

Change Management Analysis of Tesla Motors

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Introduction

Commercial success and competitive advantages are vital aspects that reciprocate a modern-day business. It is evident that without the volatile nature of the commercial environment, a business cannot make success and often fails at some stage at some time. Management of the organization, in this regard, is required to be quite radical in its operations so that the entire organization can assist and adapt to any strategic change that is necessary for the organization. Tesla Inc. is a very fine example of a business organization that puts in place a radical structure of management that makes it easier for Tesla Inc. to embrace change. Management of Tesla Inc. through the volatile commercial environment of the organization identifies and accompanies the change that makes the entire organization able to swiftly adopt and assist the new strategic change implemented in the organization. For any business organization such as Tesla Inc. where the environment is dynamic and volatile, characterized by external and internal changes including political factors, increased competition, change in consumers' preferences, technological advancements, legal factors, and organizational restructuring, "change" is part and parcel of the business (Mosadeghrad and Ansarian, 2014). This analysis of the very organization is to understand the change management initiative taken by Tesla Inc. with the help of different change management models and theories to determine and analyze the context for the overall success or failure of the recent change implemented in the organization.

Tesla's Change Context

Tesla Inc. synonymous with change, founded in 2003, is an American all-electric vehicle company based in Austin, Texas, manufactures electric vehicles as well as designs solar panels, battery energy storage solutions from the home to the grid scale, and solar roof tiles. Elon Musk, the CEO of the company, has employed more than 1 million ingenious people in the organization to build scalable clean energy generation and storage products with the proactive aim to prove to people that electric cars can be fun, quicker, and better than gasoline-driven cars. Tesla, Elon Musk, and the company's employees believe that the faster people stop relying on products generated from fossil fuels, the faster the world will move towards a zero-carbon emission future. This is just beginning as Tesla continues to make products with the use of technology and even artificial intelligence to accelerate the approach of "drive on their own" for its vehicles in order to revolutionize the world through AI renewable energy generation and storage. With its innovative management and product

manufacturing strategies, Tesla Inc. is now in the top position in the market performing brilliantly against competitors including Rivian Automotive Inc. and General Motors and has earned around \$53.8 billion in revenues till the year 2021. Tesla Motors has recently proposed that the organization's \$25000 vehicles will not be having pedals or steering wheels to accelerate the auto-pilot-based capabilities of the cars (DeBord, 2016).

The focus of Change Analysis and Findings

In a recent company-wide meeting scenario held in Austen, Texas, Elon Musk proposed that the organization will manufacture \$25000 cars without pedals and steering wheels. It is observed that for the imperatives of strategic change in the organization, businesses should manage and assist change effectively in the organization to achieve sustainable competitiveness and good financial performance (Stouten et al., 2018). Building on this, Tesla Motors Inc. is always known for its capabilities to manufacture vehicles based on auto-pilot capabilities and that change is widely welcomed around the globe. However, it is discussed in the meeting that every Tesla car has a manual steering wheel which would not be an option in the upcoming products. The change company has proposed based on the radical structure is making driving completely driverless and Elon Musk has already shared the plans with his employees.

Type of Change

The change Elon Musk has recently proposed in the meeting and shared details about is the technological change with the aim to pair Tesla Motors' battery electric vehicles with the technology of artificial intelligence to make cars look more lavish and driverless. Musk intends to gain anchorage in different markets through the competitive-based price point which will impact the profitability revenues of Tesla Inc. to a great extent. Furthermore, Elon Musk intends to gain a foothold in the Indian economy. The Tesla CEO has argued price point in the meeting that competitive prices in manufacturing such cars worth \$25000 will be achieved through battery-based manufacturing efforts while using new battery cells in the vehicles. According to the CEO and Tesla management, this prospective manufacturing will impact the progress of the vehicles that would reduce the cost of batteries by over more than 50%. Among other competitors in the market, a major technological change is being brought by Tesla Inc. through which the mainstream market is already embracing all-electric driverless cars for the very first time. This is how Tesla Inc. and Elon Musk are trying to incorporate the technological change while being a full-fledged package of green technology and that too by this year in 2023 which will increase their brand image as the embodiment of change in the automotive and solar industry largely.

Power Dynamics

Power dynamics is one of the most important strategies in change management that Tesla Inc. and its CEO, Elon Musk have always implemented throughout the years since Tesla's inception in the automotive and solar industry. As Musk has shared plans for manufacturing completely autonomous vehicles, the change implementation has certain power dynamics as well as a number of potential benefits to the future of technology. Driving a driverless vehicle comes with power dynamics of the change that how the company has shifted its focus to the way it does business in some manner. This includes how sensory technology in such autonomous all-electric vehicles will be able to see far ahead, identify subtler objects, see better in dim light, and interpret the minute things in the world a way more better and accurately than human beings do in their surroundings (Karamitsios, 2013).

Moreover, cameras that will be planted in such driverless cars to keep the vehicle operating when it hits the road will be more vigilant and attentive than an actual driver who does operate the car as per his needs because cameras have no blind spots so their operations are far better than human drivers. Another dynamic of such autonomous all-electric driverless cars that are being discussed in the meeting is automated parking which does not require a person to look around for empty parking spaces while dropping a person off. The company has decided to manufacture the vehicle with a built-in feature that the car will drop off a person, park itself, and then return when a person is ready to go. Thus, this idea is a great option and luxury for those who want to enjoy the independence of solo car travel and that too while resting in their own position.

Resistance

As mentioned, the change management Elon Musk and company have proposed recently is creating completely autonomous cars by 2023 with no mechanical efforts involved for a low cost. However, not everything that is autonomous and technology-based is favorable for humans, their environment, and the climate of the globe. So, as everything has its drawbacks along with numerous potentials and benefits, Elon Musk's idea of driving all-electric driverless cars on the road also has some drawbacks. One of which drawbacks of driving an auto-pilot car on the road is that driverless cars function to a limited extent in harsh weather conditions. In 2019, such an incident occurred where a Tesla driver was charged with a fatal accident on the road employing a self-driving Tesla motor who ran a red light. Prosecutors in California charged Tesla Driver with a vehicular manslaughter incident as his auto-pilot car killed two people as it collided with another vehicle at a red light. It is to be evaluated that auto-pilot vehicles have problems functioning as snow can obstruct laser sensory cameras and heavy rain can block the sensors positioned at the vehicle top (Goodman, 2019). The sensors that are used in autonomous motors are usually sensors that sometimes degrade based on the different intensities of rain. When the rain intensity increases, it becomes really difficult for the sensors to detect objects with a loner range in distance.

In addition, a self-driving car cannot detect behaviors as human beings do. So, putting a vehicle on the auto-pilot while letting the vehicle drive autonomously on its own can be unpredictable, complicated, and disastrous in dire conditions for the person within and also other people on the road. For instance, a computer or a sensor cannot detect a person who is drunk which may result in a vehicle going into a fatal accident. Furthermore, unlike humans, cameras cannot detect hand signals, excessive foot traffic, and jaywalkers on the road because they all things are human-sensitive and are tough for computers and sensors. Thus, auto-pilot vehicles may fail when they must have to deal with irregular behavior patterns of humans such as intoxicated riders in the car or difficulty in interacting with technological systems employed in the vehicle (Goodman, 2019). Therefore, the pool of experts in the automotive and solar industry has not legitimized the creation of self-driving all-electric cars around the world and the United States in particular. Although the idea of the creation of auto-pilot vehicles has sparked great controversy in the market, Tesla can continue to maintain that autonomous all-electric vehicles are safer and more stable for the environment as compared to the human-driven cars based on company's green technology and Tesla's ambitious change projects. Despite the controversy and the lawsuits around the globe, it would be a great success for Tesla and its CEO Elon Musk if the company creates an all-electric auto-pilot system that is safe to operate in the world. However, the data of such auto-pilot vehicles is yet to be questioned in multiple evaluations under different lawsuits.

Organizational Culture and Leadership

Tesla Inc. integrates an innovative organizational culture that creates human resource competence representing the customs and values of the organization that are necessary for the creation of innovative products defining employees' decisions and behaviors in the global automotive business. Through its corporate culture, Tesla empowers its workers to search for ideal innovative solutions to the problems for the storage industry and energy generation that impacts the global climate in a positive way. The very organization maintains the human resource competencies and capabilities to make the automotive business stand out in the global market and to encourage the workforce for the continuous improvement of the corporation and innovative products in each coming year. Through the organizational culture, Tesla Motors functions as an effective channel in the corporate culture to add strategic effectiveness and innovative behaviors of the employees in enhancing the business (Akakpo et al., 2019). Moreover, the organization makes sure that its culture creates countless opportunities for innovation to contribute to Tesla's competitiveness in the automotive industry.

The characteristic of Tesla's organizational culture is that it empowers its employees with the motto "We are All In" to let them think like owners and to unify employees into a prospective team that develops teamwork synergy in the organization. This highlights the importance of utilizing and empowering workers' capabilities to develop cutting-edge products responding rapidly to the changes, innovative ideas, and trends in the international market. Such cultural management minimizes conflicts within the workforce and maximizes the organizational benefits from workers' skills and talents. This unified synergetic workforce within Tesla contributes to strategy

implementation and facilitates corporate management that aligns employees with Tesla's strategic objectives throughout the organization. This cultural trait in the organization puts emphasis on innovation that enables the corporation to facilitate speedy decisions and actions in order to develop high-technology products (Tung, 2016).

Elon Musk, the CEO of Tesla Inc., has set up the leadership orientation of the organization that aligns with the goals, mission, and objectives of the company to manufacture all-electric cars, storage products, and clean energy generation. Musk encompasses a transformational and autocratic leadership style by developing new challenges in the company to encourage employees so they can question conventional practices in the global automotive business market (Gayathri and Kumari, n.d.). Elon Musk's leadership team at Tesla comprises three individuals including a CFO, a President of the automotive, and a CTO to provide modern technology in the workforce to ensure the provision of the best technological resources to help employees create an innovative vision and strive beyond their own expectations. Musk motivates his employees with an open-door policy which positively impacts the organizational culture and leadership team at Tesla Motors. The way Elon Musk works to motivate his employees to innovate is by discouraging the notion that the workforce should receive a chain of commands from the executives or owners of the company to receive assistance and motivation (Archwell and Mason, 2021).

Considerations and Challenges for the Future

Change management strategy and efforts in Tesla Inc. are fundamental to incorporate emerging capacities to access opportunities despite the difficulty in the implementation of change. For a thriving organization, Tesla needs to consider the sense of urgency while organizing a sales force redesigning the organizational framework, and meeting competitive actualities to manage the impacts of change management efforts. The top management of Tesla Inc. in this regard needs to form a fortified alliance to guide and convince workers at the company that the status quo is more detrimental than the change initiatives. For that, the leadership and the management need to tap the talents of the workforce and integrate such innovative initiatives into change management efforts (Cameron and Green, 2019). Thus, the company comprehends the strong urgency of Tesla's new initiative to create auto-pilot all-electric vehicles by 2023. Moreover, the challenge Tesla and the leadership have to encounter in the future is playing an essential role in winning the loyalty and trust of the Tesla workforce. It can be achieved in the organizational culture by improving the characteristics of ideals, combining the responsibilities and abilities of the workers, developing diverse beliefs, and establishing the perceptions of laws and regulations in company ethics. Elon Musk himself admits the lack of adequate legislatures governing EV generation in Tesla and, therefore, legislature concerning EVs is the potential challenge to Tesla in the future.

Recommended Organizational Change Strategies and Goals

A recommendation for Tesla would be to focus on careful planning for a long-term change management initiative such as defining the vision of the change management and goals of the leadership clearly which would mitigate risks in the organizational culture. The step to overcoming these obstacles is through organizing a system where leaders and management are expected to be provocative to ensure all members of Tesla Inc. communicate effectively. The system should encourage employees to share ideas and provide feedback seriously regarding change initiative efforts so that the company can devise interactive strategies. Leaders should foresee the change management's long-term goals and conclusion to modify the change initiative accordingly so that all stakeholders of the company share the same page as a prospective team to achieve organizational goals effectively (Cameron and Green, 2019).

Another recommendation is to focus on emotionally appealing and compelling advertisements to interact with customers' hearts which can help the Tesla brand to drive sales globally. Tesla must continue to emphasize that consumers are part of their brand to optimize brand development recognition at a global scale. Such appealing advertisements suggest a shift from a highly selective brand's advertisement strategy to interactive advertisements where the organization can connect with its loyal and potential customers. Researchers have conducted numerous studies that show that the emotionally appealing advertisement strategy of the organization contributes to the distinction of the brand at the local as well as the global level and increase consumers' loyalty to the brand.

Conclusion

The change management in the automotive line Tesla and Elon Musk brought to consideration has the potential to form an influential culture where teamwork is synergetic to manufacture high-quality all-electric automotive vehicles. The link between organizational culture and change management in Tesla directs the potential pace of viability, a sense of healthy competition, and green production of the organization. In the face of such change management in Tesla and any similar organization, it is imperative for corporations and their managements to take a structured and provocative approach to ensure sustained competitiveness.

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