

BA (Hons) Leadership and Management Skills for the Workplace

Module: Leading and Implementing Change (LCLM6003)

Assignment Title:
A Strategic Change Plan

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Change Plan for Ford

Introduction:

Founded in 1903 by Henry Ford, Ford Motor Company is one of the most influential automobile manufacturers in the world (Ford Motor Company, 2023; Britannica, 2024). Headquartered in Dearborn, Michigan, Ford played a transformative role in the development of modern industry through its pioneering use of assembly line production (Hounshell, 1984). This innovation dramatically reduced manufacturing costs and made cars affordable to ordinary people for the first time, particularly with the introduction of the Ford Model T in 1908 (Britannica, 2024). As a result, Ford not only revolutionised transportation but also reshaped industrial production methods globally (Hounshell, 1984).

Throughout the twentieth century, Ford expanded rapidly, establishing manufacturing plants and sales networks across Europe, Asia, Africa, and Latin America (Ford Motor Company, 2023). The company became a symbol of American industrial strength and innovation, producing a wide range of vehicles including passenger cars, trucks, vans and performance vehicles (Britannica, 2024). Iconic models such as the Ford F-150 have consistently ranked among the best-selling vehicles in the United States, reinforcing Ford's strong presence in the global automotive market (Statista, 2024).

In recent decades, Ford has faced significant challenges, including economic recessions, increasing global competition, environmental concerns, and the transition toward electric and hybrid vehicles (IHS Markit, 2022). In response, the company has invested heavily in research and development, focusing on sustainability, advanced driver-assistance systems and electrification (Ford Motor Company, 2023). Its growing lineup of electric vehicles represents a strategic shift aimed at meeting stricter emissions regulations and changing consumer preferences (IEA, 2023).

Today, Ford operates as a multinational corporation employing hundreds of thousands of people worldwide (Ford Motor Company, 2023). It remains a key player in the automotive industry, balancing its heritage of durability and mass production with innovation in digital technology and clean energy solutions (Britannica, 2024). With over a century of experience, Ford continues to adapt to a rapidly evolving transportation landscape while maintaining its reputation as one of the world's most recognisable automotive brands (Ford Motor Company, 2023).

Environmental and Organisational Analysis:

External Environment Analysis of Ford

The external environment plays a major role in shaping the strategy and operations of Ford Motor Company.

Political factors include government policies and international trade regulations. Many governments support electric vehicle (EV) adoption through subsidies and incentives, encouraging automakers like Ford to invest in electrification. At the same time, trade tensions and tariffs can increase manufacturing and supply chain costs (Hill, 2022).

Economic factors such as inflation, fluctuating fuel prices, and global economic uncertainty influence consumer purchasing behaviour. During economic downturns, consumers may delay buying new vehicles, which can reduce Ford's sales and profitability (Kotler & Keller, 2016).

Social factors are also important as consumer preferences are changing. Customers increasingly demand environmentally friendly vehicles and advanced digital features such as connectivity and driver-assistance systems. This shift has encouraged Ford to expand its electric and hybrid vehicle range.

Technological factors are a major source of disruption in the automotive industry. Innovations such as electric vehicles, autonomous driving systems, and connected car technology are transforming how vehicles are designed and used. Ford is investing heavily in software development, battery technology, and digital services to remain competitive.

Environmental factors include growing pressure to reduce carbon emissions and improve sustainability. Governments and environmental groups expect automakers to lower emissions and move toward zero-emission vehicles, pushing Ford to commit to carbon neutrality by 2050.

Finally, legal factors include safety standards, emission regulations, and labour laws that Ford must comply with across different global markets.

Internal Environment Analysis of Ford

Strengths:

Ford has strong brand recognition and a long history in the global automotive industry. The

company benefits from well-known vehicle models and a strong reputation for producing reliable trucks and commercial vehicles. In particular, the Ford F-150 has been one of the best-selling pickup trucks in the United States for decades, providing a major source of revenue. Ford also has a large global manufacturing network and significant experience in vehicle engineering and production (Hill, 2022).

Weaknesses:

Despite its strengths, Ford faces internal challenges. The company has relatively high production and operational costs compared with some competitors. Additionally, Ford has struggled with profitability in its electric vehicle division due to the high cost of research, development, and battery technology. These factors can place pressure on the company's financial performance.

Opportunities:

There are several growth opportunities for Ford. The increasing demand for electric vehicles provides a chance for the company to expand its EV portfolio, including models such as the Ford Mustang Mach-E. Advances in digital technologies, connected vehicles, and autonomous driving systems also create opportunities for new revenue streams and improved customer experiences.

Threats:

Ford faces strong competition from both traditional automakers and newer electric vehicle companies such as Tesla. Rapid technological change and supply chain disruptions may also create challenges for the company. Additionally, changing environmental regulations and economic uncertainty can affect demand for vehicles.

Triggers for Change

Several factors have acted as triggers for change within Ford Motor Company in recent years. One major trigger is rapid technological advancement, particularly the rise of electric vehicles and digital technologies in the automotive industry. This has encouraged Ford to invest in electric models such as the Ford Mustang Mach-E and develop connected vehicle services. Increasing competition from companies like Tesla, Inc. has also pressured Ford to innovate and improve efficiency. In addition, stricter environmental regulations and growing consumer demand for sustainable transport have pushed Ford to transform its production, adopt cleaner technologies, and focus more heavily on electrification and digital mobility solutions.

Review and Evaluation of Change Management Models (Ford)

Strategic change has been very important for Ford Motor Company, especially during major challenges like the 2008 Financial Crisis and its recent move toward electric vehicles. To manage these changes, different change management models can be used. This section explains and evaluates three key models: Lewin's model, Kotter's model, and the ADKAR model, and discusses which works best for Ford.

Lewin's Change Management Model

Kurt Lewin created a simple model with three stages: unfreeze, change, and refreeze. The idea is that organisations must first prepare for change (unfreeze), then make the change, and finally make the change permanent (refreeze) (Burnes, 2020).

At Ford, the “unfreeze” stage happened when the company realised it was losing money and needed to improve before 2008. The “change” stage can be seen when Alan Mulally became CEO and made big changes, such as cutting costs and creating the “One Ford” plan. The “refreeze” stage happened when these changes became part of normal business practice.

However, this model has weaknesses. It is too simple and assumes change happens in clear steps. Ford is always changing, especially now with electric vehicles. Because of this, the idea of “refreezing” does not fully fit modern businesses (Cummings et al., 2016). This means Lewin's model is useful for understanding basic change, but not for long-term or continuous change.

Kotter's 8-Step Model

John Kotter developed a more detailed model with eight steps, including creating urgency, building a team, and making change part of the company culture (Appelbaum et al., 2012).

This model fits Ford quite well. During the financial crisis, Ford created urgency by being honest about its problems. Mulally also built a strong leadership team and introduced a clear vision with the “One Ford” strategy. Ford also achieved quick successes, such as returning to profit, which helped motivate employees.

Another strength of this model is its focus on leadership and communication, which were very important at Ford. However, it also has some weaknesses. It is quite structured and assumes change happens step by step. In reality, Ford's changes—especially moving to electric vehicles—are ongoing and do not always follow a fixed order. Also, the model focuses more on managers than employees, which can be a problem in large companies.

ADKAR Model

The ADKAR model, created by Jeff Hiatt, focuses on individuals rather than the whole organisation. It includes five stages: Awareness, Desire, Knowledge, Ability, and Reinforcement (Hiatt, 2006).

This model is very useful for Ford's recent changes, especially the move to electric vehicles. Workers need to learn new skills, so "knowledge" and "ability" are important. Employees also need to understand and accept the change ("awareness" and "desire"), which helps reduce resistance.

The main advantage of ADKAR is that it focuses on people, which is important because change only works if employees support it. However, the model does not focus enough on big organisational issues, such as leadership and strategy (Galli, 2018). This means it cannot fully explain how large companies like Ford manage major change on their own.

Best Approach for Ford (Hybrid Model)

Each model has strengths and weaknesses, so using just one is not enough. A combination (hybrid approach) works best for Ford Motor Company.

Kotter's model is useful for planning and leading large changes, such as Ford's restructuring and global strategy. It helps create direction and strong leadership. ADKAR is useful for helping employees understand and accept change, which is important for long-term success.

Lewin's model can still be helpful as a basic guide, but it is less useful in modern situations where change is constant.

Research supports using a mix of models. Burnes (2020) explains that no single model is enough for complex organisations, and combining models can improve results. For Ford, using both Kotter and ADKAR allows the company to manage both the overall strategy and the people involved.

Conclusion

In conclusion, Lewin, Kotter, and ADKAR all help explain how change works, but they each have limitations. Lewin's model is too simple, Kotter's model is strong but quite rigid, and ADKAR focuses too much on individuals. For Ford, a combination of Kotter and ADKAR is the best approach. This allows the company to manage large-scale changes while also supporting employees through the process. This is especially important as Ford continues to adapt to new technology and environmental challenges.

Leadership and Organisational Culture in Change (Ford)

Strategic change at Ford Motor Company has been strongly influenced by both leadership and organisational culture. This was especially clear during the company's restructuring in the 2008 Financial Crisis and its more recent shift toward electric vehicles. This section explains how leadership styles and organisational culture affected how change was managed at Ford.

Leadership Styles and Their Impact

Leadership is very important when managing change. Three key leadership styles are transformational, transactional, and situational.

Transformational leadership focuses on inspiring employees and creating a clear vision. At Ford, Alan Mulally used this style when he became CEO. He introduced the "One Ford" plan, which aimed to bring the whole company together under one strategy. He also encouraged open communication by holding regular meetings where managers could discuss problems honestly. This helped build trust and made employees feel involved in the change process.

This leadership style was very effective because it motivated employees and reduced resistance to change. According to Bass and Riggio (2006), transformational leaders help improve performance by creating a shared vision. This can be seen in Ford's recovery, as the company returned to profit after the crisis.

However, transactional leadership also played a role. This style focuses on clear rules, targets, and rewards (Burns, 1978). Mulally made sure that managers were held responsible for their performance and that goals were clearly set. This helped ensure that changes were actually carried out, not just planned.

Situational leadership suggests that leaders should change their style depending on the situation (Hersey and Blanchard, 1988). At Ford, different approaches were needed at different

times. During the financial crisis, leaders needed to act quickly and make strong decisions. In contrast, during the move to electric vehicles, leaders needed to be more supportive and encourage learning and innovation.

Overall, Ford used a mix of leadership styles. Transformational leadership provided vision, transactional leadership ensured control, and situational leadership allowed flexibility. This combination helped manage change more effectively.

Organisational Culture and Its Impact

Organisational culture also plays a major role in change. It refers to the shared values and behaviors within a company.

Edgar Schein explains culture in three levels: visible behaviours, shared values, and deeper beliefs (Schein, 2010). Before the changes, Ford's culture was quite rigid and divided, with different departments not working well together. This made change difficult.

Mulally worked to change this culture by encouraging teamwork and openness. For example, he made it acceptable for managers to admit problems instead of hiding them. This helped create a more honest and supportive environment, which made change easier to implement. Schein (2010) suggests that changing deeper beliefs is important for long-term success, which is what Ford aimed to do.

Another useful theory is from Geert Hofstede, who explains cultural differences using dimensions such as power distance (Hofstede, 2001). Ford originally had a high power distance, meaning decisions were made at the top. Mulally reduced this by encouraging communication between all levels of the company. This helped employees feel more involved in the change process.

Charles Handy also identified different types of organisational culture (Handy, 1993). Ford was originally a "role culture," focused on rules and structure. During the change, it moved toward a "task culture," where teamwork and problem-solving were more important. This made the company more flexible and better able to adapt.

Evaluation of Leadership and Culture

The success of change at Ford Motor Company shows that leadership and culture are closely connected. Strong leadership helped change the culture, and the new culture made change easier.

Transformational leadership was important because it inspired employees and created a shared vision. However, without transactional leadership, there may not have been enough control to ensure results. Situational leadership also helped by allowing leaders to adapt their approach when needed.

Cultural change was just as important. Without moving away from a rigid and hierarchical culture, Ford's changes may not have succeeded. However, changing culture is difficult and takes time, especially in a large global company.

Proposed Strategic Change Management Plan (Ford)

Change Vision and Objectives

The proposed strategic change for Ford Motor Company is to increase its focus on electric vehicles (EVs) and reduce its dependence on traditional petrol and diesel cars. This change is important because of growing environmental concerns, stricter government regulations, and increasing competition within the automotive industry. Many customers are now looking for cleaner and more sustainable transport options, which means Ford must adapt to remain competitive.

The overall vision of this change is for Ford to become a global leader in sustainable mobility. To achieve this, the company aims to increase EV production so that it makes up a large proportion of total vehicle sales by 2030. It also aims to reduce carbon emissions, improve its technology in batteries and software, and strengthen its position in the global EV market. These objectives are important for ensuring long-term success and meeting future market demands (International Energy Agency, 2023).

Stakeholder Analysis

Stakeholders play an important role in the success of any change programme. At Ford Motor Company, key stakeholders include employees, managers, customers, investors, suppliers, and governments. Each of these groups is affected by the move toward electric vehicles in different ways.

Employees may feel worried about job security, especially if their current roles are linked to traditional vehicle production. Managers are responsible for leading the change and ensuring it is successful. Customers expect high-quality, affordable electric vehicles, while investors are interested in whether the change will lead to long-term profits. Suppliers must also adapt, as EV production requires different components compared to traditional vehicles. Governments are

important because they introduce environmental regulations and may provide support for green initiatives.

To manage stakeholders effectively, Ford needs to communicate clearly and provide support where needed. For example, employees should be offered training to learn new skills, while investors should be kept informed about financial performance. Working closely with suppliers and aligning with government policies will also help ensure a smoother transition (Ford Motor Company, 2023).

Implementation Framework

To manage this change successfully, Ford Motor Company can use a combination of change management models, particularly John Kotter's model and the ADKAR model. Kotter's model focuses on leadership and organisational change, while ADKAR focuses on individual employees.

Kotter's model suggests that Ford should first create a sense of urgency by highlighting environmental challenges and competition. The company should then build a strong leadership team to guide the change and create a clear vision for the future. This vision must be communicated clearly to all employees. Ford should also remove barriers that might slow down progress, such as outdated systems or lack of skills. Short-term successes, such as launching new EV models, can help build confidence. Over time, the company should continue to build on these successes and make the changes part of its organisational culture (Kotter, 1996).

At the same time, the ADKAR model can help ensure that employees accept and support the change. Employees need to understand why the change is happening, want to be part of it, and have the knowledge and skills to adapt. Finally, the company must reinforce the change by recognising and rewarding progress (Hiatt, 2006).

Communication Plan

Communication is essential for reducing uncertainty and gaining support during change. At Ford Motor Company, communication should be clear, consistent, and regular. Employees need to understand why the change is happening and how it will affect them.

The company can use different communication methods, such as meetings, emails, training sessions, and internal websites. Public communication, such as reports and press releases, can also help inform customers and investors. It is important that messages are honest and transparent, especially when discussing challenges or risks.

Regular updates should be provided so that stakeholders remain informed throughout the process. This helps to build trust and reduces resistance to change. Effective communication has

been shown to improve the success of organisational change by increasing understanding and engagement (Kotter, 1996).

Financial and Resource Plan

The transition to electric vehicles requires significant financial investment. Ford Motor Company must invest in research and development, new manufacturing equipment, and employee training. Developing EV technology, such as batteries and software, is particularly expensive but necessary for long-term success.

Ford can fund this change through its own revenue, external investors, and government support for environmentally friendly projects. Governments often provide incentives for companies investing in green technology, which can help reduce costs (International Energy Agency, 2023).

In terms of resources, Ford will need a skilled workforce, including engineers and technology specialists. It will also need strong relationships with suppliers who can provide the necessary materials for EV production. Proper financial and resource planning is important to ensure that the change is sustainable and does not negatively affect the company's profitability.

Risk Assessment and Mitigation

There are several risks involved in this change. One major risk is employee resistance, as workers may be concerned about job losses or changes to their roles. This risk can be reduced by providing training and clear communication.

Another risk is the high cost of investment, which could put pressure on the company's finances. This can be managed by careful budgeting and spreading investment over time. Technological challenges are also a risk, as EV development is complex. Ford can reduce this risk by investing in research and forming partnerships with other companies.

Competition is another important risk, especially from companies like Tesla. To remain competitive, Ford must focus on innovation and pricing. Supply chain issues may also occur, but strong relationships with suppliers can help manage this risk.

Evaluation and KPIs

To ensure the success of the change, Ford Motor Company must regularly evaluate its progress. This can be done using Key Performance Indicators (KPIs). Important KPIs include the percentage of EV sales, reductions in carbon emissions, customer satisfaction, and employee training completion.

Evaluation should take place regularly through performance reviews, financial reports, and feedback from customers and employees. This allows Ford to identify any problems and make

improvements where needed. Continuous evaluation is important to ensure that the change remains effective and aligned with company goals (Hiatt, 2006).

Discussion and Critical Reflection

The proposed change plan for Ford Motor Company focuses on moving towards electric vehicles (EVs). This change is important because it helps the company stay competitive and respond to environmental issues. The plan has several strengths, but it also has some limitations, as well as ethical and sustainability concerns.

One main strength of the plan is that it has a clear direction. Moving to EVs matches current trends, as more customers and governments are supporting cleaner transport. This helps Ford stay competitive in the global market. The plan also uses change management models such as Kotter and ADKAR, which help guide both the organisation and employees through change. This increases the chances of success because it focuses on both strategy and people (Kotter, 1996; Hiatt, 2006). In addition, the plan includes good communication and stakeholder management, which can reduce resistance and improve understanding.

However, there are also some limitations. One major problem is the high cost of change. Developing EV technology, building new factories, and training workers require a lot of money. This could affect Ford's profits in the short term. Another issue is uncertainty, as it is not guaranteed that all customers will switch to electric vehicles quickly. There may also be resistance from employees who are worried about changes to their jobs. Large companies like Ford can also find it difficult to change quickly because of their size and complexity (Burnes, 2020).

Ethical issues are also important in this plan. For example, some workers may lose their jobs as the company moves away from traditional engines. Ford has a responsibility to support these employees by offering training and new opportunities. It is also important for the company to be honest and transparent during the change process. Another ethical concern is the sourcing of materials for EV batteries, such as lithium. In some cases, these materials are linked to environmental damage and poor working conditions. Ford should ensure that its suppliers follow ethical standards.

Sustainability is a key benefit of the plan. Electric vehicles produce fewer emissions than petrol and diesel cars, which helps reduce pollution and climate change (International Energy Agency, 2023). However, there are still environmental concerns. For example, producing and disposing of batteries can harm the environment. This means Ford needs to invest in recycling and sustainable production methods to reduce these negative effects.

Conclusion

In conclusion, Ford Motor Company has a long history of innovation and global success in the car industry. Over time, the company has faced many challenges, such as economic recessions, increasing competition, and stricter environmental rules. These challenges, together with new technology and customer demand for cleaner vehicles, have made it necessary for Ford to change its strategy. Moving toward electric vehicles is an important step to stay competitive and meet environmental goals (International Energy Agency, 2023; Ford Motor Company, 2023).

The review of change management models shows that no single model is enough for a large company like Ford. Lewin's model is simple and easy to understand but too basic for continuous change. Kotter's model is strong for leadership, communication, and planning, while the ADKAR model focuses on helping employees understand and accept change (Kotter, 1996; Hiatt, 2006). Using both Kotter and ADKAR together is the best approach because it addresses both the company's strategy and the people involved.

Leadership and organisational culture are very important for the success of change. Transformational leaders, like Alan Mulally in the past, inspire employees and create a clear vision. Transactional and situational leadership also help by keeping tasks on track and adapting to different situations. At the same time, changing the company culture to be more open, collaborative, and less hierarchical has made it easier to implement new strategies (Bass & Riggio, 2006; Schein, 2010).

The proposed change plan for Ford includes clear objectives, careful management of stakeholders, communication strategies, financial planning, risk management, and performance evaluation. It also considers ethical issues, such as training employees for new roles and ensuring that materials for electric vehicles are sourced responsibly (Burnes, 2020). These measures will help the company succeed while acting responsibly.

The recommendation to the board is to fully support the move to electric vehicles, continue investing in research, employee development, and sustainable practices, and regularly monitor progress using performance indicators. By combining strong leadership, a supportive culture, and a clear change plan, Ford can successfully meet technological and environmental challenges and remain a global leader in the automotive industry.

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