The Role of Leadership on Organizational Change

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Abstract:
This paper aims to explore the role of leadership in organizational change. A leader works as a change agent who can manage organizational process effectively. The changing trends have compelled organizations to constantly review and reevaluate the recent technological advancements and customers’ expectations to understand, adopt and implement changes in their business model. Change is today’s demand and required to survive. Nowadays, Organizations better understand the importance of change and prepare themselves to adopt not only the current but also for future trends to get long term success. Different researches show that 70 percent of organizational change fails to acquire their objectives just because of poor leadership style as they play a central role in an organization. So, the process of change demands an effective and highly skilled leadership that are able to perceive the most desirable feature and address the issues in a most appropriate manner. By the analysis of literature and the results of real life case which are considered for this research paper shows, that a leader with its competencies i.e. “Visionary”, “democratic” and “transformational” along with “Innovative Approach” can ascertain more effective organizational change with success. As a result, this research proposed a model that obtain from leadership competencies i.e. organizational change, sustainable success and innovation which expresses the relationship between successful organizational change and role of leadership.

Key Words: Organizational Change, Leader, Transformational, Innovative, Democratic and Visionary Leadership.

INTRODUCTION

In this competitive age, the organizations are facing dynamic and a fast moving environment such as the technological trends, rapid social changes, growing changes in demands, globalization, and economic changes.

So, this competitive environment have forced the businesses to adopt the changes and to change the way they do business, in order to survive and to stay competitive in this business world. As the best slogan; “Nothing is permanent but the change is permanent”. In fact, Change is important for any organization for the success and for their competitive advantage. Without change, businesses would likely lose their competitive edge and cannot easily be thrived.

Change is implemented at three different levels, i.e., individual, group and organization according to changing trends, technologies, customer preferences and future concerns. But adoption of change requires some practical steps within an organization to motivate the employees as most of the employees do not accept the change and resist it. This is the main reason organization fails to adopt the change. For this purpose leader act as a change agent because a successful leader creates an environment that persuade employees towards common goal and motivate them through effective communication, address employees questions, generate creative ideas and plan employees actions etc.

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. There are different styles of leadership requires in different situations. At the time of managing organizational change the leaders should acquire transformational, democratic and visionary leadership style that creates positive change in the followers. Leaders with a clear vision and ability to implement it can enhance the motivation, morale and performance of followers and encourage them to learn and adopt new opportunities. So the role of leadership is very crucial when considering the change in organization.

BACKGROUND
Everyone has some dreams and goals for their improvement, progress or successful future. But only having dreams and goals is not sufficient, we need to take some practical actions to acquire them in a most efficient manner. As we all know, to bring change in the organization creates a big challenge for the businesses which creates the need of effective leadership in the organization for adopting successful organizational change. Leaders requires to formulate the strategies to manage the change effectively as Leaders are the champions of change and plays a key role in implementing and bringing change by taking different decisions and practical steps.

Human resource and people both are essential elements for organizational change and at the same time it is the biggest challenge to adopt the change (Smith, 2005). Leaders are the “Champions of Change” because it is the top executive who keeps on going the process of change through maintaining the operational reliability of the organization (Nadler & Nadler, 1998). Therefore, the important element for a successful change in any organization is “Leadership”.

Adoption of Change is essential for the long term sustainability of every organization. If they do not prepare themselves according to the changing circumstances they cannot be able to survive and may lose their reputation and market share (Boston, MA, 2000). Many scholars and researchers have also concluded that “The Role of a Leader” is significant while managing or addressing the changing issues. So, it is the leader who brings an effective change for an organization (Kennedy 2000).

Many leadership related theories and styles that have been presented by several scholars on how to handle different organizational situations. Different authors also mentioned some important characteristics that the leader must possess to address the components of organizational change successfully. Moreover, some describes the importance of organizational change in different manner and accept it for long term business survival and success.

**PROBLEM STATEMENT**

Nowadays businesses are acquiring changes in organizations because of competitive environment they are facing. To think about new ideas, new opportunities and innovation is easy, but to implement this is very difficult and challenging. Therefore, for constructing the change efficiently and smoothly the organizations need to recognize the important role of leadership in this path.

The purpose of the study is to explore the role of leadership in organizational change and how leaders manage the change in organization.

**SIGNIFICANCE OF STUDY**

Change cannot be implemented all of a sudden but there is a leader who must have certain knowledge, skills, talent and competencies to bring a successful organizational change. For that, firstly we have to know the relationship of successful organizational change to the leadership competencies.

Organizational change is the process to puruse desired objective. Therefore, a leader having a clear vision with innovative approach is a key to make this change happen successfully (Gesell, 2010). By using innovative approach, leaders can increase the possibilities of success to get his vision (Bass 1990).

To beat this competitive and changing environment of business and trends, there is a need for organizations to transform their business model according to latest technologies, trends and future concerns. This requires the most competent leadership that is not only well capable to recognize and examine the existing business needs, but also implement those changes effectively and successfully.

On the basis of several literatures, we will be able to see in this study that how Vision and Innovative approach of a leader is connected to the success of the organizational change.

**RESEARCH OBJECTIVES**

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Knowing the importance of organizational change and accepting the key role leadership in change process, the purpose of this study is to explore the relationship between successful organizational change and leadership on basis of two characteristics that are “Leadership styles” having Visionary, democratic and transformation by using “Innovative approach”.

- To searchout the importance of leadership in an organization.
- To examine the role of leadership for successful organizational change.
- To identify the leadership qualities and styles that should be adopted for an effective process of change in an organization.

HYPOTHESIS

H0: There is no any relationship between successful organizational change and leadership.

HA: There is a relationship between successful organizational change and leadership.

CONCEPTUAL FRAMEWORK

Conceptual framework is the foundations that represents or explains how certain variables are related to each other and why they are associated with each other. After defining the problem statement and hypothesis, we realize the two main variables of leadership that are important in directly affecting the process of organizational change. In this research report the dependent variable is organizational change which is the variable of primary interest and the independent variables are leadership style and innovative approach. So we draw closer framework which is stated below.

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
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<td><strong>LEADERSHIP STYLE</strong></td>
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<td>Democratic</td>
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<td>Visionary</td>
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<td><strong>INNOVATIVE APPROACH</strong></td>
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<td><strong>ORGANIZATIONAL CHANGE</strong></td>
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LITERATURE REVIEW

The term organization is very comprehensive and can be defined in several ways. Traditionally an organization is considered as social unit that consists of a group of people or a team who jointly work on a continuous basis to attain organizational goals or targets. Such as, schools, hospitals, churches, retail stores, and candy striper organizations etc. are the manufacturing and service firms (Hatch 1997).

The word change is considered in a very generalmanner but according to Sansom and Reid Oxford Dictionary (1994:195), change is a Latin word which means “to better”(Vander Merwe 1991). Simply, change means to alter or to make something different in a better way from existing one by adding or excluding some values.
Different authors and scholars take the importance of organizational change in different ways. Several considers it as good for long term sustainability and successful business and, some opinions are change that it can give a competitive edge in this competitive era, while others claim that adoption of change is essential for survival. So, in this research we explore the relationship between successful organizational change and the role of leadership on the basis of leadership styles i.e. transformational, democratic and visionary through innovative approach.

A leader is a person who possesses multiple qualities and characteristics that comprises in “leadership styles” and “Innovative Approach” to become successful. Leader must have a clear vision that what and how to do by using different leadership styles through innovative thinking. The vision is an ideal and unique image or the art of seeing invisible things (Kouzes, Jonathan Swift and Posner). Vision is simply, knowing what the destination is and where you are going, through this motivation, inspiration, and mutual responsibility can develop and also provide opportunities to individuals as they take decisions on the basis of end result which they pursue in their mind (Kotter, 1996). If the leader does not know where to go, then leadership is nothing. So it is essential that leaders must have a clear vision.

Now days, leadership and its role are most highlighted problems for the business and organizations. So, the “Leaders” are those who give directions, gain commitment and then motivate them to attain the outcomes (Conger, 1992, p18). This term can be regarded over multiple angles and concepts. Recent research describes leadership as “a process whereby a person influences a group of individuals to attain a shared goal (Northouse 2004). In short, leader is a person who is in charge and has authorities to take decision with powers to implement decisions about organization, personnel in such a way to increase their ability.

Organizational leadership is not a mystic and also not all about the ordered that was given by boss and afterwardly observed that how accurately order was fulfilled. However, instead of organizational leadership, it is an ability of management to efficiently secure company benefits by recognizing staff need and company targets and then bring them in better surroundings to achieve the corporate objectives (Sansom 1998).

Role of leadership is very crucial in this competitive era where businesses facing changing trends. So today, most of organizations require strategic leadership that are capable to predict the necessary alterations for change and create extremely suitable atmosphere for personnel’s to understand and adopt those changes successfully (Bass, 1990; Burke & Cooper, 2004) because businesses can not be able to survive in long term without a strategic role of leaders.

There are several theories about leadership characteristic that were presented by different scholars. According to “Path Goal Theory”, successful leader is one who keeps their workforce motivated and provides a clear track along with their vision. Robert R. Blake and Anne Adams explained the “Theory of Leadership Grid” in which leaders performing according to the customers demand by keeping their teams motivated and flexible to realize whether the change is required or not (Blake R and Anne Adams 1991). “Leaders Style Theory” emphasizes on quality decisions that are acceptable by both employees and leaders and also provide guidelines to find the ways and take part in decision making processes (Vroom and Yetton 1973). “The transformational leadership” means to transform or change, to win the trust of subordinates that can raise the output of their work which further can help to attain the organizational goal in a better way.

Innovative approach of leaders can help to introduce innovative culture within an organization. For this, the visionary, democratic and transformational leadership is necessary to adopt. Likewise only having vision is not sufficient for leadership for the growth of an organization, as it contributes only 10 % and the rest is its implementation (Jick, 2001). Effective leadership is one of the most essential contributors to the whole organizational performance and change. It is also true, that change process mostly faces various resistances here a leader who manage this resistance and implement changes successful means he/she should be logical and rational.

To survive, in this era of globalization, the organizations and businesses have to understand the requirement of innovative approach and innovations in their strategies and business models for their superiority and sustainability in their business by revolving their innovative concepts into realism (Carneiro.A 2008). As only having dreams and ideas is not enough although imaginations can play an important role but without execution it has no worth. Organizations who do not adopt the changes cannot stay booming long in market (Boston, MA, 2000). As change offers several benefits i.e. it improves competitiveness, financial presentation, enhances employees and customer satisfaction and mainly it leads the organization in the direction of continuous development.
RESEARCH METHODOLOGY

Research Methodology aims to show the approaches and methods of collecting the data. Our research is primarily and qualitative in nature. We used case study to support the research, as this strategy is exploratory and a part of qualitative study. For this research we used secondary data as the source of data collection. We use all kinds of academic articles and multi-media products etc. Through the use of electronic data base we reviewed a wide range of multiple literatures in the form of academic articles about change management, leadership qualities and innovation strategies and thus helped us in identifying the link between the leadership qualities and organizational change. More systematically we also searched different “Leadership styles” and “innovative approach” with the use of electronic data bases. We reviewed almost 20 articles which were about the concept and the role of leadership. Among those articles the three forth articles identified that the visionary leadership and thereby innovative approach both are very important elements for bringing change in Organization. So after employing Content analysis we come to the conclusion that the role of leadership is vital for the organizational change and innovation as well.

RESEARCH FINDINGS

The findings of the research study were analyzed with the help of proposed models. The model explains the four scenario of Organizational change and the linked role of leadership in the process of change.

We discussed four scenarios of models along with the findings of literature review and related them with the case studies.

The first scenario (A) describes organizational change and the role of leadership in bringing the change in the Organization. On the basis of literature review we postulate that the changes without a clear vision or new ideas can lead to the lower level of success and the performance of an Organization will not increase.

The scenario (B) in the model is about the innovative approach of Leadership and the Organizational Change. This scenario describes that the leaders need to pursue innovative approach and they must use their innovative thinking for successful Organizational change. Leaders need to have new ideas about services, products, work process and procedure. So we hypothesize that such change resulted in Organization’s success and the high level of performance.
Moreover, the scenario (C) is about the different leadership styles on which the Organizational change is based. On the basis of literature review we conclude that the leader’s vision along with democratic and transformational style is very essential that brings higher level of success. So it highlights the importance of vision of a leader regarding organizational change.

The last scenario (D) in the model is a combination of innovative approach of leadership, leadership styles i.e. vision, democratic and transformational and the Organizational change. It describes that the successful Organizational change is dependent on the leadership style and the innovative approach of a leader.
Many authors concluded that, leaders having a clear vision and ability to implement it with innovative approach may have a greater ability to execute the change successfully and it is just because of their unique or new way of managing, thinking and acting.

As a result, we concluded that organizational change which is based on the vision of a leader and thereby his or her innovative approach to obtain this vision by using transformational and democratic style has a closer and strong relation with the organizational performance that leads to improved Organizational performance.

CONCLUSION

According to our research study, we have concluded that there is a significant role of leadership while bringing change in Organization. Today’s new reality of business environment makes the organizational change more demanding and common. Therefore, the Organization tends to adopt the change to effectively respond the current or future trends, technological, economic and social changes, and in order to gain competitive edge. But to implement the change in Organization is very challenging and complex. At this time leadership can play a central role in managing Organizational change. Through this study, we have perceived that the leaders must have different qualities, characteristics and styles that should be adopted by them in order to make successful Organization change. Specially, in the case of Organizational change the leaders must possess the qualities of having vision and innovative thinking. Thus, the visionary leadership and the innovative approach proved to be very effective in bringing the Organizational change successfully.

Our research work may also encourage and inspire entire businesses to think about the role of leader as a change agent and to think about the leader’s qualities of “Vision and Innovative” Approach, which may lead to bring the chances of success for them by better managing the organizational process of change.

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