Change Management at Telenor Pakistan

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ABSTRACT

Keywords: change management, Telenor, assessment, workforce, case study

Telenor Pakistan applied the Lewin's Change Model when the CDC (Centralized Delivery Centre) was to be executed. The first step was unfreezing in which the initial state of Telenor Pakistan, being a de-centralized firm was changed. In the de-centralized model, technology and operations teams of Telenor Pakistan were spread across (nation-wide) in 9 regions and 3 circles. By unfreezing, a conscious call was taken by the top management to work upon consolidation and maintain a long-term vision of being a lean organization.

The second step was executing the change which was based on the following strategy:

- Selection of CDC partner via an RFP process in which vendors (both local and international) bided for the outsourcing of services. Nokia was selected as Telenor's CDC partner based on the lowest cost bid submitted for the services.
- Centralized teams formed operating from the HQ with all regional teams dissolved.
- Network and Operations to be completely outsourced to Nokia. This meant that all functions which were related to the above stated were terminated from TP and moved to Nokia.

CHAPTER 1: INTRODUCTION

Change management is the process of planning and implementing changes to an organization in a controlled and systematic way. The goal of change management is to minimize disruption and ensure that the changes are successful and align with the overall goals of the organization. Change management is important because it helps to ensure that changes are implemented smoothly and efficiently, with minimal impact on the organization's operations and stakeholders.

At the heart of change management is the idea that change is a natural and inevitable part of any organization. Whether it is a change in the market, a change in technology, or a change in leadership, organizations must be able to respond to these changes in a way that minimizes disruption and allows them to continue to operate effectively.

Change management involves several key steps, including identifying the need for change, assessing the impact of the change, developing a plan for implementing the change, and monitoring and evaluating the results of the change. By following a structured and systematic approach to change management, organizations can ensure that the changes they make are well-planned and well-executed, and that they align with the organization's overall goals and objectives.

One of the key challenges of change management is ensuring that individuals can successfully adapt to the change. This often involves providing training and support to help individuals develop the skills and knowledge they need to thrive in the new environment.

It also involves providing ongoing support to help individuals overcome any challenges they may face as they adapt to the change.

Another important aspect of change management is communication. Effective communication is essential to ensure that all stakeholders are aware of the change and understand its implications. This may involve holding meetings, providing written communications, or using other forms of communication to keep stakeholders informed.

Ultimately, the goal of change management is to help organizations and individuals navigate the complexities of change and emerge stronger and more resilient as a result. By implementing effective change management processes, organizations can not only survive change, but thrive in the face of it.

Change management is significant because it helps organizations to adapt and respond to changing market conditions, customer needs, and other external factors. By managing change effectively, organizations can stay competitive and thrive in an increasingly dynamic business environment. Change management also helps organizations to minimize the risks and potential negative impacts of change, and to ensure that the changes they make are aligned with the organization's values and mission. In this way, change management plays a crucial role in the success and sustainability of organizations.

CHAPTER 2: MODELS USED FOR CHANGE MANAGEMENT

2.1 Lewin Change Management Model

The Lewin change management model is a framework for understanding and implementing organizational change. It was developed by psychologist Kurt Lewin in the 1950s, and it remains a widely used and influential approach to change management. The Lewin change management model consists of three main stages: unfreezing, changing, and refreezing.

The first stage of the Lewin change management model is unfreezing. This stage involves preparing the organization and its stakeholders for the change, by creating a sense of urgency and need for change. This may involve identifying the problems or challenges that the organization is facing and making a case for the need to change to address those challenges. The goal of the unfreezing stage is to create a readiness and willingness to change, and to overcome any resistance to change.

The second stage of the Lewin change management model is changing. This stage involves implementing the planned changes, and involves activities such as training and support, communication, and feedback. The goal of the changing stage is to ensure that the changes are successful, and that they are accepted and embraced by the organization and its stakeholders.

The third stage of the Lewin change management model is refreezing. This stage involves consolidating the changes that have been made and making them a permanent part of the organization. This may involve updating policies and procedures, reinforcing the changes through reinforcement and rewards, and monitoring and evaluating the results of the change. The goal of the refreezing stage is to ensure that the changes become a normal and integral part of the organization, and that they are sustained over time.

To effectively implement the Lewin change management model, organizations should follow a structured and systematic approach, and involve key stakeholders in the process. This may involve creating a dedicated change management team, involving employees and other stakeholders in the planning and implementation of the change, and providing training and support to help employees adapt to the changes. By following the steps of the Lewin change management model and involving stakeholders in the process, organizations can effectively manage and implement organizational change.

2.2 McKinsey 7s Model

The McKinsey 7S model is a framework used to help organizations assess and improve their effectiveness. It is a tool that can be used to analyze an organization's internal and external environment, identify any problems or weaknesses, and develop strategies to improve performance. The model is based on the idea that there are seven key factors, or "levers," that can be adjusted to drive organizational change and improve performance. These factors are:

1- Strategy: the plan of action an organization uses to achieve its goals and objectives
2- Structure: the way in which an organization is organized, including its hierarchy and reporting relationships
3- Systems: the processes, procedures, and technology an organization uses to carry out its work
4- Skills: the knowledge, abilities, and expertise of an organization's employees
5- Style: the leadership approach and decision-making processes used by an organization's leaders
6- Staff: the people who work for an organization, including their qualifications, experience, and motivation
7- Shared values: the beliefs, attitudes, and behaviors that are common across an organization's workforce.

The McKinsey 7S model can be a useful tool for organizations looking to improve their performance by aligning these seven key factors. By carefully examining each of these factors and identifying areas for improvement, organizations can develop strategies to drive change and improve their overall effectiveness.

2.3 Kotter’s Change Management Theory

John Kotter's change management theory is a framework for leading organizational change. It is based on the idea that successful change requires a sense of urgency, a clear vision and strategy, and effective leadership and communication. Kotter's theory identifies eight key steps for leading change:

1- Establishing a sense of urgency: creating a compelling reason for change and rallying people around it
2- Creating a guiding coalition: bringing together a group of people with the skills and influence to lead the change effort
3- Developing a vision and strategy: creating a clear, inspiring vision of the future and a plan for achieving it
4- Communicating the change vision: using every available channel to share the vision and engage people in the change process
5- Empowering others to act on the vision: removing barriers and giving people the support and autonomy, they need to make the vision a reality
6- Creating short-term wins: identifying and achieving quick, visible successes to build momentum and support for the change effort
7- Consolidating gains and producing more change: building on early successes and continuing to drive change throughout the organization
8- Anchoring new approaches in the organization's culture: embedding the new ways of working in the organization's culture to ensure the change sticks.

Kotter's change management theory is widely used by organizations looking to implement large-scale change. By following these eight steps, organizations can increase the likelihood of success and avoid common pitfalls that can derail change efforts.

CHAPTER 3: HISTORY OF TELENOR

Telenor is a Norwegian telecommunications company that was founded in 1855. It initially started as a state-operated monopoly, providing telegraph services throughout Norway. Over time, the company expanded its services to include telephone services and eventually, mobile telecommunications.

In the 1990s, Telenor began to expand internationally, entering partnerships and acquiring stakes in telecommunications companies in other countries. This expansion continued in the 2000s, and today Telenor operates in several countries around the world, providing mobile telecommunications services to millions of customers.

In 1994, Telenor entered a partnership with Telia, a Swedish telecommunications company, to create a joint venture called NetCom. This partnership allowed Telenor to expand its presence in the mobile telecommunications market in Norway, and in 2000, NetCom became a fully owned subsidiary of Telenor.

In 2001, Telenor acquired Vodafone Sweden, making it the largest telecommunications company in Sweden. This acquisition was followed by several other acquisitions, including the acquisition of a controlling stake in Thai telecommunications company DTAC in 2002.

In 2005, Telenor entered the Pakistani market after the deregulation in telecom policy. allowed Telenor to expand its presence in one of the world's largest and fastest-growing telecommunications markets which was practically untapped and was a potential seedbed for huge subscriber growth.

In 2006, Telenor entered the Indian market through a joint venture with Indian conglomerate Reliance, called Reliance Communications. This joint venture allowed Telenor to expand its presence in the subcontinent.

In recent years, Telenor has continued to expand both through acquisitions and by entering partnerships with other companies. In 2018, the company acquired Finnish telecommunications company DNA Oyj, further expanding its presence in Europe.

Today, Telenor is one of the leading telecommunications companies in the world, with operations in several countries and millions of customers. The company has remained committed to driving innovation and providing high-quality telecommunications services throughout its history.

CHAPTER 4: TELENOR PAKISTAN

Telenor Pakistan is a telecommunications company in Pakistan that provides mobile voice and data services to individuals and businesses. It is a subsidiary of Telenor Group, a Norwegian telecommunications company, and has been operating in Pakistan since 2005. Telenor Pakistan offers a range of services, including mobile voice and data, broadband internet, and digital services such as mobile banking and music streaming. It has a strong presence in Pakistan, with over 49 million subscribers as of 2022.

Telenor Pakistan has played a key role in expanding access to telecommunications in Pakistan. When the company entered the market in 2005, only a small portion of the population had access to mobile phones. Since then, Telenor Pakistan has worked to expand its network and improve coverage, making mobile services more accessible to people across the country. In addition to its mobile services, Telenor Pakistan has also invested in broadband internet infrastructure, providing high-speed internet access to more people.

In addition to its core telecommunications business, Telenor Pakistan has also launched several digital services to meet the changing needs of its customers. These include mobile banking services, allowing customers to conduct financial transactions using their mobile phones, as well as music streaming and other digital services. Telenor Pakistan has also partnered with various organizations to provide services such as health information and education resources to its customers.

Overall, Telenor Pakistan has been a major contributor to the growth of the telecommunications industry in Pakistan. Its expansion of mobile and internet services has helped improve access to information and communication for people across the country, and its digital services have provided new opportunities for customers. As the telecommunications market in Pakistan continues to evolve, Telenor Pakistan is well-positioned to remain a key player in the industry.

CHAPTER 5: LITERATURE REVIEW

A literature review is an important part of project in any field because it helps to establish the context and background for a study. It allows the research to become familiar with the existing knowledge on a topic and to identify gaps in the project that the study aims to fill. Conducting a literature review also helps to refine the project question and to develop the project design and methodology.

In addition, a literature review is useful for providing a historical perspective on a topic and for identifying trends and patterns in the project. It can also help to identify key research and project groups in the field, as well as any controversies or debates.

A literature review is also important for other research who want to understand the current state of knowledge on a particular topic. It can provide a starting point for further project and can help to inform the design of new studies.

Overall, a literature review is an essential component of project because it helps to establish the foundation for a study and to provide context and background for the project being conducted.

5.1 Rune Todnem By (2005) Organizational change management: A critical review, Journal of Change Management, 5:4, 369-380

"Organizational Change Management: A Critical Review" is a paper written by Rune Todnem By, a professor at the Department of Management at the BI Norwegian Business School. In the paper, Todnem By critically reviews the field of organizational change management, with a focus on its theoretical foundations and the practical implications of change management for organizations.

The paper begins by discussing the history of organizational change management and the various theoretical approaches that have been developed to understand and manage organizational change. Todnem By then discusses the key challenges and dilemmas that organizations face when managing change, including issues related to power and resistance, communication and participation, and the role of leadership.

The paper also examines the various tools and techniques that are commonly used in organizational change management, including the use of project management, process improvement, and systems thinking. Todnem By also discusses the role of culture and the importance of aligning change management efforts with the values and beliefs of an organization.

Overall, Todnem By's paper provides a comprehensive and critical review of the field of organizational change management, highlighting both the strengths and limitations of current approaches and offering insights for practitioners and researchers alike.

5.2 Chris Clegg Prof & Susan Walsh (2004) Change management: Time for a change! European Journal of Work and Organizational Psychology

Change Management: Time for a Change!" is an article written by Chris Clegg, a change management expert and consultant. In the article, Clegg discusses the importance of change management in organizations and the need for a more holistic and human-centered approach to change.

Clegg begins by defining change management and explaining the key principles and strategies that are typically employed in the field. He then discusses the common challenges that organizations face when managing change, including resistance to change, lack of leadership and communication, and insufficient resources.

Clegg argues that traditional change management approaches, which tend to focus on technical and structural issues, are often insufficient to address these challenges. Instead, he advocates for a more holistic and human-centered approach to change that considers the emotional and psychological impact of change on individuals and teams.

Clegg suggests that this approach should focus on building trust, empowering employees, and fostering a culture of collaboration and innovation. He also emphasizes the importance of building a change-ready organization, which can adapt and respond to change quickly and effectively.

Overall, Clegg's article provides a thought-provoking and practical perspective on change management, highlighting the need for a more human-centered and holistic approach to managing change in organizations.

5.3 Roger Gill (2002) Change management--or change leadership? Journal of Change Management, 3:4, 307-318

"Change Management--or Change Leadership?" is an article written by Roger Gill, a professor of leadership and organizational behavior at the University of Exeter Business School in the UK. In the article, Gill discusses the distinction between change management and change leadership, and the different roles and responsibilities that each involves.

Gill argues that change management is typically focused on the technical aspects of implementing change within an organization, such as developing and executing a change plan and monitoring progress. In contrast, change leadership involves the broader task of inspiring and guiding others to embrace and drive change within an organization. This may involve setting a vision for the future, building support and commitment for change, and managing the emotional and cultural aspects of change.

Gill argues that both change management and change leadership are important for successful organizational change, but that change leadership is often neglected in favor of a more technical, process-oriented approach. He suggests that organizations should place greater emphasis on developing change leadership skills and mindset, in order to foster a culture of continuous improvement and adaptability.

5.4 Anthony Mento, Raymond Jones & Walter Dirndorfer (2002) A change management process: Grounded in both theory and practice, Journal of Change Management, 3:1, 45-59

Change management is a process for managing and implementing changes in an organized and structured way. It involves identifying the need for change, assessing the impact of the change, planning, and implementing the change, and evaluating the results of the change.

There are several theories and models of change management that can be used to guide the process. One such model is the Lewin Change Management Model, which was developed by Kurt Lewin in the 1940s. The model consists of three stages: unfreezing, changing, and refreezing.

In the unfreezing stage, the goal is to prepare the organization for change by creating a sense of urgency and identifying the forces that are driving the need for change.

In the changing stage, the focus is on planning and implementing the change. This may involve creating a vision and strategy for the change, identifying the resources and support needed to implement the change, and communicating the change to all relevant stakeholders.

In the refreezing stage, the goal is to embed the change into the organization's culture and processes. This may involve reinforcing the change through training and other forms of support, as well as evaluating the results of the change to ensure that it is having the desired impact.

While change management theories and models can provide a useful framework for managing change, it is also important to consider the specific needs and circumstances of the organization and its stakeholders to effectively implement change

5.5 Kurt Lewin's change model: A critical review of the role of leadership and employee involvement in organizational change, Syed Talib Hussain, Journal of Innovation & Knowledge, 2018

Kurt Lewin's Change Model: A Critical Review of the Role of Leadership and Employee Involvement in Organizational Change" is a paper written by Syed Talib Hussain, a researcher in the field of organizational behavior and change management. In the paper, Hussain conducts a critical review of Kurt Lewin's change model, which is a widely used approach for understanding and managing organizational change.

According to Lewin's model, organizational change involves three stages: unfreezing, changing, and refreezing. In the unfreezing stage, the organization is made aware of the need for change and is prepared to let go of old ways of doing things. In the changing stage, new behaviors and practices are introduced and implemented. Finally, in the refreezing stage, the new behaviors and practices become the norm, and the organization's culture and structure are stabilized.

Hussain's paper critically examines the role of leadership and employee involvement in each stage of Lewin's change model. He discusses the importance of leaders in setting a clear vision and direction for change, as well as their role in building support and commitment among employees. Hussain also highlights the importance of involving employees in the change process, as this can help to increase their ownership and buy-in to the change effort.

Overall, Hussain's paper provides a useful overview of Lewin's change model and the role of leadership and employee involvement in organizational change. It offers insights for practitioners and researchers interested in understanding how to effectively manage and lead organizational change.

CHAPTER 6: BUSINESS LIFE CYCLE

The business life cycle is a model that outlines the different stages a business goes through from its inception to its decline. Understanding the different stages of the business life cycle is important for business owners as it can help them identify key challenges and opportunities at each stage and make informed decisions about how to grow and sustain their business over time. The stages of the business life cycle include:

1. **Start-up**: This is the stage where the business is just starting out. During this stage, the business owner is focused on developing the product or service, identifying a target market, and establishing a customer base. The key challenges during this stage include securing funding, developing a business plan, and attracting early adopters to the product or service.

The start-up stage is critical for the success of the business, as it lays the foundation for future growth. The business owner must be able to effectively communicate their vision for the business and generate interest among potential investors, customers, and partners. It's also important for the business to have a clear understanding of its target market and the competitive landscape to determine the best strategies for customer acquisition and growth.

2. **Growth:** During this stage, the business begins to experience rapid growth in terms of sales, customer acquisition, and market share. This stage is characterized by high levels of investment in order to sustain the growth, including the hiring of new employees, expanding the product or service offerings, and investing in marketing and advertising.

The growth stage is a critical time for the business as it seeks to establish its position in the market and build brand awareness. It's important for the business to continue to innovate and differentiate itself from its competitors in order to maintain its competitive advantage. Additionally, the business must be able to effectively manage its resources, including its finances, human capital, and technology, in order to sustain its growth.

3. **Maturity:** In this stage, the business has established itself in the market and growth slows down. The focus of the business shifts from customer acquisition to maintaining and retaining its existing customer base. The key challenges during this stage include managing costs, maintaining profitability, and adapting to changes in the market and the competitive landscape.

The maturity stage is a critical time for the business, as it seeks to maintain its position in the market and remain relevant to its customers. The business must continue to invest in product development and marketing in order to maintain its competitive advantage and ensure the continued growth of its customer base. It's also important for the business to be proactive in identifying and addressing potential threats, such as changes in consumer behavior or emerging competitors, in order to stay ahead of the curve.

4. **Saturation:** At this stage, the business has reached its maximum potential in the market and growth slows down even further. The business may begin to face increased competition and pressure to innovate in order to maintain its market share. The key challenges during this stage include managing costs, maintaining profitability, and developing new products and services to stay relevant to customers.

The saturation stage is a critical time for the business, as it seeks to maintain its position in the market and remain relevant to its customers. The business must be proactive in identifying and addressing potential threats, such as changes in consumer behavior or emerging competitors, in order to stay ahead of the curve. Additionally, the business must be willing to invest in research and development in order to continue to innovate and stay ahead of its competitors.

5. **Decline:** This stage is characterized by a decrease in sales, market share, and profitability. The business may need to undertake significant changes in order to stay competitive or it may ultimately fail. The key challenges during this stage include reducing costs, restructuring the business, and developing new products and reworking the human resource requirement.

The maturity stage of the telecommunications industry globally began in the early 2000s. This was a period when telecommunications firms had established themselves as key players in the industry, and their growth had started to slow down. In Pakistan, the maturity advent was around 2016, once the 3G subscribers began to plateau after being launched in 2014. This maturity stage was characterized by slower sales growth, increasing competition, and a focus on improving efficiency and profitability. During this stage, Telenor had to find ways to maintain their market position and stay ahead of the competition.

A major factor that has contributed to the maturity of telecommunications firms in Pakistan is the ever- increasing competition in the industry. As the industry has matured, competition has intensified. This has forced telecommunications firms to become more efficient and focus on improving profitability. Telenor's major competition in Pakistan is Jazz, followed closely by Zong and Ufone.

Also, the maturity of the telecommunications industry has also been influenced by regulatory changes. Government of Pakistan has introduced regulations to promote competition and ensure that consumers are protected. These regulations have forced telecommunications firms to become more transparent and provide their customers with better value for their money with Pakistan resultantly having the lowest ARPU(Average Revenue Per User) globally.

CHAPTER 7: SWOT ANALYSIS

SWOT analysis is a strategic planning tool used to evaluate the Strengths, Weaknesses, Opportunities, and Threats (SWOT) of a business or project. The goal of SWOT analysis is to identify the internal and external factors that can affect the success of a business, and to develop a strategy for addressing these factors.

SWOT analysis is a straightforward, yet effective, tool for businesses of all sizes and industries. It can be used for a wide range of purposes, including business planning, marketing planning, and organizational development.

Here is a more detailed explanation of each component of SWOT analysis:

Strengths: This refers to the internal characteristics and assets of a business that give it a competitive advantage and contribute to its success. Strengths can include a strong brand, skilled employees, a loyal customer base, or a unique product or service offering. It's important to understand and leverage your business's strengths in order to maximize its potential for success.

Weaknesses: This refers to the internal characteristics and assets of a business that limit its success or make it vulnerable to competition. Weaknesses can include poor management, limited resources, a lack of brand recognition, or a narrow product or service offering. It's important to understand and address your business's weaknesses in order to overcome obstacles and improve its overall competitiveness.

Opportunities: This refers to external factors or trends that can be leveraged to drive growth and success for a business. Opportunities can include new markets, new technologies, changing customer preferences, or changes in the competitive landscape. It's important to be proactive in identifying and seizing opportunities in order to maximize the growth potential of your business.

Threats: This refers to external factors or trends that can negatively impact the success of a business. Threats can include economic downturns, changes in regulations, new competitors, or shifts in customer preferences. It's important to be aware of potential threats and develop strategies for mitigating their impact on your business.

To conduct a SWOT analysis, it's important to gather information from a variety of sources, including internal documents, market research, and industry reports. The information should be analyzed and organized into the four categories of SWOT. The next step is to develop a strategy for addressing the factors identified in the analysis. This may involve leveraging strengths, addressing weaknesses, capitalizing on opportunities, or mitigating threats.

The results of a SWOT analysis can be used to inform a variety of business decisions, including marketing strategies, product development, and organizational structure. It can also be used to monitor changes in the business environment and adjust the strategy as needed.

SWOT analysis is a useful tool for businesses of all sizes and industries, as it provides a comprehensive overview of the internal and external factors that can impact the success of a business. By using SWOT analysis, businesses can develop a more effective and strategic approach to growth and success.

It is pertinent to conduct a SWOT analysis of Telenor Pakistan in order to obtain a holistic understanding of both the external and internal factors which influenced the organization and resultantly created the ripples of change which were executed in 2017.

Strengths:

- Strong brand recognition: Telenor Pakistan is one of the largest telecommunications companies in the country and has a strong brand reputation for providing quality services.
- Wide network coverage: The company has a wide network coverage in Pakistan, which enables it to provide services to a large customer base.
- Innovative products and services: Telenor Pakistan offer a range of innovative products and services, such as mobile financial services, 4G services, and internet-based services, which appeal to its customers.
- Strong customer base: Telenor Pakistan has a large and loyal customer base, which is a key strength for the company.

Weaknesses:

- High operating costs: The telecommunications industry in Pakistan is highly competitive, which puts pressure on Telenor Pakistan's operating costs.
- Limited fiber optic infrastructure: Telenor Pakistan has limited fiber optic infrastructure, which limits its ability to provide high-speed internet services to its customers.
- Dependence on government policies: Telenor Pakistan's operations are heavily dependent on government policies and regulations, which can have a negative impact on its business.
- Bloated headcount due to initial hiring bubble. This was due to the explosion of growth witnessed in the telecom sector in the initial phase with high consumer demand encountered.

Opportunities:

- Growing mobile market: The mobile market in Pakistan is growing, providing opportunities for Telenor Pakistan to expand its customer base and increase its revenue.
- Expansion into new markets: Telenor Pakistan has the opportunity to expand into new markets, both within Pakistan and abroad, to increase its customer base and revenue.
- Increased demand for mobile financial services: There is increasing demand for mobile financial services in Pakistan, which provides opportunities for Telenor Pakistan to expand its offerings in this area.

Threats:

- Increased competition: The telecommunications industry in Pakistan is highly competitive, which poses a threat to Telenor Pakistan's market share and revenue.
- Economic uncertainty: Economic uncertainty in Pakistan can negatively impact Telenor Pakistan's revenue and customer base.
- Government regulations: Government regulations and policies can have a negative impact on Telenor Pakistan's operations, making it difficult for the company to compete effectively.

CHAPTER 8: SUMMARY OF RESEARCH WORK

The centralized delivery model (CDC) in telecommunications refers to a service delivery approach where a central location or an HQ is selected to provide consolidated network services to multiple locations. In this model, network resources and services are located in a central facility and are accessed by remote locations through a wide area network (WAN) or other means of connectivity.

The centralized delivery model is often used by enterprise telecommunications firms globally, where companies have multiple branch locations that require access to the same network services and resources. By centralizing network resources and services, companies can reduce costs, improve efficiency, and provide consistent service quality across all locations.

In the centralized delivery model, the central location typically hosts the following network resources and services:

- Data Center: A centralized data center is used to host servers, storage, and other data center equipment that support network services.
- Applications: Network applications such as email, messaging, and collaboration tools are hosted in the data center and accessed by remote locations.
- Network Security: Network security services such as firewalls, intrusion detection and prevention systems, and virtual private networks (VPNs) are provided from the central location to ensure consistent security across all locations.
- Voice and Video Services: Voice and video services such as IP telephony and video conferencing are delivered from the central location to remote locations over the WAN.
- Network Management: Network management services such as monitoring, troubleshooting, and reporting are provided from the central location to ensure consistent service quality and availability.

The centralized delivery model in telecommunications can provide several benefits to telcos, including:

- Cost Savings: Centralizing network resources and services can reduce costs by eliminating redundant equipment and services across multiple locations.
- Improved Efficiency: The centralized delivery model can improve efficiency by providing consistent service quality and reducing the need for local IT staff at each location.
- Enhanced Security: Centralized network security services can provide better protection against cyber threats and ensure consistent security policies across all locations.
- Better Collaboration: Network applications and services delivered from the central location can improve collaboration among employees across multiple locations.

Telenor Pakistan applied the Lewin's Change Model when the CDC was to be executed.

The first step was unfreezing in which the initial state of Telenor Pakistan, being a de-centralized firm was changed. In the de-centralized model, technology and operations teams of Telenor Pakistan were spread across (nation-wide) in 9 regions and 3 circles. By unfreezing, a conscious call was taken by the top management to work upon consolidation and maintain a long-term vision of being a lean organization.

The second step was executing the change which was based on the following strategy:

- Selection of CDC partner via an RFP process in which vendors (both local and international) bided for the outsourcing of services. Nokia was selected as Telenor's CDC partner based on the lowest cost bid submitted for the services.
- Centralized teams formed operating from the HQ with all regional teams dissolved.
- Network and Operations to be completely outsourced to Nokia. This meant that all functions which were related to the above stated were terminated from TP and moved to Nokia.

This change execution process was further sub-divided into two phases:

<u>Phase 1</u>

- Resources in regional teams were instructed to jot down their job descriptions in order to full quantify the work each resource was doing.
- Human Resources department then classified each resource as either Operational or Regular Resource.
- Operational Resources were shortlisted for CSS (Compulsory Separation Scheme) with a 1 Day Notice given for TP offboarding

<u>Phase 2</u>

- All CSS Employees were moved immediately to Nokia payroll. The contract between Telenor management and Nokia management stipulated that all CSS employees who were moved to the Nokia payroll will be kept by Nokia for a minimum period of 12 months.
- This caused a ripple effect amongst the CSS employees:
    - Some employees resigned and opted out from being moved to the Nokia payroll.
    - Employees who stayed with Nokia started to manage the network with the same JD as previously. The only change was that they were moved from the TP payroll to Nokia payroll.
- HQ team, which was named the planning and governance team was established as a centralized team for the management of Nokia employees.

The last step in this change was re-freezing; organization workforce was streamlined as per defined objectives of the CDC with the operations workforce cut significantly. Planning units were consolidated in the HQ and Telenor Pakistan moved ahead with its vision of being a lean organization with outsourced operations.

It is pertinent to mention here that demotivated/low performing employees at Nokia(who were moved after CSS in Telenor) had their contracts terminated and the Nokia workforce was further downsized. Currently, Nokia is responsible for managing the entire network of Telenor Pakistan as of 2023.

CHAPTER 9: DECISION MAKING FACTORS

Telenor's policy to opt for a CDC model was primarily based on four tangents which have been illustrated above. Each of these tangents will be discussed separately.

Increase EBITDA

EBITDA, which stands for Earnings Before Interest, Taxes, Depreciation, and Amortization, is a commonly used financial metric that measures a company's operating profitability. EBITDA is an important measure of a company's financial performance because it helps investors and analysts compare the financial performance of companies with different capital structures, tax rates, and depreciation policies.

Telenor needed to increase EBITDA for several reasons:

1- To improve financial performance:

Increasing EBITDA can improve financial performance by increasing profitability. A higher EBITDA margin indicates that the company is generating more income from its operations, which can help it grow, invest in new initiatives, or pay down debt.

2- To attract investors:

Investors are interested in firms that are profitable and have a strong financial performance. A higher EBITDA can indicate that the company is generating a strong return on investment, which can attract investors and increase the company's stock price.

3- To access capital:

Companies that have a strong EBITDA may be more likely to access capital through loans or bond offerings. Lenders and investors may be more willing to provide financing to companies with a track record of profitability and a strong EBITDA.

4- To increase shareholder value:

Increasing EBITDA can also increase shareholder value by increasing earnings per share (EPS) and share price. Companies that have a higher EPS and share price are more attractive to investors and can increase shareholder value over time.

5- To fund growth initiatives:

Companies may also need to increase EBITDA to fund growth initiatives, such as expanding into new markets or investing in research and development. A higher EBITDA can provide the company with the resources it needs to pursue these growth opportunities and remain competitive in its industry.

Lean Model of Operations

Telenor was willing to adopt a lean model of operations to improve its efficiency and effectiveness. There are several reasons why Telenor needed a lean model of operations:

1- Increasing competition:

The telecommunications industry is highly competitive, and companies like Telenor need to find ways to improve their operational efficiency to remain competitive. By adopting a lean model of operations, Telenor can reduce costs, increase productivity, and respond more quickly to changes in the market.

2- Improving customer satisfaction:

Telenor's customers expect high-quality services, and a lean model of operations can help the company meet those expectations. By reducing waste, improving quality, and increasing efficiency, Telenor can provide better services to its customers, which can lead to higher customer satisfaction and loyalty.

3- Enhancing employee engagement:

A lean model of operations can also improve employee engagement and satisfaction. By involving employees in process improvement initiatives and empowering them to make decisions, Telenor can create a culture of continuous improvement and innovation, which can increase employee motivation and engagement.

4- Supporting growth and expansion:

As Telenor expands into new markets, a lean model of operations can help the company manage its growth and ensure that its operations remain efficient and effective. By standardizing processes and procedures, Telenor can replicate its success in new markets and adapt to local conditions more quickly.

5- Ensuring financial sustainability:

A lean model of operations can also help Telenor ensure its financial sustainability by reducing costs, increasing revenue, and improving profitability. By eliminating waste, optimizing processes, and improving quality, Telenor can reduce costs and increase productivity, which can improve its bottom line and ensure its long-term financial sustainability.

Succinctly, Telenor needs a lean model of operations to remain competitive in a highly competitive industry, improve customer satisfaction, enhance employee engagement, support growth and expansion, and ensure its financial sustainability. By adopting a lean model of operations, Telenor can achieve these goals and position itself for long-term success.

<u>Reduce Human Resource Liability</u>

Human resource liability refers to the financial obligations that a company has towards its employees, such as salaries, benefits, and pensions. Telenor, like other companies, needs to manage its human resource liability to ensure its long-term financial sustainability. There are several reasons why Telenor needed to reduce its human resource liability:

1- Cost savings:

Human resource liability can be a significant expense for a company and reducing it can help Telenor save costs. By reducing salaries and benefits Telenor can lower its expenses, which can improve its profitability and financial performance.

2- Improving efficiency:

Human resource liability can also affect Telenor's efficiency. When a company has a large number of employees, it may face challenges in managing their performance, development, and retention. By reducing its workforce, Telenor can streamline its operations and improve its efficiency, which can help it remain competitive in the market.

3- Adapting to changing business needs:

Telenor, like other companies, may face changes in its business environment, such as shifts in consumer preferences, changes in technology, or economic downturns. By reducing its human resource liability, Telenor can adapt more quickly to these changes by reducing its fixed costs and reallocating resources to areas of the business that are more profitable.

4- Focusing on core business activities:

By reducing its human resource liability, Telenor can focus on its core business activities, such as developing new products and services, expanding into new markets, or improving customer satisfaction. By reallocating resources from non-core activities to core activities, Telenor can improve its competitiveness and profitability.

New Opportunity Focus

Telenor, like any other business, needed to focus on new opportunities to remain competitive, grow its revenue, and ensure its long-term sustainability. There are several reasons why Telenor needed to focus on new opportunities:

1- Increasing competition:

The telecommunications industry is highly competitive, and Telenor faces intense competition from other companies in the market. To remain competitive, Telenor needs to focus on new opportunities to expand its revenue streams and differentiate itself from its competitors.

2- Changing consumer preferences:

Consumer preferences in the telecommunications industry are constantly evolving, and Telenor needs to keep up with these changes to remain relevant. By focusing on new opportunities, Telenor can develop new products and services that meet the changing needs of its customers, such as new digital services, mobile banking, or internet of things (IoT) solutions.

3- Technological advancements:

Technological advancements in the telecommunications industry are rapidly changing the way people communicate and consume information. Telenor needs to focus on new opportunities to take advantage of these advancements, such as developing new applications, leveraging artificial intelligence and machine learning, or exploring the potential of 5G networks.

4- Diversifying revenue streams:

Telenor's current revenue streams may be vulnerable to market fluctuations, economic downturns, or changes in regulations. By focusing on new opportunities, Telenor can diversify its revenue streams and reduce its reliance on any one product or service.

5- Capturing untapped markets:

There are still many untapped markets in the telecommunications industry, particularly in developing countries such as Pakistan. By focusing on new opportunities, Telenor can enter these markets and capture new customers, which can drive growth and increase revenue.

In conclusion, Telenor needs to focus on new opportunities to remain competitive, meet changing customer needs, leverage technological advancements, diversify revenue streams, and capture untapped markets. By doing so, Telenor can position itself for long-term success and ensure its sustainability in a rapidly changing industry.

CHAPTER 10: RESPONSE TO CHANGE

With the change enforced in Telenor regarding the CDC model, there was an extremely palpable response with two extremely distinct groups of individuals formed. It is vital to mention and discuss these group respectively.

Acceptors:

Acceptors of change are individuals or groups who are willing to make adjustments to their behavior or work practices to adapt to changing circumstances. They are often characterized by their flexibility, creativity, and willingness to take risks. They are not afraid to challenge the status quo or to try new things, and are often the first to adopt new technologies or innovative approaches in their field.

In organizational settings, acceptors of change are typically those individuals who are early adopters of new initiatives or projects. They are able to see the potential benefits of change and are eager to explore new opportunities. These individuals often have a positive attitude towards change and are able to effectively communicate the benefits of change to others. They are often viewed as leaders or champions of change and play an important role in building support and momentum for new initiatives.

Acceptors of change also have several key characteristics that enable them to be successful in adapting to new situations. They are able to recognize the need for change and are able to see the potential benefits that can come from it. They are also able to remain positive and optimistic in the face of uncertainty and are able to embrace new challenges with enthusiasm and a willingness to learn. Additionally, acceptors of change are able to think creatively and are not afraid to challenge traditional ways of thinking and doing things.

There are several factors that can influence an individual's willingness to accept change. These factors can include their personality traits, their level of experience and expertise, their perception of the benefits and risks of change, and their ability to adapt to new situations. For example, individuals who are more open to new experiences and are comfortable with change may be more likely to be acceptors of change. Similarly, individuals who have a strong track record of successful innovation and change may be more likely to embrace new opportunities.

One key benefit of having acceptors of change in an organization is that they can help to foster a culture of innovation and creativity. These individuals are often able to think outside the box and are willing to explore new ideas and approaches that others may not have considered. This can lead to new products, services, and solutions that can help to drive growth and success for the organization.

Another benefit of having acceptors of change is that they can help to improve the overall efficiency and effectiveness of the organization. By embracing new technologies and work practices, they can help to streamline processes and eliminate redundancies. This can lead to cost savings, improved productivity, and a more agile and adaptable organization.

Acceptors at Telenor Pakistan for the CDC model were largely comprised of the following individuals:

- Long term employees at Telenor who got extremely lucrative CSS packages based on their service.

- Employees who were retained for Strategy and Finance Functions.
- Employees who already had alternative job offers in hand.
- Employees wiling to work in a new, CDC model for enhanced exposure of working in a vendor and the relevant system experience that comes along with it.

<u>Resistors:</u>

The resistors of change are individuals or groups who actively oppose or refuse to accept changes. These individuals or groups can display a range of behaviors that can hinder the successful implementation of change initiatives:

1- Denial:

One of the most common behaviors exhibited by resistors of change is denial. They may deny that there is a need for change, or that the proposed changes will have any benefits. They may also deny that the current situation is problematic, or that it needs to be improved. This behavior can be particularly pronounced in individuals who are comfortable with the status quo, or who feel that their position or interests may be threatened by the proposed changes.

2- Fear and Anxiety:

Fear and anxiety are also common behaviors exhibited by resistors of change. Change can be unsettling, particularly if it is perceived as a threat to an individual's job security, status, or sense of identity. Individuals who are anxious about change may become defensive, resistant, or even hostile towards the proposed changes.

3- Passive Resistance:

Passive resistance is a subtle but effective way of resisting change. This behavior involves doing the minimum required to comply with the proposed changes, while not actively engaging in the change process. Individuals who engage in passive resistance may appear to be cooperative, but they may also drag their feet or delay the implementation of the changes, which can slow down or hinder the success of the change initiative.

4- Active Resistance:

Active resistance is a more direct and visible way of opposing change. This behavior can involve openly challenging or questioning the proposed changes, or actively working against them. Individuals who engage in active resistance may try to undermine the change process, sabotage the proposed changes, or openly criticize the change initiative.

5- Lack of Commitment:

Individuals who lack commitment to the proposed changes may also display resistant behaviors. They may not actively oppose the changes, but they may also not fully engage in the change process. This lack of commitment can manifest as apathy, indifference, or a lack of enthusiasm for the proposed changes.

6- Lack of Trust:

A lack of trust can also be a significant barrier to change. Individuals who do not trust the change management process, or who do not trust the individuals responsible for implementing the changes, may resist the proposed changes. This lack of trust can be due to a variety of factors, including a history of failed change initiatives, poor communication, or a lack of transparency in the change process.

In conclusion, resistors of change can exhibit a range of behaviors that can impede the successful implementation of change initiatives. These behaviors can be caused by a variety of factors, including fear, anxiety, a lack of trust, and political maneuvering.

Resistors at Telenor Pakistan for the CDC model were largely comprised of the following individuals:

- Employees who were moved to Nokia.
- Employees who had recently joined Telenor and had a severe lack of trust.
- Internal stakeholders in Commercial and Sales who believed that a well-oiled engine was merely being changed the top management's whim for a leaner organization.
- Employees with short term contracts.

CHAPTER 11: RESULTS

As a result of the change executed by Telenor, two verticals clearly emerged from the CDC model.

The strategy and finance functions which were of critical importance and pivotal to the success of Telenor, remained with the organization with all the employees in the above stated function part of the permanent workforce. This was also done in order to preserve the long-term vision of the company of morphing into a digital telco.

The Networks and Operations vertical, was outsourced to the CDC partner (Nokia) with the aim of getting rid of routine tasks that didn't require innovation or strategic planning but were rather a cost center that could be shifted from Telenor's payroll.

The output of this change was a 30% reduction in the human resource employed at Telenor Pakistan with the departing employees either moving to Nokia or leaving the organization permanently.

The finance function is a vital part of any organization as it manages the financial resources and ensures the organization's financial stability. The function is responsible for developing financial plans and budgets, managing cash flow, preparing financial statements and reports, identifying and managing financial risks, and providing financial information to support decision-making. All of these responsibilities contribute to the organization's overall success and sustainability.

One of the critical roles of the finance function is financial planning and budgeting. It develops financial plans that outline the organization's goals and objectives and allocates resources effectively to achieve them. Financial plans also help organizations to anticipate and plan for future financial needs and opportunities, providing a roadmap for growth and development. Budgeting, on the other hand, involves the process of setting financial targets and tracking actual performance against them. It allows the organization to monitor its financial health, make informed decisions, and take corrective action if necessary.

Another important responsibility of the finance function is managing cash flow. It involves monitoring the inflow and outflow of cash, ensuring that there is enough cash to meet the organization's obligations, and optimizing the use of cash. The finance function ensures that the organization has access to the necessary funding sources to meet its financial needs and that it is managing its cash effectively. Proper cash management is critical to the organization's survival, especially during times of financial uncertainty.

Financial reporting and analysis is also a crucial function of the finance department. The finance function prepares financial statements and reports that provide important information about the organization's financial performance. These reports are used by stakeholders, such as investors, lenders, and regulators, to evaluate the organization's financial health and make informed decisions. Financial analysis helps identify trends, areas for improvement, and potential risks that the organization may face. Accurate and timely financial reporting and analysis are essential to maintaining the organization's credibility and transparency.

The finance function is also responsible for identifying and managing financial risks. It involves identifying risks that may affect the organization's financial health and implementing strategies to mitigate them. Financial risks may include credit risk, market risk, operational risk, and other financial risks. The finance function develops risk management policies and procedures and ensures that the organization complies with them. Proper risk management is critical to the organization's sustainability, as it minimizes the impact of unexpected financial events.

Finally, the finance function provides financial information to support decision-making. It plays a crucial role in providing financial data, analysis, and insights to help managers make informed decisions. Financial information is used to evaluate the feasibility and profitability of projects, assess investment opportunities, and determine the organization's overall financial health. Without accurate and timely financial information, decision-makers may make uninformed decisions that can have a significant impact on the organization's financial health.

In conclusion, the finance function is critical to the success and sustainability of any organization. It manages financial resources, ensures financial stability, develops financial plans and budgets, manages cash flow, prepares financial statements and reports, identifies and manages financial risks, and provides financial information to support decision-making. All of these responsibilities contribute to the organization's growth, development, and sustainability, ensuring that it remains competitive and successful in the marketplace.

The strategy function is a critical component of any organization, responsible for shaping the organization's long-term vision, defining its goals and objectives, and developing strategies and plans to achieve them. The strategy function works closely with other functions within the organization to ensure alignment and integration of plans and actions, monitors and evaluates the organization's performance, and makes necessary changes to the strategy and plans. The strategy function plays a key role in identifying emerging trends, risks, and opportunities in the external environment and helps the organization adapt to them. Overall, the strategy function is critical to the success of any organization as it provides a roadmap for the organization's growth, development, and sustainability, ensuring that it remains competitive and successful in the marketplace.

One of the critical roles of the strategy function is to shape the organization's long-term vision and define its goals and objectives. The strategy function works with senior leaders to identify the organization's core values, vision, and mission, and translates them into clear, actionable goals and objectives. This provides a clear direction for the organization, ensuring that all activities and initiatives are aligned with the overall strategy and contribute to the achievement of its goals.

The strategy function also develops strategies and plans to achieve the organization's goals and objectives. It evaluates the organization's internal and external environment, identifies opportunities and challenges, and develops strategies and plans to capitalize on the opportunities and mitigate the challenges. This involves developing a comprehensive understanding of the organization's strengths, weaknesses, opportunities, and threats (SWOT analysis) and developing strategies that leverage its strengths, address its weaknesses, capitalize on opportunities, and mitigate threats.

Another important responsibility of the strategy function is to ensure alignment and integration of plans and actions. It works closely with other functions within the organization to ensure that all initiatives and activities are aligned with the overall strategy and contribute to the achievement of the organization's goals. This involves working with other functions such as marketing, operations, and finance to develop and implement plans that are consistent with the overall strategy.

The strategy function also monitors and evaluates the organization's performance and makes necessary changes to the strategy and plans. It tracks progress against goals and objectives, identifies areas of improvement, and makes necessary changes to the strategy and plans. This ensures that the organization is continuously adapting to changes in the internal and external environment and remains competitive and successful in the marketplace.

Finally, the strategy function plays a critical role in identifying emerging trends, risks, and opportunities in the external environment and helps the organization adapt to them. It develops a comprehensive understanding of the market, competitors, and customers and identifies emerging trends and opportunities. This allows the organization to adapt to changes in the marketplace and take advantage of new opportunities. Moreover, it helps identify potential risks and develop strategies to mitigate them, ensuring the organization's sustainability.

CHAPTER 12: CONCLUSION & FUTURE RECOMMENDATIONS

While Telenor fulfilled its ambition of being a lean organization, it did not come without challenges that could hamper the future survivability as well as the profitability of the organization.

Vendor contract renewal can be a complex and challenging process for organizations for several reasons. Firstly, changing market conditions can make it difficult to predict the pricing, terms, and conditions that will be in effect when the contract comes up for renewal. This can result in significant renegotiation efforts during the renewal process, which can be time-consuming and resource intensive.

Secondly, vendor contracts are often complex and contain multiple terms and conditions that need to be reviewed and negotiated. This can be a significant challenge for organizations, particularly if they are dealing with multiple vendors at the same time.

Thirdly, vendor relationships can be complicated, particularly if the vendor is a critical supplier or partner. Negotiating a contract renewal can involve delicate discussions around issues such as service level agreements, pricing, and intellectual property rights. These discussions can be sensitive, and it can be challenging to balance the organization's interests with those of the vendor.

Finally, vendor contract renewal can be challenging due to the time and effort required to manage the process effectively. This includes tasks such as reviewing the contract, conducting negotiations, and managing any changes that need to be made to the agreement.

The renewal process can be particularly challenging if the organization lacks the resources, expertise, or experience required to manage vendor relationships effectively.

Hardware swaps can be a challenging process for organizations due to several reasons. Firstly, hardware swaps require careful planning and coordination to ensure that the process runs smoothly. This includes identifying the hardware that needs to be swapped, determining the timeline for the swap, and ensuring that the hardware is available and in good working condition.

Secondly, hardware swaps can be disruptive to business operations. During the swap process, users may experience downtime or reduced functionality, which can impact their ability to perform their jobs effectively. This disruption can lead to lost productivity and revenue for the organization.

Thirdly, hardware swaps can be complex and time-consuming. Swapping out hardware involves several steps, including removing the old hardware, installing the new hardware, and testing the new hardware to ensure that it is working correctly. This process can be time-consuming, particularly if the organization is dealing with a large number of devices.

Fourthly, hardware swaps can be costly. In addition to the cost of the new hardware, organizations need to factor in the cost of labor, testing, and any additional equipment that may be required.

Finally, hardware swaps can be challenging from a security perspective. Old hardware may contain sensitive information that needs to be securely erased or destroyed before the device is disposed of. Similarly, new hardware needs to be configured correctly to ensure that it is secure and meets the organization's security policies.

Institutional knowledge drain, also known as knowledge loss or knowledge leakage, can be a significant challenge for organizations. Institutional knowledge refers to the expertise, experience, and knowledge that employees accumulate over time while working for an organization. When employees leave the organization, their institutional knowledge can leave with them, leading to knowledge gaps and potentially impacting the organization's productivity and competitiveness.

One of the key reasons why institutional knowledge drain is a challenge is that it can be challenging to identify and quantify. Unlike physical assets such as equipment or property, institutional knowledge is intangible and difficult to measure. As a result, organizations may not realize the extent of their knowledge loss until it is too late.

Another challenge with institutional knowledge drain is that it can be difficult to replace. Institutional knowledge is often built up over many years of experience and cannot be easily replicated or replaced by new hires. This means that the organization may need to invest significant time and resources in training and development to build up the necessary expertise and knowledge.

Finally, institutional knowledge drain can be a challenge because it can lead to a loss of organizational memory. This can result in the organization repeating past mistakes or missing opportunities that were identified in the past. Similarly, institutional knowledge drain can lead to a loss of institutional culture and values, which can impact the organization's identity and reputation.

One of the key reasons why regulatory compliance is a challenge is that regulations are often complex and constantly changing. Organizations must stay up-to-date with the latest regulations and ensure that they have the necessary processes, policies, and systems in place to comply with them. Failure to keep up with regulatory changes can result in non-compliance and significant financial and reputational consequences.

Another challenge with regulatory compliance is that it can be time-consuming and resource-intensive. Compliance requires ongoing monitoring, reporting, and auditing to ensure that the organization is meeting the necessary standards. This can divert resources and attention away from core business activities and impact the organization's productivity and profitability.

In summary, Telenor Pakistan outsourced its operations for several reasons, including cost reduction, improved efficiency, focus on core business activities, and scalability. By leveraging the expertise of third-party vendors, Telenor Pakistan streamlined its operations and remain competitive in the marketplace.

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