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Change Management and Organizational Culture at PT XYZ: Lewin, Kotter, and Schein's Cultural Model Approach

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ABSTRACT
This study aims to analyze the implementation of change management and the dynamics of organizational culture at PT XYZ in facing digital transformation. Specifically, this research examines how PT XYZ implemented SAP systems to replace manual work processes and how this transformation affected organizational culture and employee behavior. Work system changes were made to improve efficiency and data accuracy. The approach used was descriptive qualitative with a case study method, employing informal interviews and direct observations to capture the actual change process. Data were obtained through informal interviews and observations, with analysis using Lewin's and Kotter's change theories and Schein's organizational culture model. The results show that the implementation of change management at PT XYZ occurred through the unfreeze, change, and refreeze stages, fulfilling Kotter's 8-step model, with an organizational culture moving toward digital and collaborative orientations—although resistance still arose from some senior employees. Key findings indicate that: (1) the change process successfully followed both Lewin's three-stage model and Kotter's eight steps, (2) organizational culture shifted from a bureaucratic-manual to a collaborative-digital orientation, and (3) while management support and technological infrastructure facilitated change, low digital literacy and senior employee resistance posed significant challenges. Factors supporting the change include management support, technological infrastructure, and employee training. Meanwhile, inhibiting factors stem from low digital literacy and employee unpreparedness. These results indicate that an adaptive culture needs to be strengthened through leadership and continuous human resource development.

INTRODUCTION

Digital transformation has become a strategic necessity for modern organizations to improve operational efficiency, competitive advantage, and data-driven decision-making capabilities (Vial, 2021). PT XYZ, a property and building management company, responded to this need by digitizing business processes through the implementation of the SAP system (PT XYZ, 2025). Before digital transformation, most operational activities were conducted manually, from data processing to coordination between departments and units. These practices risked inefficiencies, recording errors, and delays in tenant services. The SAP implementation is expected to enhance data accuracy, system integration, and work effectiveness (Robbins & Judge, 2022).

However, digital transformation requires not only technological changes but also shifts in work culture, communication patterns, and employee mindsets (Bozkus, 2023; Deep, 2023; Grajek & Reinitz, 2019; Sahu, 2023). Human resource readiness and organizational culture are crucial to the success of the change process (Susanti et al., 2023). Transitioning from manual to digital systems demands that employees learn new procedures, use technology consistently, and adapt to more structured work standards. Resistance to change often emerges in this process, particularly from employees accustomed to traditional systems (Ariyanto & Nurcahyo, 2022).

In addition, internal communication and collaboration dynamics have transformed. Digital processes demand speed, transparency, and accuracy in information delivery, requiring employees to adopt more open, data-based communication patterns (Putri & Nugroho, 2023). Thus, an organizational culture supporting continuous learning, cross-functional collaboration, and openness to innovation is essential for successful digital transformation (Kraus et al., 2021).

Despite extensive literature on digital transformation and change management, a gap persists in understanding how traditional property management companies in emerging markets navigate simultaneous technological and cultural transformations. Although prior studies have examined change management (Burnes & Cooke, 2023; Kotter, 2021) and organizational culture (Schein & Schein, 2021) separately, few have explored their intersection during digital transformation in the Indonesian property management context. Moreover, most research focuses on either technical implementation or cultural dimensions, rarely integrating both through multiple theoretical lenses such as Lewin, Kotter, and Schein.

This study examines the change management process at PT XYZ and the organizational culture dynamics during digital transformation, it aims to: (1) analyze change management implementation using Lewin's and Kotter's frameworks, (2) identify supporting and inhibiting factors, (3) examine organizational culture transformation based on Schein's model, and (4) provide insights for property management companies on effectively managing digital transformation while aligning organizational culture.

METHOD

This study employed a descriptive qualitative approach with a case study method focused on PT XYZ (Creswell & Creswell, 2023). Data were collected through informal interviews and observations, then analyzed to identify influencing factors in the change process.

Primary data:

1. Informal interviews with employees from various departments and units.
2. Observations of workflows before and after SAP implementation.
3. Observations of employee behavior with new technologies.

Secondary data:

1. Company internal documents.
2. PT XYZ official website.
3. Theoretical literature on change management and organizational culture.
4. Academic references from scientific journals.

Data analysis followed the interactive model of Miles, Huberman, and Saldaña (2023), encompassing data reduction, presentation, and conclusion drawing/verification.

Change processes were analyzed using three theoretical models: Lewin's 3-Step Change Model, Kotter's 8-Step Model, and Schein's Three Levels of Culture. These frameworks examined change stages, implementation strategies, and organizational culture dynamics during digital transformation.

RESULTS AND DISCUSSIONS

Change Management at PT XYZ

To answer the ever-evolving business challenges, PT XYZ implements a series of change initiatives that have an impact on work systems, organizational culture, and business processes. The digital transformation initiative, which began in early 2022, represented a fundamental shift from traditional manual operations to integrated digital systems. Key changes at PT XYZ include:

Table 1. Change Management at PT XYZ

Types of Changes	Pre-condition	Conditions after	The resulting impact
Technology & Business Process	Still manual using excel	Digital-based SAP integrated system	More accurate data and more effective processes
Work Culture	Too bureaucratic	Collaborative	Performance and coordination between employees improved.
Human resource development	Not yet implementing measurable Knowledge Management	Implementing knowledge management for employees through the mydigilearn application	Employees have the opportunity to continue learning and developing themselves
Tenant Services	Handling tenant complaints is still manual	Lighting through a centralized system	Handling complaints faster and more effectively

Analysis with Kurt Lewin's Model

a. Unfreeze (Melt Old Habits)

PT XYZ's management is aware that the manual system is inefficient and has a high risk of data errors. Through internal socialization and workshops, employees are introduced to the urgency of change and the benefits of digitalization. This stage also involves basic training in the use of SAP. One senior manager explained: "We started by showing concrete examples of errors that occurred due to manual processes, such as double data entry and reporting inconsistencies. This helped employees understand why change was necessary." The unfreezing process took approximately three months, during which management conducted town hall meetings, distributed informational materials, and established open dialogue sessions to address employee concerns. As one middle manager noted: "At first, many employees were skeptical, especially those who had been comfortable with Excel for years. But when they saw the management's commitment and the pilot project results, their attitudes began to shift."

b. Change (Melakukan Perubahan)

At this stage, SAP implementation begins to be carried out in all units according to the modules in SAP, namely HC, FICO, and MM. Employees learn to use the new system, and the company forms a task force to accompany the transition process. This change also changed the

communication pattern to be more collaborative through the system. The change phase lasted approximately six months, with phased rollout across different modules. An operational employee shared: "The training was intensive. We had hands-on sessions every week, and there were 'super users' in each department who helped us when we encountered problems. It was challenging, but the support system was strong." The task force consisted of 12 members representing different divisions, working closely with SAP consultants to customize the system to PT XYZ's specific needs. A task force member recalled: "We had to balance between following SAP best practices and accommodating our existing business processes. It required constant communication and adjustment."

c. Refreeze (Setting New Habits)

Once the system is up and running, PT XYZ strengthens the digital culture by implementing SAP-based operational standards, measuring data-driven performance, and rewarding teams that are adaptive to the new system. Digital work habits are part of an organization's inherent culture. The refreeze phase involved institutionalizing the new practices through updated standard operating procedures (SOPs), regular system audits, and performance metrics tied to digital proficiency. A department head explained: "We now measure not just output, but also how well teams utilize the SAP system. Employees who demonstrate excellence in digital adoption are recognized in our quarterly awards." However, the challenge arose as one senior employee admitted: "I understand the system is better, but after 15 years of doing things a certain way, it's difficult to completely let go of the old habits. Sometimes I still catch myself wanting to open Excel instead of SAP."

The analysis shows that PT XYZ managed to pass all three stages of change well. The challenge arises at the "refreeze" stage, because some senior employees still have difficulty adapting and showing resistance to digital systems. This finding aligns with Lewin's observation that refreezing requires sustained effort and can be disrupted if old behaviors are not fully replaced by new ones (Burnes & Cooke, 2023).

Analysis with Kotter's 8-Step Model

Table 2. Kotter's 8-Step Model Analysis Result

No.	8 Stages of Kotter	Implementation of PT XYZ
1.	Creating a Sense of Urgency	Socialization of the efficiency and accuracy of SAP compared to manual systems.
2.	Forming a Strong Coalition	Formation of "Agents of change" between divisions.
3.	Developing a Strategic Vision	To be the best-in-class property service provider.
4.	Communicating the Vision	The vision of change is conveyed through internal meetings, Flyers, training so that all employees understand the direction of the company's digital transformation.
5.	Driving Action by Removing Barriers	Carry out care, assistance and support for the new system.
6.	Short-Term Wins	Financial statements are more accurate and the potential for data mismatches is reduced.
7.	Consolidating Repairs	Socialize and implement the use of SAP across business units.
8.	Instilling Change in Culture	Making the use of digital work systems and culture as operational standards.

The Kotter model shows that PT XYZ has followed the steps of systematic change, but it still needs to strengthen the 3rd stage, namely becoming the best property service provider in its class. This vision needs to be more explicitly linked to measurable performance indicators and competitive benchmarks within the property management industry. While the vision exists, employees need clearer understanding of how their daily digital work contributes to achieving this competitive positioning. As Kotter (2021) emphasizes, a strategic vision must be both inspiring and actionable, providing clear direction for organizational members at all levels. This is so that employees are encouraged to continue to develop to increase competitiveness.

Supporting and Inhibiting Factors of Change

In implementing changes at PT XYZ, there are supporting and inhibiting factors in the pipeline:

a. Supporting Factors
   1) Management support for digitalization.
   2) Adequate technological infrastructure.
   3) The existence of training and assistance for the new system.
   4) The company's commitment to data efficiency and accuracy.

b. Inhibiting Factors
   1) Senior employees' resistance to the new system.
   2) Lack of digital literacy at the beginning of implementation.
   3) Adaptation of work culture that is not even between divisions.
   4) There are still employees who are not ready for change.

Organizational Culture at PT XYZ (Schein Model Analysis)

a. Artifacts

By using a digital system, it has an impact on change, namely supporting more efficient performance. Observable artifacts include: (1) the SAP interface present on every employee's workstation, (2) digital dashboards displaying real-time performance metrics in common areas, (3) the mydigilearn platform accessible to all staff, and (4) changed meeting patterns where data presentations are now system-generated rather than manually compiled. Physical workspace layouts have also evolved, with more collaborative zones equipped with digital displays for system-based discussions. An operations manager observed: "You can walk through the office now and see the difference immediately—screens showing SAP modules, people discussing data from the system, less paper on desks. The whole environment feels more digital." These visible changes reflect the surface level of cultural transformation, representing the tangible manifestations of the underlying shift toward digital orientation.

b. Recognized value

Implementing BISA's core values (Bravery, Integrity, Service Excellence & Agility) has an impact on strengthening digital and collaborative work culture. These values have been explicitly reinterpreted in the context of digital transformation: (1) Bravery now includes willingness to adopt new technologies and challenge traditional ways of working, (2) Integrity emphasizes accuracy and transparency in digital data management, (3) Service Excellence

focuses on leveraging technology to provide faster, more reliable tenant services, and (4) Agility represents adaptability to technological changes and continuous learning mindsets. Employees are encouraged to dare to innovate, maintain data integrity, provide the best service to tenants, and quickly adapt to new systems. During interviews, several employees referenced these values when explaining their approach to the digital transition. A middle manager stated: "Our BISA values gave us a framework for understanding the change. Service Excellence meant we couldn't stay with inefficient manual processes—we had to embrace SAP to serve our tenants better." Another employee mentioned: "Agility became personal for me. It meant I had to be willing to learn new skills even when it was uncomfortable." As a result, coordination between divisions has become more efficient, data-driven decision-making has increased, and the old rigid work culture has begun to shift to flexible and productive.

c. Basic assumptions

With the belief that digital technology is the foundation of the success of modern building management and that accurate data is the primary basis of business decisions. The impact is to form a new mindset that the company's success is determined by adaptability, digital collaboration, and a commitment to service excellence. At the deepest level of culture, fundamental assumptions are gradually shifting from: (1) "Experience and seniority determine the best way to work" toward "Data and systematic processes ensure quality outcomes," (2) "Individual expertise is the most valuable asset" toward "Collaborative knowledge-sharing and system-enabled teamwork drive organizational success," and (3) "Stability and proven methods reduce risk" toward "Continuous adaptation and technological evolution are necessary for competitiveness."

These underlying assumptions, while still in transition, represent the most profound cultural changes at PT XYZ. A senior manager reflected on this shift: "Ten years ago, if you asked our best employee how they did their job, they might say 'I just know from experience.' Now, our best employees are those who can analyze system data and make informed decisions. That's a fundamental change in how we define competence." However, this assumption shift is not uniform across all employees. Some senior staff still hold implicit beliefs that manual verification is more trustworthy than system-generated reports, creating tension between old and new cultural assumptions. One senior employee admitted: "Intellectually, I know the SAP data is accurate. But in my heart, I still feel the need to double-check with my own Excel file. It's an instinct I can't fully shake." This reveals that while artifacts and espoused values can change relatively quickly, basic assumptions require sustained effort and time to transform completely, particularly among long-tenured employees who have internalized traditional assumptions over many years.

PT XYZ's organizational culture is now increasingly oriented towards innovation, efficiency, and data-driven services. However, resistance arose from some employees who were still comfortable with the manual system. Therefore, the role of leaders is very important in setting an example and strengthening digital culture. Leadership must continue to model digital behaviors, celebrate early adopters, provide patient support for slower adapters, and maintain consistent messaging about the strategic necessity of digital transformation. As Schein and Schein (2021) emphasize, leaders are the primary mechanism through which cultural assumptions are embedded and reinforced in organizations.

CONCLUSION

Change management at PT XYZ successfully drove digital transformation via SAP implementation since 2022, enhancing work efficiency, reporting accuracy, data-driven decision-making, and evolving organizational culture toward collaboration, innovation, and results-orientation—despite ongoing challenges like employee resistance to technology and cross-unit cultural alignment. This study provides practical guidance for leaders and HR practitioners, emphasizing balanced investment in technical infrastructure and cultural interventions, including consistent communication, leadership modeling, tailored training by digital literacy and tenure, and empowering digital champions in the property management sector. For future research, longitudinal studies over 3–5 years could assess cultural change sustainability (e.g., Lewin's "refreeze" stage), while comparative analyses across firms, quantitative correlations between digital adoption and outcomes like tenant satisfaction, and explorations of generational/tenure-based adaptation dynamics under various leadership styles would uncover broader patterns and best practices.

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