LEADERSHIP AND CHANGE MANAGEMENT

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# 1. Part 1

## 1.1 Background to the change process

ASDA holds the position of being the third-largest retail store in the UK and it has over 259 retail outlets, spread across the UK. ASDA employs over 160,00 workers and the company has been recognised as the largest food retailer in the UK (ASDA, 2023). The retail industry of the UK is highly competitive and ASDA faces high competition from its major competitors like Tesco, Sainsbury’s and Iceland. Furthermore, this company was established in 1949 and since then it has followed the traditional mode of selling products at retail stores. However, with rapid digitalisation and globalisation, organisational and operational change had become necessary and ASDA successfully did so with the help of its leaders and other members of the organisation.

ASDA is one such organisation that values its people and the people of this company are at the very root of its competitive advantage in the market. ASDA follows a servant leadership model, which suggests that the leaders of ASDA serve and help others. This further implies that the leaders of this company guide all employees and other members through all situations and their collective support and endeavours contribute to the sustainable growth and development of this company.

**Share Leadership**

**Provide Leadership**

**Build Community**

**Display Authenticity**

**Value People**

**Develop People**

**Figure 1: Servant Leadership Model**

(Source: Self-Created)

Over the years the managers of this company have felt that there are primarily three issues in ASDA’s business operations and these three issues need to be resolved with effective leadership and change management process. Being the largest retail company in the UK, ASDA has maintained and deals with a wide variety of consumable products. Reports suggest that ASDA has to face a hard time while dealing with a large number of consumable products. The leaders of organisations then come up with ideas that could solve this problem. The management team of ASDA pointed out that ASDA needs to work on improving three areas of its business operation; these areas are - Reverse logistics, supplier connectivity and inventory management.

Leaders along with other members identified that the major operational challenge that ASDA has been facing is an ineffective reverse logistic facility. It has been argued by Kaviani *et al.* (2020) that reverse logistics is necessary because it allows customers to return defective products and maintains the reputation of a company among its consumers. Earlier ASDA’s reverse logistic process has been extremely time-consuming and falling in the process caused ASDA of million pounds. However, the management team of ASDA identified this problem. They suggested that to strengthen the company’s reverse logistics it is important to get into a strategic partnership. For example, ASDA has a strategic partnership with XPO Logistics, a renowned and leading global company for transportation and logistics. This partnership has been helping ASDA to effectively deal with the returned defective products. Thus, ASDA has been successful to enhance its customer experience and satisfaction with effective leadership and change management.

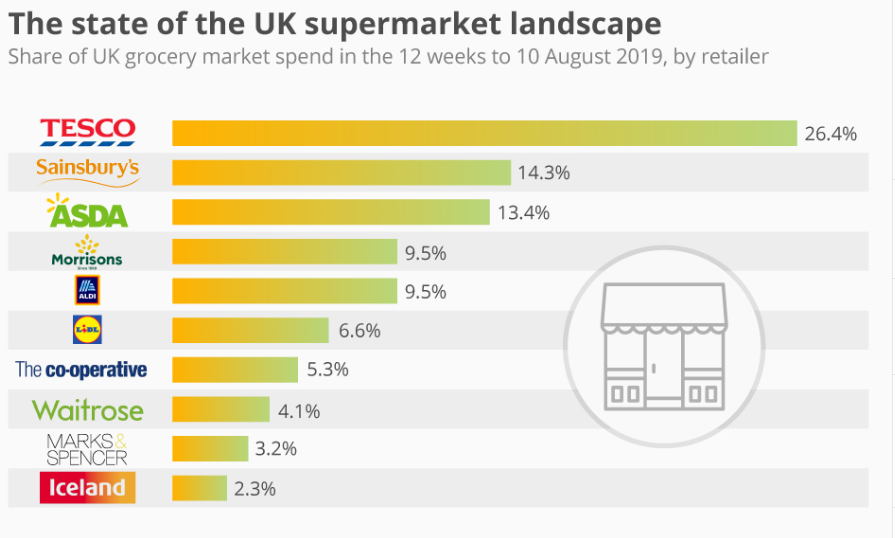
Supplier connectivity was another challenging task for the operational management of this company. ASDA operates in the competitive supermarket of the UK and this makes it inevitable for ASDA to deal with a large number of suppliers so that it can ensure smooth delivery of products at all the retail stores. Previously ASDA was labelled as one such company that had a work supplier connectivity. However, over the years, with the help of effective leadership and management ASDA has been successful to strengthen its supplier connectivity. ASDA is an integrated technology offered by Blue Yonder and this has enabled ASDA to optimise its end-to-end supply chain as well other retail operations. The technologies offered by Blue Yonder have allowed ASDA to use ML. By using ML, ASDA is now able to predict consumer demand in a more promising and accurate manner (Blue Yonder, 2023). Furthermore, managers at ASDA are planning to incorporate a connected platform, which can be used to bring more value throughout the omnichannel network. The incorporation of advanced technology in the supply chain has helped ASDA to ensure smooth business transactions.

A change was further required in the inventory management of ASDA because over the years ASDA had expanded its business in different parts of the UK and it was becoming quite challenging for this company to manage the inventories and distribution centres in order to maintain the demands and needs of consumers. Therefore, the leaders at ASDA decided to evolve the logistics and inventory management facilities of the organisation. The managers at ASDA decided to use “Manhattan Active Warehouse Management” offered by Manhattan Associates Inc. to evolve its inventory and logistics (Manh, 2023). This has enabled the company to distribute its stock efficiently, meet the demand of the consumers and ensure better service to over 18 million consumers per week.

Thus, after the discussion, it can be concluded here that the leaders of ASDA have brought required and essential changes, which were needed to make ASDA a deft and competitive player in the retail sector of the UK.

## 1.2 A Critical Review of the Change Management

ASDA has been following a leadership style, which is based on the “Servant Leadership model”. This leadership style has enabled ASDA to work collectively and to uplift all the members of this organisation. At ASDA all the employees feel valued and they work towards the growth of themselves as well as of the organisation. Over the years, this organisation has emerged as a learning retail company in the UK and at present ASDA is just behind Tesco and Sainsbury’s.



**Figure 2: Market share of ASDA in the UK**

(Source: Statista, 2023)

The above figure refers to the market share of the retail companies of the UK and from the above figure it can be seen that ASDA has a 13.4% market share while Tesco has 26.4% and Sainsbury’s has 14.3 (Statista, 2023). These figures clearly reveal that ASDA has achieved a competitive edge in the market and there are further scopes to improve. However, the company was born in the year 1949 and quite naturally it had to follow traditional modes of operations. However, it was inevitable for the company to adopt modern technologies in business operations because without doing so, it was not possible to compete in the market. It has been argued by Genc *et al.* (2019) that, today’s market is highly competitive and in order to achieve a competitive advantage in today’s market it is important to adopt modern technological means.

The leaders at ASDA realised that the success of this company is highly dependent upon its adaptation to today’s market trends and technology. Thereafter, through strategic discussions and meetings, they found that ASDA was expanding its business without ensuring an appropriate SCM and logistics. At a point, ASDA came to be known as one the worst company in terms of SCM and logistics. From there, ASDA has dramatically recovered itself and today it is known for its effective logistics, fast delivery and highly effective supply chain. ASDA operates in the retail sector; therefore, the company is bound to deal wide a wide range of products, and consequently a large number of suppliers. It was quite a challenge for ASDA to handle a high number of suppliers without integrated technology.

The leaders at ASDA identified this and they have identified that ASDA needs to first focus on its reverse logistics system. The company has to deal with a wide variety of products in high volume so quite naturally some products are found to be defective. It is obvious that consumers after receiving defective products will return those products and ask for a refund. However, a few years back ASDA’s reverse logistics were not up to the mark and consumers had large dissatisfaction among themselves. After the management team at ASDA recognised the issue and they come up with a wonderful solution, which was to partner up with XPO Logistics. XPO Logistics is one the most trusted and vibrant logistic systems in the world. ASDA’s partnership with XPO Logistics has proved to be immensely beneficial for ASDA because this partnership has helped ASDA reduce the time of reverse logistics. Furthermore, it has been beneficial for ASDA in cases like waste management and recycling. Therefore, it can be concluded here that with proper leadership, ASDA was able to improve its reverse logistics and ensure maximum customer satisfaction.

SCM management is an integral part of a business and for large companies like ASDA, it is even more important because ASDA has to deal with too many suppliers. Retail companies are bound to meet the needs and demands of the consumers and therefore, they have to maintain a large number of consumer goods. It has been stated by Jin *et al.* (2023) that consumers should be provided with options to choose from at the retail stores and furthermore, new products should be introduced in the stores so that the attention of the customers can be retained. However, ASDA had not a strong supply chain and this posed ASDA in a vulnerable position. However, the management team rapidly changed ASDA SCM and to do so they reached out to Blue Yonder. The integrated technology offered by Blue Yonder has helped ASDA to rejuvenate its supply chain. Furthermore, advanced technologies have supported ASDA to use the modern tool ML. With the help of ML. ASDA is now able to collect information about the needs and demands of customers and introduce products accordingly.

Change in inventory management was of the utmost requirement for ASDA because as the company expanded its business in different parts of the UK, the distribution system became more complex. Therefore, to ensure that all retail stores have an adequate supply of products, proper inventory management was needed. After the identification of this issue, the leaders of ASDA made a common decision to approach Manhattan Associates Inc. for their “Manhattan Active Warehouse Management” system. It has been stated by Bujak *et al.* (2023) that “Manhattan Active Warehouse Management” is a cloud-based system that uses ML, actionable and gamification in order to optimise warehouse operation and enhance workforce ability. This system has been helping ASDA to strategically manage its inventories and ensure the proper distribution of consumable goods. Moreover, the leaders have focused on strengthening ASDA’s online presence and the online shopping experience of ASDA has been optimised. SMM has helped ASDA to create brand awareness and brand loyalty.

Therefore, after the above discussion, it can be concluded here that ASDA has been able to adapt itself to modern market trends and need with effective leadership and organisational integrity. Without effective leadership, it would have not been possible for ASDA to adapt to the changing market needs. In fact, all the employees of ASDA contribute immensely to ASDA’s growth and they too have adapted themselves to the changing environment of ASDA. Thus, leadership played a significant role in ASDA in its changing and transition process.

## 1.3 Recommendation for future change practice

After the critical review of the leadership approaches and change management process at ASDA, the following recommendations can be made -

* The leaders of ASDA need to set short terms goals and after achieving those short terms goals more concrete goals can be set. In this regard, they can follow Kotter’s model of change management. Adherence to this model. This will allow the leaders to ensure that all the changes are done gradually without hampering the existing system.

**Institute change**

**Building a good coalition**

**Enlist a volunteer army**

**Generate short term wins**

**Sustain acceleration**

**Form a strategic vision**

**Create a sense of Urgency**

**Enable action by removing barriers**

**Figure 3: Kotter’s 8-Step model**

(Source: Self-Created)

* Sustainability needs to be given high priority in the organisation in terms of procurement and sourcing. Leaders and managers should focus on securing suppliers who manufacture products in sustainable ways. Sustainability will further help to attract customers and valued employees because these days everyone wishes to connect with organisations that respect and value sustainability.
* It has been found that ASDA faces challenges of reverse logistics primarily because of defective products, therefore, the managers of ASDA should look into this matter of quality checks of products before packaging and dispatching should be monitored. This will, on the one hand, increase customer satisfaction and enhance the customer buying experience, on the other hand, it will help ASDA to have a more optimum brand image in the market.
* The leaders should focus on following CSR policies and at the same time the employees should be encouraged by the leaders to participate and contribute to the CSR policies of the organisation. This help ASDA to engage all the major stakeholders like the government, customers and communities. With active support from the stakeholders, the company can grow more rapidly.
* The moves and strategies of the major competitors of ASDA such as Tesco and Sainsbury’s need to be closely observed and analysed by the leaders because this will help them to learn and develop more fruitful and promising business strategies for ASDA.
* The leaders of ASDA to gain more competitive advantage have to focus on the integration of more advanced technology like AI. Integration of advanced technologies is crucial to have knowledge about the needs of consumers. Furthermore, it helps to have insights into consumer demands and thus helps in effective inventory management.
* The management team need to ensure proper communication within the organisation. Before implementing any change, all the employees should be communicated properly and they should be given sufficient time to adapt to a new business environment.
* Leaders need to maintain transparency about business operations and other factors, without maintaining proper transparency organisational success is hard to achieve.
* Lastly, training is required for both leaders and other employees because with the help of proper training skill development can be ensured in the organisation.

# 2. Part 2

## 2.1 Reflection on my leadership approach

I have had the opportunity to play the role of leader in my organisation. Here I am going to reflect on the kind of approaches I have to fulfil the needs of my position. To facilitate my reflection and make it more systematic and orderly I am going to follow Gibbs’ reflective model.

**Figure 4: Gibbs’ Reflective model**

(Source: Self-Created)

## 2.1.1 Description

I think that leadership quality is something that needs to be cultivated constantly. The major and integral qualities of an ideal leader are that he will be courageous, compassionate, and impartial and he needs to possess effective communication skills. Furthermore, a leader has to have knowledge and understanding of varied subjects and matters so that he can efficiently guide others. It has been argued by Ahern and Loh (2021), that a leader is responsible to manage and connect all the members of an organisation, therefore, a leader must possess emotional intelligence. Emotional intelligence is an essential and integral quality of a leader because it ensures that a leader can understand the needs and requirements of others. Problem-solving and critical thinking skills are equally essential for a leader in order to become an effective leader.

## 2.1.2 Feelings

Firstly, I would like to state here that impartiality is an important virtue for a leader. Discrimination on any ground should not be committed by a leader. When I became a leader, I was aware of this fact and I never discriminate on the grounds of race, culture, ethnicity or gender. I always try to ensure that everyone gets equal opportunity and a healthy workplace culture must prevail. Emotional intelligence is required for impartial judgements and to see things from the viewpoint of others. As per the views of Lam *et al.* (2021), Knowledge management is essential for a leader because, without proper knowledge management skills, a leader cannot guide everyone. I need to work on my problem-solving skills because I have felt that during unpredictable situations I become extremely tense.

## 2.1.3 Evaluation

I have strong emotional intelligence because I always try to understand the needs of others and I try to ensure that no one feels hesitant to reach out to me with their needs. In terms of communication, I have good command over my verbal communication skills, however I need to work on my written communication skills, because as a leader I often need to write reports or make presentations. I have adequate knowledge to guide others and I do not demotivate others, rather I guide them to solve their problems. I always make sure no one in our organisation feels left out, therefore, I take the initiative to communicate with everyone. According to the comments of Tem (2020), leaders need to have strong critical-thinking abilities and problem-solving skills so that they can handle unpredictable situations.

## 2.1.4 Conclusion

To conclude, I would like to note here that I have good leadership qualities, however, there are several areas on which I need to work to improvise my leadership skills. For example, I have to improve my written communication skills because in future in order to secure a more responsible position, I will need exceptional written communication skills.

## 2.1.5 Action Plan

I will try to cultivate my written skills by practising reading and writing in my free time. Moreover, I will work on improving my leadership skills by observing the activities of effective leaders. I also plan to reach books written on leadership to learn the hidden and intricate qualities of an effective leader. I will work on improving my problem-solving skills by practising and practical implementations.

## 2.2 Future Plans to develop my leadership skills

* I firmly believe that learning is a continuous process and we are never done with learning new things and ideas. Therefore, my primary future plan is to keep on learning and acquiring more knowledge that can help me to become a more efficient leader.
* I will implement the strategy of observation and self-correction; I will learn from other leaders and simultaneously I will work on rectifying my mistakes as a leader through self-correction.
* I will work on my communication skills and I will make sure that I become deft at both verbal and written communication.
* I will on my cooperation skills because it will enable me to cooperate with my teams even in difficult situations.
* Lastly, I will work on my critical thinking and problem-solving skills so that I can handle difficult others and also guide others during tough times.

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