



LEADING AND IMPLEMENTING WORKPLACE CHANGE

PROPOSAL
PRESENTATION

1ST JUNE 2020

BY NEHAR BEGUM- MIAH
1708915



- implemented change in their organisation's employment contract in 2019.
- The new contract 6 , terms and conditions included; increase in pay rise from £8.21 to £9, with flexible working hours , variable shifts, work in different part of the store.
- Anywhere between 8 A.M to 10 P.M, also agreement to work on bank holidays, no paid breaks, 28 days annual leave, including bank holidays, increase in night shift 'premium'. (Corporate ASDA, 2020).

ASDAs introduced the contract 6 , the organizations main objectives to improve overall productivity and financial performance by requiring more flexibility from the workers, at the cost of the morale of their employees.

The Senior Vice-President of Asdas people and store, Hayley Tatum, explained "Our colleagues have always made Asda special. We want to be the best we can for our customers, which means not only investing in our products and prices but critically, we also need to invest in our people" (Corporate ASDA, 2020).



ASDA PROFILE

Asda is the UK's second largest retailer in the UK. It was founded in 1949 by Peter Asquith, as associated Dairies and Farm stores limited but shortened this to Asda in 1965. The retailer focused on selling food, electronics, clothing, toys, home furnishings and general merchandise. Also, the organisation offers a range of additional services which includes 'Asda Money' financial services. It operates in the private sector. In 1980, the organisation grew rapidly, to opening 100th Asda stores across the UK. In the 1990s the Asda clothing brand 'George' was introduced. Furthermore, the Asda Working Way was established and provided a basis for a new system of organisation. It made the stores of heroes and encouraged interaction with colleagues. This was the beginning of the culture of Asda which we know and love today (corporate asda, 2020).

CONTINUED.....

- **In 1999 Asda joins Walmart, becomes part of the largest supermarket chain in the world. The retailer employs over 175,000 colleagues working in store a variety of roles in its Supermarkets, Home Office, Superstores, Distribution, George and Asda Living. The organisation continues to expand its operations across the UK. Asdas head office is in Leeds, west Yorkshire. (Business case studies, 2019).**

CURRENT MARKET POSITION



- The current market position of Asda, according to the online BBC news (2019), Asda's sale went up to 0.1% and the current share is 15.4%. In May 2019 Asda was in second equal place in the UK grocery market.

STAKEHOLDERS

Asdas main internal stakeholders are managers, executive board, employees and shareholders.

The main external stakeholders of Asda are customers, suppliers, creditors, competitors, pressure groups, local communities, and the government. Asda serves more than 19 million customers every week (Asda, 2019).

SWOT ANALYSIS

- Asda provides wide range of products and services to their customers.
- Great marketing campaigns
- good relationship with customers – the company retains regular contact with its customers through social media websites.
- Acquisitions
- Asda has various store formats
- Asda has received numerous awards for its excellent services

- **Expansion to other countries**
- **Online Market Presence**
- Long Term Priorities – the organisation has a clear long-term objective that primarily targets 100 % recyclable products, 100% sustainably grown seafood, industrial waste processed for anaerobic digestion, and a reduction in food waste. This provides a lot of market growth potential.

- limited Global presence
- Restricted market entry – Asda 's willingness to raise prices has effectively limited its entrance in a few countries as they face heavy competition from local vendors.
- Decline in sales and profit margin in 2016 – (Corporate – ASDA, 2020).
- Sales fell to £26.6bn from £22.3bn (Guardian,2017).

- Competitive retailers , this can be a big threat to the company.
- Government Changing Policy – The laws of the government tend to change, and this is a major challenge to business.
- Regular Price Reduction by their Rival – Constant price reductions from their rivals will influence Asda 's company.
- Heavy influence of online retailers – the emergence of many independent online retailers is also a challenge to companies.

PESTLE ANALYSIS



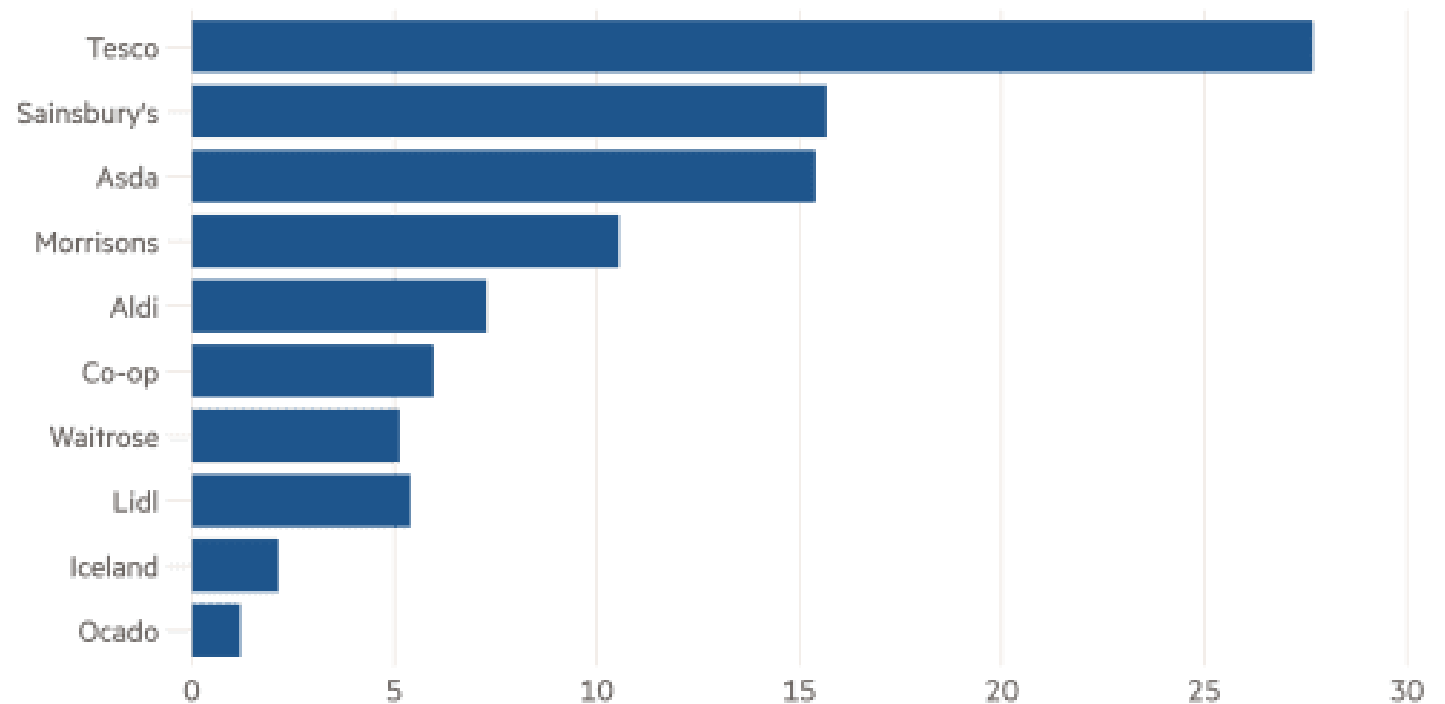
■ **Economic factor-** Asda has experienced decline in sales and profit margins in the last few years due to other competitors in the market those include the German retailers Aldi, Lidl and Tesco, Sainsbury and Morrison. Also, the inflation rates and persistent price cut from their competitors, this has impacted on the organisation. As Thompson (2017), stated that other supermarkets had highest growth in sales in the last five years expect Asda's sale fall to 0.8 percent year on year. Andy Clarke, CEO of Walmart Asda, is promising another 500 million pounds or \$721.9 million to cut costs as supermarket bidding wars intensify. It is the second time that Asda has reported substantial price cuts since 2013, when the company said it would spend \$1.44 billion or one billion pounds to reduce its consumers' costs by 2018 ((Souza, 2016).

FINANCIAL PERFORMANCE

- The financial performance of the organization has influenced the transition to be made. According to the BBC news online and Asda's financial statements. In 2015, 2016 and the first quarter of 2017, the company continued to suffer weak growth as a result of strong market pressure. Sales success was below asdas' goals, but the company had some progress following strategic change under the new COE Sean Clarke (BBC NEWS, 2017). This led to radical change for the organization.

Asda is the UK's third largest grocer by market share

Market share, 12 weeks to 20 May 2018 (%)



Source: Kantar Worldpanel
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Change management models/theories

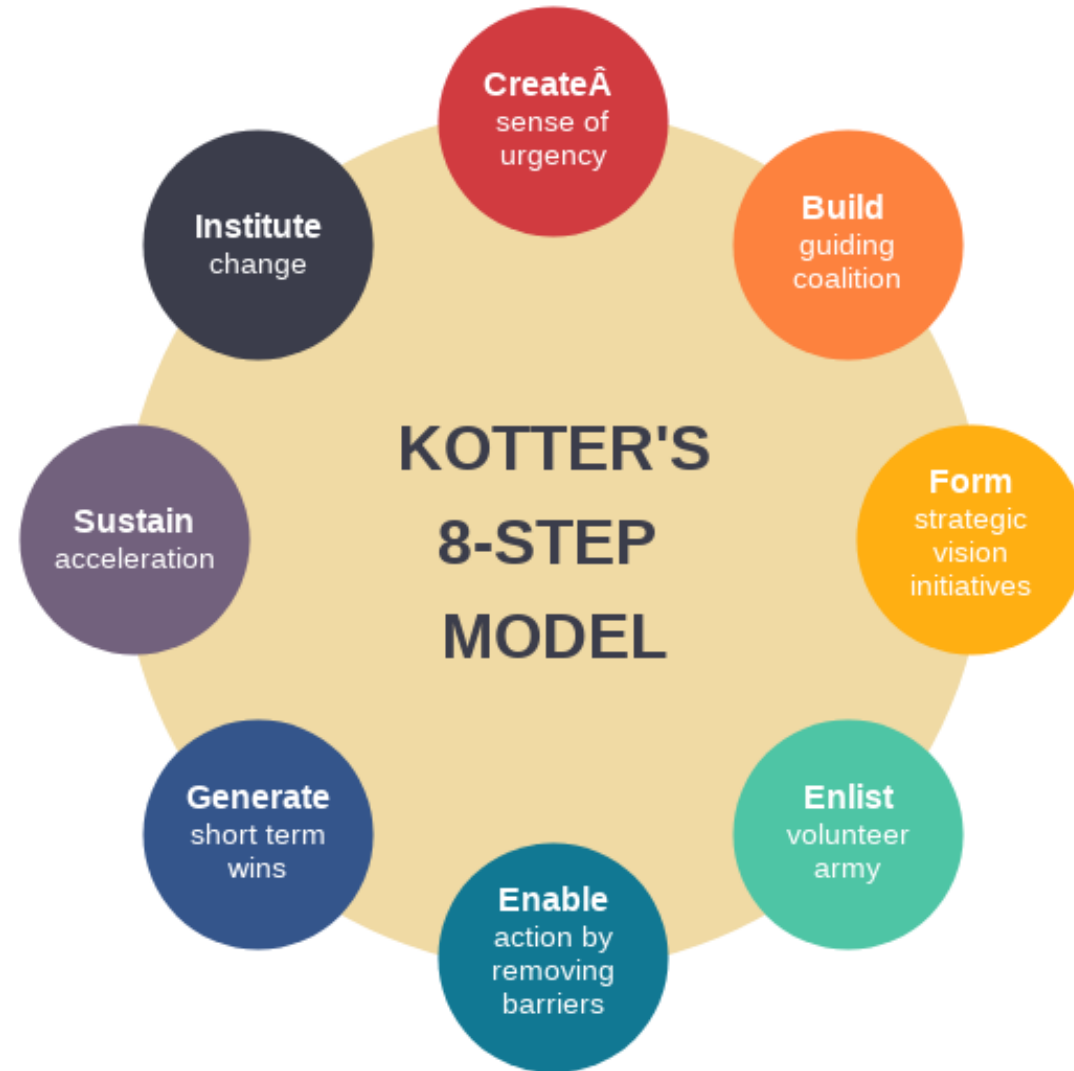
Kurt Lewin three step change model

Psychologist Kurt Lewin developed 3 step change management model in 1947. This model provides a high – level approach to change. It is a framework which guides managers and change agents to efficiently implement a change for their organisation. The process includes training employees for change, implementing and incorporating those changes within the organisation. The 3 stages consist of unfreeze, change and freeze (kaminski,2011).



KOTTLER'S 8 STEP MODEL

■ Professor John Kotter created his eight-step management model in 1995. The 8-step change model enhances the ability of organizations to change and increase their chances of success. By undertaking the process, organizations can avoid failure and become experts in the implementation of change (Cameron & Green, 2015).



Kotter and Schlesinger: 4 reasons for resistance to change

Resistance to Change

Kotter & Schlesinger suggest that there are four main reasons why change is resisted:

Self-interest

**Different Assessment
of the Situation**

**Low tolerance for
change & Inertia**

**Misinformation &
Misunderstanding**

Six Change Approaches

1. Education & Communication
2. Participation & Involvement
3. Facilitation & Support
4. Negotiation & Agreement
5. Manipulation & Co-optation
6. Explicit and Implicit Coercion