

Executive he expects
to face any
resistance. in

[Business](#), [Accounting](#)



Executive summary: James Pierce, newly appointed general manager of the Jackson plant of the Rose Company, have responsibilities of achieving cost effective production with keeping high quality by implementing new methods of production prior to starting new plant through testing the value of a decentralized operation.

He has capabilities and personalities which suitable for leading change, however, does not have a concrete power, network in this plant, expertise in production, and he expects to face any resistance. In this situation, he tries to implement the change to build a strong relationship with empowered followers while controlling the power of resistance by January 2019.

Situational Analysis: James Pierce has just been assigned as a general manager of Jackson plant, established units of the Rose Company. Pierce would have responsibility for the management and administration of all functions and personnel, except sales, at the Jackson plant.

Pierce will require setting a goal for the organization change, and the strategy to aim the goal first. Therefore, Pierce will require the situation analysis with various data, having a communication well with management, middle managers, and employees to find recent issues and problems. After all, Pierce will realize that the key success factor will be to obtain the agreement of cooperation with people to move forward the change on time schedule.

Pierce will analyze the situation, problems, and solution alternatives. Lastly, Pierce will set a solution and its implementations. To analyze the situation, first, Pierce has analyzed the Jackson plant, he has focused on the report line and the organizational structure. The manufacturing operations and certain

other departments have been under the supervision and control of a senior vice president.

The company has operated a highly centralized and functional type of manufacturing organization for a long time. There was no general manager at any plant at all. Each of the departments in the plant has reported on a line basis its functional counterpart at the home office.

Second, the top management of the Rose Company has concerned regarding the advisability of the central control of manufacturing operations. The officers have decided to test the value of decentralized operation at the Jackson plant because the record of the Jackson plant has not been satisfactory for several years. Therefore, the board member apparently has believed that the general manager at Jackson plant will be needed to know if the new experiment in manufacturing methods and the required rebuilding of the organization will succeed. This is the reason why Pierce has been assigned as a general manager.

Meanwhile, the Rose board has approved the erection of a new plant in a different part of the city and the use of new methods of production recently. Both lower costs of processing and reduced manpower requirements have been needed to maintain competitive leadership and gain some slight product advantage. Hence, the goal of Pierce is the success of the decentralized factory to reduce the cost. Pierce will require providing the strategy as soon as possible after the situation analysis, having a communication well with the management, the middle managers, and the employees to find recent issues and problems. The new decentralized factory

would be favorable for the board members. To meet the goal, Pierce could delegate the tasks to managers with setting the time schedule. Considering these situations, the urgency pace of change should be urgent.

In addition, Pierce requires to know himself because he requires delegating the tasks to relevant vice presidents and managers efficiently. Therefore, here in the situation analysis requires the assessment of Pierce's strength and weakness because Pierce needs to know his own capability and capacity to obtain the agreement to collaborate with people. According to the top management, Pierce's strength will be the analytical capability, the general administrative capacity, and he will be liked by people. In addition, the toughness, the ability to achievement for the important tasks, the improvement of the efficiency and the aggressiveness to reach the goal are highly suitable as a general manager.

On the other hand, he used to be an accounting executive in the controller's department of this company, therefore, there is no experience such assignment in his business life. In addition, since he is too aggressive to achieve the goal and he has no connection with Jackson plant, it is possible that the employees of the plant would not accept Pierce's way as a perfectionist. According to Professor Kainen's Lecture Note, a method for making change is to see the need ahead of time and make the adjustments necessary. This requires more skill on the part of managers. It requires them to convert the outside pressure into a "force" for change that has direction and speed. To be successful at this conversion process, managers need two things: (1) Analytic ability - Analytic ability allows them to diagnose the

problem and create a solution (change), and (2) Power - Power gives them the capability to implement the change. Power is required to get things done.

This applies to both the management operational responsibilities, and the management of change. However, to be effective managers must supplement their power with COMPETENCE, TRUST, AND LEADERSHIP. *1 It means Pierce's characteristics are highly suitable for a general manager to change the organization because he has both the analytic ability and the power to aim the goal to change.

However, he requires the agreement of the cooperation with the employees especially vice presidents and managers obviously. Problem analysis: The most critical issues of this change are the existence of resistances which might impede his success and Pierce does not have a plan for that. Pierce also does not have all power control since some of the vice presidents does not allow Pierce to have total control and discretion in the new system. As a result, there are two different patterns of relationship between the plant and home office and it will cause conflict between Pierce and middle managers who still connect with those vice presidents.

In addition, there might be other potential issues and resisters which have not been determined or discussed yet. Considering these situations, he needs to provide the strategy to make a success as soon as possible. Without solving the critical issues, the change cannot proceed. As we mentioned in situational analysis, to make a success of the change, a manager should have Analytic ability and Power. Pierce has a leadership and his strength of analytical ability. For his powers, he has authority as a general manager,

responsibility for rewarding, connection with home office, emphasized as company's efficiency expert, and his character of toughness, aggressive in reaching the set goals.

His credibility and reputation from other people are also well. However, his weaknesses might affect negatively accomplishment of the goal. For example, he has less power in his network since he is almost unacquainted with anyone in Jackson plant.

Also, this is his first assignment as a major line job. Therefore, his power as the expert is weak. There are some resistances which we can be considered as potential issues in implementing the change.

One resistance will happen in the implementation phase. It is that the change or another decision making may be delayed by vice presidents. They basically will not have the direct control of Jackson plant in the new structure. However, as Larry E. Greiner (1998) states, it is difficult for top-level managers who previously were successful at being directive to give up responsibility to lower-level managers. *2 In fact, some of them are going to remain their direct connection with plant-level managers as a dotted line. This may allow meddling of vice presidents, and accordingly, the transformation will be delayed or not happen. Another issue will happen in the planning phase.

The absence of proper person of The RAPID Decision model *3 (Rogers & Blenko, 2005) would cause reverse to the current system from the new system. The new plan tries to aim to the decentralized organization but

there are resistances who would like to maintain current centralized model. The implementation of the new system for Jackson plant might fail or delay if Pierce does not have the person who can get agreement and input properly with vice presidents who disagree with decentralized relationships. Therefore, he should have a good communication and develop positive supports with management, middle managers, and employees to support his change. As a problem recap, Pierce does not have a complete power to lead the change by himself due to company's structure and his lack of expertise. Furthermore, it is likely to be expected to be resistance from middle managers (in Jackson plant) who have the dot-connection with the vice presidents in head office.

Alternative Solutions: Option 1: Pierce has the weak internal connection in the plant. The decision making for the new implementation will be done by top management and it means that he cannot handle the new organization Chart's implementation by himself. Therefore, he needs to establish the strong relationship with high-level-power who would support his plan by having accurate situational analysis, well communications, and report of current situations of the middle managers and employees.

In addition, in order to lead the change, Pierce should build a firm relationship with as many middle managers as possible in Jackson plant by letting understand the necessity in change and controlling their rewards and goals, then creating change-leading team. In doing so, Pierce should control all of the plant employees by fostering a sense of participation. Pros: • Pierce can avoid resistance reaction because people do not fight back against

many managements who have high-level powers. • Pierce can provide the report with the specific date to the top management so that credibility of him will be increased. • By creating a change-leading team, Pierce can catch up lack of expertise, influences, and network. Cons: • Pierce might get a poor evaluation from other managements because Pierce does not solve the problem by himself.

- Pierce might not get centrality due to relying solely on higher-level power.

Implementing procedure is complicated and it holds the key to success.

Option 2: Create “small” project team and Utilize subsidiary compensation system. Small project team which is composed of some members belonged to different departments.

The purpose is to “cast” Pierce in the role of General Manager. The small project team must require “inter-department adjust function.” Therefore, the position of General Manager is inevitably emphasized.

In addition, Pierce should prepare for subsidiary compensation system to boost tasks of the small project team. Pros: • Employees cannot help utilizing New Organization Chart. • Employees can obtain opportunities to communicate with other departments directly without attaching the most important to each department’s vicepresidents. Cons: • Employees might do additional works due to the small project team. • Management cost might be increased because of inter-department.

Option 3: Connecting the change progress directly with evaluation of the plant level managers can be considered. In other words, he can use

rewards such as bonus and promotion to motivate the managers. Pros: • It is easy to implement since Pierce already has the right to do it. • It does not take time for building a relationship is not required. • It can be a great motivation since money and honor are commonly valuable. Cons: • This is kind of a cool approach. Thus, it may not build a real trust between him and the managers.

Recommended Solution We recommend Option 1. Pierce can avoid resistances and achieve the organizational change by utilizing commitment of top executive and by obtaining powerful driving force from a bottom-up approach. To impose the change, Pierce should create people will be under a mood of the pressure, but at the current moment, it has not happened severe problem which is visible for employees. In this situation, the pressure which can foster the necessity for change is considered as power from the top management.

Furthermore, Pierce does not have enough power officially and unofficially to completely control his followers. The power from top management will make the effectiveness of resistances weak and move on to the change. In addition, by following steps involving major design change *4 (Goold & Campbell, 2002), he needs to assign new role and responsibility for the new units with the best person who would move the change forward. By assigning the appropriate person who would support Pierce's assignment, it should minimize the risk of resistance in the future. To drive the change forward, Pierce cannot achieve it by oneself. His role is to create an organization with

voluntary cooperation by letting all of the employees share the same objective and motivating them through empowering.

In this case, As Todd Jick(1991) noted, Pierce should design a gradual non-threatening and, preferably, participative implementation process including the following tactics; Explain change plans fully, Skillfully present plans, Make information readily available, Make sure plans include benefits for end users and for the corporation, Spend extra time talking, Ask for additional feedback from the workforce, Start small and simple, Arrange for a quick, positive, visible payoff, Publicize successes. *5 To build the relationship with as many as middle managers and create a propulsive change-leading team, First, Pierce should communicate with all of the employees in Jackson plant and tell the necessity of change and call for cooperation. Second, he should hold a meeting with candidates, do the evaluation and identify proper persons who meet his requirement of passion for change and agree on the importance of change to decentralize. Then, create the team of leader by electing the leader from each department and foster voluntary cooperation by empowering while making consensus in the leaders' meeting.

Creating the team of leader also can catch up his lack of expertise in production processes and human network. As stated above, Pierce can have a concrete power to lead the change, networks in this plant, and expertise in production. Implementation: From our analysis above, Pierce should implement the change with " Top-commitment" and " Leadership" in the following timeline to meet the goal, which is the decentralized plant by January 2019 (we make this implementation plan

under the assumption start from January 2018 and complete one-year time frame)(1) Every time until January 2019: Using top manager's power for decreasing Pierce's resistances. For instance, if one resistance interrupts his action, he makes the top control the resistance.(2) Every time until January 2019: Communicating with employees for establishing a rapport. For example, he holds a lunch meeting once a week and has a frank heart-to-heart talk.

(3) January 2018: Electing project leaders from each segment.(4) February 2018- March 2018: Opening a meeting for project leaders and defining the strategy through the discussion.(5) April 2018- May 2018: Asking leaders to settle each segment's final goal and their short objectives for attaining the goal.(6) May 2018-June 2018: Defining the policy and the schedule of the action in the meeting.

(7) June 2018 -January 2019: Opening the conference with leaders for confirming project leaders' process reports once a month. If he finds out that they cannot proceed with their strategy in the meeting, Pierce makes leaders explain why they cannot succeed with the plan as scheduled and how they will improve it.