

Netflix Organizational Change & Structure Case Study 2022

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Netflix

Netflix is an online video streaming platform that allows users to watch movies, TV shows, documentaries online. The user can watch all these videos through a subscription service. Netflix adds new movies, series, and TV shows regularly to the chart so that subscribers can watch them instantly. It has managed to secure its position within the top 50 websites, following Google, YouTube, Yahoo, Facebook, Twitter, etc. So, Netflix is the most popular video streaming site or web portal in the world now.

What is Organizational Change?

Organizational change means business modification in which a company changes its business tools, such as policy, strategy, operation, structure, infrastructure, and culture. The most prevalent reasons for organizational change are technology, globalization, new market condition, poor performance, and customer demand. The organizational changes enable the company to cope with the digital era. Therefore, many organization has embraced technological changes to adjust to the digital age. Organizational change assists the company in replacing old systems with new strategies to achieve competitive advantages in the same marketplace.

Organizational Change Examples

Netflix is one of the best examples of organizational change. It accepts the changes to cope with the new context. Netflix organizational change is a real-life example of [Lewin's change management model](#). Every organizational change has a few stages of completing the entire process. The most significant factors are technology, culture, and environment that stimulate an organization to accept the change.

Netflix Organizational Change has replaced the old procedures with new strategies to adjust to the current situation. So, Netflix is the most prevalent example of organizational change. Additionally, Indian software companies Wipro, Infosys, Samsung, and Amazon accept organizational change to achieve a competitive advantage.

Netflix Change Management Case Study

~~Netflix~~ Additionally, it describes the history of the Netflix business transformation

Netflix Organizational Change

Technology has changed the world in many ways, including education, business, sports, entertainment, etc. Many renowned companies have been closed due to new technology such as computers, smartphones, and social media. Some have managed to cope with the force of change by applying sophisticated strategies and accepting organizational change.

Netflix is one of the best examples that has changed its business model and strategy to survive. It has handled the force of organizational change to achieve a competitive advantage. Hence, it has become one of the most popular video streaming platforms for netizens.

Netflix was founded in 1997 in California, USA. However, In 1998, Netflix started its business by selling DVDs and rentals by mail. The product was a rent-by-mail DVD, and the payment system was the pay-per-rental model.

The following year, in 1999, Netflix launched its new subscription feature for customers to rent DVDs at a monthly rate. This service allowed the subscribers to enjoy unlimited DVD rental with monthly payments. So, the change was the pay-for-use model into a monthly subscription model. The subscribers choose the movie and video titles from Netflix's official website. After that, the distributors send the shows in the form of DVDs to the subscribers.

In 2007, Netflix introduced a new video streaming feature for films and television series. The proper utilizing of the force of change has helped to achieve success. However, it is believed that Netflix is one of the most popular platforms for watching new movies, drama series, TV shows, and so more. They have achieved competitive advantages for adopting new features as per audience demand.

Netflix Organizational Change- Netflix change management case study

Additional Change Management at Netflix

In 2011, Netflix introduced its mobile apps and ios service for smartphone users. Smartphone users can download the apps free from Google as well as the Apple play store.

Recently, Netflix changed from HTTP to HTTPS encryption to ensure viewers' privacy.

In 2016, Netflix launched its offline playback feature to cache the contents. Therefore, Netflix mobile apps users can watch high-quality cache content without an internet connection.

In 2018, Netflix added “the Skip Intro” option for customers to avoid intros of the shows. So, the users can skip the video if they want.

In 2022, Netflix started alerting customers for sharing their account IDs and passwords with others.

In 2022, Netflix intends to extend its business into the video gaming industry. The 200 million subscribers of Netflix can reach with a bundle of games like Apple Arcade. The video game contributes a significant role to attracts potential customers.

Netflix History Timeline

~~Netflix launched its operation with the first and largest online DVD rental store. Since 2012, Netflix has produced and distributed its original content, including film and television series that entertain many viewers. This variety of contents has been stored at the online library for viewing by the subscribers. Since 2016, it has been providing services in around 190 countries. This company has established its office globally, including Brazil, the Netherlands, France, the United Kingdom, Japan, India, and South Korea. In 2022, Netflix owned more than 200 million subscribers globally who were involved in a pay-per-month payment.~~

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However, Netflix is available worldwide except in China, Syria, and North Korea. According to a report in 2020, Netflix has achieved \$1.2 billion operating income for its outstanding performance with sophisticated features.

Netflix Organizational Structure

Netflix has a flat organizational structure that provides ample freedom for employees. It is also known as a decentralized organizational structure that allows the respective person to make quick decisions. Netflix maintains the unitary organizational structure also known as the U-form organizational structure. It influences the employees to be more responsive to their duties. Netflix’s organizational structure avoids top-down decision-making strategies to create a conducive working environment for employees. It also focuses on creating a favourable environment to promote employees’ work performance. Netflix has a labour division that works to improve performances. The authority review the performance regularly. They opt for a multi-rater feedback system that is also known as a 360-degree review method. Netflix’s organizational administration team always focuses on practising and maintaining the [principles of total quality management](#) tools that trigger it to become the most popular company worldwide.

Netflix Organizational Structure 2022

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The three main divisions of the Netflix organizational structure are functional, geographical, and products team. The functional division includes CEO, content, communication, talent, finance, legal, and so more. Additionally, the geographical team consists of local and international streaming. Finally, the product team controls the content and ensures the effectiveness of the operation.

Netflix CEO in 2022

~~Netflix CEO in 2022 is Reed Hastings, who has been the CEO since 1997. He is also the founder of Netflix. He is currently 60 years old. He is married to Tasha Hastings. They have two children. Reed Hastings is a member of the board of directors of Netflix. He is also a member of the board of directors of the company's parent company, Netflix, Inc. He is also a member of the board of directors of the company's parent company, Netflix, Inc. He is also a member of the board of directors of the company's parent company, Netflix, Inc.~~

Netflix Organizational Transformation

First-Change in 1999

(Pay-For-Use Model Into a Subscription Model)

Netflix has made two significant changes since its launch. At first, it began the subscription option in 1999 to store DVD rental. This change allows consumers to rent unlimited DVD rental without late fees. It was the first change in the business model in the history of Netflix.

Second-Change in 2007

(Streaming Service)

Later, in 2007, Netflix made its second change by launching an online video streaming service. Consumers have accepted this change. It is believed that the launching of video streaming services has become the prime business pillar of income.

Purpose of Netflix Organizational Change

Netflix is becoming famous day by day for its easy accessibility quality and sophisticated features. After all, the new technology adoption and adaption is an inevitable approach to exceeding customer demand. In the 21st century, people do not want to allocate extra time to go to the cinema hall. People used to go to the cinema hall to watch new movies before watching movies at home on Netflix. New technology, including a computer, laptop, and smartphone, entertain people easily through internet service. In addition, the social media revolution changed the way we communicate with each other. It has become an excellent platform for sharing user-

Citation For This Article(APA-7th & MLA-9th Edition)

APA	Kobiruzzaman, M. M. (2022, January 08). <i>Netflix Organizational Change & Structure Case Study 2022</i> . Newsmoor- Best Online Learning Platform. https://newsmoor.com/netflix-organizational-change-organizational-management-change-examples/
MLA	Kobiruzzaman, Author M M. "Netflix Organizational Change & Structure Case Study 2022." <i>Newsmoor- Best Online Learning Platform</i> , 08 Jan. 2022, https://newsmoor.com/netflix-organizational-change-organizational-management-change-examples/ .

Lewin's Change Management Model- Unfreeze Change Refreeze Examples

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Lewin's Change Management Model: Unfreeze Change Refreeze Example. Three Stages of Change Management are Unfreeze, Change & Refreeze.

Lewin's Change Management Model

Lewin's change management model refers to the three stages of management change theory. The three stages of Lewin's change management model are unfreezing, changing, and refreezing. Therefore, the alternative name of the Lewin change management model is the three stages of change management and unfreeze change refreeze theory. Lewin's change model is one of the familiar models of communication.

Who and When Established Lewin's Change Management Model?

Kurt Lewin established the three stages of the organizational change model in 1947.

In 1947, Kurt Lewin introduced the 3 stages of the change management model known as Kurt Lewin's change model. After that, researchers and scientists established many models to describe organizational changes, such as Kotter's Change Management Model, Kübler-Ross Five Stage Change Management, ADKAR Change Management Model, McKinsey 7-S Change, Management Model, also Lewin's Change Model or Theory. However, Lewin's change management model has become the most popular for its simplicity and fewer phases, for example, unfreeze, change, and refreeze.

Nowadays, researchers have developed multiple theories based on Lewin's change management model. So, it is the foundation of all modern change management theories. For example, John Kotter's 8-stage management change model was developed based on Lewin's change management model. Now, the management system is complex compared to before when the model was introduced. Therefore, the practice of Lewin's change management model is controversial in modern organizations. It has excellent theoretical significance in the research arena rather than practical importance.

Lewin's Change Model Real-Life Example

Many reputed companies apply Lewin's change management model to survive in the current situation. For example, Netflix has used a change model to adjust to the digital era. The Netflix organizational change process handled the force of organizational change to achieve a competitive advantage. Now, they are one of the most successful companies globally. Netflix is a real-life example of Lewin's change management model. It is known as Lewin's Change Model Business Example.

Lewin's Change Management Model Stages

Three Stages of Change Management are:

Unfreeze stage

Change stage

Refreeze stage

Lewin's Change Management Model- Three Stages of Change Management

Lewin's Change Management Model – Three Stages of Change Management

Unfreeze Change Refreeze

1. Unfreezing Stage of Change

Unfreezing is the initial stage of Lewin's change management model or Lewin's change management model. In this stage, employees take mental preparation to accept the change of the organization. In the management system, the unfreeze stage refers to breaking down the existing circumstances to accept the organizational changes. Usually, employees feel comfortable in the organization's current condition; therefore, some do not accept the management change quickly due to uncertainty. The unfreezing stage consists of the process of educating people about opportunities for organizational change. The organization should practice the change management communication strategy to prepare employees for the change.

The key point of this stage is to compel employees to accept management change through effective change communication. It is essential to maintain effective interaction within the management to persuade employees to accept change. Employees will receive the change if they can understand the new things cannot protect the company or organization from surviving. Additionally, they need to realize that change is essential to sustain the organization and achieve competitive advantages.

A high level of positive motivation among employees helps to understand the reasons for organizational change and development. Next, the organization needs to persuade the stakeholders that the change will bring benefits to everyone. Some people will receive it quickly, but some of them will deny it at the initial time. Finally, everyone will come up with the motivation to make the change.

Communication During the Unfreeze Stage

The primary communication objective is to prepare stakeholders, employees, and the organization to accept the change – “Readying” the organization. However, resistance will increase simultaneously with how huge the change is and how much it affects the organization. Effective communication can overcome resistance. To ‘ready’ the organization for accepting the change, it is essential to declare the objective of the change. Additionally, you have to ensure that everyone in the organization knows what will happen and why. Effective communication is significant to point out the difference between actual and desired outcomes. This first message or declaration should come from the top-level management of the organization to avoid communication conflict.

2. Change (Move) Stage

Change is the second stage of Lewin’s change management model. It is the middle stage of the three phases of change management. Actual changes occur when everyone in the organization decides to accept the change with positive motivation. Employees receive and adjust to the new working atmosphere. Changes can be major or minor based on the organization’s needs. The organization needs to provide sufficient training and support for the employees to embrace the changes. It is the stage of implementing the entire process of changes; therefore, many issues need to be done consciously. Some employees may spread misleading information due to having insufficient knowledge about organizational change. So, the organization needs to practice an effective communication process within the organization to avoid unwanted issues. However, at the end of the day, employees will be focused on practicing the new work.

Communication During the Change Stage

The organization should ensure effective communication among employees to reduce uncertainty as well as communication noise. People may indulge in spreading disinformation and lies that have less information about the process of change. Therefore, the communication has to have a more specific character than in the previous phase. Communication in this stage is essential to provide authentic, accurate, and detailed information on what will happen to those who have less sketchy details on implementing changes. Finally, it distributes the new responsibility among assigned people in the organization.

3. Refreezing Stage of Change

Refreezing stage of change is the third and final stage of the Kurt Lewin change management model. In this stage, employees adjust to the change of management day by day. Refreezing is a slow process of adopting the new culture and atmosphere of the corporate workplace. Employees and stakeholders may take a long time to adjust to the new systems. The pace of the practice among employees determines the time of the refreezing stage. So, refreezing is the most crucial stage in the Lewin change management model. The new attitude and behavior of employees become solidified as the norm of the organization. Finally, everyone starts to feel comfortable as in the previous stage before unfreezing.

Communication During the Refreeze Stage

The communication process should answer employees' queries regarding rewards, control, efficiency, and relationship roles. In this stage, the information flow should be concrete, continuous, and multidirectional so that employees have a sufficient understanding of the personal associations of the change. Unavoidable misunderstandings may occur in this phase, so; communication should focus on making the change successful.

Lewin's Change Management Model Example

For example, An ice block cannot get converted into a new shape without melting it. So it would be best if you created a hot environment to melt the ice block. The temperature must be more than 32°F (0°C) temperature to melt the ice. So, here, increasing the temperature denotes the unfreezing stage.

According to Lewin's theory, unfreezing refers to preparation for accepting the new norms of the workplace. It is the initial stage to get ready to accept the change. The management needs to motivate employees to accept change.

It will take time to transform the entire ice block into the water. Keep the glass in an isolated place and ensure the temperature is suitable for melting ice. When the ice block completely transforms into water, pour it into a new pot to give it a unique shape. Here, pouring the water into a glass is changing steps or moving stage. Melting the ice denotes the change stage of Lewin's theory.

According to Lewin's theory, changing refers to accepting the new norms and moving on to change. Thus, the employee starts to change and accept the new norms of the working place.

Finally, keeping the glass in a cold place to transform the water into ice again. It is the way of freezing the water transform again into a new solid shape. It is called the process of refreezing and the final stage of Lewin's change management model.

Refreezing refers to adjusting to the new norms of the workplace. The employee has already accepted the change, and they adapt to the new environment.

The model summarized that successful management change is accomplished through a three-stage process; unfreezing, changing, and refreezing.

Lewin's Change Management Model Example in 2021

For example, the educational institute has shut down due to the COVID-19 pandemic. Therefore, all organizations, including educational institutes, decided to conduct virtual or online classes to ensure the continuation of education for students. These educational institutes are applying online video meeting platforms, for example, Zoom, Google Meet, to conduct virtual classes and organizational meetings. It was a new experience for lecturers; therefore, they were afraid of uncertainty and interested in taking online courses. But, the university authority compels them to accept the change. The university authority maintains effective communication through social media platforms to motivate employees to get change. They thought that organizational change would help achieve competitive advantages as the other educational institutes adopt the changes. So, finally, they accept the change and adjust to the new working environment. It is a perfect example of Lewin's Change Theory.

Lewin's Change Model Advantages and Disadvantages

Lewin's change management model strengths and weaknesses

Lewin Change Management Model Advantages

Firstly, Kurt Lewin's model is straightforward to understand; therefore, any organization can implement it easily. The management need not hire experts to execute the model. The existing employees will be able to apply it and evaluate the outcome. Additionally, it has only three stages, such as unfreeze, change, and refreeze. For example, the McKinsey 7-S model has seven elements that are challenging to implement.

Lewin Change Management Model Disadvantages

Firstly, the refreezing stage takes a long time to settle down with new norms. Additionally, many employees quit their job due to uncertainty regarding the new norms and environment.

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Citation for this Article (APA 7th Edition)

Kobiruzzaman, M. M. (2021). Lewin's Change Model- Lewin's Change Management Model of 3 Stage. Educational Website For Online Learning. <https://newsmoor.com/lewins-change-model-3-steps-management-change-and-communication/>