



Role of Leadership in Organisational Change

Critically assess the role of an organisation's leadership during a period of organisational change. Identify the skills that will be required to ensure the successful implementation of that change.

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1. Introduction:

The assignment offers an in-depth assessment of the role of a competent leader during the period of organizational change. It identifies the required knowledge, skills, and proficiencies of a leader, needed for the successful implementation of that change.

In this competitive age, where change is inevitable, not only leadership but skilled leadership is essential to articulate, and accomplish the most suitable change for organizations. Thus, there is a relationship between successful organizational change and skills of a leader.

1.1. Scope of Essay:

Organizational change is a fundamental process in all business organizations. This assignment explores the relationship between successful organizational change and role of competent leadership, after understanding the significance of change and acknowledging the fundamental role of leadership in that process. Competency of a leader is judged on the basis of particular features like "Visualization" and "Inventive strategy" formulation during times of change. This relationship is assessed with the help of literature review and appropriate examples. In the end, the results are evaluated on the basis of a case study of Apple.

1.2. Background:

The competitive environment and the technological trends have produced a constant urge for organizations, to change their business framework, according to the developments and imminent expectations. This has also created the necessity, for skilled leaders in the organizations. These leaders should not only be competent to

comprehend the present corporate requirements, but they must also prove themselves efficient and supportive in suggesting the appropriate form of change suitable for the organization at that moment, by employing his/her experienced vision and implement that change successfully by using his/her novel strategies.

Gesell (2010) suggested that a leader with pioneering ideas and farsighted qualities is necessary for a successful organization change. Earlier Bennis and Nanus (1985) showed that visualization is a rational prediction of future incidences, hence it is significant that this prediction is professed accurately, which is only conceivable by a visionary leadership. Bass (1990) stressed that pioneering ideas of a leader can increase the probability of achievement for a leader to get his anticipation fulfilled (Bass 1990). The review of recent journals showed that rational prediction and pioneering strategies are two most fundamental characteristics of a leader, which makes him/her competent to handle the concern of organizational transformation.

Previous investigations have elucidated leadership functions based on his capabilities and features. Based on these, numerous leadership theories are suggested by scholars. But this topic of association between the leadership characteristics and successful organizational change is less investigated. This presents a gap in the present literature. The present assignment seeks to fulfil this gap and investigate this aspect through this assignment.

2. Literature Review:

2.1. Organizational Leadership:

The evaluation of earlier and current literatures shows various definitions of leaders. Several scholars like Bennis and Nanus (1985), Conger (1992), Grint (2004), Northouse (2004), and Bolden (2010) have defined leaders in their own ways. Conger (1992) said 'leaders are persons who institute development pathway for his followers and gain assurance from these associates to his recognized trend. He then inspires his associates to accomplish the track's objectives (Conger, 1992, p.18).

Sansom (1998) added further that organizational leadership has a fundamental function in developing and refining an organization. It influences the employees of an

organization, to handle the conflicts, helping in attainment of the organizational objectives in a commendable way.

Senior and Fleming (2006) supported Sansom (1998)'s view and said that in organizational leadership, a competent leader brings change in an organization successfully through his visionary strategies.

The strategic leadership, which is adept to ascertain the necessary future transformations, is mandatory for every organization. The expedient activities by these leaders are not only critical for the success of the organization but also needed for its continued existence (McGuire, 2003; Burke & Cooper, 2006).

Evaluation: Thus, it is clear that a successful organizational leadership depends on a competent leader who has greater visualization power. This leader is responsible to promote changes in the organization and is critical for the successful implementation of the changes.

2.1.1. Visionary Organizational Leadership:

Kotter (1995) stated that visualization is that ability of a leader to envisage the image of the future incidences, and prepare his subordinates likewise. He then motivates them to accomplish the desired target by implicit or explicit clarification, on why they should try to fulfil the objectives.

Maxcy (2000) suggested that an organizational leader must be endowed with interactive and cognitive abilities along with some explicit knowledge which are related to particular business process in an organization. Earlier, Bennis (1985) also suggested that visualization capacity and objective fulfilment are two most significant leadership qualities that influence the performance of an organization.

Bennis (1985) and Kotter (1995) tried to focus on the concept of 'Vision' in every discussion of leadership and organizational change as both these scholars individually suggested that vision is the capacity of a leader to envisage the future in a perfect manner and this visionary powers help them to handle the changes in an organization successfully.

2.1.2. Innovative Outlook of Leadership:

Prestwood and Schuman (2002) emphasized the importance of innovative bent of mind of a leader. A competent leader is one who has the skill to sense the impending, unpredicted, situations before time and formulate survival strategies to handle these situations, with his innovative style. These innovative and visionary skills of the leaders in an organization are responsible for the ultimate success of the organization and strategy formulation for future changes.

The innovative skills of a leader help him to stimulate and nurture the inventive ethos within an organization, by inspiring others to pass new concepts and deliver a suitable arrangement to transform them into actuality (Prestwood and Schumann 2002).

Hage and Powers (1992) suggested that in order to sustain in the competitive environment, the organizations are increasingly realizing the necessity of innovative ideas in their corporate model and policies.

Supporting the previous beliefs, Carneiro (2008) also suggested that for sustenance, organizations must consider about those skilled leaders, who apply their innovative skills to cultivate and mature the business strategy by transforming their pioneering ideas into actuality (Carneiro, 2008).

It is observed from the initial period of 1980, that alterations have a substantial influence on the organizations in relation to their success and sustenance for longer period in future. Hence, the need of competent leadership was from the very beginning, for executing the changes effectively. Based on this approach, Bass (1990) stressed the importance of idealistic leadership with innovative abilities, to handle the changes successfully.

Evaluation: From the above discussion of leadership concepts and theories, it is clear that although the potentials of correct visualization and innovativeness are indispensable components for a leader to be competent and more efficient in running an organization and handle with organizational changes, but other theories of leadership showed that there are few other attributes of leadership which can also play a significant role in helping him to deal successfully with organizational

changes. Some of them are decision making capacity, bravery, charismatic nature etc.

The review also showed that the influences of other significant factors on the organization like influence of environmental, social, financial, and unexpected situations can't be ignored while making any important verdicts or introducing the course of change in the organization (Gesell, 2010) .

2.2. Leadership Theories:

Several theories are put forward by different scholars to describe and categorize the features of leadership in an organization, in expressions of their efficiencies.

2.2.1. Contingency Theory:

Fiedler (1996) established the contingency or situational theory of leadership. In this theory, he focussed three characteristics which influence the productivity of leaders.

1. **Leader-Follower Associations:** This describes the relationship between workers and the leader and shows the magnitude up to which the workers trust their leaders. This also indicates the extent to which the leader can draw his followers toward himself and the level to which the leadership acts as a basis of stimulation for them.
2. **Task Framework:** This factor describes the kind of tasks assigned to the workers, whether they are repetitive or non-repetitive in nature. The leader ascertains the nature of work so as to arrange each worker uniformly and achieve the full yield from them.
3. **Authority Power:** The authority power of a leader is that supremacy which he/she owns because of his authoritative position in the organization. The leaders utilize this power to take decisions and implement them to cope with the organizational problems with self-confidence (Fiedler, 1996).

2.2.2. Path-Goal Theory:

House (1971) suggested that according to this theory, most competent leaders are those, who always encourage their followers by outlining and converting the track of work clear to them through their perfect visualization. The leaders motivate the workers to meet the objectives of the organization by monitoring their productivity

and actions. Leaders also appraise the workers and give recompenses for their worthy performance. This helps to increase their self-confidence and encourage them to perform better in future.

2.2.3. Transformational Theory:

Burns (2003) suggested that in transformational leadership, leaders motivate his followers to change their attitudes in three significant manners. They encourage the workers to that extent where the self-confidence of the workers increases considerably as a result of which their level of productivity increases. The leaders also encourage the workers and make them aware of their personal growth and development where they are stimulated to increase their performance for their own betterment. The transformational leaders also boost the level of commitment of workers and encourage them to aspire for the organizational growth and strive to accomplish the target objective of the organization despite of their individual benefits. As a result of all these potentials, the leaders gradually gain the trust of his subordinates. The motivation and transformation ultimately results in increased output and work undertakings which leads to the accomplishment of organizational objectives successfully.

The special abilities of transformational leadership include capabilities to perform as decision makers under changed circumstances, dare to take brave strides, capability to rely on others, characteristics having ethical principles, good adaptive skills of learning, robust mental strength to deal with problems in difficult situations and having a flawless perception (Burns, 2003).

2.3. The significance of Change in Organizations:

Several scholars investigated the significance of organizational change and the reasons of the transformation process. Orlikowski (1996) defined the process of organizational change as that which is necessary to fulfil the objectives of the organization.

Van der Merwe (1991) said that change is another expression of transformation, which means to make existing things better by adding more worth to it. Successful implementation of change in a process requires dedication and guidance.

Hage (1999) suggested that organizational change is the set of planned activities that produces change of orientations and/or procedures that influence the manner in which organizations used to function before (Hage, 1999). Caetano (1999) suggested that to develop the in-house and peripheral functionality with time, change is needed in an organization.

Boston (2000) said that organization which does not implement changes cannot sustain in the business market for a longer period. It provides various assistances like increased productivity, better financial outcomes, enhanced fulfilment of workers and patrons, and significantly it pushes organization towards continuous development and sustainability.

The requirement of change initiates in an organization when the administration is not satisfied with the existing system. These changes may be premeditated or unintentional but in either instances, organizational changes are mostly critical to bring improvements in the organization. The resulting changes may also influence policies and work functions of the organizations.

The scheduled changes are more associated with the administrative procedures and in this, extreme dedication and organized stance is necessary. The visualization ability and strong commitment towards target objectives are the essential qualities that a leader must possess to handle the scheduled changes.

Boston (2000) suggested that, various kinds of changes are noticed within an organization depending on the nature of the organization and its culture. Some implements lesser incremental changes, whereas others may undergo profound changes of organizational system known as commercial transformations or radical changes. These kinds of changes influence wider section and are quite complex in nature.

Senior and Fleming (2006) suggested that there are additional three stages of organizational change; unfreezing, moving and refreezing. Unfreezing is transforming the behaviour and outlook of the workers and work atmosphere. This transformation is significant, since while facing any changed situation; it is important to generate an urge of transformation among the workers. The leader's contribution is

significant in unfreezing as it necessitates a systematic manner of executing the changes by supervising the conduct and approaches of workers. It also requires profound dedication of all the workers operating together to achieve a common target objectives.

The next stage is moving in which the higher authority recognizes, proposes, and device the suitable policies. In this stage, the decision is made whether the organization will go for incremental or radical changes. In this, the visualization of the leader is of great importance for scheduling and applying the policies. All the policies are moulded in this stage.

The last stage is refreezing the altered situation in which the leader aids in steadying the changes so that it becomes incorporated and remains unchanged. This step is very important for leaders since if they fail in refreezing the situation by improper management, the change remains unsuccessful and the previous condition will return. Refreezing inspires the potentials of additional developments in future.

2.4. Role of Leadership in Organizational Changes:

Recently, most of the business organizations realize the significance of competent leadership as one of the fundamental factors necessary to improve the whole organizational performance even in the face of changes. Intellectual leaders are those who have immense abilities and talents acquired from previous involvement that helps them to handle the responsibilities competently. Kennedy (2000) suggested that proficient leadership is always essential for dealing with organizational changes.

Previously, Brookfield (1995) stressed the significance of values while talking about organizational change. He pointed out the hurdles, which hinder the administrative process of acclimatization to the changed culture. This contains the privacy issues, the egoism problems and the hushed culture. A competent leader can manage such issues efficiently.

Gruban (2003) said that proficiency is a skill to handle talents and other abilities.

Virtanen (2000) proposed a model of leadership in which he stressed those proficiencies of leaders which are associated with effective organizational change.

The figure below shows the relationship of leadership skills needed to manage organizational change successfully.

Gruban (2003) also confirmed later that specific leadership skills are compulsory for implementing the changes in an organization successfully (Gruban 2003).

Evaluation: Thus leaders play a vital role during a change process and leadership skills are very important for successful implementation of changes. This is because a competent leader efficiently handles the conflict, misperception, inquiry and assurance of management. There are some expectable outcomes connected with the change process and a competent leader always recognizes these alterations in an effective method to get the work groups devotion. Change leader is always related with the strategic change and practically deals with social sentiments (Senior & Fleming, 2006).

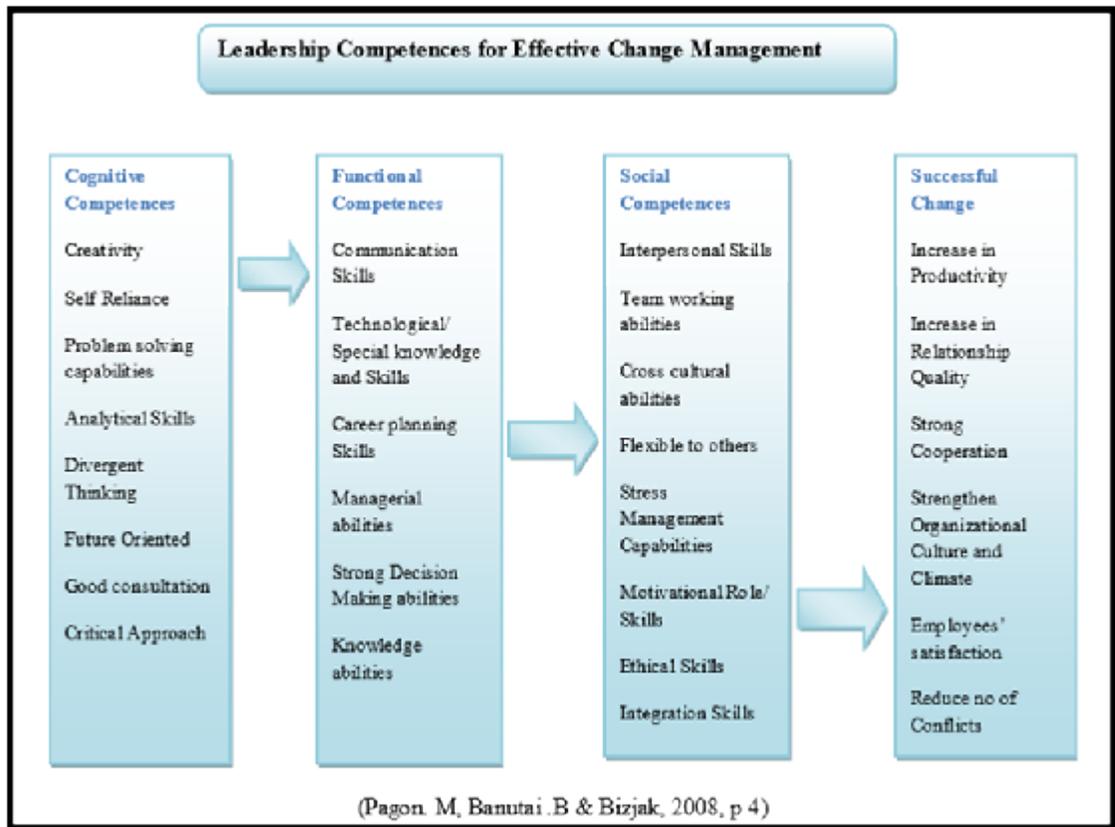


Figure 1: Leadership Competencies for Effective Change Management.
Source: Pagonet. el. (2008)

Various types of leadership abilities are needed at different stages of radical changes. Four fundamental styles; Authoritative style, rational style, motivating style and compassionate style are evident (Fig. 2 and 3). These all styles have strong association with the progress of transformation (Bennis, 1995). An effective leader owns a flawless and pure vision. Without these abilities, the implementation of changes will not be possible. It is essential for the leaders to communicate his vision to his followers (Kotter, 1996; Pagon et al. 2008).

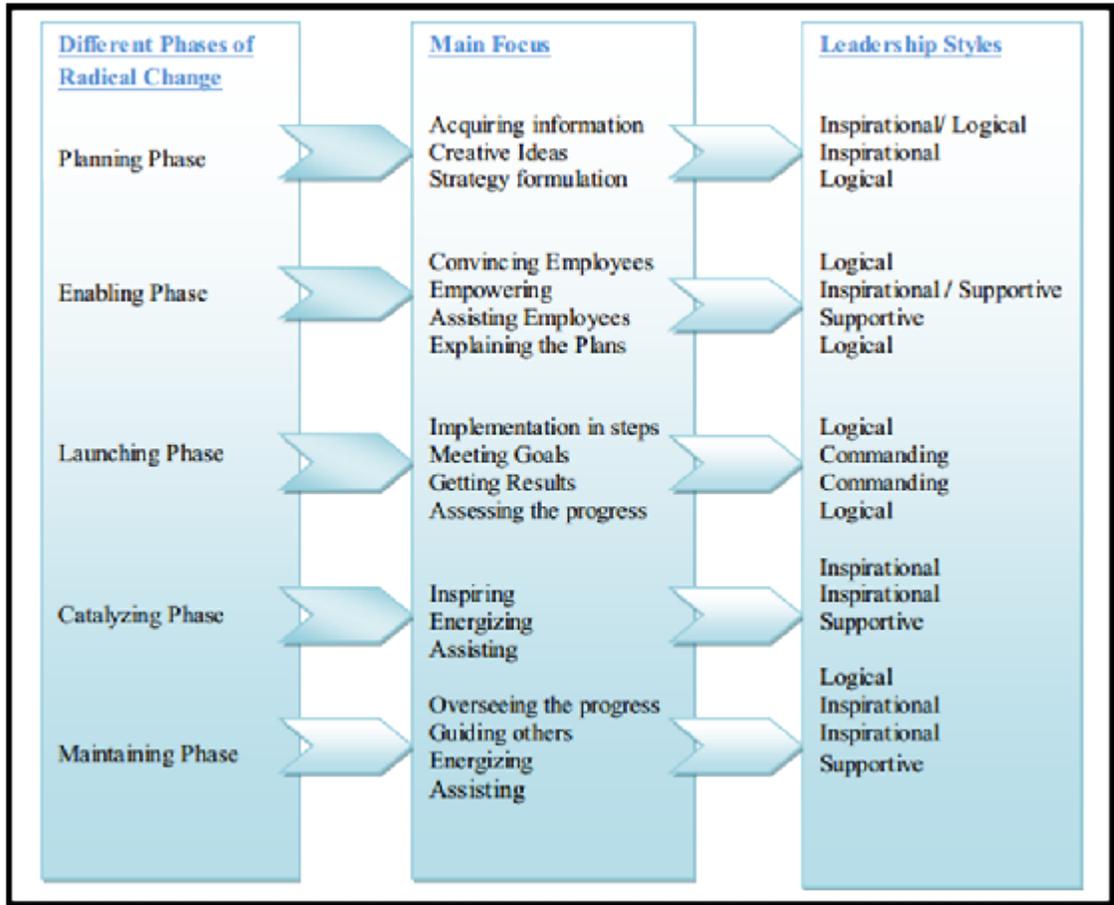


Figure 2: Different phases of radical change. Source: Reardon and Rowe (1998).

<u>Leadership Styles</u>	<u>Main Focuses on</u>	<u>Persuades By</u>	<u>Makes Changes</u>	<u>Learns By</u>
Commanding	Results	Directing	Rapidly	Doing
Logical	Innovation	Explaining	Carefully	Studying
Inspirational	Opportunities	Creating Trust	Radically	Questioning
Supportive	Facilitating Work	Involvement	Slowly	Listening

Figure 3: Four Leadership Styles. Source: Reardon and Rowe (1998)

2.5. Case Study Example: Apple and the Visionary Leadership of Steve Jobs

The best known example of organizational change and the role of leadership in the success of implementing the changes is the case of Apple Inc.

Steve Jobs is the best example of a leader with great visionary power, and it was because of him, that Apple could make-up for its losses, and launched itself finally as a market leader, with its changed organization culture of innovation and learning (McInerney, 2011). After Jobs' return to the company in 1997, he took a strategic decision to introduce the radical change where he implemented his revolutionary management philosophies. He made profit appear secondary necessity and applied the positive deviant philosophy in utilizing the organization's core capabilities, which included customer satisfaction, brand management, quality of products, services, resources, and economic reserves (Julie, 2011).

He utilized his innovative approach to use the organization's core capabilities to produce the digital products having the 'wow factor'. He encouraged a culture, motivated by vision to craft state-of-the-art products. Innovation is at the heart of Apple's philosophy. Workers are remunerated for investigating, risk exploring, and inventiveness. Thus through a strategic leadership viewpoint Steve Jobs will always be remembered for his talents and skills of great vision and innovation (Williams, 2012).

3. Conclusive Remarks:

The review thus critically assessed the role of an organisation's leadership during a period of organisational change. The most important skills of a leader to implement changes successfully are visionary powers, innovative skills, inspirational abilities, logical skills and supportive abilities. It is also evident from the discussion, that change is needed in every organization and a competent leader is needed to implement that change successfully, whether it is incremental or a radical change. It is also found that the change process faces various resistances which create a complex situation for the management. But it depends on the efficiency of a leader on how well he can alleviate the negative forces through his visualization, self-knowledge and innovative strategies. He encourages workers and motivates them to

follow his instructions, thus managing the difficult situation and implementing the change successfully in the organization (Heifetz 1997). This is exemplified through the case study of Apple. Most problems are seen in radical changes whereas incremental changes do not require any official unveiling due to their petite nature.

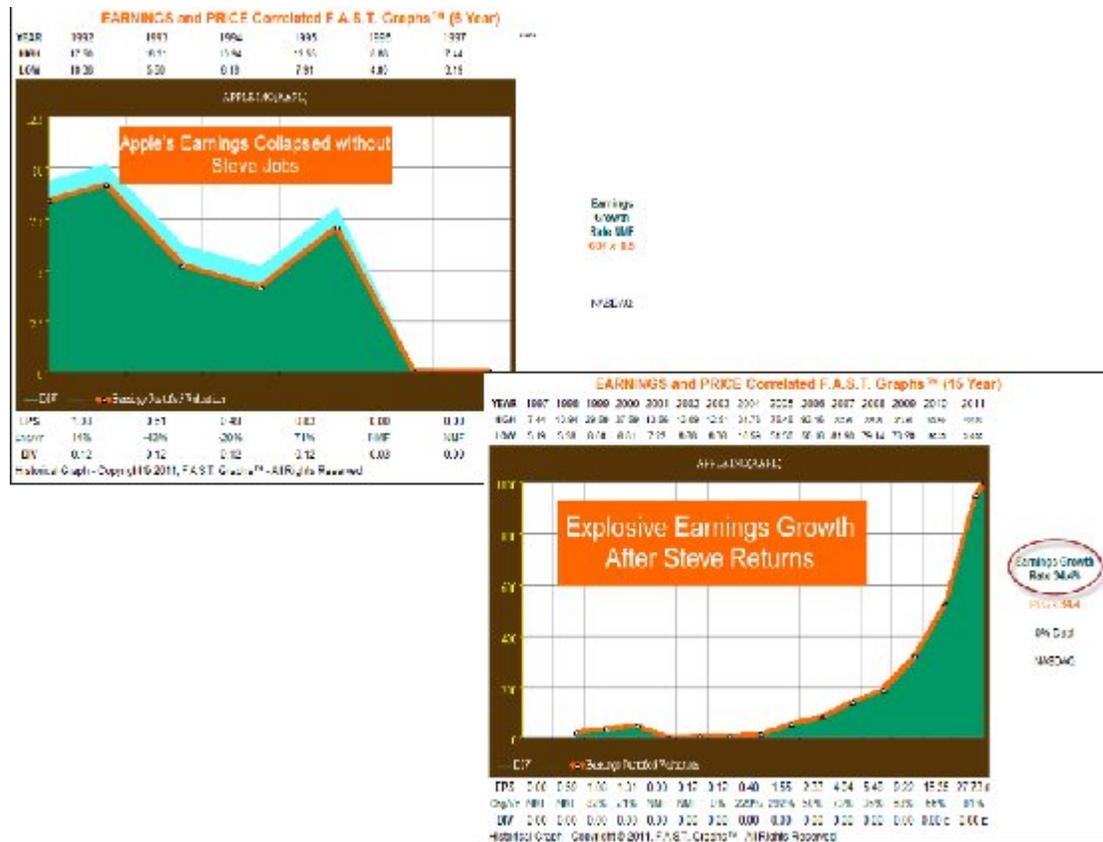


Figure 4: Apple’s earning in absence and presence of Steve Jobs. Source: Jpeg. Source: http://www.fastgraphs.com/_blog/Research_Articles.

Recommendations:

1. The strategic leadership is essentially required for organizations, to envisage the future changes, in advance and build necessary assurance and appropriate environment for workers to recognize and implement these changes successfully.
2. Different leadership styles are adopted by leaders to handle the process of organizational change successfully.

3. The most important skills of a leader, necessary to handle changes in the organization are visualization power and innovative approach.
4. Visionary power helps the leaders to encourage his followers and innovative approach help him to formulate new policies for the changed situations.
5. Accepting additional restrictions, it is established that a strong leadership has a significant role in handling and implementing organizational changes successfully.

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