**L6: The Leadership of Change**

Management and Leadership

Management and leadership are both parts of the formal and informal aspects of organisational life. Management is more in the formal part of the organisation i.e. in the formal structure than leadership. Management is more a function involving planning, organising, leading and controlling and for achieving organisational objectives. On the other hand, leadership is the process of influencing people towards achievement of organisational goals.

Kotter (1990) gives a useful summary of the differences between leading and managing.

|  |  |  |
| --- | --- | --- |
|  | Management | Leadership |
| Creating an agenda | Planning & budgeting - establishing detailed steps & timetables for achieving needed results, & then allocating the resources necessary to make that happen. | Establishing direction - developing a vision of the future, often the distant future & strategies for producing the changes needed to achieve that vision. |
| Developing a human network for achieving the agenda | Organising & staffing - establishing some structure for accomplishing plan requirements, staffing that structure with individuals, delegating responsibility & authority for carrying out the plan, providing policies & procedures to help guide people and creating methods or systems to monitor implementation. | Aligning people - communicating the direction by words and deeds to all those whose cooperation may be needed so as to influence the creation of teams & coalitions that understand the vision & strategies & accept their validity. |
| Execution | Controlling & problem solving - monitoring results vis. plan in some detail, identifying deviations, & then planning and organising to solve these problems. | Motivating & inspiring - energizing people to overcome major political, bureaucratic, & resources barriers to change by satisfying very basic, but often unfulfilled, human needs. |
| Outcomes | Produces a degree of predictability & order, & has the potential of consistently producing key results expected by various stakeholders (e.g. for customers, always being on time, for stakeholders, being on budget.) | Produces change, often to a dramatic degree, & has the potential of producing extremely useful change (e.g. new products that customers want, new approaches to labour relations that help make a firm more competitive). |

Definition of Leadership

Ralph M. Stogdill after making a survey of leadership theories and research pointed out that “there are almost as many different definitions of leadership as there are people who have attempted to define the concept.”

In management, ***leadership is the process of directing and influencing the task-related activities of group members***. Four implications arise from this definition of leadership:

1. It involves other people - employees or followers. But their willingness to accept directions from the leader, group members help define the leader’s status and make the leadership process possible.
2. It involves an unequal distribution of power between the leader and group members. The leader has more power. The leader as a manager has 5 sources of power to influence others: reward power, coercive power, expert power, reference power and legitimate power. The greater the number of these power sources available to the manager the greater is his potential for effective leadership.
3. It involves the ability to use the different forms of power to influence followers’ behaviour in a number of ways. There is a change in the attitude, value or behaviour of the employees or followers.
4. It is about values, especially the moral values.

Demand for Leadership

* Leadership is of utmost importance. There is no substitute for it.
* Leadership can make a difference between success and failure.
* Increased competition, rapid technological advancements, economic downturn and ‘flattening’ in organisations have pushed the need for leadership.
* Working with other people to do more with less resource is the biggest challenge facing organisations as we approach the 21st century.
* In order to achieve high-performance results, today’s prospective organisations are not only concentrating on the upper echelon of the hierarchy but are developing and training the entire workforce for self-directed leadership.
* The challenge is also to produce effective leaders among workers close to the customers. Everyone in an organisation is now a potential manager and leader.
* With such a high demand for leaders everywhere why is there such a scarcity?

Leaders see, to be well rewarded for what they do. Good leaders advance more quickly in organisations; receive more money and other material rewards; have greater prestige and more job security; have more control over their lives and get greater satisfaction from their jobs.

* With all these incentives to become a leader why there are few good leaders?

Many factors, some thought important for leadership had little to do with being or becoming a good leader e.g. education, wealth, years of experience or even position in an organisation. You do not have to be a manager to be a leader.

Many people could become excellent leaders but they just do not know how. You must have the basic capacity for leadership and then develop the know-how.

Are leaders born or made?

* The development of leadership ability is very complex.
* There is some agreement among researchers that genetics and childhood must play a role in the development of leadership abilities.
* Genetics plays an important role i.e. certain genes that favour intelligence, physical stamina and appearance.
* Childhood conditioning is said to lay the more important groundwork for leadership. Family members, peers, education, sports and others influence the child’s need for achievement, power and risk-taking.
* However, researchers believe that work experiences, hardship, opportunity, education, role-models and mentors all go together to craft a leader by providing essential knowledge and behavioural skills.
* In addition, luck may play a role in gaining the opportunity to demonstrate your capabilities.
* A final and critical factor in the equation is the individual’s level of motivation. Many people simply do not want the responsibilities and hardships of leadership. Motivation to lead may be directly related to self-esteem and power needs.
* Leadership is the driving force in getting things done through people. It provides vision and direction, inspires confidence and enthusiasm, encourages and builds teamwork. Leaders lead people.

How to identify a Leader?

One best way to lead

Based on traits of leadership:

|  |  |  |
| --- | --- | --- |
| Lord, De Vader & Alliger (1986) | Kiekpatrich & Locke (1991) | Dulewicz & Herbert (1996) |
| 1. Intelligence
2. Having an extrovert personality
3. Dominance
4. Masculinity
5. Conservatism
6. Being better adjusted than non-leader
 | 1. Drive
2. Leadership motivation
3. Honesty & integrity
4. Self-confidence
5. Cognitive ability
6. Knowledge of the business
 | 1. Risk taking
2. Assertiveness & decisiveness
3. Achievement
4. Motivation
5. Competitiveness
6. Exceptional skill - planning & organising; managing staff & motivating others.
 |

Two statements from Dulewicz & Herbert (1996)

1. Our most successful general managers are also willing to take risks rather than seek comfort in familiar situations, are determined to see things through to completion; set stretching targets for themselves and others; and are highly competitive and poor losers.
2. The competencies required of high-flyers will tend to concentrate on the ability to cope with change and uncertainty and the promotion of *innovation*.

The concept of ‘***innovation***’ in the second statement brings a leadership trait, which does not appear in the three lists of traits.

Innovation implies a set of leadership characteristics, which are related more to ‘right-brain’ thinking as opposed to ‘left-brain’ thinking i.e. a preference for thinking and decision-making which used intuition in addition to reason and logic.

***Intuition*** is defined by Lank and Lank as:

“A brain skill, operating largely from the right hemisphere, capable of entering awareness at physical, emotional and mental levels; whose sources are the subconscious, unconscious and/or superconscious; and which enters consciousness without rational thought or careful analysis and quantitative calculation.”

Bennet III (1998) links intuition to tacit knowledge, which he conceptualizes as ‘idiosyncratic, subjective, highly individualized store of knowledge and practical know-how gathered through years of experience and direct interaction within a domain.”

(Tacit knowledge - based on personal experience, rules of thumb, intuition and judgement, professional know-how and expertise, individual insight and experience and creative solutions that are often difficult to communicate and pass on to others. More towards “know how”. See Daft p.258)

Intuition is just as important for decision making as explicit decision making processes based on the collection of ‘facts and logical reasoning’.

All three of these writers contrast intuition and decision makings with analytical, rational, logical thinking and decision making. They are of the opinion that in times of uncertainty and turbulence, intuition is important for decision making.

Anderson (2000) studied 33 managers working in an organisation in the service sector in Sweden and discovered three ways they make their decisions:

1. Sensing and thinking (respect for facts and information).
2. Intuition and thinking (respect for possibilities and tacit knowledge & reasoning) or
3. Intuition and feeling (based on own values but with respect for other people’s feeling and emotions).

For each pair of preferences, one will be dominant and the other auxiliary. Anderson found that managers with dominant intuition combined with auxiliary thinking decision making styles were more effective (i.e. organisational effectiveness is improved).

***Emotional Intelligence***

Goleman (1998) claims to have found which personal capabilities that drive outstanding performance in organisations. There are three personal capabilities:

1. Purely technical skills
2. Cognitive abilities and
3. Competencies demonstrating ***emotional intelligence*** which involves 5 components:

Self-awareness; self-regulation; motivation; empathy and social skills.

For a leader to be successful, he needs not only the first two capabilities but the emotional intelligence as well.

There is NO ONE BEST WAY BUT A RANGE OF LEADERSHIP STYLES

1. Bass (1990) listed 29 different leadership styles of behaviour.

2. Wright (1996) listed 4 different leadership styles of behaviour:

1. Concern for task (productivity)
2. Concern for people (people-oriented, person-oriented, employee-centred leadership)
3. Directive leadership (authoritarian/autocratic leadership)
4. Participative leadership (democratic leadership)

 Wright’s attempt to link leadership style with high performance and subordinate

 satisfaction could not point to a single style. No one single style of leadership seemed

 to emerge as the most appropriate in all situations.

3. Two famous studies of leadership - the University of Michigan and Ohio State University

 - have come up with almost the same leadership styles of Wright i.e. leader’s behaviours

 can be categorised in 4 different ways:

1. High on consideration and high on initiating structure
2. High on consideration and low on initiating structure
3. Low on consideration and low on initiating structure
4. Low on consideration and high on initiating structure

 Consideration refers to the leader’s concern for the well-being of their subordinates and

 the building of trust and mutual respect with subordinates (which is the same as ‘concern

 or people’ or participative leadership of Wright).

4. *The Leadership Grid of Blake and McCanse (1991)* helps to identify 5 different leadership

 styles based on 2 dimensional factors - concern for people and concern for production

 (concern for task). See diagram attached: The leadership grid.

 High

 9 1.9 9.9

 Country Club Team Management

 Middle of the Road Management

 Concern for 5.5

 people

 Impoverished Management Authority-Compliance

 1 1.1 9.1

 Low

 1 Concern for production 9

 Low High

In the Leadership Grid, the different combinations of concern for people and concern for production result in different combinations of leadership characteristics:

1. The 9.1 Authority- Compliance leader has a high concern for production (task oriented) and little concern for people thereby emphasizing efficiency and the needs of the organisation at the expense of the needs of the people. People are closely supervised and controlled in order to achieve efficiency. This is unlikely to get the cooperation, involvement or commitment of those who are expected to complete the task.
2. The 1.9 Country Club leadership style is based on high concern for people and very low concern for production. People are to be well treated in order to achieve performance. The leadership style encourages friendliness and pleasant relationships. As a consequence, production suffers. Creativity and innovation suffer because the people are challenged to become competent in doing their tasks.
3. The 1.1 Impoverished Management or laissez-faire leadership style is characterised by minimum concern for both production and the needs of the people. The leader remains uninvolved with the needs of the people or concern for production. Any conflict is avoided deliberately.
4. The 5.5 Middle of the Road leadership style is concerned with moderate rather can high performance. The idea is to balance the contradiction between production and people’s needs through compromising in the face of conflict. It allowed for complacency and the team could lose sight of reality.
5. The 9.9 Team Management leadership style is concerned for high production and a high concern for the needs of the people. There is little conflict as the people work as a team on the basis that people need to depend on each other to complete their tasks. The relationships between people are based on trust and respect for each other. The work is completed if employees are committed to the task, team and organisation.

It is apparent that the ‘Leadership Grid’ assumed that there is only one best style of leadership, i.e. the 9.9 team management style regardless of the situation. The leadership grid is an attempt to categorise different aspects of leadership behaviour. On the other hand, there are other categories of leadership behaviour that overlap with these 5 styles of leadership. According to Useem (196) other categories include:

* Powers of the person
* Challenging the process
* Searching for opportunities
* Inspiring a shared vision
* Fostering collaboration
* Strengthening others
* Recognising contribution
* Being visionary
* Demonstrating personal sacrifice, determination, persistence and courage

**Transformational Leadership vs. Transactional Leadership**

Certain actions of leaders can be considered to be those of transformational leadership as compared to the less visionary style of leadership associated with transactional leadership. The transformational leadership is more likely to be effective in times of change. Tichy and Ulrich (1984) compare and contrast transactional and transformational leaders:

|  |  |
| --- | --- |
| Transactional leader | Transformational leader |
| 1. Contingent reward: contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.
2. Management by exception (active) watches and searches for deviations from rules and standards, takes corrective action.
3. Management by exception (passive) intervenes only if standards are not met.
4. Laissez-faire: abdicates responsibilities, avoids making decisions.

(Source: Barbara Senior, 2010 p. 262) | 1. Charisma: provides vision and sense of mission, instils pride, gains respect and trust.
2. Inspiration: communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways.
3. Intellectual stimulation, promotes intelligence, rationality and careful problem solving.
4. Individualised consideration, gives personal attention, treats each employee individually, coaches, advises.
 |

The essential differences have also been summarised by Tichy and Ulrich as follows:

“Where transactional mangers make only minor adjustments in the organisation’s mission, structure and human resource management, transformational leaders not only make major changes in three areas but they also evoke fundamental changes in the basic political and cultural systems of the organisation. The revamping of the political and cultural systems is what mist distinguishes the transformational leader from the transactional one.”

Bass” “…..transactional leaders are those who initiate structure and are considerate to employees … they might be considered to be 9.9 leaders.”

Robbins: “Transformational leadership is built on top of transactional leadership - it produces levels of subordinate effort and performance that go beyond what would occur with a transactional approach alone.”

Tichy and Ulrich: Transformational leaders are those “who revitalises organisations - transform the organisations and head them down new tracks.”

Behling and McFillen (1996): transformational leaders give rise to inspiration, awe and empowerment in the followers, resulting in exceptionally high effort, exceptionally high commitment and willingness to take risks.

However, it is not clear as to whether one particular way of leading can be appropriate for all circumstances or whether different leadership styles and behaviours are require for different situations.

**Contingency Approaches to Leadership**

So far we have seen arguments about what traits and behaviours leaders should have in order to reach an universal view about leadership.

The identification of effective leaders can no longer be based on their characters and behaviours. It has to include the study of other factors:

1. Personality, past experience and expectation of the leader
2. The superior’s expectations and behaviour
3. The task requirements
4. Subordinates’ characteristics
5. Organisational climate and policies; culture
6. Peers’ expectations and behaviour
7. Organisation strategy

The consequence is the idea of “Contingency Approaches” which attempt to specify the situational factors that determine how effective a particular leadership style will be.

*The behaviour of a leader can be expressed in the form of a continuum:*

According to Tannenbaum and Schmidt (1973) the behaviour of a leader can change from concern for task at one end to concern for people at the other end of a continuum.

 Directive Participative

 Boss-centred Subordinate-centred

 leadership style leadership style

They say that a leader should move along the continuum selecting the style that is most appropriate to the situation prevailing. They suggest that there are three forces that determine the type of leadership style:

1. Forces in the manager - his characteristics, skills and knowledge, values & attitudes.
2. Forces in the subordinate - degree of support needed, experience & knowledge of the work, commitment to organisational goals, expectation as to how leaders will behave, previous experience of different leadership styles. E.g. if subordinates are inexperienced, immature and uncommitted then an autocratic, telling style may be more suitable.
3. Forces in the situation:

(1) Nature of the task/problem and

(2) The general context to make a decision:

 - time available to make a decision

 - the organisational culture and power balance

 - general opportunities and constraints arising from organisational structures and

 processes

 - environmental and societal influences

The most recent and important ***contingency models of leadership*** are:

1. Fiedler Model (1962) - found the most important situational variables are:
2. Leader-member relations
3. Task structure and
4. Leader’s position power

 Combining these three factors 8 possible combinations exist and the types of leaders most

 effective for each of them.

1. Path-Goal Model (Evans and House, 1971) - found that subordinates’ characteristics (skill, motivation, expectation and locus of control) and environmental pressures and demands (job design, goal clarity, resources and time) they are subjected to affect the leadership style they find rewarding.
2. Life-Cycle Theory (Hersey and Blanchard, 1993) - found leadership style varies with maturity of subordinates. Manager-subordinate relationship moves through 4 phases:
3. Subordinates new to organisation: High task oriented leadership style (directing)
4. Subordinates learnt task : Employee-oriented leadership style (coaching)
5. Subordinates’ ability &

motivation increased: Low task oriented leadership style (supporting)

 (4) Subordinates more capable,

 confident & experienced: Low task, no longer need or expect directive

 relationship with manager (delegating)

 The emphasis is on the characteristics and expectations of group members or subordinates in deciding what leadership style to adopt. After all, it is these people who must carry out the task. Here it is the readiness of the subordinates to accept responsibility and willingness of the subordinates to make their own decision that determine the leadership style to be adopted.

***How flexible are leadership styles?***

1. Fred Fiedler: leadership styles are inflexible. Managers must match to the situation or situation changed to suit the manager.
2. Victor H. Vroom & Philip V. Yelton, Hersey & Blanchard, and Blake & McCanse: leadership style flexible, managers have the ability to vary their leadership style appropriate to each situation.

***Matching Organisational Models and Leadership Roles***

There are many situational variables that influence the style and behaviour of leaders:

1. Leaders’ predisposition to one style rather than another.
2. The strength of their power base to deliver rewards to their followers.
3. The expectations and skills of subordinates and their preparedness for different degrees of autonomy in their own actions.
4. The nature of the task to be achieved.
5. The many factors (organisational structure, culture, time and resources available) which make up the organisational context in which leadership operates.

Argument:

Organisation’s strategic focus and the preferred forms of control will determine many of the other factors and therefore a particular leadership style could be adopted.

This issue was taken by Quinn (1988) and Farkes and Wetlaufer (1996). Both reached the same conclusion. *Different leadership styles and behaviour ‘fit’ different organisational models.*

***Leadership in Times of Change***

Conclusions about leadership in times of organisational change:

1. One best way of leading - based on traits (characteristics) of leadership.
2. No one best way but a range of leadership styles, which should be applied to different situations.
3. The transformational leadership - organisations go through continuous change and there is a need for continuous transformation of organisations. As a consequence, the people in organisations have the continuous need for transformational leadership.
4. The contingency theories of leadership show that leadership style and behaviour can vary according to the different characteristics of different organisational situations such as:
* leadership-member relations
* subordinate characteristics
* situational factors (task & its context)

***Leadership and the Organisational Life Cycle***

Greiner’s (1972) organisational life cycle indicates stages of growth that an organisation goes through as it forms, develops and matures. The types of top management style required for the 5 phases of growth are shown below.

 Phases of growth Top Management Style

1. Growth through creativity Individualistic, creative, ownership, entrepreneurial
2. Growth through direction Directive
3. Growth through coordination Delegative
4. Growth through coordination Watchdog
5. Growth through elaboration Participative

It is apparent that as organisations evolve and mature, there is a need for change in the management style of top management.

Clarke and Pray (1985) supported Greiner’s suggestions of the need for change in the management style of top management and other organisational leaders as organisations evolve and mature. They identified 4 different styles of managerial leadership required at different stages in the life of an organisation:

1. The ‘Champion’ to fight for and defend the new business.
2. The ‘Task Commander’ to take the business into the next stage of growth.
3. The ‘Housekeeper’ to keep the business on an even keel as it enters the mature stage to provide efficiency as well as effectiveness.
4. The ‘Lemon Squeezer’ to get the most out of the business as it is in danger of decline.

Quinn (1988) also suggested that organisations at different stages of growth need different leaderships:

1. A young organisation starts its lifecycle in the ‘Open Systems Model’ (the Adhocracy).
2. As organisation grows and develops towards an established collectivity, a style of more supportive of employees and more group oriented leadership is more appropriate. It moves into the Human relations Model (The team)
3. As organisation’s growth reaches the more formalised stage, a more conservative, cautious style is required - that of the roles of monitor and coordinator. It focuses on productivity and accomplishment of its goals. It has moved to the Rational Goal Model (The firm).
4. As the organisation grows in size and becomes more formal in its structure, it attains the Internal Process Model (The hierarchy).
5. Finally at the elaborated stage, a flexible leadership style is required to meet the complex changing situation within the organisation but with an emphasis on resource acquisition and innovation in anticipation of further change. It refocuses on the Open Systems Model again.

 Environment

 Flexible Stable

 Internal Human relations Internal Process

 Focus Model Model

 (The Team) (The Hierarchy)

 Leader: Mentor, group Leader: Monitor &

 facilitator coordinator role

 Style: concerned & Style: conservative &

 supportive cautious

 External Open system Rational goal

 Focus Model Model

 (The Adhocracy) ( The Firm)

 Leader: individualistic & Leader: producer &

 entrepreneurial director

 Style: innovative & Style: directive, goal-

 risk-taking oriented

 (See attached diagrams: 1. Summary of Quinn’s (1988) four organisational models

 2. Competing values framework of leadership roles.)

***Leadership and the nature of change***

There is little in the literature to suggest which leadership styles and behaviours are most associated with each type of change.

Two exceptions stand out:

1. Transformational leadership is associated with transformational or frame-breaking change.
2. The work of Dunphy and Stace (1993) has linked styles of leadership to types of change:
3. For transformational change at the corporate level, a directive/coercive style of leadership is most appropriate.
4. For changes at the business (operational) level, a more consultative style of leadership to win commitment of employees is required (e.g. participative, charismatic) i.e. at the converging, incremental types of change.

In the final conclusion - any leadership style to bring about changes in organisation will depend on the capability and willingness of the organisation to remain open or closed to change.

Obstructing and Facilitating Processes to Change

External and internal forces together can trigger change in organisations. These forces are countered by other forces, which resist change.

Resistance from within the organisation can be managed but may not be so for those forces from outside the organisation.

For any change to take place the forces supporting change need to be strengthened and those opposing weakened. If they are balanced, then no change can take place.

Forces for and against change

|  |  |
| --- | --- |
| Driving forces for change | Driving forces against change |
| 1. External forces:* role of the state
* social pressures
* changing technology
* constraints from suppliers
* stakeholder demands
* competitor behaviour
* customer needs

2. Internal forces:* organisational growth
* pressures for increased performance
* managerial aspirations
* political coalitions
* redesign of jobs
* restructuring
 | 1. Individual resistance:* fear of the unknown
* dislike of the uncertainty and ambiguity
* surrounding change
* potential loss of power base
* potential loss of rewards
* perceived lack of skills for new situation
* potential loss of current skills

2. Organisational resistance:* inertial forces deriving from the systemic nature of organisations
* interlocking aspects of structure, control systems, rituals and routines, signs and symbols
* inertial forces deriving from group norms
* potential loss of group power bases
* entrenched interests of stakeholders
* lack of organisational capability
* lack of resources
* threat to resource allocations
 |

***How to depict the range and strength of forces for and against change?***

Use the technique of “Field Force Analysis” involving 9 steps:

|  |
| --- |
| 1. Define the problem in terms of the present situation, with its strengths and weaknesses and the situation you would wish to achieve. Define the target situation as precisely and unambiguously as possible.
2. List the forces working for and against the desired changes - can be based on people, resources, time, external factors, corporate culture.
3. Rate each of the forces for and against change in terms of strength: high, medium or low.
4. Using a diagram to show the opposing forces for and against change. For Change against
5. Label each line to be very important, important or not important.
6. For each very important and important force supporting the change, indicate how you would attempt to strengthen the force. Do the same for those forces opposing the change.
7. Agree on those actions that appear most likely to help solve the problem of achieving change.
8. Identify the resources that will be needed to take the agreed actions and ow these resources may be obtained.
9. Make a practical action plan designed to achieve the target situation, which should include:
* timing of events
* specified milestones and deadlines
* specific responsibilities - who does what.
 |

The result of the analysis can help in deciding the extent to which an organisation is open or closed to change. Strebel (192) offers the following advice:

1. Look for closed attitudes - what processes are available for bringing new ideas into the industry/company/business unit, at the highest levels and whether management is aware of the change forces.
2. Look for entrenched culture - values and behaviour and skills that can adapt, to the forces of change.
3. Look for rigid structures and systems - are they capable of accommodating the forces of change.
4. Look for counterproductive change dynamics - whether historical forces of change are driving the business or become new force of resistance.
5. Assess the strength of the overall resistance to change - examine the various forces of resistance and how they are correlated and the power and resources needed to deal with the resistance.

From the determination of the level of intensity of forces for change and the degree of resistance to the change, it is possible to decide the type of leadership behaviour and overall management approach necessary to implement the change.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Resistance** | **Proactive** | **Reactive** | **Rapid** |  |
| Closed to change | Radical leadership | Organisational realignment | Downsizing and restructuring | Discontinuous paths |
| Can be opened to change | Top-down experimentation | Process reengineering | Autonomous restructuring | Mixed paths |
| Open to change | Bottom-up experimentation | Goal cascading | Rapid adaptation | Continuous paths |
|  | **Weak** | **Moderate** | **Strong** | **Change force** |

Contrasting change paths (Strebel, 1996)

Strebel summarises the situation of the above figure: “It is useful to distinguish between the different levels of ‘change force’ intensity. Weak change forces are difficult to discern and require skill in communications and in identifying the value creating idea - but there is time for experimentation. Moderate change forces are those which have started to affect performance but do not threaten survival getting people’s attention is easier and multi-disciplinary terms should be employed.

Those organisations with high resistance have very few ‘change agents’ and require a radical approach to break the dominant culture. The process should start with resistors at the top…. and requires some form of reorganisation. In organisations that can be opened to change, management has to help the change agents, and top-down experimentation is desirable. In organisations that are already open to change there is usually little risk in leaving the resistors until last. Bottom-up experimentation and goal cascading should be possible.”

Strebel comment: “Change leader cannot afford the risk of blindly applying a standard recipe and hoping it will work. Successful change takes place on a path that is appropriate to the specific situation.”

***Responding to resistance to change***

Reducing or overcoming resistance to change depends on:

1. Identifying the sources of resistance.
2. The leader’s ability to be task oriented (when it is required) and
3. The leader’s ability to be relationship-oriented to address the more individualized resistance.

Six steps to effective change by Beer et al:

1. Mobilise commitment to change through joint diagnosis of business problems.
2. Develop a shared vision of how to organise and manage for competitiveness.
3. Foster consensus for the new vision, competence to enact it and cohesion to move along.
4. Spread revitalisation to all departments without pushing it from the top.
5. Institutionalise revitalisation through formal policies, systems and structures.
6. Monitor and adjust strategies in response to problems in the revitalisation process.

Why transformation efforts fail?

According Kotter (1995):

1. Not establishing a great enough sense of urgency.
2. Not creating a powerful enough coalition.
3. Lacking a vision.
4. Under communicating by a factor of ten.
5. Not removing obstacles to the new vision.
6. Not systematically planning for and creating short-term wins.
7. Declaring victory too soon.
8. Not anchoring changes in the corporation’s culture.

However Kotter and Schlesinger (1987) provide a range of different approaches for dealing with resistance to change:

1. Education and communication
2. Participation and involvement
3. Facilitation and support
4. Negotiation and agreement
5. Manipulation and co-optation
6. Explicit and implicit coercion

Each of the above approaches requires a particular set of circumstances to exist. E.g. if the change agent/initiator/facilitator has considerable power, and the change must be done quickly, then coercion may be applied (no. 6). If the change initiator does not have complete information and others have power to resist, then negotiation and agreement approach shoud be used (no. 4).

Kotter and Schlesinger’s analysis helps managers to identify specific instances of opposition to change and then work out an approach relevant to a particular situation to overcome the resistance to change.

Note:

When individuals are confronted with change, they often go through a traumatic process of shock and denial before they come to acknowledge and adapt to it. Normally the causes for the employees to resist change in the organisation may due to any or all the following reasons:

1. Fear of the unknown
2. Dislike of the uncertainty and ambiguity surrounding change
3. Potential loss of power base
4. Perceived lack of skills for new situation
5. Potential loss of current skills.
6. Peer pressure
7. Economic loss

How to overcome the fear of change by employees apply Kotter and Schlesinger’s approach:

1. Communicate with the employees within reasonable time of the changes the organisation intended to make by providing effective and reliable information regarding the change and the reasons for the change to take place. Alternately educate the employees to use the tools of analysis such as to read accounting and production documents, so that they will be able to analyse and understand the problems themselves and in a better position to understand the need for change.
2. Give the employees the vision of the organisation in the manner that they will understand what the organisation wants to do.
3. Where possible allow members who are involved in the change to participate in the decision making process but they must not be forced to do so. A person who has participated in the formation of a programme not only has an interest in it, is likely to be more motivated and be more supportive of the programme.
4. Provide support for those involved in the change and reinforcing the change process such as promotion, monetary reward or public recognition, praise and encouragement to those who support the change.
5. Negotiate with potential resisters e.g. offer them increase in pension benefits in exchange for early retirement, transferring to other divisions instead of laying them off.
6. Formulate flexible reward systems that take account of individual differences in employees to encourage them to accept change e.g. profit sharing, bonuses, skill and knowledge-based pay, gain sharing and stock ownership plans.
7. Avoid the use of explicit or implicit threats involving loss of jobs or loss of promotions or raises and so forth to employees who resist change. Such methods pose risks and make it difficult to gain support for future change. Use teams to solve the problems and to make the change. Those who still cannot work together in the team can be moved to work in situations where they can work independently.
8. Create a climate where everyone involved in the change programme can communicate with others freely. If attitudes of respect, understanding and communication prevail, this will help to break a cycle of reciprocal threat and aggressiveness on the part of the resistors.

These are some of the ways the manager can apply to remove the fear of change by the employees so that the change process can be implemented in the organisation.

Besides, that change can be exciting and can bring new and positive opportunities for all. Therefore the idea of a vision and communicating this vision to the individuals is important to bring about change as emphasized by Clarke (194). She says, “It is a vision of a new future which provides the pull-through and momentum for change.”

However, vision alone is not enough, to bring about change in organisationns, other factors are needed, such as:

* Beer et al’s six steps to effective change
* Kotter’s what not to do and
* Kotter and Schlesinger’s different approaches for dealing with resistance to change.

All these help to answer the question, “What leadership approach works best in situations of organisational change?”

Taken together these illustrations show how leaders of change need to have certain attitudes and behavious which are of benefit regardless of the prevailing situation but they also need to understand that some behaviours are more effective in some situations and other behaviours more effective in other situations.

**Review Assignment 6**

1. What must a manager do before he can apply any method to change the people in his organisation?
2. What are the characteristics of a good team?
3. Who is a leader in an organisation?
4. What is leadership/
5. What must managers, as leaders, do to overcome the fear of change by employees?
6. Give reasons why there is a great demand for leadership in organisations?