



LEADING AND IMPLEMENTING WORKPLACE CHANGE

PROPOSAL
PRESENTATION

1ST JUNE 2020

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- 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).



HISTORICAL DEVELOPMENT OF ASDA

Asda is the UK's second largest retailer in the UK. It was founded in 1949 by Peter Asquith, as associated Da 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.

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 between colleagues. This was the beginning of the culture of Asda which we know and love today (corporate asda, 2020).

In 1999 Asda joins Walmart, becomes part of the largest supermarket chain in the world.

In 2014- 600 remote click& collect installed in all Asda stores

In 2019 the market authority (CMA) blocked Asda and Sainsburys merger (Corporate, Asda, 2020).

STATISTICS

The retailer employs over 175,000 colleagues

631 stores across uk(Business case studies, 2019).

18 million customers

39 operations nationwide (corporate,Asda,2020).

Asda's head office is in Leeds, west Yorkshire.

Asda's head office make decisions

The organisation's structure is hierarchal structure, top-down approach

Private sector organisation

CURRENT MARKET POSITION



- In 2018 Asda's operating profits rose 9.2% to £803.2 million
- Revenue up 3.1% to £22.92 billion (Jame,2019).
- 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

Strengths

- 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

weaknesses

- 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).

Opportunities

- 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.

Threats

- 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



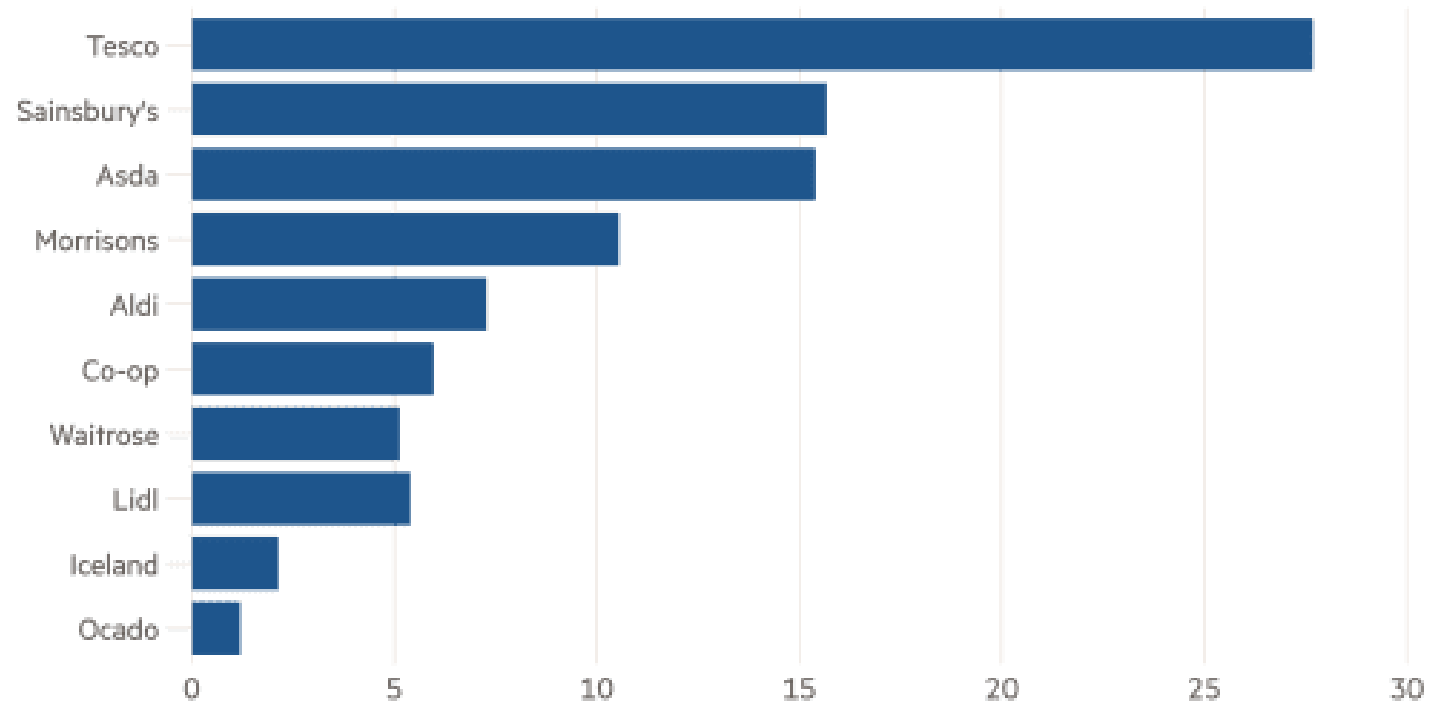
■ **Economic factor-** Asda has experienced decline in sales and profit margins in the last few years due to other competitors in the market those include the German retailers Aldi, Lidl and Tesco, Sainsbury and Morrison. Also, the inflation rates and persistent price cut from their competitors, this has impacted on the organization. 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**

Overcoming resistance to change

Six Change Approaches

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

KURT LEWINS CHANGE MODEL- ASDA

UNFREEZE

- Asda has identified there needs to be a necessary change in order to stay competitive in retail sector and improve overall financial performance

•During the consultation process on the change , the organisation have taken colleague concerns and feedback from colleague representatives . Asda was aware that colleagues have responsibilities outside of work and we will always help them balance these with their work life (Wood,2019).

- At this stage communication is the key and employee involvement input

•In this process change resistant models can be applied to communicate effectively and overcome change resistance.

- This change was a radical change

□ Asda's senior vice-president for operations, Anthony Hemmerdinger said that the change in contract is crucial to meet customers' changing needs.

CHANGE

- Introducing The new terms and conditions of employment contract

- Which involved a pay rise, unpaid holidays, working on bank holidays and change in night shift window

Flexible working hours

- Employees were given new rota, 4 weeks in advance

To meet the customer's expectations, the key part is to deliver great service by having the right workers, at the right time and place, this what contract aim to achieve(Laidman,2019).

REFREEZE

A further pay rise has been made in April 2020 for Asda employees

- Majority of the workers accepted the change

The workers who refused to sign the contract ,were given 12 weeks' notice period, this was extended further by a week in November 2019

- This change was permanent

SUCCESS OR FAILURE

The change was a failure

- ☐ This change has impacted on employees, customers and the organisational culture
- ☐ According to the online independent article (2019) The organisation threatened to dismiss employees if they do not sign the employment contract.
- ☐ Most workers were forced to sign the new contract because they did not have any choice and could not lose the jobs in the run-up to Christmas (Onita, 2019).
- ☐ Asda workers were given 12 notice and further 1-week extension to sign the contract in November 2019
- ☐ Some workers were seeking legal proceedings against Asda.
- ☐ The flexible working hours was not suitable for some workers, especially the part time female workers will need arrange childcare arrangements.
- ☐ The elderly loyal workers will be affected mostly as they will move to other departments, new roles and responsibilities "to the shop floor, carrying heavy boxes, filling the shelves" (Hotten, 2019).
- ☐ Impacted on the organisational culture – negative working environment, no trust, respect, integrity, and fairness at the workplace.

Continued.....

- **Negative publicity- Asda customers twitted hashtag boycott Asda on social media, after Asda worker who worked as a baker for over a decade was sacked for refusing to sign (Rodionova 2019).**
- **According to the ITV news online (2019) angry workers protested in Leeds and Plymouth over new contract, the protesters handed in a 23,000 strong petition to the company (ITV news,2019).**
- **According to Asda this contract is about fairness for all workers and moving forward with line with Asda competitors.**
- **The rules, legislation and work environment have a profound impact on an employee 's behaviour. The success of an organisation depends on the performance of any individual working for the organisation. An employee's level of contentment determines his/her performance. While structure of the organisation and its culture are the factors which determine its success (Zoe,2016).**

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