

Leadership and change flashcard



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Today the world has become a global village and markets have expanded to the extent that now firms are competing on a global level. This on one has provided firms with a massive opportunity and on the other hand it also demands more hard-work and effort from the workers. The challenge therefore is how to tackle the ever-changing work-environment. When one speaks of the dynamic work environment one has to realize the importance of Good Leadership in such a scenario. So, the leaders of today's companies have a lot to care about and a lot of responsibilities to take care of.

Therefore, it is totally up to the leadership to make most of the human skills at hand and motivate them in order to make sure that they adapt quickly and easily to the work environment and thus maximize efficiency. Uncertain environment, cutbacks in personnel and resources, and massive worldwide political, social and economic shifts may be some of the reasons why today's companies are struggling to remain competitive in the face of increasingly tough global competition.

Some of the new challenges brought about by the growing diversity of the workforce include, balancing work and family concerns, maintaining a strong corporate culture while supporting diversity, coping with conflicts brought upon by the demands of women and ethnic minorities for increased power and responsibilities. Worker's want their managers to share rather than hoard power. Organizational structures are becoming flatter, with power and information pushed down and out among fewer layers and with teams of front line workers playing new roles as decision makers.

Thus, today's business world is highly competitive. One needs to reshape and react to the rapidly changing and evolving needs of the world if they are to survive and thrive. Resistance to change would mean the end of the road, both for the leader himself and the organization. Today customers are demanding more than an excellent service. If you do not supply it, your competitors will. Organizations are reshaping themselves to change quickly in order to meet the needs of their customers.

The organization's top leaders know that in order to attain their long-term goals they would require highly committed and flexible workers. As a leader, you need to emphasize action to make the change as quickly and smoothly as possible. Analysis There can be many reasons for the reluctance of the workforce towards change. First of all, people are reluctant to alter their habits. What worked in the past is good enough; in the absence of a dire threat, employees will keep doing what they have always done. And when an organization has had a succession of leaders, resistance of change is even stronger.

A legacy of disappointment and distrust creates an environment in which employees automatically condemn the next turn around champion to failure, assuming that he or she is simply like the rest. An effective persuasion campaign is required for change to stick. Leaders must design and run a program that begins weeks and months before the actual turnaround. Managers would be expected to perform significant work upfront in order to make sure that employees listen to the tough messages, old assumptions are questioned and new ways of working are considered.

This means creating a new context of action for the employees by taking a series of subtle and deliberate steps to recast employees' prevailing views. The need is to efficiently manage and lead the process of shaping employee attitude and behavior during the first few months of a turnaround when uncertainty is high and setbacks are expected. Leaders need to ensure a transition amongst workers from change avoidance to change acceptance, which can then be observed throughout periods of change. According to Donald Clark, there are 5 steps accompanying change.

The first is Denial, where the employee has a traditional mindset where he cannot foresee any change occurring in his work, then comes Anger, when he realizes that he has been forced into changing, but he still cannot face the reality and is not in favor of the change, then comes Bargaining, where he finally accepts the fact that he'll have to do things differently now and he tries to keep himself and others happy, however, this is soon accompanied by Depression, where he keeps comparing his older job parameters to the new ones and he doesn't find the new way of work easy and interesting.

The final stage comes after the depression phases out, and this is called Acceptance, where he finally gets used to the new way of work (Donald Clark, 1997). This probably explains why a worker's first reaction is always to resist change. Workers tend to feel comfortable performing the same tasks and processes in a particular and timely manner. This comfort helps them by providing them the security and forcing them to believe that they are the masters of their environment.

So it would be obvious for them to fear a disruption in their lives, as they fear that if they aren't able to adapt and learn, their jobs might become harder, and they might lose control over their jobs. Being a Leader is probably the most difficult job that exists. So to speak there is no systematic means of acquiring leadership skills, although time and experience does make you a better leader, and the fact that leadership is an in-born skill is much debatable, no one can deny the fact that it is not easy to be a leader, or let's say a good leader.

Leadership at the top is never easy for even the most experienced people. For someone taking on the job of CEO for the first time, mastering the new skills and sorting out the uncertainties that go with the position can be an overwhelming challenge. The fact is that for most of the CEOs especially the freshly appointed ones it is exceedingly difficult to familiarize themselves with the responsibilities and the risks that are associated with the job, and usually it requires some time and experience before they can deliver. The Centre for Creative Leadership has estimated that 40% of new CEOs fail in their first 18 months.

What's more, the churn rate is on the rise: In a 2002 study, the centre found that the number of CEOs leaving their jobs had increased 10% since 2001 (Dan Ciampa, 2005). As a recent report from the outplacement firm Challenger, Gray & Christmas points out, " The biggest challenge looming over corporate America [is] finding replacement CEOs. "(Dan Ciampa, 2005) Take Coca Cola for an example, when the company lost its CEO Robert Goizueta in 1997, the two subsequent CEOs suffered in his shadow, as

people expected them to perform the same way Goizueta did, however, leading as suggested earlier is the toughest job amongst all.

Goizueta had guided Coke through its glorious years of the 1980s and the most of 1990s, leading it to perennially unrealistic expectations by shareholders. This is why change management is regarded as a tough job, because changes can occur in the external macro-environment and at the same time in the internal environment, as in case of Coke, whose CEO Robert Goizueta died of cancer. And since then Coke has never been able to make up for the loss, and Pepsi has gained a significant market share since then.

The mechanism for decision making is the key to any leadership model, i. e. how participation is balanced with leadership, how individual vision is reconciled with other visions, how multiple decision-making processes can be reconciled within the same institution (Ferguson, 2000). For an era of persistent change, one of the most promising leadership models would be the “servant leadership” model, which as articulated by Robert Greenleaf (Ferguson, 2000).

Servant leadership model places the leader at the nexus by emphasizing connections between self and the organization, between language and imagination, and between listening and understanding, rather than at the pinnacle, of change (Ferguson, 2000). It enables participants to live more comfortably and creatively with persistent change, by equipping the leader with tools that foster empowerment. In an era of technology and globalization, agile response to sudden change is at a premium, servant

leadership model cultivates an increased capacity for efficient teamwork within organizations.

It uses values as a cohering force, mission as an impelling force, and vision as a directing force which, in short, would be the tools for effective adaptation to the discontinuities of our present environment (Ferguson, 2000). One needs to learn the fact that it is not about changing the operations and structures around but it is more often about leading people through a transition. Moreover, in order to ensure changes that last long, it is important to focus as much on the human aspects of transition as on change outcomes.

Much has been written about leadership and the qualities that fuel leadership such as intelligence, toughness, determination, credibility, vision, etc. Often left off are the lists softer and more personal qualities, but recent studies have proven that they are equally important. Researchers have proposed a new term called ‘ Emotional Intelligence’, and it may well help differentiate the outstanding leaders from the merely adequate ones. It also helps leaders manage the mood of their organizations. It makes them self-aware and empathetic.

They can read and regulate their own emotions while intuitively grasping how others feel and gauging their organization’s emotional state. From a scientific point of view, emotional intelligence is the ability to accurately perceive your own and others’ emotions; to understand the signals that emotions send about relationships; and to manage your own and others’ emotions (Wormer, 2007). There are five components to emotional

intelligence, self-awareness, self-regulation, motivation, empathy and social skill (Goleman, 2000).

Self-awareness is the trait where emotional intelligence actually begins, such leaders are never hesitant to talk about and discuss their weaknesses and it is this attitude that later brings upon a positive change in them as they are able to improve upon such weaknesses with time. This helps a leader in bringing about change as he is someone who knows his limitations and he knows when and where he can actually stand-up and deliver for the rest of the workforce and be a motivator for them, i. e. when can he lead by example.

Thus he knows which tasks and changes can actually be brought about in an organization and which ones cannot be. The second trait is self-regulation, and that leaders with this trait can control their emotions and impulses better and channel them for good purposes (Goleman, 2000). This brings about an openness to change in their attitude and behavior, and increases their trustworthiness and integrity, and also helps them remain comfortable in ambiguous situations and scenario. And this is what subordinates try to see in their leaders, especially in times of change.