

**LEADERSHIP AND MANAGING ORGANIZATIONAL CHANGE:
THEORETICAL ANALYSIS OF CHALLENGES
AND OPPORTUNITIES**

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ABSTRACT

This paper argues that the nature and outcome of organizational change depends on the way it is planned and led by the leaders. In addition, the paper looks at the role of team leader in managing organizational change. The role of leadership in implementing new change has received widespread attention in the field of management. The role of leaders in business has emerged as multi-dimensional aspect of performance. One of these dimensions of leadership is to manage change in organization. This study describes the dynamics of change and examines the role of a leader. In addition, it suggests the ways in which the leader can utilize his abilities to deal with new change.

INTRODUCTION

Organizational change has become a very important subject of management. The management scholars believe that the change has acquired a vital importance for improving methods of work and improving outputs. The organizational change is defined as an alteration to the current state of organization. The change is generally described as disturbance. It creates some disturbance in the way things are being done. Thus, this disturbance is welcomed by some people and resisted by the others. The changes bring both opportunities and challenges. However, the changes come for reasons.

The introduction of new idea always triggers a change in the attitudes of people at workplace. The way people feel about new concept or innovation, suggests that there is a process of attitudinal change characterized by three consecutive stages. These psychological stages include Perception, Acceptance and Confirmation (PAC). They have profound impact on the way people respond to plans for development. The perception stage has

both positive and negative attitudes about new change. The positive attitudes are an outcome of the perceptions of new change which is received as the birth of a new hope and a new prospect. These optimistic attitudes create new expectations from new ideas of change. However, new change can also create misperceptions and fears about the positions of team members within the team and organization. Thus, they develop negative attitudes to the change due to the lack of communication and exchange of ideas. For example, they perceive new change as a threat to their power and position. These attitudes are reflected in their behaviours which form culture of workplace. 'If this negative view prevails, efforts to introduce the change could be hindered. (McKenna, Eugene, *et.al.*, 2002:72).

The second stage is an outcome of the way perceptions are responded. There is a need to foster communication and spread information about the new idea in order to manage perceptions of the members of team. Clarity of ideas and an effective communication increase the possibilities for acceptance of new change within the organizational structure and the team culture. During the stage of acceptance, the members of team begin to build some faith in convincing arguments reached them through medium of team culture, team discussion and motivation provided by team leader. At this stage members of the team take risks and explore new possibilities. However, when the team members adopt new change in their work and feel confident that the new change has great scope for organizational growth and it would not pose a threat to their career prospects, they confirm through their attitudes, that they embrace new change. This stage of attitudes is called as confirmation. However, if the communication fails, the new change faces strong politically oriented resistance.

Indeed, professional abilities and learning activities equip team leaders to introduce new concepts and ideas within the team and help them to implement change in their workplaces. They convince their teams to realize the needs for development. This paper attempts to explore the role of a leader in managing organization change.

FACTORS FOR ORGANIZATIONAL CHANGE

There are some factors which bring a change within the organization. These factors are internal and external. The internal factors for change in the public organization include the lack of effectiveness, inability of the organization to perform efficiently, and failure to respond to new needs of society. These are the factors which describe the rationale for the introduction of change within the organization. The external factors include competitiveness, use of new technologies, public policies and changing economic environment. These factors also create a sense of urgency about the need for change in the organization. Let us consider these factors in order to understand why change is required.

The lack of effectiveness is one of basic reasons for the introduction of new change. Ineffective services create a need for bringing a change in order to improve them. The decline in the quality of services provided by the organization is considered as organizational failure to achieve its major goals. Thus, in order to improve the quality of services and effectiveness, the organization looks for positive changes in its structure and culture. Both the efficiency and effectiveness are important reasons for the organizational change. Nevertheless, the efficiency and effectiveness of services are in addition to the ability of the organization to cater for the new needs of society. For example, if the organization is not able to perform new functions required by society it would not be fit for purpose. In order to perform new functions it needs to change conventional methods even though it can use these methods efficiently. Therefore, the organization needs to use new methods of delivering services in order to meet new demands of society. For this reason the change is inevitable. Moreover, in order to develop the capability of the organization to deliver new services, the development needs of employees are considered. The employees need to improve their skills and update their knowledge. The acquisition of new skills and modification in the patterns of behaviour also form the internal factors which trigger change.

The behaviours and attitudes of the employees are considered as an intangible form of organizational culture in which they share some common beliefs and values. However, the power of culture

to solve the issues of organizational efficiency has become a major source of debate between the supporters of the argument and their critics. There are two major perspectives. According to the structural-functional perspective 'the culture is a variable of the organization that can be managed by team leaders in the interests of efficiency and effectiveness.' (Grives, Jim, 2010:186). According to this perspective, the improvement in culture would have positive impact on the performance of the organization. In addition, this perspective believes that the organization needs to create conditions where the employees can socialize in the common cultural values. The supporters of this perspective also believe that the common cultural orientations would increase the commitment of employees to the organizational goals. However, the difference between the two perspectives is that 'the structural-functional perspective views culture as a potentially useful tool to be used to improve performance, whilst the critical perspective rejects this premise' and 'argue that, since culture is synonymous with organization, then we should talk about organizational analysis and not cultural analysis (*Ibid.*).

As a matter of fact organizations cannot remain isolated from market competitions. In the market only those organizations can survive, which are able to compete. Thus, the organizations involved in the same type of work compete with each other in a number of ways in order to attract their customers. For example, universities compete in the fields of education, research, campus facilities and effective customer services. These challenges create a need to bring change in the functions of public organization. Dawson has listed a number of external factors. He includes 'changes in competitor's strategies, level of international competition, government legislation, changing social expectations, and technological innovations and changes in the level of business activity (Dawson P., 2003:47).

MANAGING ORGANIZATIONAL CHANGE

Team Culture: Good communication between the leader and his team members promote positive team culture. This team culture is not only a source of learning and sharing diverse ideas but also a way of working together according to mutually accepted values which help to regulate team behaviour. It is not always possible to

regulate every aspect of team behaviour. The procedures of work can only provide general guidance about specific features of the roles. However, it is the cultural norms which help to regulate the team behaviour in a comprehensive manner. Thus, it is very important for organization to develop change-friendly norms of work culture. This depends on the qualities and abilities of leader who can develop a team culture in a way that procedures and norms work in a complete harmony.

It can be argued that the change always creates the way for replacement of the old system of rules and norms with new system of rules and norms. Moreover, the change also creates a procedural way in place of conventional way and the vice versa. For instance, by convention, customers expected a receipt after shopping. Most companies have converted this convention into a payment procedure. Similarly, in the university restaurants this change resulted from the introduction of new payment system in 2012. Before that year the customer did not need to identify him or herself. The customer was not asked to tell if he was a student or non-student. However, after the introduction of new system the customers are now asked these questions in order to follow the procedures. In this way new procedure would have an impact on interaction between the customers and the team members. However, it is practically not possible to provide procedures for every activity. For example, the way of helping the disable customers is largely followed by conventions. Similarly, helping customers in many different ways including explaining about products and services are followed by team members according to the norms of work culture. Thus, the abilities of team leader help to develop positive norms and conventions of workplace. His actions largely influence the process of learning and modifying behaviour within the team culture.

Team Discussion: The team leader gives new topics for discussion and debate. For instance, he sometimes discusses with his team members about the plans to achieve team objectives and takes serious note of suggestions given by team to manage the change in the inputs and outputs of work. He also inspires them and highlights their contributions towards the achievement of goals. For example, if the management decides to increase the cost of products and services. The team has to find ways to manage the

rising expectations of customers resulted from inflationary pressure. Thus, in order to implement a new change in the workplace, team leader has to put up all issues on the discussion table.

Motivation: It is a renewable source of emotional intelligence needed to display positive attitudes. The team needs this ability to undertake various tasks and to maintain enthusiasm in work. The lack of this power the team cannot display its genuine satisfaction in work. Thus, with motivation, the teams even can go for hundreds of miles in the vast desert if the team leader is able to show them visionary oasis of great success. Providing motivation is faster means of implementing change than any other method. Motivation and change cannot live alone. Thus, motivational need for an organizational change is like a respiratory need for living creature. In addition, motivation is considered oxygen for business growth. The need for motivation has increased significantly with the development of innovative ideas of business. These new ideas have created the need to provide motivation to the teams dealing with customers. However, new marketing ideas are also designed to motivate customers to consider buying products. Therefore a team leader has to look for new ways to satisfy the needs of consumers.

RESPONDING TO ORGANISATIONAL CHANGE

The new changes are responded in a number of ways. Changes generally receive three responses, which we would discuss in order to identify the managerial difficulties in implementing change within organisation. The individual responses to the changes are based on the individual's social and psychological views about change. The social view of the new change makes an individual conscious about his present social position. Thus, he finds change as a creator of disturbance in present state of his social status. Nevertheless, his psychological view of change creates feelings of fear and insecurity. Thus, change is perceived as a threat to power and position, the individual enjoys in his present circumstances. However, some changes such as restructuring sometimes, causes the situations in which people experience danger of losing personal belongings i.e. job, house and family. According to Grives Jim, 'socio-

psychological stress and resistance stem from situations in which individuals experience psychological trauma or reality disjunctions in which their personal social world is turned upside-down (Grives, Jim, 2010:359).

However, the team response is a collective view of change. It reflects the big picture of change perceived by all members of team. This picture represents the common opinions and views of team members about the change. Thus, these individual forms of responses are converted into a political view of change. The organisational responses to planned and unplanned changes are based on the rational interpretation of organisational needs and interests. These responses explain logically the need to project realistic view of change. According to these views the organisation has to respond to all kinds of changes in a practical manner, if it has to survive in the competitive market.

However, some organisational changes are planned and the others are unplanned. The latter are more difficult than the former. The former can be engineered by the change leaders. For example if a manager plans to bring a change in the communication system in order to improve efficiency of communication within the organisation, he needs to describe the change objectively within the organisation. At the same time he needs to explain the rationale for this change. The manager has to tell his staff about the advantages and disadvantages of the new change. He has to plan a strategy to get support for this new idea and to deal with possible resistance. His plan needs to show how change will be implemented and supported. Thus, 'the successful change requires there to be a frank discussion with employees about the unpleasant facts and employees have to be motivated to act to improve the situation (Wilson, 2010:282).

Discussions are important to take consensus decisions by managers. Nevertheless, these discussions are useful only when people cooperate and feel comfortable in discussing the consequences of change. The cooperation and sincerity are essential ingredients for fruitful discussion. They are directly linked to the way people are treated by management. For example some people develop some negative images of management which hinder the process of cooperation. These negative images of the management are outcomes of the managerial attitudes towards

employees. For example, if some members of staff believe that they are not treated equally in terms of working hours, bonuses and rewards, then they would be reluctant to cooperate with management. In addition, the level of cooperation from casual members of staff would be relatively less than from permanent members of staff if the former are treated differently. These employees are more likely to become change resisters. This resistance would be a reaction to the attitudes of the change leaders rather than a hindrance to the new change. Thus, the manager has to deal with this issue differently. He has to address the grievances of employees and solve their problems. He has to make sure that every member of team is treated equally. This would help him to rebuild trust and harmony in organisation. As a result the manager would be able to seek support and cooperation from his employees for planning and implementing change successfully.

The main task for team leader is to lead the change in the organization without causing resistance. He needs to accelerate communication about the new change in order to mould opinions of individuals and teams. He has to provide motivation to the team in order to convince them that change is required. Nevertheless, he needs to know what can be done about resistance as a potential consequence of new change. Thus, he has to devise the strategies to manage the expected and unexpected outcomes of change. The manager has to use the multi-dimensional strategy to deal with various aspects of resistance. This strategy can be based on communication, participation and motivation.

Communication: First of all the team leader has to highlight the importance of new change. He needs to clarify that why change is required and what are the negative effects of being unchanged. The clear explanation of the reasons for the new change will enable the members of staff to think about the organizational needs for change. The team leader has to describe the benefits of the new change for the organization and the employees. The employees should get all information from all sources within the organization. A lack of information would deteriorate the relations between the change leaders and employees.

Participation: The team leader has to discuss the change with the team members and benefit from their ideas. He needs to answer

the questions asked by his members of team. They should be given full opportunity to express their fears and hopes about the change. This process of participation will help the manager to diagnose the problem of possible resistance and it will provide information required for making strategies to deal with the consequences of the new change. Moreover, the manager would also know the supporters and resisters of change.

Motivation: The team leader needs to motivate his team members that the change is inevitable and it is important for the survival of the organization. However, at the same time the manager has to offer support to team members to cope with the new change. He should also use the services of the supporters of the change in order to deal with resistance through social mobilization. Wilson argues that the management can remove or modify group resistance to change. 'This can be achieved through group meetings in which management communicates the need for change and stimulates group participation in planning the changes; participation will result in higher production, higher morale, and better labour-management relations (*Ibid.*).

BENEFITING FROM ORGANISATIONAL CHANGE

Changes always create a need to modify behaviours and attitudes of employees. These behaviours and attitudes form the culture of work within the organisation. The workers are used to do the same work and they are familiar with the way they like to do their work. Most of them develop habits of doing work in their own way. Thus, the reason for resisting change is that the people prefer the convenience of sticking to the behaviour patterns they have come to know and love rather than the inconvenience and upheaval of switching to behaviours that are new and unfamiliar (Honey, Peter, 1988). Most of people normally prefer to do the same job in a similar way and behave in familiar way. They do not like to change their patterns of behaviour while working in unfamiliar way or doing something different in a familiar way. For example, people do not like to be transferred from one place to other. They believe that the transfer creates disturbance in their ways of living. Similarly, they prefer to work in a familiar style rather than in a new style. Consider the responses of the workers of public-sector University to the introduction of a new payment

system. With the introduction of technologically advanced till system, the users of old system showed their unhappiness about a new electronic method of payment.

They argued that the new till system is more complicated and they loved the old one. The reason for their responses was their familiarity with the old till operations. Unlike the old till operation, the new one is more sophisticated and an efficient. New till has a touch screen and it is connected with a database. This machine not only performs payment function but also gathers information regarding 'what was consumed and who consumed what.' These various functions of the new till system have an edge over the old. However, the perceptions of employees were drastically changed when they were trained and they began to use new till system. Thus, the post- training responses of employees were considerably changed. It is very important to provide support to employees when there is a new change. Misperceptions about new changes can be removed by telling people that the new change will have a positive impact and they will be beneficial for business. In addition, the team leader needs to encourage the participation of all staff in the process of change in order to share the responsibility of making the change successful. The participation of team members in the process would remove all misunderstandings and misperceptions about the change. 'Thus, by planning change actions, managers seek to expedite the change process (Grives, 2010).

However, responses of workers depend on the nature of change introduced within the organisation. Sometimes the new change creates danger of conflicts between resisters and initiators of change. For example 'If resistance stems from parochial self-interest, i.e. people are going to lose something of value as a result of change, then the best strategy is to negotiate by offering incentives to the resisters or potential resisters (Honey, 1988). Members of a team can benefit from change in a number of ways.

CONCLUSION

The change provides opportunity of new ways of working, learning, innovating, sharing and forming new social and professional relationships. The biggest contribution of change is that it offers new solutions to the unsolved problems faced by

individuals and organizations. For leaders it is very important to make their employees understand that the change would create new possibilities of working together in a different way. Thus, the one reason to accept change is that it would provide a new way of doing work. The change sometimes creates needs for learning new skills required to handle the change. Thus, the transition provides team members an opportunity to learn new ways of work. It also offers an opportunity for encouraging innovative qualities of team members. For example working in an unfamiliar way encourages the staff to innovate new methods and techniques to deal with new emerging work situations. This is a major contribution of change in turning teams more productive. The innovative initiatives are also facilitated by the organization. This environment encourages individuals to change the ways of work. The change is a journey to find new world of work. Change enables the employees to explore this new world and find the ways to solve the organizational issues. This exploration enables the workers to enjoy adventure of discovering new possibilities.

During the period of transition, it is a great opportunity for workers to achieve new skills and knowledge which would eventually help them to advance their careers. For instance, new skills will help them to exercise some autonomy in their work. The up gradation of skills gives confidence and power to workers to take speedy decisions and improve performance. Thus, change offers challenges and opportunities for those who welcome them and respond to them realistically. The use of new technologies during the transition, would equip the employees with new skills and knowledge. It would not only increase the confidence but also empower them to progress in their fields of work within the organization. For example, the use of information technologies has caused radical transformation of organizational ways of work. Wilson notes that the new communication technology has altered the scope and speed of decisions (Wilson, M. Fiona, 2010). These functions of technology enable the management and the workers to establish new working relationships based on mutual trust.

The post-transition period would be characterized by the formation of new relationships. Meeting and working with different people and different roles would create the opportunities for interactions and social relationships. These social relationships

would help employees to learn the different ways to work in a multi-cultural environment. They would also learn different cultural and scientific approaches to work. These relationships will also create enormous opportunities for socialization and other social activities including leisure. Increasing opportunities for enjoying leisure and other social pastimes will have positive impact on the working abilities of people. After the transition, change of working place and position will generate new opportunities to meet and work with different people. This would enable workers to exchange new ideas and experiences of life. It is fact that experiences are a major source of learning for all creatures. Experiences enable people to reach at good judgment and to take firm decisions in life. Similarly, the work experiences increase the wealth of knowledge of employees which is considered an asset for any organization.

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