

# Good managing strategic change case study example

[Business](#), [Management](#)



## **Introduction**

Change has become important in this highly competitive and complex business environment (Burnes, 2004). Businesses face many issues and to management these issues; it is important to implement change. Thus, it is critical and decisive for businesses to continuously evaluate the business environment and initiate change to manage the situation and changing business environment (Anderson, 2010).

This report presents an analysis of one such organization, Wakewood, that is facing several issues, and the organization needs to initiate change. For this, there are a number of resistance and issues that the organization is facing including organizational culture, leadership style, organizational structure and resistance of employees for implementing the change. Therefore, this report presents the strategy that the company must use to implement and foster the change. The strategy discusses important aspects such as leadership style that the management must use in order to implement the change properly along with the changes in organizational culture and organizational structure that the organization must implement to foster the change. In addition to this, change management plan is also presented using the Kotter 8 steps of effective change management.

## **Current situation of Wakewood**

Wakewood is facing several issues. These issues can be categorized as internal issues and external issues. Internal issues that have significantly impact the business include;

- Poor morale and motivation level of employees

- Lack of experience to implement and use new technology
- Poor managerial skills as the focus has been on cost controlling
- Productivity has been low
- Fear for change

On the other hand, the organization is facing issues from the external environment as well. The major external pressures that Wakewood is facing are:

- Increase in dissatisfaction of customers
- Competition is increasing
- Cost is increasing drastically
- New technology to be implemented

Considering these internal and external pressures and issues that the company is facing, it is critical that the company must undergo a change process. This change must be managed appropriately in order to overcome these pressures. It is important to define and formulate the objectives of the change management process to evaluate whether the change is successful or not. Thus, the following objectives have been formulated for this change management process:

## **Strategy for implementing and managing the change**

### Leadership style

Leadership style has a significant impact on how the organization runs and how employees behave. Leaders are the main personality that everyone in the organizations looks at to solve any issue and to guide them in every situation. One of the major issues that the company is facing is about the

leadership style. Chief executive of Wakewood has not been able to devote sufficient time to this unit. On the other hand, the general manager who is responsible for this unit has a different style of leadership. Even though, he has been working with the organization for last 18 years, but his style and approach is more focused towards cost controlling and activities tightly. He believes that this strategy is important in developing an efficient and professional team. In doing so, he has paid very little attention in satisfying the customers and in understanding the needs and wants of the customers. Moreover, the department is not managing and handling the customers well, and this is further hurting the image of the organization. This approach reflects that the general manager has adapted an authoritarian leadership. In authoritarian leadership style, the focus of leaders is to have a tight control over the costs and business processes (Northouse, 2012).

The leadership style and approach have to be changed if the organization wants to be successful. The general manager has to focus on customer satisfaction rather than cost cutting. Organization needs to understand what the customers are looking for and then modify the products and services accordingly. If the organization stops thinking about the customer and starts focusing on controlling costs and activities, then it would ruin the unit of organization in the long run. General Manager has to change his leadership style from authoritarian to democratic leadership style. Democratic leadership style will allow everyone in the organization to get involved in the decision making process (Hackman, & Johnson, 2004) and thus, it will motivate the employees in the organization. In addition to this, when democratic style of leadership will be implemented then different employees

will share their views, and this will help in solving the problems. Thus, change in the leadership style of the general manager change can have significant impact in achieving the desired results.

## **Organizational Culture**

Organization needs to improve the current technology they are using and how they are using it. Advancement in technology can help in improving the overall processes and in increasing the productivity of the organization. The unit has deployed the technology; however, the progress has been slow.

Technology can help the organization in increasing the productivity that will lead to reduction in the costs. If employees in the organization are resisting this change in technology, then the management must ask them the factors that are resisting them. Moreover, these resistant factors should be managed, and they should be communicated properly to overcome these challenges. In an environment where the organization is facing pressure from increasing cost, then productivity enhancement can be critical in such situation. Therefore, the organization should start training employees to make the most of the technology implemented in the organization.

In addition to this, it has been found that the unit is not focusing on the needs of the customers. An organization cannot survive or succeed in the long run if it does not offer products or services considering the needs of the customers. Organizational culture has an important role in defining the focus and priorities of the management. Thus, organizational culture and the leadership style of the unit should be changed and the focus should be on customer satisfaction. Customer satisfaction will lead to more long term

customers which will help the organization in generating long term profits. Thus, to satisfy the customers the management should not only modify the offerings considering the needs of the customers, but they should also train employees particularly employees that deal with the customers to manage and satisfy them.

## **Organizational structure**

The other important strategy to manage this change process is to change the organizational structure. The company should restructure its organizational structure and should implement a divisional structure (Jackson, Schuler, & Werner, 2009). Divisional structure is an organizational structure in which the organization is divided on the basis of products or markets the company offers or caters. Divisional structure has a number of benefits that the organization can capitalize. These benefits include:

- Each division can emphasize on the customer needs of that particular product or service or market
- The performance of each division can be measured and monitored. Thus, decisions can be made whether the division is profitable enough, or the management should come up with a new change policy.
- This structure helps the top management to formulate on overall strategies and let the divisional head manage the divisions.
- Each division can focus on their own targets; thus, it will help the organization to improve its sales and profitability (Jones, 2010).
- The organization can add more divisions or similarly divest its divisions without changing the basic organizational structure (Jones, 2010).

Thus, changing the organizational structure will be helpful in focusing on the customer needs, on increasing the customer satisfaction, increasing the productivity and performance of the unit, and managing the competition in a better way.

## **Change management plan**

A proper change management plan is significant in managing the change and achieving the objectives of the change (Balogun, and Hailey, 1999). John Kotter has presented a change management plan model that has been widely used and accepted. Kotter (2006) presented the change management plan model which is used and applied on this scenario.

### **Step 1: Sense of Urgency**

The first step is to identify the reason for the change and what opportunities and threats the company are facing that are encouraging the organization to implement the change. The issues faced by Wakewood include; low productivity, poor performance, increasing costs, increasing pressures from competitors, low morale of employees, fear for change, dissatisfaction of customers and new technology not being used properly. Thus, to manage these issues and pressures, Wakewood needs to manage the change process properly.

### **Step 2: Create a coalition:**

This step is to convince people that the change is important and necessary. Wakewood should try to convince people by communicating the reasons for implementing the change. The management must communicate that change

will be able to overcome these issues and thus, it will help the organization in improving its profitability.

### **Step 3: Creating a vision for the change**

Every change is implemented with a vision (Martin, 2006). Vision will help the management to know and identify what they want to achieve (Kotter, 2007). Wakewood wants to improve the customer satisfaction level of the unit and for this reason; the management is implementing the change.

### **Step 4: Sharing The Vision**

The management of Wakewood must communicate this vision to everyone so that employees and other stakeholders also welcome the change.

Moreover, by creating and communicating the vision, stakeholders will know that Wakewood wants to increase the customer satisfaction level. Thus, it will help in reducing the resistance for change.

### **Step 5: Removing the obstacles**

Once the vision has been communicated and shared, the management must try to identify the obstacles that could resist the change. Once obstacles are identified, the management must try to formulate strategies to remove the obstacles (Kotter, 2006). For instance, by implementing a new organizational structure some employees may fear and would resist because they would feel that they may lose their jobs. So the management must try to communicate that the organization will not fire any employee. Thus, such strategies can be helpful in removing the obstacles.



## **Step 6: Create short term wins**

The management of Wakewood should make short term goals as well as long-term goals of this change management plan. Creation of short-term goals will help the management to identify whether the change is going in the right direction or not. Thus, it can be motivating for the employees and other stakeholders.

## **Step 7: Build on the change**

If the management achieves its short-term goals, then the management must not declare that the change is successful. Change is a long process and thus, one should not get relaxed at the early stage as this could influence the success of the change.

## **Step 8: Anchor the change in the organizational culture**

The management must make this change a part of the organizational culture to make the change successful (Kotter, 2006). Wakewood should ensure that the change is implemented properly and should make continuous efforts to see whether the change is implemented throughout the unit or the organization. This strategy will help in applying the change in the organization and making the change as successful.

## **Conclusion**

Change is evitable. Change is critical for the success of the organization (Senior, and Swailes, 2010). Wakewood is facing numerous pressures and overcoming these pressures the organization must implement the change. The report has presented strategies for managing the change properly.

Kotter's 8-step change management model is also used in the report to formulate the change management strategy and to make the change management plan successful.

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