kananen, 2017). A combination of multivariate studies has been obtained in this study. In this case study, too, its own methods have been used. A mixture of both quantitative and qualitative research has been used in the data collection methods. The relationship between theory and practice has been sought to interact. (Kananen, 2017).

This quantitative study preceded a qualitative study, as according to Kananen (2017), sometimes the processing of quantitative data requires interviews, observations, or other background studies. Qualitative research in this case is used to increase the understanding of quantitative research data. The qualitative part is implemented in the form of an interview, where people in managerial positions within the company are interviewed. The company has offices in three cities in Finland, and supervisors will be interviewed from each office, as there have been different ways of doing things between places in the day-to-day operations, one reason for this is that different equipment is manufactured in these locations. In the past, operations have been even more diverse, but in recent years operations have been harmonized. For example, it is reported monthly how things are going to different places, what kind of products are currently being manufactured and what are the most burning topics. This has also been taken into account in the work. In recent years, Covid-19 has been a challenging element in telecommuting, but the company has already earlier had team members in each department in different cities, so remote contact has been familiar even before the world situation closed off travel. The research author's work in the company enables observation and the collection of research material. In this study, a new quantitative survey was also conducted in order to obtain the largest possible sample of all Finnish personnel. According to Kananen (2017), quantitative research is generally considered applied research because it utilizes and is based on existing theories based on qualitative research. The quantitative survey was sent to all the Finnish employees. The survey defines their opinions, how do they think the development of day-to-day management has progressed in the company, has it been useful and how has this been communicated in our company, since supervisors may have a different world of thought. Day-to-day management development necessitates a thorough response from both managers and non-managerial personnel. This survey used closed, quantitative questions.

#### 3.1.1 Qualitative method

The three most important data collection methods of qualitative research are observation, thematic interview, and various documents. Combining methods can provide broader perspectives and increase the reliability of research. (Hirsjärvi & Hurme 2009, p. 38)

In the qualitative part of the research, a thematic interview is used in addition to the observation. These are used to obtain built an overall picture of the study. Qualitative research seeks to gain an understanding of the problem, i.e., the answer to the question, "What is this about?". Compared with quantitative research, qualitative research does not seek to generalize things and uses words as well as sentences, while quantitative research is based on numbers. The phenomenon is not known in qualitative research. The typical features of qualitative research include: the research takes place in its real environment, the material is collected in an interactive relationship, and the goal of the research is a comprehensive understanding about the phenomenon being studied. (Kananen 2017)

The thematic interview, the semi-structured interview, was carried out in the study as an individual interview, which is the most common data collection method for qualitative research. According to Gillham, semi-structured interviews are the best possible interviewing form in a case study re- search (Gillham, 2010). More accurate and reliable information on the results of an individual interview can be observed when comparing, for example, a group interview. The themes are chosen to cover the whole phenomenon

as well as possible. The technique of thematic interviewing progresses from general to detail. It is not possible to go into the details at the beginning, as it may exclude significant non-details. The questions ensure the involvement of all aspects of the case. The technique of thematic interviewing progresses from general to detail. It is not possible to go into the details at the beginning, as it may exclude significant non-details. The technique, where the general theme is progressed from general to detail. The tactic uses funnel technique, where the general theme is progressed from general to detail. The themes aim to get to the heart of the matter. Not all questions are created in advance, but the interviewee's answers create new follow-up questions. The interview examines the questions thematically, with the aim of understanding the problem of the thesis from different perspectives. The aim is to avoid introductory questions, as this would result in the desired answer. Thematic interviews do not have the same exact form and order of questions as formal interviews. (Hirsjärvi et al. 2009, p. 47; Kananen, 2010)

### 3.1.2 Quantitative method

Survey-based research is one of the most traditional research strategies where data is collected in a standardized format from a group of people (Hirsjärvi et al., 2009, p.134). The questionnaire is great for gauging perspectives on many people, such as behaviour, qualities, opinions, and attitudes, according to Vilkka (2007, p. 28). Combining qualitative and quantitative research in this thesis, it brought strong answers, as the research used both precise closed-ended questions on the quantitative side and theme questions on the qualitative side. This way the respondent can be more creative and tell the experience in their own words

Quantitative research requires knowledge of the phenomenon under study, i.e. which factors affect the phenomenon. Knowing the factors is a prerequisite for quantitative research, without knowing it is impossible to measure. Quantitative research is largely about measuring factors, i.e. variables, calculating the interactions between their relationships and quantifying the occurrence of factors. (Kananen, 2011)

The most common method of data collection for quantitative research is a questionnaire. In this thesis, the quantitative questions were structured with ready made options. The format of the questions was standardized in this dissertation, which means that all respondents were asked the same questions, in the same sequence, and in the same manner (Vilkka, 2007, p. 28). In quantitative research, standardized research forms with ready-made answer alternatives are common, according to Heikkilä (2014). The factors of the phenomenon under study were transformed into variables that are treated in a quantitative study by statistical methods. (Kananen, 2011) The purpose of this quantitative survey was to find out how the development of day-to-day management that has already begun is perceived in the work community and what further steps should be taken to improve it.

## 3.2 Implementation of research

In addition to observation, interviews are one of the most used data collection methods in qualitative research. For the thematic interview, an interview frame should be prepared, which shows the topics to be discussed; they are wide-ranging and cannot be answered briefly. The themes are chosen to delimit the whole phenomenon as well as possible. This requires the researcher to have insight and prior knowledge of the research subject. A thematic interview is like a puzzle, the answers are part of a whole. The aim is to discuss different topics, which raises new issues and questions. The interview aims to fish for issues related to the research problem in order to increase the researcher's understanding about the phenomenon. (Kananen, 2015)

Direct observation was used in this study, where the observer was aware of the researcher's presence. The author of the study works for the case company and has access to follow the events related to the study on a daily basis. The subject of the research is constantly on display in the company and the author of the research has been observing her environment for a long time by observing the opinions and attitudes of various employees to the research problem. Observation is essential in this study, as

knowledge of the phenomenon is limited. The advantage of observation is that the phenomenon occurs in a natural environment. Based on the results of the observation, it is intended to design themes and questions for the research. (Kananen 2017.)

The interviews were conducted using the case company's premises. Each interview was recorded to obtain a more reliable research result. After this, the interviews were spelled out, written open as verbatim as possible. In the thesis, a rather rough level is used for spelling, where the attention is in the condensed form of the sentence core. The verbatim description will be used as a citation as such in the final results. Because the goal of qualitative research is to learn more about the phenomenon rather than find statistical relationships, the quantity of interviews is not the primary consideration (Eskola & Suoranta 2000: 61). For the thesis, in total of six managers were interviewed. Table 2. presents the interviewees and interviews at the general level of the dissertation.

Interviewee	Date	Duration	Position in the company
А	14.3.2022	41 min	Supervisor in financial administration
В	16.3.2022	30 min	Supervisor in production Vaasa
С	14.3.2022	39 min	Supervisor in production Lappeenranta
D	14.3.2022	36 min	Supervisor in purchasing
E	16.3.2022	58 min	Supervisor in engineering
			Supervisor in engineering and member
F	14.3.2022	35 min	of executive team

#### Table 2.Thesis interviewees

To protect the anonymity of the participants, no demographic or other information that could be used to identify the interviewees is provided. Because the interviewees answered the questions based on their own previous experience and personal perceptions, the amount of time and attention given to each of the themes differed. The interviews consisted of four main themes (Appendix 1), including interviewee (1) background details, about their tasks and responsibilities, (2) general information about the features of the supervisor and their development, (3) day-to-day management and

(4) change management. The aim was to receive knowledge from versatile perspectives in order to approach the phenomenon from various perspectives. In addition, the semistructured nature of the interviews and the open-ended questions allowed respondents to focus on the topics covered in a slightly different way. As a result, the lengths of the interviews varied between 30 and 59 minutes. As team supervisors, they are responsible for several administrative and operational responsibilities. They oversee facilitating and organizing daily team operations, as well as human resource activities, resource allocation, team efficiency and profitability, development goals and targets, and monitoring and reporting team performance. Several authors (e.g. Huberman & Miles, 2002; Eskola et al. 2000: 159-202; Eriksson et al. 2008: 127-139; Eisenhardt & Graebner, 2007; Hirsjärvi & Hurme, 2008: 171-180) have recognized various qualitative data analysis approaches and procedures. Multiple distinct analysis approaches were utilized simultaneously and in combination for the goal of this study, which is a usual procedure in qualitative studies. (Eskola et al. 2000: 161)

All the interviews were taped to aid the analysis process and assure the research's validity. Initially, the interview tapes were transcribed and the transcripts were saved in electronic format. The research material was then sorted and grouped into themes based on the thesis' theoretical framework. Regularities and commonalities between the occurring themes were discovered during the linking step. Finally, the key findings were translated into English from Finnish.

To all Finnish employees were sent a quantitative questionnaire (Appendix 2). Employees were given two weeks to finish the survey. The response to the questionnaire was completely voluntary and the results were treated as completely anonymous. The entire personnel mailing list had 156 recipients, of whom 46 responded to the survey. It was estimated that it would take a few minutes to respond to the survey. The questionnaire contained nine questions structured with ready-made options, in addition to one open-ended question, which was not required to be answered. With this question, the

personnel were asked for possible additional comments in their own words on how successful the day-to-day management has been in the company.

## 3.3 Reliability and validity of the study

Both in the social sciences and in business research, reliability and validity are standard criteria for evaluating the quality of research. The traditional criterion for high-quality research is dependability, which refers to the capacity to reliably duplicate the findings. The second criterion, validity, refers to the accuracy of the phenomena description or explanation. When the portrayal of findings is accurate and supported by evidence, it is said to be valid. (Eriksson et al., 2015: 304.) Reliability means that the research results correspond to the phenomenon under study (Kananen 2015,353).

The aim of the study was to interview so many people in a qualitative study that saturation occurs. Six individuals initially selected for this interview were well enough, as the responses began to repeat themselves very soon. Observation and interviews as a qualitative research method increase the validity of the study, which means that the study provided answers to the phenomenon under study.

The concept of addiction is realized in research. If the study were to be re-conducted by a different researcher, the results would be similar. A study in a few years' time would probably yield different results, as the client company would already have been able to start developing day-to-day management to a new level.

The reliability and validity of a study can establish its quality, albeit due to the uniqueness and subjectivity of case studies, traditional reliability and validity are not always the most appropriate criterion for assessment (Hirsjärvi, Remes & Sajavaara 2009). The chosen theories aid in a more thorough knowledge of the research problem and the recognition of concepts in combination. If you want to test dependability even further, you could make the same study with a different case company, but the results would be different because empirical research relies significantly on the perspectives of the case company and the interviewees.

The primary data in this study is reliable because of a carefully specified interview process, the immediate transcription of each interview, and anonymity of the interviewees. Furthermore, a survey that was issued to all employees increased reliability. Each employee was given the opportunity to contribute to the material collection by answering questions. The academic research on which the theory and framework utilized are founded, the varied roles of the interviewees in the case study, and the survey conducted in the work all support the validity of this study.

In addition, the triangulation technique was implemented to improve the research's credibility and validity. For example, triangulation, which integrates research approaches, can aid in the study and explanation of complicated human behaviour using a range of methods of providing a more balanced explanation for readers. It is a technique for validating data that can be utilized in both quantitative and qualitative studies. (Noble & Heale, 2019)

## 4 Research results

In this chapter, the findings of the study are analysed. The empirical study findings are first presented and described. Later, the primary empirical findings are reflected of the study theoretical foundation in order to demonstrate the interplay between theory and practice. The purpose of a debate is to see if there is agreement or disagreement between the findings and past research.

As earlier described, empirical data was collected through theme interviews conducted within the Yaskawa Environmental Energy/The Switch. Addition to this, another part of empirical data was collected through the survey. The interviews were held in Finnish, but the key findings were translated into English by the author. The survey provided answers to whether day-to-day management has been beneficial to the company, whether it has improved cooperation and the flow of information, and, for example, what employees think about day-to-day management and how successful communication is at different stages of this development. In addition, the survey sought to find out how successful the flows of information to employees have been when it comes to values and goals, and how important it is for employees to know how the company operates in relation to competitors. To demonstrate the findings in a structured manner, the research material is classified and categorized into themes defined by the theoretical framework of the thesis. The topics for the research author.

All the interviewees in the qualitative study were supervisors, the job descriptions varied considerably, as the aim was to include as many interviewees as possible from different parts of the company. However, they all repeated a few of the same job descriptions, such as resource allocation, general areas of managerial and primary responsibility in often awkward situations. The interview questions were designed to get the most comprehensive answers as possible, the questions could repeat themselves a bit, for example by asking about problems, challenges, and areas for development. These were used to get the interviewee to think about the phenomenon from as many perspectives

as possible. 46 responses were received from the survey. This means about 30 percent of the organization's employees in Finland.

## 4.1 Managing change

"If there were no change, the life cycle of companies would be quite short. Change will give us a better view of the future." -Interviewee A

When talking about change management in general, the respondents considered change to be an important aspect of every company. However, too little is said about its existence and importance. Communication rose from the speeches of each interviewee. It must always be remembered by the management of the company, as changes adapt and works differently in different functions of the company. Employee needs to know why a change is being made and not just the joy of making a change. It is based on what the company is heading for, and it clarifies the strategy. In the interviews, some of the interviewees said that change management reminds them of a change in the process, and how one can implement it. Possible tripping stones can always be found on the way. It was also highlighted how the organization does not have a clear process for change. Everyone as an individual must think about how to implement things. An operating model or approach was needed. The interviews also highlighted how there is very little talk of change management in general. For some, it was a relatively foreign concept. According to one interviewee, without a unified operating model, each process looks very like a leader. An open leader is likely to discuss the reasons for change, open up a lot, and like to discuss, which is very good. There is also the other extreme, which tells what is being done and makes it clear. According to each interviewee, it automatically causes resistance to change, because human nature wants to know as much as possible about change.

Speaking about the role of personnel in change management, respondents were of the same opinion that it has gone for the better in recent years. Personnel have their own

role in the change, they are able to influence and be partly involved in the process. In some cases, respondents thought that the changes had only been announced that the matter had come to the attention of the personnel and, of course, had led to resistance. The company has different ways of announcing changes, but at the same time an annual round table-forum is held, where personnel have the opportunity to highlight issues that require change, and a few of these issues are selected to improve the process. As a rule, the interviewees believed the personnel had been able to contribute to the change, especially in the recent ongoing changes. Here again the importance of how certain changes affect nearby departments came to the fore and how important role the communication plays in here. For change management and its reporting, a few interviewees mentioned that they need the process for it, what is the right way to report and how to get information to anyone who needs it.

When talking about describing change management in an interview, whether it was a continuous phenomenon or process-based, many interviewees thought it was both in this company. Interviewees mentioned a subsidiary that comes with a lot of policies that affect the organization. The company is engineer-focused and through it, processes, diagrams, and figures are liked. The line changes that were made thoughtfully and implemented throughout the organization were considered process-based by a few interviewees. At the same time, almost every interviewee mentioned that activities should be continuously developed and therefore be able to be seen as a continuous phenomenon. The company must be able to always develop its operations and allow personnel to develop themselves. However, according to them, it must be remembered that changes in policy should not be too constant a phenomenon, but that changes should be made judiciously and implemented in a controlled manner. The changes should be clear. In projects, changes should be process-specific and process-based, according to a few interviewees.

"The role of the supervisor in change management is huge, it immediately communicates to the personnel how this change should be approached." -Interviewee C

In the interview, we also went through the role of the supervisor in the different stages of change, for which many interviewees thought that the supervisor is responsible for implementing the change, ensuring communication, and highlighting the reasons for the change. The supervisor creates a first impression of the change for the employees. If the supervisor brings in a negative tone about the change in information, it is very likely that the employees will not respond well. When compared with the positive side, employees are potentially more enthusiastic, more receptive to change, and more interested. Summarizing the interviewers' answers, everyone was on the same wavelength that it is the supervisor's responsibility to tell as precisely as possible why the change is being made, what the reasons behind the change are, how the change will be reflected in the work, what the change aims to achieve. Getting answers to these questions will make implementation easier in practice. You also need to remember the orientation brought about by the change and collecting feedback afterwards.

According to supervisors, the change still needs to be improved in terms of information, transparency, and communication. They think there is always room for improvement. It is also important to analyse the effects in advance of the change, which in turn would make it easier for employees to understand the reasons for the change and thus enable the changes to be better absorbed during the implementation phase and thus create new value faster. The interviewees wanted the responsibilities in change management to be clearer. Again, the processes would be important to respondents. It would be known who is responsible for notifying the change and where everywhere the change must be reported.

### 4.1.1 Challenging factors

In principle, there is always resistance to change, some is justified, and some will change. The interviewees agreed that resistance to change and inertia can also be found in this company. Communication came up on several occasions in these responses. According to many supervisors, the resistance is due to the fact that the change has not been communicated well enough to the personnel. "It has not been possible to analyse that effect on each function at a sufficient level." - C

Obstacles were mentioned as old-fashioned systems when it comes to project changes, but when talking more about company changes, the right preparation for bringing about change, the way it is implemented in practice, and the expression of opinions were afterwards judged to be both obstacles and inertia.

"In change, implementation is key and needs to be developed" was repeated in many forms during the interviews. This opinion was also found in a quantitative survey on the free section, many of the respondents wrote separately about the lack of implementation. Issues had not been developed at the organizational level and therefore many respondents did not know much about developing day-to-day management.

The reason for the inertia and resistance was seen by many supervisors as the incomprehension of the employee as to how his or her own business is affecting the change and thereby not seeing why it is being done. However, the company has a certain dynamic as part of an operating culture where it is accustomed to a certain kind of change management although a few of the interviewees believed that the company's change management is at a good level.

### 4.2 Day-to-day management

Most of the interviewees said that daily management was the most visible in daily meetings, some of the interviewees had implemented the activities more suitable for their own functions. A company when running a project in business and therefore projects also guide operations on a day-to-day basis.

"Daily meetings make it easier to glance at different aspects of project management, see how projects are progressing, what is being planned and how to be sold. There is no longer a need for a separate report on the situation and you can apply for support if needed." -Interviewee F

Most of interviewed people think that the development of day-to-day management has been successful in the functions in which it has been implemented. Many considered it important that day-to-day management be implemented throughout the organization. The interviewees thought that day-to-day management has been the most successful in production because there the work is much more concrete, now it is possible to identify bottlenecks immediately and address them. The interviews also revealed how in some teams, for example, daily meetings have not been necessary, and the teams have adapted their own activities, in some Teams is a good tool for contact and is in active use. It is also important that project functions have a daily meeting, but that may be somewhat unnecessary on a general level. It only uses a quarter of the time; the organization has a great number of projects and it doesn't take into account all the projects. Of the locations, only the Finnish units has been taken into account, not, for example, the unit located in Norway. This has been overlooked, attempts have been made to adopt the same tactics as in production, but it has not been very successful. One interviewee also claimed that the daily meeting is too scratchy, no one gets much out of it. According to some of the interviewees, excel what is used in the daily meetings of the projects has been found to be poor and confusing in appearance. As well as it brings manual work. The table is reportedly unnecessarily heavy but at the same time too light. In the interviews, some wanted one longer meeting a week to cover the changes that had taken place during the week. According to some, the daily meetings did not get rid of what was sought. However, it is important to recognize and understand that not all things can be handled by day-to-day management, and it is good for every team to find the right way for them to communicate as well as do other work. One of the interviewees mentioned how they have longer work cycles in development projects and therefore day-to-day management of a slightly different mindset. In general, the interviewees were satisfied with the day-to-day management, but they needed clarity on daily meetings, for example, so that thoughts would not fly here and there for as short a time as possible. What a good agenda would be. The interviews also revealed how some people think that this development has left unnecessary meetings and more time for the right jobs. Nevertheless at the same time, it was thought that the daily meetings would scratch the surface of ongoing projects and some functions would need a more detailed review on a weekly basis.

When looking at the results of a quantitative survey, it should be remembered that only 30% of the employees responded to the survey. However, the survey revealed that there was still no day-to-day management of each respondent's function. In the survey, the majority of respondents (52%) thought that the development of day-to-day management had benefited the company. While 37 percent said they couldn't say, and this could be because their day-to-day management hadn't started in their function. Only 11 percent thought that the benefits of day-to-day management have not been seen. About 38 percent of the respondents to the free section of the survey said that their function did not include day-to-day management and were therefore unaware of such developments in the organization.

In general, in qualitative part, the interviewees did not see any direct problems in the development of day-to-day management, but improvements are needed. The problem could potentially be when a company has many functions and all of them work differently, how to make this development to work in each function. Daily meetings were also seen to engage a lot, especially in functions where working hours are flexible. The meeting is always at the same time and then you must be there, many have complained about this, which would be the right time for each function. The interviewees also wanted clear instructions for this, such as whether the meeting leader is always the same person. How to sell the idea of day-to-day management to personnel so that they are confident in its operation? In the minds of the interviewees, day-to-day management also requires training for themselves, the development of leadership skills, how to derive one's own function in the right way and what the right way is. Multi working was also seen as a challenge in the interviewees 'work. In different localities in

dispersed functions in particular. There is no physical encounter, what kind of tools could be used in virtual meetings and how to get the most out of them. Multi working clearly requires more communication.

In the survey, the sections which went through the cooperation and the flow of information between other functions received completely similar answers. The majority (46 percent) could not say whether cooperation or information flow had improved since the start of the daily meetings. 37 percent thought these things had improved since the start of daily meetings. The rest of the respondents thought that this activity had not helped.

According to the interviewees, the areas to be developed were clearly information and implementation for the entire organization, possibly from the management team. The management training mentioned earlier was also seen here in the development areas. The day-to-day management of the company is based on lean thinking. There is a lot of talk about these, but no training has been provided. Interviewees would like more information on what the topics mean in the functions, concrete information on how it actually means at the organization level. In addition to training, the interviewees also saw the importance of risk analysis and the collection and utilization of various data on day-to-day management. It was always seen that there was room for improvement in the documentation of things, there was a desire to make manual objects smaller, there are currently many things that need to be updated manually in many functions. Part of the function was also seen as a challenge as the rhythm of the work, as different locations go at different paces. Concrete development ideas from the interviews emerged in preparation for the meetings. Everyone would have a few things on paper that they want to talk about. This way, the meetings would not be stretched when everyone knew what to talk about, later these things would not come up, which in turn reduces the work from another direction. Not all interviewees were satisfied with the daily meeting, which is why other meetings have been left out, in their opinion, you should familiarize yourself with this and compare the benefits of the week meeting.

Challenges to manuality also emerged in the free section of the quantitative survey questionnaire, where a few mentioned that the direction of day-to-day management was correct, but a slight confusion in practical implementation was observed. This was believed to stem from old-fashioned tools and ways of working, for example, the reliability of data that is just manually updated is somewhat questionable. Communication also came up in the free section of the survey, as a few respondents mentioned that they were not aware of the development of day-to-day management, but at the same time mentioned participating in project meetings. Thus, there was a little communication and information about the issue, as the project meetings are short meetings that come with daily management.

However, a clear majority (67percent) had the opinion that day-to-day management could be used to address operational shortcomings more effectively and thus develop operations. Only 3 percent thought that such activities were not useful. While, 30 percent could not express their own opinion on the issue. The question is illustrated in figure 7.

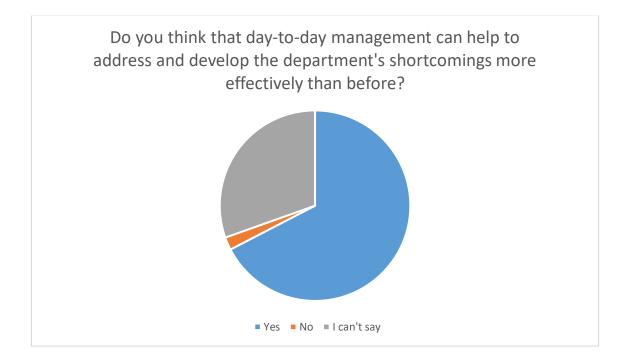
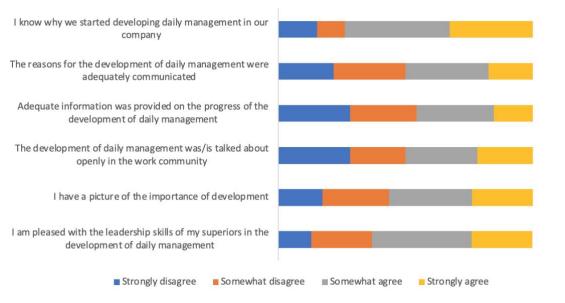


Figure 7. Survey question 7

When, the survey looked at employee satisfaction in the way day-to-day management has been developed in the organization. Numerous respondents (22 percent) were dissatisfied with the way day-to-day management had been developed in our company. In addition, 39 percent could not express their own opinion. The same number of respondents (39 per cent) were satisfied with the way they develop day-to-day management.

Speaking of the pros and cons of developing day-to-day management. The connection between the different functions had improved in the opinion of many interviewees, communication had become clearer, transparency in projects had taken a big leap in the right direction, the monitoring of financial indicators had improved, the company was more systematic. The overall situation has improved, everyone knows where to go for projects. However, there is still room for improvement in many of the issues just mentioned, in particular communication, making it even a smoother not to have to search for answers and search for information about the right functions, the information should have come to the right people before the search. At company level, more information was needed about what these developments are seeking and thereby bringing clarity to everyone. Day-to-day management should be part of the operating culture. People need to see that benefit and adopt an approach before the action begins to pay off. Some features have already been successful here, but not nearly all. In general, the day-to-day management did not see any disadvantages based on the interviews, but rather areas for improvement and whether it works in all functions.

The questionnaire also sought to find answers to communication when talking about developing day-to-day management. Table 3 can be seen below.



#### Communication

### Table 3. Communication

There were four possible differences of opinion on the table: strongly disagree, somewhat disagree, somewhat agree, strongly agree. The results clearly show that there hasn't been satisfaction with communication in day-to-day management. However, although a small majority of respondents point out that employees somewhat or completely agree with many opinions related to communication. However, the majority know why the development of day-to-day management has started in the company, the majority has also been conveyed about the importance of development, and they are satisfied with the management skills of the supervisor. Opinions were very evenly distributed 50/50 when it came to information, the reasons for this development and open communication. Respondents to the survey were more of the opinion that the progress in the development of day-to-day management had not been sufficiently communicated.

The responses to the survey were also satisfied with the reforms brought about by dayto-day management, in particular the production line was said to have been developed, unnecessary meetings were left out and interaction with various functions has been smooth and good routine has been achieved. However, the survey also highlighted how day-to-day management should be developed for full use throughout the organization and thereby make a profit. Some of the personnel thought that day-to-day management was not reflected or heard in the functions and therefore its operation was not known. Experiences in the development of day-to-day management were also needed, because without them, employees will be left to fend for themselves and will easily be lulled into the idea that this will not work for us.

### 4.3 Personnel management

When talking about the company's goals, its achievement and its values, the interviewees saw that these also needed to be developed, bringing them to the fore. The interviewees saw this issue with different eyes and here it should be taken into account that some work very closely with goals and values. According to them, the matter is reported on a monthly basis, perhaps too much. It must be remembered that all issues brought to the attention of personnel have not yet been made public and therefore critical steps can also end up in the ears of competitors or their partners. At the same time, the majority of the respondents saw that there was room for improvement. The information should start more from the top management team. The strategy should be talked about more and put in an understandable form. In the management team, these topics are frequently discussed, and they are clearly known to them. However, some interviewees thought that it would also be good for the personnel to explain the goals more. Possibly more visuals in the offices.

In a quantitative survey, the majority of personnel (70 percent) knew what the goals of the company are and how they are going to be achieved. However, 15 percent of respondents either could not express their own opinion on the question and the same number of respondents did not know the company's goals. 78 percent of respondents also thought that they know what the company's values are and the common rules of the company that guide action towards goals. To this question, on the other hand, 15% of the respondents could not express their own opinion and 7% did not know the values and rules of the company. The survey also sought to answer whether it is important for personnel to know how the company operates in relation to competitors. For a survey conducted in 2019, this had remained unclear. People couldn't say or didn't know how the competitors were working, but at the same time it had sparked a debate about whether it was necessary for everyone to know at all. Clearly, 80 percent of the respondents thought that it was important for their own work to know how the company was doing in relation to competitors, and 20 percent said that the information was not important.

The interviews talked about how a good supervisor should understand the organization's strategy very well. Their leadership style should be committed to the organization's strategy. The previous management team had held the so-called strategy rounds from time to time. Which, according to the interviewees, had been memorable, were good ways to brighten the company's strategy for employees. In the last few years, there has been no such thing. The reason was seen, of course, that Covid-19 came into the world, which is why the organization has focused the most on getting products to the world. Interviewees hoped that as these issues calms down, the focus would be more on communication and thus on the success of the company, where the company is going and with what resources. It was also hoped that the new management team would raise more strategic issues. Respondents considered being present from the perspective of the company's success to be the most important qualities of a supervisor, listening to and offering the trust, drawing boundaries and at the same time valuing the skills of employees. Builds trust in your subordinates and at the same time be able to give constructive feedback. General credit on both sides and equality came up in many interviews. The supervisor was also seen to be able to adapt, to be able to implement changes and get personnel to do so.

In the part of the questionnaire that the personnel were not obliged to answer, a few answers showed how the personnel was disappointed with the supervisor's actions.

Especially in departments that had not introduced day-to-day management. Based on the answers, the supervisors were not in contact with their subordinates except in acute work matters, no help or support was received from the supervisor and thus they were dissatisfied with the activities.

The interviews covered the interviewees' own opinions on what the development of personnel skills should look like and what it should include. The importance of going according to the company's strategy was highlighted. In each interview, the possibility of training the personnel was raised, and with it the future could be seen. It would provide opportunities for a career path, develop it and at the same time existing them. In career development, it is important to identify different paths. There is a development where careers are developed in the same function and deepened into broader competencies, but at the same time career development is also expanded by taking on organizational responsibility. Both skills are needed if the company is to be taken forward. The company's annual development discussions were also seen as a big part in developing the competence of its personnel. According to the interviewees, it is good for the supervisor to be able to listen, to give opportunities to change the job description. It is good for personnel to be able to go up hierarchically in the organization, but it must be remembered that horizontal paths and expert tasks are equally valuable in development. The possibility of production workers to develop in their own careers was also discussed with the production interviewees, as the job description in production can be quite narrow in comparison with white-collar workers, as there must be precise operating instructions in production. There is not so much application or opportunity to act on your own. As an additional question, the interview asked about the opportunities for production personnel to develop. According to the interviewee, the supervisor plays a big role, as he or she must be able to outline the strengths of the team members and discuss what interests him or her and wants to develop. Internal motivation is important for a new area of development, and through that we are also able to take things forward in production. Of course, the law seeks to enable electricians and mechanical installers to do some of their work. This will again be seen at a later stage as an advantage, with

illnesses and holidays emerging. It is easier to find workers when many people know how to do a certain work.

# 5 Findings and discussion

This chapter presents the author's key findings and discussion from the research results and evaluates the reliability of this research. Finally, the benefits to the case company and proposals for further research are presented.

The research was guided by the following three research questions, which are summarized in this section.

The research was guided by three research questions throughout the research process

- 1. How day-to-day management can bring the change?
- 2. What kind of problem areas are identified in day-to-day management?
- 3. How to develop day-to-day management to increase efficiency?

The first research question focused on finding an answer to how the day-to-day management can bring the change. Most of the employees compared day-to-day management with day-to-day meetings that have been partially put into operation in the organization. However, it must be remembered that these meetings are just one way to develop day-to-day management. Already in the theory section, it emerged how the principles of day-to-day management include an open, transparent and inclusive management culture (Jalava & Uhinki, 2007). The most important thing in day-to-day management is to focus on monitoring problems and challenges and solving them on a daily basis, instead of traditional monthly reporting. Lean day-to-day management is very similar to management, focusing on standardizing work practices, presenting things in a simplified form, monitoring, and measuring performance, identifying and responding quickly to abnormal situations, and continuously improving and developing through the work community (Airila, 2021; Modig & Ahström, 2021). These ways were also used in this work to find out how they work and what areas should be developed. Day-to-day management can also bring a change to the personnel's knowledge of the company's values and goals. If the company is undergoing change, it is important to remember that human resource management is also one of the strategic growth paths

of an organization (Akhmetshin et al. 2018). It has been studied that from the point of view of successful management, it is good to agree on goals through discussion, because unilateral the setting of goals does not necessarily lead to the employee's active commitment to achieving the desired goal (Jalava et al., 2007).

Day-to-day management is an area of change management, and therefore day-to-day changes and development opportunities also drive change for the better. Today, change management is an integral part of day-to-day management and the skill of continuous renewal has become part of an organization's strategy. (Jafari, Doorbash & Mirzaei, 2019) As Hänninen (2014) has mentioned, the strategy and values should be brought to dayto-day work through supervisors, as it allows day-to-day management to be part of a wider change in the organization. In the past, this change has been studied more easily and various inertia and other obstacles are less pronounced (Aladwani, 2001). Change management can be seen as one feature of management that requires a somewhat different approach in day-to-day operations. Change management attempts to introduce new methods of working into people's daily lives, whereas management has traditionally concentrated on maintaining present practices and as the theory has already highlighted the importance of dynamic capabilities in change management, they can be used to integrate, rebuild, and reorganize a company's internal and external capabilities to account for a rapidly changing environment. (Teece et al. 1997) In addition, the theory mentioned benchmarking, which can be used as one tool in change (Nurmi, 2012). In this case, the company in question is compared with its competitors and the investigations show that this creates a comprehensive competitive advantage.

The role of personnel and thus different HR systems also have a major impact on change in day-to-day management. It is a good idea to highlight their importance as much as possible. For they are powerful tools for acquiring dynamic capabilities. However, it must be remembered that different leadership styles are strongly involved in HR tools. (Lopez-Cabrales et al., 2017) These can be applied and thus connect with personnel to achieve competitive advantage and promote business success.

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The second research question sought to find an answer to what kind of problem areas are identified in day-to-day management. The biggest problem in the day-to-day management of the company is identified as the fact that it has not been put into operation throughout the company. Why, it has not been put into action everywhere, was still somewhat unclear in the interviews. Some departments thought that the current operations and overall development were already at a good level. Nevertheless, how continuous development will succeed in the future, it has been studied that without day-to-day management, development in a company will only continue as long as the enthusiasm of the individuals is enough (NPI, 2021). The goal of day-to-day management is seen as preventing mistakes and problems by digging into their root causes. (Hammarsten, 2016) The benefits of day-to-day management should be better discussed at the organizational level, highlighting the diversity of day-to-day management. Other problems and, at the same time, areas for development are commitment, a meeting at a certain time, where there must be a place, certain types of frameworks are missing, for which more detailed instructions would be desired. The commitment of employees, convincing them of the importance of day-to-day management, is also seen as an object of development. Effective internal communication is needed to improve such functioning (Ruck et al., 2012). Communication comes to the fore when personnel are not engaged well enough or when better guidance is needed. Communication is an important factor in understanding the value of an organization's intangible assets (Ritter, 2003). In this situation, it would be important to look at internal communication more from the employee's perspective on how it could be improved. Communication is often thought of from the perspective of supervisors. (Rumelt, 1995) An explanation of why day-to-day management have been put in place, what it aims to achieve and, after implementation, to ask personnel for their opinion on success. In such a situation, interaction and communication come to the fore, how changes or day-to-day issues are brought to the fore. According to a study by Stenvall and Virtanen (2007), communication also plays a key role in change in particular. Because the experience of the sender and recipient of a message can change the content of the message. It can be said that if communication fails, the changes will fail. In the situations of change, it is important that there is a personal encounter with personnel in communication.

In addition, people feel the development of leadership skills are necessary. How these things are sold to personnel. Individuals who just have daily meetings, for example, should find their own way for the team that works the best for them. It must be remembered that there is not right solution for this. For some works, going through the chapters, some can check that everything is fine and if there is a problem then focus on it. Development also includes the better preparation of employees for daily meetings, such a short time to get better out of meetings and therefore not cause a chain reaction to subsequent meetings. For example, by thinking in advance about things that need an answer, these short meetings are just for them, the better prioritization of things.

In the interviews, it was pointed out that the company also belongs to a Japanese group, where comes both a constraint and changes for the company. No one saw this as a problem, but it should be kept in mind that some constraints and changes come from the group level, which cannot be influenced.

During the observation, it was also noticed that the day-to-day management has been taken further at the company's Lappeenranta office compared with the Vaasa office. The author of the work participated in the previously mentioned daily management meetings in the project activities, where this came to the fore. Buyers from Lappeenranta were invited to the project meetings, but not from Vaasa. The purpose of the meetings has been to go through the projects on a daily basis, following an excel spreadsheet where the changes and the status of each project are written on a daily basis. In addition, it would be important to bring such a meeting to the company's projects in Norway, where purchases are mainly from Vaasa. By experiment you need to find out if the best solution is to combine Norwegian projects with a daily meeting of projects in Finland, or would it be better for Norwegian projects to organize their own. It is a good idea to try, implement and evaluate both methods, which would be the best solution for such activities.

The third research question dealt with how to develop day-to-day management to increase efficiency, the next section reviews these development ideas. In the development of day-to-day management, it would be important to proceed in cycles, so to speak, by repeating steps to create new knowledge through experimentation and evaluation. For each round, the ways out in the previous round will be used to benefit from continuous improvement and development. It is also very important to involve personnel in development projects as highlighted in the results. Personnel had already contributed development ideas to the organization, but there was certainly opportunity for growth here as well. Respondents desired Lean operations to be implemented across the organization and it would be critical to be able to collaborate with employees to build different metrics to track and improve these processes. Indicators and targets should be prominently displayed, visible to all, and updated on a regular basis so that any deviations may be noticed as soon as feasible. According to Resilio (2021), the management team plays a major role in the development of such business processes and their implementation, so it is important to remember to look at management from different perspectives. According to Addison (2007), it is also important at this stage to involve the development of the management team on a day-to-day basis. For the development of the management team and those in the position of the supervisor also directly affects the efficiency of the organization. Addison (2007) has explored how continuous development of the management team and supervisor level can increase profits, saving time and costs on, for example, recruitment. Thus, development can enable personnel promotions, increase customer satisfaction and motivate personnel by encouraging personal development. However, it must also be remembered that there is no right model for leadership (NPI, 2021) but it is necessary to find an organizationspecific model of progress and development.

In the results as well as in theory, different practices of resistance to change emerged. It would be beneficial to involve employees more in the development of day-to-day management, as well as its implementation and the changes that occur. Inertia can be divided into different factors that were reviewed in the literature review. (Moradi et al., 2021; Ertl, Setzke, Böhm & Krcmar., 2020; Mikalef et al., 2021; Soto Setzke, 2020) Based on this and the interviews, it can be said that there are many inertias found in the case company. It can be seen that employees think about their own interests and are therefore reluctant to change, such action would suggest political inertia (Mikalef et al., 2021). Whereas, based on the survey, personnel clearly have thoughts suggestive of negative psychological inertia. Change is opposed no matter how necessary it is. For from the employees point of view, the change would lead to changes in, for example, the nature of the work (Moradi et al., 2021). In addition, the interviews revealed that there may also be socio-cognitive inertia in the organization, as there are routines in the organization that have been in operation for a long time and when there are changes, employees oppose those (Ertl, Setzke, Böhm & Krcmar., 2020). Thus, it can be concluded from the study that there is a wide range of inertia in the organization.

In the context of the transformation, surveys and observations of the overall climate in the workplace are effective practices. Even before the day-to-day management was implemented, there was a wide range of ideas on change in the organization. The organization should strive for dialogical communication, where, according to Stenvall and Virtanen (2007), communication is two-way, so that employees can also present their own ideas. In such activities, the organization strives to have visionary leadership. In general, in good communication as well as interaction within the organization, everyone has a caring atmosphere. Employees feel part of it when they talk about things openly, try to tell everyone about the changes as accurately as possible, and listen to their opinions.

The thesis also wanted to get an answer on whether the personnel thought it was important to know how the company was doing compared with its competitors, the idea was to get the personnel to think about whether it was important for them to know about the competitors. After all, most of the respondents thought that it would be important to know how the company works compared with its competitors. The importance of information comes to the fore here. The company's monthly meetings could be the right place to go through with the entire staff from time to time how the company operates relative to its competitors. They whose work require even more information about this, it would be important to organize a variety of information and training opportunities where this image would be clarified.

A board has been created for the development of day-to-day management. It is currently in use on the organization's production line and has shown to be effective. On the other hand, it has been proven to be a little challenging to employ in project tasks. Such visual management has been studied to have a positive effect on project work, where project phases are transferred from one stakeholder to another and potential communication is thus limited. With such a tool, everyone sees the essential information, knows where to go, and with visuals, everyone understands better. This has been studied to maximize efficiency, value, and clarity. (Singh & Kumar, 2021) Finding the right way to work for each organization can take time, so it is important to work with employees to evaluate what works for each and what might be left out. It is critical to establish activities in group discussions with the entire team in order to apply the operating premise of such a board. Changes can be planned together this way, and employees will be more enthusiastic in growth. If personnel are asked to come up with ideas for change to improve the department's day-to-day operations on their own, they may find it difficult and frustrating. As a result, brainstorming in small groups is a more productive way to generate activities, and the results are better. Indeed, NPI (2021) has examined that in order to achieve effective day-to-day management, various elements must be considered in terms of operational performance. Management as well as supervisors should have standardized roles in day-to-day management at different levels of the organization; visual control modes and models for detecting various anomalies; monitoring routines, day-to-day responsibilities and response must be in place; elements are the supervisory liabilities of supervisors and ensuring continuity.

Personnel should also be made more aware of lean thinking and its numerous action development tools. Changes can be made with the help of lean in this way when new ideas emerge. The PDCA pattern explained in the theory section can be applied in this development. For accordingly, in the future, changes can be implemented in a controlled manner based on a plan by experimenting and finally evaluating their success. Thus, this PDCA pattern achieves continuous improvement of the process (Johnson, 2002). Because the corporate world is in a circle of constant change, where changes sometimes go through the entire organization (Järvinen, 2016). In the future, time should be provided for development work on a regular basis so that the idea of continuous improvement of lean is maintained and the board remains flat over time. Based on the literature, the biggest obstacle to lean success often seems to be resistance to the change and lack of cooperation between different parties (Bucci et al. 2016, Goodridge et al. 2015, Jorma et al. 2015) One important object of development is the description of the department's various processes. The theory also mentioned that Lindell (2017) studied how change processes can achieve significant results. Such a description of the processes was also desired in the interviews. According to the interviewees, such an action would clarify many uncertainties in the current situation. Using process descriptions to review the activities and modify the non-value-producing steps in them based on lean thinking would streamline the department's operations.

Based on the observation made in the study, most of the teams in the organization work in many locations, making face-to-face vision impossible. In this case, daily management meetings cannot be held in a common space around a concrete daily management board. In the last few years, a lot of work has been done remotely and personnel have learned from it, many practices can be transferred to the virtual world in day-to-day management as well. It is important to remember the importance of interactive communication through which transmission is conveyed. Juholin's (2001) study was reviewed earlier, which found that communication is an important aspect in the development of day-to-day management routines to facilitate organizational change. It often strives for better competitiveness, efficiency and productivity. When comparing theory and results, it is a good idea to keep video connections open and see facial expressions and smiles. Then we will be better present. Short quarterly meetings for dayto-day management can also be customized to look like your own. For example, if the meeting is held without handouts, the morning meeting can be put directly as a walking meeting. The means of interaction are listening and speaking. Thus, communication becomes a critical factor both for working remotely and for working from different locations. A common picture of the situation develops as we ensure that several views are considered around decision-making. Co-development, agreement, implementation of reforms and trust are day-to-day management when designing a hybrid model that works together. It must be remembered that, according to Ruben and Gigliotti (2017), the communication is considered a very important aspect in both management and change. Such a communication process covers many stages for all levels and units of the organization in the hierarchy and not just from the supervisor to the subordinate.

#### 5.1 Key findings

Five main findings can be highlighted from the work, which are opened in table 3. These five findings emerged both in each interview and in many of the survey responses. In addition, based on the observation of the author of the work, it can be determined that these are the main findings in this work. The table 3, also shows how these findings can be developed to increase efficiency.

Finding	How to overcome those
Supervisor work	<ul> <li>Move forward in cycles, striving for continuous improvement</li> <li>Supervision work is seen as very important in every area. The supervisor must be most prepared to implement the development.</li> </ul>
Communication	• Explain the changes in more detail, create a better relationship with all personnel through communication
Training	<ul> <li>More support for supervisors through various management trainings</li> <li>Provide training and info sessions for both day-to-day management and Lean operations</li> </ul>
Commitment	<ul> <li>Involve the entire personnel more in the changes</li> <li>In small groups, each department develops its own day- to-day management, so that the opinions of others can be brought out and not all the work is left to the supervisor.</li> <li>Engage employees by explaining the benefits of change at the organizational level as well as by department</li> </ul>
Inertia	<ul> <li>Inertia and resistance to change have been caused by the ignorance of the personnel, day-to-day management had not yet been put into practice in every department.</li> </ul>

Table 4. Key findings and how to overcome those

# 5.2 The benefits of the study

In today's business environment, change is rapid, which requires companies to continuously develop and change in order to keep up with wider environmental changes.

The benefits of this study for the case company are significant. No similar study has been performed in the past. With the help of this research, the client company can see the objects of day-to-day management development that will make the work more cohesive and efficient.

According to the study, day-to-day management will be great benefit, for example, in improving working hours, which was already evident in the interviews. It must be remembered that change is often considered in a company's strategy, but how well a changing operating environment can be taken into account in day-to-day management is essential to success.

To get the most out of this work, there would be a good idea for a company to put development ideas in practice, try out what works and what doesn't. Implement throughout the organization, as positive developments have been observed in teams where this has already begun.

#### 5.3 Proposals for further research

As part of this research, there are several prospective themes that could be researched further. As a proposal for further research, a more detailed immersion into a specific problem area is highlighted in the work.

Instead of change being a continuous phenomenon, taking the objective of integrating continuous improvement into an organization's operations is a smart idea. Development will only continue as long as there is enough excitement from individuals without adequate infrastructure and policies. It would also be interesting to study the attitude of the personnel towards change and compare the results obtained with the results of this development project.

As further research, the company could implement Lean operations at the entire organization level. In this study, the Lean method was treated as a concept in theory, it was revealed in interviews, and the conclusions stated that Lean tools are a good way to develop day-to-day management as well. However, the implementation itself remained and as well as a closer look at the matter.

Another research topic worth mentioning here is a good follow-up study what could also be used later to examine how the development of day-to-day management was successful at the organizational level. Because this study revealed that day-to-day management had not been implemented throughout the organization, this study provided the organization with tools on how to embark on further development of dayto-day management and what kind of development is needed according to employees. Later, it would be interesting to see how day-to-day management has been implemented, whether it still causes some resistance to change, and whether the areas of development that have emerged in this work have improved.

Another area for further research is the fact that the case company in this study was part of a very large worldwide conglomerate. Would the results alter if the company was tiny or even if it was large but not a part of a worldwide conglomerate? Would there be a difference in the outcomes in these cases?

Communication and the involvement of supervisors in change planning, in my opinion, are critical to the success of the transition. Organizations and managers that can best take advantage of numerous chances for change planning and communication will be able to navigate the harsh global competition.

## 6 Conclusion

This research was a case study commissioned by Yaskawa Environmental Energy/The Switch. The purpose of the research was to examine the development of day-to-day management and change management from the perspective of both dynamic capabilities and inertia. How to develop these to increase efficiency and how to identify problem areas and make operations a smoother. The purpose was also to examine the phenomenon from resource-based view by focusing on day-to-day management, which is one part of change management that aims to analyse the advantages and disadvantages of its development at both employee and management team level.

The scope of the study was restricted to the company's operations in Finland. However, the work mentioned how the development of day-to-day management could be implemented in the company's other countries as well. The principles for day-to-day management are very similar. Day-to-day management should be tested, implemented, and find the right way to work to support the operations of each locality or country.

The literature review of the study concentrated on available literature on the most significant theories related to the study subject. It included mainly change management through dynamic capabilities and developing daily management routines to facilitate organizational change focusing on these from a perspective of inertia as well as concept of the lean method and how important communication is in day-to-day management. Furthermore, the study covered potential problems and possibilities that may arise while adapting or executing the concept within the firm. What kind of challenging factors for change exist. For example, how to get rid of resistance to change and how the effects of inertia can be overcome. The main contribution of this study was to increase the understanding of importance in daily management in the company and how its development positively affects both the company's competitive advantage and its overall feel within the company.

The findings of the thesis corroborated previous research that the development of dayto-day management is a broad-based concept where the dynamic capabilities are an important part of change management in creating a competitive advantage. The reasons for the current challenges in day-to-day management were also clarified. The goal was to look at the phenomenon from a resource-based perspective, with an emphasis on competitive advantage and value creation. Various day-to-day management problems and areas for development emerged in both the interviews and the survey. These problem areas are supported by the studies presented in the theory section.

The results of the study showed that the role of the supervisor in the development of day-to-day management is enormous. The supervisor engages employees in the change and based on that, they create their own opinion about future changes in day-to-day management. So, one can also talk about the importance of interaction and communication in such situations. The survey also showed that personnel want more detailed guidance on day-to-day management, possible training in it and likewise some training in lean operations. Employees in supervisor positions wanted to have some training in leadership development. It must be remembered that there is no single right way or solution to develop day-to-day management. By doing this, each department needs to find the right way to act in day-to-day management. In addition, various forms of inertia were found in the work, these forms can be used to grasp the activities of the organization and to try to reduce each inertia of the company's operations with the right means.

In addition, the findings showed that the need for concrete action to disseminate dayto-day management throughout the organization is great. In various areas of the study, it became clear how change management is an integral part of every day management today, and the art of continuous renewal has become part of the organization's strategy. It would be a good idea to start developing day-to-day management in cycles, with repeated steps, creating new knowledge by experimenting and evaluating. In this way, a way of continuous improvement and development is achieved, which is important in today's business. The results of the study also found the importance of engaging employees in change, listening to their opinions and involving them in the change has been studied to have a positive effect on reducing resistance to change as well as increasing knowledge at the organizational level. Thus, this study may provide motivation, at least for the case company, to take steps to update day-to-day management even further. Introduce new ways of working, evaluate whether they are useful and implement them in your daily activities.

We can conclude that it may appear that implementing day-to-day management is simple: hang dashboards on the wall and hold regular standing meetings. This is, nevertheless, a more significant cultural shift than the surface evidence suggests. The goal is to uncover the core causes of errors and issues in advance of them occurring. With day-to-day management, the supervisor should support the team in focusing on their core responsibilities, coach and inspire the team to solve problems identified in operations, and thus encourage them to always strive for a little better. The supervisor ensures that the team has sufficient opportunities for action, motivation the team with its own exemplary activities, and encourages open dialogue.

Whether it is done as a matter of notice or by challenging and openly debating the change implementation, communication between managers and supervisors is crucial during the shift. The way change communication is carried out has the potential to reduce resistance to change and hence urge employees to perceive change as an opportunity. Continuous communication on the new way of doing things and how they are made differently is required for commitment to change.

Utilizing the Lean method in an organization requires more than just the use of certain tools. The use of individual tools can bring a momentary improvement in performance, but the benefits may then remain very local. For the method of becoming functional and serve the entire organization, it requires a certain kind of change from the organization's management and a commitment from the management and personnel to the development of operations.

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# **Appendices**

## **Appendix 1. Qualitative interviews:**

#### Background

- 1. Describe your duties and responsibilities
- 2. How is day-to-day management reflected in your work?

#### General

- Do employees know what our company is aiming for, how it is going to be achieved, and what are the values and common ground that guide our operations toward that goal?
- 2. What do you think are the most important qualities of a supervisor in terms of the success of a company?
  - a. Why?
  - b. How could these / this feature be developed?
- 3. What does it mean to develop personnel skills? What do you think are part of that?

#### Day-to-day management

- 1. How do you think the development of daily management has gone in our company? Has it been necessary?
- 2. Have you noticed any problems in the development of day-to-day management in the company?
  - a. Why/Why not
- 3. What areas do you think need to be developed in day-to-day management?
- 4. What pros and cons have you noticed as the company has begun to develop dayto-day management?

### Change management

1. What are the first things that come to your mind when thinking about change management in general?

- 2. Do you see obstacles / inertia in the work community for the successful operation of change management?
  - a. why / why not
- 3. Do you feel that personnel have a role to play in managing change?
  - a. If yes, what kind?
  - b. If not, why not?
- 4. How would you describe change management; as a continuous phenomenon or rather process-based?
- 5. What is your role as a supervisor at different stages of change?
- 6. Is there anything left to be improved in the sense of future changes?

The interviewee is given the option to discuss topics that have not yet come up in the dialogue at the end of the conversation. In addition, the interviewee is urged to use examples to illustrate his or her points.

### **Appendix 2. Quantitative interview**

#### Hey!

My name is Emilia Naukkarinen, I'm studying in Master of Science in Economics and Business Administration at the University of Vaasa. At the moment I'm writing my thesis, which will focus on developing the day-to-day management here at Yaskawa Environmental Energy / The Switch. The purpose of this survey is to find out how the development of day-to-day management that has already begun have felt in our work community and what further steps should be taken to improve it. I hope you have a moment to fill in the questionnaire, it will only take a few minutes. Answering the survey is completely voluntary and the results will be treated anonymously.

Thanks in advance for the answers.

Emilia Naukkarinen

- Do you know what our company is aiming for and how it will be achieved? Yes / no / I can't say)
- Do you know the values and common rules of the firm that guide our actions toward this goal? (Yes / no / I can't say)
- 3. Is it important for your own work to know how our company operates in relation to competitors? (Yes / no / I can't say)
- 4. Do you think that the development of daily management has been beneficial in our company?
- 5. Do you think that the co-operation between the different departments / teams has improved since the start of the daily meetings? (Yes / no / I can't say)
- 6. Do you think that the flow of information between the different departments / teams has improved since the start of the daily meetings? (Yes / no / I can't say)
- 7. Do you think that day-to-day management can help to address and develop the department's shortcomings more effectively than before? (Yes / no / I can't say)
- Are you satisfied with the way daily management has been developed in our company? (Yes / no / I can't say)

- 9. Communication:
  - a. I know why the development of day-to-day management was started in our company
  - b. The reasons for the development of day-to-day management were adequately communicated
  - c. Adequate information was provided on the progress of the development of day-to-day management
  - d. The development of day-to-day management was openly discussed in the work community
  - e. I was conveyed a picture of the importance of development
  - f. I am satisfied with my supervisor's leadership skills in developing day-today management

(Strongly disagree / Somewhat disagree / Somewhat agree / Strongly agree)

10. What else would you like to say in your own words regarding the development of day-to-day management in our company?