
Role of Leadership and Change Management in Business

Renu

Dept. of Commerce, Vaish College, Rohtak, Haryana

ABSTRACT

The paper aims to explore the role of leadership in change management process. The research is based on extensive review of literature, in order to find out the leadership factors that facilitate change in an organization. The research reveals that that basic leadership and management practices are associated with the core competencies of an organization to achieve desired outcomes. Many organizations are applying change management practices to achieve organizational success for long time survival. In our study we only focused on Change-A planned activity, Leaders as a change agent, Change as a process, Change management, and Leadership style/leaders for change management.

Key words: Leadership, Change Management, Planned Change.

INTRODUCTION

Change is an ongoing natural process. For a successful organization, change is meant to be implemented at three different levels, i.e., individual, group and organization. At every level of change, leadership plays different role as it's the virtual duty of a leader to manage the people and make their efforts to be at their best in favor of change for an organization. Change management is an essential area of concentration for the healthy growth of any business, it is important even for the survival of any organization in today's business world. Successful change in any organization is impossible without the active participation of management. Every living creature is reluctant to change, whether it's a planned change or accidental change. .

Respondents of change are affected by both external factors (outside the organization) and internal factors (inside the organization); study reveals that internal factors are actually the management style and leadership that influence the process of change (Chirimbu, 2011). (Smith, 2005) considered the inherent conundrum of organizational change: that people, the human resources of organizations, are both an essential factor in organizational change and, at times, the biggest obstacles to achieving change. Therefore, it is concluded that 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).

Problem Statement

Most of the organizations are forced to construct changes in order to survive for a longer period of time. They are required to respond rapidly to the local, national and global uprising of new technology and competition, if they want to survive. Everyone knows that change is not going to take place at once. In fact, few organizations meet their stated objectives (Anderson, 2011). Change management has highly focused on people, identity and the patterns of human interaction. Lack of leadership concentration on the complexity of change, poorly developed strategy and structures, last but not least attention towards people behavior towards change make the process of change management ineffective. For an effective change management process, it is required by the leaders to pay notice towards identity formation of the people in an organization (Karp & Helgo, 2008).

LITERATURE REVIEW

Change is becoming a way of life for organizations, employees and managers alike (Leanna & Barry, 2000). With organizational change occurring at a more rapid pace than ever before (Wanberg & Banas, 2000), the

ability to identify, cope with, and capitalize on organizational change is becoming a requirement of effective managers.

Change - A Planned Activity

According to Ajay (2002), change is an illogical and emotional process. Being a leader of change, one has to focus more on human aspects of change as individuals are the main actors in sphere of intellectual capital. Organizational change is a multifaceted and long term task. A change management is actually a vital plan in designing how the organization is to move from its current state to a desired future state. Organizational change is a planned activity as it serves as a linkage between the different parts of a change process, setup priorities and timelines, assigning responsibilities, establishing mechanisms for review and revision where necessary.

For an effective change management process, it is required to be properly planned. Effective planning for change must begin well before changes are to take effect and consultation should be done (Smith, 2006). For successful completion of any change management plan, it needs to be properly planned and fully budgeted. Along with these important constraints, leadership is also a spirit for the manager to capture employee back into work and to produce maximum benefits from change. This concludes that leaders are more affective than managers during the process of change (Bejestani, 2011).

Change as a process

Change as a process was being firstly conceptualized by Lewin in 1947. He segmented the change as a process with three phases: (1) unfreezing—it is about readiness to change means it involves getting a point of an understanding that change is necessary and to be prepare for leaving the current state of comfort for the sake of future benefits; (2) moving—At this stage, people have to move forward to adopt a new changed setup. People are most fearful from this stage of change process as they have to leave their current comfort zone; and (3) refreezing—At last, change is accepted as a new norm in an organization and now the change is a part of routine process.

Lewin also suggested that although common sense might bend toward increasing powerful forces to persuade change, in many illustrations this might arouse an equal and opposite increase in resisting forces, the net effect being no change and greater tension than before. An awareness of the need for change is the beginning of the whole change process. A complete assessment of the current situation is necessary to begin the process of implementing any kind of change in an organization unfortunately this kind of assessment may take longer time than management have (Armstrong, 2003). Galpin (1996) has proposed the strategic steps leaders necessitated to make use of the efficient change process.

LEADERS AS CHANGE

Agent 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 Senge (1990) illustrates three foundation characteristics for a person to be in a leadership role in the modern day organizations and they are of an architect, a teacher, and a steward. These three qualities assist in clarifying mission, vision and values; identifying strategies, structure and policies; generating efficient learning processes; and facilitating subordinates to develop their mental model continuously and think systematically. A well developed leader Steve Job's leadership style revolves around main two concerns; (i) Persistence is the key, (ii) Innovation brings leadership. Steve Jobs believes that persistence is the key towards the successfulness of any leader. His attitude towards his work, related Job's leadership style as task oriented leadership. Whereas his second belief indicates that his leadership style is also comprised of people oriented leadership. Innovation brings leadership

means that the leader engages his team to be an important part of decision making. This developed attitude of the leaders creates a sense of belongingness in the members of team and motivates them towards their assigned work or duty, which ultimately increases the efficiency of the work.

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).

Change Management

Change management is an essential area of concentration for healthy growth of any business, it is important even for the survival of any organization in today's business world. Change management has highly focused on people, identity and the patterns of human interaction. Change management will be the core competency of the business leaders in twenty-first century. Therefore being visionary change agents, leaders will be required to be more skillful and motivational. Discontinuous changes make worst affect on the capabilities of leadership (Nadler, Shaw & Walton, 1995). Even after implementation of change, the duty of leader does not end. Change is the one constant, one can easily anticipate. But in business, it's vital that organizations build up a change management approach through which they can rely on to diminish both expected and unexpected changes. That way, they can meet any challenges head-on and not be derailed by whatever changes come their way (Gans, 2011). Nickols (2010), states that there are four basic definitions for change management. These four definitions are:

- ❖ **The task of managing change:** Firstly the definition of change management referred to the term, 'the task of managing change'. Managing change can be illustrated firstly as making of changes in a planned and managed way, secondly to manage the response to changes on which organization have some control. It also includes managing impact of change on people.
- ❖ **An area of professional practice:** Change management is an area of professional practice where organization is managing the general process of change that is laid claim to by professional change agents.
- ❖ **A body of knowledge:** Change management is a body of knowledge that consists of the models, methods and techniques, tools, skills and other forms of knowledge that go into making up any change practice.
- ❖ **A control mechanism:** Change management is about controlling and monitoring the standards, requirements, processes and procedures through which effective change can be bought in the routine system of any organization.

LEADERSHIP STYLE

Important element for a successful change in any organization is "Leadership" - leaders are the role model personalities in any community. There are different styles of leadership explained by theorists, and every style has its own impact on change management. Lowder (2009) have discussed Leadership Model for Change Management, he concludes that Transformational leadership focuses on organizational development where as servant leadership have concern about the development of followers. In today's dynamic business environment, for developing best follower ship and change management dealing – Transformational Leadership model is best. Change management will be the core competency of the business leaders in twenty-first century.

Therefore being visionary change agents, leaders will be required to more skillful and motivational. Discontinuous changes make worst affect on the capabilities of leadership (Nadler, Shaw & Walton, 1995). 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.

At third phase of “Change Management Life Cycle” leaders are the one who have to lead any change. They have to help the person to develop skills that facilitates them to cope up with the changes. Successful change leaders have to pay attention towards the launch, implementation and sustaining of the particular change effort (Herold & Fedop, n.d).

Change management is a process that includes various skills i.e., leadership development (ability of top management to get trust of internal customers in them), marketing and sales ability (to make awareness about the consequences of change) and communication skill (gather support for the decision to change (Kaminski, 2000). Lack of any of these skills may have bad impact on the effectiveness of change management process in an organization.

According to Ajayi (2002), the change leader needs following capabilities:

Superhuman determination to make the change happen;

- Persistence;
- Stamina;
- A sufficient mandate that stems from personal change; and
- First-rate intelligence.

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 (Bossidy & Charan, 2002; Gilley, 2005).

The literature reveals that basic leadership and management practices are associated with the core competencies of an organization to achieve desired outcomes (Goonan & Stoltz, 2004). Leadership is an important essence for change management process as by definition, change requires new system creation and then institutionalizing the new innovative approaches. Primarily, the transformational leadership is considered as leadership style having capabilities to increment change fully in an organization (Eisenbach, Watson & Pillai, 1999). 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).



Figure 1: Leader as Change Management

REFERENCES

- [1]. Galpin, T. J. (1996). *The human side of change: A practical guide to organization redesign*. San Francisco: Jossey-Bass Publishers
- [2]. Gans, K. (2011). Should you change your thinking about Change Management? *Strategic Finance*, October 2011, 48-50.
- [3]. Gilley, A. (2005). *The manager as change leader*. Westport, CT: Praeger
- [4]. Goonan, J. K., & Stoltz, K. P. (2004). Leadership and Management Principles for Outcomes-Oriented Organizations. *Medical Care*, 42(4), 31-38.
- [5]. Herold, D. M & Fedor, D. B. (n.d). *Leading change management, leadership strategies that really work*. Stanford Business Books.
- [6]. Noer, D. M. (1997). *Breaking free: A prescription for personal and organizational change*. San Francisco: Jossey-Bass.
- [7]. Nwankwo, S., & Richardson, B. (1996). Quality management through visionary leadership. *Managing Service Quality*, 6(4), 44 – 47.
- [8]. Senge, M, P. (1990). The Leader's New Work: Building Learning Organizations. *Sloan Management Review*, Fall 1990, 7-23.
- [9]. Singh, K, S. (2011). Leadership & Organizational Learning in Knowledge Management Practices in Global Organizations. *The Indian Journal of Industrial Relations*, 47(2), 353-365.
- [10]. Smith, I. (2005). Achieving readiness for organizational change. *Library Management*, 26(6/7), 408-412.
- [11]. Smith, I. (2006). Continuing professional development and workplace learning. *Library Management*, 27(4/5), 300-306.
- [12]. Wanberf, R, C & Banas, T, J. (2000). Predictors and outcomes of openness to changes in a reorganizing workplace. *Journal of Applied psychology*, 85(1), 132-142.