„Problemy Zarządzania (Management Issues)”
Vol. 18, No. 1(87), p. 54–80, ISSN: 1644-9584, e-ISSN: 2300-8792
https://doi.org/10.7172/1644-9584.87.3

Strategic Change Process in Practice: Four Case Studies in Kosovo

Diana Lekaj

PhD Candidate, Lecturer, Riinvest College, Kosovo. https://orcid.org/0000-0001-8573-924X

Bardha Qirezi

PhD, Senior Lecturer, Riinvest College, Kosovo. https://orcid.org/ 0000-0001-7294-7058

Submitted: 10.12.2019 | Accepted: 17.01.2020

Abstract

Purpose: Strategic change from the perspective of strategy as practice (SAP) is an interactive and complex process entangled in the macro and micro environment, especially in the international business context. This paper explores the process of organizational strategic change in four financial companies with foreign and domestic ownership in Kosovo.
Methodology: The study uses strategy as practice approach and grounded theory methodology (Charmaz, 2006) to examine the process of strategic change and to provide insights of change management in context.
Results: The study proposes 5 stages of change: experiencing crisis, diagnosing the organization, shaping the change strategy, communicating the change strategy, and implementing and stabilizing change. The results show that strategic change models should be adapted based on the context of change and other organizational contents such as type of organization, industry, type of crisis, organizational culture and other factors aligned with the need for change.
Value: The results add a constructive discussion to the field of strategy as practice and the international business research area, highlighting the importance of culture integration, communication and new practice stabilization through the understanding of the local culture and tolerance on the part of international companies including M&A firms.

Keywords: strategy as practice, financial institutions, Kosovo, strategic change, processes and practices, organizational context, foreign ownership, international business.

JEL: M19

Correspondence address: Riinvest College, Lidhja e Prizrenit 56, 10000 Prishtinë, Kosovo; emails: diana.lekaj@riinvest.net; bardha.qirezi@riinvest.net.

Suggested Citation: Lekaj, D., & Qirezi, B. (2020). Strategic Change Process in Practice: Four Case Studies in Kosovo. *Problemy Zarządzania (Management Issues)*, *18*(1), 54–80. https://doi.org/10.7172/1644-9584.87.3.

Proces zmian strategicznych w praktyce – cztery studia przypadków w Kosowie

Streszczenie

Cel: Zmiana strategiczna z punktu widzenia strategii jako praktyki (strategy as practice – SAP) jest interaktywnym i złożonym procesem osadzonym w otoczeniu makro i mikro, zwłaszcza w kontekście biznesu międzynarodowego. W artykule zbadano proces strategicznej zmiany organizacyjnej w czterech zagranicznych i krajowych przedsiębiorstwach finansowych w Kosowie.
Metodologia: W celu zbadania procesu zmian strategicznych i przybliżenia kwestii zarządzania zmianą w ujęciu kontekstowym w badaniu zastosowano podejście oparte na strategii jako praktyce oraz metodologię teorii ugruntowanej (Charmaz, 2006).
Wyniki: W opracowaniu zaproponowano 5 etapów zmian: doświadczanie kryzysu, diagnoza organizacji, kształtowanie strategii zmiany, komunikowanie strategii zmiany oraz wdrażanie i stabilizowanie zmiany. Wyniki pokazują, że modele zmian strategicznych należy dostosować w oparciu o kontekst zmian i inne czynniki organizacyjne, takie jak rodzaj organizacji, branża, rodzaj kryzysu, kultura organizacyjna i inne czynniki dostosowane do potrzeby zmiany.
Wartość: Wyniki wnoszą konstruktywną dyskusję w dziedzinę strategii jako praktyki i obszar badań w zakresie biznesu międzynarodowego, podkreślając znaczenie integracji kultury, komunikacji i stabilizacji nowych praktyk poprzez zrozumienie kultury lokalnej i dzięki tolerancji ze strony przedsiębiorstw międzynarodowych, w tym przedsiębiorstw prowadzących fuzje i przejęcia.

Słowa kluczowe: strategia jako praktyka, instytucje finansowe, Kosowo, zmiana strategiczna, procesy i praktyki, kontekst organizacyjny, własność zagraniczna, biznes międzynarodowy.

1. Introduction

In the past two decades, studies of strategy have shifted focus in the direction of the practice and micro perspective approach. Unlike the traditional business strategy approach, where strategy is considered as something organizations possess, the evolving field of strategy as practice (SAP) views strategy as something organizations and their members actually do. The strategy process entails individuals conducting various activities such as making plans, framing, implementing and executing strategies (Whittington, 2004; Johnson et.al, 2014; Jarzabkowski, Balogun, & Seidl, 2007). In this context, strategy is not only considered a written document or plan for organizations' future path but also as something that an organization and its members take part in throughout various processes, practices and activities. According to Whittington (1996), strategy as practice is concentrated on "how the practitioners of strategy act and interact" (p. 731). We would assume that this is particularly applicable in the international business context as in the case of Multi-National Companies (MNC) and companies that pursued mergers and acquisitions (M&A) operating in different local contexts.

Strategy as practice is well established and has made significant progress in examining strategic planning but lags behind on key processes such as strategic change (Vaara & Whittington, 2012). Numerous scholars observe that the focus of practice approach dominates in formal planning and strategizing activities rather than in implementation and change (Denis et al., 2007; Jonson et al., 2003; Regner, 2003). Hendry and Seidl (2003) argue that practice scholars have been focusing mainly around continuity rather than change and have been less concerned about how "the structure and routines of an organization and other social system may be significantly altered" (p. 178).

Yet, strategic change remains a core concern in management research (Kunisch, Bartunek, Mueller, & Nguen-Huy, 2017), whereas Burgelman et al. (2018) call for more SAP research on tools that managers anticipate as useful in various types of strategy contexts, such as acquisitions and alliances.

Strategic change is considered critical for sustainable competitive advantage and for long-term organizational endurance (Eisenhardt & Martin, 2000; Pettigrew, Woodman, & Cameron, 2001; Van de Ven & Poole, 1995). Pettigrew, Brignall, Harvey, and Webb, (1999), on the other hand, argue that organizational performance variance may be understood only when practitioners are able "to manage the process of organizational change and to customize it to fit local conditions" (p. 6). For MNC and M&A firms, the strategic change process is entangled in the macro and micro environment in which established ways of doing business are influenced. In these cases, strategic change is not only unpredictable but also more complex. In the case of Kosovo, three leading factors in foreign direct investments are reported: legal environment, corruption and nepotism (Hajrizi & Hasani, 2013).

In this study, we identify five phases of the strategic change process applicable in four financial companies which went through transformation. These are: experiencing crisis, diagnosing the organization, shaping the change strategy, communicating the change strategy, and implementing and stabilizing change. Although many theories/models of strategic change exist, in practice, models must be tailored depending on the organizational context, the nature of problems that need to change, the scope and urgency of change and readiness and commitment to change.

2. Literature Review

Most of change management literature suggests that in practice, strategic change is a very complicated process (Burke, 2011; Kotter, 2007; Van de Ven & Poole, 2005). This complexity poses great difficulties in recognizing, understanding, communicating and managing change for managers of any organization. Accordingly, strategic change processes have been considered as "elusive concepts" which are extremely hard to measure (Kanter, 1983, p. 279). In the aspect of practical implementation and management of change initiatives, a number of change scholars argue that a majority of change

https://doi.org/10.7172/1644-9584.87.3

efforts fail (Jansson, 2013; Kotter & Schlessinger, 2008; Mento, Jones, & Dirndorefer, 2002). In international companies, integration depends upon capabilities of communication, organization and change management involving practices that employ rigorous prioritization and review, create pressure but at the same time build trust, communicate and deal with staff concerns and development, address socio-cultural differences and deal with resistance effectively (Maire & Collerette, 2011). To avoid making mistakes that lead to failure, a few change management models to guide practitioners through the execution of the planned change have been presented (Kotter, 1995; Mento, Jones, & Dirndorfer, 2002; Jick, 1990).

All these models aim to provide detailed guidance for managers who are leading change. Kotter's (1995) model is considered as a vision guiding the change process through a series of eight phases in which any mistake may negatively impact the drive of the change process. Mento, Jones, and Dirndorefer (2002) base their model on the reality of change process and suggest that the recommended 12 steps "are not to be used only sequentially, but also as an integrated, iterative process to enable change" (p. 58). Jick (1990) offers a tactical level model, with 10 sequential phases, to guide change implementation for organizations undergoing major changes. He argues that successful implementation of change depends on the nature of change, managers' sensitivity to the organization members, and consideration of change as an ongoing rather than discrete process. The change management process is complex and presents great difficulties in identifying, understanding, communicating and managing change for those leading change efforts and is influenced by different internal and external factors, especially for international companies.

Yet, organizations must change to improve their operational efficiency and adapt to uncertain and rapidly changing business environment. Becoming adaptive and learning how to change successfully is critical and a challenge for any organization (Feldman, 2004; Pettigrew et al., 2001). As Meyer and Peng (2005) state, "businesses face challenges of managing radical strategic and organizational changes rather than traditional issues of economic development such as moving from an agricultural society to an industrialized economy" (p. 601). This challenge is even more extraordinary in developing countries which are experiencing prodigious transition in their social, economic and legal systems that may instigate significant adaption issues for international enterprises (Zhou, Tse, & Li, 2006).

There is significant research of change in international business in transition economies mainly focusing on state policies such as privatization and liberalization (Meyer, 2002) or firm-level strategies (Zhou, Tse, & Li, 2006), distance and entry mode choices (Batsakis & Singh, 2019), challenges of culture conceptualization and measurement (Caprar, Devinney, Kirkman, & Caliguiri, 2015; Hofstede, 2010) whereas research on Central Eastern Europe countries is well covered and focuses on motives and entry strategies of foreign entrants (Fahy et al., 2000; Meyer & Peng, 2005; Brouthers & Brouthers, 2003), examining challenges that foreign companies face after initial entry such as knowledge transfer (Lane, Salk, & Lyles, 2001), role of cultural intelligence as a promoter of knowledge transfer (Vlajcic, Caputo, Marzi, & Dabic, 2019), business cultures and foreign ownership and decision-making (Filatotchev, Stephan, & Gindra, 2008) and restructuring challenges (Newman, 2000; Uhlenbruck, Meyer, & Hitt, 2003). Nevertheless, this type of research has received no attention in South Eastern European countries, specifically in Kosovo. Most of research relevant to IB focuses on foreign direct investment (FDI) and its importance for economic development and policies to attract FDI (Gashi, 2017; Mulliqi, Adnett, Hisarciklilar, & Rizvanolli, 2018; Islami, Mulolli, & Skenderi, 2016) with no attention to strategic processes of foreign companies in the Kosovo context.

Despite the attention that research on change has received, according to Van de Ven and Pool (1995, p. 510), "the processes or sequences of events that unfold in these changes, have been very difficult to explain let alone manage". Langley (1999) explains that even researchers face significant challenges with these processes as information they obtain is often controversial, unreliable and cluttered. To address this issue, scholars like Pettigrew (1992), Van de Ven (1995), Dawson (2003), Johnnson et al. (2014) and Balogun and Hope (2007) have pointed that a contextual understanding of change must be adapted to better comprehend the efficacy of organizational change processes.

A contextual understanding of the strategic change process allows for recognition of the change dynamics, by including past experiences and conditions and contextual factors as well as their reciprocated impact on each other (Pettigrew, Brignall, Harvey, & Webb, 1999). In this study, research is based on the grounded theory (Charmaz, 2006), and the model resulting from our research is compared to literature on change models after the analysis of results.

The examination of four companies with foreign, domestic or joint ownership in Kosovo revealed that leading and managing change is a challenge for organizations regardless of the type of ownership, hence there is no one-size-fits-all model that may be used for all companies. In practice, models must be tailored depending on the organizational context, the nature of problems that need to change, the scope and urgency of change and the readiness and commitment to change. Although the model could be applied to different companies, for international companies major factors were integration of the organizational culture, tolerance for diversity, dealing with staff and focus on performance. The model deriving from this research compared to Kotter (1995), Mento, Jones, and Dirndorfer, (2002) and Jick (1990) is presented below and is explained in detail in the results section.

https://doi.org/10.7172/1644-9584.87.3

Proposed Model	Kotter (1995)	Mento et al. (2002)	Jick (1990)
Experiencing crisis	Establishing sense of urgency	The idea and its context	Analyze organization and its need for change
Diagnosing the organization		Define the change initiative	
		Evaluate the climate for change	
Shaping change strategy	Build a guiding coalition	Develop a change plan	Create a shared vision and common direction
	Creating a vision		Separate from the past
Communicating change strategy	Communicate the vision	Find and cultivate a sponsor	Create a sense of urgency
	Empowering others to act on the vision	Prepare your target audience, the recipients of change.	Communicate, support a strong leader role
Implementing and stabilizing change	Planning for and creating shortterm wins	Create the cultural fit, making the change last	Line up political sponsorship
	Consolidating improvements-Producing change	Develop and choose a change leader team	Craft an implementation plan
	Institutionalizing new approaches	Create small wins for motivation	Develop enabling structures.
		Constantly and strategically communicate the change	Communicate, involve people and be honest. Reinforce and institutionalize change
		Measure progress of the change effort	
		Integrate lessons learned	

Tab. 1. Model comparison. Source: The authors' compilation.

3. Methodology

Four selected companies for this study are a mixture of local and international companies offering financial services and products ranging from 10 to 17 years of operation in Kosovo.

Company Code	Ownership	Number of Employees	Years of Operation	Profit Ranking	Type of change
001	Local and International	484	10	Among top 5	Culture, Processes, Structure, Systems
002	International	800	15	Among top 5	Culture
003	Local	330	16	Among top 5	Culture, Processes, Structure
004	Local and International	280	17	Among top 10	Structure

Tab. 2. Company profiles. Source: The authors' work.

Data were collected through unstructured interviews with 2 participants in four financial institutions in Kosovo undergoing changes in the last 10 years. In total, 8 interviews were conducted with one senior manager and one middle manager in each institution.

Participant Code	Company Code	Gender	Age	Years of Experience	Position
1	1	M	50–60	37	CEO
2	1	M	50–60	30	HR MNG
3	2	M	40–50	18	COO
4	2	M	30–40	15	HR MNG
5	3	F	40–50	18	CEO
6	3	M	30–40	15	HR MNG
7	4	F	30–40	18	HR MNG & Board Member
8	4	M	40–50	20	REG MNG

Tab. 3. Participant profiles. Source: The authors' work.

To examine the change processes in the local context and the impact of the international influence from the perspective of company ownership and international financial infrastructure, we used a qualitative case study approach (Yin, 2003). Research on SAP mainly uses qualitative methods where case study research is prevalent (Hughes & McDonagh, 2017). Quali-

https://doi.org/10.7172/1644-9584.87.3

tative research allows the contextualization of micro action and understanding of how the change was enacted and is usually appropriate to answer 'how' and 'why' questions about processes. According to Burgelman et al. (2018), the recent developments towards a "strong process ontology" allow for opportunities to combine units and levels of analysis practiced by the SAP research community to a more holistic approach labeled as "Strategy as Process and Practice (SAPP). The study intended to approach the strategic change process without any specific model in mind, through asking an open research question:

What are the main processes of change as experienced by managers in four financial institutions?

The study used a grounded theory approach to develop the theory inductively from participant data (Charmaz, 2006). In line with the SAP approach, we consider participants' experience as lived experiences of individuals interacting in the "human world" consisting of individual, institutional and interactional levels (Jenkins, 2008, p. 39). As such, participants' experience is interpreted as actors' lived experiences over time in the institutions. Participants as "individuals and collectives have a past, present and future" which interact in a continuum in a particular context (Clandinin & Connelly, 2000, p. 32). Wenger uses the term "community of practices" (Wenger, 1999, p. 86) to refer to practices formed in interaction of the individual and society over time. He maintains:

> *Practices evolve as shared histories of learning. History in this sense is neither merely a personal or collective experience nor just a set of enduring artefacts and institutions, but a combination of participation and reification intertwined over time* (Wenger, 1999, p. 87).

If we consider the interaction of a specific community (individual companies) with other professional communities of practice at a local and global level (financial community), we can suggest that practices are shaped through many influences at the micro and macro level especially in the financial sector, where processes are highly regulated and standardized.

The research used the purposeful sampling technique to include actors that have experienced the process of change in the institution. Selection criteria included more than two years of working experience during the strategic change implementation.

Given that the institutions are well known in Kosovo, the researchers had context information about the companies, and therefore participants agreed to the interview provided that the company was not identified. The interviews were recorded and transcribed verbatim whereas the company profile and respondent profile are coded selectively. Although researchers had access to other company data, attributes were carefully assigned and used to avoid identification.

NVIVO Professional software (version .11) was used to facilitate data analysis. Interview data were imported into NVIVO as resources and were automatically coded into Participant CASES with assigned attributes. Data was analyzed in five phases: 1) Open Coding; 2) Categorizing; 3) Axial Coding; 4) Validation and 5) Interpretation.

Open Coding included free coding where the code/or node, a term used in NVIVO, represents a "word or short phrases that symbolically assigns a summative, salient, essence capturing, and/or evocative attribute for a portion of language" (Saldaña, 2009, p. 3). Nodes could be emotions, feelings, hierarchical aspects, processes and events such as cultural confusion, merger or crisis. Initial nodes were coded by two researchers separately and then compared. We coded 411 free codes at this stage.

The categorizing phase involved the process of grouping codes into meaningful parent and child nodes. The category represents processes/phases during the change experience through constant comparison of data and interpretation by the researchers. Other company data were included in the analysis at this stage.

The third phase, axial coding, involves an analytical process of the concept using questions (what, where, when, why, how, and consequences). Thus, the analysis of data is grounded in context and meanings emerge from participant interpretation of the process of changes in terms of the 'interrelationships among conditions (structure), action (process) and consequences' (Strauss & Corbin, 1998, pp. 9–10).

Experiencing Crisis						
Category	**What [is the category]?**	**When does [the category] occur?**	**Where does [the category] occur?**	**Why does [the category] occur?**	**How does [the category] occur?**	**With what concequence does [the category] occur or is [the category] understood?**
Related to Organizational	**Nepotistic Culture**	During company set up	C001, C003, C004	Board lacking necessary skills	By refusing to change the way of doing things	
		During decision making		Missunderstanding of board	by hiring based on favouritism	
		During recruitment		CEO roles and responsibilities	by granting loans based on favouritism	Need tounderstand
		During loan approval		Trying to employ family members	by discriminating workers during employment, promotion and staff development opportunities	the need for change
				High unemployment rates in Kosovo		

Tab. 4. cont.

Experiencing Crisis						
Category	**What [is the category]?**	**When does [the category] occur?**	**Where does [the category] occur?**	**Why does [the category] occur?**	**How does [the category] occur?**	**With what concequence does [the category] occur or is [the category] understood?**
Related to Organizational	**Cultural Misfit/Confusion**	Cultural misfit	C001, C002	Culture incompatibility	CEO cultural influence	Need to separate from past
		Cultural differences		Frequent change of CEOs		
		Frequent change of CEOs			The international company culture trying to dominate over the local culture	Need to buy in
		Seeking for cultural compatibility between two entities				
		During mergers				
Related to management malpractices	**Poor Governance Practices**	Long term problems with portofolio management	C001, C004	Board of directors lacking industry know-how. Stockholders decision-making interference	Bu risking financial stability By maintaining internal crisis Lack of the needed capital By loosing trust By experiencing uncertainty	The company failed to merge with another one. Failed to advance its status, lack of capacity to join a new group. Urgent need to change
		Unfit management expertise		Change of board, Lack of internal control		
		Change of traditional company concept				
		Unclear strategy	C002	Staff unaware of company vision and mission	By creating staff divisions	
		Power Issues			By refusing to cooperate	
		Middle management faced with change challenges	C001, C003	Because the change was not properly understood	By feeling they were overused and overpassed	

Tab. 4. cont.

Experiencing Crisis						
Category	**What [is the category]?**	**When does [the category] occur?**	**Where does [the category] occur?**	**Why does [the category] occur?**	**How does [the category] occur?**	**With what concequence does [the category] occur or is [the category] understood?**
Related to management malpractices	**Corruption**	CEO money laundering issues	C004	For personal gain	By reporting false numbers, by giving tenders to its own companies, by using cliques trying to win staff	
		Lack of board cooperation	C001, C003, C004	Denial of reality, fear of their fraud involvement, lack of financial transparency, Role and function misconception	By refusing to understand that the company was bankrupting, by insisting that no change is needed, by taking company money for their own gain	
		Institution placed under temporary administration	C004	Because CEO was corrupted, Because management was let go	Regulatory intervention, By temporarily assigning an administrator	
Regulatory Intervention	**Administration**	Reporting corruption				
		Growth strategy frozen due to legal framework restrictions				Urgent need to change
	Information	Facing regulatory restrictions. Halted expansion, merger and acquisition	C001, C003, C004	Halted expansion, merger and acquisition, activites not in line with the regulatory framework	By sending alerts that the company is not doing well	
		Activities not in line with the regulatory framework				
		Loan issuance procedures not in line with the regulatory, trying to regain confidence	C003	Loan issuance procedures not in line with the regulatory guidance	By making loan and other payment services too bureaucratic	

Tab. 4. Axial coding Experiencing Crisis. Source: The authors' work.

https://doi.org/10.7172/1644-9584.87.3

This analysis was followed by validation which involves checking coding according to cases (company, participant) and their attribute (company size, ownership, profit). Matrix tables for each category were retrieved from NVIVO to check appropriateness of categories and subcategories.

	A : Company	B : 001	C : 002	D : 003	E : 004
1 : Culture	31	7	9	5	5
2 : Management	199	40	45	32	53
3 : Regulatory And External	56	11	9	9	18

Tab. 5. Matrix coding Experiencing Crisis. Source: The authors' work.

Interpretation involves synthesizing and comparing findings with other change management theories.

4. Results and Discussion

Results are organized in five categories which represent common phases these companies undergo in the process of strategic change implementation. While companies differ in some aspects in each of the phases, our study, although offers a similar model to that of Kotter (1995), Jicks (1991), and Mento, Jones, and Dirndorfer, (2002), offers insights into simplified phases which may be adaptable depending on company change needs and a change architecture developed to enrich the prospect of change implementation.

The five proposed phases are presented below, discussing similarities and differences for each company.
Phase 1: Experiencing Crisis
Phase 2: Diagnosing the Organization
Phase 3: Shaping Change Strategy
Phase 4: Communicating Change Strategy
Phase 5: Implementing and Stabilizing Change

Phase 1: Experiencing Crisis

An organizational crisis can be referred to as any situation in which an organization's wellbeing is harmed or damaged. According to Seeger, Sellnow and Ulmer (1998), an organizational crisis is "specific, unexpected, and non-routine events or series of events that create high levels of uncertainty and threat or perceived threat to an organization's high priority goals" (p. 233). Our findings identified three types of crisis that threatened the future of these company goals: organizational culture crisis, management malpractices and regulatory intervention.

Phase 1: Experiencing Crisis	001	002	003	004
Organizational Culture	Nepotistic Culture Organizational Culture Misfit/ Confusion during the merger	Culture misfit/ Confusion	Organizational Culture misfit/ Confusion	Nepotistic Culture
Managerial Malpractices	Poor Corporate Governance Practices Corruption	Power Issues Development of Cliques	Poor Corporate Governance Practices	Poor Corporate Governance Practices Corruption Financial Instability Money laundering
Regulatory intervention	Informative Financial instability Governance practices	None	Informative Loan Procedures	Under Administration Loss of profit Decline of Loan Portfolio Corruption

Tab. 6. Phase1. Experiencing crisis. Source: The authors' work.

Crisis is found in all four companies. Change initiatives at each institution were not initiated due to the innovation needs or intentions to boost quality but because all four of them experienced crisis which forced them to change or simply fail. Similar to Kotter's step one (establishing a sense of urgency), this phase involved evidencing concrete challenges and discussing potential crisis systematically. Our findings identified three types of crisis that threatened the future of these companies: organizational culture crisis, management malpractices and regulatory intervention.

The type of crisis mostly associated with the influence of foreign ownership was a crisis in the organizational culture manifested through the nepotistic culture within the local culture and through culture misfit or confusion associated with international company operations in the local context.

Nepotistic culture found in organizations 001 and 004 was manifested as a management problem especially at the board-level operation. At company 001, nepotistic culture normalized decisions on the loan portfolio or hiring qualified staff even when they hindered the company's existence.

As participant 001 from company 001 contends:

> *Because they were hired based on those terms, they also thought that even client loan decisions should be made in the same way. In the way that you must know one of the board members or one of the managers to qualify for a loan. In fact, they even thought*

https://doi.org/10.7172/1644-9584.87.3

> *that they could impact who should and should not be granted a loan. This actually happened when one of their (shareholders') competitors applied for a loan.*
> (Interview with Participant 001, 2018)

Similar nepotistic activities and behaviors caused company crisis at company 004. As participant 007 notes:

> *Nepotistic loan decision created total anarchy in this organization. This is because loans were issued based on family kinship and did not follow standard procedure of meeting certain loan criteria, thus causing loan portfolio quality to decline and debt collection to increase drastically.*
> (Interview with Participant 007, 2018)

Financial companies are mostly regulated by standards and procedures. Nepotistic decision making in loan granting procedures and decisions on the loan eligibility impact not only organization performance. In case the founders and key executive develop and promote a nepotistic culture, nepotism becomes acceptable for organizational actors and liability for the organizational effectiveness. In this case, nepotism is incompatible with regulation and organizational aims, thus risking its financial liability and competitiveness.

While organizational culture misfit occurs when an organizational culture is not in alignment with the strategy and company values, cultural confusion occurs when there is disharmony between practices in one organization influenced by the culture of two or more groups. Company 001 experienced cultural incompatibility because of the merger and acquisition process requiring two different corporate cultures to merge into one. The acquiring company tried to implement standard operational practices among the acquired company's staff that normalized nepotistic practices. From the practice point of view, procedures or values incorporate a knowledge base and knowhow which is not merely knowledge, process or technology transfer but also integration of culture (Maire & Collerette, 2011).

Cultural Confusion at company 002 emerged as a result of frequent change of Chief Executive Officers sent from the parent company to the local company. For example, during a seven-year period 2003–2010, the company was run by seven different CEOs of different nationalities. Each CEO brought his/her leadership values and practices and communicated company values in a different way. As illustrated by participant 003:

> *Seven international CEOs have caused their damage in the sense that there were divisions among the internal staff or no one had any idea on where is the company going and what does it want to achieve in the future.*
> (Interview with participant 003, 2018).

The confusion was mainly attributed to CEOs' approaches to challenging the local culture and the way things were done in the organization, through top level and one-way acculturation process. The communication of values and the change strategy was not done consistently, through senior management creating a lack of trust and uncertainty among staff. In this case, the confusion did not allow for the development of shared values, although processes and technology knowhow were easily integrated, as the company staff had the knowledge base to integrate those.

Practices are shaped in interaction between internal and external mechanisms over a period of time allowing for development of general conformity standards that may be unique for a specific company or country. According to the EBRD (2017), corporate practices in Kosovo are rated between weak and fair presenting "some elements of good practice but there are a few critical issues suggesting that overall the system should be assessed with a view of reform" (p. 4).

In our study, managerial malpractice and a regulatory interventions crisis were manifested in light of the internal governance practices and external regulation evolving over time with high tolerance for irregularity from 2000 to 2010 and increased regulation from 2011 onwards.

Company 004 led by an international CEO and the majority of foreign board members during 2009–2011 was facing major mismanagement irregularities from having a corrupted board, lack of internal control to long-term problems with portfolio quality. Some of the CEO unethical practices listed by participant 008 include:

> *Buying a number of new apartments, sending children to very high-priced private colleges, financing a training school known to be in the CEO's possession. All these investments were made using institutional funds. This was simply money laundering.* (Interview with participant 008, 2018).

The Central Bank of Kosovo, established in 2008, mandates and regulates all financial and insurance companies in the country. In this study, the Central Bank Authority was obligated to intervene at least in two cases. It sent alerts to company 004 owners (local and international) informing them that the company's performance was not satisfactory and later put it under temporary administration. Three years later, the company was once again in crisis because their growth strategy failed due to legal framework restrictions applicable at that time.

In contrast, regulatory intervention in company 001 was focused on convincing the board as to the company's unstable financial situation and recommending change of the board roles and functions. Company 003 experienced a minor regulatory intervention related to the role of the informative loan procedure. The company was guided to change loan granting procedures because the ones utilized at that time were not consistent with the legal framework.

In his model, Kotter (1995) claims that 75% of a company's management should be convinced that change must occur. Similarly, Mento et al. (2002) contend that leaders must first face and embrace the situational reality. This demonstrated to be an important but also challenging activity in all four

https://doi.org/10.7172/1644-9584.87.3

but more in two cases in this study. Even though Jick's (1990) model (step four) assumes that when an organization faces crisis such as bankruptcy, convincing its members as to the need to change will not be difficult. Yet, it was one of the most difficult tasks for change initiators at companies 001 and 004 requiring regulatory intervention.

Phase 2: Diagnosing the Organization

Organizational diagnosis is a method to detect and understand organization problems at all levels (Brown, 2011). There is no one set method, standard or procedure for performing an organizational diagnosis. Companies may utilize different diagnostic methods based on the crisis and the problems they have. For change to be effective, the diagnosing approach will depend on the organizational context where the change occurs (Johnson et al., 2013). Companies under this study also used methods that matched their change needs and were pertinent to the situation perceived to be problematic.

Organizations used external and internal experts and various methods such as: performance evaluation (staff and institutional), role analysis, staff satisfaction survey, skill testing, and standards compatibility testing.

Phase 2: Diagnosing the Organization	001	002	003	004
Performance evaluation (staff and institutional)	Skill testing (internal) Financial Challenges (external) department Performance Analysis Outsourcing analysis	Role analysis, change results scenarios (external) change consultants	Skill testing department Performance Analysis	
	Standards compatibility testing	EU Standards	Staff assessment method	Regulatory Standards
Satisfaction		Staff Satisfaction Survey (external) Back to back method (internal) Employee voice		Client Satisfaction Survey (external)

Tab. 7. Phase 2 Diagnosing the organization. Source: The authors' work.

Various methods for collecting information and analyzing data were used to determine gaps in the company structure and systems against desired performance and to design change strategy. At least two companies involved international external evaluators with experience in evaluating and consulting numerous international companies. The evaluator's role was to collect data and analyze information along with the company management to properly identify root causes of problems at all levels. Once this was done, then external evaluators provided improvement recommendations built on their findings and tailored to the context of organizational change needs. Moreover, having an international company managing the employee satisfaction survey as a change instrument proved to have resulted in better inputs to change results.

> *One of the characteristics of the survey is for people to feel safe and comfortable about the input they provide, to guarantee anonymity and usually to meet these aspects, involvement of an external company especially specialized in the area and with international expertise was considered as an important element for successful outcome of the survey.*
> (Interview with participant 004, 2018)

Using international expertise also served as a stamp of approval to finally convince top managers to approve strategic change initiatives in companies (001 and 002).

> *The acquiring company is headquartered in the EU, thus we followed change processes with similar standards of a bank in the EU. It was all conducted in a very structured manner, the same way it is done in the European banks with international consultants which in our case was the Boston Consulting Group. Evaluators presented very detailed analysis and it was concluded that the bank was in the verge of bankruptcy. For this reason, top management had no other choice but to approve recommended change initiatives.*
> (Interview with participant 001, 2018)

This step is similar to Mento et al.'s (2002) step three (evaluate the climate for change) and Jick's step one (analyze organization and its need for change) but involves more elaboration on the process of diagnosis and methods utilized as per company change needs and organizational structure. For instance, when comparing with other companies, company 002 utilized more diverse tools/methods to identify and analyze problematic areas and also to research a potential reaction to change. This is because changing the culture is a very challenging effort and "tremendous energy is required to effect real cultural change" (Pettigrew, Ferlie, & McKee, 1992, p. 29). Proper diagnostic tools are important to design a nonthreatening and engaging implementation process.

Different diagnostic methods may be used for diagnosing organizational issues during the change process. Many models assume that all processes and practices within an organization are interconnected and a change in one will affect all of them (Lewin, 1951; Hickman, 2010). Lewin (1995) recommends the force field analysis as useful "in providing a view of forces at work in an organization that act to prevent or facilitate change" (as cited in Johnson et al., 2014, p. 475). Yet, our study revealed that for change to be effective, the most appropriate diagnostic model depends on the organizational context and change urgency while involving international consultants was beneficial to obtain more accurate change input results.

https://doi.org/10.7172/1644-9584.87.3

Thus, there is no one set and unique diagnostic model that can be used for all organizations; rather, methods must be adapted depending on the scope of the issue and urgency of change.

Phase 3: Shaping Change Strategy

Shaping change strategy refers to the process of mapping the terrain for change to take place. This was conducted by initiating activities that helped organizational members separate from the past, manage resistance and deal with staff trauma and restructuring.

Phase 3: Shaping Change Strategy	001	002	003	004
Separating from the past	Marge cultures Change work processes	Change ambassadors Past process and structure isolation		Past process and structure isolation (leadership restructure)
Managing Resistance and dealing with trauma	Reeducation shareholders Educate staff (one-to one talks, trainings workshops) Staff participation the implementation process	Educate staff (one-to one talks, trainings workshops) Staff participation the implementation process	Reeducation shareholders Educate staff (one-to one talks, trainings workshops)	Creating part-time positions
Restructure	Outsourcing	Work delegation	Division restructure	Work delegation

Tab. 8. Phase 3. Shaping change strategy. Source: The authors' work.

Shaping change strategy included various tactics ensuring that all organizational members understood desired outcomes of more concrete activities. Here, change leaders start mapping and preparing the terrain for change to take place by ensuring that past experiences are isolated.

Companies 001, 002 and 004 dealt with the task of separating with the past practices and shaped the change strategy. At company 001, the acquiring company aimed at merging cultures and changing work processes. At company 002, a project team named change ambassadors was assigned to deal with strategic change acceptance. Company 004 did not experience the acceptance challenge mainly because staff was in a desperate need to see the organization change.

While technical and business processes were easy to change as employees were motivated to keep their jobs, the most challenging task was reeducating shareholders as in the case of company 001.

As participant 001 claimed:

> *First, we had to explain to them that despite the fact that they have invested a certain amount of money, it is the company and its management that manages the assets which were 10 times more than their investment at that time. Responsibility for proper asset management was crucial, as crucial as changing stockholders' mindset about corporate governance.*
> (Interview with participant 001, 2018).

The CEO's effort was to inform them of the crisis eruption in the company and increase awareness of the importance of proper asset management.

During the process of change acceptance, companies dealt with organizational insecurity and high levels of staff trauma. For example, at company 001 staff inclusion in decision making was part of the integration process and some of the methods used were workshops and training. Company 002 redefined its organizational mission and vision and used various methods such as workshops, trainings and one-to-one discussion to reeducate and educate its staff. Similarly, company 003 launched a change campaign used to reeducate both shareholders and staff, using similar methods as company 002. Company 004 had a different approach, as they were dismantling all older structures, and therefore to gain time, created part-time jobs, a very uncommon practice in Kosovo, to reassure the staff that the company was not interested in losing them.

The need for restructuring was identified in all four companies. Because of the merger and acquisition process, company 001 needed to outsource some departments in order to free itself from nepotistic connections. As participant 001 explains,

> *One of the security department employees has hired almost half of his village to work as security guards in the company* (Interview with participant 001, 2018).

Company 002 focused on senior management restructuring. In the early phase, senior management faced a loss of power and attempted to inflict mistrust among the staff and create obstacles for successful change implementation by refusing to cooperate. Company 003 restructured the company at the division level, focusing on the process reinforcement through training. Company 004 was completely transformed by hiring experienced managers from the industry for top management positions to take on the change initiatives and transform the organization.

Our findings show that all companies instituted a strategic architecture that aligned with the new strategic vision by managing resistance and building new structures. Although this step is similar to Kotter's (1995) three steps (building coalitions, creating vision and empowering others to act on the vision), separating from the past and restructuring were key to shaping the change strategy. Separating from the past was the key message to change the nepotistic culture and malpractices, whereas restructuring was necessary to institutionalize strategic change. In this study, change leaders have put a significant effort to gain top management support and build buy-in from other levels of organization as regards the new strategic direction.

Phase 4: Communicating Change Strategy

As Kotter (2008) argues, one of the main reasons why change initiatives fail is because change vision and strategy are under-communicated. Effective communication is crucial to successfully initiate or sustain a change effort. Change leader should use "all existing communication channels to broadcast the new vision" (Kotter, 2008, p. 6). Some of the communication modalities used to communicate change in companies in this study are: meetings, change ambassadors, email communication, external consultants, brochures, newsletters and individual meetings.

Phase 4: Communicating Change Strategy	001	002	003	004
Communication modalities	Meeting with owners and board Staff information-group and one-to-one meeting	Value promotion campaign by providing brochures, e-mails, newsletters.	Weekly executive meetings and monthly middle management meetings E-mails and individual staff meetings	E-mail communication and staff meetings
	External report and recommendations	External Consultant Group		
	Change ambassadors	Promoting and advocating the planned change (internal staff)		

Tab. 9. Phase 4. Communicating change strategy. Source: The authors' work.

Communicating the change stage corresponds with Kotter's (1995) step four (communicate the vision) to use all means of communication for continuously broadcasting the change vision and remove obstacles. This phase is also comparable to Jick's (1990) step nine (communicate, involve and be honest) to openly communicate and look for all staff participation and trust within the organization. Jick (1990) notes that effective communication is crucial from the start of the change process. Communication modalities varied in each case, depending on the organization's situation and the change context. For instance, a detailed report as well as employment of all communication channels as advised the by the international consultant companies provided the means for effective communication of change plans at companies (001 and 002).

> *We needed those reports to make them understand that firstly, this is in their best benefit; to the best of all shareholders – investors and the ones that are breadwinners for their families. The approval of change initiatives somehow made majority of staff to understand that we are not able to continue with the same rhythm any longer. It made them realize that changes are needed to support company's new direction.*
> (Interview with participant 001, 2018).

This slightly differs with companies (003 and 004) that did not include international expertise in this process; however, this variety may be depended on the nature and scale of change. For instance, the scale of problems at company 003 was not as complex as at the first two. Conversely, problems at company 004 were described as chaotic. Considering that chaos was stemming from the top management structures, there was no need for too much change communication to convince staff to participate and win their trust. Staff was ready and eager for changes for a better future.

All four companies put extra effort to convince non-joiners that the planned change meant a better and more exciting future for the company and for them. Proper communication tools helped both companies avoid change uncertainties, win trust throughout the organization and gradually gain acceptance. In all four cases, proper communication proved to be an important activity that later assisted change implementation.

Phase 5: Implementing and Stabilizing Change

Stabilizing crisis according to Johnson et al. (2014) is putting in control and recuperating from the declining position of the organization. Implementation refers to "processes needed for designing and organizing the process of change to be effective" (Carnall, 2003, p. 5). Companies under this study assumed various activities during the change implementation process including eliminating obstacles, introducing bonus schemes, increasing internal control, and using key performance indicators.

The process of implementation lasted minimum two years at each organization. Implementation started by removing obstacles, which was key to increasing internal control. Company 001 removed the recruitment and hiring process from stockholders and initiated adaption of new work processes and systems compatible with standards at the acquiring company. Obstacles at company 002 were eliminated by terminating strong opponents of change. Company 003 centralized some procedures and simplified processes. Company 004 focused on empowering new management and at the same time engaging employees. Eliminating obstacles seemed to be very important in getting employees on board and strengthening business processes.

Phase 5: Implementing and Stabilizing Change	**001**	**002**	**003**	**004**
Eliminating obstacles	Eliminating bad practices Changing the hiring process Reeducation shareholders Advanced training	Terminating conflicting employees	Centralizing procedures Simplifying work process	Management Replacement
Bonus Schemes		Staff tuition assistance	Excellent performance and professional development	
Internal Control		Monitored from the HQ office		Increased internal control
Key Performance Indicators	Social life improvement Increased results Increasing profits	Social life improvement Increased results	Social life improvement Increased results Client number and service increase	Social life improvement Increased results Improved reputation (internal)

Tab. 10. Phase 5. Implementing and stabilizing change. Source: The authors' work.

In the case of the acquiring company, at company 001, the main focus was to develop performance indicators that would improve social life, business results and profits; therefore, the company regularly communicated indicators along with staff satisfaction survey results.

> *The acquiring company had a standard to measure staff satisfaction regularly. Company indicators were communicated. Within two years, we were above average for the international companies of the group for staff satisfaction.*
> (Interview with participant 002, 2018)

Company 002, besides key performance indicators, additionally approved tuition fees for staff qualification upgrade and at the same time accepted local culture elements, focusing on company results, team work and increased monitoring from HQ.

> *The company no longer ignored the local culture. The discussion related to culture X and Y were focused on what are the company values that we share among the branches anywhere in the world, focusing on service, standards and the shared image (look). So the expectation from managers was to increase the banking standards.*
> (Interview with participant 004, 2018)

This phase is comparable to two of Kotter's change model steps: step five – empowering others to act on vision through removing obstacles to change and changing the structures and systems that challenge organizations' new vision; step six – planning for and creating short-term wins through planning but also creating visible improvements through increased internal control. It is also similar to Jick's (1990) step ten – reinforce and institutionalize change by demonstrating commitment to the change process and incorporating new behaviors into daily routines of operation. In terms of international companies, stabilization means understanding local staff needs and culture and focusing on monitoring and communicating results to achieve integration and improved performance.

5. Conclusions, Limitations and Future Research Agenda

This paper offers an appealing contribution to the field of strategy as practice (SAP) and a practice-based understanding of strategic change processes in different contexts. The results add a constructive discussion to the field of strategy as practice and international business research area. Although similar to existing change management models, our model proposes simplified phases of the change process to be adapted and used depending on the context. The first phase is the experience of crisis caused by organizational culture misfit or confusion due to the clash between nepotistic and standard financial practices, managerial malpractices and regulatory intervention. For international companies, integration of the organizational culture and tolerance for the local culture except for nepotism or malpractices were important factors for change to happen. The second phase, diagnosing the organization, was very important to shape the change strategy. There is no set diagnostic model, rather a mix depending on issues and urgency the companies were facing. Yet, the use of international experts was beneficial in order to win trust among staff. The third phase, shaping change strategy, involves managing resistance and building new structures. For shaping to take place, there was a need to separate from the past and restructure the organization. This phase involves significant effort to gain top management support and build buy-in from other levels of the organization. The fourth phase, communicating change strategy, is key to avoid uncertainties, win trust and gain acceptance and institutionalize new practices. Finally, the fifth phase involves focusing on culture integration, staff satisfaction, setting and monitoring targets and performance indicators.

For change practitioners, we recommend that there is no one change management model that fits all organizations. Models should be adapted based on the context of change and other organizational contents such as type of organization, industry, type of crisis, organizational culture and other factors aligning with the need for change. Moreover, this paper highlights the importance of culture integration, communication and new practice stabilization through local culture understanding and tolerance for international companies including M&A firms.

https://doi.org/10.7172/1644-9584.87.3

6. Limitations

Risk of identification led to some decisions regarding the use of company data such as ranking, profit, and other company information. Although we had access to the relevant data, the agreement was to only use data that would not reveal the company and participant identity. Nevertheless, the fact that participants provided information about sensitive issues such as corruption and nepotism practices adds to the reliability of the study.

The use of four cases in one similar industry limits the ability to generalize our findings. Nevertheless, generalizing was not an intention, rather our intention was to ensure transferability of results. The range of change processes presented here is specific to the context of the investigated cases. Thus, we can only assume that these change processes may apply to other change processes in other organizations, both local and international, depending on the context.

Another limitation may be our decision not to interview employees and clients or board members to take their perspective on change processes. For the purpose of this study, we decided to take the perspectives of CEOs who were leading and implementing change in practice. Criteria included years of change implementation, approximately more than two years of strategic change implementation.

This paper is a single-country study, future research may include replicating research in other countries in the Central Eastern European region to compare country-specific versus process-specific observations. Furthermore, an evaluation of how different contents such as type of organization ownership, industry, organization position and performance and leadership approach impact the change process through applying the strategy-as-practice approach may be interesting for further research in the domain of international business. Finally, as an extension to this study, inclusion of employees', board of directors' and clients' perspective on change processes may be a compelling avenue for a future study and may add to the validity of this study.

Acknowledgements

This research received no funds.

References

Balogun, J., & Hope, V. (2007). *Exploring Strategic Change.* FT Prentice Hall.

Batsakis, G., & Singh, S. (2019). Added distance, entry mode choice, and the moderating effect of experience: The case of British MNEs in emerging markets. *Thunderbird International Business Review*, *61*(4), 581–594.

Brouthers, K., & Brouthers, L. (2003). Why service and manufacturing entry mode choices differ: the influence of transaction cost factors, risk and trust. *Journal of Management Studies*, *40*(5), 1179–1204.

Brown, D. (2011). *An experiential approach to organizational development.* Prentice Hall: Pearson Education.

Burgelman, R.A., Floyd, S.W., Laamanen, T., Mantere, S., Vaara, E., & Whittington, R. (2018). Strategy processes and practices: Dialogues and intersections. *Strategic Management*, (39), 531–5. https://doi.org/10.1002/smj.2741.

Burke, W. (2011). A perspective on the field of organization development and change. *The Journal of Applied Behavioral Science, 47*(2), 143–167.

Caprar, D., Devinney, T., Kirkman, B.L., & Caliguiri, P. (2015). Conceptualizing and measuring culture in international business and management: From challenges to potential solutions. *Journal of International Business Studies*, *46*(9), 1011–1027.

Carnall, C. (2003). *Managing Change in Organizations.* FT Prentice Hall.

Charmaz, K. (2006). *Constructing Grounded theory: A practical guide through qualitative analysis.* Sage.

Clandinin, J., & Connelly, M. (2000). *Narrative inquiry:Experience and story in qualitative research*. San Francisco: Simon & Schuster.

Colarelli, S. (2013). Book reviews. *Personnel Psychology*, 785–789.

Dawson, P. (2003). *Understanding organizational change: The contemporary experience of people at work.* London: Sage.

Denis, J., Langley, A., & Roleau, L. (2007). Strategizing in pluralistic contexts: Rethinking theoretical frames. *Human Relations*, *60*(1), 179–215.

Eisenhardt, K., & Martin, J. (2000). Dynamic capabilites: What are they? *Strategic Management Journal*, *21*(10/11), 115–1121.

European Bank for Reconstruction and Development. (2017). *Corporate governance in transition economies: Kosovo country report.* Prishtina: Corporate Governance in Transition Economies: Kosovo Country Report.

Fahy, J., Hooly, G., Cox, T., Beracs, J., Fonfoara, K., & Snoj, B. (2000). The development and impact of market capabilities in Central Europe. *Journal of International Business Studies*, *31*(1), 63–82.

Feldman, M.S. (2004). Resources in emerging structures and processes of change. *Organization Science*, *15*(3), 295–309.

Filatotchev, I., Stephan, J., & Gindra, B. (2008). Ownership structure, strategic controls and export intensity of foreign-invested firms in transition economies. *Journal of International Business Studies*, *39*(7), 1133–1148.

Gashi, P. (2017). Free trade and FDI in Kosovo: Prospects for integration into the EU and Turkish production networks. *Turkish Economic Review*, *4*(1), 86–95.

Hajrizi, E., & Hasani, M. (2013). Kosovo investment climate and foreign investors' perception. *IFAC Proceedings Volumes*, *46*(8), 219–224.

Hendry, J., & Seidl, D. (2003). The structure and significance of strategic episodes: Social systems theory and routine practices of strategic change. *Journal of Management Studies*, *40*(1), 175–196.

Hickman, G. (2010). *Leading Change in Multiple Contexts.* Thousan Oaks: SAGE.

Hofstede, G. (2010). The GLOBE debate: Back to relevance. *Journal of International Business Studies*, *41*(8), 1339–1346.

Hughes, J., & McDonagh, J. (2017). In defence of the case study methodology for research into strategy practice. *Irish Journal of Management*, *36*(2), 129–145. https://doi.org/10.1515/ijm-2017-0013.

Islami, X., Mulolli, E., & Skenderi, N. (2016). Relationship in between FDI Inflow and Economic Growth in Kosovo. *European Journal of Economics and Business Studies*, *4*(1), 49–58.

Jansson, N. (2013). Organizational change as practice: A critical analysis. *Journal of Change Management*, *26*(6), 1003–1019.

Jarzabkowski, P., Balogun, J., & Seidl, D. (2007). Strategizing: The challenges of a practice perspective. *Human Relations*, *60*(1), 5–27.

https://doi.org/10.7172/1644-9584.87.3

Jenkins, R. (2008). *Social identity.* Oxon: Routledge.
Jick, T. (1991). *Note: Implementing change*. Boston: Harvard Business School Press.
Johnson, G., Whittington, R., & Scholes, S. (2014). *Exploring corporate strategy.* Harlow: Financial Times Prentice Hall.
Kanter, R. (1983). *The change masters: Innovation and entrepreneurship in the American corporation.*
Kotter, J. (1996). *Leading change*. Boston, MA: Harvard Business School Press.
Kotter, J. (2007). Leading change: Why transformation efforts fail. *Harvard Business Review*, 1–20.
Kotter, J., & Schlesinger, L. (2008). Choosing strategies for change. *Harvard Business Review*.
Kunisch, S., Bartunek, J., Mueller, J., & Nguen-Huy, Q. (2017). Time in strategic change research. *Academy of Management Annals*, *11*(12), 1005–1064.
Lane, P., Salk, J., & Lyles, M. (2001). Absorptive capacity, learning, and performance in international joint ventures. *Strategic Management Journal*, *22*(12), 1139–1161.
Langley, A. (1999). Strategizing for theorizing from process data. *Academy of Management Review*, *24*(4), 691–710.
Lewin, K. (1951). *Field theory in social science: Selected theoretical papers* (Edited by Dorwin Cartwright). Harpers.
Maire, S., & Collerette, B. (2011). International post-merger integration: Lessons from an integration project in banking sector. *International Journal of Project Management*, *29*(3), 279–294.
Mento, A., Jones, R., & Dirndorefer, W. (2002). A change management process: Grounded in both theory and practice. *Journal of Change Management*, *3*(1), 45–59. https://doi.org/10.1080/714042520.
Meyer, K. (2002). Management challenges in privatization acquisitions in transition economies. *Journal of World Business*, *37*(4), 266–276.
Meyer, K., & Peng, M. (2005). Probing theoretically into Central and Eastern Europe: Transactions, resources, and institutions. *Journal of International Business Studies*, *36*(6), 600–621.
Mulliqi, A., Adnett, N., Hisarciklilar, M., & Rizvanolli, A. (2018). Human capital and international competitiveness in Europe, with special reference to transition economies. *Eastern European Economics*, *56*(6), 541–563.
Newman. (2000). Organizational transformation during institutional upheaval. *Academy of Management Review*, *25*(3), 602–619.
Pettigrew, A., Brignall, T., Harvey, J., & Webb, D. (1999). *The determinants of organizational performance*. University of Warwick.
Pettigrew, A., Ferlie, E., & Mckee, L. (1992). Shaping strategic change – The case of he NHS in the 1980s. *Public Money & Management*, *12*(3), 27–31.
Pettigrew, A., Woodman, R., & Cameron, K. (2001). Studying organizational change and development: Challenges for future research. *Academy of Management Journal*, *44*(4), 697–713.
Quinn, J. (1980). Managing strategic change. *Sloan Management Review*, *21*(4), 320.
Saldaña, J. (2009). *The coding manual for qualitative researchers*. London: Sage Publications.
Seeger, M., Sellnow, T., & Ulmer, R. (1998). Communication, organization and crisis. *Communication Yearbook*, *21*, 2371–275.
Strauss, A., & Corbin, J. (1998). *Basics of qualitative research:Procedures and techniques for developing grounded theory.* CA: SAGE.
Uhlenbruck, K., Meyer, K., & Hitt, M. (2003). Organizational transformation in transition economies: Resource-based and organizational learning perspectives. *Journal of Mangement Studies*, *40*(2), 257–282.
Ulrik, K. (2012). The anthropology of nepotism;Social distance and reciprocity in organizations in developing countries. *International Journal of Cross Cultural Management*, *12*(2), 247–265.

Vaara, E., & Whittington, R. (2012). Strategy-as-practice: Taking social practices seriously. *Academy of Management Annals*, *6*(1), 1–52.
Van De Ven, A., & Poole, S. (1995). Explaining development and change in organizations. *Academy of Management Review*, *20*(3), 510–540.
Vlajcic, D., Caputo, A., Marzi, G., & Dabic, M. (2019). Expatriates managers' cultural intelligence as promoter of knowledge transfer in multinational companies. *Journal of Business Research*, *94*, 367–377.
Wenger, E. (1999). *Communities of practice: Learning, meaning, and identity*. Cambridge University Press.
Whittington, R. (1996). Strategy as practice. *Long Range Planning*, *29*(5), 731–735.
Whittington, R. (2004). Strategy after modernism: Recovering practice. *European Management Review*, *1*(1), 1–4. https://doi.org/10.1057/palgrave.emr.1500006.
Yin, R.K. (2003). *Case study research: Design and methods* (3rd ed.). London: Sage Publication.
Zhou, Z., Tse, D., & Li, J. (2006). Organizational changes in emerging economies: Drivers and consequences. *Journal of International Business Studies*, *37*(2), 248–263.

https://doi.org/10.7172/1644-9584.87.3