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LECTURE NOTES
on the discipline "Change Management"
(for students of specialty D3 "Management", master's level, full-time and part-time study modes)

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Lecture notes on the discipline "Change Management" (*for students of specialty D3 "Management", master's level, full-time and part-time study modes*). / Compiled by K.A. Pohorelova. — Kyiv: Publishing House of Volodymyr Dahl East Ukrainian National University, 2025. — 68 p. [Text in English]

The lecture notes systematically present the fundamentals of change management in modern organizations. Theoretical foundations of the change process, types of changes and factors that initiate them, as well as key models — including Lewin's, Kotter's, ADKAR, Burke–Litwin, and Edgar Schein's cultural model — are explored.

Special attention is given to psychological aspects of resistance to change, the role of managers and leaders in implementing transformations, as well as communication, adaptability, and teamwork during change processes. The lecture notes also analyze the challenges of digital transformation, the use of artificial intelligence in change management, and the transformation of organizational culture.

The material is presented in English, making it relevant to the international educational context and the development of professional terminology in the field of management.

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LECTURE 1: INTRODUCTION TO CHANGE MANAGEMENT

1. *Introduction to change management*
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 - b. *Definition and meaning of change in the corporate context.*
 - c. *The historical evolution of change management.*
2. *Theories of change management*
 - a. *Overview of the main theories and models.*
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 - a. *Factors that cause resistance to change among employees.*
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 - a. *Analysis of real-life examples of successful and unsuccessful change management.*
 - b. *Lessons learned from these cases.*

The importance of change management for the individual

Introduction to personal and corporate change

Change management is critical in both the corporate world and in our personal lives. It reflects the ability to adapt, grow, and thrive in response to new challenges and opportunities. This chapter will explore how mastering the principles of change management can lead to personal development and professional success.

Personal development through change management

- **Adaptability:** In your personal life, adaptability to change can improve resilience by reducing stress and anxiety when faced with the uncertainties of life.
- **Achieving goals:** Effective change management strategies can help individuals set and achieve personal goals, leading to greater satisfaction and achievement.
- **Continuous learning:** Embracing change encourages continuous learning and skill development, keeping individuals competitive and relevant in their personal and professional lives.
- **Corporate impact of change management**
- **Organizational success:** For corporations, effective change management is key to navigating market dynamics, technological breakthroughs, and shifts in consumer behavior.
- **Employee engagement:** By managing change well, you can increase employee engagement, morale, and productivity by involving them in the change process and addressing their concerns.
- **Innovation and growth:** Organizations that manage change well are more likely to innovate and grow, outpacing competitors and leading their industries.

The skills and attitudes developed through personal change management are directly applicable to the corporate environment. Individuals who are adaptive, proactive, and resilient in their personal lives bring these same qualities to their workplace, contributing to positive organizational change.

In both areas, basic change management principles such as clear communication, stakeholder engagement, and continuous review of goals and strategies play a critical role in successfully navigating transitions.

Thus, **changes in the corporate context are defined as any modifications in standard procedures, processes, organizational structures, strategies or employee behavior that are aimed at improving the current state or adapting to new market conditions.** The essence of change is improvement and adaptation, which allows organizations to remain competitive and respond to the challenges of the external environment. It is a process that requires flexibility, strategic planning, and active participation of all members of the organization to effectively implement change.

Identifying changes in the corporate context

After considering the importance of change management for individuals, let's move on to define change in a corporate context. Changes in organizations can be diverse and include structural, technological, strategic and cultural aspects. Managing these changes requires a deep understanding of their impact on all levels of the organization and the ability to adapt strategies to achieve successful outcomes.

- Organizational changes: Includes changes in the company's structure, management processes, and employee roles.
- Technological changes: Updating or introducing new technologies that affect the way you do business.
- Strategic changes: Changes in corporate strategy, including goals, mission, and vision.
- Cultural changes: Changes in the corporate culture, including values, behavioral norms, and the way people communicate.

Managing these changes requires careful planning, including defining the objectives of the change, developing strategies to implement them, and monitoring the impact of the change on the organization. Effective change management also depends on the involvement and support of employees, who are key change agents.

Key theories of change management

Since the dawn of civilization, people have studied and understood the importance of change management. The famous ancient wisdom of Heraclitus, "The only constant in life is change," emphasizes the continuous flow of life and the need to adapt to ever-changing circumstances. This concept embodies the deep understanding that successful change management is not just important for survival, but also for development and prosperity in any context - from personal life to large corporations.

Theories of change management offer different approaches and tools to effectively implement and manage change in organizations. Here are some key theories:

1. Kurt Lewin's Unfreeze-Change-Refreeze model, which divides the change process into three stages: unfreezing (creating awareness of the need for change), change (introducing new ways of doing things), and freezing (consolidating new behavioral norms in the organization's culture).
2. John Kotter's 8-stage model of change, which emphasizes the need to create a sense of urgency, build a strong coalition, develop a vision and strategy for change, communicate the vision of change, remove obstacles, create short-term wins, consolidate changes and embed them in the corporate culture.
3. Prosci's ADKAR model, which focuses on the individual level of change and includes five key elements: Awareness (awareness of the need for change), Desire (desire to support change), Knowledge (knowledge of how to change), Ability (ability to implement change), and Reinforcement (reinforcement to keep change).

Each of these theories offers a unique perspective on the change management process, helping leaders to effectively plan, implement, and sustain change in an organization. Understanding and applying these theories can help to successfully manage change, adapt to new challenges, and achieve organizational goals.

The change management process can be divided into several key stages, each of which is essential for successful change implementation.

Preparing for changes

- Assessment of the need for change: Identifying the reasons for the need for change and its expected impact on the organization.
- Defining the goals of change: A clear statement of what the organization wants to achieve through change.

Change planning

- Developing a change strategy: Create a detailed action plan that includes implementation steps, resources, and timelines.
- Stakeholder engagement: Identify individuals and groups that will influence or be affected by the change and develop a plan to engage and support them.

Implementation of changes

- Communication: Develop and implement a communication plan to ensure transparency of the change process and reduce resistance.
- Training and support: Organize trainings and provide resources for employees to help them adapt to the changes.

Fixing the changes

- Monitoring and evaluation: Regular analysis of the progress and effectiveness of changes to identify the need for corrective action.
- Enshrine the changes in the culture: Ensure that changes become part of the corporate culture and daily processes.

Change may seem like a simple matter, but it is not.

Blockbuster: A video rental that failed to adapt

Founded in 1985, Blockbuster quickly became a leader in video cassette and DVD rentals, with thousands of stores worldwide. In its heyday, the company was a symbol of American pop culture, offering a wide selection of movies and video games.

However, with the advent of digital technologies and the Internet, Blockbuster faced a shift in consumer preferences. The company was unable to effectively adapt to the new era of streaming services and online rentals. Netflix and other online services offered a more convenient and affordable way to watch movies without requiring users to leave their homes.

Although Blockbuster tried to launch its own online rental service, these efforts came too late and without proper investment in technology and marketing. The company also failed to abandon its outdated business model with physical stores, which had become obsolete.

Despite attempts at transformation, Blockbuster declared bankruptcy in 2010 and was sold. Blockbuster's failure served as a warning to other companies about the need to adapt to changes in technology and consumer preferences in a timely manner.

Kodak: The iconic brand that missed the digital revolution

Founded in 1888, the Eastman Kodak Company was a pioneer in the field of photography, offering the world's first portable camera for amateurs. For decades, Kodak dominated the market, being synonymous with photography.

Despite developing one of the first digital cameras in the 1970s, Kodak failed to fully embrace the digital revolution. Kodak continued to focus on traditional photographic film, ignoring the rapid growth of digital photography and changes in consumer preferences.

Although Kodak tried to adapt by launching digital cameras and printers, these efforts were not effective enough compared to competitors who were faster to innovate and better understood market needs.

In 2012, Kodak declared bankruptcy, unable to cope with financial difficulties and maintain its leadership in the rapidly changing world of photography. After restructuring, the company focused on printing equipment and digital technologies, but never returned to its former glory.

Lessons from failure

The stories of Blockbuster and Kodak are important lessons about the importance of innovation and adapting to changes in technology and consumer preferences. They show that even the most successful companies can quickly lose their position if they fail to anticipate the future and respond effectively to change.

Now let's look at the key factors of effective change implementation

- Leadership and support from the top: Effective leadership and support for change at the top level of management is critical to the success of change.
- Employee engagement: Active participation and involvement of employees in the change process helps to reduce resistance and increase motivation.
- Flexibility and adaptability: The ability to adapt to unforeseen circumstances and make adjustments as changes are implemented is key to achieving your goals.

Managing change requires a coordinated effort across the organization and a willingness to continuously learn and adapt. A well-designed and implemented change management process can not only facilitate the successful implementation of innovations, but also create a foundation for continuous development and innovation.

This approach allows organizations not only to react to changes, but also to actively shape them, anticipating market needs and customer expectations.

Now let's move on to the section on challenges and resistance to change. Resistance to change is a natural human reaction that can occur at different levels of an organization. Understanding the sources of resistance and developing strategies to overcome them are key aspects of successful change management.

Challenges and Resistance to Change

Definition of Resistance: Resistance can be overt or covert, expressed through delays, sabotage, reduced productivity, or outright refusal to participate in change.

Causes of Resistance:

- Fear of the unknown: Many employees fear change because they are uncertain about the future.
- Loss of control: Change can be perceived as a threat to personal control over the workflow.
- Habit: People often become attached to familiar ways of working that feel safe and comfortable.
- Loss of benefits: The perception of a possible loss of social status, benefits, or security can cause resistance.

Strategies for Overcoming Resistance:

- Effective communication: Providing clear, complete information about the changes and their expected impact.
- Participation and Involvement: Involving employees in the process of planning and implementing change can reduce resistance.
- Training and Support: Offering training programs and resources to support employees in the transition.
- Managing expectations: Setting realistic expectations about the change process and its outcomes.
- Recognition and Reward: Recognize employees' efforts and reward them for supporting and participating in change.

Conclusion.

Managing resistance to change requires a deep understanding of its causes and the development of a comprehensive approach aimed at minimizing the negative impact. This includes strategic planning, active employee engagement, effective communication and support. Overcoming resistance to change paves the way for successful adaptation and achievement of organizational goals.

Case studies from practice

The story of Apple Inc. is an example of how radical change and innovation can not only save a company from collapse, but also bring it to a whole new level of success. After the departure of Steve Jobs in 1985, the company faced a number of challenges, including a decline in market share and financial difficulties that threatened its existence.

Steve Jobs' return and reorganization of the product line

One of the key changes that helped Apple survive and thrive was the return of Steve Jobs in 1997. Jobs began the process of transforming the company with a bold reduction of the product line, abandoning many projects to focus on a few key products. This was a radical move that allowed the company to focus its resources and innovation efforts.

Innovations and new product launches

The launch of the iMac in 1998 symbolized a new era for Apple. With its unique design and emphasis on ease of use, the iMac helped revitalize the brand and showed the world that Apple was once again leading the way in innovation.

Further innovations included the launch of the iPod in 2001, which radically changed the music industry, and the iTunes Store, which created a new ecosystem for digital music. But the biggest game changer was the launch of the iPhone in 2007, which not only transformed the company but the entire mobile technology world by creating a new standard for smartphones.

We should not forget about the opening of the first Apple Store in 2001, which was another innovative strategy. Retail stores allowed Apple to control the user experience and present its products in the best possible light, which was a key factor in creating loyalty among consumers.

Apple has also demonstrated its ability to adapt to changes in the market by constantly updating its products and introducing new technologies such as Face ID, Apple Pay, and Apple Watch, expanding its product ecosystem.

Apple's success has been based not only on product innovation but also on strategic changes in management, corporate culture and marketing approaches. The company has demonstrated that readiness for radical change, focus on innovation, and dedication to high quality are key elements of survival and prosperity in the dynamic world of technology.

Microsoft History: From Founding to Overcoming Crises

Microsoft, founded in 1975 by Bill Gates and Paul Allen, has quickly become one of the most influential companies in the world of technology. With its innovative Windows operating system, Microsoft played a key role in popularizing personal computers by providing them with an intuitive graphical user interface. The company has also expanded its product portfolio to include office applications, server solutions, games, and Internet services.

In the 2000s, Microsoft faced a number of challenges. Growing competition from companies such as Apple and Google threatened Microsoft's market dominance. In particular, the success of the iPhone and the emergence of mobile operating systems such as iOS and Android left the company behind in the smartphone space. Also, the Microsoft Internet Explorer browser was losing market share to competitors such as Firefox and Chrome. In addition, the company was criticized for its lack of product innovation and for the heavy, not always user-friendly Windows Vista interface.

In response to these challenges, Microsoft took decisive action. In 2014, Satya Nadella took over as CEO, and his strategic choice of "mobile-first, cloud-first" became a catalyst for change. The company invested heavily in cloud computing, launching Azure, which quickly became one of the leading cloud platforms.

Microsoft also revised its strategy in the mobile segment, abandoning the unsuccessful Nokia smartphone line and focusing on integrating its services with

iOS and Android. The company released Windows 10, which was highly praised for its convenience, functionality, and security.

Microsoft has rethought its product philosophy, emphasizing openness, integration and innovation. The upgrade of Microsoft Office to Office 365 as a cloud service has given the company a strong position in the productivity market.

Under Nadella's leadership, Microsoft has also focused on developing artificial intelligence, investing in quantum computing, and expanding its gaming portfolio, including through the purchase of Mojang, the developer of Minecraft, and the creation of the xCloud game streaming service.

As a result, by the mid-2020s, Microsoft not only regained its market position, but also strengthened it, becoming one of the most valuable companies in the world. Microsoft's story demonstrates how the ability to self-criticize, readiness for decisive change, and focus on innovation can transform challenges into opportunities for growth and success.

The History of Netflix: From a DVD Postal Service to a Global Streaming Giant

Netflix was founded in 1997 by Reed Hastings and Mark Randolph as a DVD rental service that sent discs through the mail. Starting with a small collection, Netflix quickly realized the potential of the Internet to change the way people watch movies and television shows.

Despite its early success, Netflix faced several challenges along the way. With the development of the Internet and digital technology, the company faced increasing competition, particularly from traditional cable TV companies and new online platforms. There was also a problem with limited access to content, as many studios and networks kept their most popular shows and movies under strict control.

In response to these challenges, Netflix made a strategic pivot from a DVD mail service to a streaming platform. In 2007, it launched a streaming service that allowed users to watch movies and TV shows online. This move was not only in response to the growing demand for online video, but also ahead of competitors who had not yet realized the potential of streaming.

Netflix has also invested in original content, starting with House of Cards in 2013, which was the company's first major move into producing its own shows and movies. This not only helped the company reduce its dependence on external studios, but also attracted new subscribers thanks to the unique content.

One of the key factors behind Netflix's success has been its risk-taking and willingness to innovate. The company not only rethought its business model, but also actively invested in technologies, such as recommendation algorithms, that improved the user experience.

Thanks to its strategy, Netflix has not only survived the crisis, but has grown to become one of the largest global distributors of movies and TV shows, with more than 200 million subscribers worldwide. Its story is an example of how flexibility, innovation, and a commitment to original content can help a company not only survive but thrive in a rapidly changing media landscape.

LECTURE 2: ORGANIZATIONAL CYCLES IN CHANGE MANAGEMENT

1. *Introduction*
2. *Understanding Organizational Cycles*
 - 2.1. *Types of Organizational Cycles*
3. *The Impact of Cycles on Organizations*
4. *Organizational Growth and Life Cycle Models*
 - 4.1. *Larry Greiner's Organizational Growth Model*
 - 4.2. *Ichak Adizes' Organizational Life Cycle Model*
5. *Real-Life Examples and Case Studies*
6. *Conclusion*
7. *Recommended Literature*

Introduction

Change is a constant in the business world, but it often doesn't occur in a straight line. Instead, organizations experience cycles of growth, stability, and decline that shape their strategies and structures over time. Understanding these organizational cycles is crucial in the discipline of Change Management, as it helps leaders anticipate challenges and adapt proactively. In this lecture, we will explore what organizational cycles are, the different types of cycles (economic, technological, social, regulatory) that influence organizations, and how these cycles affect organizational change. We will also introduce two foundational theoretical models – Larry Greiner's Organizational Growth Model and Ichak Adizes' Organizational Life Cycle – which describe the stages companies go through as they evolve. Real-life examples (such as Netflix, Ford, Amazon, Airbnb, etc.) will be used to illustrate these concepts in practice. By the end, you should have a clear, structured understanding of organizational cycles and how managing change is tied to navigating these cycles. Let's begin with the basic concept of organizational cycles.

Understanding Organizational Cycles

Organizational cycles refer to recurring patterns or phases of development that organizations undergo over time. Just as living organisms go through life stages, organizations experience periods of emergence, growth, maturity, and sometimes decline, often in a cyclical fashion. These cycles can be driven by internal dynamics (like innovation or organizational structure) and external forces (like the economy, technology, society, and regulations). In change management, recognizing these cycles is vital because it allows managers to diagnose the current stage of their organization and implement the right change strategies to move to the next stage or avoid decline.

During each stage of an organizational cycle, different challenges and priorities emerge. For example, a new startup might focus on creative innovation and survival, whereas a mature company might prioritize efficiency or renewal.

Importantly, cycles imply repeating patterns – for instance, an economic boom is often followed by a recession, and a period of disruptive technological innovation might eventually stabilize before the next disruption. Effective change management means anticipating these shifts and preparing the organization to respond. Below, we outline the key types of external cycles that impact organizations and discuss their effects.

Types of Organizational Cycles

Organizations are influenced by various external cycles in the environment. Four major types include economic cycles, technological cycles, social cycles, and regulatory cycles. Each of these represents a different aspect of the environment that tends to change in patterned ways, creating opportunities and threats for companies.



Figure 2.1. Types of Organizational Cycles

Let's examine each type and how it affects organizations.

Economic Cycles: The economy moves in cycles of expansion and contraction. An economic cycle (or business cycle) is the recurring pattern of growth (booms) and decline (recessions) in an economy. In an expansion phase, consumer demand rises, businesses grow, and employment increases. This often leads organizations to invest in new projects, hire staff, and expand operations. At the peak of the cycle, growth hits its limit – costs may rise and markets may become saturated. This is often followed by a contraction or recession, where demand and profits fall, and companies may need to cut costs, downsize, or streamline to survive. Finally, a recovery phase sets in and the cycle restarts with renewed growth. These economic ups and downs have a profound impact on organizational change. In good times, firms undertake expansion and change initiatives (e.g. launching new products or

entering new markets). In downturns, they might implement transformational changes like restructuring, cost reduction, or pivoting to new business models to weather the storm. For instance, Ford Motor Company anticipated the 2008 economic downturn and made drastic changes to avoid bankruptcy: in 2006 it mortgaged key assets to raise \$23.5 billion in loans, which helped Ford survive the 2008–09 crisis without requiring a government bailout. In contrast, competitors General Motors and Chrysler, unprepared for the cycle’s downturn, went into bankruptcy protection in 2009. This example shows how managing change in alignment with economic cycles can mean the difference between survival and failure.

Technological Cycles: Technology evolves in waves or cycles, from the emergence of a new innovation to its maturity and eventual obsolescence. Companies must navigate technology cycles, which often follow an S-curve or life cycle pattern: new technologies are introduced (innovation phase), see rapid growth in adoption, mature as they become widespread, and eventually decline as they are replaced by newer innovations. Failing to keep up with technological cycles can be disastrous (consider how Kodak failed to adapt from film to digital photography and fell into decline). On the other hand, embracing new tech can propel a company to success. The rise of the internet, smartphones, artificial intelligence – each of these created cycles of change that organizations had to respond to. A prime example is Netflix. In the early 2000s, Netflix’s core business was mailing DVDs to subscribers. The leadership recognized that DVDs would not last forever and that online streaming would be the future. In 2007, Netflix made a bold pivot to launch on-demand streaming, investing heavily in this new technology despite the risks (streaming tech was nascent and broadband internet was not yet ubiquitous). This strategic change aligned Netflix with the new technological cycle of digital streaming, allowing the company to grow dramatically. By embracing the streaming revolution early, Netflix overtook incumbents (like Blockbuster, which remained focused on the fading video rental model) and became a dominant global media company. Technological cycles continue to affect Netflix and others – for instance, the cycle of content distribution technology is ongoing, and firms must now adapt to things like mobile streaming, interactive content, or whatever new tech emerges next. In general, organizations that are agile in adopting new technologies and managing the change process (retraining employees, reorganizing, updating products) can ride the wave of tech cycles to competitive advantage, whereas those that resist change risk obsolescence.

Social Cycles: Social and demographic changes also occur in cycles or evolving trends that impact organizations. Social cycles might include shifts in consumer preferences, changes in workforce demographics, or evolving cultural values. Over decades, we’ve seen cycles such as the rise of different generations (Baby Boomers, Gen X, Millennials, Gen Z), each bringing different attitudes and expectations to the marketplace and workplace. For example, the Millennial generation has driven a cycle of increased demand for purpose-driven, ethical

business practices and work-life balance. Compared to past eras, today's public and employees are *far more concerned with the ethics, values, and social impact* of companies. In the 1960s corporate world (as dramatized in *Mad Men*), consumers and employees were less empowered to challenge companies' behavior. Now, however, with the internet amplifying voices and a culture of self-expression, companies are under pressure to align with social values. This social shift forces organizational change: businesses have had to adopt policies for diversity and inclusion, sustainability, employee well-being, and social responsibility to meet stakeholder expectations. A clear example is how many companies responded to social movements in recent years – for instance, large tech firms and retailers publicly supporting environmental causes or racial justice initiatives, which in turn required internal changes (in hiring, marketing, and operations) to back up those statements. Another example on the customer side is changing consumer lifestyles and trends. Social trends like healthier eating, or the preference for e-commerce and convenience, compel firms to change their products and customer experience. Fast-food chains have added healthier menu options and meat alternatives in response to cyclical shifts in health consciousness. Fashion retailers must keep up with cyclical trends in style and respond to movements like fast fashion vs. sustainable fashion. Overall, social cycles push organizations to change culture, policies, and strategies to stay relevant to society's evolving norms and needs. Those that fail to adapt (appearing out-of-touch or outdated) can lose talent and customers.

Regulatory Cycles: The legal and political environment tends to shift over time in a regulatory cycle – periods of tighter regulation may be followed by deregulation, and vice versa. These swings are sometimes called the *regulatory pendulum*. For example, in the financial industry, major scandals or crises (like the Great Depression in 1929 or the financial meltdown in 2008) are often followed by waves of new regulations. The U.S. saw Glass-Steagall banking laws in 1933 after the 1929 crash, Sarbanes-Oxley rules in 2002 after the Enron scandal, and the Dodd-Frank Act in 2010 after the 2008 crisis. Yet after some years, the pressure for deregulation grows – old rules get rolled back to encourage business growth until another crisis hits. This cycle of “tighten, then loosen” means organizations must constantly adjust to new compliance requirements or newfound freedoms. Change management in this context might involve overhauling compliance systems, retraining staff, or altering business models whenever laws change. A recent real-world illustration is the regulation of tech companies and the sharing economy. Companies like Airbnb and Uber initially grew explosively in a relatively unregulated space – effectively bypassing traditional hotel and transport regulations. Over time, however, cities and governments responded with new rules to address the impact of short-term rentals and ride sharing. For instance, New York City enacted laws after 2010 to restrict short-term rentals, leading to fines and enforcement actions against Airbnb hosts. Airbnb had to engage with city authorities, implement compliance measures, and in some cases remove listings – a significant organizational change forced by a regulatory cycle of stricter oversight.

Similarly, data privacy regulations have tightened in cycles: the European GDPR law (implemented in 2018) introduced a strict new phase of data protection rules, compelling companies worldwide to change how they handle user data (from adding cookie consent banners to restructuring data storage processes). In sum, regulatory cycles demand that organizations be vigilant and adaptable. They must build change capabilities to modify their operations whenever the law swings in a new direction. Those who anticipate regulatory changes (for example, by adopting higher standards *before* they become law) can even gain a competitive edge, whereas those who react slowly may face penalties or public backlash.

Understanding these cycles is not just an academic exercise – it has practical implications for how organizations plan and implement change. External cycles (economic, technological, social, regulatory) create the context in which businesses operate and change. Effective organizations do environmental scanning to foresee these cyclical changes. Strategic planning often considers economic forecasts, technology roadmaps, social trend analysis, and regulatory outlooks.

When a favorable cycle is in upswing (say, a booming economy or a favorable political climate), organizations may take on expansion projects, invest in innovation, or make bold moves since the environment supports growth. Conversely, in a downturn or shift (like a recession, or when a disruptive technology emerges, or when new laws constrain an industry), successful organizations pivot and initiate change internally to adapt. For example, during the COVID-19 pandemic (an unforeseen shock that led to a sharp economic contraction), many companies rapidly changed by adopting digital tools and remote work – effectively compressing years of technological and social change into a few months. Companies that adjusted quickly (implementing work-from-home policies, e-commerce, etc.) survived or even thrived, while others that couldn't change fast enough struggled.

Crucially, organizations also experience internal cycles of growth that mirror many of the external patterns. As a company grows from a small startup to a large enterprise, it tends to go through stages that require different management approaches. This brings us to theoretical models of organizational growth and life cycles. These models help explain internal evolutionary cycles of organizations and provide a framework for managing change at each stage. We will now delve into two influential models: Greiner's Growth Model and Adizes' Organizational Life Cycle. These frameworks were developed to guide leaders in understanding *where* their organization stands in its development cycle and *what types of changes* are needed to progress to the next stage or to rejuvenate the organization.

Organizational Growth and Life Cycle Models

Several models have been proposed by scholars to describe how organizations evolve through predictable stages. We will focus on two classic models:

1. Larry Greiner's Organizational Growth Model – which describes growth as a series of evolutionary stages punctuated by *revolutionary crises*.
2. Ichak Adizes' Organizational Life Cycle Model – which portrays the life of an organization through stages from birth to maturity to eventual decline (unless revitalized).

Both models are valuable in change management as they offer insight into what challenges to expect at each stage and suggest strategies to handle transitions. Let's explore each model in detail.

Larry Greiner's Organizational Growth Model

Larry E. Greiner, in a famous 1972 Harvard Business Review article, proposed that organizations grow in predictable phases, and each phase ends in a crisis that must be resolved through organizational change. Greiner's model (sometimes called the "*Greiner Curve*") emphasizes that the management styles, organizational structures, and processes that work well in one phase will eventually lead to problems – requiring a revolution in how the company is run before growth can continue. Initially, Greiner outlined five phases of growth and four crises, but in a 1998 update he added a sixth phase to reflect modern developments. The phases are sequential; an organization typically moves from Phase 1 to Phase 2 and so on, if it successfully navigates each crisis. The model is depicted as a curve of organizational size over time, rising through periods of steady growth ("evolution") and jolting at crisis points ("revolution").

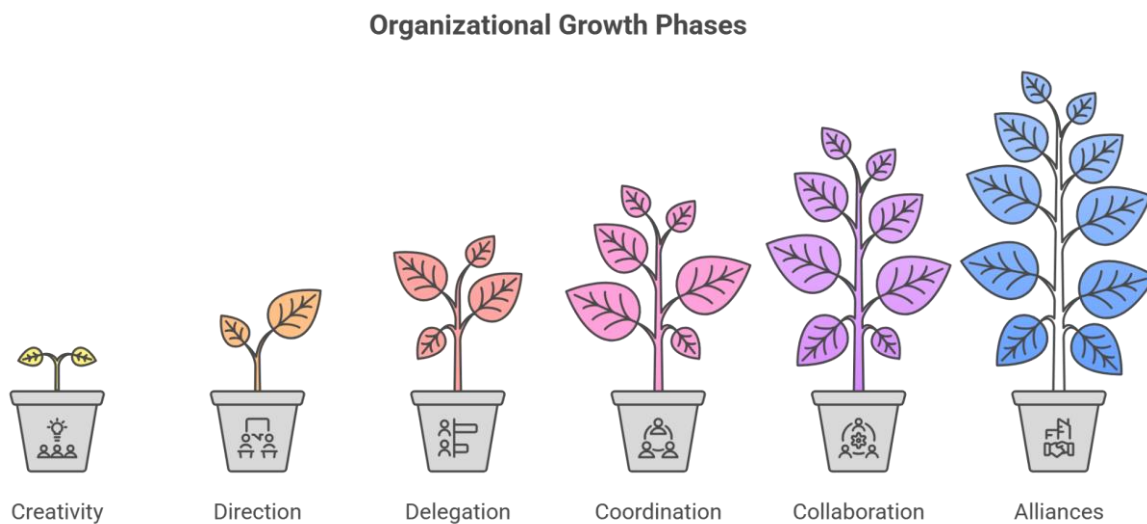


Figure 2.2. Greiner's Organizational Growth Phases

Greiner's Growth Model illustrates six key phases of organizational development, each terminated by a critical crisis that demands change. The horizontal axis represents time and the vertical axis represents the size or age of the organization. During each evolutionary phase, the organization enjoys relatively stable growth under a particular management style or structure. However, that very success eventually creates new problems – leading to a revolutionary period where

a major change in leadership style, organizational structure, or processes is necessary for the company to continue growing. Greiner's insight reinforces that growth requires change: a company must evolve its management practices at each stage to overcome the crisis and progress.

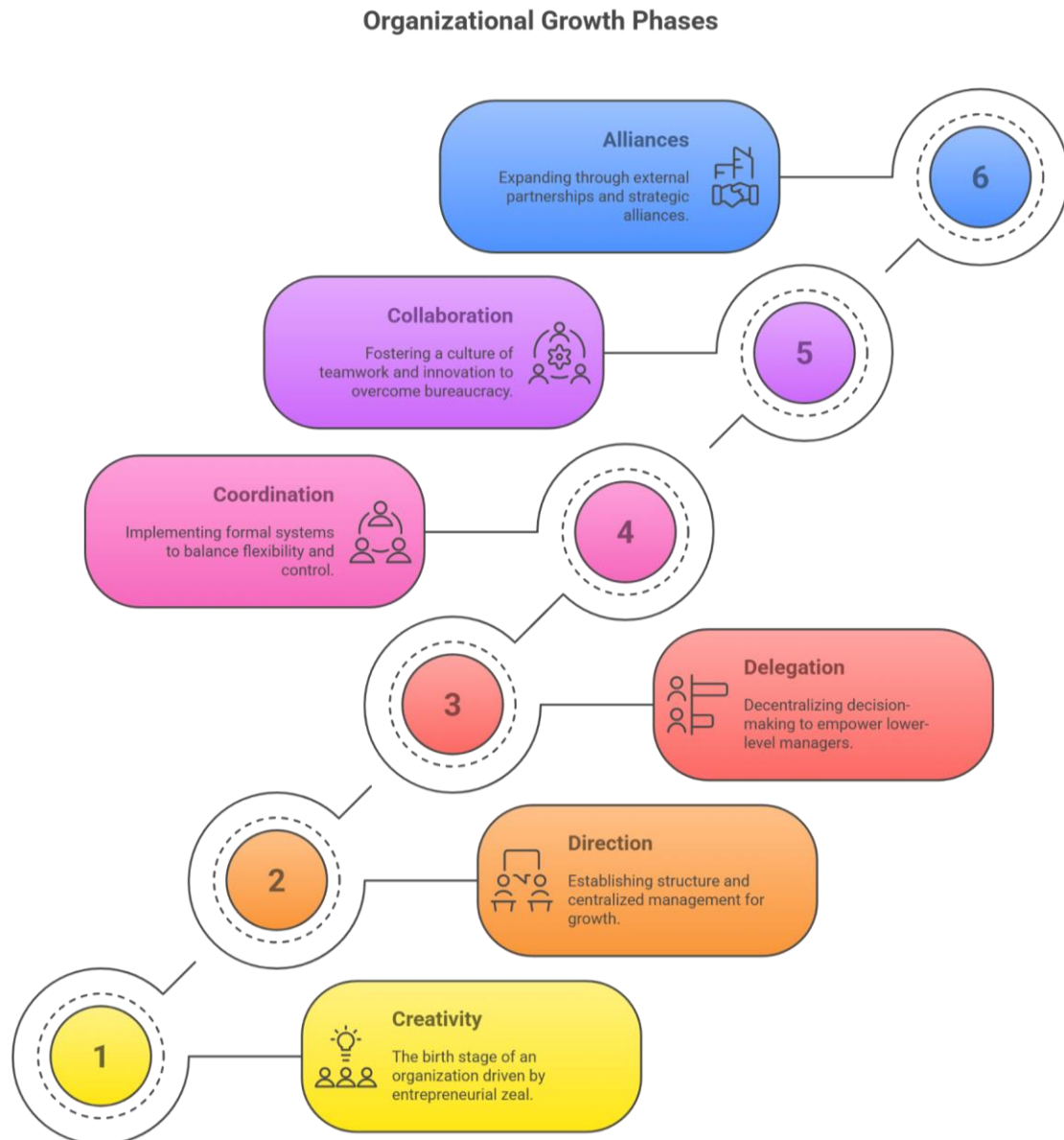


Figure 2.3. Visual Metaphor of Organizational Growth

Greiner's original five (now six) growth phases and their corresponding crises are as follows:

1. **Phase 1 – Growth Through Creativity:** This is the birth stage of an organization. A small startup company grows thanks to the creativity, hustle, and entrepreneurial zeal of its founders and team. Communication is informal, everyone wears multiple hats, and there is a focus on developing a viable product or service. **Crisis: Leadership.** As the company expands, informal management starts to break down – things get too complex for ad-

hoc coordination. The talented but improvisational founders find themselves overwhelmed by administrative tasks and decisions. The organization experiences a leadership crisis, needing stronger managerial skills. Typically, the solution is to bring in or develop a more formal manager who can introduce structure and direction (often the founders must adapt or yield some control to professional managers).

2. Phase 2 – Growth Through Direction: With professional management in place, the company enters a phase of directed growth. Clearer structure is established – departments form (sales, manufacturing, etc.), budgets and work standards are introduced, and key decisions are centralized with the new managers. This structured, top-down approach yields growth for a time. Crisis: Autonomy. As lower-level managers become more experienced, they begin to resent the centralized control and bureaucracy imposed by top management. The organization becomes too large for all decisions to funnel through a few top leaders; lower-level employees feel constrained and unmotivated by a lack of autonomy. This crisis of autonomy requires a shift – often the response is to decentralize, granting more decision-making power to lower tiers.

3. Phase 3 – Growth Through Delegation: Now the organization grows through a decentralized structure. Managers at various levels have the autonomy to make decisions and react quickly in their domains. This often spurs innovation and market responsiveness – the company might expand into new markets or product lines through empowered business units. Crisis: Control. As delegation spreads, top executives may feel they are losing control over a highly diversified, decentral organization. Inconsistencies, duplicated efforts, or decisions that benefit one unit but harm another begin to surface. Upper management might sense that strategic direction is drifting. The crisis of control sets in: the company has to find a way to coordinate its many arms without squashing the initiative of its managers. The usual solution is to implement more formal systems and coordination mechanisms – for example, introducing company-wide planning procedures, standardizing processes, or creating matrix structures and headquarter staff functions to reign in the autonomy.

4. Phase 4 – Growth Through Coordination: In this phase, the organization returns to more centralized coordination, but not the freewheeling informality of Phase 1 or the rigid top-down of Phase 2 – rather, Phase 4 uses formal systems to balance flexibility and control. The company might integrate units through cross-functional teams, formal strategic planning, and advanced control systems. Often, incentives are tied to overall company performance, not just individual departments, to encourage cooperation. This phase can bring the organization to a mature, efficient operation. Crisis: Red Tape. Over time, however, the proliferation of systems, procedures, and coordination efforts can breed bureaucracy. The organization

becomes too systematized; excess reports, approval layers, and “red tape” start to slow things down. Employees may feel stifled by the rules, and the organization becomes less agile in responding to market changes. Greiner called this the crisis of red tape, where the very coordination mechanisms put in place to help have now grown cumbersome. Solving this often requires a shift toward simplification and collaboration.

5. Phase 5 – Growth Through Collaboration: Phase 5 is about overcoming bureaucracy by fostering a culture of collaboration and innovation. The organization, now quite large, attempts to behave “small” again in terms of flexibility and responsiveness. This might involve restructuring into dynamic teams or divisions that act more like small companies, encouraging a culture of trust, teamwork, and minimal bureaucracy. New practices could include decentralized teams, knowledge sharing systems, and an emphasis on social control (norms and culture) rather than formal control. Crisis: ? Greiner originally noted that the fifth phase’s crisis was hard to predict – early hints pointed to a possible “internal growth crisis” or “exhaustion”. As employees collaborate intensely, the company could face a crisis of burnout or need for revitalization. (Some later interpretations call it a crisis of renewal or identity, where the organization must find new sustainable ways to grow, possibly by looking outside itself for opportunities.)

6. Phase 6 – Growth Through Alliances: In his later update to the model, Greiner proposed a sixth phase wherein the organization’s growth comes from external partnerships – such as mergers, acquisitions, networks, or alliances. Very large or mature organizations might find that internal growth opportunities are limited, so they turn to collaborating with or acquiring other companies to continue expanding. This phase recognizes trends in the modern economy where even giants like Apple, Google, or traditional conglomerates grow by buying startups or forming strategic alliances.

It’s important to remember that Greiner’s model is a generalized roadmap – not every organization follows it exactly, and some may loop back or skip phases. The phases also may not be strictly linear; for example, a startup might exhibit behaviors of Phase 1 and Phase 3 at the same time in different parts of the business. However, the strength of the model is in illustrating recurring patterns. It normalizes the fact that each growth stage brings predictable problems. What worked in the past will likely not work in the future, and thus continuous change is necessary. Greiner’s model reinforces to managers that “*organizations must undergo periodic revolution to evolve*”. From a change management perspective, leaders can use this model to anticipate crises – for instance, recognizing “We are hitting a crisis of control; it’s time to redesign our structure before we stall.” Many companies have lived examples of Greiner’s phases.

Example (Amazon): Amazon’s history maps closely to Greiner’s stages. In its early years (mid-1990s), Amazon grew through creativity under Jeff Bezos’s entrepreneurial leadership (Phase 1). As it expanded, Bezos brought in experienced managers and created more structure, entering a direction phase (Phase 2). By the 2000s, Amazon had many independent teams (famous for the “two-pizza team” rule) and autonomous business units like Marketplace and AWS – a delegation phase (Phase 3) that fueled massive growth. Bezos then recognized a need for control – he instituted company-wide mechanisms like the “Amazon Leadership Principles” and rigorous metric-driven management to coordinate the sprawl (Phase 4). At times Amazon risked red-tape overload, but Bezos’s ethos of “Day 1 mentality” helped combat bureaucracy by pushing continual innovation and avoidance of complacency (Phase 5-like collaborative culture). In recent years, Amazon has also grown via acquisitions (Whole Foods, MGM Studios) and global partnerships, reflecting Phase 6 growth through alliances. At each juncture, Amazon’s leadership managed the necessary changes – e.g., reorganizing for AWS’s autonomy, or later centralizing logistics and data – to resolve crises and enable the next wave of growth. Not all companies navigate these transitions successfully. Those that fail to implement the right changes might get stuck (for example, a company might never fully delegate and thus limit its growth in Phase 2, or get bogged down by red tape in Phase 4 and lose agility). Greiner’s framework gives insight into *why* those transitions are so crucial.

In summary, Greiner’s Organizational Growth Model teaches us that growth is not smooth – it comes in stages, and each stage ends with turmoil that necessitates change. For change managers, it’s a reminder that internal development follows a cycle: after a period of relative peace, expect a upheaval that demands a new approach. By proactively embracing the needed changes (whether it’s bringing in new leadership, decentralizing, introducing better controls, or cutting bureaucracy), organizations can traverse the crises and continue to thrive.

Ichak Adizes’ Organizational Life Cycle Model

Ichak Adizes, a management expert, developed an influential model describing the life cycle of organizations. Adizes’ Organizational Life Cycle model portrays organizations as going through stages akin to human life – from infancy to maturity to old age – in a predictable pattern. At each stage, an organization faces characteristic problems, and how well management addresses those problems determines whether the organization will move to the next stage or not. Adizes’s model is valuable in change management because it helps leaders diagnose their company’s stage and take actions to reach or prolong “Prime” (optimal health) and avoid premature decline or death.

Adizes originally outlined ten stages of the corporate life cycle (some versions consolidate them into fewer stages, but we will discuss the fuller detail). These stages are: Courtship, Infancy, Go-Go, Adolescence, Prime, (Late Prime or) The Fall, Aristocracy, Recrimination, Bureaucracy, and Death. Progression through the

early stages requires overcoming predictable “growing pains,” while the later stages describe the onset of aging and decline if rejuvenation doesn’t occur.

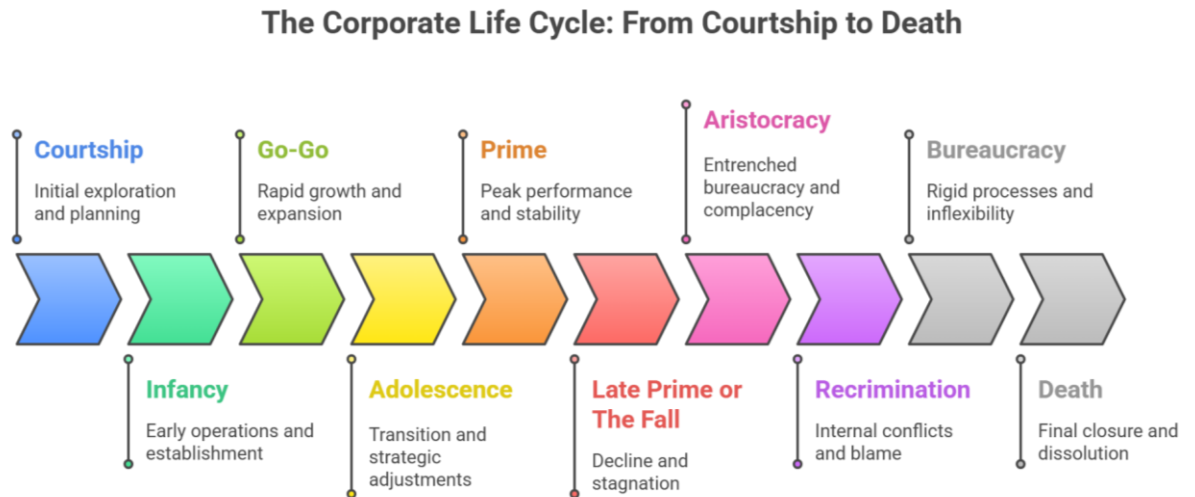


Figure 2.4. The Corporate Life Cycle: From Courtship to Death

Below is an overview of each stage and its key characteristics (with typical challenges in *italics*):

- **Courtship:** This is the dream stage before the company is officially born. It involves the conceptualization of an idea and the preparation to launch a business. The founders are excited, planning the venture, and raising capital or resources to start. *Common pitfall:* Getting stuck in idea mode – some entrepreneurs endlessly plan but never actually launch (fear of risk or over-romanticizing the idea can kill the venture at this stage).
- **Infancy:** The organization is born and begins actual operations. This is the startup stage – the focus is on *making sales, delivering the product/service, and surviving*. The structure is minimal; the founder’s energy and direction dominate. Everyone wears multiple hats and the company fights to achieve positive cash flow. *Challenges:* The company may face “infant mortality”, where it runs out of money or fails to establish a viable market. Crises are immediate (missed deadlines, quality issues) and must be solved on the fly. The founder often works around the clock and makes all decisions. Many organizations never get past Infancy if they cannot secure a stable customer base.
- **Go-Go:** In the Go-Go stage, the company has achieved initial success and experiences rapid growth and expansion. Sales are growing quickly; the company is full of opportunities and chasing many of them. There is high energy and confidence – perhaps too much confidence. *Challenges:* The organization tends to be chaotic and impulsive. The founder or top leaders, still accustomed to being involved in everything, may spread the company thin by saying “Yes” to every idea (shiny object syndrome). There’s often a lack of focus and insufficient systems or processes. A common problem here

is the Founder's Trap (or Family Trap): the organization remains so dependent on the founder (or a tight inner circle) that decisions bottleneck and middle managers can't grow. The founder might resist delegating meaningful authority, which can eventually constrain further growth. If a crisis hits (like a serious service failure due to lack of systems), the Go-Go company must learn to systematize and delegate, or risk imploding despite strong sales.

- **Adolescence:** This stage marks a transition toward maturity, akin to a company's teenage years. The organization realizes it must put some order to the chaos – typically, this is when professional managers are hired or internal processes get more formalized. The company structure is tightened; some of the entrepreneurial free-for-all of the Go-Go stage is reined in. *Challenges:* Adolescence is often a painful period of internal conflict. There may be power struggles between the old guard (founder and loyal early team) and the new professional managers brought in to impose discipline. This can lead to what Adizes calls a “divorce” if not managed well – for example, the disappointed founder might clash with the new CEO and decide to leave (or the board might push the founder out), analogous to a rebellious teen separating from parents. Alternatively, the founder might refuse to let go enough, crippling the authority of new managers. The term “premature aging” is used when a company in Adolescence becomes too bureaucratic too fast, killing its innovative spirit. To get through Adolescence, the company needs to integrate the founder's vision with efficient systems – it's a delicate balancing act of letting structure grow without killing the entrepreneurial drive. If successful, the organization emerges as a more stable, healthy entity.
- **Prime:** Prime is the ideal stage of the organizational life cycle – the company's equivalent of vigorous adulthood at its peak. In Prime, the organization achieves a balance between control and flexibility. It has the discipline, systems, and strategic focus to sustain performance (mature processes, professional management, scalability), *and* it retains the agility, creativity, and hunger from its earlier days. The company is fit, healthy, and profitable. It typically has a clear vision, a strong culture, and the ability to innovate while also executing efficiently. *Challenges:* The focus in Prime is on maintaining equilibrium – avoiding complacency on one hand and chaos on the other. If complacency sets in, the company may drift into the next stage (the Fall). Thus, even in Prime, change management is about continuous improvement and sometimes “shake things up” initiatives to avoid stagnation. Many companies in Prime enjoy market leadership; the key is to stay in Prime as long as possible by periodically renewing the organization (introducing new products, rejuvenating the culture) before aging sets in.
- **The Fall (Late Prime or Early Aging):** Also called Stability in some descriptions, The Fall is the stage where the organization's growth peaks and starts to decline subtly. After a long time in Prime, success can breed internal complacency or arrogance. The company might still be doing well externally

(strong financials, market share), but signs of aging appear internally: a bit more emphasis on tradition and rules, less appetite for risk, and a growing bureaucracy. *Challenges:* The fall is tricky to notice because things still look good – like a person in middle age who’s not as fit as before but generally fine. The main issue is losing the innovative edge. The company might rely too heavily on what worked in the past and miss changes in the market. If no action is taken to revitalize, The Fall leads to the next stages of more overt decline. Change management in this stage involves reinvention – recognizing the need for change *before* a crisis hits. Many companies launch transformation programs at this point (new product lines, acquiring innovative startups, cultural change initiatives) to try to get back to Prime or at least prolong it.

- **Aristocracy:** In Aristocracy, the organization is well into its aging phase. It often still has substantial resources, strong market presence, and might even exude an aura of prestige (hence “Aristocracy”). However, the internal focus has shifted heavily towards administration, rules, and status quo. The company culture in Aristocracy values past successes and the trappings of success – for example, leaders may be more concerned with preserving their perks and positions than with bold innovation. *Characteristics:* There is a loss of customer focus and entrepreneurial drive. The organization becomes internally oriented: meetings, reports, and protocol take center stage. Decision-making slows down. Innovation diminishes; the company tends to stick to what it’s always done. *Challenges:* Aristocratic organizations risk losing market relevance – they often fall prey to technological changes and market trends because they react too slowly or not at all. They may start losing market share to more agile competitors (but perhaps not feel the pain immediately due to existing reserves or loyal customers). The key change management challenge here is to break the complacency and bureaucratic rigidity. However, at this stage, internal resistance to change is high because people in power are comfortable. Without strong intervention (often requiring visionary new leadership or external shock), the slide continues.
- **Recreation (Early Bureaucracy):** Adizes sometimes refers to a stage of “Blame” or Recrimination that emerges as decline becomes evident. At this point, problems can no longer be ignored – performance is declining, and the organization’s earlier successes are clearly waning. Internally, instead of cooperation, there’s a tendency for finger-pointing and political infighting (hence the term Recrimination). Departments and leaders blame one another for failures. The organization might launch frequent restructuring or scapegoating of executives, but these are often reactive fixes rather than true change. *Challenges:* The company has lost its sense of purpose – people spend more energy fighting internal battles or protecting their turf than serving customers or innovating. Morale declines. Talented people start to leave, frustrated by the inertia and negativity. This is a dangerous stage: if nothing

fundamentally changes in strategy or culture, the organization will continue to unravel. Sometimes a new CEO is brought in during this stage to turn things around (a turnaround specialist), which can either arrest the decline (if successful change is implemented) or be too late.

- **Bureaucracy:** This is the second-to-last stage, essentially the “old age” of an organization. The company is a shell of its former self in terms of adaptability. It now survives mostly because of momentum, monopolistic power, or subsidies – not because it is competitive or vibrant. Bureaucracy here means the organization is overwhelmingly rule-bound and inert. Policies and procedures exist for their own sake. Any remaining innovators or change agents have likely left or been silenced. *Characteristics:* Decision-making is paralyzed by procedure. The organization might spend more time on internal audits, compliance, and paperwork than on customers or strategy. There is typically a heavy internal focus on processes (often outdated processes), and any change is extraordinarily slow and resisted at all levels. The company’s products/services are often outdated, and it fails to meet customer needs effectively. If it’s still alive, it could be due to long-term contracts, government support, or lack of competition, but these factors won’t hold forever. *Challenges:* At this stage, turnaround is extremely difficult. The culture is deeply ossified. Employees are disengaged (“it’s just a job”). The bureaucracy stage often sees the company going through motions while financials steadily worsen. Change management efforts here might involve drastic measures like massive reorganization or splitting the company, but often the structure resists any meaningful change. In many cases, Bureaucracy leads inevitably to the final stage unless a dramatic intervention (or miracle) occurs.
- **Death:** The final stage of the life cycle is the end of the organization as an independent entity. Death can mean literal dissolution – the company goes bankrupt, shuts its doors, and ceases operations. Or it can mean the company is acquired or dismembered (liquidated) such that the original organization is no longer recognizable. Adizes notes that some organizations manage to renew themselves before death – essentially starting a new life cycle (for instance, by launching entirely new businesses, bringing in revolutionary leadership, etc.). But if not, the end comes via closure or sale. In the Death stage, the remaining assets are sold off, employees laid off, and the organizational entity legally ends. *Reflection:* While “Death” sounds bleak, it’s a natural part of economic life – many companies eventually die, but new ones are born. The key for managers and change agents is to strive to avoid the unnecessary early death of a company. By recognizing life cycle stages, leaders can attempt to rejuvenate a declining organization. Adizes believed with proper leadership, companies can avoid or postpone the later stages significantly – theoretically, a company could keep itself in Prime (or oscillating between Prime and a rejuvenated Go-Go) indefinitely, though few

have achieved such long-term agility.

In Adizes' model, each stage from Courtship to Prime involves growing the organization and requires different management approaches (entrepreneurial drive in early stages, systems and structure in later growth). Each stage from the Fall to Death involves aging and typically requires turnaround or renewal strategies to counteract the decline. Adizes also identified four key management roles (Producer, Administrator, Entrepreneur, Integrator) whose balance changes over the life cycle – for example, in early stages the Entrepreneur role (vision, innovation) dominates, whereas in mid-stages the Administrator role (systems, efficiency) becomes more important; in aging stages, often the Integrator (consensus, culture) might be lacking. Effective change management means bringing the right roles into play at the right time (e.g., injecting entrepreneurial thinking during Aristocracy to spark renewal, or adding administrative discipline during Go-Go to control chaos).

Example (Netflix & others): To illustrate Adizes' life cycle, consider a company like Netflix. Netflix's *Courtship* was the late 1990s planning of a DVD-by-mail service. It moved into *Infancy* when it started mailing DVDs in 1998, just trying to fulfill orders and not go broke. By the early 2000s, Netflix entered *Go-Go*, growing fast as DVDs by mail took off; it had chaotic moments (like when demand outpaced operations). Around 2006–2007, Netflix went through an *Adolescent* change by shifting to streaming – a risky but necessary transformation that could be seen as a renewal keeping it in a youthful stage. Netflix arguably hit *Prime* in the 2010s: it had a scalable platform, global reach, and was innovating (original content production) while also efficiently delivering service – a balance of entrepreneurship and systematic operation. To avoid falling into Aristocracy, Netflix's culture deliberately encourages innovation (for example, their famous culture deck emphasizes freedom and responsibility, countering bureaucratic tendencies). A contrasting example is IBM, a century-old tech company. IBM was once in Prime (dominant in its industry mid-20th century), but by the late 1980s it had slid into Aristocracy – overly bureaucratic and slow, missing the personal computer revolution. In the early 1990s, IBM was in a Recrimination/Early Bureaucracy crisis, posting record losses. A new CEO, Lou Gerstner, was brought in 1993 and is often credited with saving IBM from Death by drastic changes – he cut layers of management, unified the company (ending infighting between divisions), and shifted focus to services, effectively pulling IBM back to a healthier middle age. This shows that decline is not irreversible if addressed in time. Ford can also illustrate an almost-death and renewal: as noted earlier, by 2006 Ford was near Death, but under Alan Mulally's leadership it restructured (mortgaging assets, refocusing the brand) and revitalized itself back to a stable stage.

In conclusion, Adizes' Organizational Life Cycle teaches that organizations naturally evolve and face predictable crises at each stage. The model provides a kind of map for change managers: it highlights, for example, that introducing structure is critical in moving from Go-Go to Adolescence, or that fighting bureaucracy is key

to avoiding decline after Prime aihr.com. The value for managers is in honestly assessing their organization's stage and then taking appropriate action. For instance, if you realize your company is acting like an Aristocracy – lots of protocol, little innovation – it's a wake-up call to inject some "Go-Go" spirit (perhaps through a skunkworks innovation team or a startup acquisition) to rejuvenate the company. On the flip side, if you are in a Go-Go and everything is hectic, you know you must introduce some Adolescence discipline (hire experienced executives, implement basic systems) even if the founders resist. Adizes emphasizes that no stage is permanent; without change, moving to the next stage (for better or worse) is inevitable. Thus, proactive change management can help an organization move up the life cycle (toward Prime) and delay moving down into decline.

Real-Life Examples and Case Studies

To cement our understanding of organizational cycles, let's look briefly at a few real-world companies (beyond the theory) and how they demonstrate these cycle concepts:

- Ford: The Ford Motor Company, over 100+ years, has experienced multiple economic cycles, technological shifts, and life cycle phases. Ford's early days under Henry Ford (Model T era) were a creative growth stage that revolutionized manufacturing. By the mid-20th century, Ford was a giant (Prime or Aristocracy, depending on the period) and had to adapt to many cycles: the post-WWII boom (economic up cycle), the oil shocks of the 1970s (economic and technological shift to fuel-efficient cars), and globalization in the 1980s–90s (social and regulatory changes in safety and emissions). Each cycle forced changes – e.g., after Japanese competitors pressed in, Ford had to adopt "Total Quality Management" in the 1980s, a major organizational change to improve quality. The late 2000s was an especially telling period: leading up to 2008, Ford was arguably in an Adizes Aristocracy/Recrimination stage – it had many brands (Jaguar, Volvo, etc.), high costs, and was losing money. The economic crash nearly killed it (Death was near), but CEO Alan Mulally's change program ('One Ford' plan) simplified the company (shedding brands, improving efficiency) and focused it back on core models. Ford avoided the fate of GM and Chrysler in that recession through this aggressive change, essentially pulling it back from the brink. Today, Ford faces new cycles: the electric vehicle (EV) technology cycle and climate-driven regulatory changes. It is investing heavily in EVs and autonomous tech – a transformational change to ensure it remains viable as the industry shifts from gasoline engines. This is a case of a company in a late Prime or stable stage trying to avoid decline by catching the next technological wave. Ford's story underlines how long-lived companies must navigate wave after wave of change, and how proactive leadership and sometimes painful restructuring are needed to survive across cycles.

- Airbnb: Airbnb’s rise and challenges provide a clear look at social and regulatory cycles. Founded in 2008, Airbnb caught the societal trend of the “sharing economy” and a tech cycle of platform-based marketplaces. It grew explosively (a Go-Go stage company) by enabling people to rent out their homes. However, as Airbnb expanded globally, it ran into regulatory cycles: cities like New York, Barcelona, Paris, and others began enforcing or creating laws to limit short-term rentals, especially as local residents complained about housing costs and neighborhoods being overrun by tourists. Airbnb initially took a reactive stance (legal battles, etc.), but in recent years it has changed its approach by working with policymakers – for example, implementing limits on rentals in certain cities, collecting hotel taxes on behalf of hosts where required, and launching initiatives to support communities. These changes were necessary for Airbnb to move from its wild-growth startup phase into a more mature, sustainable business model that can coexist with regulation. Culturally, Airbnb also had to mature (Adolescence stage) – from a freewheeling startup to a company with compliance teams and public policy departments. The COVID-19 pandemic (an unforeseen shock) was another cycle that hit Airbnb hard – travel plummeted, and Airbnb’s revenue crashed. In response, Airbnb dramatically reorganized in 2020, laying off about 25% of its staff and refocusing on its core home-sharing business (scaling back experiments like luxury travel experiences). This painful change, however, allowed Airbnb to survive the downturn and then capitalize on the travel rebound in 2021 with a leaner operation. It went public in late 2020 successfully. This illustrates how an external cycle (pandemic causing an economic and social shift) forced Airbnb to quickly adapt – those change management decisions (though difficult) set it up to recover when the cycle turned positive again.

These case studies highlight a few key lessons: (1) No company is immune to cycles; even dominant firms must stay vigilant and responsive. (2) The ability to implement change at the right time is what separates companies that manage to thrive from those that decline. (3) Models like Greiner’s and Adizes’ are not just theory – real companies often follow these patterns. By studying them, managers can better anticipate what’s coming. For instance, recognizing a “founder’s trap” in a startup can prompt bringing in professional managers earlier, or seeing signs of “bureaucratic slowdown” in a big company can spark a simplification initiative before it’s too late. (4) External and internal cycles are interlinked – a tech change (external) might push a company from Prime back to an entrepreneurial mode to reinvent itself (internal life cycle shift). Effective change management thus requires scanning outward and inward.

In summary, organizational cycles provide a framework for understanding change. They tell us that change is not random – it often follows patterns that we can study and prepare for. As future managers or change leaders, you can use these

insights to ask the right questions: *What stage are we in? Are we facing a predictable crisis? What external cycles are on the horizon?* By answering these, you can formulate change strategies that are proactive rather than reactive. Change management, in this sense, is about being a good “navigator” – steering the organization through the cyclical winds and storms that will surely come, towards sustained success and renewal.

Recommended Literature

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LECTURE 3: TEAM CHANGES — THE WAY TO EFFICIENCY

1. *Introduction*
2. *Theoretical foundations*
 - a. *Differences between a group and a team.*
 - b. *The concept of a team and its characteristics.*
3. *Types of teams*
4. *Roles in the team according to R. Belbin*
5. *Stages of team development according to B. Tuckman*
6. *Managers and leaders in team changes*
 - a. *The role of managers and leaders in shaping team changes.*
 - b. *Case study: "Transition from a manager to a team leader".*
7. *Tools for effective team management*
 - a. *Practical tools for managing team changes.*
 - b. *List of recommended sources*

Introduction

In a rapidly changing business landscape where innovation and flexibility are becoming not just an advantage, but a survival necessity, the issue of team change is becoming particularly relevant. The importance of building effective teams that can quickly adapt to new challenges cannot be overstated. In this context, we will look at how **team changes can become a catalyst for success and innovation**.

In this lecture, we will deepen our understanding of what team change is, how it differs from simple group interaction, and how we can manage it to increase the

effectiveness of teamwork. We will look at the differences between groups and teams, identify types of teams and their role in the change process. We will also explore how different roles in a team affect its success, and how the stages of team development identified by B. Tuckman help to understand the dynamics of team change.

Particular attention will be paid to the role of managers and leaders in the process of team change, as they shape the vector of team development, inspire and motivate its members to reach new heights. We will study how the approach to leadership and management differs in the context of team changes and how these differences affect the effectiveness of teamwork.

Team change is not just a process of reorganizing the work of groups of people; it is a strategy that requires careful analysis, planning, and implementation to improve efficiency and productivity. In this lecture, we will look at key aspects of team change, including the differences between groups and teams, roles in a team, stages of team development, and the role of managers and leaders in the team change process.

Differences between a group and a team

The concepts of "group" and "team" are often used interchangeably, but in practice they have significant differences that affect their functioning and effectiveness.

A group consists of **individuals** who can interact with each other. **The individual contribution of each member is important.** Groups may have a formal leader, but **each member is focused on his or her own task** and is not responsible for the results of the others.

A team, in turn, is **a collection of people with clearly defined roles and interdependencies who work together to achieve a common goal.** In a team, **synergy is important**, when the aggregate result of their joint work exceeds the sum of their individual contributions. Teams are characterized by a high level of mutual understanding, support, and **mutual responsibility for the end result.**

The main difference between a group and a team is the level of interaction and interdependence between their members. Teams are created to effectively solve complex problems that require a combination of different skills, knowledge and experience. Teams are characterized by a culture of collaboration, where everyone's contribution is important to achieving common success.

Teamwork covers not only work aspects but also **emotional support**, which allows each member to unleash their full potential. As a result, teams are able to achieve higher results than individuals or groups of people working independently.

This distinction is important for understanding how to build and develop effective teams in organizations, especially in the context of change management, where collaboration and adaptation are key.

In the context of change management, understanding the differences between a group and a team is fundamental for any manager or leader. This helps to optimize

the processes of interaction within the organization, effectively allocate resources and engage staff in the realization of goals.

A group consists of individuals who are united by a common purpose or objective but operate largely independently of each other. Characteristics of a group include:

- Individual work and responsibility;
- Limited interaction and cooperation between participants;
- Joint meetings are mostly limited to discussing common goals and distributing tasks.
- A team, in turn, is a more cohesive group of individuals who actively cooperate to achieve a common goal. A team is characterized by:
 - High level of interdependence between participants;
 - Shared responsibility for the result;
 - Strong interpersonal skills and trust;
 - The ability to self-organize and adapt.
- Teamwork involves a high level of mutual support, understanding and shared responsibility for the result.

For example, consider a situation in an enterprise where the marketing department (group) and the new product development project team (team) have different approaches to interaction and work. The marketing department may consist of specialists, each of whom is responsible for his or her own segment of work without significant interaction with colleagues. The project team, on the other hand, works as a whole, where each member contributes to a common project, and the success of the project depends on the effectiveness of cooperation of all team members.

The concept of a team and its characteristics

A team is a cohesive group of individuals whose efforts are aimed at achieving a common goal. Teams are an important element in the modern world of management and business, providing increased productivity, creativity and overall organizational effectiveness.

The main characteristics of the team:

- **Common purpose:** Each team member understands and shares the overall purpose and goals of the team. This common purpose unites the members and motivates them to work together.
- **Interaction:** The team works in synergy - the result of joint work is greater than the sum of individual contributions. Participants actively interact, share knowledge, skills, and resources.
- **Interdependence:** Team members depend on each other to achieve a common goal. This interdependence fosters a sense of responsibility and support.
- **Diversity:** Effective teams are made up of members with diverse backgrounds, knowledge and skills. Diversity provides a broader range of ideas and approaches to solving problems.

- Mutual support and trust: A high level of trust and support between participants is key to overcoming challenges and achieving success.
- Adaptability: Effective teams are able to quickly adapt to changes in the external and internal environment, responding effectively to new challenges.
- Self-organization: Teams that achieve the highest levels of performance are able to organize their activities independently, distributing tasks and responsibilities without direct external guidance.

A case study: Let's imagine an IT startup developing a mobile application. The team consists of developers, designers, marketers, and analysts. Although each of them plays a different role, the success of the project depends on their ability to collaborate effectively: share information, quickly adapt to changes in market requirements and technology, support each other in solving complex problems, and inspire new ideas.

Types of teams

Determining the right type of team for a particular task or project is key to effectively managing and implementing change in an organization.

Let's take a closer look at how different types of teams function inside an organization. Not every group is a formal department, and not every gathering of people is a "team" in the traditional sense. Depending on their purpose, structure, and dynamic, these groups can take on very different roles — and understanding these distinctions is key for anyone involved in managing or leading change.

First, we have what we might call the "**Party**" group. This is the most informal type. It's not tied to any official goals or deadlines — it's a community formed around shared interests. People join in and drop out depending on what they're into at the moment. Think of a group of colleagues who go jogging after work or meet for a board game night. There's no hierarchy, no fixed membership — just a shared vibe. And while it might seem purely social, this kind of group often builds trust and connection that later supports collaboration in more formal settings.

Next comes the "**Section**" — still informal, but a bit more focused. Here, people are drawn together not just by common interests, but by shared goals. The structure is fluid, and so are the rules. These groups might organize volunteering events, launch a peer-learning circle, or co-host a team-building workshop. The purpose is more defined than in a Party, but still driven by internal motivation rather than top-down assignment.

And finally, we get to the **Team** in the classic sense. This is where formality kicks in — though not always. Teams can be either formal or informal, but what sets them apart is their **functionality**. Teams exist to get things done. They operate with a clear task, a shared purpose, and typically a defined structure: who's leading, who's doing what, how decisions are made. A great example would be a cross-functional project team working on a product launch — one person handling design, another managing timelines, someone else overseeing budget and user research. Everyone brings their expertise to the table, and together they build something real.

So whether it's a casual after-hours interest group or a high-stakes product team, each type of group plays a role in shaping how people connect, collaborate, and create value within an organization. The key is knowing what kind of group you're working with — and why.

Each of these types of teams plays an important role in the life of an organization. "Hangout and Section teams promote socialization and informal networking, which can improve the overall atmosphere and staff cohesion. At the same time, teams are focused on achieving specific business goals and solving specific tasks, which requires a high level of interaction and cooperation from their members.

To better understand and practice the team typology, let's look at specific examples for each team type mentioned in the lecture.

1. Party. Example: An informal group of IT employees who meet regularly outside the workplace to go bowling together. This group has no formal structure or defined roles, but comes together for fun and to share experiences in an informal setting.
2. Section. Example: A group of company marketers who initiated an informal club to learn about new digital marketing tools. This club has a clear goal of improving the professional skills of the members, but the organization of meetings and the choice of topics is done on an informal basis. Participants freely discuss training materials, share their experiences, and use the new knowledge in their work.
3. Team. Example: A project team formed to develop a new mobile application in an IT company. The team consists of developers, designers, testers, and a project manager. All team members work closely together on a common project, have clearly defined roles, responsibilities, and a common goal - to launch the application. Working in a team requires each member to contribute, be proactive, and be willing to cooperate to achieve the end result.

Each of these examples demonstrates the unique characteristics and goals that define the type of team and affect its effectiveness.

Roles in the team according to R. Belbin: Positive and negative roles in the team

Understanding the roles in a team according to Belbin's model helps to improve interaction between team members, identify and minimize potential conflicts, and optimize the process of achieving common goals. Let's take a look at the key positive and possible negative roles in a team.

Positive roles

- Implementer (Executor): Practical, organized, and effective in accomplishing tasks. The disadvantage may be some inelasticity and resistance to change.
- Coordinator: An excellent listener, a natural leader, able to unite the efforts of others. May lose effectiveness if there are no clear leadership roles in the team.

- Idea generator (Innovator): Creative, imaginative, able to generate new ideas. The risk is the possibility of distraction from reality and loss of focus on practicality.
- Resource researcher: Enthusiastic, seeks out new opportunities, provides the team with information and resources. Can potentially stretch team resources too thin.
- Analyst-evaluator: Critical thinker, objective, able to analyze proposals and find mistakes. The negative side can be excessive criticism, which demotivates others.

Possible negative roles

- Moralist: Tends to be doctrinaire, tries to impose their own values on others, which can lead to conflicts.
- Critic (Destructor): Focuses on the shortcomings of the idea without offering alternatives, can demotivate the team.
- Manipulator: Uses their knowledge and social connections for personal gain, potentially undermining trust in the team.

Stages of team development according to B. Tuckman

Bruce Wayne Tuckman's model of team development was formed in 1965, when Tuckman published his article titled "Developmental Sequence in Small Groups". His work was based on an analysis of the group psychology literature and his own research on group dynamics. Tuckman identified that teams go through four key stages of development: formation, dispute, normalization, and performance.

In the 1970s, after additional research, Tuckman, in collaboration with Mary Ann Jensen, expanded the model by adding a fifth stage, called "disbanding" or "adjourning," which describes the process of ending the team's work and severing ties between its members.

This model has become one of the most well-known theories in organizational management and group psychology because it helps to understand how teams develop over time and provides insights into how team leaders and team members can optimize their interactions to improve team performance. Tuckman's model shows that conflicts and crises in relationships are a normal part of team development, and that successful teams learn to overcome these challenges to achieve high levels of cooperation and productivity.

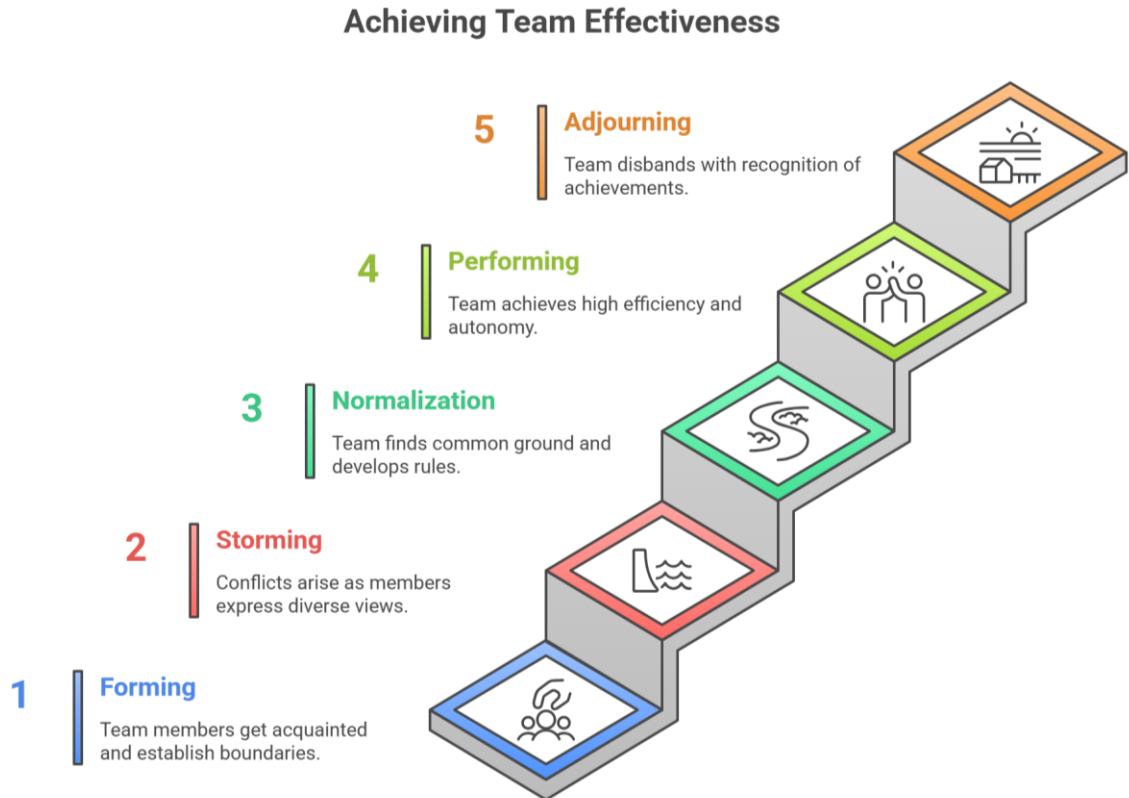


Figure 3.1. Achieving Team Effectiveness: The Five Stages of Team Development

Bruce Tuckman's team development model is considered a classic in management theory and organizational psychology. It describes five main stages that a team goes through on its way to effectiveness:

1. Forming

During this initial phase, team members get to know each other and learn to understand the boundaries of acceptable team behavior. The atmosphere is often formal, cautious, and even superficial, as members are not yet ready to express themselves openly. Leadership is usually centered on the team leader.

2. Storming

At this stage, conflicts arise between team members' personal views on tasks and work processes. Team members show a stronger emotional reaction to tasks, there may be disputes and power struggles, which is a normal process of adaptation.

3. Normalization

The team begins to find common approaches to work, conflict resolution, and developing rules of engagement. Team members are more willing to cooperate, and a sense of unity and mutual understanding emerges.

4. Performing

At this stage, the team reaches a high level of cohesion, efficiency, and autonomy. Members are confident in completing tasks, solving problems, and achieving team goals. Leadership becomes distributed, and everyone can take on a leadership role according to their competencies.

5. Adjourning

This stage occurs when the team's project is nearing completion. It may be accompanied by emotional feelings due to the dissolution of ties between team members. It is important to ensure that the team's achievements and individual contributions are adequately recognized.

Understanding these stages helps leaders and managers to better navigate team processes, support development, and resolve conflicts, creating a favorable environment for achieving goals.

Managers and leaders in team changes: The role in shaping team change

Managing team change is a key aspect of organizational development that requires effective interaction between both managers and leaders. The roles of managers and leaders in this process may differ significantly, but both positions are important for the successful implementation of team changes.

In the context of organizational change, managers and leaders play distinct yet complementary roles. Managers focus on structuring the process: they plan resource allocation, set deadlines, and organize the project so that each step follows the plan. Their responsibility includes monitoring progress, analyzing results, and making adjustments when things don't go as expected. Communication is also key — managers serve as the information bridge between leadership and the team, clarifying expectations, updating plans, and keeping everyone aligned.

Leaders, on the other hand, operate on an emotional and motivational level. They inspire the team, create momentum, and help people believe in the goal. One of their core functions is to shape and communicate a clear vision — a picture of the future that makes sense and helps each person understand their place in it. Leaders also cultivate strong interpersonal relationships, fostering trust, respect, and a supportive team environment. Just as importantly, they bring flexibility. By adapting strategies and approaches to changing circumstances, leaders ensure the team can adjust, stay resilient, and move forward through uncertainty.

Both managers and leaders play a crucial role in the change management process, but their approaches and focus differ. Managers provide structure and order, while leaders focus on vision, inspiration, and adaptation. Successful team change requires both roles to work together in harmony.

Let's take a look at the difference between the role of a manager and that of a leader using an example. Case study: "Transition from a manager to a team leader"

Context: Anna was appointed head of a project department in an IT company. The department's task was to develop new software. At the beginning of her work, Anna focused on traditional management: planning, controlling and organizing processes. She provided the team with clear instructions and supervised every stage of work. Over time, Anna noticed that, despite being highly organized, the team was not achieving maximum productivity and team members' motivation was declining.

Problem: Despite effective management, the team did not have a high level of engagement and innovation, which was critical to the success of the project.

Situation development: Anna decided to change her approach to team management. She began to actively involve team members in decision-making, encouraging initiative and creativity. Anna also began to focus more on developing the strengths of each team member and creating an atmosphere of trust and openness.

Transition to leadership: Anna realized that the role of a leader is not only to manage tasks, but also to inspire and develop her team. She started holding regular meetings with the team to discuss not only current tasks but also promising ideas and projects. Anna also invested time in the personal development of team members, providing them with opportunities for training and professional growth.

Results: Over time, the team has shown a significant improvement in productivity. Thanks to the introduction of a culture of innovation and openness to new ideas, several key projects were successfully completed. Team members felt personally invested in the success of the project and the company as a whole.

Conclusions: Anna's case demonstrates how the transition from managerial to leadership functions can transform a team and increase its effectiveness. Leadership based on inspiration, talent development, and the involvement of every team member leads to an innovative, motivated, and productive team.

Tools for effective team management: Practical tools for managing team changes

Managing team change requires not only an understanding of the theoretical aspects of leadership and management, but also the application of practical tools and techniques. Here are some key tools that can contribute to the effectiveness of team management and facilitate the change process:

1. SMART goals

Setting clear, measurable, attainable, realistic, and time-bound (SMART) goals helps the team focus on specific tasks and track progress.

2. Gantt Chart

This planning tool allows you to visualize project tasks and their deadlines on a timeline, contributing to better organization of work and resource allocation.

3. SWOT analysis

A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis helps identify key aspects that can affect the success of a project or changes in a team.

4. RACI Matrix

The Responsibility Matrix (RACI) helps to clearly define the roles and responsibilities of each team member for various tasks or processes (Responsible, Accountable, Consulted, Informed).

5. Feedback Loops

Regular feedback between team members and management helps to identify problems at an early stage, as well as increases engagement and motivation.

6. Kanban boards

Using Kanban boards to visualize workflows and tasks can help increase team productivity by optimizing workflow and minimizing downtime.

7. Tools for collaboration

Collaboration platforms such as Slack, Microsoft Teams, or Asana allow for effective communication, file sharing, and real-time project management, regardless of the geographic location of the participants.

The use of these tools and techniques helps teams to better adapt to changes, facilitates the effective achievement of goals and the development of positive dynamics within the team.

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LECTURE 4: UNDERSTANDING RESISTANCE TO CHANGE

1. *Introduction*
2. *The importance of change in the modern world.*
3. *The concept of resistance to change*
4. *Definition and nature of resistance.*
5. *Why resistance is an integral part of the change process.*
6. *Psychological aspects of resistance.*
7. *Examples from real life and business.*
8. *Types and causes of resistance*
9. *Analysis of the main causes of resistance at the individual and organizational levels.*
10. *Stages of resistance to change*
11. *Overview of the stages of resistance with practical examples.*

Introduction

In the dynamic world of modern business and technology, change is not only inevitable, but also critical for organizations to survive and thrive. They can range from minor process adjustments to radical transformations of strategy or corporate culture. Regardless of the scale, change processes are usually accompanied by resistance.

Resistance to change is a phenomenon that all organizations face, and its causes can be varied and complex. This lecture aims to explore the nature of resistance to change, its psychological aspects and types, and the reasons behind it. We will look at how understanding the psychology of resistance and its manifestations can help managers and change agents to manage the transformation process more effectively.

Change can trigger anxiety, fear of the unknown, loss of control, or even a sense of loss of identity among employees. Understanding what motivates people to resist change can set the stage for developing strategies that minimize resistance and promote positive change acceptance.

This lecture is intended not only to highlight the challenges associated with resistance to change, but also to offer insights and tools to turn this resistance into productive energy that will drive innovation and development. Our goal is to show that, despite all the difficulties, resistance to change can not only be overcome, but also used as an important resource for growth and improvement.

The concept of resistance to change: Definition and nature of resistance

Resistance to change can be defined as any reaction by individuals or groups that delays or denies the process of change in an organization. This resistance can take both overt and covert forms, from open hostility and protest to subtle reluctance or passivity. A central element of resistance is the unwillingness to give up the status quo, which in turn is caused by fear of uncertainty, loss of status, comfort, or control.

The nature of resistance to change is deeply rooted in human psychology. People naturally seek stability and predictability. Changes, even if they promise improvement, are perceived as a threat to the usual way of life. This perception can cause stress, as an individual has to adapt to new conditions, learn new things, and sometimes abandon acquired skills and behavioral patterns.

Resistance also reflects the clash between individual values and goals on the one hand and the goals and expectations of the organization on the other. Individuals may fear that change will negatively impact their personal interests, reduce their opportunities or increase their workload without appropriate recognition or reward.

From an organizational perspective, resistance can also have a positive aspect. It can serve as a signal of potential problems in change plans that were not taken into account during planning. Identifying and analyzing resistance to change allows the organization's management to better understand employee concerns and adapt change strategies to minimize negative consequences.

It is important to realize that resistance to change is not only an obstacle to overcome, but also an opportunity for growth and improvement of change processes. Overcoming resistance requires not only a strategic approach to implementing change, but also empathy and a willingness to listen to and address employee concerns.

Why resistance is an integral part of the change process

Resistance to change is often perceived as an obstacle to innovation and development. However, it is important to realize that resistance is not just a barrier,

but an integral part of the change process. It is a phenomenon that has its own value and can contribute to a more balanced and effective approach to change management. Let's look at the main reasons why resistance is such an important element of the change process.

Protection against hasty decisions: Resistance can serve as a defense mechanism to prevent hasty and ill-considered decisions. It forces management to analyze proposed changes more deeply before putting them into practice.

A signal of the need for dialog: Identifying resistance is a signal to management that they need to communicate more with the team and involve employees in the change process. Such dialog can reveal hidden concerns and suggestions that can improve the change process.

A source of alternative ideas: Resistance can sometimes be an expression of an alternative point of view or ideas that were not considered when planning the change. Engaging opponents in discussion can lead to the identification of new, more effective ways to achieve goals.

Preservation of corporate culture: Resistance may also reflect a desire by employees to preserve the positive aspects of the existing corporate culture. It is important to determine which elements of the culture are worth preserving so that new changes can be successfully integrated into the organization.

The mechanism of adaptation: Resistance is a natural part of the adaptation process. It helps the organization and its employees gradually adapt to new conditions, rather than accepting change without reflection and critical thinking.

Understanding and properly managing resistance to change can not only reduce the potential negative consequences, but also turn this resistance into a useful resource that promotes development and innovation in the company.

Let's look at an example that illustrates how resistance to change can lead to positive consequences for a company, making our lecture more engaging and visual.

Example: Reorganization at Procter & Gamble (P&G)

In the early 2000s, Procter & Gamble (P&G), a large international company specializing in the production of consumer goods, faced significant challenges in its operations. The company decided to conduct a deep reorganization to improve innovation and efficiency. The new strategy included changes in the management structure and approaches to product development.

The changes were met with resistance from some employees and managers who feared losing control of processes and diminishing their role in the company. They were concerned that the new management model was too complex and could lead to confusion and reduced productivity.

Instead of ignoring this resistance, P&G's management decided to actively engage employees in a dialog. Special working groups were created to analyze employee concerns and incorporate their ideas into the reorganization plan.

This approach helped to identify weaknesses in the planned changes and adapt the strategy to make it more acceptable to the entire team. By proactively addressing

resistance, the company was able to not only improve its innovation, but also increase overall job satisfaction among employees.

Thanks to this process, P&G managed to implement the reorganization with lower costs and losses than anticipated. The company not only maintained but also strengthened its market position by launching a number of innovative products that have been a great commercial success.

This example demonstrates how properly managing resistance and involving employees in the change process can turn a potential obstacle into a significant advantage, contributing to the company's successful adaptation and development.

Psychology of resistance: Psychological aspects of resistance

Understanding the psychology of resistance to change is key to effectively managing transformation in any organization. The psychological aspects of resistance are deeply rooted in our desire for stability and predictability, as well as in our perception of identity and security.

Let's look at some key psychological aspects of resistance to change:

Fear of the unknown: One of the most common reasons for resistance to change. People may be afraid of change because they don't know what the change will bring. Uncertainty can cause anxiety, especially if employees believe that the change may negatively impact their professional future or comfort.

Loss of control: Change is often perceived as an external intervention that can reduce individual control over the work environment and processes. This can lead to feelings of helplessness and reduce motivation to work.

Identity threat: Employees may identify with certain roles, tasks, or processes in the organization. Changes that challenge these roles or habits may be perceived as a threat to personal identity.

Habit: Habits shape our daily rhythm and give us a sense of stability. Changing habitual processes requires abandoning familiar patterns of behavior, which can be unpleasant or difficult for people.

A sense of loss: Resistance can arise from the perception that change will lead to the loss of something valuable, such as professional achievements, social status, or even friendships with colleagues.

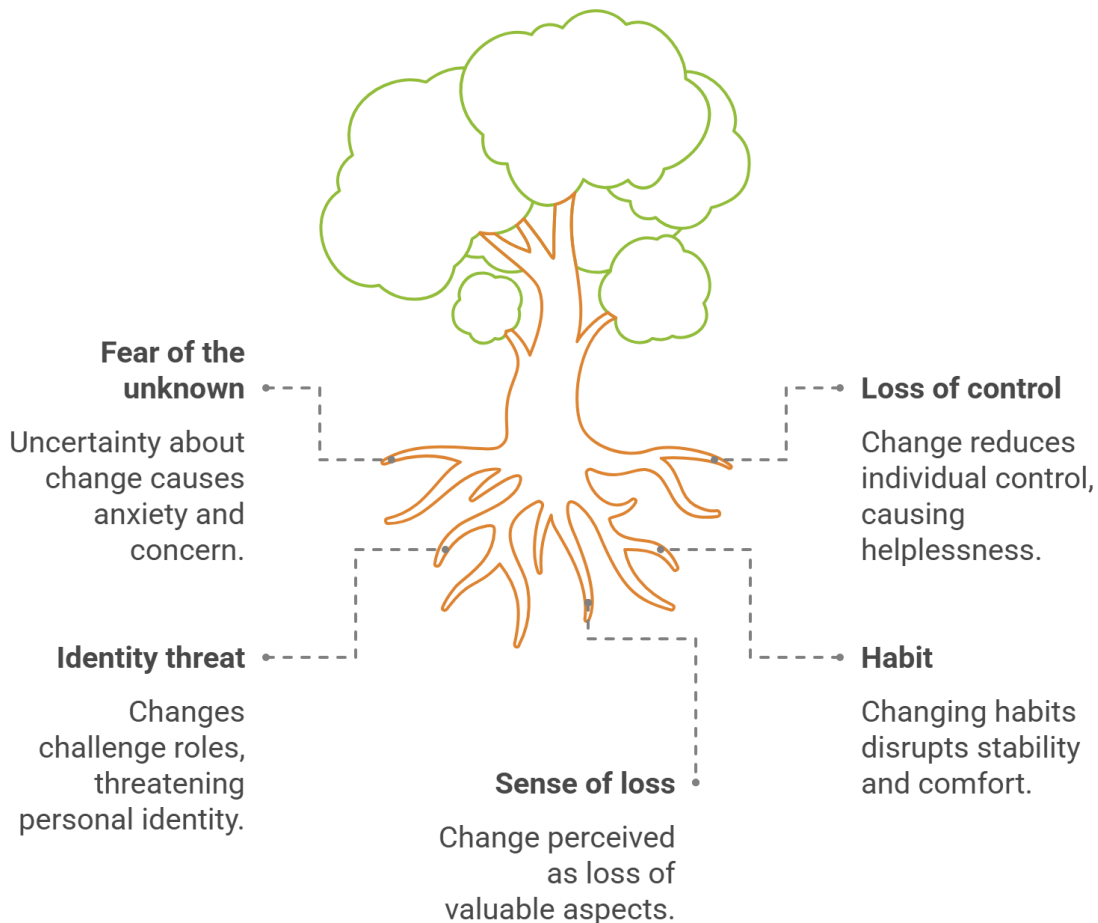


Figure 4.1. Psychological Roots of Resistance to Organizational Change

In order to overcome resistance to change, it is important not only to recognize these psychological aspects, but also to actively work on them by creating an environment where employees feel heard, supported and engaged in the change process. Effective communication, participation in decision-making, educational programs, and psychological support can help reduce anxiety and build a positive attitude toward change.

Types and causes of resistance: Classification of types of resistance

Resistance to change can take many forms, ranging from mild disagreement to active opposition. Understanding the different types of resistance is critical to developing effective strategies to overcome them.

Here are some key types of resistance that organizations may face:

Passive resistance: This is the most common form of resistance and includes procrastination, ignoring requests, minimal compliance, and refusing to participate in new initiatives. Passive resistance is often difficult to identify and address because it is not openly expressed.

Active resistance: This includes open criticism, sabotage, conflict, and even organizing protests or strikes. Active resistance is easier to detect but can have a significant negative impact on the change process.

Understanding resistance types: From unspoken concerns to value conflicts.

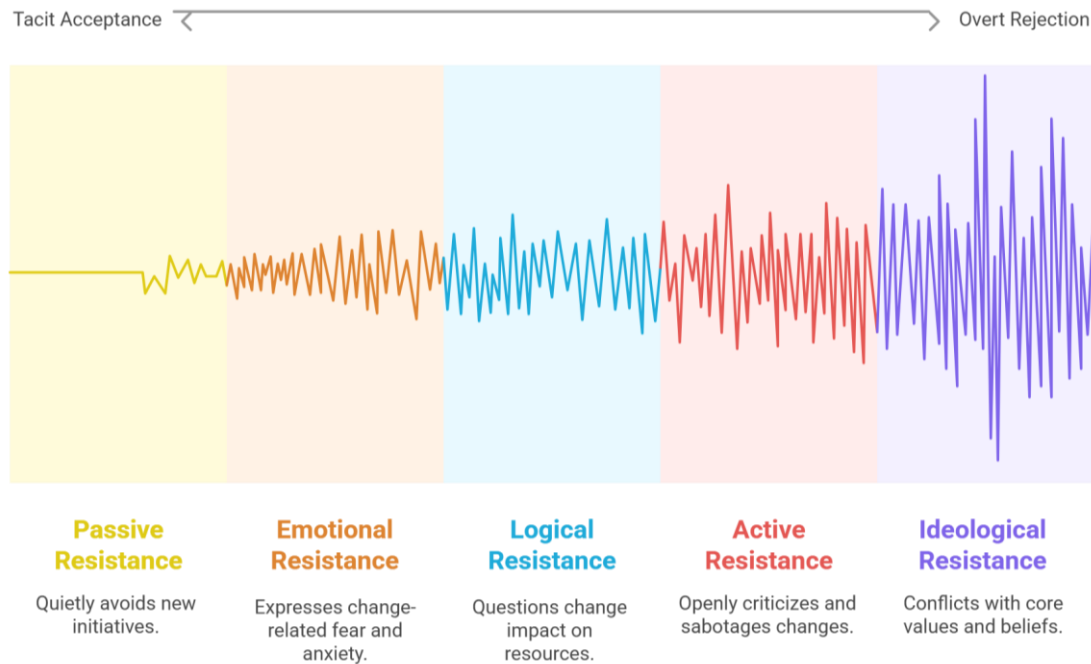


Figure 4.2. Understanding Resistance Types: From Tacit Concerns to Open Rejection

Emotional resistance: Often occurs on a personal level and is expressed through fear, anxiety, uncertainty, or frustration. Emotional resistance can lead to lower morale and motivation among employees.

Logical resistance: Based on rational arguments or concerns about the change. This type of resistance may include questions about cost, time, resources, or potential impact on customers and business processes.

Ideological resistance: Occurs when proposed changes conflict with employees' core values, beliefs, or corporate culture. This type of resistance is particularly difficult to overcome, as it requires a deep review of corporate values and beliefs.

Understanding these types of resistance allows management to develop targeted strategies to overcome them, adapted to the specific context and issue. Effective management of resistance involves not only identifying and analyzing its causes, but also engaging employees in dialogue and taking into account their concerns and suggestions.

Analysis of the main causes of resistance at the individual and organizational levels

Resistance to change has both individual and organizational roots. Understanding these causes is key to developing effective strategies to overcome resistance. Below is an analysis of the main causes of resistance at both levels.

At the level of the individual:

Fear of job loss: The most obvious reason for resistance to change is the fear of losing a source of income, especially in an unstable labor market.

Reduced status and influence: Changes can alter the hierarchy in an organization, which may result in some employees feeling a decrease in their status or influence.

Getting out of your comfort zone: People are accustomed to their routines and processes, so any changes can cause a sense of discomfort and reluctance to adapt.

Doubts about their own competencies: Change often requires new skills or knowledge, and not all employees are confident in their ability to learn and adapt.

At the level of the organization:

Corporate culture: A strong corporate culture can be both an enabler and a barrier to change. If the culture emphasizes stability and risk avoidance, resistance to change may be stronger.

Insufficient support for change from the top: If senior management does not provide clear support for change or lead by example, employees may feel uncertain and skeptical.

Limited resources: Insufficient time, budget, or human resources to implement change can create additional resistance as employees may feel pressured and overwhelmed.

Inconsistent communication: Uncertainty and mixed messages from leadership can cause confusion and distrust in the change process.

Understanding these reasons allows the organization's leadership to take a more targeted approach to planning and implementing change, as well as developing communication strategies and support programs that help minimize resistance to change at all levels.

Stages of Resistance to Change: An Overview with Practical Examples

Resistance to change is not a static phenomenon; it goes through different stages, from initial awareness to active or passive resistance.

Understanding the stages of resistance allows managers not only to anticipate how people might react to change but also to plan timely and thoughtful interventions. Resistance usually unfolds gradually, moving through distinct phases — and each phase offers an opportunity to engage, support, and guide the team more effectively.

It all begins with awareness. Imagine a company announces the implementation of a new IT system. At this point, employees begin to realize that change is coming, but the full impact on their daily routines is still unclear. There's curiosity, maybe a bit of unease, but not yet action. People are watching and waiting, sensing that something is shifting.

Then comes denial. Some employees downplay the news or convince themselves that the change won't affect their department. They carry on as usual, avoiding discussions, skipping update meetings, or mentally placing the change in a

distant future. It's not apathy — it's a defense mechanism, a way to preserve control and stability in uncertain times.

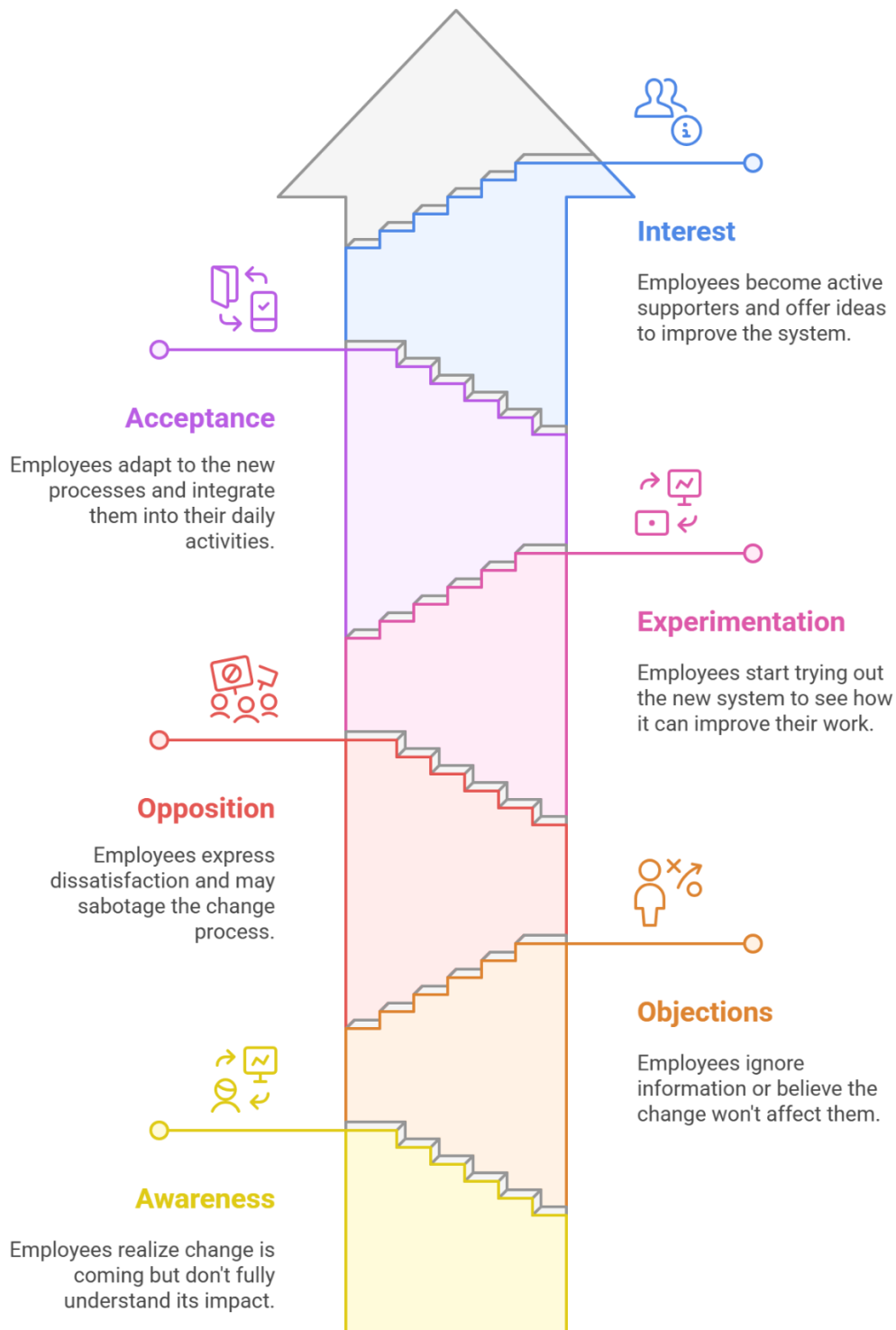


Figure 4.3. Overcoming Resistance to Change: From Awareness to Engagement

As the implementation phase begins and the change becomes unavoidable, resistance takes a more active form. Concerns rise to the surface. Employees may express frustration, complain about the process, criticize management decisions, or even resist attending training sessions. In some cases, resistance can become

disruptive, but it's often more emotional than strategic — a reaction to losing the familiar.

Eventually, some team members start to test the waters. This is the experimentation stage. They begin to explore the new system, attend workshops, click through new interfaces — not yet fully convinced, but curious enough to try. This is a critical turning point: when properly supported, experimentation leads to small wins that shift perceptions.

With time and positive experience, many employees move into acceptance. They see how the new system helps them work more efficiently, or realize that it's not as disruptive as they feared. They adapt their routines and integrate the new tools into their workflow. Change becomes less of a threat and more of a reality.

And then something interesting happens: interest grows. Employees move from passive compliance to active engagement. They begin suggesting improvements, offering feedback, helping colleagues who are still unsure. They become change advocates — not because someone told them to, but because they've experienced the value of the new way of working firsthand.

This emotional journey from uncertainty to involvement isn't linear, and not everyone will move through it at the same pace. But understanding these stages helps leaders respond with empathy, provide the right support at the right moment, and transform resistance from an obstacle into a stepping stone toward real transformation.

Understanding these stages helps management better prepare for possible reactions to change and develop more effective strategies for each stage of resistance. It is important to maintain open communication and offer the necessary resources and support to facilitate a smooth transition through each of these stages. Resistance to change is not a deviation from the norm, but rather a natural and predictable part of any transformation process. Throughout this lecture, we have explored the multifaceted nature of resistance — from its psychological underpinnings and emotional expressions to its logical and ideological dimensions. We have seen that resistance can take many forms: passive silence, emotional hesitation, rational critique, active opposition, or deep value-based conflict. Each of these responses tells us something meaningful about the organizational system and its people.

What becomes clear is that resistance should not be viewed simply as an obstacle to overcome, but as valuable feedback. It signals where fears, misalignments, or tensions exist. It reflects employee needs for clarity, stability, fairness, and participation. More importantly, when recognized and addressed with empathy and strategy, resistance can become a resource — a constructive force that challenges assumptions, improves communication, sharpens strategic planning, and strengthens collective commitment.

We have also explored how resistance arises at both individual and organizational levels — from fear of losing control or status, to rigid corporate cultures or unclear communication. We examined the psychological roots of

resistance, such as identity threats or habit disruption, and the stages it tends to follow — from awareness and rejection to experimentation and ultimate acceptance. Practical examples, such as the Procter & Gamble reorganization, show how resistance, if addressed transparently and inclusively, can catalyze innovation and engagement.

As change agents, managers and leaders must learn not only to anticipate resistance, but to meet it with curiosity, respect, and strategic adaptability. By creating spaces for dialogue, offering support, and maintaining a consistent vision, we do not eliminate resistance — we transform it into shared progress. After all, the way an organization handles resistance is a reflection of its leadership maturity, its cultural resilience, and its capacity for sustainable change.

In essence, resistance is not the enemy of change — indifference is. Where there is resistance, there is energy. And where there is energy, there is the potential for growth.

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LECTURE 5: MODELS AND METHODS OF CHANGE MANAGEMENT

1. *Introduction to change management*
2. *Kurt Lewin's model (Three-stage model of change)*
3. *John Kotter's eight steps of change*
4. *Jeffrey Hyatt's ADKAR model*
5. *Edgar Shayne's model of three levels of culture*

6. *Levinthal's model of change*
7. *Application of models on the example of well-known companies*

Introduction

Change management is more than just a buzzword — it's a structured, strategic approach that helps guide individuals, teams, and entire organizations from where they are now to where they need to be. It's not just about change for the sake of it; it's about purposeful transition, driven by the need to adapt, stay competitive, and improve performance over time. At its core, change management focuses on how people experience change — and how we can support them through that journey.

The process starts with a **clear assessment of the need for change**. This isn't guesswork — it's based on solid analysis. What's happening in the external environment (market trends, regulations, technology)? What's not working internally? This phase helps identify why change is necessary and what's at stake if we don't act.

Once that need is clear, the focus shifts to **planning**. A good change plan isn't just a to-do list. It includes well-defined goals, clear strategies, allocated resources, and realistic timelines. This is the moment to think through not only *what* will change, but also *how* it will be introduced, communicated, and supported across the organization.

Then comes **implementation** — where theory meets practice. This stage demands strong leadership, alignment across teams, and real coordination. It's where plans are put into motion, systems start to shift, and people are asked to adapt. Success here depends not only on strategy, but also on how well change is communicated, supported, and reinforced in daily routines.

Finally, no change process is complete without **monitoring and evaluation**. It's critical to track what's working (and what isn't), measure progress against the goals, and stay open to course corrections. This isn't about perfection from day one — it's about learning, adjusting, and improving as the change unfolds.

Of course, change doesn't come without its challenges. Organizations often face **resistance from employees, unclear communication, and limited resources** — all of which can slow progress or derail it entirely. That's why effective change management is as much about people as it is about process. It's about anticipating these obstacles and addressing them early, with empathy, clarity, and structure.

This brief overview provides a basis for a deeper understanding and analysis of the change management models and methods that will be discussed in the current lecture. The next step is to analyze specific models in detail, starting with the three major change management models: Kurt Lewin, Ronald J. Balog, and Darrell Batten.

Detailed analysis of change management models

Historical background on Kurt Lewin and his change management model

Kurt Lewin (1890-1947) was a German-American psychologist known for his pioneering research in social psychology, organizational behavior, and applied psychology. He is often referred to as the "father of modern social psychology" due to his contributions to the development of theories of group dynamics and social influence.

Lewin was born in Germany but emigrated to the United States in 1933 due to the rise of the Nazi regime. He continued his academic career in the United States, including working at the University of Michigan and founding the Center for Group Dynamics Research at the Massachusetts Institute of Technology.

Developing a change management model

Kurt Lewin's model of change management, known as the Three Stage Model of Change, was developed in the 1940s. Lewin studied changes in organizational behavior and searched for effective methods for implementing and managing change in social systems. He drew attention to the need to psychologically "unfreeze" existing norms and behaviors before introducing innovations, which would facilitate the formation of new patterns.

This model has been applied not only in business and management, but also in education, healthcare, and community service. Lewin emphasized the importance of employee participation in the change process, considering them active participants, not just objects of change.

Kurt Lewin's model

Kurt Lewin, one of the pioneers in the field of social psychological research, developed a simple but influential model of change management known as the Three-Stage Model of Change. This model includes three main stages: unfreezing, changing, and freezing. Each stage has its own characteristics and requirements for the change management process in organizations.

When we talk about managing change effectively, Lewin's classic three-phase model — **Unfreezing, Change, and Refreezing** — gives us a powerful framework for thinking through what actually needs to happen at each stage of transformation. Let's break it down not just as theory, but as a practical roadmap that helps organizations shift from the old to the new — and stay there.

Organizational Change Management Process

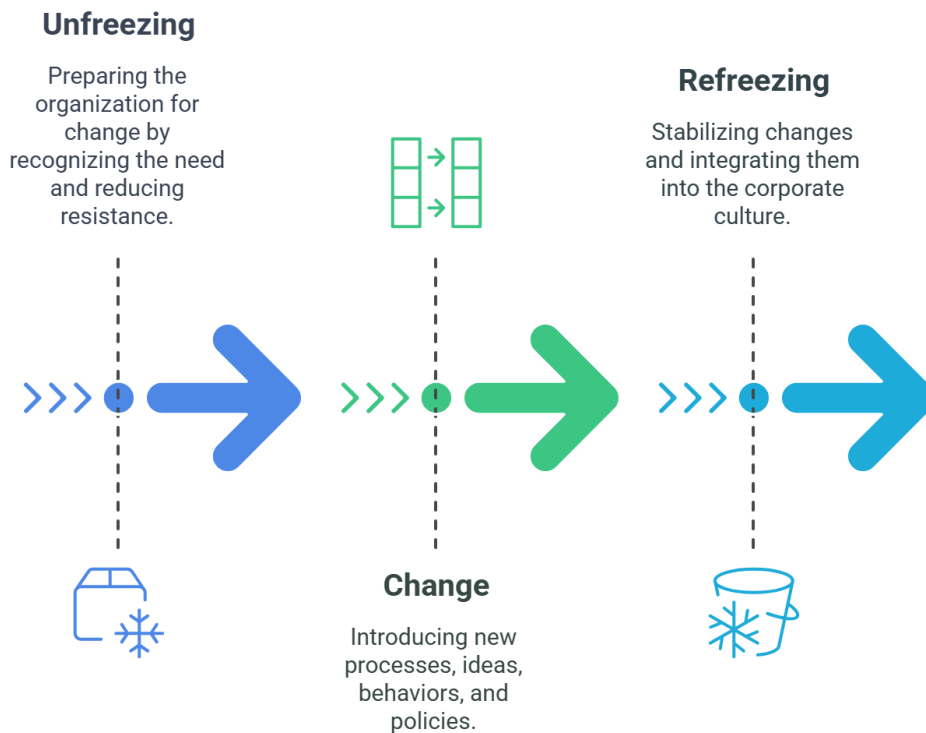


Figure 5.1. Organizational Change Management Process
(Lewin's Three-Phase Model)

We start with the **Unfreezing** stage. This is the moment when the status quo starts to crack. The goal here isn't to introduce change just yet — it's to prepare people for the fact that change is necessary and unavoidable. At this point, the main task is to shake up old assumptions and get the organization to a place where it's *ready to let go* of existing practices. How do we do that? We involve employees early. We open up space for honest conversations about what isn't working, encourage people to question current norms, and — most importantly — show them that staying the same is more risky than changing. Leadership has to communicate clearly and consistently, using feedback to address fears and build trust. It's about creating a sense of shared urgency and emotional readiness for what's coming.

Next comes the **Change** phase — this is the turning point where new ideas and systems are actually introduced. Here, the objective is not only to implement new processes but to make sure people understand and adopt them. That means hands-on training, support systems, peer learning, and clear guidance. It's not about dumping a new system on Monday and hoping everyone's on board by Friday — it's about creating space for experimentation, encouraging trial and error, and helping employees build the new skills they need to succeed in the changed environment. The role of leadership here is to stay present and visible: answer questions, remove

barriers, and model the behaviors they want to see. This is where change becomes real — and messy — and that’s okay. Progress, not perfection.

Finally, we arrive at the **Refreezing** stage — and no, it doesn’t mean returning to how things were before. It means stabilizing the new reality so that it becomes the “new normal.” The main goal here is to anchor new behaviors, processes, and attitudes into the organization’s culture. Without this step, there’s a high risk that people will slowly revert to old habits once the pressure lifts. So what does refreezing look like in practice? It’s about reinforcing the change through policies, recognition, and daily habits. Leaders should celebrate early wins, share success stories, and show how the new way is better — not just for the organization, but for individuals too. It also means embedding the new values into performance metrics, onboarding processes, and team rituals. The key idea: change isn’t complete until it’s consistent.

Kurt Lewin's model is widely used in a variety of organizations, from small businesses to multinational corporations, due to its simplicity and clarity. It is especially useful in situations where you need to respond quickly to a crisis or seize an opportunity that requires deep and sustainable change.

However, critics point out that the model may be too simplistic for complex organizational changes in today's dynamic business environment, where changes are often continuous and do not have a clear 'beginning' and 'end'.

3. John Kotter's eight steps of change

John Kotter, a professor at Harvard Business School, developed one of the most famous change management models known as the Eight Steps to Successful Change. This model was published in 1995 in his book *Leading Change* and has become the standard for organizations seeking to manage change effectively.



Figure 5.2. Achieving Successful Change: Kotter's 8-Step Model

Below is a detailed description of each step.

Step 1: Create a sense of urgency

The goal is to make employees feel the urgency of change, which helps mobilize resources and energy for action.

Step 2: Form a powerful coalition

Gathering a group of people with enough power and enthusiasm to drive change and inspire others.

Step 3: Developing a vision and strategies

A clear and understandable vision of change helps everyone understand why they need to work together and where it is leading the organization.

Step 4: Communicating the vision of change

The key is to use every opportunity to communicate the new vision and strategy in a way that is simple and easy to understand for every employee.

Step 5: Remove obstacles

Identifying and removing barriers to change, allowing a broader group of people to initiate action.

Step 6: Generate short-term wins

Planning and recognizing visible improvements and successes on the way to greater change motivates participants to stay on track.

Step 7: Fixing the changes

New approaches need to become part of the culture, with changes being reinforced through leadership and replication of successes.

Step 8: Embedding new approaches in the culture

Ensure that changes are reflected in the corporate culture, behavioral norms, and the results achieved should be linked to new ways of working.

Kotter's model has been successfully applied in many large international corporations, where it has helped management initiate and implement comprehensive changes aimed at improving productivity and innovation.

4. Jeffrey Hyatt's ADKAR model

The ADKAR model, developed by Geoffrey Hyatt, focuses on the individual level of change and provides a structured approach to assessing and supporting behavioral change in each employee. This model is particularly useful when an organization is seeking to achieve success through change that requires active participation and acceptance by all employees.

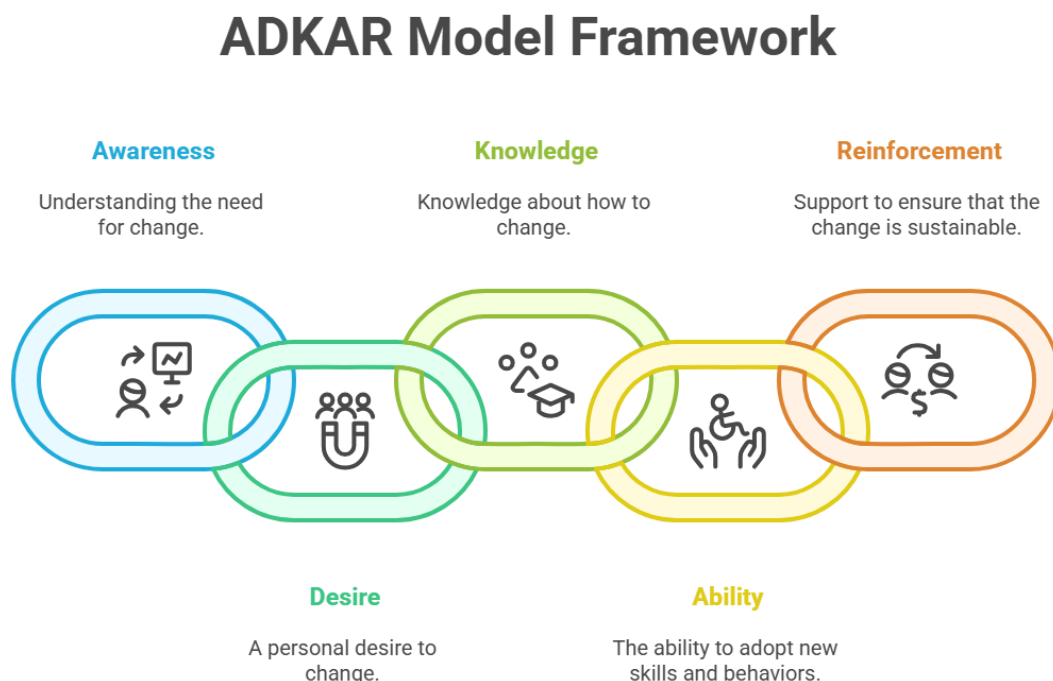


Figure 5.3. ADKAR Model Framework for Change Management

The ADKAR model is a practical tool for managing change at the individual level. Each letter in the acronym represents a key element in helping people not just go through change, but actually embrace it. And the sequence matters — skip a step, and the whole system risks falling apart.

We begin with Awareness. Before any real change can happen, people need to understand why it's happening. This is about creating clarity around the reasons behind the change — whether it's responding to a crisis, seizing a new opportunity, or staying ahead of competitors. The task here is to communicate transparently about the challenges and possibilities the change brings, so employees aren't left guessing or assuming the worst.

Next is Desire — and this is where things get personal. Awareness might explain the logic of change, but desire speaks to the heart. People have to want to be part of it. This is where leaders need to connect change to individual motivations: highlight personal benefits, create a sense of ownership, and recognize contributions early and often. When people feel seen and valued, they're far more likely to engage.

Then comes Knowledge. Once employees are on board emotionally, they need to understand how to navigate the change. That's where education, training, mentoring, and resources come in. The goal is to equip people with the information and tools they need to feel competent and capable in the new environment — whether it's learning a new system or shifting how they think.

After that, we focus on Ability. It's not enough to know what to do — people need to be able to do it. This means creating space for practice, providing hands-on support, and building confidence. Leaders should expect a learning curve and guide their teams through it with patience and encouragement.

Finally, we reach Reinforcement — the part that turns short-term change into long-term transformation. Here, the focus is on sustaining progress: celebrating wins, recognizing effort, giving regular feedback, and embedding new behaviors into daily routines and systems. Without reinforcement, there's always a risk of slipping back into old habits.

Together, these five steps form a human-centered approach to change. ADKAR doesn't just help organizations roll out change — it helps people grow through it. The ADKAR model emphasizes that the success of change management depends on the extent to which each employee is willing and able to adapt and adopt new processes, values, and behaviors. This approach allows change managers to focus on individual needs and build support at all levels of the organization. Assessing progress in each area of the ADKAR allows potential obstacles to be identified and addressed more effectively, leading to smoother and more sustainable change.

5. Edgar Shayne's model of three levels of culture

Edgar Schein, a professor at the Massachusetts Institute of Technology, has made a significant contribution to the understanding of organizational culture. His model of three levels of culture is used to analyze and interpret cultural aspects in organizations, which is critical for successful change management. Edgar Schein — one of the most influential thinkers in organizational culture — identifies three distinct levels at which culture exists within an organization. And if we want to understand how change works (or doesn't), we have to look at all three.

Organizational Culture Hierarchy

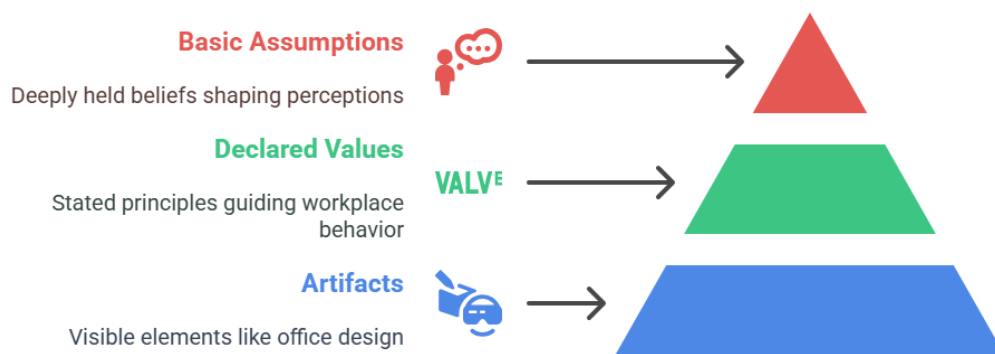


Figure 5.4. Organizational Culture Hierarchy (Schein's Model)

We begin with the most visible layer: artifacts. These are the things you can see — the office layout, the dress code, how meetings are run, what's written on posters or company websites. They create first impressions and can signal a lot about an organization's identity. But here's the catch: because artifacts are easy to observe, they're often the first to be changed — a new logo, a new slogan, a new dress policy. And while these changes are noticeable, they can also be misleading. Just because the surface looks different doesn't mean the organization has changed at a deeper level.

Beneath that are declared values — the principles and ideals that organizations claim to live by. These are usually written down: in mission statements, HR policies, or onboarding materials. They represent what the organization says it believes in — things like teamwork, innovation, transparency. When organizations go through change, these values can either serve as anchors or barriers. If the declared values are aligned with the change (e.g., a company that values learning adopts a new digital tool), they can accelerate it. But if there's a mismatch, the values start to feel like empty words — and people notice.

At the deepest level are basic assumptions — the invisible forces that really drive behavior. These are the taken-for-granted beliefs that people rarely say out loud but act on every day. Things like “managers always know best” or “failure is dangerous” — beliefs so ingrained that they feel like truth. And this is where change

gets hard. You can redesign the office or rewrite the values, but if the underlying assumptions don't shift, the change won't stick. It's this level — the unconscious culture — that truly determines whether transformation is real or just cosmetic.

So, if we want long-lasting, meaningful change, we have to work at all three levels — not just repaint the surface, but slowly shift what the organization believes about itself. Because real change isn't what's on the wall — it's what people do when no one's watching.

6. Levinthal's model of change

The Change Model, developed by Dennis Levinthal, draws attention to the role of stress and crises as catalysts for change in organizations. Levinthal emphasizes that crises can stimulate development and innovation because they create conditions in which conventional processes and approaches are no longer effective.

Model description:

1. Perception of the crisis:
 - The crisis acts as a powerful driver for change, forcing the organization to recognize the need to review its current strategies and processes.
2. Resource mobilization:
 - In times of stress and uncertainty, organizations may be more willing to take risks and innovate, as traditional methods no longer work.
3. Innovative search for solutions:
 - The crisis prompts us to look for new approaches and solutions that can be more effective and adaptive to changing conditions.
4. Implementation and consolidation:
 - Changes implemented as a result of the crisis can become new norms that stabilize the organization and increase its resilience to future challenges.

Consideration of practical examples and results of the model application:

Example 1: Financial crisis. Many banking institutions used the financial crisis of 2008 as an opportunity to reform their operations and implement stricter regulations to ensure their future resilience.

Example 2: Technological disruption. Companies like Blockbuster failed to adapt to the changes brought about by the emergence of digital media and streaming platforms. At the same time, Netflix used these crisis conditions to innovate and became a leader in the industry.

Levinthal's model demonstrates how crises can serve as an important tool for implementing change in an organization, driving innovation and providing the need for rethinking and adaptation. These examples confirm that using crises as opportunities can be a key factor in an organization's success and survival in the long run.

Detailed analysis of the implementation of change management models on the example of well-known companies

General Electric and the John Kotter model

1. Context and the need for change: When Jack Welch became GE's CEO in 1981, he faced low efficiency and a bureaucracy that was hampering the company's growth and competitiveness.

2. Implementation of the model. Creating a sense of urgency: Welch began with large-scale layoffs at the top levels, emphasizing the seriousness of the situation.

Formation of a leadership coalition: He assembled a team of like-minded individuals who supported his vision of reform.

Developing and communicating a vision: Welch clearly articulated the goals of the change - increased efficiency and innovation.

The company has given more power and responsibility to its employees, allowing them to take a more active part in implementing changes. For this purpose, a special program called Work-Out was created.

The "Work-Out" program was aimed at simplifying corporate processes, i.e., eliminating unnecessary procedures and rules that complicated work. It also encouraged employees to contribute their ideas for improvement and innovation.

Engaging employees in innovation: Through the Work-Out, GE employees had the opportunity to offer their own ideas and visions for change, making them active participants in the process rather than just executors of orders. This fostered a culture of innovation and creativity.

Recognizing short-term successes: Successful ideas and contributions from employees were quickly implemented and recognized. This not only motivated employees, but also showed the entire company that innovation is welcomed and rewarded.

3. Results: The implementation of the changes contributed to an increase in productivity, innovation, and the overall value of the company increased significantly. GE has become one of the most valuable companies in the world.

Under Satya Nadella's leadership, Microsoft has focused on cultural change to drive greater innovation and collaboration. Using the ADKAR model helped the company to approach these changes systematically.

Impact on corporate culture

Increasing openness and collaboration: Nadella actively worked to reduce hierarchies in management and promote a culture where every employee can contribute and feel valued.

Stimulating innovation: The introduction of training programs and resources for employees has not only enhanced their professional competencies, but also created an environment where innovative ideas are welcomed and supported at all levels.

Business results

Growth of shares and market value: Positive changes in corporate culture have had a direct impact on the company's financial performance. Microsoft has shown significant shareholder growth and increased its market value by responding to changes in the technology landscape and consumer needs.

Increased competitiveness: Through product and service updates, such as Azure and Office 365, Microsoft has strengthened its market position, outpacing competitors in key technology sectors.

These results confirm that the implementation of the ADKAR model allowed Microsoft not only to adapt to changes in market requirements, but also to actively shape these changes by introducing innovations and improving the company's internal dynamics. This experience shows the importance of an integrated approach to change management, where every level of the organization is involved and motivated to achieve common goals.

An example of implementing the Edgar Shayne model at Apple

Context and the need for change. When Steve Jobs returned to Apple in 1997, the company was struggling financially. Jobs recognized that the key to Apple's revival was to redefine the corporate culture to foster innovation and creativity.

Implementation of the model:

1. **Artifacts.** Jobs initiated a redesign of Apple's products and stores, focusing on minimalism and high quality. This included the launch of the iMac, which became a symbol of a new era in computer design.
2. **Declared values.** He clearly articulated the company's new mission, which was to create innovative, user-centered technology. This was realized through initiatives such as Think Different, which aimed to foster a culture of creativity.
3. **Basic assumptions.** Steve Jobs emphasized the basic assumptions that Apple should be innovative and risk-averse. He believed that the company's products should be so good that they would sell themselves, which reflected confidence in the skills and creativity of its employees.

The changes initiated by Jobs transformed Apple from near bankruptcy to one of the most valuable and influential technology companies in the world. The introduction of the iPod, iPhone, and iPad demonstrated the success of these cultural and strategic changes. The culture change contributed not only to financial success but also to Apple's reputation as a leader in innovation.

This example demonstrates how a deep understanding and application of cultural aspects based on Shane's model can dramatically change the fate of a company, affecting its internal processes, products, and external perception.

In this lecture, we explored how different models of change management help organizations not just survive disruption, but grow through it. From step-by-step frameworks to deeper cultural insights, each model we discussed offers a lens for understanding how transformation really works in practice.

What becomes clear is that there's no one-size-fits-all solution — but there is a shared principle: change needs to be intentional, structured, and human-centered.

Kotter's model showed us how important it is to build momentum — to create urgency, engage the right people, and communicate a compelling vision. Change doesn't happen by accident; it's built step by step.

Schein's cultural framework reminded us that real transformation runs deeper than new policies or tools. If we ignore the underlying assumptions — the "invisible rules" of how things work — even the best-planned initiatives can fail. Culture isn't just part of the process. It is the process.

The ADKAR model brought it all down to the individual level. Because at the end of the day, organizations don't change — people do. And unless we support people through each step — from awareness to reinforcement — meaningful, lasting change won't happen.

And finally, the cases of companies like Microsoft, GE, and Apple gave us proof that these models aren't just theoretical. When applied thoughtfully, they unlock competitive advantage, drive innovation, and reshape entire industries.

So the key takeaway is this: if you want to lead change — whether in a company, a team, or your own work — you need tools, empathy, and strategy. Today we added several of those tools to your toolbox. The rest is in how you'll use them.

Recommended Literature

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LECTURE 6: MODERN APPROACHES TO ORGANIZATIONAL CHANGE MANAGEMENT

1. *Introduction*
2. *Advanced change management models*
3. *A study of the Burke-Litwin model for assessing organizational action and change.*
4. *A detailed analysis of the ADKAR model and its application.*
5. *Technological innovations in change management*
6. *The impact of AI and machine learning on change management processes.*
7. *How digital transformation affects organizational change.*
8. *Challenges and solutions in implementing changes: AI and digital transformation*
9. *Conclusion.*

Introduction

Change management is an integral part of modern organization management. In the face of constant market dynamics, technological innovations and changes in consumer preferences, the ability of organizations to adapt and successfully implement change determines their future. Preparing for these changes requires not only an understanding of basic management principles, but also the application of advanced approaches and techniques.

In this lecture, we will focus on several key aspects that will help us to better understand the essence of advanced change management approaches. First of all, we will look at comprehensive models, such as the Burke-Litwin model, which is considered one of the most comprehensive in this area. We will also analyze in detail the ADKAR model, which helps to understand how individual perception of change affects the overall process of its implementation.

In addition to the theoretical analysis, we will pay attention to practical cases of well-known companies that have successfully implemented changes. For example, we will look at Alibaba's market expansion strategy and Google's innovative changes. These examples will help us better understand how theory translates into practice.

We will also discuss how technological innovations are affecting change management, including the use of artificial intelligence and machine learning to optimize change management strategies.

Modern models of change management

The Burke-Litwin model: Assessing organizational action and change

The Burke-Litwin model is one of the most powerful frameworks for analyzing and planning organizational change. It recognizes that organizations are complex systems in which different elements interact and influence each other. This model uses a systems approach to understand how changes in one part of the system can affect the overall development of the organization.

Burke-Litwin Model Components



Figure 6.1. Burke-Litwin Model Components

The Burke–Litwin model breaks organizational change down into its essential moving parts — and reminds us that if you want real transformation, you need to look at the system as a whole. It’s not just about changing a few processes or introducing a new strategy — it’s about understanding where to intervene and how everything connects.

Let’s start with the external environment. This includes the economic, technological, political, and social forces that shape the landscape organizations operate in. These forces often trigger the need for change in the first place — and ignoring them can mean falling behind. The model makes it clear: change doesn’t happen in a vacuum. To stay relevant, organizations must constantly scan and respond to what’s happening around them.

Then we have mission and strategy — the core drivers of direction. The mission defines who the organization is and what it stands for, while the strategy maps out the long-term goals and how to achieve them. Any meaningful change has to align with these elements. Otherwise, you end up with short-term moves that don’t move the needle.

Leadership, naturally, plays a central role. The way leaders behave — how they communicate, make decisions, and motivate others — sets the tone for change. The model highlights that leadership isn’t just about setting the strategy; it’s about living it and influencing others to move with you.

And then there’s organizational culture — often the invisible force that makes or breaks a change initiative. Culture shapes what’s considered “normal” inside the organization. If new ways of working clash with deeply rooted norms or values,

resistance will follow. That's why cultural alignment is just as important as structural readiness.

Speaking of structure, the model also points to structure and work processes as crucial levers. These are the systems, workflows, and hierarchies that keep the organization running. When change is on the table, these mechanisms often need to be reconfigured to support new goals. You can't execute a new strategy with outdated processes.

Finally, we come to indicators and results. Change without measurement is just wishful thinking. The model stresses the importance of defining clear KPIs — so you can track progress, measure impact, and adjust along the way. It's about staying agile, responsive, and results-driven.

In short, the Burke–Litwin model reminds us that successful change isn't about tweaking one area — it's about managing a living system. Every part matters, and real transformation happens when strategy, leadership, culture, and structure all move in sync.

To apply the Burke-Litwin model in practice, organizations need to ensure a systematic approach to analyzing and planning change. This means considering all key components, identifying potential problems and opportunities for improvement. Employee engagement at all levels is critical to ensuring the success of change.

The case of Alibaba: Market expansion and global strategy

Alibaba, founded in China as an e-commerce platform, was facing the need to expand its business globally. Although the company had a strong position in the domestic market, it needed to adapt to new market conditions, cultural differences, and regulatory challenges in the international market.

Application of the Burke-Litwin model

1. External environment: Alibaba used the Burke-Litwin model to analyze external factors that may have influenced their expansion decision. This included an assessment of global e-commerce trends, the competitive environment, regulatory requirements in different countries, and the cultural characteristics of potential new markets.
2. Mission and strategy: Updating the mission and strategy was critical to successful expansion. Alibaba formulated a new mission that emphasized global leadership and innovation, and the strategy included entering new markets with a focus on localizing products and services.
3. Leadership: Leadership changes included a shift to a more globally focused approach. Alibaba's leaders worked to motivate teams in different markets and provide a unified vision of development in different cultural contexts.
4. Organizational culture: Alibaba recognized that in order to successfully expand, it needed to adapt its corporate culture to the international environment. This included training employees in intercultural communication, reinforcing the values of innovation and supporting diversity.
5. Structure and workflows: To support the new strategy, Alibaba has revised its organizational structure, including creating new divisions focused on

international operations. Changes in workflows have also been implemented to ensure effective coordination between the head office and local branches.

6. Metrics and results: The use of KPIs has allowed Alibaba to measure the success of the expansion, including sales, customer satisfaction, and local team performance.

Through targeted changes in strategy, structure, culture, and leadership, Alibaba has successfully entered new markets and strengthened its position as a global e-commerce leader. Using the Burke-Litwin model helped the company to systematically approach the challenges of expansion and ensure sustainability and success on a global scale.

General Electric case study: Implementing the ADKAR model for digital transformation

General Electric was facing the need for a deep digital transformation of its operations, which required significant changes in the way employees work and behave at all levels of the organization. The company sought to optimize its business processes, increase efficiency, and provide greater flexibility in decision-making, including by leveraging the latest technologies and data.

Application of the ADKAR model

1. Awareness: GE's first step was to create employee awareness of the importance and necessity of digital transformation. Through internal communications, webinars, and seminars, management explained why the changes were critical to the company's future and how they would benefit each employee.
2. Desire: To stimulate employees' desire to support the change, GE focused on demonstrating the personal benefits and career growth that could be achieved through participation in the transformation. Management also actively engaged employees in discussions about the impact of the changes on their jobs.
3. Knowledge: GE organized a series of training and education programs to equip employees with the necessary knowledge and skills. This included learning new systems, processes, analytics tools, and ways to work with data.
4. Ability: In this phase, GE employees gained hands-on experience through mentoring, teamwork, and real-world projects. This helped them apply new knowledge in real-world situations and adapt to new technologies and work procedures.
5. Reinforcement: To ensure long-term sustainability of the changes, GE implemented a system of recognizing and rewarding employees who actively participated in the transformation. Regular feedback and strategy adjustments based on the results were also established.

By systematically implementing changes based on the ADKAR model, GE was able to successfully implement a digital transformation, significantly improve the efficiency of its operations, and prepare employees to work in the new digital

environment. This approach not only ensured the success of the transformation, but also increased overall employee satisfaction and motivation.

The impact of AI and machine learning on change management processes

Artificial intelligence (AI) and machine learning are fundamentally changing the way organizations approach change management. These technologies provide the means to more accurately analyze, predict, and adapt to changing management environments.

1. **Predicting changes:** AI and machine learning can analyze large amounts of data to identify trends and patterns that may not be visible to the human eye. This allows organizations to predict the need for change before a crisis or loss of efficiency occurs.
2. **Individual approach to changes:** AI allows you to develop individualized change plans for each employee, taking into account their personal data, experience, and reaction to previous changes. This increases the effectiveness of change management, reducing risks and resistance from staff.
3. **Process optimization:** AI can automate many of the routine processes associated with change management, such as collecting and analyzing data, tracking progress, and providing feedback. This frees up managers' time to focus on strategic aspects and foster a culture of change.
4. **Adaptive training and support:** Machine learning helps to develop training and development programs that adapt to the needs and learning styles of each employee. This increases the effectiveness of training and helps to adapt to new processes and technologies faster.
5. **Feedback and adaptation:** AI allows you to collect and analyze feedback from employees in real time, helping you quickly identify problems and adjust change plans. This contributes to greater flexibility and resilience in the change management process.

These aspects demonstrate how AI and machine learning can become powerful tools in change management, helping organizations to be more predictive, adaptive, and efficient in their initiatives.

Let's analyze in detail the IBM case study on adaptive learning for employees using artificial intelligence and machine learning.

IBM case study: Adaptive training of employees with the help of AI

IBM, as a global leader in technology and innovation, faced the challenge of quickly adapting its employees to constantly changing technology standards and work practices. It was particularly important to ensure that employees were effectively trained in the new skills required to work with the latest technologies and approaches.

IBM decided to use the power of artificial intelligence and machine learning to create an adaptive learning system that allows individualizing the learning process for each employee.

1. **Personalization of the learning process:** The AI-powered system analyzed each employee's prior knowledge and experience to determine the optimal

- learning path. This meant that each employee received exactly the training materials and tasks that were most relevant to their development and needs.
2. **Adaptability to learning styles:** AI took into account not only the knowledge but also the learning styles of different employees. This meant that some employees could receive more visual materials, while others could receive more practical tasks or interactive exercises, depending on their learning preferences.
 3. **Continuous updates and feedback:** The system analyzed the progress of each employee, making adjustments to training materials and tasks in real time. This ensured optimal learning and allowed us to respond quickly to current skill needs.
 4. **Integration with the work environment:** The training system was integrated with IBM's core business processes, allowing employees to immediately apply new knowledge to their projects.

Thanks to this approach, IBM was able to significantly increase the efficiency of training its employees, reduce the time required to master new skills, and increase overall job satisfaction. In addition, the system helped the company to adapt more quickly to changes in the technological environment and maintain its leadership position in the market.

Digital transformation and its impact on organizational change

Digital transformation is a process that changes the way organizations operate by introducing the latest technologies to improve business processes, customer experience, and develop new products and services. This process affects all aspects of an organization's operations, from strategy to day-to-day work.

Key aspects of the impact of digital transformation:

1. **Changing business models:** Digital transformation often requires revising and adapting existing business models. Organizations must integrate digital technologies to create new revenue streams or optimize operational processes. For example, moving from selling products to providing subscription-based services.
2. **Increase efficiency and effectiveness:** Digitalization of processes can automate routine tasks, reduce time to complete operations, and improve data accuracy. The use of AI, machine learning, and robotic processes can help identify inefficiencies and optimize resources.
3. **Changes in customer service:** Digital transformation is expanding opportunities for customer acquisition and retention. Online platforms, mobile apps, social media, and personalized recommendations are enabling deeper and more meaningful customer interactions.
4. **Cultural change and leadership:** Successful digital transformation requires changes in corporate culture and leadership approaches. Organizations must maintain a culture of innovation, openness to change, and continuous learning. Leaders must demonstrate a willingness to adapt and engage employees in the transformation process.

5. **Data security and confidentiality:** As the volume of data grows and its importance to business, security issues become critical. Organizations must implement modern data protection practices and raise awareness of potential threats among employees.

Digital transformation creates new opportunities for the development of organizations, but at the same time requires major changes in approaches, culture, and management structure. Successful transformation requires a comprehensive approach and the involvement of all levels of the organization.

Challenges and solutions in implementing changes: AI and digital transformation

Digital transformation and AI offer powerful tools to overcome challenges in implementing change, optimizing processes, and improving overall efficiency.

Solutions based on AI and digital transformation:

1. **Analytics and change forecasting:** AI can analyze large amounts of data to identify trends, predict potential problems, and determine the best ways to implement changes. This allows organizations to prepare for future challenges and reduce risks in advance.
2. **Personalized training and development:** Using AI to develop customized training programs helps employees adapt to new processes and technologies faster. This increases the effectiveness of training and promotes better acceptance of change.
3. **Automation of routine processes:** Using AI and digital technologies to automate routine tasks frees up employees' time to focus on the more complex aspects of change and innovation. This reduces workload and stress during transitions.
4. **Communication and engagement:** AI can be used to develop effective communication strategies that take into account individual employee preferences. This helps to better engage teams in the change process and provide timely feedback.
5. **Feedback analysis and adaptation:** AI can analyze feedback from employees to identify problematic aspects and adapt change strategies in real time. This helps to respond to challenges in a timely manner and adjust approaches to improve results.

These solutions demonstrate how digital transformation and AI can effectively help organizations address the challenges of change by providing a more flexible, efficient, and adaptive approach.

Conclusion: Change Management in the Age of AI and Digital Transformation

In this lecture, we explored what change management looks like when the playing field itself is changing. The digital era — with AI, automation, and constant disruption — is rewriting the rules. But the core question remains the same: *how do we help people, teams, and organizations move from where they are to where they need to be?*

We took a closer look at modern frameworks like **ADKAR** and **Burke-Litwin**, and saw how they remain incredibly relevant — especially when paired with digital tools and real-world business cases. What becomes clear is that technology isn't just a tool for delivering change — it's a force that shapes the *nature* of change itself.

AI and machine learning are already transforming how we predict, plan, and guide transformation. Forecasts are sharper. Feedback loops are faster. Communication becomes more targeted — and less reactive.

The shift toward a **personalized approach** is a game changer. AI makes it possible to tailor training and support to individual employees — meeting them where they are and helping them grow at their own pace. This doesn't just reduce resistance — it boosts motivation and ownership.

We also looked at **process optimization**. By automating routine tasks, organizations free up their most valuable resource — human focus. This allows managers to shift their energy from operational firefighting to long-term strategy and innovation.

But digital transformation isn't just about tech — it's about **culture**. Tools won't deliver change if people aren't ready for it. That's why organizations need to invest in psychological safety, encourage experimentation, and build a culture that treats change not as a threat, but as a normal part of work.

At the same time, **data privacy and security** become non-negotiable. The more data we collect, the more trust we need to earn. Ensuring transparency and safeguarding employee information is now part of the social contract of modern management. So what's the bottom line? Digital tools and AI offer unprecedented opportunities to make change management smarter, faster, and more human. But success still hinges on mindset, leadership, and culture. Those who understand this — and act accordingly — won't just keep up. They'll lead.

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