ANALYSIS OF THE IMPORTANCE OF CHANGE MANAGEMENT AND COMPANY LEADERSHIP IN THE ERA OF CHANGE (CASE STUDY OF NOKIA COMPANY)

Murni Sofiah1, Nuri Aslami2
Management Studies Program, North Sumatra State Islamic University
murnisofiah1@gmail.com, nuriaslami@uinsu.ac.id

ABSTRACT

This study aims to determine the importance of Change Management and Corporate Leadership in Facing the Era of Change that exists in Communication Technology Companies or Mobile Phones. The sample taken in this study is 1 Communication Technology Company, the sample was selected as a targeted case study to the NOKIA Communication Technology Company. The results show that Nokia's leadership is erratic and managers are subject to pressure and fear. There are allegations that bottom intermediaries are afraid to report real problems to leaders. When the sales report fell on target it was really infuriated Nokia executives. They accused the manager of lacking ambition, which led to low sales. Nokia's leadership at its peak was able to accept the time brought by Android and Apple but Nokia's leadership did not want to make these changes. So that makes customers switch to Android and Apple, which causes Nokia to lose its advantage.

Keywords: Change Management, Leadership, Change Resistance, Globalization, Success Strategy, Technology Communication.

INTRODUCTION

Changes in the company/organization are basically a necessity that cannot be missed from time to time for every company or organization. The future and sustainability of the company is the responsibility of all members, especially the managers who are responsible for it. Therefore, every company has an obligation to do various things that allow it to exist so that it can realize all its goals based on the vision and mission that it has set.

The existence of a company is in the ranks of top managers and leaders, their success is the company's success but at the same time, their failure is also the company's failure. Top managers and company leaders have a great responsibility to maintain the company's existence.
based on the company's vision, mission, and goals. The company however is very dependent on the behavior of top managers and leaders in treating the company.

Top managers and leaders are required to be able to make fundamental and deep changes after conducting various studies and analyzes of the needs and interests of the company. History factually shows that top managers or leaders are the lifeblood of every company. Mistakes in determining the direction will affect the running of the company and will also determine how groups or stakeholders respond to the company’s products.

There are many ways and ways that allow organizations to penetrate the limits of their abilities or capacities, if top managers are able to make significant breakthroughs for the interests of the company and its groups or stakeholders. No company is able to carry out its own defense without paying attention to its stakeholders, but at the same time not neglecting the members of the company/organization, especially their welfare and leadership.

Management innovation in this regard is not only to introduce innovation in company management, but is an axiomatic necessity so that every company can carry out various activities based on the needs of the company and its stakeholders. Thus, there is no time for every company to ignore the need to make changes within the company. The change, of course, is not only in the form of changing patterns, but what is important is a change in the behavior of the personnel who manage the organization.

Previous research conducted by Lam (2013) with the research title "Change Management At Nokia" said that the transition of Nokia to the Windows Phone or Symbian platform is a controversial decision, because the decision to change the strategy hastily can lead to subsequent disastrous consequences. Chairman of Nokia, Risto Silasma revealed that Nokia management at that time was aware of the obsolescence of Symbian. But in reality it is rarely discussed. (Kristo, 2018)

Based on the description above, the researcher can formulate the problems in this study, namely: (1) what is the role of management and leadership of the Nokia company? (2) what caused the decline of the Nokia company?

This study aims to find out how the role of change management and leadership of a Nokia company in facing the challenges of the globalization era for the future and sustainability of the company.

**LITERATURE REVIEW**

**Change management**

According to Malay. SP. Hasibuan (2003:1-2) Management is the science and art of managing effective human resource processes and other resources to achieve the specific objectives of Management. Prajudi Atmosudirdjo (2004:22) Management is the control and utilization of all factors and resources according to planning, Sagala (2005:26) said to define management as an action that moves people and moves all facilities for the purpose of achieving cooperation. Management is the process of using organizational resources through the effectiveness of planning, organization, production and control activities of all aspects using all available potential for the purpose of operating the organization effectively and effectively. defines management as an act that moves people and moves all facilities so that the goals of cooperative efforts are achieved. Management is the process of using organizational resources through the effectiveness of planning, organization, production and control activities of all aspects using all available potential for the purpose of operating the organization effectively and effectively. defines management as an act that moves people and moves all facilities so that the
goals of cooperative efforts are achieved. Management is the process of using organizational resources through the effectiveness of planning, organization, production and control activities of all aspects using all available potential for the purpose of operating the organization effectively and effectively. defines management as an act that moves people and moves all facilities so that the goals of cooperative efforts are achieved.

Change is something that often happens naturally without realizing it. Changes are beneficial for the development of the company/organization, without any modification of the changes can cause the age of the organization will not last long. Changes that target organizations are not becoming static but are still active in the face of era developments, technological advances and in the field of medical services is the improvement of quality services. Changes can be divided into two types, namely unplanned changes and planned changes. Unplanned changes consist of changes due to developments (Developmental Change) and sudden changes (Accidental Change), while planned changes are changes that are intentional/even engineered by the management. (Marlapa, 2020)

Changes are made intentionally, resulting in more on their own values. Therefore, the revision process is more cultivated by the system itself. In fact, we often think of change even though at that moment, there is change. the change is to make things different, change is the path without a choice from the current state of an organization to its desired future situation. (Wibowo, 2008)

Change management is an attempt to deal with the causes caused by changes in the organization. Organizations can arise for reasons that come from within or outside the organization. Change management is the process, tools and techniques for managing people from the change process, achieving the required results, and bringing about effective change in individuals, groups and the system as a whole.

Leadership

A leader is someone who has power in an organization/company, and leadership is a quality that a leader must possess. Therefore, leadership is the ability to influence people whether they do something or not. A leadership style that is based on decision-making and policy itself is a dictatorial leadership style. This style allows the leader to manage all aspects of carrying out an activity and communicate the main goals and sub-goals that need to be pursued and how to achieve those goals. The leader also acts as a member's supervisor, providing opportunities to solve problems that members face. Therefore, organizational members don't have to think about anything or act on the leader's decisions.

Autocratic leadership is ideal for members with low capacity but enthusiastic members. The broad leadership style is fair, and the broad leadership style is the democratic or participatory leadership style. This style guides the leader to involve members as a complete team to solve the problem at hand. The leader provides all the information about the obligations, duties and responsibilities of the members. Subordinates simply set goals and paths for their superiors to achieve them, and play a major role in democratic leadership, where members are decision makers. In addition, members are given the flexibility to track when problems occur. Democratic leadership greatly helps highly competent and enthusiastic members. (Badu & Djafri, 2013)

With regard to quality control, the principle of leadership requires that leaders at all levels of the organization have a unified purpose and direction, and create conditions for all employees to participate in achieving the organization's quality objectives. It is important for all leaders to align their strategies, policies, processes and resources with their organizational goals to achieve unified goals, direction and employee participation. More specifically, consider when implementing quality control in terms of governance principles, including considering the needs
of all stakeholders, including customers, shareholders, employees, suppliers, investors, and the public. There are several things to do. (Aslami, 2020)

**Change Resistance**

Resistance to change or so-called resistance to change. Organizations and individuals cannot escape change. But the idea of change creates fear, because people fear financial loss, anxiety, anxiety, and confusion from normal social patterns. Almost any change in structure, technology, staff, or strategy can disrupt comfortable patterns of interaction. Because of this, people resist change. Administrators and employees can object to changes to roles, privileges, and privileges within the organization. The social and political structural disruptions that accompany strategy implementation need to be predicted and explained during strategy development and managed during strategy implementation. Resistance to change can be the single greatest threat to successful strategy execution. (Syahchati, 2019)

People often resist implementing strategies because they don't understand what is happening and why change is happening. In this case, employees may only need accurate information. Successful implementation of the strategy depends on the leader's ability to develop an organizational culture that facilitates change. According to Darmawan (2020) revealed that there are individual factors such as low motivation and situational factors such as strategies to overcome resistance to change through increased job security and increased participation.

**Globalization**

The phenomenon of globalization is closely related to the development of science and technology. This can affect globalization. Starting from the influence of economic, social, cultural and others. The effect also changes from plus to minus. Globalization comes from the word global which means the world and rigidity which means process. In other words, globalization is a process of globalization. Selo Soemarjan said globalization is the process of forming a system of organization and communication among people around the world with the aim of following certain systems and rules. According to Emmanuel Richter, globalization is a global network that connects previously decentralized and isolated societies to become interdependent, thus creating a unified world. From the above definitions, we can conclude that globalization is a global process or network that provides opportunities for all people around the world to depend on each other in various areas of life. Globalization, which removes the boundaries between space and time, makes it easier to connect with people all over the world. (Pamungkas, 2022)

Globalization has many types of scope and characteristics, one of which is the globalization of science and technology. Recent discoveries about various types of devices used in today’s society and science that is beneficial to human life is an example of globalization. This is related to the concept of globalization and explains that this phenomenon is a symptom of the spread of certain cultural values. Also in the field of science and technology. (Rohman, 2022)

**METHODS**

The method used in this research is to use qualitative descriptive analysis. According to Sugiono (2016: 9) the qualitative descriptive method is a research based on the philosophy of postpositivism used to examine the condition of natural objects, where the researcher is a data instrument carried out in trigulation which provides a complete picture and existing facts about a phenomenon. In a narrative to answer a phenomenon that occurs by conducting an analysis related to the Importance of Change Management and Company Leadership in Facing the Era of
Change. Mobile brand population There are about more than 20 companies around the world from the 90s to 2022,

The data in this study are relevant data, data in the form of words or written statements from experts in the field of technology or trusted sources. Data collected by browsing/searching from various website sources.

RESULTS AND DISCUSSION

Nokia history

Nokia is a company built for the purpose of manufacturing or the mobile industry. We investigate, the word nokia comes from the name of a community that lives on the Emakoski river in the country of Southern Finland. History Nokia was founded by Fedrik Idestam for a pulp call machine company in 1865 then developed into a pulp machine and paper maker in 1920 and is the leading paper manufacturer in Europe. In the 1950s chief executive officer (CEO) Bjorn Westerlund predicted that the future growth of some of these sectors would be limited and instead built an electronics division at the Helsinki cable factory. For 15 years Nokia electronics went through a trial period of various errors. However, of all the errors of the experiment, gradually build up substantial skills and a talented pool of experts. In the 1970s Nokia and television maker Salora joined forces to develop the mobile phone.

Nokia was in crisis in the early 1990s, but its new CEO, Jorma Orila, decided to focus on cell phones and telephone networks. As a result, the world’s first GSM phone appeared in Finland in 1991. Then, in the mid-1990s, the global mobile phone market began to grow very rapidly, making Nokia number one. Up to 2,100 series of Nokia phones have been successful. In 1994, it reached the sales target of 500,000 units. With 54,000 employees, Nokia products are sold in 130 countries. (Mandala, 2012)

Nokia Management and Leadership

Nokia is currently developing a variety of mobile phones with different features. Nokia company also responds to this from the perspective of diversification and division of each product. Nokia always strives to put its company at the forefront of research. In 1999, Nokia released the Nokia 7110 mobile phone with basic web-based features, including email. Around November 2001, Nokia launched its first mobile phone with a built-in camera, followed by the Nokia 7650 and Nokia 3650.

Nokia has worked for years to make its business practices and products socially responsible by producing environmentally friendly mobile phones and establishing a mobile phone recycling program to bring the benefits of mobility to emerging markets. Nokia is currently facing challenges from various circles and regions in the world, especially iOS and Android. With this in mind, Nokia appointed Stephen Elop, former head of Microsoft Business Unit, as president and chief executive officer after working for Juniper Networks and Adobe Systems in September 2010. Under Elop's leadership he has a strong background in software skills and solid capabilities to drive change management. In February 2011, Nokia announced the merger of Nokia and Microsoft to strengthen its position in the smartphone market. Through this strategic partnership, Nokia smartphones will adopt the new Windows 7 operating system platform with the aim of building a third ecosystem from rivals Nokia, iOS and Android. With the merger of Nokia and Microsoft in October 2011, Nokia released the first Nokia smartphones to use Windows Phone: the Nokia Lumia 800 and Nokia Lumia 710.

Ceo Stephen Elop with a heavy duty, resurrecting Nokia, which at that time began to struggle amid the heat of competition in the mobile industry. The CEO has tried to raise the
prestige of Nokia from adversity by trying to replace the Windows operating system from Microsoft. But the effort failed, consumers are more interested in Android than Windows Phone because of more complete features and cheaper prices.

At that time CEO Stephen Elop chose Windows Phone because he thought that if he worked with a giant company that had succeeded in achieving success, he would also be able to return to glory like his golden age. Not in line with expectations Nokia shares fell from 29.5 billion euros to 11 billion euros. Not running out of ideas, Elop finally tried to make an Android-based smartphone, namely the Nokia X, but it still couldn't rise from adversity because Nokia brought Android when the Android market had mushroomed with various superior features. (Syam, 2021)

The decline of the Nokia company that resists change

- Horrible work culture

In their study, Huy and Vuori found that a "gloomy" work culture was one of the reasons why Nokia went bankrupt. At that time, the leaders were called quite temperamental and frightened middle-level managers. They are afraid to report the actual situation because of the threat of dismissal. Especially about the sales reports that did not reach the goal. On the other hand, Nokia executives were afraid to add to the quality of the Symbian operating system that was done at the time of Nokia devices. They worry if they recognize this, investors, suppliers, especially users. However, they are recognized, but it took a long time to build an operating system that allows them to match or exceed the quality of Apple’s iOS. At the same time, leading administrators between levels of managers are accused of being ambitious to achieve goals.

- Nokia Manager unable to perform technical problems

This affects the way they evaluate the quality of their technology when setting goals and decisions. On the other hand, at Apple, the leadership positions are filled with engineers. Nokia staff decided to allocate resources to develop new mobile phone equipment to meet market demand in a short time. Development of New Operating System Failed innovation domestically was one of the main reasons for Nokia’s bankruptcy. Employees weaken each other and make the company more vulnerable to competition. (Panggabean, 2021)

Top-level managers cannot motivate middle-class managers. They decided to take a strict approach without knowing what was really going on. The culture of "fear" that exists affects interactions between Nokia employees. Gradually, a phenomenon called "transient myopia" occurs as a result of the accumulation of several factors. Simply put, transient myopia is defined as the inability to consider long-term consequences when making decisions. In the end, a combination of human, economic and structural factors made it difficult for Nokia to innovate. Like large companies in general, Nokia has corporate values, namely respect, challenge, achievement and renewal (respect, challenge, achievement and renewal). However,

- Too narrow in defining their company

The paper company, however, later developed into an electronics company in the 1960s. A year later, Nokia launched its first mobile phone product, under the name Mobira Senator. Nokia has become a leader in all mobile operators in the world. Profits will skyrocket and the value of your stock will increase. Unfortunately, other companies with competent professionals are emerging, and in the future data connection will be a data communication system rather than voice communication. And sadly, Nokia didn't realize this until 2013, when Nokia's hardware division was acquired by Microsoft and the heyday of Nokia, taking everything for granted, began.

- Move too slow

The Symbian operating system is a paid operating system and cannot be changed. Nokia became increasingly pessimistic because it was too late to open source the Symbian operating
system. They did it when Android came out and was well received by consumers. It's too slow for Nokia to slowly abandon its loyal customers. (Kristo, 2018)

- **Forgetting consumers**
  Nokia's lack of professional software leaves them oblivious. It also doesn't focus on app compatibility. Instead, they designed phones that couldn't play regular games. As a result, consumers do not want to choose it. This is tantamount to ignoring consumer needs. In other words, it means making Nokia smartphones with the Symbian platform considered a failure and not accepted by the market because they have not attracted the attention of consumers who want to get a smartphone that is easy to use and compatible with various applications they need.

- **Innovation culture failed to develop**
  Nokia couldn't sense that something was missing. They are always happy with what they have done. Not being innovative means not being able to prevent companies from relying on hardware stores. They are happy with the success they have achieved and do not plan further developments required to generate future profits.

- **Not listening to input**
  Companies really need opinions and suggestions because they cannot evaluate their performance effectively and subjectively. Usually, when making a self-assessment, only the positives are judged, the negatives are left out, and no further action is taken. But that is precisely what needs to be improved. Companies need to accept suggestions and constructive criticism with the aim of developing the company for the better and positioning itself well in the future. The cause of Nokia's failure can be a big lesson for all business people today. In order to survive and thrive in this dynamic world, it is important to be open-minded about the changes taking place. Innovate or die, as the saying goes. That's why if you don't innovate, it will stay in place and then die for a long time. (Pertiwi, 2021)

**Nokia's strategy to be able to repeat its success**

- **Revive the iconic line-up**
  As previously reported, Nokia looks set to revive its iconic lineup. One of them is PureView. Working again with renowned German lens maker Zeiss, PureView will be a smartphone focused on camera quality. This allows Nokia to compete directly with the iPhones of Huawei, Sony, Samsung and Apple. They are known for the quality of their camera for absorbing photos and videos. It's related to the smartphone camera, but has the 3310 and 8110 of the indicated phone series. These last two Nokia icons have their own fans. (Dimitria, 2011)

- **Premium Materials**
  Nokia should be able to restore consumer confidence by launching a smartphone. Samsung will be Nokia's strongest enemy in entering products made of high quality materials. This Samsung flagship is known to always pass the bending test. With the return of consumer confidence in Nokia's build quality, it is not difficult to compete with the Samsung Galaxy.

- **Complete from lower to upper class**
  Nokia also seems to be pursuing this strategy. It can be seen that they have the top range in the middle of the Nokia 8, Nokia 6, and the lower range Nokia 2 and Nokia 1. This complete range gives consumers a choice. Besides that, it also reaches more consumers from various classes.

- **Android One and Android Go**
  The move from Windows Phone Nokia to Android doesn't necessarily just change the operating system. With this operating system, Nokia is also getting closer to Google. Nokia also produces Google's pure Android, Android One and Android Go. The advantages of these two androids are direct support from Google. In addition, free promotion from Google. Google will list
all the smartphones that use these two Androids on their Android website. Nokia’s strategy of using Android Go and Android One seems to be working. (Noviyanto, 2020)

- **Battery Life**

  Not only capacity, but also battery life. The name Nokia stands for long-lasting battery. From the feature phone era to the Lumia with Windows Phone, Nokia users don't always have to charge their batteries. Nokia smartphones should be able to run longer in the future. When fully charged, it can last more than a day. Nokia also seems to use a battery with a capacity above 3,000 mAh in every smartphone. However, this battery capacity must be supported by optimization of the hardware and operating system.

- **Price**

  Some smartphones can already be found in local markets, both online and offline. Nokia smartphones are offered for sale at quite attractive prices. It seems that Nokia has slightly lowered its reputation to compete with Chinese smartphones. The Nokia 6 seems to be priced atRp. 2.6 million. This price seems quite high for a smartphone powered by the Qualcomm Snapdragon 430 chipset. This price can actually be compared to Oppo and Vivo which use the same chipset. However, it has become less competitive than Xiaomi. It looks like Nokia needs to push the prominence of its smartphone beyond specs.

- **Flagship**

  A flagship smartphone is needed to prove that the brand is serious and has high technology. Flagship is also proof of a brand with the latest innovations. Their testimony did not stop. Nokia 8 is proof that this Finnish brand is able to compete with other manufacturers. However, it looks like Nokia will have to update its flagship. The Nokia 8 is beautiful but lags behind other manufacturers. It seems that many people are waiting for the arrival of the Nokia 9 or even the Nokia X8. But so far there is no definite news.

- **Trend Updates**

  The rapid development of technology forces smartphone manufacturers to always follow trends. It seems that the trend of overflow and overflow has been followed by Nokia. The same goes for the dual cameras and the fingerprint sensor. It’s hard for bottom brands to be trendsetters. Nokia today is also not as big as it used to be. Then, after Nokia started to outperform the smartphone manufacturers, it was time for them to be at the forefront of the trend again.

- **Back to Important Market**

  The Nokia name is important in three regions, North America, Europe and Asia. And now, Nokia has to return to this market. These three markets are important, not just for market expansion. But because that's where the biggest smartphone sales are. Currently, HMD Global is still marketing Nokia in Asia and Europe. But Nokia seems ready to return to the North American market. The North American market could be an important market for Nokia. This is where many die-hard Nokia fans have been waiting for the king to return. Moreover, very few Chinese smartphones dominate the North American market. But they are prepared to stay in the area.

- **Classic Phone**

  What Nokia should not leave behind are its classic and flagship phones. Because not everyone needs a smartphone. As previously reported by Hitekno, the percentage of outstanding sales continues to increase. The upgrade rate is even higher than that of a smartphone. As already mentioned, smartphone sales increased 2% last year. But a staggering 5 percent increase. Several studies also mention that more and more people are starting to move away from smartphones and return to feature phones. This research is related to smartphone notification addiction and social media. A flagship phone can help them get away from the hustle and bustle of social media. (Pratnyawan, 2018)
CONCLUSION

Nokia is the largest company in Finland founded by Fredrik Idestam in 1865. Nokia is known for its mobile phones. But initially, especially in the 20th century, Nokia focused on the Finnish rubber company, and more recently, the company adopted the Nokia brand. The Finnish Rubber Company was a Finnish cable and saw manufacturing company, but in the 1980s Nokia acquired the government telecommunications network, and in 1981 Nokia successfully launched a product called Nordic Mobile Telephony (NMT). Then in 1990s Nokia went into crisis but the new CEO chose to focus on mobiles and networks, and finally in 1991 GSM mobile phones appeared globally and in Finland. and after several years leading the way as a mobile phone manufacturer, until 2007 when apple launched nokia products began to die.

At the time when the digital era began to take off when Google provided Android to Nokia but Nokia was determined to stick with the products they made, when the BlackBerry Blackberry came out, Nokia started to fall behind. Samsung has finally released a product with Android and Apple, with their Iphone, Nokia is way behind them. In the end, nokia failed to compete with other mobile phone companies.

Nokia was a well-known mobile phone brand from the 1990s to the early 2000s. Unfortunately, the Finnish mobile brand went bankrupt. Now, Nokia has launched its newest smartphone. However, his name is no longer as good and popular as it used to be. According to research by Tim O.Vuori, from Aalto University and Qui Huy, there are 3 factors that made Nokia bankrupt. First, the quality is not as good as Apple, the arrogance of the leaders and the weak vision of the company. But the main factor is internal problems.

Nokia's leadership was erratic and managers succumbed to pressure and fear. There are allegations that bottom intermediaries are afraid to report real problems to leaders. When the sales report fell on target it really infuriated Nokia executives. They accused the manager of lacking ambition, which led to low sales. In this unhealthy working system, Nokia executives develop new phones only to meet short-term market needs. They neglect to create new operating systems, as Apple did. Not only that, they also failed to innovate. This is due to the average and lower level being unmotivated or even fearful in their work. Learning from Nokia’s failures These working conditions go against Nokia’s corporate values to create. Their principles are respect, challenge, awareness and innovation. This is the impact of wrong employee management. Of course, it is evidence that can affect the company's strength to compete. The importance of using emotional intelligence is something leaders need to make decisions. Especially if the employees come from different generations.

REFERENCES


