Change Management Initiative: Analysis and Final Report

Executive Summary (200 words)

Change is a common practice in all organizations. However, the way organizations implement change determine their success or failure in the competitive environment. This study will focus on change management in Spirit AeroSystems, the world's largest aero-structures manufacturer. Being the largest customer of both Boeing and Airbus, Spirit AeroSystems is in the process of making organizational change to enhance its competitive advantage. When undertaking an organizational change, the manager should consider the organizational culture to ensure that members' needs are aligned with the organization's vision. The company's strength, weakness, opportunities, and threats (SWOT) analysis can help the management to develop strategies for organizational change. Besides, the leader of the proposed change should develop a good relationship with all stakeholders by informing them about change and listening to their views. The management should be aware of resistance to change; hence, it should incorporate the appropriate models, in addition to having effective communication to overcome resistance. This study concludes by emphasizing on the need to execute change by following necessary steps thin order to enhance organization's readiness for change. The core idea behind change should be to meet the stakeholders' need, especially customers, who are quite sensitive on the change initiative.

Introduction including the 'site of change'

Organizational change can be a source of anxiety because the possibility of failing is quite high. However, organizational change is fundamental for enabling the organization to remain competitive and relevant. Employees' perceptions concerning the organization's readiness for change is vital for understanding why some employees resist change. SWOT analysis can help the company to exploit its strengths, embrace opportunities, overcome weakness, and identify threats within the current business environment. Most change methods support the notion that change does not happen without some challenges. Success is attained when everyone is involved early in the change and implementation process while the management continuously adjust the processes whenever necessary to accommodate new ideas.

The Organization

Spirit AeroSystems Holdings, which has its headquarters in Wichita, Kansas, is the world's largest manufacturer of first-tier aerostructures. The Company designs, as well as manufactures aerostructures that include propulsion systems, wing systems, and fuselages for both commercial and military airplanes, through its nine facilities across the globe. The company's management has strived to maintain its operations through developing effective strategies and using SWOT analysis to enhance performance.

However, the Company is planning to have a transformational change, which would ensure that it has boosted the level of technology required to curb the threat of changing technology. The company has an opportunity to benefit from the expansion of global airline industry, where a

rise in demand for aircraft could offer a positive stance in the long-run (Spirit AeroSystems 2016). The management of Spirit AeroSystems Holdings should develop an effective implementation plan to ensure that the transformational change has become successful in boosting the company's operations. Kotter's 8 step model, as well as Lewin's Change Management model are some of the frameworks that can be utilized to implement change in Spirit AeroSystems.

Analysis of the Forces for Change

The forces that triggered for change in Spirit AeroSystems emanated from both inside and outside the company, and are vital for the company's survival. The SWOT analysis incorporates the internal, as well as external factors that affect the organization's performance. The SWOT analysis, which is an abbreviation for Strengths-Weaknesses-Opportunities-Threat, ensures that the management of Spirit AeroSystems is capable of protecting the company's market share, penetrate new markets, as well as identifying the threats.

Strengths and weaknesses are part of the internal analysis of the company while opportunities and threats represent the external forces that affect the company's operations. While strategic growth initiatives and growing demand for aircraft present the external forces in the SWOT analysis, strong portfolio of offerings and the focus on single market are part of the internal forces that have a significant impact on the company's performance (Spirit AeroSystems 2016). The following is the SWOT analysis of Spirit AeroSystems.

- Strengths: The strengths include being successful in initiating new projects; strong brand portfolio; and strong dealer community. The company also benefit from being involved in a number of military and commercial programs, which enhance its competitiveness.
- Weaknesses: Spirit AeroSystems has not invested adequately in research and development while the company has not been successful in dealing with the challenges brought by the new entrants in the market.
- Opportunities: New trends as demonstrated by consumer behavior can assist in opening new market for the company. The market development is likely to expand and dilute the competitors' advantage, in addition to creating an opportunity to invest profits in other product segments.
- Threats: One of the serious threats is the changing consumer buying behavior, which is a threat to physical infrastructure. The company is also experiencing currency fluctuations due to operating in foreign countries and the volatility of political climate in those countries.

The Change Intervention

Today's organizations encounter an increase in the pace, complexity, as well as unpredictability of change, which are elicited by both external and internal factors (Heckmann, Steger & Dowling 2016). Spirit AeroSystems is investing on the latest technology to realize a transformational change in its production facilities. The company is exploiting Lewin's force field model, which plays a critical role in change management, by ensuring that the company responds effectively to the environment under which it operates. According to Amjad and Rehman (2018), Lewin's force field model encourages managers to push for an organizational change process by restricting forces of resistance from employees. However, the management

should be aware of the resistance from employees, which is normal in change management. Consequently, the leading team in change management should identify and assist those who oppose change to understand the need for change.

Stakeholders Analysis

Stakeholders are vital in ensuring that changes are implemented to enhance the company's performance. Thus, the company's management should facilitate in meeting the stakeholders' needs through effective communication (Butt, Naaranoja & Savolainen 2016). Organizational culture is essential in change management, as it helps in the sharing of knowledge between the company's management and its stakeholders. Some of the stakeholders, who may support or obstruct proposed change include:

- a) Creditors: Creditors, who include bond holders, suppliers, and financial institutions, play a vital role in change management, as they decide of the amount of resources to be directed towards change initiative.
- b) Suppliers: Suppliers support change initiatives through providing materials on time and maintaining good communication with the organization's management.
- c) Shareholders (owners): Shareholders are considered as the first stakeholders, who commit their resources. Shareholders likely to oppose organizational change if the change does not result in gains.
- d) Directors: The company's directors are involved in making decisions on change initiative. Directors have to accept change in order to meet the customer's needs.
- e) Employees: Employees are the prime stakeholders and ensure the company maintains its productivity consistently by serving in various departments.
- f) Customers: The company's manager should negotiate and clarify information from customers to ensure that the organizational change correspond with the customers' needs. Customers may decide to accept or reject products or services provided by the company if the company fails to consider the customers' concerns.
- g) Local Community: Spirit AeroSystems has extended its responsibilities to local community through supporting various projects and services, such as leadership and mentoring; higher education partnership; disaster relief; environmental conservation and recycling programs; and poverty alleviation.
- h) Government: Both aerostructures and military equipment are heavily regulated departments, thus, the government must be involved in establishing regulations, as well as protecting consumers from fraud.

Readiness for Change

Readiness for change is reflected through organizational members' beliefs, attitudes, as well as being aware of the organization's capacity to implement changes successfully. To be ready for change implies that all stakeholders are aware of the organizational culture. The company has adopted developmental culture, which incorporates flexibility, growth, creativity, and innovation (Butt, Naaranoja & Savolainen 2016). The culture allows the manager responsible for change management to establish teams, which help in making decisions through consensus, where each team represents different stakeholders who understand the company's operations. When developing the plan for implementing change, the manager should identify barriers to change so that they can be addressed in each stage of the implementation (Craig 2019). The company

should deal with resistance first before proceeding with other plans.

Spirit AeroSystems is planning to implement a transformation change to its aerostructures by applying technology in its manufacturing plants. The company wants to align its production to digital technology, which has become fundamental to competing within the aerospace, as well as in defense industry (Ketzner et al. 2017). The company is also preparing for its future operations by ensuring that it has updated its plants with the latest technology and boosting the speed of production to meet the growing demand for aircraft.

Organizational Readiness for Implementing Change (ORIC) acts as a valid and reliable measure of testing organizational readiness for change, which enables managers to determine organizational readiness (Shea et al. 2014). ORIC is a psychometric assessment, which helps in minimizing the number of changes that do not bring the desired benefits. The seven aspects of determining the organization's readiness for change include:

1. Perception towards change efforts
2. Vision for change
3. Mutual trust and respect
4. Change initiative
5. Management support
6. Acceptance
7. Managing change

5. Implementation Plan (600 – 700 words)

Change in organizations should occur consistently to enable the staff cope with new instructions. Change is usually effective when it starts at the organizational level, proceeds to the teams, and ends at an individual level (Heckelman, 2017). However, change can only be successful if the company's management is capable of developing an effective implementation plan, which incorporates timelines and responsibilities for each individual or group. An implementation plan helps in breaking each strategy into a number of steps, thus, making it possible to involve every employee in the process.

Change should be executed through the top management team to enable the manager in charge to evaluate its strategies. According to Smartsheet (n.d), eight essential steps that the management should execute to ensure a successful change are as follows:

1. Identifying What Will Be Improved: Knowing the areas of improvement helps in successful implementation.
2. Presenting a Genuine Case to the Stakeholders: The manager should have different expectations from each type of stakeholder, based on their needs
3. Planning for the Change: The manager should develop clear steps, which have timeline, measurable targets, as well as incentives.
4. Providing Resources and Utilization of Data for Evaluation: Identifying the resources and vital elements is critical for successful implementation of change.
5. Communication: A clear and open mode of communication is necessary in order to understand the problems incurred in the process, as well as offering feedback.
6. Monitoring and Managing Resistance, Dependencies, as well as Budgeting Risks:

Resistance is always expected in change management, thus, the manager should conduct training to arm members with fine details of change initiative.
7. Celebrating Success: Individuals and teams involved in change should be recognized for their achievement.
8. Reviewing, Revising, and Engaging in Continuous Improvement: Strategies for change should be adjusted where necessary to accommodate new ideas. All participants should be informed of any adjustment.

One of the most critical aspects of implementation plan is communication, which assist in creating a sense of urgency. Lewin's Change Management Model, which involves unfreezing, change, and refreezing, is considered among the best approaches to managing change, owing to its simplicity and emphasis on communication (Cummings, Bridgman & Brown 2016). Initially, employees should feel the force of disequilibrium in order to begin accepting change. They later restructure their thinking, as they begin to understand the meaning of change, before they feel safe enough to accept that change is necessary to solve their problems. Kotter's 8 steps model has also emphasized on organizational behavior, as well as adhering to the steps involved in change management execution, through developing a change vision and communicating the vision to all stakeholders (Heckelman, 2017). The two models can assist the management team in Spirit AeroSystems to make necessary changes in its change management initiative in order to boost its operations.

Conclusion/ Next Steps

Spirit AeroSystems should be prepared for future operations by implementing change, which could assist the company in maintaining its market share, even when the airline industry decides to set stringent regulations. Change can also help in cushioning the company against foreign exchange risks. The manager responsible for change should ensure that all stakeholders are informed of the proposed change before embarking on implementing it. The management can choose to utilize Lewin's Change Management Model or Kotter's 8 step model, where the emphasis is on transforming employees from a situation of anxiety and resistance towards creating a vision of change through effective communication.

Appendix A: SWOT Analysis

SWOT Analysis

It covers both external and internal forces as follows

Strengths: The strengths include being successful in initiating new projects; strong brand portfolio; and strong dealer community. The company also benefit from being involved in a number of military and commercial programs, which enhance its competitiveness.

Weaknesses: Spirit AeroSystems has not invested adequately in research and development while the company has not been successful in dealing with the challenges brought by the new entrants in the market.

Opportunities: New trends as demonstrated by consumer behavior can assist in opening new market for the company. The market development is likely to expand and dilute the competitors' advantage, in addition to creating an opportunity to invest profits in other product segments.

Threats: One of the serious threats is the changing consumer buying behavior, which is a threat to physical infrastructure. The company is also experiencing currency fluctuations due to operating in foreign countries and the volatility of political climate in those countries.

Appendix B: List of Stakeholders

Stakeholder Interests Needs Perspectives

1. Shareholders Owners Profit
2. Directors Managers Improve the company's reputation
3. Customers Consumers Quality products and services
4. Local Community Volunteer programs and community development Corporate social responsibilities (CSR)
5. Government Setting rules Taxation, consumer protection
6. Creditors Providing funds Proper use of funds
7. Suppliers Supplying materials Meeting the company's target
8. Employees Implementing change Maintain their jobs