

# Change management within cadbury schweppes



**ASSIGN  
BUSTER**

In today's changing and vague environment, challenges and ambiguities are growing in the market (Boatright, 2007). Globalization and rapid technological advancement placed organizations under immense pressure and necessity to cope with changes in the market. If organizations seek to avoid risks, then they must be prepared to make the required management changes that preserve their position in the market (Stanleigh, 2008).

If planned effectively, change will turn a key success factor. Organizations can't implement the change without planning. In fact, change must be realistic, achievable and measurable. Therefore, organizations must allocate and align all needed resources and capabilities for the project.

In late 2003, Cadbury Schweppes, an international confectionery and beverage company, began working with Future Considerations, a management consultancy, to develop a new corporate social responsibility (CSR) learning tool. This tool was designed to make a change in corporate values and move them from booklets and posters into processes, actions plans and culture change inside and outside the company. Thus, this was considered a priority on the desk of the board room of Cadbury and all managers and stakeholders were prepared and engaged in order to adapt the change challenge.

This study will examine thoroughly how Cadbury successfully managed this change and prepared the appropriate and suitable capabilities and resources and educate the company, especially their senior managers and employees, about CSR. However, we will start by literature review section about change management and its drivers, key success factors and approaches to make

the change a successful project. Then, a brief summary about the case that we are studying-Cadbury Schweppes- will be presented. Finally, a conclusion summarizing the key points in the case and lessons learnt will be offered.

## **Literature Review**

To start, defining any concept in the area of research and academic work is indeed the first step before moving and discussing the framework and applications and the concept of change management is no exception. Thus, it is important to define what is meant by change management and how can we tell that a certain managerial project is a change or not. Making this differentiation unambiguous from the beginning is pivotal in order allocate the needed capabilities, communication plans and managerial tools and avoid wasting time and resources. For the purposes of Cadbury Schweppes case study, change management is defined as a set of organizational methods and procedures used for effective and prompt handling of change (ITIL, 2000) in the way the business operates and its management approaches (Worren, Ruddle and Moore, 1999). In fact, change management is a discipline that prepares and endures that organizations meet new or existing management objective in a rapid and effective way. To do so, the most appropriate management tools and communication facilities are chosen in order to help the organization, including managers and employees, create the “ right management disciplines and processes, organization structures, culture, competencies and capability for superior human performance so that change goals are achieved and sustained” (Worren et al., 1999, p. 277).

Drawing on this conception and understand of change management, two important concepts are identified. The first concept is the importance of human performance in change management; thus the organization must prepare the necessary tool, resources and capabilities to increase the contribution and readiness of its managers and employees to adapt the change and build the human performance in their organizations (Michael and James, 1993). The second concept relates to the importance of stakeholders' awareness; therefore it is important to help stakeholders who are engaged and affected by the change to determine ways to manage the change process effectively to ensure this occurs.

In order to understand more change management, we need to shed light on the drives that make a company decide to employ the change. According to Stanleigh (2008), the following are some drivers:

Decisions of mergers and acquisitions with other companies

Innovation

Adapting new business concept

Advent in technology and the need to deploy a new technology

Restructuring the organization (downsizing)

Globalization

Expansion and growth

Any of these drivers leads to a change in the way companies' management approaches and the way they perform and do their business activities.

These drivers are then translated into business objectives. So, for example, if a certain company decided to adopt a new technology then adopting this new technology is the objective under which it should prepare the appropriate management tool and project in order to meet the objectives of the change (Storey, 2001).

After defining change management as a concept and examining the drivers of the change, it is important to know to answer a very important question: What makes a change project successful? The literature is full of information, best practices and implementation guidelines (Beardwell and Claydon, 2007, Schuler and Jackson, 2006, Storey, 1989) that should be followed in order to manage the change and obtain the foundations for success. However, for the purposes of the Cadbury Schweppes case study we will highlight the relevant success factors of a change tool. According to Salaman, Storey and Billsberry (2005) and Kotter and Change (1995), the following factors, which can be used as an approach for successful change, are keys for successful implementing change management:

Setting a clear vision and objectives for the change

Planning and programming

Senior and top management determination

Engaging managers and employees

Managing change at all departments

<https://assignbuster.com/change-management-within-cadbury-schweppes/>

Telling the organization the benefits of the change

Working with staffs in teams on the change program and expecting change to occur

Giving time for staff to vent first and then change

As it appears clear, a clear vision and objectives at early stages of the change are essential since they are predetermined for change tools and processes. In order to emphasize more the centrality of the vision and objective in any change, we will use here the works of Kotter and Change (1995), leader authors in the area of change management. According to them, “ a vision always goes beyond the numbers that are typically found in five-year plans. A vision says something that helps clarify the direction in which an organization needs to move”.

Themes of engagement and effective communication are also important for change management as explained in factors of successful change. It is impossible for the change to achieve its objectives unless managers and employees are motivated to contribute and help. Managers and employees will not make the needed sacrifices unless they believe in the benefits of the change. Here comes the role of the organization, especially the team responsible for implementing the tool for change management, to launch a credible communication that gain the hearts and mind of managers and employees (Ulrich, 1997).

To recapture, clear vision, well articulated plans and effective communication are all what a change is about (Ulrich and Beatty, 2001). The

<https://assignbuster.com/change-management-within-cadbury-schweppes/>

aims and objectives of the change project have to be clear and transparent. In addition, need resources, teams and capabilities should be allocated. The company managing the change must be learning company. It must accumulate its experiences and benefit from other companies who failed or successes in their change project in order to avoid sources of failure and adopt factors of success. In the following section, a good example of successful change management tool, namely Working Better Together CSR tool, created and implemented by Cadbury Schweppes will be offered.

### **The Case: Cadbury Schweppes**

Cadbury is a leading global confectionery company with an outstanding portfolio of chocolate, gum and candy brands. We create brands people love – brands like Cadbury, Trident and Halls. The company's heritage starts back in 1824 when John Cadbury opened a shop in Birmingham selling cocoa and chocolate. Since then the company have expanded its business throughout the world by a programme of organic and acquisition led growth (Cadbury Schweppes, 2009).

On 7 May 2008, the separation of the company's confectionery and Americas Beverages businesses was completed creating Cadbury plc with a vision to be the world's biggest and best confectionery company.

The strategy at Cadbury Schweppes is clear. The company believes that the business still has significant untapped potential – both in terms of top line growth and returns. By exploiting the strength of its leadership positions to continue to grow its market share and significantly increase its margins and

returns, the company aims to achieve its vision of becoming the biggest and best confectionery company in the world (Cadbury Schweppes, 2009).

In addition to the strategy, Cadbury Schweppes is keen to maintain its special and unique culture in order to achieve its objectives. The company is led by its performance driven values. The key success factors are: a clear vision, performance scorecard, priorities and sustainable commitment. As a culture the company value performance, quality, respect, integrity and responsibility (Young, 2006). The company works as one team across geographic and functional boundaries to be the best. The company works hard and have fun along the way. This requires from the company to listen to its consumers, customers, suppliers, shareowners, colleagues and communities. Understanding and responding to their need is the driver of the sustained success of the company. The company believes that doing good is good for business (Cadbury Schweppes, 2009). This belief is at the heart of the way the company works today and will remain as key to its future success.

### **Origin of the Change, Setting objective and Planning the CSR New Tool**

As mentioned in the introduction, Cadbury Schweppes's new project included the development and introduction of a new learning tool which required a change in the way the company operates and does its business (see figure 1). The title of this project was " Working Better Together" a kit of 50 organizational development tools.

Figure 1 Working Better Together Template Adapted from (Young, 2006)



In fact, the aim of the company from this transformational project was to build collaborative behaviour among different departments inside the company and across all its stores and offices in different countries especially US and UK (Vogel, 2005). In addition, this collaboration includes communication and engagement of the company's stakeholders in order to teach them that CSR is integral and cornerstone for the company's business and the way it deals with its stakeholders.

In brief the main objective of the change project at Cadbury Schweppes is to make the company socially responsible in everything it does. At the heart of this project is the commitment of the company to foster the notion of CSR which is a key to Working Better Together. This is the vision of the company and the general objective under which the whole changing process and application phase will work. Thus, we need know to examine how Cadbury Schweppes translated this vision into action and achieved its objective.

The first name given to the tool was “ Ethical Risk” in order to respond to the challenges facing CSR. At early stages, a team of 50 most senior HR and CSR managers was formulated to manage the change project (Young, 2006). The first thing this team did was to change the name of the tool which was rebranded the “ CSR Living Our Values Learning Tool” to reflect the interrelation and synergies between CSR and Cadbury Schweppes's values (Sharma et al., 2009). Then, CSR at the company was defined by five main pillars:

Human rights and employment standards

Ethical responsibilities

<https://assignbuster.com/change-management-within-cadbury-schweppes/>

Marketing, food and consumer issues

Environmental, health and safety responsibilities

Community relationship

This HR-CSR joint team recognized that the tool needed development in order to engage the whole organization especially line managers and employees. In the following section we will explain how Cadbury Schweppes prepared the organization for the change and what tools did the company use to successfully implement the project.

## **Implementation Phase**

### **Employee Engagement**

Employee engagement and contribution to CSR (Davis, 1973, Frederick, 1994, Lantos, 2001, Orlitzky, 2000, Porter and Kramer, 2006), which is intrinsic to the values by which any company does business, was priority Cadbury Schweppes. In fact, employees engagement and raising their readiness for the change is essential part of any change project (Buyens and De Vos, 2001). In light of this understanding, the company formulated a team activity around values-based decisions. The main task for this team is to consult employees in relation to what are the best CSR programs, ideas and initiatives that provide the framework to integrate the company's values into its practices, culture, values and daily activities (Young, 2006, Sharma et al., 2009). Also, the team discussed real and relevant business issues including making decisions about products and marketing. The company felt that in order for the change to be implemented successfully, its employees must be

aware of the projects and what are CSR's objectives and why the company is adopting this concept.

## **Engaging senior managers**

The HR-CSR joint team lunched a series of meetings with senior managers at Cadbury Schweppes. The aim was to educate them and raise their awareness toward the five CSR pillars and study the role and contribution of senior managers at the company in embedding CSR into their departments in collaboration with all other departments (Young, 2006). All departments are working under the umbrella of CSR. The HR-CSR team worked in practice with all senior managers on the tool and showed them how it should be applied. This practical insight provided engaged managers more effectively than any other theoretical description through a seminar or booklet. In addition, the team was keen to get a feedback from senior managers on the practicability of the tool and areas of improvement (Vogel, 2005).

In fact, the HR-CSR team succeeded to choose the appropriate and mostly effective means of communication. It is important to note here that the mean of communicate that a company encompass is decisive in any change project (Hemingway and Maclagan, 2004). It is highly recommended to couple practical exercise with theoretical aspects of any learning tool.

## **Learning design**

Following the feedback obtained from employee teams and series of meeting with senior manager, many refinements were made to the learning tool. The competitive nature of the tool was toned. So, instead of assigning CSR pillars, the tool ranked the possible answers to CSR issues from most to least

preferred. This refinement and change deepened the dialogues and prompt the possibility to weight one option against another (Said, Zainuddin and Haron, 2009).

### **Flexible application**

The key of having this tool was flexibility. At Cadbury Schweppes, the CSR tool was not just used by managers and within all departments but also with local, functional, leadership teams and new hires in induction programs. In addition, the tool was used with a procurement team and served the original CSR objectives. Thus, the flexibility of the tool makes the change flexible not rigid. This dimension is very important in change management because if the change was static this could restrain its applicability to very specific context and limit the effect of the change and the success of the project. In Cadbury Schweppes's case, the CSR tool was applied and adapted in different contexts (Said et al., 2009). For example, HR discloses CSR report to employees and they are asked to sign the statement of business principle and track its adherence. Also, HR used the CSR tool to embeds CSR in the culture of the organization (Young, 2006). This is how the change is translated into different organizational process, policies and practices.

### **Partnership in change management: HR and CSR**

The training and communication facilities used to instil the CSR culture among employees, line managers and the entire Cadbury Schweppes's company is indeed a neat example of how the partnership between the CSR and HR department is key a success factor in managing change. Make employees learn and practice CSR activities was the role of HR, while the CRS department helped to define what CSR priorities and pillars. The training

<https://assignbuster.com/change-management-within-cadbury-schweppes/>

of employees through “ CSR Living Our Values Learning Tool” at Cadbury Schweppes is a good example of partnership between HR and CSR (Sharma, Sharma and Devi 2009). Later the HR department included social responsibility in the latest management development initiatives like the global “ Passion for People” management skills programme.

## **Conclusion**

To conclude, Cadbury Schweppes’s new learning succeeded to achieve its objective. However, behind this success is well articulated and synthesized change management. Themes of communication, plans, feedback, collaboration, engagement, refinement, flexibility and partnership are indeed the secret behind this success. All these themes are needed and necessary in any project aiming to change behaviours, values and traditional management approaches. The whole organization must be informed about the change (Hemingway and Maclagan, 2004) because, by way of example, the contribution of employees and potential ideas and skills they offer should not be undermined. Any change without employee engagement and contribution runs the risk of sustainability and long-term survival (Amabile and Conti, 1999, Grant, 2002, Kotter and Change, 1995, Stanleigh, 2008).