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## LEADING THE CHANGE IN ORGANIZATIONS

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### ABSTRACT

Globalization has not only converted the world into a small village but also has a great affect on the mindsets of the people. It is the age of rapidly changing business trends, technologies and business environments. Technology maturity makes the customer aware and well informed to the advancements which are made all around the world, in terms of products, services and procedures. Today's business world is highly competitive, thus change must be a naturally occurring activity in a growing organization, there are significant factors that compel the organizations to change. So, it becomes inevitable for the organizations to change. Change has occurred within almost all organizations. Downsizing, relocations, restructuring, technological changes, mergers, process-oriented changes and people oriented changes are happening on a daily basis. The application of continuous development and improvement programs becomes important for the organization to struggle with the competitive conditions, to obtain better results and to maintain its existence. Most organizational theorists agree that effective leadership is one of the most important contributors to lead organizations to change consciously. It is thought that only in this way it will be possible for the organizations to adapt to its environment which has a dynamic and constantly changing nature. In this paper, we would like to stress on various facets of leadership which leads to change in the organizations.

**KEYWORDS:** *Leadership, Change, Role, Behavior, and Leading the Change*

## **INTRODUCTION**

Every living creature is reluctant to change, whether it's a planned change or accidental change. Even organizations constantly have to undergo change (Nadler & Tushman, 1990). Today organizational change has become more and more common in all organizations and forces them to change or die. Organizations have a dominating role in today's society and have become more complex and thus harder to manage (Bolman & Deal, 2005)

The globalization has converted the world into a small global village; a village in which there is an ever high stream of contentions and competitions between organizations. In this scenario the most effective and beneficial maneuver for any organization is to create innovative ways in conducting business. Important element for a successful change in any organization is "Leadership". Leaders are known as "Champions of Change" - as it is the top management of any organization who keep the process of change going on and maintaining the operational reliability of the organization (Nadler & Nadler, 1998).

The leader as a person in charge or as a change agent can manage an organization or the process of organizational change more effectively and successfully if he/she is capable and competent. Rapid technological advancements, high expectations of customers, and ever changing market situations have compelled organizations to incessantly reassess and reevaluate how they work and to understand, adopt and implement changes in their business in response of changing trends. Organizational change is a demand of the day, and needed for organizations to survive. Organizations now a days, well understand the importance of the matter, and are serious to prepare themselves not only the current, but also for the future trends to get the level of sustainable success, but Along with all of its implications and importance the process of organizational change is also a very complex and challenging.

Research shows that 70 percent of organizational changes fail to get their goals. As leadership has a central role in evolution and cultivating an organization, the process of organizational change demands a very effective and highly competent leadership that is well capable to perceive the most desirable shape of an organization and address the issue of organizational change in most appropriate way.

## **CONCEPT OF CHANGE AND LEADERSHIP**

Today, there are significant factors that compel the organizations to change. So, it becomes inevitable for the organizations to change. This leads organizations to attempt to change, sometimes consciously and systematically and sometimes unconsciously. The underlying reason for this is that the changes in the surrounding of the organization have an influence on the organization and distort its balance. The application of continuous development and improvement programs becomes important for the organization to struggle with the competitive conditions, to obtain better results and to maintain its existence (Tunçer, 2011). It is thought that only in this way it will be possible for the organization to adapt to its environment which has a dynamic and constantly changing nature (Toker, 2007). The concept of change is considered among the major characteristics of social, political and economic systems and the success of an organization to maintain its existence is explained by its ability to change

In order for an organization to adapt to the changes around, it is necessary for it to adopt an effective leadership approach besides being organized and making organizational arrangements (Tunçer, 2011). Organizations with strong leadership do not have a word in managing organizations, the possibility for that organization to renovate itself and to adapt to changes. When the literature is reviewed, the type of leader needed is stressed to be a transformational type of leader, especially to make the change and transformations in an organization, to reconstruct their organizations and to trigger their organizations. Besides an effective leadership, there is a need for information management and accurate information which contributes into the effective decision making processes of the leader in order to transform the organization successfully.

## **LITERATURE REVIEW**

Most of the organizations agree now a days that effective leadership is one of the most important contributors to the overall organizational performance and change. Intelligent leaders are those who have a store of skills and knowledge gained from experience that allows them to manage effectively and efficiently the tasks of daily life. Effective leadership is always required to bring effective changes (Kennedy, 2000).

It is evident from the literature that initiating and coordinating change always requires well developed leadership skills. This is also true that any change process mostly face the certain level of resistances, the effective leader is one who can manage the resistance and implement successful changes. Recognizing, addressing and overcoming the resistance is always lengthy and not an easy process. People resist changes and especially they resist most to radical changes and it is only the leader's ability to overcome. A strong leader is required to solve the problem as the physician is required to solve medical problem (Heifetz 1997).

The effective leaders have clear and straight vision about future and the successful change needs to have a clear picture of future. Without vision the successful changes are very difficult. Kotter claims that it is very important for the leaders to communicate the vision (Kotter, 1995).

Visionary transformers are required to bring quality-led strategic change (Nwankwo & Richardson, 1996). In today's modern era of technological advancement, every organization is struggling to get an edge over its competitor and to do so organizations are required to be more adaptive towards change. To meet up with the challenges of twentieth century, organizations are required to be converted into learning organizations at first stage, in order to become world class organization. For transformation of a traditional organization into a learning organization, the fundamental required essence is leadership. That can clarify the vision and mission of the organization, assist the employees to complete their targets and help them to get settled in new innovative and learning environment (Singh, 2011).

Leader means someone who has the authority or power to control a group of people and get it organized for a particular task or goal. Leader has a clear vision for the welfare of his organization and development of his organization. Leadership is that quality of leader by which he leads the team or his group (Bass, 1985). Leadership has six basic personality traits named as; self-confidence, ambition, drive and tenacity, realism, psychological openness, appetite for learning, creativity, fairness, dedication. To involve other members of team in decision making is also the part of leadership

For an effective change, the study reveals that charismatic leadership and trust in top management both are important. They are strongly correlated (positively) with change implementing behavior, monitoring of anticipators, management level, and department connection (Michaelis, Stegmaier & Sonntag, 2009). According to Noer (1997), the leader, as a person, is the most important tool for change. The leader's spirit, insight, wisdom, compassion, values, and learning skills are all important facets in the capabilities to lead others to embrace change and redesign. The leader who prompts change within a firm is often subject to approximate thought (Nadler & Nadler, 1998). It is the leadership's behavior that makes the change situations more effective (Higgs & Rowland, 2005).

Leadership style and employees' trust in top management are highly positively related to behavior involved in implementation of innovations, for controlling individual differences and department affiliation (Michaelis, Stegmaier & Stonntag, 2009). Nadler & Tushman (1990) state that it's only "Charismatic leader" that has specialized quality to mobilize and sustain activity within an organization through specific personal actions combined with perceived personal characteristics.

Without strong leadership, effective organizational change won't ever be possible. Managing change in an effective manner requires change leaders that can lead a team which have courage to drive change properly in an existing system. As change is a transformation process, therefore the agents of change (leaders and management) must have to drive a supportive response for change from the stakeholders (Kotter, 2007). Absence of clear understanding of change accomplishment methods and the incapability to adjust one's management style or organizational functions are quoted as hurdles to success (Gilley, 2005).

Galpin (1996) has proposed the strategic steps leaders necessitated to make use of the efficient change process. These steps were:

- Defining the need to change: At the initial step, it is required to identify the need of change after the assessment of current situation.
- Developing a vision of the result of change: For an effective change process, it is required to develop some clear vision about the outcomes or consequence of the change in an organization.
- Leveraging teams to design, test, and implement changes: To derive the best possible desired outcome, it is necessary to empower teams that can design, test and implement strategies through which change effectiveness can be assured.
- Addressing the cultural aspects of the organization that will help and sustain change: The process of change must have to incorporate with the culture of an organization as it will facilitate change to strike up with the future challenges
- Developing the essential attributes and skills needed to lead the change effort: Last but not the least, for successful completion of change process, certain attributes and skills are considered necessary to be developed.

In response to today's socioeconomic environment for successful organizational development, the key defined by Darling & Heller (2009) is embodied in the managerial leaders' attitudes, and the commensurate thoughts and feelings communicated (vibrated) to the universe, both inside and outside of their organizations. Study further reveals that leaders must have to understand the reasons for the failure of change in any organization. They have to develop capabilities to be a successful change agent (Manikandan, 2010)

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## **ROLES OF A LEADER DURING CHANGE**

Successful organizational change depends on leaders – managers and bosses who have direct authority with people going through the change – to support and execute change in their span of influence. Effective leaders acknowledge that their support is crucial to success and commit to doing their part. The following are some of the roles leaders may play as they drive change in the organization.

### **1. The Sponsor**

Leaders act as advocates for the change at their level in the organization. They are representatives who keep the change in front of their peers, the “higher-ups.” A Sponsor is the person who won’t let the change initiative die from lack of attention, and is willing to use their political capital to make the change happen. The Sponsor is the champion.

### **2. The Role Model**

Leaders of change must be willing to go first. They demonstrate the behaviors and attitudes that are expected of everyone else. Employees watch leaders for consistency between words and actions to see if they should believe the change is really going to happen. The Role Model is self-aware and deliberate.

### **3. The Decision-Maker**

As managers, leaders usually control resources such as people, budgets, and equipment, and thus have the authority to make decisions that affect the initiative. During change, leaders must leverage their decision-making authority and choose the options that will support the initiative. The Decision-Maker is decisive and sets priorities that support change.

### **4. The Voice**

Leaders are the face and the voice of change. They communicate often to share information, keep people updated and offer encouragement. When employees hear multiple messages in the organization, the one they listen to the most is their immediate boss. Leaders balance interpreting the change message to be relevant for their reports while still matching the overall message. The Voice is transparent and consistent.

### **5. The Motivator**

Leaders provide the motivation to change. They create a sense of urgency and importance about the change, and show commitment and passion about getting things done. They offer recognition to those who are participating and doing well. Leaders realize that change can be difficult, and understand the need for people to be motivated to step out of their comfort zone. The Motivator is energetic and empathetic.

### **6. The Enforcer**

With their authority, leaders hold people in the organization accountable for the change. They uphold agreements and make sure others do the same. They don’t let people get away with not changing,

and work to understand the underlying reasons so they can remove obstacles. Leaders follow through on delivering consequences when people don't do their part. The Enforcer is exacting and fair.

Effective leaders recognize that change cannot happen unless they fulfill the roles that only those in authority can. Enlist their support and clarify the roles you need them to fill in their areas and in different situations. Help leaders in your organization see the importance of the unique part they play in change.

## **LEADER BEHAVIORS FOR EFFECTIVE CHANGE**

Change fails for a number of reasons. Sometimes the company's culture simply does not tolerate change. People are not ready for it yet and they resist it. Maybe the change was ill-conceived, poorly thought-out, or even unnecessary. Perhaps needed resources weren't available, or the timing just wasn't right. But one of the biggest obstacles to change is the behavior of leaders. Not only can leaders fail to manage change effectively, but their behaviors can make things even worse, resulting in a situation where it would have been better to do nothing!

A study by Gilley et al.\* shed some light on specific leader behaviors that are needed for effective organizational change. The study surveyed 513 working professionals across various industries. One of the findings of the study was that 80% of respondents reported that their leaders never, rarely or only sometimes implement change effectively! The study found that leaders who demonstrate the following behaviors are perceived as successful in implementing change initiatives:

- Communicate frequently and enthusiastically – Successful leaders provide abundant, relevant, and truthful information about the change, and communicate how the change will personally affect employees. While it's important to be realistic and not overly optimistic, ambivalent communication will produce resistance and weaken the leader's credibility in building a case for why change is needed.
- Motivate employees – Successful leaders establish an environment that is conducive to change and persuade employees to work toward common goals. According to the study, leaders who are skilled in creating an atmosphere of motivation during a change initiative “communicate effectively, address employees' questions, generate creative ideas, prioritize ideas, direct personnel practices, plan employees' actions, commit employees to action, and provide follow-up to overcome motivational problems.” As much as possible, leaders ensure a positive experience during the organizational change.
- Build teams – Successful leaders promote synergistic teamwork. However the organization chooses to define teams – as work groups, departments, committees, or simply the whole company in the case of a small business – teamwork is critical to effective organizational change. Leaders clearly define roles and expectations, but at the same time, value and welcome diversity of work styles, skills, and backgrounds. Leaders clearly set the expectation that employees are expected to work collaboratively in teams, but the environment is supportive rather than coercive.
- Act as coaches – Coaches build one-on-one relationships with the intent of improving employees' ability to maximize their strengths and work cooperatively with others during and after the change initiative. A coach is a future-oriented agent of change. Mentoring, counseling, training, and providing feedback are coaching behaviors that can help in facilitating organizational change.

It should be obvious that the leadership behaviors necessary for effective change are people-oriented. Too often, leaders simply mandate change and expect employees to fall in line and get it done, but do little or nothing to help them get there. Leaders who focus on people are likely to be the most successful in managing change in their companies.

## **LEADERSHIP IN THE CHANGE PROCESS**

It is stated that each change leads to a transaction. Therefore, it is natural to experience some changes in an organization's aim and strategies, structure and technology for the tasks, its culture and habits and in human factor (Tuncer, 2011). In order for an organizational change to be successful, it is highly important that the organization workers adopt this change and believe that it will bring benefit. At this stage, it is stated that the mission of the leaders gains more and more importance. The leaders should find a compelling reason to change, should point a common goal to activate the workers, should use his/her convincing ability, should create an effective communication network, should support the workers and should share the achievements with them. In this way, leaders manage the organizational change and contribute into the learning process and development of the workers as he or she is always open to development and change (Toremeh, 2002). The leaders also should plan the change well, should provide the training of the workers as part of the change, should prepare them for the change and should motivate the workers in line with the change.

To create a feeling of urgency, to provide a precise guidance, to determine a vision, to share the vision, to give the authority to the workers to act in line with the vision, to plan short term gains, to execute more changes by reinforcing the improvements and to institutionalize new approaches (Saylı & Tufekçi, 2008):

- To create a feeling of urgency reflects the creation of a strong ground to manage the effort to change. Some workers understand the necessity of a change and unite their efforts to practice this by exhibiting a conscious organization. Therefore, the workers displaying such activities are referred as the champions of change. A transformational leader contributes into the creation of a confidence and communication environment by assembling these kind of workers and assessing the problems and opportunities of the organization.
- To provide a precise guidance includes the activities to gather the people who are eager for a change and to encourage the group to work in a team and the guidance activities undertaken by a transformational leader contribute into the organizational change process.
- To determine a vision is among the typical characteristics of a transformational leader and it is only possible when the leader, who can anticipate the future and provide innovations, adapts to the changing conditions and pioneers.
- To share the vision includes a clear expression of the vision of a transformational leader and his or her sharing the excitement with the workers. In this way, it will be possible for the workers to commit themselves to the work with equal resolution.
- To give authority to the workers to act in line with the vision makes the workers to act according to the vision and to have a shared goal and increases the motivation of the workers.
- To plan short term gains is important to determine the awards and benefits of the organizational change for the workers and it helps to decrease the resistance of the workers and increases the tendency to embrace a change.

- To execute more changes by reinforcing the improvements is important for a transformational leader to detect the possible outcomes of an organizational change and to monitor the change, to recruit people who can contribute into the vision and to allow for new ideas.
- To institutionalize new approaches is important to prevent inactivity and loss of energy and excitement in the workers of the organization and it allows the institutionalization of the changes.

## CONCLUSION

The role of leader/leadership is also very important for developing and managing change in any organization by creating the suitable atmosphere within the organization to adopt change. Leaders need to act as the central character in change, they must lead the people and consider the impact that change has on them. The impact of leaders on people drives them to fulfil the organizational objectives. Change needs to be championed by the leaders who are in a position of organizational power. It is their responsibility to have the appropriate skills and behaviors and to ensure the people have the skills and understanding appropriate to ensure successful and lasting change.

Leadership behaviors and skills that influence the people and their reaction to organizational change impacting the change successful. A variety of behaviors and skills are required by leaders to ensure positive impacts on people and therefore sustainable, successful change, these include employee involvement, communications, accurate evaluation, management support, use of a flexible leadership style and consultation as well as developing strong corporate values and driving management developments. Leaders need all the requirements to achieve positive outcomes development which is necessary to ensure successful change in the organization.

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