

Leading and Implementing Workplace Change

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Executive summary

Change management refers to the process of integrating steps and strategies that help the organization cope with the changing needs of the market while aligning the employees, plans, and resources accordingly. Business organizations develop plans and implement them in their internal processes so that they can deal with external forces. Unilever is an international brand operating as a consumer goods organization that deals with numerous factors of the external environment arising in local and global markets. The sustainability plan of the company exemplifies the proactive approach of the organization to change management. Therefore, this report has been focused on highlighting the change management in the organization. Initially, an overview regarding the approach of the company to manage change has been provided. Pestle analysis has been conducted to identify the factors of the external environment affecting the operation of Unilever. The leadership approach and impact of change on organizational culture have been discussed thoroughly in the report. Further, models of change management that are Lewin's model, Kotter's, and Pettigrew's change management model are critically evaluated to choose the most suitable one. A change management plan was developed while considering Lewin's change management model. A suitable leadership style was recommended as transformational leadership. Lastly, the outcomes of this change strategy on organizational culture were assessed.

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INTRODUCTION

Organizational change refers to the changes which have significant impact on the business as a whole. These changes occur due to external situations which enforce management in the organization to make internal changes so that the negative impact of external factors can be minimized. Covid-19 pandemic is one of the significant examples of external situations that resulted in major changes in the way of commencing business. These changes integrate major shift in the company goals, services and operations. Unilever Plc is a British multinational organization that operates as a packaged goods company. The headquarters of the organization is located in London, UK from which the international operations are coordinated and monitored. Various well-known brands are owned by Unilever such as Lux, Lifebuoy, Dove etc. The five main divisions of the company are Beauty & Wellbeing, Home care, personal care, Nutrition, and Ice cream. Thus, this report will elaborate on organizational changes in this global brand while highlighting the strategies and approaches used by the management to cope with these changes. Leadership style and change management models will be evaluated thoroughly in the report. Based on this, a change implementation plan will be developed and suitable recommendations for the organization will be provided.

MAIN BODY

Section 1: Critically evaluating the adopted change management process and identifying the suitable strategic option

Overview of the organization

Unilever is a global brand that has encompassed various situations since its establishment. The company is exposed to numerous factors of the external environment which integrates organizational changes. To survive in the market, several steps and changes are made within the company which has helped the company to maintain its position in the market. A sustainability plan was developed to cope with the increasing concern over sustainability (Cameron and Green, 2019). Organizational restructuring was done in 2017 to meet the sales target and to foster higher growth. Also, new investment plans are implemented in the divisions that are performing well such as beauty and personal care. In recent years, the company has realized the need for digital transformation for which strategies and plans were developed and implemented for digitalizing

the operations of Unilever. These initiatives of the company have proved effective for the organization to cope up with the external changes while maintaining profitability simultaneously. I have been appointed as the operations manager in the company who is responsible for aligning the operations as per the strategic plan of the upper management.

Pestle analysis

The external environment of business involves factors that are not controlled by the management and they can only make internal changes to cope up with these factors. Unilever is a global organization that caters the customers with a widely diverse product portfolio. Therefore, the organization is more prone to the factors of the external business environment. These factors act as change drivers for the company as internal strategic changes are made by the management to cope with these factors. Some of the major external factors which brought change to the company are as follows:

- **Political factors:** Political factors are associated with the political changes in the international as well as domestic markets. Unilever is a global brand thereby, making it vulnerable to numerous political factors. Brexit uncertainty is one of the main political factors post-pandemic that has a tremendous influence on the functioning of the organization. Cross-border political tension between the UK and EU has resulted in trade barriers for the company while affecting its supply chain management. Moreover, the Russia-Ukraine war has added to the complexities of political factors within the international market. It has become complex for the organization to deal with the issues in supply chain and distribution for the company. These factors have ultimately contributed to increasing the overall; operating cost of Unilever.
- **Economic factors:** Economic factors are significant drivers of change for the business organization because the company has to deal with the varying economic conditions of different countries. Inflation within the economies of countries such as the UK is a concerning factor because it influences the overall profitability of the company. Many regions are suffering from high inflation rates due to the pandemic. An increase in the prices of commodities affects the pricing strategy of Unilever. The variable cost of production for the company has increased due to inflation which results in an overall increase in the production cost. Therefore, Unilever is required to work on the pricing

policy to cover the additional cost of production while maintaining its profit margins simultaneously.

- **Social factors:** Social factors refers to the values, beliefs and practices which are prevailing in the society where business is operating. These factors play a key role in influencing the business operations because the preference of customers highly depends on the beliefs and practices within the society which affects the demand of commodities. The recent trend of veganism exemplifies how preference of people can change with the market trends while affecting the demand for a commodity. Unilever needs to consider the changing preferences and pacts within society and make necessary changes within its offering to maintain relevance with customer needs.
- **Technological factors:** Technology plays a key role in modern-day markets as business organizations are integrating cutting-edge technology to streamline their operations. Digitalization exemplifies how technology is replacing traditional business models while providing lucrative opportunities. Unilever is a big company with significant investment in technology. Various advanced and cutting-edge technology is utilized by the company to enhance its operational efficiency. Automation is used by the company in various functions which helps in reducing human errors. Such technology can be useful for the organization to maintain its competitive advantage in the global market.
- **Legal factors:** Legal factors refer to the rules, regulations, policies, and guidelines implemented by the government authorities on the business organization. Unilever operates within the international markets thereby, making it important to comply with rules and regulations implemented by the government of different countries. These factors integrate regulatory changes within the organization while influencing the way of commencing business operations. Labor laws, tax policies, environmental laws, etc. defined the impact of legal factors on the organization. therefore, Unilever considers such rules and regulations within its internal policies to avoid legal consequences.
- **Environmental factors:** The need for sustainability has increased in the past few years because people are becoming aware of the importance of preserving nature which is damaged by human acts such as deforestation, air pollution, etc. Also, governments are taking initiatives for the betterment of society and the environment on both national and international levels. This is creating a change towards sustainable development that is

adhered significantly by Unilever because it is considered among the businesses that have taken highly effective initiatives to fulfil their responsibility towards society, environment and economy. Waste reduction, net zero initiatives, eliminating single use plastic etc. are the practices of the company for sustainable development.

Porters Five Forces Framework

- **Existing competition:** Threat from existing competitors is high on Unilever because there are many organizations such as Procter & Gamble which can replace the company and impact its profitability.
- **New entrants:** The threat of new entrants is lower because Unilever is one of the leading companies whose competitive advantage cannot be tackled by the new brands in the market.
- **Substitute goods:** There is no such substitute to the company which threatens its position in the market.
- **Bargaining power of customers:** Customers enjoy higher bargaining power because there is easy availability of alternative options and there is no potential shifting cost.
- **Bargaining power of suppliers:** The bargaining power of suppliers Unilever is low because the organization uses a diversified supply chain strategy.

Leadership style in the organization for managing change

Leadership refers to the ability of individuals to guide and direct a group of people in a particular direction while having a controlled influence on their behavior and acts. In the context of business, leadership plays an integral role in managing employees and directing the business's successes. Management in the organization is required to lead the business toward the achievement of its objectives. During change, effective leadership plays a key role in encouraging employee performance and cooperation so that the company can survive through complex situations. Unilever has successfully tackled many barriers with the development and implementation of effective change management plans through a situational leadership approach. Situational leadership is the approach in which managers of the company pick a particular leadership style that is most suitable for dealing with the prevailing situation instead of using a common style in every situation. This leadership approach provides more flexibility and

adaptability to the organization. However, the transformational leadership style is selected by the leaders in Unilever in the majority of the situations because this style emphasizes transforming the business through innovative methods that help streamline operations. This style has been useful for the company to transition through changes in an effective manner while reducing or minimizing the negative impacts on profitability and operational efficiency.

Impact of development and implementation of change on the organizational culture

Organizational culture is a term used to describe the proper manner in which the behavior of individuals in the organization is directed and it consists of shared beliefs and values that are generally established by the management or leaders (Hurt and et.al., 2020). They are responsible for communicating and reinforcing these shared values and beliefs through different methods which ultimately help in shaping the perception and behaviour of employees. Organizational culture has a significant influence on the efficiency of change management plans because it represents the perception and behavior of the employees. The majority of the time, strategic and operational changes ultimately result in changing organizational culture because employees are the ones who are responsible for carrying out these plans. Therefore, the success or failure of change efforts made by the management depends on the culture. It is important to communicate the vision and perspective of the company towards a change so that the employees can be aligned with these goals. Ineffective communication of change can create internal chaos and management might find difficulties in managing the workforce. For instance, any changes implemented in the organizational policy without informing and consulting employees can create doubts and confusion among the workforce which can also result in a higher employee turnover rate.

Identifying the need of organizational changes in the future due to national and international business environment factors

A business organization is vulnerable to many unpredictable external factors that influence its operational efficiency. Especially, organizations like Unilever are more prone to such factors because they operate within the global markets which are highly dynamic and unpredictable. Numerous national and international factors affect the operations of Unilever (Shukla and et.al., 2019). The organization needs to implement methods that can help in getting an idea of such

factor which can impact its functioning in near future. Advancing technology can integrate new trends within the national and international markets which affect the customer demands for the offering of the organization. Also, changing political conditions can integrate barriers within the operations of Unilever which may result in heavy losses for the company. Therefore, it is highly crucial for the company to identify and implement organizational changes to cope with the national and international business environment factors. The need for organizational change in modern-day business can be anticipated with the example of the pandemic where Unilever acted proactively to implement measures to continue operations despite several changes. The digital transformation integrated into the organization before the pandemic helped the company to survive the situation.

Section 2: Critical evaluation of the change management models

Critically Evaluate at least 3 Change Management Models

The **change management models** are delineated as the concepts, theories, and methodologies that provide effectual approaches for adopting organizational change. The business environment is dynamic in nature and due to this there are varied changes that take place in it (Adna and Sukoco, 2020). As a result, organizations need to adopt all of these changes so they can become able to experience the extent of competition in the market. These changes can be easily adopted within the change management models. Below is the critical evaluation of three change management models in the context of Unilever-

Lewin's change management model

Lewin's change management model comprised three stages and those are-

Unfreeze

This is the first and foremost stage which is often called the preparation stage. In this stage, the first aspect is to understand the change that has been developed. Unilever needs to communicate the change with their employees during this stage so, specific knowledge can be developed with the help of this and this could be known that what are the major aspects of change.

Change

This is explicated as the implementation stage, in this stage actual change is being implemented in the company that intend to provide better results and outcomes which has been considered as highly essential. Here in this step change is further implemented into the practice and employees start to practice the change that has been implemented in the organization (Cameron and Green, 2019).

Refreeze

In this stage, strategy has been developed for checking and making sure that the change sticks. This strategy is mainly for detecting whether the process is being done on an appropriate note or not. In case, proper aspects are not being taken into consideration then, this results in creating the major issues while adopting the change.

Kotter's change management model

This change management model depicted 8 steps of change which are as follows:

- **Creating and urgency:** It is the first step where the management is required to create an environment within the workplace which helps in developing a sense of change that makes every internal stakeholder feel the need to contribute to change management.
- **Forming powerful guiding coalitions:** A competent team should be created that pertains to the right skills and qualifications to guide the whole organization towards the change efforts while influencing the stakeholders.
- **Developing a vision and a strategy:** A sensible vision must be created so that the initiative change can be directed and effective strategies can be developed for accomplishing the vision.
- **Communicating the vision:** The vision created for change must be communicated throughout the organization including all the stakeholders so that every aspect of the organization can be aligned towards change efforts.
- **Removing obstacles:** There are various barriers that are encountered while implementing f change in the organization. Therefore, the management in the organization must focus on dealing with barriers and challenges.
- **Creating short-term wins:** The main goal of the organization should be divided into short-term goals so that the long-term vision can be achieved. these short-term victories can motivate the organization to accomplish its mission of change implementation.

- **Consolidating gains:** This step of change management model is emphasized on conducting practices that can help sustain the implemented change.
- **Anchoring change in the corporate culture:** The implemented change must be made permanent in the organization while anchoring it with the culture of the organization.

Pettigrew's change model

This change model is given by Pettigrew and Whipp while focusing on continuous interplay among the change dimensions which are content, process, and context. These are the three dimensions of strategic change; five interrelated central factors are discussed for managing the strategic change successfully. These five factors are as follows:

- **Environmental assessment:** This factor depicts continuous monitoring of the internal and external environment of the business organization with the help of an open learning system.
- **Human resources as assets and liabilities:** Employees in the organization must obtain a sense of belongingness and must feel that they are being valued and recognized. A trustworthy relationship must be built between the workforce and management.
- **Linking strategic and operational change:** Strategic and operational change of the organization must be aligned towards a particular vision so that change can be implemented effectively. New strategic change can be led effectively with implementation and transformation of intentions through bundling of operational activities.
- **Leading change:** Leading the organization means directing the whole business towards adaptation to the implemented change by creating the right culture, coordinating activities, and steering change.
- **Overall coherence:** Consistent must be maintained within the change management's strategy and it must be consonant so that competitive advantage can be obtained by the organization over its rivals.

Identifying suitable change management model to implement strategic change in the organization

Continuous emphasis on change management has become important for the modern day business organizations as the markets have become highly dynamic and competitive. Unilever can manage changes more effectively with this perspective that can contribute in maintaining a competitive edge over the rival brands. Integrating AI and other digital technologies in the organization to attain complete digitalization can be a useful measure for the organization to deal with the future organizational changes occurring due to the national and international business environment. However, implementing and managing such changes in the organization can be complex for the management because various challenges have to be encountered to ensure the successful implementation of strategic change. Managers in modern-day business organizations use different techniques that help them to manage changes effectively. There is a certain change management model that is very useful for the organization to cope with the external changes in the business environment. Some of the change management models were critically evaluated above which includes Lewin's change management model, Kotter's model, and Pettigrew's change management model. Each of these models has different approaches to implementing and managing change effectively in the organization (Yue, Men and Ferguson, 2019). In the scenario of Unilever, Lewin's change management model can be highly useful because it is a very simplistic and easy-to-apply model with effective outcomes. Three stages of this model are discussed as unfreeze, change, and refreeze which can be followed for implementing AI and digital technology in Unilever to streamline its functions.

Section 3: Proposal and implementation of change strategy

Proposing a change management plan

Implementation of AI and digital technologies in Unilever can be done effectively with the help of Lewin's change management model which contains three stages that are:

Unfreeze

- Creating a sense of urgency: The need to integrate AI and Digital technology must be communicated effectively to highlight the efficiency gains and market trends that can be achieved with it.

- Form a guiding coalition: Cross functional teams will be assessed who will be responsible for taking the change initiative which will basically include professionals from IT, business units and HR (Kinicki and Williams, 2020).
- Develop and communicate a vision and strategy: A clear vision to integrate AI and Digital technology must be defined and strategies are made for achieving it. Also, this vision and strategies must be communicated to the employees through various channels.

Change

- Empower action: Enabling the workforce to take ownership of the change by providing them resources, support, and training.
- Create short-term Goals: Achievable milestones must be implemented to motivate the workforce.
- Consolidation of gains and produce more change: Initial successes must be achieved by scaling the AI and digital technology throughout the organization (Harmon, 2019).
- Anchor new approaches in organizational culture: The organizational culture must be embraced with new approaches to continued learning and technological innovation.

Refreeze

- Communicate change: The achievement and future plans regarding the change will be communicated to reinforce the commitment of AI and Digital technology integration.
- Develop supporting structure: Systems and processes will be created that help in supporting the current use of digital technologies in Unilever.
- Ensure leadership development: Training and development of leaders will be continuing in order to attain sustainable change within the organization.
- Reinforce change: The progress will be reviewed on a regular basis to identify and address potential challenges.

Identifying suitable leadership styles/approaches for initiating and implementing strategic change

Strategic change can be developed and implemented effectively with the help of a good leadership approach so that employees can be aligned with the aim and vision of the company

(Anbarasan and Sushil, 2021). The change management plan is focused on replacing the traditional methods of business commencement with AI and digital technology so that overall operational excellence can be achieved. Leadership plays a pivotal role in directing this plan toward success. In this scenario, a transformational leadership approach will be highly beneficial to achieve the goals of the change management plan. The transformational approach to leadership directs the management to encourage employees to generate creative and innovative ideas that can be useful for contributing to the implementation of AI and digital technologies. Individuals pursuing this leadership first take the initiative by themselves to encourage their subordinates. Therefore, this leadership style can be highly useful for enhancing the efficiency of the change management plan to achieve the predetermined outcomes by aligning the employees to attain the overall transformation of the business.

Process of implementing the change strategy

Preparing the organization for change: Firstly, the aim of the company to integrate AI and digital technologies within different aspects such as marketing, product designing, etc. will be conveyed to different stakeholders including, employees and managers.

Developing vision and plan for change: A vision or target will be developed which will set out the expectations with the change management plan. Based on this vision, a change management plan is developed that focuses on integrating AI and digital technology effectively within the company to streamline the ongoing processes.

Implementing change: In this step, the change strategy will be implemented by allocating teams while taking other initiatives to support the exchange management plan such as training and development of employees so that the vision of the company can be fulfilled.

Embedding change with organizational culture: The implementation of change will be followed by enhancing the organizational culture to embrace continuous learning. This will be useful for aligning employees and management toward the change.

Reviewing progress: The overall progress of change management plans and strategies will be reviewed regularly to identify their effectiveness (Hanelt and et.al., 2021). Strategies will be further implemented to tackle challenges in the way of achieving the expected outcomes.

Assessing the probable impact of implementing change strategy on the culture of the organization

The change management strategy used for implementing Artificial Intelligence and digital technologies in the ongoing process of Unilever will have a significant impact on different aspects of the organization because it will result in a major transition for the company. Organizational culture is highly influenced by such change strategies because it affects the behavior of employees either positively or negatively (Asbari, Hidayat and Purwanto, 2021)(Hopwood, 2019). The positive influence of this technological change can be observed in the cooperation of the employees with the instructions of managers and leaders for contributing to achieving this transformation of business. On the other hand, individuals working in the organization might see this change as a threat to their position because AI and digital technology can do certain activities that are currently addressed by employees. This depicts the negative impact of implementing a change strategy on the culture of the organization.

CONCLUSION and Recommendations

In conclusion, it can be said that change is inevitable because it cannot be avoided by business organizations in the contemporary markets. They are required to adapt to the change in the external environment for survival in the market else they might suffer huge losses and ultimately have to shut their operations. The external environment of a business organization is highly unpredictable, especially for organizations like Unilever which operates in global markets. Unilever has encompassed several situations where it is required to integrate internal changes to sustain in the markets. There are various legal, political, environmental, economic, technological, and social factors discussed in the report which influence the operations of the company. Various approaches are taken by the management to cope with this factor and to mitigate their negative impact on business operations. It is determined that the organization must integrate Artificial Intelligence and digital technology to streamline the ongoing process so that it can deal with the factors of the external environment in the near future. It is significant that technological advancement is going to shape the future markets depicting the need to adopt cutting-edge technologies to transition with this change. The change management plan is developed in the report using Lewin's change management model that can be followed to implement this change effectively within the organization. However, various challenges might be

encountered by the organization for integration of AI and digital technologies. Therefore, it is recommended to the employees to align their work with this change so that such technology can be implemented and utilized optimally. Training and development initiatives are suggested to the organization to enhance the technical skills and abilities of the workforce. This can enhance the potential of the employees to address their job roles efficiently and contribute to enhancing the overall operational efficiency of Unilever. The company will be able to deal with external forces in an effective manner while developing a competitive advantage over its rivals.

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