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## **The Role of Leadership in Managing Change**

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***This article explains the significance of change. It also discusses the process of change and the role of the leader in the change process.***

Change has become inevitable in any organization today. Competition, consumer choice, diversified product choice, improved technology, unrestricted trade territories etc., have contributed significantly to the necessity of bringing about change in the organization and embracing it as an ongoing process. Globalization and liberalization have further fueled the necessity for change. However, there are various factors that restrict an organization to adapt change. The various factors are discussed below:

**Resistance to Change:** The first and often encountered problem in any organizational change process is the resistance of the employees to change. It needs to be understood that change has to occur at the individual level. Implementing and managing change in an organization will not be possible if individuals do not change. The CEO has to play a crucial role in driving the organization to change. She/he has to convey to his/her employees the significance of change in the success of an organization.

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Jacques Nasser, former CEO of Ford Motors had successfully led his company through a massive transformation process cruising through the various factors that resisted change. A company spread across 200 countries and employing approximately 340,000 employees, had to change to face the challenges in the highly competitive automobile industry. Traditionally, Ford Motors was used to the *feudom* policy. In a *feudom* policy, the culture of sharing ideas was totally missing. Jacques Nasser, convinced the employees of the need for a paradigm shift in approach of the company to take on the growing competition. Thus, Ford successfully adapted to change.

**Conflicting Goals:** Another reason that could hinder the change process is the conflicting goals in the organization. For example, the conflicting goals of improving the resource base to accomplish the change process and at the same time cut costs to remain competitive may sometimes hamper the change process.

**Standardization of Process:** Change management programs are generally available in the form of packages to the organizations. Many organizations commit the mistake of assuming a standard process for change management though it may not be applicable to all organizations with different organizational characteristics.

**Different Fit for Different Size:** It is generally assumed that the success of change management varies according to the size or the industry in which it falls. In a recent survey conducted by Watson Wyatt's Work USA 2002, which covered more than 12,000 US workers, it was found that there exists a dramatic correlation between successful change management and business performance. Further, Watson Wyatt research reveals that the success or failure of change management does not depend on an organization's size or industry but on the manner in which the process is carried out and the scope of the effort.

### **The Successful Change Management Process**

An organization, in order to witness a successful change management process, has to adopt an anytime ready-to-change attitude. An organization has to prepare itself to adapt to change. Stora is perhaps one of the best examples of a company that has adapted to change successfully. The company started with a copper

mine in Sweden around 700 years ago. Over the centuries, as the business and political environment changed, Stora also adapted to the changing situation moving from copper to forestry to iron production and eventually to paper, wood pulp and chemicals. In the late 1990s, Stora adapted to change once again when it joined forces with Enso, a Finnish company, to create Stora Enso. Today, the company is a global leader in the forest products industry.

An organization while managing change, has to be meticulous regarding picking the right strategy to manage change. Strategic planning ensures that an organization is doing the right things. In the change management parlance, a strategic plan explains what the organization is changing to. Once it has determined what are the right things to do, it delegates accountability for doing things right to one or more business plans.

In large organizations, strategic plans may be prepared at different levels in the organization and/or define the role of particular functions across the whole organization. Corporate planning is the highest form of strategic planning. Smaller organizations need both Strategic and Business Plan.

A pro-change organization must adopt out-of-the-box thinking. It must dare to think different from the general practices and the traditional norms. The strategies should be formulated keeping the external environment and general economic trends in mind. We can take a leaf from Southwest Airline to discuss the same. In the US, Hub and Spoke Model is the most followed and much revered strategy in the airline industry. When the industry experienced a downtrend, almost all the companies that followed the Hub and Spoke Model reported massive losses. Southwest Airlines was one of the few airlines that dared to think differently. Southwest Airlines concentrated on the short-haul routes, and had a no-frills strategy. This helped the airline to have a major cut in their operational expenditures.

Training is a must for successful implementation of change management processes in any organization. Training should be an inherent part of any organization that desires a healthy survival with changing trends of business.

Many organizations today are not hesitating to create an exclusive department for training and coaching. The various modes through which training can be

### Filling the Gaps – The GAPS Strategy

Kenneth Blanchard in his book *Zap the Gaps* narrates a simple and an effective strategy of detecting the weak signals and creating a healthy and congenial atmosphere at the workplace. The strategy may be discussed in brief as follows: Every organization requires to remember three basic needs that govern the functioning of the firm viz., business needs, performance needs, and work environment and capability needs.

It is the foremost responsibility of the top management to ensure that all these three needs are aligned to each other. To get the best results, one needs to understand the business needs, and then one has to determine the performance requirements of the people to meet those needs. To ensure performance, one has to make certain that people are truly capable and that their work environment needs are being met. If any piece is missing in this alignment, the firm is going to have problems.

#### **Zapping the Gaps**

As said earlier, if any piece is missing in this alignment, the firm is going to have problems. Conversely, when a firm's state of affairs is not healthy, there is every possibility that any of the three basic needs is not in its place. There can be various factors responsible for such state of entropy. Gap in communication, gap in expertise, gap in training methods, gap in execution etc. Kenneth Blanchard in his book *Zap the Gaps* has suggested an apparently effective and efficient antidote to eradicate the gaps in an organization. He suggests a four-step strategy that is abbreviated as GAPS strategy.

- **'Go' for the Shoulds**

The first step of the strategy says that an organization should know and understand as to what should be the state of affairs of the job that is currently being observed. 'Should' indicates the zero trouble zone, the flawless state of affairs. It suggests how the situation would have been, had it not been affected by any problem or gap.

- **'Analyze' the Is**

'Is' denotes the state of affairs that exist in the organization presently. To put it clearly, 'Should' denotes the standard performance level that is expected out of an employee whereas 'is' the real performance that the employees are showing as output. The difference between the 'should' and 'is' is the Gap in the organization.

- **Pin Down the Causes**

By this phase of the strategy, we would have known the gaps existing in the organization that are preventing the actual performance from meeting the standard performance. People often commit the mistake of jumping onto the solutions immediately after spotting the problem. They neglect the more important and unavoidable phase i.e., the cause-hunt phase. The third phase of the process is pinning down the causes responsible for the problems.

- **'Select' the Solutions**

Now arrives the last but the much-awaited phase of the process i.e., selecting appropriate solutions. Taking the difference between the 'should' and 'is' i.e., the gap and the causes of the gap as the base, one should implement apt and appropriate solution that would fit into the problem.

imparted are classroom training, training under simulated conditions, role model training, and on the job training etc.

### **Leading Change**

Better or bitter, change is a must. The success of any change management process depends on how it is managed. An effective change management calls for an efficient leader who can handle the transition. Change is a distinct function, which distinguishes a manager from a leader. A manager can manage the change process but it needs a leader to participate and lead the group in an organization to manage the change successfully.

A successful change leader should have the following characteristics:

**Keep a close Observation on the surroundings:** In the book *High Performance Leadership*, the author says that change can occur broadly on three grounds viz., scale, speed and standards. Scale refers to the geographical spread of the business. If the business has a global spread, then it is the responsibility of the leader to keep a track of the changes taking place in the international business environment, and the industry in which it is operating. Speed refers to the pace at which strategies are formulated and executed.

Consumers want to buy products with world-class standards. Intense competition and customers' demand for high quality has raised the quality standards of the products and services phenomenally in the recent past. Thus, a change leader has to keep a close surveillance of these three factors and act accordingly.

**Detecting weak signals:** A change leader should be highly sensitive towards any weakness that persists in a group or in any operation at any level of the firm. The leader should zap the gaps as soon as she/he feels that it is affecting the change process adversely.

### **Zapping the Gaps**

**Training and Development:** The leader must create an environment to share his observations and convey the necessary action to the employees. He has to prepare his people for change. She/he should inject the habit of adaptability into the

company personnel, which is only possible through continuous interaction with them. Training and development has gained enormous significance in this regard. Jacques Nasser was an exemplary leader and an excellent observer of the changing times. He established a strong culture of training and coaching at Ford which helped his managers to keep abreast with the latest industry happenings and changes taking place in the environment and the need to adapt to the changing environment.

### **Conclusion**

Adapting to change is no longer a choice but a compulsion. The success of any change process depends on the external and the internal environment. Under these circumstances, the change leader is the person who assumes the greatest importance during the process. She/he is the person who acts as the bridge between the internal resources and the external factors affecting the organization. Thus, the success of any change process to a great extent depends on the change leader.

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