

LEADERSHIP APPROACHES REGARDING THE ORGANIZATIONAL CHANGE

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Abstract:

The purpose of the present paper is to capture the readers' attention towards the relationship between different styles of leadership and the process of implementing organizational change. Throughout the paper we debate issues like the role of leadership in the moments the organization deals with radical changes; the importance of acknowledging the necessity of change for the organization; the presentation of phases and possible effects of change; the correlation between different leadership styles and phases of change. The paper approaches all issues systematically in order to create logical connection of ideas that should be easy to comprehend for all readers, specialists and non-specialists.

Key words: change; leadership; leadership style; organizational change; resistance to change;

JEL classification: M12; M13; M19.

I. INTRODUCING THE ROLE AND IMPORTANCE OF ORGANIZATIONAL CHANGE

Nowadays business trends are changing rapidly all over the globe and the organizations that don't change cannot survive. (Hage, 1999) Creating a change readiness climate within the organization is the leaders' job. Not only managers have to be prepared for any change process but also employees. Employees' readiness to accept and embrace change is critical for the process success. Even if managers lead the organizations the transformation power lies within the people that form the organizations and leaders may only try to stimulate and support the change. Employees decide whether to work towards change or against it. If leaders want the success of the organization then they have to prepare their employees for change. *Leaders have to choose or re-create the wright means to prepare, implement and sustain change.* Until now, theorists and practitioners have come with several methods, procedures, models and strategies applicable for various contexts but customization is absolutely necessary for each case.

Change means, in the first place, to alter the present shape/estate in order to become a better one. Change management is defined as the coordination of a structured period of transition from situation A to situation B in order to achieve lasting change within an organization. (Bartkus, 1997) *In general, individuals focus more on what is that they have to give up when change occurs and not on what they could gain.* This is the main factor for the resistance that individuals manifest towards change, which is rather paradoxical as any change is done for the good reasons.

A leader is a promoter of change that has to customize management styles according to the features and behavior of their employees. A leading style is influenced by numerous factors and may be analyzed from the managers' position. The success of change depends on the way the manager cooperates with employees and various collaboratives, on the way he stimulates the employees to involve within the change process. (Bejinaru & Băeșu, 2013)

Organizational change refers to a set of actions that come to amend previous methods, procedures, organizational behaviors or something else, through assigning some directions. The organizational change consists in the set of different actions that results shifting in directions and/or processes that affect the way in which organizations worked before. (Hage, 1999) The author argues

that successful organizational change indicates the enhanced learning capabilities of an organization which may lead an organization towards innovation. (Hage, 1999)

Questioning about what change is, what determines it and which are its purposes should make things easier to understand how to manage change and profit from it. "Change is a constant; has always been with us, and will continue to dictate reality. In fact change is reality." (Beerel, 2009, p.6)

Discussions about change share different perspectives like whether change is internally determined or environmentally determined. In this sense Beerel (2009) argues that change should be environmentally determined which means that the factors generating change are external to the system changing. Other perspective useful to consider is whether change is a radical or an incremental phenomena. In this case the question is if change is rather transformational then evolutionary. A diplomatic and well-balanced answer is given by Beerel (2009) that "both types of change occur simultaneously in a far less definable and controlled fashion than we like to imagine." (Beerel, 2009, p.8)

II. LEADERSHIP ROLE IN THE ORGANIZATIONAL CHANGE PROCESS

Nowadays the interest is focused upon the effects leadership generates for the organization. Today managers consider leadership as an instrument with great potential for shaping the organization, of course through directing the employees. Their attention turns toward the determination of that style/model/strategy of leadership that should lead to the wanted results in a certain context as in this case we refer to organizational change. (Bejinaru & Băeșu, 2013)

Leadership is a process of generating change, not maintaining the status quo. This change is not imposed by the leader, but it is a sharing process of the same purpose and values. (Brătianu & Anagnoste, 2011) Inside the organization, leaders must be promoters of change. Leaders have the power to influence others and motivate them in order to achieve certain goals. A leader of change is an individual with the ability to influence and ultimately change behaviors of employees, teams, and/or organizations; an individual who influences the commitment of any key group within the organization.

In many turns, we have observed that in practice leadership plays a central role when it comes to implementing organizational change. The arguments in favor of this statement are many, as it follows. According to Gardner (1993), *leadership is the process of persuasion or example* by which an individual induces a person or a group to pursue objectives held by the leader or shared by the leader and his or her followers. Considering this definition, then leadership style is the way in which that process is carried out. "Change is toward an outcome that leader and followers both want a desired future or shared purpose that motivates them toward this more preferable outcome. An important aspect of leadership is influencing others to come together around a common vision. Thus, leadership involves the influence of people to bring about change toward a desirable future". (Daft, 2008, p. 5)

Reviewing specialists' opinions becomes obvious that initiation and coordination of a change process always requires well developed leadership skills. Leading people through a change is an arduous process along which may be encountered various levels of resistance. People have a natural instinct to resist changes and especially they resist most to radical changes and it is only the leader's ability to overcome this. (Reardon, 1998)

The immediate resistance to change is generated by the person's instinct but the rejection aggressiveness is the result of taking things/change personally. The starting point to lower the resistance force towards change of employees is to depersonalize the problem. "Depersonalizing the problem decreases the emotional reactivity to the situation, which allows for, and even encourages, change. Once the emotional reactivity has dissipated, the firm and employees are able to move into the change mode. The ability to respond appropriately requires five essential skills: 1. Self-awareness, 2. Emotional maturity, 3. Self-motivation, 4. The ability to show empathy, 5. The ability to develop and maintain positive relationships." (Balestracci, 2003 p. 42)

Nowadays, the leader's effectiveness resides in the capability to manage employee resistance and mold their behavior towards the implementation of successful changes.

Even if this kind of process – change implementing- can be rigorously described, in practice it becomes a real hardship. Some changes, like *incremental changes* are easier accepted and implemented as these are gradually and informally applied. In time people get used to this kind of changes and become a routine, unlike *radical changes*. In contrast, radical changes are much more difficult to be accepted and resistance is stronger that is why are necessary true leadership competencies. Radical changes require a certain level of acceptance in order to create willingness to relinquish old styles of working in favor of new ones. (Reardon 1998)

In recent literature, specialists have extended the research and discussions about the leaders' role in the organization to other in depth issues like the effects of different leadership styles upon the process of implementing organizational change. Different leaders will have different views about the innovation and will approach their role in facilitating implementation in different ways. The views, styles, and behaviors of individual leaders should be understood, and system support strategies should take these differences into account.

For example Higgs and Rowland (2000, 2001) have researched upon the link between several styles of leadership and organizational change. In accordance with their results we present *five broad competency areas of leadership* related to successful implementation of organizational change:

- *Creating the case for change* – building awareness among employees regarding the imminence of change and its necessity;
- *Creating structural change* – insistently working on people understanding the essence of the specific change phenomena and providing its support through consistent tools and processes;
- *Engaging other* – getting people involved and committed to run along the change process;
- *Implementing and sustaining changes* – elaboration strategies and development of effective action plans and supervising the progress towards the desired change;
- *Facilitating and developing capability* – sustain people to find their own motivation for achieving change.

There are some extremist theorists who argue that *leading change is the fundamental role of a leader* and everything else is secondary. Yukl considers that a leader is only effective if he or she succeeds to adapt the organization to a changing environment through continuous revitalization. He emphasizes on understanding the reasons for resistance to change, the sequential phases in the change process, and different strategies to change will greatly enhance its likelihood of successful change implementation. (Yukl, G., 1998)

III.RELATIONSHIP BETWEEN LEADERSHIP STYLES AND IMPLEMENTATION OF ORGANIZATIONAL CHANGE

We envision leadership styles like persons' character styles or like personalities which in social life design different behaviors. For this reason we shall further approach the relation between different styles of leadership and organizational change in order to observe the effects on each other.

There are two main leadership styles that literature refers to: *transactional leadership* and *transformational leadership*. *Transactional leadership style* is characterized by the fact that the leader acts like an agent of change and supports the employees through procedures of fundamental changes that improve productivity. *Transformational leadership style* implies that the leader empowers the subordinates to assume the organization's vision which reflects into growth of productivity, of employees' motivation, of work satisfaction and of individual performance. (Burns, 1978)

According to Bass's (1998) research, a big issue about transformational leadership is whether it positively influences all organizational layers. In this case, the author suggests that it is necessary to

continuously supervise and support the development of human capital and the enhancing of key capabilities that will contribute to organizational success.

An important research instrument that was frequently used by specialists to observe the leaders' style is the MLQ – Multifactor Leadership Questionnaire created by Bass and Avolio (1990). The authors reveal four competency areas that ensure the success for a transformational leadership:

- *Idealized behavior* (IB) – it makes a leader to be trusted and respected;
- *Inspirational motivation* (IM) – the ability to stimulate employees to outrun themselves;
- *Intellectual stimulation* (IS) – leaders stimulate the employees to ask questions and to solve old problems in new ways;
- *Individual consideration* (IC) – refers to the habit of listening the needs and wishes of subordinates.

In 2004 a Gallup survey revealed that the strengths and weaknesses for a group of 782 top managers were mostly the following:

- Strengths: integrity, ability to communicate, seriousness, intelligence, business knowledge, leadership skills and education;
- Weaknesses: limited perspectives, incapacity to understand other members of the team, incapacity of working with others, indecision, lack of initiative, lack of responsibility, lack of integrity;

Higgs and Rowland identified three distinct groupings of change leadership behaviors. These were:

1. Shaping Behavior: the communication and actions of leaders related directly to the change; 'making others accountable'; 'thinking about change'; and 'using an individual focus'.
2. Framing Change: establishing starting points for change; 'designing and managing the journey'; and 'communicating guiding principles in the organization'. And
3. Creating Capacity: 'creating individual and organizational capabilities'; and 'communication and making connections' (Higgs & Rowland, 2005)

Analyzing knowledge about leadership competencies, leaders' strengths and weaknesses, and change behaviors will lead to identifying pragmatic strategies to be applied through the change process. The above observations built the conclusion that an effective leader relies on personal and behavioral characteristics and on fine abilities to relate with others. Thus, leaders have to be perfectly aware of the areas they are good at and the ones they have yet something to improve.

The standard structure of a change process is described through three main stages, well known as Lewin's model: unfreeze-change-refreeze. The change process starts with "unfreezing", that means the dissolving of existing systems. In a "fluid" estate, the organization may be easily modeled, as it is more flexible. When organizational environment becomes more relaxed any *change* will be assumed naturally, and shall not be perceived as something imposed. The third stage of "refreeze" has to be understood as an end of a certain change procedure and not as a return to the solid initial estate. This is Lewin's approach to restructure one's thoughts, perceptions, feelings and attitudes. Lewin's model of organizational change may be associated to a spiral movement as the three stages infinitely succeed one another within the organization's life.

Reardon and Rowe analyzed in more detail the phases of change, identified what effects each phase produces and associated to every set of procedures a specific leadership style. We consider, as the mentioned authors also did, that *it is of great relevance and real help for promoters of change to know how to act each step throughout the change process*. It is nothing to be strictly respected but leaders have at least to be aware of what might happen or should happen in order to successfully complete the change protocol.

Observing Figure 1, below, we can notice the division of the change process into five phases. For each phase there are emphasized the main actions and effects to be achieved and the third column suggests the appropriate leadership style to be applied for each set of actions.

In order to understand the association or the link between the leadership styles and the change phases we have to review and to point out each style's specificity. *We consider that these leadership styles were named after the effects they generate through the leaders' behavior*. Following we briefly describe what each style does. The *commanding style* – focuses on results,

persuades by directing, makes changes rapidly and applies the tactic learning by doing. The *logical style* – differentiates by its focus on innovation, persuades goals through pertinent explanations, makes changes with great cautiousness, and gathers knowledge by studying. The *inspirational style* – focuses on identifying and creating opportunities, achieves goals by growing employees' trust, makes radical changes and learns by permanently questioning upon various issues. The *supportive style* – offers others consistently support and gets involved in activities, makes changes slowly and learns by listening.

As we previously mentioned we continue by associating to each phase of change the appropriate leadership styles and actions. *Our work consists in the attempt to explain and match change phases and leadership possible initiatives towards the change process.* The *planning phase* refers to: acquiring information, creating ideas, formulating strategy. For these phase should be applied leadership styles like: *the inspirational and logical styles*. The planning phase has to base on big doses of innovation and also on logic judgment. The planning phase is of fundamental importance for any process. When approaching change, it is obvious why the planning phase consists in innovation, explanation, studying, creating opportunities and permanent questioning. A good planning should be done in complete awareness of all factors and targeting towards important goals.

The enabling phase refers to: convincing employees, empowering employees, assisting employees, explaining the plans. This phase requires in different doses the following leadership styles: logical, inspirational, and supportive. Along each phase, these characteristics of the leadership styles combine in order to best accomplish the phase's good progress.

Throughout the enabling phase there have to be found compatibilities between the existing procedures and the new tasks. The right combination of the three leadership styles should develop the expected results.

The launching phase refers to: implementation in steps, meeting goals, getting results, assessing the progress. The success of this phase must be ensured by mixing the commanding and logical style. This phase requires a more demanding approach as it represents the moment of launching the plans and strategies for change and these must have a precise debut. This phase has to be managed through the commanding and logical styles as they consist of directing and explaining, and of doing and studying.

The catalyzing phase refers to: inspiring, energizing, and assisting. For the activities in this phase should be applied the inspirational and supportive styles as these develop through exploiting opportunities of change in order to accomplish positive goals. The supportive style has the role to facilitate the work of employees and provide the necessary involvement of leaders by listening and cooperating.

The maintaining phase refers to: overseeing the progress, guiding others, energizing, and assisting. Leadership styles that give positive results throughout this phase are the logical, inspirational, and supportive ones. The maintaining phase is also a complex one and needs a mix of actions and tactics. The combination of the three styles provides the necessary guidance for employees to continue the good work and gain more confidence along the way. Even if it is the final phase, leaders have to continuously search for innovations. For this phase the style emphasis is once again on people. "Persuasion becomes crucial. Persuasion calls for an ability to listen well enough to know what matters to people." (Reardon, K.K. & Rowe, 1998, p.139)

The above ideas form a consistent approach towards the relationship between the change process and various leadership styles. As Reardon & Rowe (1998) state, it is impossible for a leader to apply all leadership styles during implementing the change process but, in our view, is not impossible that more leaders to apply certain leadership styles in order to ensure the optimal match between style, skill, and capabilities and what is required by each situation. We consider that any leader who would pay attention to these observations could succeed to design particular strategies for implementing change.



Figure 1 - Relationship between phases of change and leadership style

Source: (Reardon, K.K. & Rowe, 1998, p.134)

IV.CONCLUSIONS

Throughout the paper we focused on the leadership concept and its role for the organization's critical moments, like implementation of organizational change. We have presented some details regarding the phases of the change process and argued about the necessary characteristics and competencies that leaders should possess in order to face any challenge of change.

Whatever the style, leadership of change in simple or more complex settings entails: building capability and capacity in a team through supporting employees to improve their talents; creating conditions for learning to occur by ensuring personal and team working time; creating a climate which encourages individual and organizational development through growing trust and confidence attitudes among employees; emphasizes collaborative working by appreciating results of teams; provides a focus for effects of innovation and change. Overall we consider that leadership styles which base on support, facilitation and collaboration appear to be more successful in case of change implementation. Leadership and change cannot be separated not in theory neither in practice as they are interdependent.

Though each leader is characterized by mainly a style it is important for him/her to be aware of all the other leadership styles. Even if it is difficult to switch from one style to another, being aware of each style opportunities it is a great step towards applying what is best for each phase of change. This final idea could represent a topic for another research work.

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