

Options for implementing a leadership change

[Business](#), [Leadership](#)



In the Week Five scenario, Gene One (University of Phoenix. 2009) is a biotech company that developed a genetechnology that has eradicated disease in tomatoes and potatoes. The company has grown from a net worth of \$2 million to \$400 million in only eight years. However, the company needs IPO capital for the areas of new developments, advertisement and marketing. If Gene One is to remain competitive and successful, the CEO and the Board of Directors believe that the company must go public within the next three years.

There is a 36-month deadline for this strategy to be implemented to help Gene One realize its growth targets, establish the company as a strong competitor and show Wall Street that Gene One has the leadership and organizational capabilities to succeed as a public entity. This new direction will have to encompass numerous changes for this venture to be a successful one (University of Phoenix. 2009). Leadership is a " process whereby intentional influence is exerted by one person over other people to guide, structure, and facilitate activities and relationships in a group or organization".

There is much debate regarding the definition of leadership in the concept of not only " who exercises influence, but also what type of influence is exercised and the outcome". It is also stated that " influence is the essence of leadership and good leaders can have a substantial influence on employees' lives and the fate of a company" (Yuki. 2006). Leadership issues exist within Gene One in that the executive positions are all diverse in their style of management and focus of the company. All of the managers are not " on the same page".

Everyone has their own ideas as to what they think will work and what will not work. This could prove to be a hindrance to the direction in which Gene One would like to continue. There is much resistance to the changes that need to take place. There is also the belief that change is unnecessary and not feasible. While this resistance is a natural reaction due to the fear of the unknown or fear for the loss of power, change is inevitable. If Gene One realized that change was destined to come, they will be more likely to accept it than if change was never discussed at all.

The more prepared the employees are made for this change, the more adaptable they will be. The probability that there will be little or no resistance increases with the more adaptable they are. The employees are then much more likely to step out of their comfort zone and embrace these changes. The management should hold several meetings to assure all employees that this change is going to be for the betterment of the company and that everything is going to be all right. An organization's success or failure is essentially due to the things that its employees do or fail to do.

Planned change is concerned with changing the behavior of individuals and groups within the organization. If an organization is to survive, it must respond to changes in its environment. When competitors introduce new products or services, government agencies enact new laws, important sources of supplies go out of business, or similar environmental changes take place, the organization needs to adapt. However, not all change is good and sometimes speedy decisions can lead to bad decisions.

These changes that Gene One wants to have made need to be carefully thought through analyzing the full impact of its implications (Robbins, Judge. 2007). If there weren't some resistance, organizational behavior would take on the characteristics of chaotic randomness. Resistance to change can also be a source of functional conflict. If there is evidence of resistance to change, there are seven tactics that can be used to help overcome this resistance to changes in an organization.

Education and communication- Education can give employees the full facts and clear up any misunderstandings they may have. Effective communication can help understand the need to change (Robbins, Judge. 2007). 2. Participation - Employees allowed to participate in the change decision process are least likely to resist the changes (Robbins, Judge. 2007). 3. Building support and commitment - Studies have shown that counseling, therapy, and new skills training lower anxiety and assist in the adjustment (Robbins, Judge. 2007).

Negotiation - When resistance is caused by a few powerful individuals, a specific reward package can be negotiated that will meet their individual needs (Robbins, Judge. 2007). 5. Manipulation and cooptation - Manipulation is defined as the twisting and distorting of facts to make them appear more attractive, the withholding of undesirable information, and the creation of false rumors to get employees to accept a change. Cooptation is used when the leaders of a resistance group is bought off by giving them a key role in the change decision.

The leaders' advice is sought to get their support (Robbins, Judge. 2007). 6. Selecting people who accept change - It appears that people who adjust best to change are those who are open to experience, take a positive attitude toward change, are willing to take risks, and are flexible in their behavior (Robbins, Judge. 2007). 7. Coercion - Coercion is the application of direct threats or force on the resisters (Robbins, Judge. 2007). Another hindrance to Gene One is the lack of trust that exists among the top executives.

There is no evidence of respect among the key players. Everyone seemed to address each other negatively and with sarcastic remarks. When management cannot agree and get along, the rest of the company cannot be expected to follow and do the same. The effective and healthy organization is characterized by trust, authenticity, openness, and a supportive climate (Robbins, Judge. 2007). The top executives of Gene One do not have a clear vision as to what direction they would like to see the company go.

The vision needs to be apparent and compelling so that employees will be persuaded to accept the new focus. This vision also must consist of a better future for the organization to justify the sacrifices that will be made. The end vision for Gene One is to be a publicly traded company in three years. The leadership that is currently in place was excellent for the success of Gene One as a private organization. However, the organizational structure and leadership style needed for this organization to be a success when it goes public are not in place.

For this organization to be successful in the future as a public organization, the organizational structure as well as the leadership styles, need to be

adjusted to adapt to this change. I feel that the cross-functional leadership style would be a more suitable match for Gene One as a whole. If Gene One is to make the change to a publicly traded company, the provisions of the Sarbanes-Oxley Act (SOA) were not incorporated into the Executive Plan for the company.

The SOA Act requires that IPO Boards have directors who are independent, and at least one member must have financial experience serving as a CFO or CPA in a firm. New members will have to be found and appointed to the Board of Directors. All financial statements will have to be disclosed to the Securities and Exchange Commission (SEC) prior to the offering and Gene One executives will be personally accountable for the accuracy of these statements. That is going to require Gene One to hire an external auditor and the process is going to take some time for the review of these statements before the disclosure can be made.

The company also needs to research more areas in which they can diversify their technology into other facets to ensure that they remain competitive and successful for future endeavors.

REFERENCES

Robbins, S. & Judge, T. (2007). *Organizational Behavior*. (12th ed.). Chapter 19: Organizational Change and Stress Management. Englewood Cliffs, NJ: Prentice Hall University of Phoenix. (2009). Scenario: Gene One. Retrieved June 3, 2009, from University of Phoenix, Week Five, rEsource, Organizational Leadership - LRD 531

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