Case Study Analysis

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Case study analysis is an important learning tool. The analysis provides a practical understanding of the methods, theories, and best practices being studied. This case study analysis begins with background information regarding the issues being faced by the ASDA grocery chain. The paper continues with a look at best practices for effective change as applied to the problems facing ASDA. Applying the Kotter eight-step model or theory of change is explored. The analysis concludes with a look at how Kotter’s theory of change applies to being a change agent.

Background

The case study analyzed in this paper is found on page 16 in chapter one of Implementing Organizational Change. Before discussing best practices and the theory of change to use, it is important to understand some of the background regarding the issues.

ASDA is a United Kingdom based grocery store chain that is on the brink of collapse. The company consists of 205 stores employing 65,000 employees. The corporate headquarters has another 2000 employees. Founded in the late 1960s, ASDA grew to become “the fourth largest grocery store chain in the United Kingdom” (Spector, 2013, p. 16)

ASDA became quite successful, operating without any real competition” (Spector, 2013, p. 17), as larger chains focused on more upscale markets.

The Problem

The problems encountered by ASDA began when leadership “diverted profits from the
grocery operation into nonfood acquisitions” (Spector, 2013, p. 17). The business model changed, and they started to move into the wealthier areas to cater to more upscale customers. This action placed them in direct competition with larger grocery store chains and eroded their market share in the lower blue-collar market. During this process, the company borrowed money for expansion into new markets, but sales in the existing markets went into decline. Growth for the organization slowed.

Besides the poor growth and declining profits there were widespread issues within the organization. The workforce had become demoralized, and morale was poor. Central headquarters was highly politicized, and there was a lack of direction and vision. Departments siloed, and communication was poor. To bring the organization back into profitability and growth, the board of directors hired Archie Norman as the new CEO.

**Best Practices for Effective Change Strategies**

To turn things around at ASDA Mr. Norman would have to implement many changes. The first task at hand is to articulate the purpose of the changes to the entire organization. Mr. Norman would need to elucidate a clear and compelling vision. This step is vital. “Purpose involves a clearly articulated, well-defined ambition for the organization. An ambition that engenders strong, enduring emotional attachments among employees and remains constant over time” (Spector, 2013, p.154). According to Gagnon (2013), leaders need to help employees see how much better things will be once the change effort has succeeded.

Another best practice employed is to build a “change coalition” (Gagnon, 2013, p.1). This task may not be easy to do, but it is a fundamental step in creating effective and lasting change. Typically this coalition is comprised of top leaders in the organization. Gagnon (2013) points out that the change agent should not forget to look outside the C-suite. They should also
enlist the “thought-leaders, key influences and subject experts from elsewhere in the company (Gagnon, 2013, p.2). “An increasingly dynamic competitive environment, especially when coupled with the growing complexity of organizations themselves, requires that for transformational change implementation to be effective, leadership must be exercised by many people on multiple organizational levels” (Spector, 2013, p161).

Effective change efforts are bolstered by establishing performance goals that are demanding, but obtainable. Demanding performance goals focuses employees on the purpose for the change. They become motivated and committed to achieving the goals and bringing about lasting and sustainable change. Establishing obtainable, demanding goals creates the opportunity for a series of short-term wins that motivate individuals and drive the change effort forward.

Creating a best practice of two-way communication is crucial to effective and sustainable change. Traditionally communication flows from the top down. Powerful change efforts succeed when communication flows upward as well. “The simple fact is that employees further down the organizational hierarchy are well positioned to know things vital to the organization” (Spector, 2013, p. 156). Employees at the lower levels of the organization posses a great deal of knowledge. This knowledge is invaluable to company leadership. Through upward communication leadership learns about the needs of the customer, vendor relationships, and information about competitors. This information facilitates agility within the organization and an ability to respond quickly the changing business climate. The upward communication also fosters and emotional bond between employees and the organization. When employees are paid attention to they feel more committed to the success of the change effort.

Theory Applied
John Kotter in 1995 developed a theory for effective organizational transformation involving eight steps. Step one involves establishing a “sense of urgency” (“Kotter’s 8 Step Process: Identifying Important Elements to Successful Organizational Change”, n.d.). This step involves looking at the realities of the competitive market, discussing the crises and determining the potential for crisis as well as prospective opportunities. Next leaders must form a “powerful coalition” (“Kotter’s 8 Step Process: Identifying Important Elements to Successful Organizational Change”, n.d.). The coalition leads the change effort and develops the plan and approach to implement change.

Step three and four involve the creation, articulation, and communication of the vision and purpose for change. Step five removes barrier that undermine the vision. This step involves “empowering others to act on the vision” (“Kotter’s 8 Step Process: Identifying Important Elements to Successful Organizational Change”, n.d.). Empowering others engages them by encouraging the implementation of “non-traditional ideas, activities and actions” (“Kotter’s 8 Step Process: Identifying Important Elements to Successful Organizational Change”, n.d.).

Generating “short-term wins” (Kotter, 2014) is step six in Kotter’s process. As discussed previously in this paper, creating demanding and obtainable goals allows for the organization to track consistent progress and encourages staff by “celebrating volumes of small and large accomplishments” (Kotter, 2014).

Step seven, “sustain acceleration” (Kotter, 2014), involves the development of staff who “can implement the vision; reinvigorate the process with new projects and themes (Kotter, 2014). Reinvigoration may also mean introducing new change agents with fresh eyes who are able to see without bias additional efforts that will bring about sustainable change.

Finally, step eight encompasses “creating the connections between new behaviors and
corporate successes” (“Kotter's 8 Step Process: Identifying Important Elements to Successful Organizational Change”, n.d.). Incorporated in step eight is the process for development of measures to “ensure leadership development and succession” (Kotter, 2014). Leadership succession is crucial to the sustainable change.

The Change Agent

The change agent or change leader plays several different roles throughout the change process. At times they may play the role of change initiator. The change initiator is the one who “gets things moving” (Tupper, Deszca, & Cynthia, 2012, p. 20). At other times the change agent might play the role of change implementer. Change implementers play the critical role of making the change work. They are the ones who take the handoff and carry the ball down the field. The third role that the change agent plays is as change facilitator. “Change facilitators understand change processes and assist the organization to work through change issues” (Tupper, Deszca, & Cynthia, 2012, p. 20). Regardless of the role the change agent plays the Kotter’s eight step model acts as a guide or roadmap through the process.

Conclusion

Case study analysis is an excellent learning tool. The process of analysis facilitates understanding and embeds knowledge of applicable best practices and theory that apply to the case situation.

The ASDA organization has a daunting task ahead of them. Applying the aforementioned best practices can bring about lasting change in the ASDA organization. Kotter’s theory or model is a practical process that can be utilized by leadership and change agents to facilitate lasting change within the ASDA organization.
References


