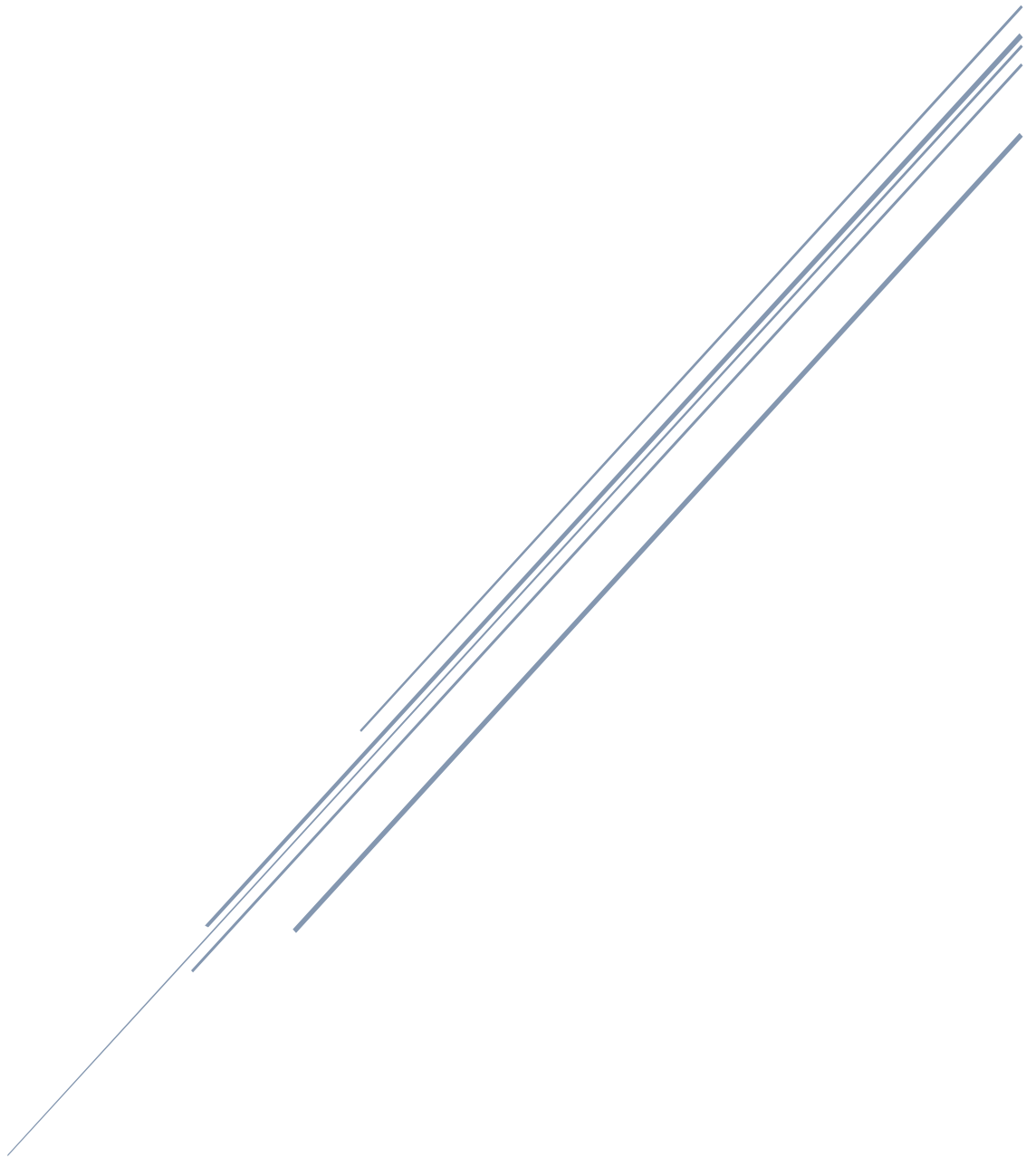


LEADING AND IMPLEMENTING CHANGE

CHANGE MANAGEMNT PLAN



Executive Summary

Digital transformation that is impacting businesses by operational efficiency, and thanks to automation there is less human error, which directly leads to lower operating cost. Technology combined with an effective transformational strategy and skilled workforce can help improve business agility and responsiveness to market changes. In a technologically savvy market, fashion companies and goods must adapt to the latest communication modes in order to attract and retain customer's. Successful change management puts people first because people drive change and maintain its momentum.

Two-way communication is also assisting leaders in identifying change barriers before they become an issue. Therefore, identifying obstacles ahead of time allows the organisation to respond to and resolve challenges that cause change resistance. Training is required in all organisations as it is not only motivate employees but also acts as catalyst for completing new tasks in the workplace. (Amanda, 2006).

Because of the global environment, businesses are encountering issues they have never encountered before. More job-related competencies are necessary in order to achieve the organisations goals. Firms should adapt these developments and equip themselves with latest technology. (Farooq & Khan, 2011).

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Introduction

As a matter of fact, for an organisation to grow, it must embrace change yet change management is complicated but important part of every business. The process of planning and implementing change in a way that will minimise employee resistance is though. Organisations are more likely to succeed when they engage employees before, during and after the change and leaders achieve this through effective communication that will create the motivation in employees to change. Furthermore, leaders need the right tools that will guide them through the journey of effective transformation in the organisation.

New Look has been a high street retailer since 1960s, but in recent years struggling to compete with the popularity and pricing of their online outlets. Despite the few past years of challenges, the fashion retailer high street presence caused in number of stores closures across the town centres in the United Kingdom.

Internal and external analysis will be conducted in this report to analyse the environment of fashion brand New Look works in and to understand the possible employee reaction to change when they are facing change within a workplace. Lewin's change management model and Kotter's change management theory will be underpinned to prepare and implement the emergent strategic management plan for fashion retail store New Look that will give a macro picture of the future retail change.

New Look Fashion

During pandemic, New Look found out that their customer's were mostly happy with the transition to their online channels, but they also realised that their in-store teams needed support and guidance more than ever. Over the years there has been dramatic shift in the way consumers think about shopping online therefore as a company they have redefined their strategy and placed its e-commerce at the forefront of their digital transformation because buyers are no longer content with the simple purchase transactions, they want an experience attached to it. New look company has come a long way since launching their NewLook.com in 2007, and their online experience now includes desktop and mobile websites also the New Look app. This transformation simplifies customer's journeys as they shop across their channels also social media is important part of their omnichannel approach.

Although New look strategy is increasingly focused on digital channels, they also believe that physical stores can complement and connect their strong online presence to meet their customer's needs. Digital transformation means more choice, omnichannel flexibility and digital marketing.

In the financial year 2018/2019, New look was able to deliver profit after a turbulent year, but this is mainly due to the success of the retailer e-commerce business, however, by 2022 annual revenue had suffered again, falling from 1.2 billion in 2019 to 840 million British pounds. (New Look annual report)

Internal and external drivers for change

Internal and external factors impact each other through the changes they promote in the organisation and successful companies use both to analyse the business environment and to implement change.

Today's customers are expecting seamless omnichannel service. For New Look the goal is to transform shopping with digital-first omnichannel experience that stays true to the high street stores operations. Generally, digital transformation impacts businesses in a positive way by improving company efficiency of their operations. Technology advancement together with an effective business transformation strategy plan and skilled personnel can help with business responsiveness to market changes.

Nowadays most organisation are constantly changing in response to the rapidly changing external environments and technical developments, which means that workplace processes, systems and strategies must constantly change and evolve to remain competitive. Through understanding the environment surrounding New Look fashion retail brand will be aware of the situation in which it is operating to overcome the negative impact that are affecting the business activities such as the business opportunities and threats that influence the strategic decisions managers are required to make. Opportunities are trends that create chances to advance, for instance examining whether to launch an innovative technology.

The future of fashion is happening online, and New Look needs to adapt in the way how they sell cloths in the digital world. In addition, consumers are increasingly preferring the convenience and speed of shopping online even that means they cannot try the products on in person.

The most successful brands of the future will create digital shopping experiences with things like virtual accessories or sizing tools and this is the best opportunity for New Look to keep up with technology and continue growing.

By analysing the macro environment (Pestle-Appendix) it has been found that the external environment threat is high street fashion competitors technology advancement, inflation rates and customer's needs and these factors affects New Look sales.

The Swot analysis suggest that New Look main weakness is also competition as the consumers have the option to choose from many brands, therefore striving to gain customer's attention and create the best customer experience for them is major urgency which also requires helping and supporting their employees in a way of motivation to work hard and perform well. Gaining competitive advantage from digital opportunity will be one of the biggest challenges facing the business over the next few years.

Managing organisational change is not easy however to sustain in global and local market it is crucial to make changes an organisation needs. To begin with a successful change process, it is important to understand why certain changes are needed in an organisation. As stated by Glieck (1987) organisational change is a form of chaos because there are many variables changing such as the environment and changes are happening frequently. Moreover, employees are resistant to change as the change affects the organisation most important asset, which are people.

Digital technologies as workplace technologies deliver a range of digital services that enable novel ways of working in organisations (Baptista et al., 2020, Jensen, 2018). Most importantly, they have been shown to increase organisational effectiveness (Colbert et al., 2016, and White, 2012). Digital technology must not only increase efficiency but also shift to a culture of innovation supported by digital technologies that provide employees with diverse collaboration potential (Baumgartner et al., 2021, Svahn et al., 2017, Zimmer and Niemimaa, 2019).

Organisational Culture

Resistance occurs when changes are required in an employee role such as increased workload for example or new job description changes. Any process, system, innovation or product change in an organisation will include reorganization, working smarter, cost reduction, efficiency and all this signifies that employees will resist changes that may result in fear of unknown but employees are resistant to change for a variety of reasons but largely due to poor change execution and management. In fact, managers need to help employees to better adapt to change and there are various approaches that can be used to manage organisational changes such as the importance of effective communication that provides clarity for why change is needed.

Besides when leaders involve employees in change then the change is much easier. Transformational leadership style is the best way to motivate employees to look ahead and inspiring them to achieve organisational goals especially for organisations looking to be more adaptive and innovative, the culture change is often the most difficult part of the transformation because innovation requires new behaviours from leaders as well as employees.

In order to achieve change it is important to understand how all companies rules, beliefs, values and attitudes that influence the behaviour of its employees and how these factors represent natural human traits that must be overcome because the structure of an organisation is built to maintain stability over time and therefore naturally employees are reluctant to change of any kind.

Resistance to change has been linked to individual and organisational level outcomes such as burnout, intentions to leave or job satisfaction and organisational commitment (Oreg, 2006; Oreg et al., 2011) and is also a major factor that inhibits change success (Armenakis et al., 1993., Piderit, 2000). However, it is not necessarily bad when organisational change is resisted because resistance can be seen as an asset that, if used properly, can help mitigate challenges during change implementation (Ford & Ford, 2010; Oreg and Berson, 2019). For example, Ford and Ford (2010) remind us that people who are outspoken about their objections to a change proposal are often people who genuinely care about getting things right. Pideritt, (2009) suggest that resistance to change should be conceptualised as a

multidimensional attitude consisting of feeling, thoughts, and behaviours so ensuring that the employees are prepared for change is one of the most critical task for any leader. Leaders will need to keep their focus on the consumers, pay close attention to creating the right organisational culture.

According to Dasanyaka and Mahakaland, (2008) values and beliefs held by employees are not only an asset to the organisation but also provide managers with a complete knowledge and awareness for effective leadership and that is because strong cultures are driving forces towards organisational development as it reduces stress and improves confidence in employees (Stewart, 2010) and (Balthazard and Cooke, 2004).

Every organisation has its own culture and everything that affect its ability to respond to changes in external environment is an aspect of that culture. Internal factors control how an organisation moves forward and external factors that are affecting an organisation can be political, economic, social or technological. The internal factors that influence and lead to organisational success certainly shape the organisations relationships with the external environment. In order to stay ahead of a new technological and economic developments, businesses need to embrace change because it is believed that the transition will enable the business to operate at higher level which means becoming more efficient, productive, innovative and profitable.

The change strategy process involves multiple steps that are grouped into three stages: preparation, implementation and follow-through and the manager is focused on preparing the organisation and its employees, all this involves helping the employees to understand the need for the transition also outlining the vision and plan for achieving it. The first thing in the process of change should be to identify team members who are enthusiastic about the work environment and change because these individuals are going to be the ambassadors for the organisational change. Afterwards the importance of sending an email to all employees that is outlining the details of the change and encourage staff to reach out to their leader with questions is significant.

Leadership is celebrated as an important factor for the successful implementation of organisational change (Kotter, 1996). Choices that leaders make and their behaviour during change influence employee beliefs and attitudes (Bass, 1990; Dirks & Ferrin, 2002), such as change commitment (Herold et al., 2008) or resistance to change (Ford et al., 2008). Organisational culture dictates strategy implementation and integration in any organisation since it is affecting employee commitments and sense of ownership (Gathai et al. 2012). Since every organisation culture is different, it is vital to retain what makes the company unique because great organisation culture work to create constant alignment with the companies vision, purpose and goals and these is why companies leaders must motivate employees to adopt new technologies and better performance (Dauda & Akingbade,2011).

Company culture is powerful because it can impact sales, profits, employee morale. Changing the organisational culture can prevent employees from returning to the previous status quo (Bullock & Batten, 1985, 2012: Mento et al., 2002). Some authors have different views on how to change an organisation culture, for example Burnes (2000) thinks that change managers should focus on employees who are resistant to the change while Hiatt (2006) suggest that change managers should replicate what strategies they used in the past to change the culture.

Transformational leadership is one of the most studied styles of leadership (Avolio, Walumbwa, & Weber, 2009) and has been known as an effective style that address organisational pressures and performance (Bass & Riggio, 2006). This leadership style is associated with improved staff performance such as job satisfaction (Podsakoff, MacKenzie, & Bommer, 1996; Walumbwa, Orwa, Wang, & Lawler, 2005) and organisational commitment (Bycio, Hackett, & Allen, 1995), as well as decreased negative outcomes, such as turnover intentions (Bycio et al., 1995) and burnout (Constable & Russell, 1986; Corrigan; Divan; Campion & Rashid, 2002).

Change Management Models

According to Kurt Lewin's change model, motivation is the key to drive change. His theory has identified several golden rules on how the change should be implemented and it does a great job of bringing sustainable long-term change. Only few organisational change efforts achieve success (Kotter, 1995). Approximately 70 percent of all changes report failure. Leadership has been defined by Northouse (2004) as a method in which one person influence group of people to achieve a common goal. The study of Cummings and Worley (2003) has identified five critical leadership activities in the change process which are motivating change, defining vision, developing a political support, sustaining momentum and managing the transition. The motivating change and creating the vision show the unfreezing or current state of the organisation that is being considered for change, while developing political support and managing the transition determine the moving stage of change and sustaining momentum shows the application and refreezing state of the change. In change process two factors play important role, the employee resistance (Stanley, Meyer, & Topolnytsky (2005) and the openness to change (Wanberg & Banas, 2000).

Lewin's model is a three-step process developed to help leaders facilitate and understand transitions. Lewin's had a clear understanding of how human's minds work and respond to change, and he used this information to develop a simple model that breaks down human behaviours in simple easy ways. He also realised that it takes some time to change the way people do their jobs. Lewin's change management model put people first and these insights aided Lewin in developing a model that enables team managers to introduce changes and embrace them.

The unfreeze stage is concerned with developing the motivation to change as well as the factors and environment that may impact employee willingness to adopt the change. The process entails examining the forces that will influence the transition to the future state.

(Study.com)

UNFREEZE	CHANGE	REFREEZE
DEMONSTRATE THE NEED FOR CHANGE	DEMONSTRATE THE BENEFITS OF CHANGE	REINFORCE THE NEW BEHAVIOUR
STAGE 1	STAGE 2	STAGE 3

STAGE 1 – UNFREEZING: the first stage of transition and one of the most critical stages in the entire process of change management. It involves improving the readiness as well as the willingness of people to change by fostering a realisation for moving from the existing comfort zone to transformed situation. During this stage effective communication plays vital role in getting the desired support and involvement of the people in the change.

STAGE 2 – CHANGE: This stage can also be regarded as the stage of transition stage of actual implementation of change. This involves the acceptance of the new ways of doing things. During this stage, careful planning, effective communication is essential moreover encouraging the involvement of individuals for endorsing the change is necessary because it is believed that this stage of transition is not that easy due to the uncertainties or peoples fear of the consequences of adopting a change process and this is the stage in which people are unfrozen.

This stage is focused on solutions such as new ways of working and it starts with a new approach to the problem and new approaches lead to new learning and this is what happens:

- goals are established
- small changes introduced
- management structure developed
- two-way communication maintained

This stage requires not only stakeholders participation but also an effective communication of a plan with focus on short-term goals to keep people motivated.

STAGE 3 – FREEZE: During this stage, the people move from the stage of transition to a much more stable state and these is the final stage that solidifies the team and gets them comfortable with the new status quo. Progression to this stage is long-term commitment.

After implementing these steps, gaining team members will be easier and if for any reasons the employees are still resistant to change, leaders must go back to one or both previous stages, and plan a new strategy to get everyone on the same page. Generally, managers and team leaders that use this model are better prepared to deal with potential employee push back. They are also finding it easier to create a strategy that simplifies the transition and make it stress-free for as many people as possible.

When is the strategy properly implemented, Lewin's model of change works well in achieving sustainable long-term change. However, the criticism of Lewi's model is simplicity. Change management is certainly complex, but simplification can make things easier because uncertainty can completely freeze any activity.

KOTTER'S 8 STEP MODEL

Kotter's model is best used in leading large enterprise groups and it includes eight steps to manage change, which are as follows:

- Creating sense of urgency
- Building the change team
- Forming strategic vision
- Communicate the vision
- Focusing on short-term goals
- Maintain momentum
- Institute change
- Removing barriers to change

This model is a simple step-by-step process that is easy to follow and understand by change managers, even they are not experts in the field. Each of those steps outlines exactly what needs to be done in order to keep a change project on track and it covers all phases of change from cultural through to the operational. The most important step is creating a sense of urgency by making employees aware of the need and urgency for change.

A disadvantage of this model is that it does not include employee feedback, which can be catalyst for change resistance and slow implementation timelines. However, Lewin's model is best for long-term projects and permanent changes.

For short term goals and quick tasks, a different approach will be more efficient and produce better results.

All change management frameworks have their strengths and weaknesses.

PROPOSAL AND IMPLEMENTATION

Implementing the change process in any organisation is crucial foundation for enhancing employee confidence in the activities of an organisation and employees play a critical role in this process (McEvily and Zaher (2009) and Burnes (2004). Therefore, employees must not be ignored during the implementation and review of those change processes. According to (Burke et al., 2002) organisations undergoing transformation must have teams that champion the change process.

Beckhard and Harris (1987) identified three activities for implementing change: activity planning, commitment planning and change management structures. The activity planning makes a road map for organisational change which includes the technology advancement adoption.

The commitment planning involves identifying individuals or groups whose commitment is required for the purpose to formulate and gain their support. The change management structure identifies the direction and structure for managing the change process.

Proposal: Nowadays, most of fashion consumers are comparing the multiple channels through which they can access the brand before making the purchase. New Look primary mission should be to remove barriers between how their customer's interact with their brand on different channels by using smart technology. For example, if a customer always searches for size S in tops, the company should remember that when the customer visits their online store again, the site should show results that are available in those sizes mentioned above. Best example of innovative tool is memory mirror that allows users to record video of themselves trying on clothing.

Steps:

- goals
- analysis
- communication
- prepare plan
- implement strategy
- strategy monitoring

UNFREEZING

The company started as fashion brand retailer store. In 2007 launched a NewLook.com and their digital transformation online experience now includes desktop, mobile websites and an app. Later in 2011 launched a programme that enabled their customers to provide direct feedback where they were also building valuable customer relationships. As a result of this success the company analysis and evaluation show the need for an organisational and technological change.

CHANGING

Despite the digital transformation success, the company still believes in the power of physical stores they should focused more on digital transformation and equip the teams and stores with the right technology and tools and upskill their employees.

REFREEZING

Customer's use their mobile app for purchase even if that purchase is completed in store so these shows many opportunities to many fashion retailers. consumers expect the best user experience across mobile apps. To stay competitive New Look should differ and offer personalised shopping experience that will for example allow users to try on the items from the comfort of their homes.

CONCLUSION

It is hard to manage what you do not know, and that is essentially what you are faced during technology implementation. After the hard work of choosing the right technology for the organisation comes the hard work of managing the implementation along with employees especially when they became resistant to any change. With realistic expectations, clear communication, internal champions and right leadership style and framework that will guide leaders through the process of preparing the plan to implementation, leaders can calm the team to feel valued throughout the process.

Implementing change within retail organisation is necessary as it helps a brand to stay relevant and keeps operations running efficiently. However, change can be hard because not everyone likes it as change means stepping into unknown.

The COVID-19 pandemic undoubtedly left the retail industry wrapped in economic struggles and losses, and well known retailers were forced to closed down. To continue growing, New Look must take advantage of emerging channels such as marketplace to reach new customer's. Hyperinflation have already resulted in declining growth rates and that is likely to continue. Customer's expectations are rising for digital channels along measures such as speed, stability and delivery times. Retailers should start designing web pages that are optimised for digital shopping. The priority for many customers today is to get in and out of store as quickly as possible. The best technology strategies will not succeed if team members are not ready to adapt.

RECCOMENDATIONS

The recommendation for New look is that the company should adopt new digital features and invest more in the development. The company also should support advance employee training so that they are equipped with the right skills in carrying out their roles within the company. Additionally, they should also prepare a better strategic plan in order for seeking best solutions for future workplace issues. To continue to grow retailers needs to expand and diversify their products through new channels, developing web pages that are optimised for digital shopping. With increasing globalisation, constant technological innovation and rapidly changing environment, flexible services and responsive staff are critical for business survival.

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APPENDIX I

SWOT

STRENGTH • E-commerce • Store Location • Fashion affordable clothing	WEAKNESSES • Low profit margin • Stores shut down across UK • Queuing
THREATS • Economic crisis • Competitors	OPPORTUNITIES • Technology • Recovering economy

SWOT – NEW STRATEGY

STRENGTH • E-commerce • technology	WEAKNESSES • Self-checkout
THREATS • Financial • Employee not able to manage new technology	OPPORTUNITIES • Opening new stores • Advanced technology

APPENDIX II

PESTLE

POLITICAL	Working Regulations Tax Policies Staffing Issues Requirements for New Stores
ECONOMIC	Disposal Income Inflation Rates Economic crisis
SOCIAL	Lifestyle Changes Awareness for Environment
TECHNOLOGICAL	Speed of Data Website
ENVIRONMENTAL	Renewal Resources Climate Change
LEGAL	Labour Law Health and Safety Consumer protection Law

PESTLE – NEW STRATEGY

POLITICAL	Staffing Issues
ECONOMIC	Rise of Minimum Wage
SOCIAL	Social media Influencers Trends
TECHNOLOGICAL	Advanced Technology
ENVIRONMENTAL	Sustainability
LEGAL	Consumer protection law