

Case Study 1: Leading Change and Strategy at Mark Spencer

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Mark Spencer, after one hundred thirteen years as pre-eminent of the retail industry, found itself as the example of poor strategic leadership and management. Why? The chairman and CEO, Luc Vandeveld, in 2000 discovered the major problem as a lack of understanding of the company's fundamental strengths were what customers valued most about the business and then using that information to develop its brand. Also, Vandeveld believed that the organization could be turned around by using a strategy for recovery divided into two phases. The first phase would take place from 2001-2002.

However, there is no mentioning of globalization activities nor competition or emerging technologies and changing in cultural values. Nevertheless, Mark Spencer's theme for the first phase would be "simple, radical and all-encompassing." Looking at some of the theories available for this situation. Theory E and Theory O, and it appears Theory E was selected. As a result, the stakeholder interest became the focal point, and many employees were fired or right-sized.

The campaign for the first stage celebrated as a success. The question that needs to be asked is what types of change approach was used; was it planned or emergent. Also, it was not shared if the change approach expounded by Kurt Lewin of unfreezing, moving, then refreezing was used to allow the first phase of his two-phase strategy of recovery to be rewarded. At this point, this top-down approach showed that it was not necessary to consider Theory O by consulting with the people who were doing the work and making contact with the customer on a day-to-day basis. Moreover, it was not stated whether there were any theories, approaches, or practices frameworks designed to sustain the goals gains in the first phase.

Now it is time for phase two. However, by the early-2004, the change stalled. The organization probably expected too much too soon since it takes time to break old bad habits and change without communicating with the employees, and management usually fails. The outcome was due to Vandeveldel not utilizing or taking under advisement to use one of the three models of emergent change. The models are Kanter's Ten commandments for Executing Change, Kotter's Eight-Stage Process for Successful Organization Transformation, or Luecke's Seven Steps for change.

Finally, authentic transformation takes time. The style of leadership, whether transformational or charismatic for the chairman and CEO position, should have been considered when hiring of Vandeveldel. Also, urgency does not appear to be a course of action. Nor does there seem to be a commitment from the upper managers for change. There were not any stages for celebrating small success, nor does it appear that there was a person to monitor and manage the transition.

References

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