

# [Change management in sony pictures management essay](https://assignbuster.com/change-management-in-sony-pictures-management-essay/)

In 2008 Amy Pascal (Co-Chairman, Sony Pictures Entertainment, Chairman, Motion Picture Group, Sony Pictures Entertainment) and Michael Lynton (Chairman & CEO, Sony Pictures Entertainment) engaged The Energy Project as a part of an effort to create a culture in which employees felt energetic and excited about coming to work every day. Beginning with the senior team, our facilitators delivered our curriculum to some 500 managers and leaders. More than 90% said it has helped them bring more energy to work every day. Almost 88% felt that it has made them more focused and productive. We trained more than a dozen Sony internal facilitators to deliver our work, and by April 2010, some version of our curriculum will have been delivered to all 5500 Sony Pictures employees around the world.  In the midst of a severe recession, and a dramatic industry-wide decline in DVD sales, Sony expects to record one of its most profitable years ever in the fiscal year ending March 2009.

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INTRODUCTION

Sony Pictures Entertainment (SPE) was formerly known as Columbia pictures entertainment, headquartered in Culver City, CALIFORNIA. The company was founded in 1987 and it was renamed Sony pictures entertainment in 1991. It is a subsidiary of Sony Corporation of America (SCA), a subsidiary of Tokyo-based Sony Corporation. SPE’s global operations encompass motion picture production and distribution; television production and distribution; digital content creation and distribution; worldwide channel investments; home entertainment acquisition and distribution; operation of studio facilities; development of new entertainment products, services and technologies; and distribution of entertainment in more than 140 countries. The company’s slogan is Sony like no other. SPE recorded total sales of $7. 6 billion for fiscal year ended March 31, 2010. Key people of SONY PICTURES are Howard Stringer (Chairman, President and CEO of Sony Corporation), Michael Lynton (Chairman & CEO, Sony Pictures Entertainment), Amy Pascal (Co-Chairman, Sony Pictures Entertainment, Chairman, Motion Picture Group, Sony Pictures Entertainment), Jeff Blake (Vice Chairman, Sony Pictures Entertainment).

Sony Pictures Plaza in Culver City, California

LITERATURE REVIEW

CHANGE:

Change is all around us in different types and categories; it can be brought by us or can come in any way to us.

Change is the way through which future enters your life.

“ Future is coming fast; we cannot predict but only react when we face it”.

Steven Kerr

Why change management?

Changes can come yourself or it can come in ways that give you little choice about its what, when, and how. Fighting against change slows it down or diverts it, but it won’t stop it however. If you wish to succeed in this rapidly changing new world “ you must learn to look on change as a friend – one who presents you with an opportunity for growth and improvement.”

The rate of change in today’s world is constantly increasing. Everything that exists is getting old, wearing out and should be replaced. “ Revolutionary technologies, consolidation, well-funded new competition, unpredictable customers, and a quickening in the pace of change hurled unfamiliar conditions at management.”

Realities of Today’s World

The magnitude of today’s environmental, competitive, and global market change is unprecedented. It’s a very interesting and exciting world, but it’s also volatile and chaotic:

Volatility describes the economy’s rate of change: extremely fast, with explosive upsurges and sudden downturns.

Chaos describes the direction of the economy’s changes: we’re not sure exactly where we’re headed, but we are swinging between the various alternatives at a very high speed.

To cope with an unpredictable world you must build an enormous amount of flexibility into your organization. While you cannot predict the future, you can get a handle on trends, which is a way to take advantage of change and convert risks into opportunities.

DISCUSSION OF CHANGE MANAGEMENT THEORIES

Plan Do Check Act

Plan, Do, Check, Act is a cycle of activities designed to drive continuous improvement. Initially implemented in manufacturing, it has broad applicability in business. First developed by Walter Shewhart, it was popularized by Edwards Deming. It originated in the 1920s with the eminent statistics expert Mr. Walter A. Shewhart, who introduced the concept of PLAN, DO and SEE. The late Total Quality Management (TQM) guru and renowned statistician W. Edwards Deming modified the Shewhart cycle as: PLAN, DO, STUDY, and ACT. PDCA (plan-do-check-act) is a four-step problem-solving process typically used in business process improvement. It is also called as Shewhart cycle, Deming cycle, PDSA (PLAN DO STUDY ACT), PDCA (PLAN DO CHECK ACT). It reduced error rate during implementation the Plan, Do, Check, Act cycle in manufacturing. This Act is useful for change management. The PDCA cycle should be repeated again and again for continuous improvement.

PLAN: Establish the objectives and processes necessary to deliver results in accordance with the expected output. By making the expected output the focus, it differs from other techniques in that the completeness and accuracy of the specification is also part of the improvement.

PROCEDURE- Recognize an opportunity and plan a change.

DO: Implement the new processes. Often on a small scale if possible.

PROCEDURE- Executes the plan, taking small steps in controlled circumstances.

CHECK: Measure the new processes and compare the results against the expected results to ascertain any differences.

PROCEDURE- Review the test, analyze the results and identify what you’ve learned.

ACT: Analyse the differences to determine their cause. Each will be part of either one or more of the P-D-C-A steps. Determine where to apply changes that will include improvement. When a pass through these four steps does not result in the need to improve, refine the scope to which PDCA is applied until there is a plan that involves improvement.

PROCEDURE- Take action to standardize or improve the process.

Benefits of the PDCA cycle:

daily routine management-for the individual and/or the team,

problem-solving process,

project management,

continuous development,

vendor development,

human resources development,

new product development, and

process trials

Lewin’s Freeze Phases-

In the early 20th century, the psychologist Kurt Lewin developed the model – known as “ Lewin’s Freeze Phases” – and which still forms the underlying basis of many change management theories models and strategies for managing change.

His model suggests that change involves a move from one static state via a state of activity to another static status quo -and all this via a three-stage process of managing change: unfreezing, changing and re-freezing.

Unfreezing: Faced with a dilemma or disconfirmation, the individual or group becomes aware of a need to change.

Changing: The situation is diagnosed and new models of behaviour are explored and tested.

Refreezing: Application of new behaviour is evaluated, and if reinforcing, adopted in figure 1 summarizes the steps and processes involved in planned change through action research. Action research is depicted as a cyclical process of change.

Figure

Kurt Lewin’s change model recognizes that people derive a strong sense of identity to from their environment. It also recognizes that they like the safety, comfort and feeling of control within their environment.

ISSUE TO CHANGE

Our CEO, Tony Schwartz first met with Sony Pictures Entertainment (SPE) co-CEOs, Michael Lynton and Amy Pascal, in the summer of 2007. Pascal and Lynton saw the work of the Energy Project as a way to bring to life their vision of making Sony the most desirable studio to work for and of building a culture of high engagement. Initially, Tony worked with Lynton and Pascal and their team of 17 direct reports. The initial focus was on how they managed their own energy individually, and as an intact team. This senior group found our curriculum sufficiently valuable that they asked to brong it to the top 500 executives, all vice president or above.

A 2007 Towers Perrin survey of nearly 90, 000 employees worldwide, for instance, found that only 21% felt fully engaged at work and nearly 40% were disenchanted or disengaged. That negativity has a direct impact on the bottom line. Towers Perrin found that companies with low levels of employee engagement had a 33% annual decline in operating income and an 11% annual decline in earnings growth. Those with high engagement, on the other hand, reported a 19% increase in operating income and 28% growth in earnings per share.

Nearly a decade ago, the Energy Project, the company I head, began to address work performance and the problem of employee disengagement. We still believe that enduring organizational change is possible only if individuals alter their attitudes and behaviors first. We’ve come to understand that it’s not possible to generate lasting cultural change without deeply involving an organization’s senior leadership.

IMPLEMENTATION OF CHANGE MANAGEMENT

Once people understand how their supply of available energy is influenced by the choices they make, they can learn new strategies that increase the fuel in their tanks and boost their productivity.

They include practices such as shutting down your e-mail for a couple of hours during the day, so you can tackle important or complex tasks without distracting interruptions, or taking a daily 3 PM walk to get an emotional and mental breather.

Two fundamental shifts-

We encouraged Sony to make two fundamental shifts in the way it manages employees.

We also created a three -day version of a new way of working that included a renewal day that provided participants with specific techniques to improve the quality, quantity and focus of their energy. This day featured individual consults with a nutritionist, exercise physiologist and massage therapist as well as group circuit training, yoga and meditation. Group coaching was offered during the 3 day sessions and then on twice more two and four weeks after the end of the session. The purpose of the coaching was to support the participants in successfully launching and sustaining the rituals they built once they had returned to the challenges of their daily life. Tony continued to work with Pascal and Lynton a senior team on a quarterly basis throughout 2008 to help them model the behaviors they learned and to drive the work down through their own teams.

TRANSFORMATION IN SONY PICTURES

Sony pictures went through a transformation in order to embrace energy building and renewing rituals at all levels.

Out of the 3000 employees of the 6300 employees of Sony have gone through the energy management program.

This summer 1700 more will be covered from Europe, Singapore, and Latin America.

OVERCOMING RESISTANCE IN EMPLOYEE

The reaction of the program has been overwhelmingly positive.

88% of the participants say, it has made them more focused and productive.

Some 90% of them reported that as a result of the work, they began bringing higher levels of energy to work every day.

84% say they feel better and are able to manage their job’s demands and are more engaged at work.

Sony’s leaders believe that these changes have helped boost the company’s performance.

E. g. in spite of recession also Sony pictures had its most profitable year ever in 2008 and one of its highest revenue years in 2009.

SUSTAINING CHANGE

For sustaining change of the Sony Pictures, there are some important points which must keep in mind. These are as under:

Employee should be highly engaged.

Employee should be friendly.

High performance culture.

As a leader, you have myriad opportunities to set the right context for your employees to replenish their energy. It’s all about providing examples for others and creating a safe environment.

DOS AND DON’TS FOR IMPLEMENTATION OF CULTURAL CHANGE

“ Management is doing things right; Leadership is doing the right things.”

-Peter Drucker

STRATEGIES OF A POSITIVE CHANGE

So that Sony pictures can progress.

Conclusion

CHANGE STARTS AT THE TOP AND BEGINS ON DAY 1.

REAL CHANGE HAPPENS AT THE BOTTOM.

IN ORDER TO CHANGE OTHERS FIRST YOU SHOULD YOURSELF AS LYNTON AND PASCAL DID.

E. Q IS ONE OF THE KEY ELEMENTS TOWARDS POSITIVE BEHAVIOURAL CHANGE WHICH ULTIMATELY LEADS TO THE GOAL OF A SUCCESSFUL CHANGE MANAGEMENT.

STRONG CULTURAL VALUES ACTS AS A MAGNET IN THE SUCCESS OF A COMPANY WHICH BINDS AN EMPLOYEE IRRESPECTIVE OF THE EXTERNAL FACTORS LIKE RECESSION OR ECONOMY.