

ROLES OF LEADERS IN IMPLEMENTING ORGANIZATIONAL CHANGE MANAGEMENT

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Abstract: *During times of complex changes, a leader must be able to rely on a wide range of skills and attributes and be able to apply them at the right time and in the right way. The present paper aims to explain the importance of efficient management of the transformations that take place in an organization and the role played by the leaders in the effective implementation of changes within a company. The purpose of the study is to explore the role of leadership in organizational change and how leaders manage the change in organization. For the elaboration of this article were used secondary information drawn from books, articles, reports and studies related to leadership and organizational change. Research on the role of leaders in organizational change shows that leaders who attach importance to employee participation in making organizational decisions, who are charismatic, have a democratic approach and keep communication channels open, are more successful in implementing change management.*

Key words: *organizational change, change management, efficient leader skills, leadership models.*

JEL Classification: *M1, M21.*

1. Introduction

Change is natural, the weather and the times also change, our (economic, social, political) environment changes, attitudes and mentalities change. The last decades have been characterized by periods of unprecedented transformations in all areas of activity and no one is immune to the revolutions. The world is changing, and change will happen with or without our will. Today's environment is inherently uncertain and unpredictable. Successful organizations, however, are converting uncertainty into opportunity and growth but, to do this, leaders need new approaches to navigate successfully the increasing pace of change and complexity.

Organizational change has become the rule rather than the exception for many organizations (Kieselbach et al., 2009). The ability of organizations to manage and survive change is becoming increasingly important in an environment where competition and globalization of markets are ever intensifying. With the ever-increasing complexity of the organizational environment, the systems concept no longer seems adequate in dealing with complex phenomena. This shortcoming, among others, has led to the emergence of complexity theory. The complexity of the organizational environment makes the system concept no longer adequate in dealing with complex phenomena. This shortcoming has led to the emergence of complexity theory being more of use. In the complexity paradigm, systems are usually considered to be evolving or self-organizing into something new. By integrating complexity and systems theories, the disruptive, and fluid processes of organizational change may be better understood.

Change has always been an important issue for an organization, as it has always been a common thing, specific of human life.

Lorenzi and Riley (2000, pp.116-124) identify four types of changes, with the definite possibility of overlap among them:

- Operational changes, affecting the way the ongoing operations of the business are conducted;
- Strategic changes, that occur in the strategic business direction;
- Cultural changes, which affect the basic organizational philosophies by which the business is conducted;

- Political changes, occurring in staffing primarily for political reasons of various types.

Change is a given and a top priority across all types of organizations, but studies consistently show between 50 and 70% of planned change efforts fail. It doesn't bode well for organizational ambitions if critical change is (at best) just as likely to fail as it is to succeed (Dinwoodie et al., 2015, p.4).

2. Roles of a leader during organizational change

To analyze how leadership intends to achieve sustainability in organizational change, we need to analyze the role and responsibilities of leaders during change processes.

According to By (2005), change is a feature present in organizational life, both operationally and strategically, so organizational change is a challenge for all participants in the change process.

A change effort or initiative must start with a vision. Whether change is prompted by external (political, economic, social or technological) or internal factors (policy, systems or structure), creating a vision will clarify the direction for the change. In addition, the vision will assist in motivating those that are impacted to take action in the right direction (Ryerson University, 2011).

Leadership is being capable of influencing others in order to achieve the specified goals, leading the organization to become more consistent and harmonious (Sharma and Jain, 2013, p. 310).

Leaders play an important role in setting an example for all those values, behaviours and considerations expected from employees, in order to be more flexible and adaptable to organizational change. In actual business context, leaders must increase their vigilance because it is crucial to be receptive to the clues that appear. It is imperative that their attention is not distracted by the routine, the many tasks they must do, and it is vital not to be blinded by the habit, the familiarity of the environment and the context. An efficient leader has to be a good detective - to see those things that happen, but which others do not see and whose consequences on the organization remain totally foreign.

A good leader is the connected leader - connected to himself, connected to the common purpose of the team and organization and connected to his people. For a leader to lead the people through the process of organizational change it is no longer enough to stand out, but he needs to know his team and find the elements that connect people to each other and to them for the common purpose of the organization. The connector leader brings together and maintains the unity of a diverse grouping and creates a common space, in which different perspectives and stories are invited and welcomed. Get to know yourself and get to know your people, because those who feel represented by you in concerns, aspirations, experiences and destiny will follow you.

Effective leaders acknowledge that their support is crucial to success of the change and commit to doing their part.

The following are some of the roles leaders may play as they drive change in their organization.

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

- ▶ **Role Model.** Leaders of change must be willing to go first. They demonstrate the behaviours and attitudes that are expected of everyone else. Employees

watch leaders for consistency between words and actions to see if they should believe the change is really going to happen.

▶ **Make Decisions.** As managers, leaders usually control resources such as people, budgets, and equipment, and thus have the authority to make decisions that affect the initiative. During change, leaders must leverage their decision-making authority and choose the options that will support the initiative. Leaders are decisive and set priorities that support change.

▶ **Communicate.** Leaders are the face and the voice of change. They communicate often to share information, keep people updated and offer encouragement. When employees hear multiple messages in the organization, the one they listen to the most is their immediate leader. Leaders interpret the change message to be relevant for their reports, while still matching the overall message. So, it is always critical for leaders to be strong communicators, but especially when the organization changes. During times of change employees are faced with uncertainty, and, in the absence of official information, will fill in the blanks themselves. Leaders that keep employees informed and allow employees an open environment in which to express questions and concerns, will be most effective in managing during times of change.

▶ **Engage.** Leaders provide the motivation to change and get the members of the organization involved. They have the role to create a sense of urgency and importance about the change and show commitment about getting things done. Leaders realize that change can be difficult and understand the need for people to be motivated. So, the change leader should be energetic and empathetic.

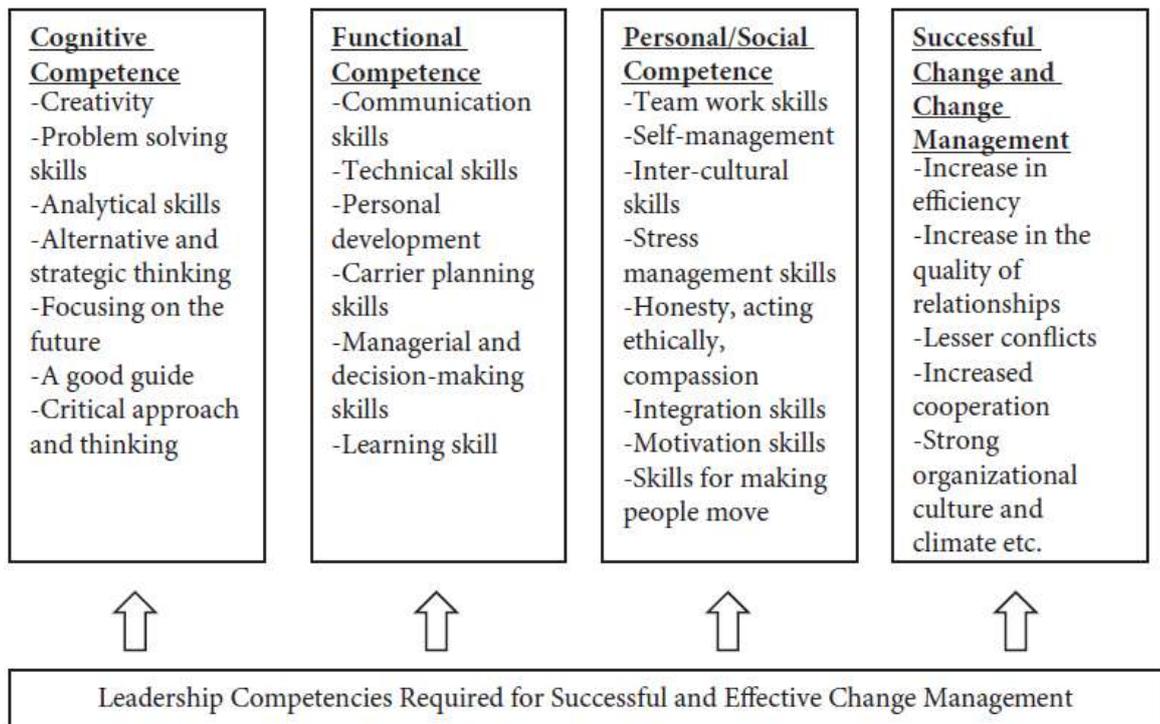
▶ **Hold Accountable.** Leaders hold people in the organization accountable for the change. They uphold agreements and make sure others do the same. They don't let people get away with not changing, and work to understand the underlying reasons so they can remove obstacles.

3. Competencies of leaders and a model of leadership for changing times

Leaders play an important role in the institutionalization of organizations, creating an environment where change can take place or affecting the perceptions and attitudes of members of the organization (Hirlak and Kara, 2018, p.13).

According to Pagon et al. (2008, p.4), competencies that leaders should have for a successful and effective change management are presented in Figure no. 1.

Figure no. 1. Leaders' competencies for change management



Source: Pagon, M., Banutai, E. and Bizjak, U., 2008. *Leadership Competencies for Successful Change Management, A Preliminary Study Report*. University of Maribor, Slovenia, p.4.

The 4D model of leadership for organizational change

▶ **DISCOVER.** The process of organizational change begins with understanding. The leaders should find the best answers for the following questions: What is the need for change? What is the scope? What is the urgency? What communities, stakeholder groups and change agents need to be taken into consideration? What is the level of commitment?

▶ **DECIDE.** The vision is formed, the change terrain is mapped, and plans are created. The core team and early adopters begin to engage employees in decisions about the change. At this stage, deciding about how to frame the change initiative, build relationships, motivate others, and create alignment and commitment are key leadership functions.

▶ **DO.** Communicating and taking steps to enact the change begins. The rollout may be slow, or fast-paced, but leaders should recognize that no matter how quickly they choose to move, people still need time to adapt to change. Change leaders must show commitment to the change initiative and, above all, to the people who are affected by the change. Cracking the code of change is an emotional undertaking, which requires relationship-building across an interrelated web of change agents.

▶ **DISCERN.** We consider very important for a successful organizational change that the leaders have to discern what is working and what isn't in order to maintain focus, energy, resources, and support to ensure change sustains over time. Learning, what has and has not been effective in the change process and adapting future plans to ensure progress are critical to success.

Leaders in all industries are recognizing the challenge of leading in complex times. It is necessary a rethinking of leadership models in the context of today's rapidly changing and uncertain environment.

Tabel no. 1. Mindset Shift for Leading in A Complex Environment

Move From	Move Towards
Top down control	Building connections and local level actions
Building consensus only	Inviting and clarifying differences
Moving towards an ideal set out in the strategic plan	Moving constantly towards a better fit with the environment
Linear, cause- and- effect thinking	Noticing patterns and leveraging self-organizing potential
Centralized leadership	Unleashing the collective intelligence of the whole organization
Solving problems	Holding the container for paradoxes and tension in the system
Protecting the boundaries of the organization	Co-creating with wide ranging stakeholders/customers
One-way influence	Multi- directional influence

Source: Osborne, D. and Hinson, J., 2011. Leading in complex times. *Practising social change*, Issue Four, November, p.27.

4. Ways leaders should approach the implementation of change

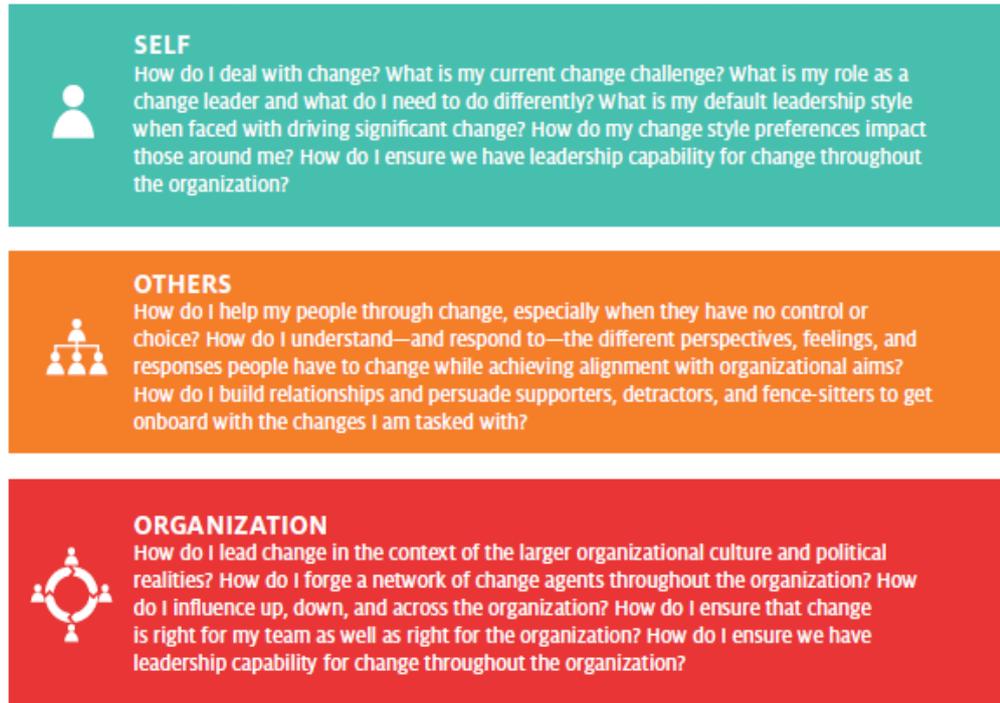
1. ***Adapt the approach to fit the challenge.*** One - size - fits - all doesn't work anymore. Diagnose the organizational challenge and tailor the approach to change and implementation so that it precisely fits the scope of the organizational challenge.

2. ***Approach every strategic initiative as an opportunity to enhance adaptive skills.*** Change and implementation efforts typically require a meaningful investment of organizational time and energy. Leader should seek to enhance the adaptive capabilities of the organization whenever a major change initiative is undertaken.

3. ***Shift leadership behaviours today to prepare for greater future complexity.*** In such a complex world, one business leader cannot have all the answers. Develop a wider range of leadership approaches to engage people both inside and outside your organization. As uncertainties get larger and the stakes get higher, tap into the intelligence and energy of all your people, not just a critical few.

Mid- and senior-level managers both create change and respond to change directives coming from above. To effectively lead these efforts, managers need to navigate change at three levels—Self, Others, and Organization (Figure no. 2).

Figure no. 2. Levels of leaders driving change



Source: Dinwoodie, D., Pasmore, W., Quinn, L. and Rabin, R., 2015. *Navigating Change: A Leader's Role*. Center for Creative Leadership. [pdf] Available at: <<https://www.ccl.org/wp-content/uploads/2016/09/navigating-change-a-leaders-role-center-for-creative-leadership.pdf>> [Accessed 4 October 2019].

Navigating change is an organizational, team but also an individual process. Top leaders and executive managers will have better results from strategic and operational change when they:

- recognize the imperative to both *lead change* and *manage change*.
- communicate to mid- and senior level managers that part of their job is to guide other people through the emotional upheaval that comes with change.
- invest in key managers to develop the mindsets, skillsets, and toolsets to be effective leaders of change.
- reframe the change message and pitch it in a way that engages team members, direct reports, senior leaders, and system-wide change agents.
- listen to the concerns of those close to the front lines as their insights and experience

With effective change leadership, organizations will overcome the pitfalls of failed change efforts and drive towards a stronger, more effective, and more prosperous future.

According to Hao and Yazdanifard (2015), leadership skills also enable the leaders to lead their employees into the correct direction, in accordance to the organization vision and mission. When an organization's leader leads the employees in the correct direction and motivates them to continuously improve and innovate, the organization's performance will surely increase and be able to sustain the organization in the current complex business environment.

Conclusions

Research on the role of leaders in organizational change shows that leaders who attach importance to employee participation in organizational decisions, who are charismatic, have a democratic approach and keep communication channels open, are more successful in implementing change management.

The leaders of change have a critical role to play in ensuring that the change process is successful. Change leaders at all levels of the organization respond to changes in the business environment by seizing opportunities, giving up old models and instruments and developing different ways of doing business through a new vision. They try to change the contagious thinking, integrating it into everything they do from the most fundamental daily interactions to the most complex strategy (Harvey-Onderick, 2018, p.2).

Business leaders who can respond effectively to business changes, which come from both internal and external sources, have adaptive leadership styles. They are willing to try new things and are open to the potential for risk.

A successful change leader have to know how to involve all the members of the organization and to find the best way to lead a team that feels valued and included in the corporate transition.

This work is supported by project POCU 125040, entitled "Development of the tertiary university education to support the economic growth - PROGRESSIO", co-financed by the European Social Fund under the Human Capital Operational Program 2014-2020.

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