Leadership and Change Management (Mgmt 411)

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Leadership and Change Management

UNIT ONE: OVERVIEW OF LEADERSHIP

Structure

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1.0. Objectives

Upon successful completion of this unit, you will also be able to:

- Appreciate the different perspectives of defining the concept of leadership.
- Explain the inherent differences between leadership and management.
- Identify qualities that make an effective leader.
- Discuss the role of leadership in promoting good governance and development.

1.1. Introduction

Organizational strength is decisively determined by the strength of its leadership. Leadership strength is also demonstrated through having a shared vision, influencing followers toward attainment of common goals, maintaining harmony, resolving conflicts, and inspiring others to be effective leaders. Poor leadership is characterized by turning a favorable environment into hostility and stage of profound conflict. To the contrary, good leadership is endowed with such qualities as courage, resilience, and forward looking those help to turn hostility into friendship, conflict into cooperation, and threats into opportunities.

The course *Leadership and Change Management* is prepared to help you understand the essence of leadership, what it means, and how it works. Change and conflict management are also included to give you a comprehensive view about these crucial conditions of institutional success. Change is the only permanent phenomenon that organizations need to make wise use of it in order to stay responsive to the changing needs of their customers. You as a leader, therefore, required not only to manage change but also introduce change into your organization. Moreover, conflict is there where people work together to pursue their common goals whether one likes it or otherwise. It is not possible to eliminate conflict. However, it is the leader’s important task to examine the conflict situations and look for remedial action. This is what is meant by management of conflict.

1.2. Leadership Definition

Leadership is the special quality which enables people to stand up and pull the rest of us over the horizon.

James L. Fisher

Leadership, in its varying styles that are attributed to different historical times, can trace its age into the beginning of human society. Its instrumentality to societal development and institutional success also made it an important area of further scientific inquiry whereby variety of theories are being developed aiming at understanding what leadership is about. Consequently, different authorities define leadership in different but complementing ways. Let's have a few of such definitions and look into their similarities and differences.

Stogdill (1974), for example, defines leadership as a process of "influencing the activities of an organized group in its efforts towards goal setting and goal achievement". Davis. K. and J.W. Newstrom, (1985:616), on the other hand, explain leadership as a process of "encouraging and helping others to work enthusiastically toward objectives''. Dwight D. Eisenhower in Snee(2002) describes leadership as "the art of getting someone else to do something you want done because he wants to do it".

What one can extract from the definitions given above is that leadership is the "ability to influence others towards the attainment of the agreed upon organizational goals". In further search for a common definition to leadership, Chandan (1987) discusses leadership as an "art of influencing and inspiring subordinates or followers to perform their duties willingly, competently and enthusiastically for achievement of group objectives". Besides emphasizing on such qualifiers as *willingness, competence and enthusiasm* of followers to accomplish group objectives, Chandan has also introduced a kind of arithmetical formulation that shows leadership as a function of followers, goal, willingness and situation.

L = F (f,g,w,s)



Where: **L**-leadership; **F**-function (**f** = followers; **g**=goal; **w**=a measure of willingness on the part of subordinates; and **s**=a given situation).

Dear distance learner! As you can imagine, it is possible to produce pages of definitions about leadership that are forwarded by different authorities. Some of the definitions try to be as general as possible and others frame the concept of leadership from their institutional viewpoints or even from their personal experiences. An excerpt that traces its origin to the US Air Force, for example, stipulates that "leadership is the art of influencing and directing people in such a way that will win their obedience, confidence, respect and loyal cooperation in achieving common objectives". Harry S. Truman (1884-1972), the 33rd President of the United States also had given his own definition to a leader as saying "a leader . . . is a man who can persuade people to do what they don't want to do, or do what they are too lazy to do, and like it".

As it is observed from the definitions of leadership presented above, almost all of them try to illustrate the same thing in a more or less similar way. For Stogdill (1974), leadership is a process of "*influencing the activities of an organized group*". Davis. K. and J.W. Newstrom, (1985:616) noted that it is about "*encouraging and helping others to work enthusiastically toward objectives*''. The key phrase in Dwight D. Eisenhower's definition depicts leadership as "*the art of getting someone else to do something you want done because he wants to do it*". Chandan (1987) presents leadership as an "*art of influencing and inspiring subordinates or followers to perform their duties willingly, competently and enthusiastically for achievement of group objectives*". Harry S. Truman perceived a leader as "*a man who can persuade people to do what they don't want to do*". Such terms as influencing, encouraging and helping, inspiring, persuading, and willingness are the commonly used ones across the definitions provided about leadership. Besides, followers are at the very center of all explanations of the concept of leadership. In sum, all the definitions tell us the way through which one can win willingness of others to stand for a shared purpose without being coerced.

Having all the differences and similarities between various definitions of leadership in mind, what needs to be underlined is that *leadership is a process of winning the commitment of followers to attain common goals*. Or we can use a definition given by Robins (2005:332) that states leadership as the "ability to influence a group toward the achievement of goals". The goals sought to be achieved, in this case, could be group or organizational ones. While talking about leadership we also need to look into the sources of leadership influence. Chandan (1987), Gray and Smeltzer (1989), and Robins (2005) classify sources of leadership influence into such two forms as *formal* and *informal*. The description about each of the forms is presented below.

Formal Leadership: It occurs when a person leads by exercising formal authority. This happens when a person is appointed or elected as an authority figure. For instance, any employee who is assigned a managerial position has the opportunity and responsibility to exercise formal leadership in relation to subordinates. Similarly, a formally elected leader of a country or a state acquires the authority of leadership and giving direction on the country or state. In short, formal leadership is provided by the possession of leadership rank in a given organization. Such positions come with some degree of formally designated authority, a person may assume a leadership role simply because of the position he or she holds in that particular organization. This is what we mean by formal leadership. But being granted with certain formal rights alone may not necessarily mean that a person with this right is able to lead effectively. Here comes the need for informal leadership.

Informal Leadership: It arises when a person without formal authority is becoming influential in directing the behavior of others. Informal leaders are those who take charge in-group situations. They emerge in certain situations, because of their interpersonal charisma or persuasiveness, intelligence, skills or other traits and to whom other people turn to for advice, direction and guidance. In some instants, the informal leadership stands as important as or even more important than the formal leadership. Religious and civic leaders fit into this category.

Formal and informal leadership co-exists in almost every work situation. Successful managers are capable of exerting both formal and informal leadership. When acting as formal leaders, managers follow the chain of command and exert influence downward in the hierarchy of authority from managers to subordinates. By contrast when acting as informal leaders, the managers influence employees outside the formal organizational chains of command.



Activity 1: Sources of Leadership Influence

Time allowed: 10 minutes.

As it has been discussed earlier, there are two sources of leadership influence. In your opinion, which source of leadership influence is predominantly prevalent in your organization? If one source of influence is dominant over the other, what are the possible reasons of such kind of leadership practice?

1.3. Leadership versus Management

Some people may use the terms leadership and management interchangeably considering that the two are similar. Though the two concepts share some features in common, they have their own peculiarities as well. Some dare to put similarities and differences between the two concepts in terms of pictorial representation in the following form.

Common Domains of Leadership and Management



As it is tried to show above, we can learn that the two circles share a significant proportion of each other's' territory. The area that they share shows what the two have in common and the larger proportion that is held by each one of them reflects on their differences.

If one becomes interested in making comparison between management and leadership, it is so clear that there prevail some inherent differences between the two. To begin with, managers perform several administrative functions like planning, organizing, staffing and controlling in addition to leadership. Leadership involves envisioning, motivating, setting a direction and inspiring people as well as driving change within the organization. The following attributes of leaders also distinguish them from managers.

- **Leaders have followers:** While employees may comply with manager's directives, such compliance may be done out of duty rather than commitment. Motivating and influencing people to move towards a common goal are all essential elements of management, but the willingness and the enthusiasm of the followers to be led highlights a special quality that puts a leader high above others.
- **Leaders have emotional appeal:** Managers are expected to be rational decision makers while leaders are expected to be charismatic, exciting, and visionary. Leaders can inspire people and bring about a behavioral change.

- **Leaders meet the needs of followers:** While managers are expected to be more concerned with attaining organizational goals, leaders are expected to be more sensitive to the needs of the followers.

Management focuses on work. We manage work activities such as time, paperwork, materials, equipment, logistics and supply chain, finance and money, budgeting and similar other day-to-day activities. Whereas, leadership has an essential focus on people and how they can be influenced rather than mainly preoccupied by taking care of things and routines. Furthermore, vision, inspiration, persuasion, motivation and relationship mainly characterize leadership more than management.

While there are some basic differences between management and leadership, this does not mean that the two are mutually exclusive. In fact, there could be instances whereby a good manager may not be a good leader, and a good leader may not qualify to be a good manager. However, it is not strange that there are many good leaders who are also good managers.

In all cases, however, Robins (2005:233) gives us a very good insight about the interdependence of management and leadership as saying that:

> Organizations need strong leadership and strong management for optimal effectiveness. In today's dynamic world, we need leaders to challenge the status quo, to create visions of the future, and to inspire organizational members to want to achieve the visions. We also need managers to formulate detailed plans, create efficient organizational structures, and oversee day-to-day operations.

In conclusion, when we make comparison between leadership and management, the intention is not to make choice between the two. As long as organizational success is concerned, we need both as appropriate to the situation that we like to fulfill.



Activity 2: Leadership and Management

Time allowed: 15 minutes.

Carefully examine the remarks made by **Robins** about the interdependence of management and leadership and answer the following questions.

Why do we need both strong leadership and strong management?

What would your organization face if it had strong management but weak leadership?

What would your organization face if it had strong leadership but weak management?

1.4. What Makes Effective Leader

> The main characteristics of effective leadership are *intelligence, integrity or loyalty, mystique, humor, discipline, courage, self-sufficiency* and *confidence*
>
> James L. Fisher

Effective leadership is an essential condition in institutional success. So long as the history of leadership is concerned, it is hardly possible to attain praiseworthy achievements without vibrant leadership. If that is not the case, organizations may not need to look for new leadership during such tough times like the present day economic downturn whereby many chief executive officers of multinational corporations are being replaced (Alemayehu, 2009).

Leadership effectiveness is attributed to such qualities of a leader as *individual capacity, team skills, managerial competence, the ability to stimulate others*, and a blend of *personal humility* and *professional determination* (Robbins, 2005). Its essence is also about "helping people communicate more, collaborate more, and innovate more" (Mieszkowski in Afsaneh, 2003:5). A leader, therefore, is a person who influences individuals and groups through helping them set goals, guide them to achievement of the set goals, and lead them to be effective (Afsaneh, *Ibid*:4) in their endeavors. In sum, an effective leader is "a person who can influence the behaviors of others without having to rely on force (and the one who is) accepted by others as a leader" (Griffin 2005: 505).

Furthermore, the higher the leadership ability yields in the greater effectiveness as noted by Maxwell (2003). And effective leaders assume responsibility for failure and give credit for success to others as well as develop future leaders as underlined by Robbins (*2005*). Leaders are also said to be effective "when their followers achieve their goals, can function well together, and can adapt to the changing demands from external forces" (Afsaneh, *Ibid*:

6).Of course, a lot of values and virtues of effective leadership are contained in the contemporary leadership literature. Agere (2000: 130-132), for instance, has identified 10 critical leadership competencies that help a leader to be effective despite environmental challenges he or she might encounter. The list includes:

- - *Building and sustaining relationships*
- *Commitment to achieve*
- *Effective communication*

- *Honesty and integrity*
- *Intellectual capability*
- *Openness to learn*
- *Management of transformation*
- *Managing in the political cultural context*
- *Personal mastery*
- *Strategic leadership*

Caroselli (2000: 4-11), on the other hand, outlines traits for effective leadership as:

- *Courage*
- *Pride*
- *Sincerity*
- *Adaptability*
- *Influence*
- *Multilingual ability*

Such wide-ranging efforts to define leadership effectiveness since 1940s can teach us two major lessons. First, it affirms that leadership effectiveness is recognized as a prime concern of organizational success. Second, the question of '*how leadership effectiveness is measured?*' remains a point of further deliberation mainly because different scholars define it in different but usually complementing ways. Evidently, authorities in management science at different times have developed various models for measurement of leadership effectiveness. Dear learner, I hope you will enjoy learning about different theories of leadership and the challenges to come up with a single universal measure of leadership effectiveness in *Chapter Two* of this module.

Critical role of leaders is influencing others to join them in attainment of common goals. In the process of placing influence on others, effective leaders reveal at least the following four basic considerations (Snee, 2002). These essential qualities include, but not limited to, *providing direction, effectively communicating, enabling followers and availing resources, and recognizing results* and *reinforcing desired behavior*.

Through provision of direction' leaders show the way that takes their followers to the achievement of the desired end. By effectively communicating their intention, leaders develop understanding and foster hope that energizes the effort of pushing forward. Enabling is about promoting the capacity of followers through training, coaching, counseling, and provision of the required resources in order to set people up for success. Through recognition and reinforcement

leaders encourage their followers to do things right.

Dear Learner! As you know it very well, leadership effectiveness may not be measured using one and the same instrument across all sorts of organizations. It is clear that all organizations have many things in common and at the same time one possesses its own distinguishing features that may require to be treated differently. Of course, without compromising such basic principles of leadership as *vision, inspiration, persuasion, motivating and mobilizing followers towards attainment of common goals,* leadership effectiveness in business organizations may not necessarily mean the same with that of leadership effectiveness in educational institutions for the very reason that their input, process and output are different.

The way leadership effectiveness is measured in educational institutions may not be exactly the same with the way as to how the military organizations practice. This kind of difference occurs as a result of the nature of the job to be accomplished in different spheres of organizational settings. In the meantime, do not forget that there is no effective leadership without yielding the desired outcome. Hence, leadership in military organization may adhere to the following 11 principles in order to demonstrate effectiveness.

The U.S Army's Eleven Leadership Principles

- Be tactically and technically proficient
- Know yourself and seek self-improvement
- Know your soldiers and look out for their welfare
- Keep your soldiers informed
- Set the example
- Ensure the task is understood, supervised and accomplished
- Train your soldiers as a team
- Make sound and timely decisions
- Develop a sense of responsibility in your subordinates
- Employ your unit in accordance with its capabilities
- Seek responsibility and take responsibility for your actions

Source: Clark (2010). "Leadership Traits"

Activity 3: Leadership Principles and Competencies

Time allowed: 20 minutes.

Make a comparison between the **11** leadership principles of the United States' Army and the **10** leadership competencies that are identified by Agere (2000).

Discuss differences and similarities between the two sets of principles.

Dear Learner! I now have a good reason to believe that you have grasped knowledge about what makes leaders effective. I also like to conclude this section with a quotation by a renowned Chinese philosopher, Lao TseTao TeChing (not dated), who describes effective leaders as:

> The superior leader gets things done with very little motion. He imparts instruction not through many words but through a few deeds. He keeps informed about everything but interferes hardly at all. He is a catalyst, and though things would not get done well if he weren't there *or* when they succeed, he takes no credit. And because he takes no credit, credit never leaves him.

Look! As it is put in a very good way in the quotation above, leaders are not expected to do everything in their organization. Rather, their role is to give strategic direction, empower and support their followers in their difficulties to achieve success. Leaders give credit to others rather than competing to grab credit for their own. In other words not contesting for credit is not losing it for success in itself grants uncompromised credit to successful leaders.

1.5. Importance of Leadership for Good Governance and Development

Dear Learner! This section brings to you the vitality of leadership to good governance and development. The concept of good governance and the interdependence between leadership, good governance and development will be dealt with some details here under.

Concept of Good Governance

Before you begin to deal with the interrelationship between good governance, development, and leadership, it seems wise to reflect on the concept of good governance.

Governance, according to the World Bank (2009), consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them. The United Nations Development Program (1999) also defines governance as the exercise of political, economic and administrative authority in the management of the affairs of mechanisms, processes and institutions through which citizens and groups articulate their interest, mediate their differences, and exercise their legal rights and obligations.

Likewise, good governance is the manner in which the state acquires and exercises its authority to provide public goods and services (Nkrumah, (n.d). In addition to trying to equate the meaning of good governance in a single statement, literature on governance depicts such seven essential characteristics of good governance as *participation; transparency; equity and inclusiveness; efficiency, effectiveness and responsiveness; accountability; access to information;* and *rule of law*. Each of these manifestations of good governance is discussed in some details here under.

Participation: Key stakeholders, institutional representatives, and civil society need to be involved in decision making that affect the lives of the people

Transparency: As an instrument of good governance, transparency lessens opportunities for authorities to abuse the system for their own interest rather than serving the public good.

Equity and inclusiveness: Communities have stake in development and do not feel excluded while development projects are designed, implemented, and appraised. Moreover, services and resources need to be fairly distributed among citizens.

Efficiency, Effectiveness and Responsiveness: Institutions that use public money for their operations are required to produce results that meet the needs of the community abide by the principles of making the best use of resources and with minimum possible unit cost.

Accountability: Government, private sector, and community based organizations need to operate with the sense of being held responsible to the public.

Access to information: Citizens have to be provided with accurate and timely information about the decisions and actions of the government in order to be able to demand accountability

Rule of Law: Good governance is characterized by rule of law that rule of man. Rule of law

demands for respect for due process and procedural fairness before law. What matters most, in this case, is supremacy of law other than personal whim.

Generally, good governance is used to describe the inter-play of best practices in the governance of a nation. The concept refers to issues of performance of governments at different levels (national, regional or local) in handling the country's political, economic and social matters to enhance human progress, social well-being and sustainable development. The purpose of good governance is to create a favorable climate for political and socio-economic development and to increase the efficiency and effectiveness of development programs.

The main features of good governance include promotion of open market, friendly and competitive economies, support for democratization and improvement of human rights records. The World Bank (1989) identifies the essential features of good governance as: legitimacy of government; accountability of political and official elements of government; competence of government to formulate policies and deliver service; and respect for human rights and law. Legitimacy government refers to the degree of democratization in the polity while accountability of political and official elements of government refers to issues of press freedom, transparent decision-making and accountability mechanisms.

In conclusion, good governance ensures that political, social and economic choices or decisions are made on the basis of broad consensus in the society through elected representatives. It should enhance high-level institutional effectiveness and economic growth.



Activity 4: Characteristics of Good Governance

Time allowed: 15 minutes.

Effectiveness, efficiency and responsiveness are presented as attributes of good governance in the discussion above. What do these concepts mean to you? Can you please give a precise definition of each of the concepts?

In sum, good governance is instrumental in successfully combating corruption, ensuring wise and efficient use of public resources, taking into account views from the minority, involving the vulnerable groups in making decisions that affect their lives, building consensus, and fighting abuse of authority.

To the contrary, poor governance is characterized by denial of political, civil, economic, social

and cultural rights; administrative inefficiency and corruption; deficient legal protection and political repression that ultimately grow to mass violations of human rights and reign of tyranny. It entails waste of human power and natural resources; and resultantly damages the way to sustainable development. The following box summarizes the distinguishing features of good governance and poor governance.

Good Governance	**Poor Governance**
Participatory	Relies on top-down approach
Transparent	Corrupt/ Fraudulent
Equitable and inclusive	Procedural inequity
Efficient, Effective and Responsive	Poor service delivery and wasteful practices
Accountable	Lack of accountability
Creates access to information	Denial of access to information
Rule of Law	Practices inconsistent with law

1.6. Let Us Sum Up

Leadership is an act and art of influencing others to carry out common goals so as to realize their shared vision.

Though leadership and management have many things in common, they also possess peculiarities wherein a good leader fails to be a good manager and a good manager lacks qualities that make him a good leader. But there are a rare species people who at the same time qualify to be both good leader and good manager.

Undisputedly, organizations need effective leadership which can lead them to a new height of performance. The fact that institutional efficiency and effectiveness are functions of leadership effectiveness, the need for leader effectiveness comes next to none. To be effective, therefore, leaders must demonstrate such qualities as *providing direction, effectively communicating, enabling followers and availing resources, and recognizing results* and *reinforcing desired behavior.*

Besides, good leadership is good governance which in turn promotes development. Good governance is characterized by enhancing participation; transparency; equity and inclusiveness;

efficiency, effectiveness and responsiveness; accountability, creating access to information, and rule of law. Astonishingly enough, leadership effectiveness is a prerequisite to all of these manifestations of good governance.

1.7. ?Check your progress

Part I: True or False

Instruction: - Write' True' for correct statements or 'False' for the incorrect ones.

1. Leadership is a complete substitute of management.
2. The informal source of leadership emanates only from a leadership position held by a leader.
3. Instigating enthusiasm among followers is the principal role of a leader.
4. Leadership is function of followers, goals, willingness, and a given situation
5. Good governance has a very remote relationship with effective leadership.

Part II: Multiple Choice Items

Instruction: - Read each of the following questions carefully and select the best answer from the alternatives provided.

1. One of the following is not correct about *participation* as fundamental principle of good governance.
    A. Involving key stakeholders while decisions are made
    B. Ensuring representation of those affected by the decision
    C. Civil society representation is all about participation
    D. Beneficiaries participation is indispensable
2. Transparency:
    A. Refers to clearness of procedures followed in making every decision
    B. Lessens doubt over decisions to be made
    C. Narrows down the possibility of abuse of authority
    D. Helps to serve own interest rather than the public good

3. The principle of equity consists all of the following except_____.
    A. It is an act or behavior of denial of the right to parity
    B. It is about ensuring fair share over resources
    C. It is the function of equal treatment of all citizens
    D. It is the state of being impartial and just

4. Which one of the following is correct about efficiency?
    A. Efficiency has nothing to do with efficacy
    B. It is about expenditure of minimum possible unit cost
    C. It is the state of less receptiveness to the needs of the community
    D. It is the process by which minimum output is achieved with maximum input
5. The principle of accountability involves all, except one.
    A. Operating with the sense of being held responsible to the public
    B. The private sector alike public institutions abide by accountability
    C. Community based organizations need to be accountable only to the government
    D. Government, non-governmental, and private organizations are accountable to the general public

Part III: Matching Items

Match related concept from column "B" with the premises under column “A”.

AB

1. Informal Leadership — A. Persuasion
2. Formal Leadership — B. Personal charisma
3. Influence — C. Contingent upon position held
4. Visionary — D. Doing things right
5. Efficiency — E. Farsighted
    F. Doing the right things

1.8. Ñ Answers for Check your progress

Item No.	True or False items	Multiple Choices	Matching
1	False	C	B
2	False	A	C

3	True	A	A
4	True	B	E
5	False	C	D

UNIT TWO: LEADERSHIP THEORIES AND STYLES

Structure

2.0. Objectives
2.1. Introduction
2.2. Leadership Styles and Sources of Leadership Power
2.3. Leadership Theories
2.4. Transformational, Transactional and Servant Leaders
2.5. Leadership Skills and Competencies
2.6. Good versus Poor Leader Qualities
2.7. Let Us Sum Up
2.8. Check your progress
2.9. Answers to check your progress

2.0. Objectives

Upon successful completion of this unit, you will be able to:

- Carry out analysis to differentiate the various styles of leadership.
- Appreciate the differences and similarities between different theories of leadership.
- Discuss the leadership competencies, skills and sources of leadership power.
- Distinguish the underlying differences between the transformational, transactional and servant leaders.
- Compare and contrast qualities of good leadership and poor leadership.

2.1. Introduction

Dear Learner! As you remember it very well, the first unit was about the meaning and distinguishing characteristics of leadership. Now it is time to examine into various styles of leadership, sources of leadership power, different theories of leadership, leadership skills and competencies, and as to how leadership could be regarded as good or poor. All these concepts are presented to you under this unit.

2.2. Leadership Styles and Sources of Leadership Power

Dear Learner! This is a section where you can acquire knowledge about different styles of leadership. Not only that you will also explore into sources of leadership power through a careful study of the contents presented under this section. Have a good study time!

Leadership Styles

Fiedler, Chemers and Mahar as cited in Chandan (1987:223) have described leadership style as a "relatively enduring set of behaviors which are characteristics of the individual, regardless of the situation." It represents the extent of the participation of the subordinates in making decisions. In respect to this, the leaders are known to show three styles of leadership; autocratic, democratic and laissez-faire.

a. **Autocratic or dictatorial leadership:** Autocratic leaders keep the decision-making authority, control in their own hands, and assume full responsibility for all actions. Furthermore, they structure the entire work situation in their own and expect the workers to follow their orders and tolerate no deviation from their orders.

b. **Democratic or participative leadership:** In this type of leadership, the subordinates are consulted and their feedback is taken into the decision making process. Democratic leaders solicit input from their subordinates. These leaders seek information, opinions, and preferences, sometimes to the point of meeting with the group, leading discussions, and using consensus or majority vote to make the final choice. This type of leadership is especially effective when the work force is experienced and dedicated and is able to work independently with least directives.

c. **Laissez-faire or free-reign leadership**: In this type of leadership, the leader is just a figurehead and does not give any direction. He or she acts principally as a liaison between the group and the outside elements and supplies necessary materials and provides information to group members. He or she lets the subordinates plan organize and develop their own techniques for accomplishing goals within the generalized organizational policies and objectives. The leader participates very little and instead of leading and directing he or she becomes just one of the members. He or she does not attempt to intervene or regulate or control and there is complete group or individual freedom in decision making.

A number of studies have been conducted with the intention of comparing the effects of the three leadership styles. Findings of those studies have revealed that a democratic approach resulted in the most positive attitude, whereas an autocratic approach resulted in somewhat higher performance. A laissez-faire style, in which the leader essentially makes no decisions, led to more negative attitudes and lower performance. These results seem logical and probably represent the prevalent beliefs among managers about the general effects of these decision-making approaches.

However, different conditions may call for the use of a blend of the three styles of leadership and there could also be the probability of finding of exclusively a given style alone. Leader behavior, followers' characteristics and the situation wherein a decision is going to be made are the three determinants of the choice of leadership style. Where followers are well qualified for the task that they are supposed to accomplish, for example, it would be destructive trying to autocratically lead them. When people lack the desired level of qualification to perform the task that they are assigned to, one may resort to be autocratic. The democratic and laissez-faire styles may not work properly during the emergency situation.

 ***Activity 1: Leadership Styles***

Time allowed: 15 minutes.

Which style of leadership is being exercised in your organization? How much are you satisfied with the way your leaders are exercising their leadership? Which leadership style do you personally prefer to display and why?

Sources of Leadership Power

Effective leadership is about the ability to influence others. This ability of influencing others has its source. In unit one you studied about sources of leadership influence. As you remember, we said that leaders obtain their power to influence others either from formal or informal source. Bateman and Zeithaml, (1993) and Chandan, (1987) also say that a formal leader cannot function without the authority and the power to make decisions, take actions and accomplish organizational goals by overcoming resistance from others. Some of the functions of the formal leader that require the power and authority to perform include the following.

a. Setting of organizational goals within constraints of internal needs and external pressures.

b. Integrating the activities of his/her group and developing his/her team spirit and cohesiveness.
c. Serving as a representative of group members and an official contact with other parts of the organization and facilitating group interaction.
d. Giving out rewards and/or administering punishments or recommendations
e. Serving as a father figure and sometimes bearing a major impact on the norms, beliefs and values of the group.
f. Becoming instrumental in resolving internal conflicts by bringing about a balance among conflicting interests.
g. Demonstrating a model of behavior for other members or setting example so that others make reference to the way their leader behaves.

In short, leadership power is "the ability to use human, informational or material resources to get something done." It is control over the behavior of others. It can be derived by the leader either because of his/her position or because of his/her personal attributes. Hence, leadership power can be derived either from one of the following sources or combination of them.

- **Legitimate power:** This is the power that is vested in the leadership to take certain actions. For example, a manager's position in the organization gives him/her the power over his/her subordinates in his/her specific area or responsibility. A leader with legitimate power has the right, or the authority, to tell followers what to do; followers are obliged to comply with legitimate orders. For example, a supervisor tells an employee to remove a safety hazard, and the employee removes the hazard because he has to obey the authority of his leader. In contrast, when a staff person lacks the authority to give an order to a line manager, the staff person has no legitimate power over the manager. In general, leaders have more legitimate power over followers than they do over their peers, those high on the hierarchy, and others inside or outside their organizations.

- **Coercive power:** Coercive power is the ability to influence through administration of punishment or sanction. It reflects the extent to which a leader or a manager can deny desired rewards or administer punishment to control the behavior of other people. This is the power to reprimand, demote or fire for unsatisfactory execution of duties. Subordinates may comply to avoid those punishments that have adverse consequences against their interest.

- **Reward power:** On the other end of the coercive power is the reward power which is the ability to influence through provision of incentives. Reward power is derived from

control over tangible benefits such as pay raise or bonuses, promotion, better work schedule, increased expense account, formal recognition of accomplishments and so on. This power is based upon the ability to give or influence the rewards and incentives for subordinates. Subordinates comply with the leader's wishes to receive those rewards. However, these rewards must be valued by the recipients.

- **Expert power:** Expect power is the power derived from the unique skill or expertise that a person has in solving problems and performing important tasks. The leader who has expert power has certain expertise or knowledge; followers comply because they believe in, can learn from or can otherwise gain from that expertise. For example, we generally follow our doctor's or our accountant's instruction, because we believe in their ability or knowledge in those specified areas. If the subordinates view their leaders as competent they would follow them.

- **Referent power:** Referent power is associated with personal charisma, respect, trust, emotional involvement, integrity and reputation of the leader so that the followers want to associate themselves with such a leader. A leader with referent power has personal characteristics that appeal to others; followers comply because of admiration, a desire for approval, personal liking, or a desire to be liked by the leader.

2.3. Leadership Theories

There are many theories that aim at explaining what makes a successful leader. All the theories try to define leadership and success in leadership in the ways that they perceive as to how it works. Most popular theories include great man theory, trait theory, behavioral theory, and contingency theory each theory is discussed below.

Great Man Theory

The “Great Man Theory” is associated most often with 19th-century commentator and historian, Thomas Carlyle, who commented that the "history of the world is but the biography of great men," reflecting his belief that heroes shape history through both their personal attributes and divine inspiration. In his book “On Heroes, Hero-Worship and the Heroic in History”, Carlyle set

out how he saw history as having turned on the decisions of "heroes", giving detailed analysis of the influence of such several men as Shakespeare, Luther, Rousseau and Napoleon. Cherry (2010) also noted that great man theory assumes that the capacity for leadership is inherent – that great leaders are born, not made. This theory often portrays great leaders as heroic, mythic and destined to rise to leadership when needed. The term “Great Man” was used because, at the time, leadership was thought of primarily as a male quality, especially in terms of military leadership.

Early research on leadership was based on the study of people who were already great leaders. These people were often from the aristocracy, as few from lower classes had the opportunity to lead. This contributed to the notion that leadership had something to do with breeding. The idea of the Great Man also strayed into the mythic domain, with notions that in times of need, a Great Man would arise, almost by magic. This was easy to verify, by pointing to people such as Eisenhower and Churchill, let alone those further back along the timeline.

Trait Theory

The Trait Approach is the oldest leadership perspective and was dominant for several decades. This theory of leadership held that great leaders were born with certain "traits" that made them great leaders. The proponents of this theory promote the viewpoint that certain personality traits (characteristics) determine success in leadership. These traits are not acquired, but are inherent personal qualities. The theory rests on the traditional approach which describes leadership in terms of certain physical and other special characteristics which are considered inherited. Alike the great man theory, the trait theory assumes that leaders are born, not made.

This theory emphasizes the leaders are born, not made and leadership is a function of such inborn traits as *intelligence, high motivation, perception, socio-economic status, maturity, need for self-actualization, self-assurance* and similar other attributes. Socio-economic status refers to leaders being born into families of higher socio-economic status. In the earlier studies, the existence of these traits became a measure of leadership. It was believed that only those persons who had these traits would be considered as potential leaders. Similar in some ways to "Great Man" theories, trait theory assumes that people inherit certain qualities and traits that make them better suited to leadership. Trait theories often identify particular personality or behavioral characteristics shared by leaders.

These theorists felt that if they studied the personality intelligence, understanding perception, motivation, and attitudes of great leaders such as Joan of Arc, Napoleon, or Lincoln, there

would be the combination of traits that made these people outstanding leaders (Gray &Smeltzer, 1989; Agarwal, 1993). McCall and Lombardo (1983), on the other hand, have conducted research on both success and failure sides of leadership practices and identified the following four primary traits by which leaders could succeed or fail.

- **Emotional stability and composure**: Calm, confident and predictable, particularly when under stress.
- **Admitting error**: Owning up to mistakes, rather than putting energy into covering it up.
- **Good interpersonal skills**: Able to communicate and persuade others without resort to negative or coercive tactics.
- **Intellectual breadth**: Able to understand a wide range of areas, rather than having a narrow (and narrow-minded) area of expertise.

The association between successful leadership and traits was extensively studied by a vast number of prominent researchers. From 1904 to 1948, over 100 leadership trait studies were conducted by different researchers (Bateman &Zeithaml 1993). Those researchers took two approaches:

I. They attempted to compare the traits of those appeared as leaders with traits of those who did not
II. They attempted to compare the traits of effective leaders and with those of ineffective leaders.

The results of most studies in relation to the first category have failed to reveal any measurable leadership traits that clearly and consistently distinguish leaders from followers. They found that millions of common people had shared some of the traits with that of individuals in leadership positions. Thus, the evidence suggests that the individuals who emerged as leaders possessed no single configuration of traits that clearly distinguished them from non-leaders.

Attempt to compare the characteristics of effective and ineffective leaders have also failed to isolate traits strongly associated with successful leadership. Most studies of this area have found that effective leadership did not depend on a particular set of traits but, rather, on how well the leader's traits match the requirements of the situation that he/she was. Therefore, early attempts to identify the traits (for example, intelligence, assertiveness, above average height, good vocabulary, attractiveness, self-confidence, and similar attributes) that characterize effective

leaders were generally inconclusive. The researchers of the time (from 1904 to 1948) concluded that no particular set of traits are identified as necessary for a person to become a successful leader. The Trait theory (Chandan, 1987), has also been criticized because of the following drawbacks:

a. It focuses attention only on the leader and disregards the dynamics of the leadership process.
b. It ignores the situational factors, which may result in the emergence of a leader.
c. It ignores the difference of the traits with regard to essential characteristics of a leader.
d. It does not identify the traits that some traits can be acquired by training and may not be inherited.
e. It ignores the condition that some traits can be acquired by training and may not be inherited.
f. It fails to explain the many leadership failures in spite of the required traits
g. It ignores the environmental factors, which may differ from situation to situation.

Thus, the Trait Theory of leadership has suffered from lack of conclusiveness and over simplification. Consequently, enthusiasm for the trait approach diminished. Dissatisfied with the result of the trait studies, management scholars had diverted their attention to the study of actual behaviors.

Activity 2: Great Man and Trait Theories

Time allowed: 10 minutes.

You are now through the Great Man and Trait theories of leadership. What similarities and/or differences did you observe between the two theories?

Behavioral Leadership Theory

The failure of the trait approach led researchers to focus on the behavior or style of the leader. From the late 1940s to the early 1960s behavioral researchers at Ohio StateUniversity and the University of Michigan conducted intensive research. The goal of the research was to identify the behaviors exhibited by leaders, i.e. what good leaders did while exercising their leadership. In the behavioral approach, personal characteristics (traits) are considered less important than the behaviors leaders display. Unlike its predecessors, the behavioral theory of leadership is based upon the belief that *great leaders are made, not born*. Rooted in behaviorism, this leadership

theory focuses on the actions of leaders not on mental qualities or internal states. According to this theory, people can learn to become leaders through teaching and observation.

The OhioState University Studies

After an analysis of actual behavior of leaders in many situations, the Ohio StateUniversity researchers identified two important leadership behaviors: task performance and group maintenance.

Task Performance: Task performance behaviors are the leader's efforts to ensure that the work group or organization reaches its goals. This dimension is sometimes referred to as concern for production, directive leadership, initiating structure, or closeness of supervision. It includes a focus on work speed, quality and accuracy, quantity of output, and following the rules. In this case, leadership requires getting the job done.

Group Maintenance: In exhibiting group maintenance behaviors, leaders take action to ensure the satisfaction of group members, develop and maintain harmonious work relationships, and preserve the social stability of the group. This dimension is sometimes referred to as concern for people, supportive leadership, or consideration. It includes a focus on subordinates' feelings and comfort, appreciation of subordinate and stress reduction.

The performance and maintenance dimensions of leadership are independent of each other. In other words, a leader can behave in ways that emphasize one, both, or neither of these dimensions. Some research indicates that the ideal combination is to engage in both types of leader behavior.

Extensive research conducted by the OhioState University investigators found that leaders who scored high on maintenance behaviors (consideration) had fewer grievances and fewer turnovers in their work units than leaders who scored low on this dimension. The opposite held for task performance behaviors (which the team called initiating structure). Leaders high on this dimension had more grievances and high turnover rates (Chandan, 1987; Bateman &Zeithaml, 1993). When maintenance and performance leadership behaviors were considered together, the results were more complex. The findings of different studies were not consistent. The leader high in both consideration and structure didn't consistently perform better than other types of leaders. In some cases, one type of behavior or the other appeared unhelpful or even damaging to subordinates' performance or satisfaction. One conclusion was vivid when a leader must be high

on performance-oriented behaviors, he/she should also be maintenance-oriented. Otherwise the leader will have employees with high rates of turnover or grievances.

The University of Michigan's Survey

At about the same time as the OhioState studies, other series of studies were being conducted at the University of Michigan's SurveyResearchCenter. These studies had similar goals of studying the impact of the leader behaviors on groups' job performance.

The researchers of this group identified two dimension of leadership behavior that they labeled as ***employee-oriented and job-oriented*** (Kahn & Katz in Gray &Smeltzer, 1989). Leaders who were employee-oriented were described as emphasizing interpersonal relations; they took personal interest in the needs of their followers and accepted individual differences among them. The job-oriented leaders, in contrast, tended to emphasize the technical or task aspects of the job. Their main concern was in accomplishing their groups' and the group members were only a means to that end.

The conclusions of the Michigan researchers strongly favored leaders who were employee-oriented in their behavior. Employee-oriented leaders were associated with higher group productivity and high job satisfaction. Job-oriented leaders tended to be associated with low group productivity and lower satisfaction. However, it was difficult to conclude in such a way for the reason that there were also inconsistencies in the findings which the Michigan scholars came up with. In some cases, the units led by a person using an employee-oriented style were more productive, whereas in other situations, the units led in a job-oriented style were more productive. Thus, once again, the findings of the Michigan studies also suffered from in-conclusiveness.

The Managerial Grid

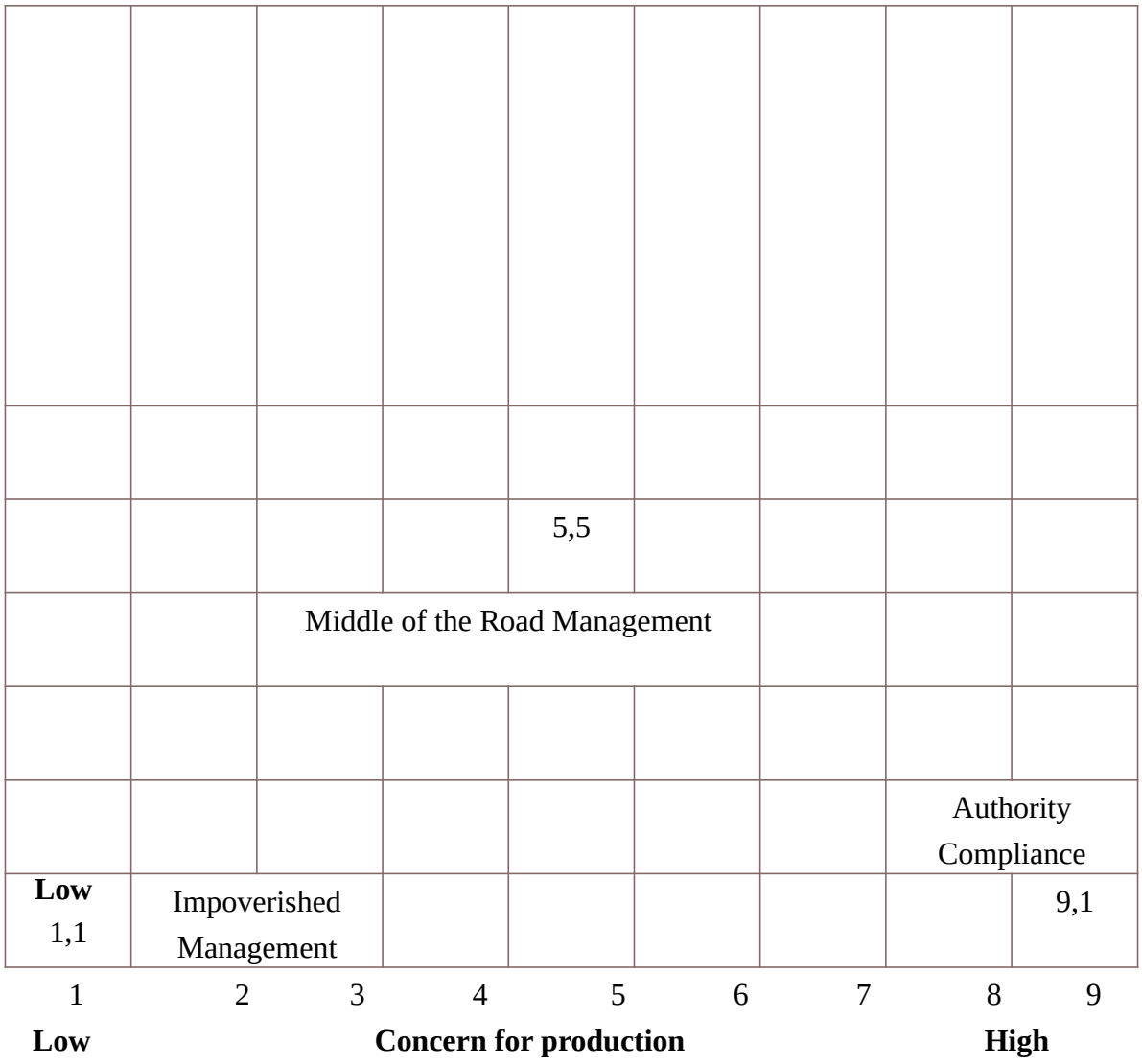
Robert R. Blake and Jane S. Mouton analyzed the deficiencies of the Michigan and Ohio state studies, and applied conclusions from their own research to develop the managerial Grid (Blake & Mouton, 1964 & 1980). They constructed the managerial Grid by defining two dimensions of leadership behavior as concern for people (people oriented behavior) and concern for production (performance-oriented behavior). These two dimensions are similar to the employee - and job - oriented concepts, as well as to the concepts of consideration and initiating structure.

Blake and Mouton formulated the grid by using two axis of behavior as shown in the Figure below. The horizontal dimension, which shows concern for production, reflects a manager's focus on operational tasks. The vertical dimension, which is concern for people, indicates a manager's perception that interpersonal relationships are important. A value between 1 (very low) and 9 (very high) is assigned for each dimension, resulting in a pair of coordinates that identifies a pattern of leadership behavior. The joint scores of leaders can fall at any of 81 (9 x 9) points on the grid.

Table 1: The Leadership Grid

High

9 8 7 6 5 4 3 2 1 1 1,9								9,9
Country club Management							Team Management	
Concern for People								



Source: David Holt (1993:450), Management Principles and Practices.

Although there are eighty-one possible styles of leadership, five of these are most commonly discussed. These provide reference points for the development of programs to alter patterns of leadership behavior.

I

Impoverished Management:- At the lower left point in the Grid is a (1,1) style, called impoverished because it denotes minimum effort to get work done as well as minimum effort to sustain and support organizational members. The manager scoring (1,1) has little regard for work or people.

Authority-compliance (Task Management): The (9,1) position reveals a very high regard for

efficiency and operational results. The manager at this position maximizes production by exercising power and authority unilaterally, exacting obedience from subordinates. In extreme interpretation of this set, subordinates are regarded as irrelevant. They are just considered as a commodity and as well like machines.

Country Club Management: At (1,9) there is high regard for people, but not production Managers with a (1,9) orientation concentrate on meeting employee needs, assuming that happy people working in a friendly, satisfying environment will automatically produce operational efficiency; task requirements and production are systematically ignored.

Middle of the Road Management:- This middle-of - the - road orientation at (5,5) is a sub-optimal compromise in which managers attain adequate results by exercising limited authority, balancing the needs of employees with the needs of production. It is a non - controversial position, which reflects a least-risk style of leadership.

Team Management:-This (9,9) orientation is Blake and Mouton's ideal approach to leadership. Work is accomplished through teamwork so that operational results are maximized while satisfying work environment in which employees can fulfill their needs is provided. Managers at this position exercise authority with the full acceptance of their integrated teams to achieve maximum productivity through a committed work force.

In the 1960s many companies used the Grid Seminar as a training to improve leadership and to attain an optimal pattern of behavior that will reinforce task objectives and interpersonal relations. Managers who did not score a (9,9) were made to receive training on how to become a (9,9) leader. Later, however, the Leadership Grid was criticized for embracing a simplistic, on-best-way style of leadership and ignoring the possibility that (9,9) is not best under all circumstances. So the Grid Approach, although popular, should be used cautiously.

The leadership grid provides a reasonable indication of the health of the organizations as well as the ability of the managers. The model assumes that there is one best or most effective style of management, which is the style indicated by coordinates (9, 9). It is the objective of all management to move as close to this style as possible, because the managers who emphasize both high concern for people as well as productivity are presumed to be more successful. Accordingly, managers should be carefully selected and trained so that they are able to coordinate people and tasks for optimum benefit.

The leadership grid model, however, has become controversial on the basis of lack of empirical evidence supporting whether the team management style is the best management style. Even Blake and Mouton offer conceptual rather than empirical arguments as to why team management style is preferred over others. However, studies revealed that high-achiever executives (though not plenty in number) have demonstrated care about both people and profits and low achievers were obsessed only with their own security. High achievers viewed their subordinates optimistically while low achievers displayed a basic distrust in the ability of their subordinates. High achievers were listeners while low achievers avoided communication relying primarily on policy manuals.

Though series of researches have been carried out especially since the beginning of the 20th century, the mystery of leadership effectiveness persists to be unveiled. The study of leadership approaches discussed so far attribute leadership effectiveness to certain traits or in terms of leader's behavior. Even though all the theories have contributed a lot in advancing the horizon of knowledge about the study of leadership, none of them stood as an independent answer to the question of the salient attributes of leadership effectiveness. Thus, it demanded to look for another theory. That theory is called contingency theory.

Contingency Theory

Contingency theory of leadership focuses on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation. According to this theory, no leadership style is best in all situations. Success depends upon a number of variables, including the leadership style, qualities of the followers and aspects of the situation. Therefore, proponents of this theory underscore that different styles of leadership may be more appropriate for certain types of decision-making.

The contingency theory proposes that an analysis of leadership involves not only the individual traits and behavior but also should focus on a given situation whereby the leadership is going to be exercised. The effectiveness of leader behavior is contingent upon the demands imposed by the situation. The focus is on the situation and not on the leader. Different types of situations demand different characteristics and behaviors because each type of leader faces different situations. A successful leader under one set of circumstances may be a failure under a different set of circumstances. Thus, contingency theory defines leadership in terms of the leader's ability to handle a given situation and is based upon the leader's skill in that particular area that is pertinent to the situation.

There are four contingency variables that influence leader behaviors. First, there are the characteristics of the leader himself. These characteristics include the personality of the leader relative to his ability to respond to situational pressures as well as his previous leadership style in similar situations. The second variable relates to the characteristics of the subordinates. The subordinates are important contributors to a given operational situation. The situation will very much depend upon whether the subordinates prefer a participative style of leadership and decision making and what their motivations in such a situation are. Are the subordinates motivated by intrinsic satisfaction of performing the task well or do they expect other types of extrinsic rewards?

The third factor involves the group characteristics. If the group is highly cohesive, it will create a more cordial situation than if the group members do not get along with each other and the leadership style will vary accordingly. The fourth situational factor relates to the organizational structure. The organizational structure is the formal system of authority, responsibility and communication within the company. Factors such as hierarchy of authority, centralized or decentralized decision making and formal rules and regulations would also affect the leader behavior.

In sum, contingency theory of leadership attempts to account for any relationship between situational factors and leadership effectiveness.

There are four such main theories that have been proposed. These are:

Fiedler's Contingency Theory

The first major contingency model that clearly demonstrated discipline of situational thinking was developed by Fred Fiedler in 1967. He proposed a theoretical explanation for interaction of three situational variables which affect the leader effectiveness. These three variables are (1) Leader-member relations (2) Task structure (3) Leader's position power. These variables determine the extent of the situational control that the leader has.

Leader-member relations:- This relationship reflects the extent to which the followers have confidence and trust in their leader as to his leadership ability. A situation, in which the leader-member relationships are relatively good with mutual trust and open communication, is much easier to manage than a situation where such relations are strained.

Task structure:- It measures the extent to which the tasks performed by subordinates are specified and structured. It involves clarity of goals as well as clearly established and defined number of steps required to complete the task. When the tasks are well structured and the rules, policies and procedures are clearly written and understood, then there is little ambiguity as to how the job is to be accomplished and hence the job situation is pretty much under control.

Position power:- It refers to the legitimate power inherent in the leader's organizational position. It refers to the degree to which a leader can make decisions about allocation of resources, rewards and sanctions. Low position power indicates limited authority. A high position power gives the leader the right to take charge and control the situation as it develops.

Combining the three contingency variables result in the creation of eight different categories. These categories are listed in the table as follows:

Table 2: Categories of Fiedler's Contingency Model

Category	**Leader-group Relations**	**Task Structure**	**Position Power**
I	Good	High	Strong
II	Good	High	Weak
III	Good	Low	Strong
IV	Good	Low	Weak
V	Poor	High	Strong
VI	Poor	High	Weak
VII	Poor	Low	Strong
VIII	Poor	Low	Weak

After studying 1,200 groups, Fiedler states that very favorable conditions for the leader influence occur when all three factors are in the good, high and strong range. Contrarily, the most unfavorable leadership situation exists when all three factors are poor, low, or weak. Fiedler thus predicts that when faced with category I, II, III, or VIII situation, task- leaders perform better than others. Relationship-oriented leaders, however, perform better in moderately favorable situations, that is, in situations representing categories IV through VII.

For Fiedler, the most favorable situation for the leader would be when the leader-group relations are positive, the task is highly structured and the leader has substantial power and authority to exert influence on the subordinates.

Fiedler's Contingency Theory of leadership states that leadership success is determined by these three elements and that the leadership orientation and effectiveness is measured in terms of an attitude scale which measures the leader's esteem for the "least preferred coworker" (LPC), as to whether or not the person who is least liked by the leader is viewed in a positive or negative way. For example, if a leader would describe his least preferred coworker in a favorable way with regard to such factors as friendliness, warmth, helpfulness, enthusiasm and so on, then he would be considered high on LPC scale. In general, a high LPC score leader is more relationship oriented and a low LPC score leader is more task oriented.

Although Fiedler has made some important insights into leadership, his theory was not always supported by research. It was quite controversial in academic circles. According to Schein (1980), Fiedler's model does appear to have the following weaknesses:

a. Its contingency variables are complex and difficult to assess. It is often difficult in practice to determine how good the leader-member relations are, how structured the task is, and how much position power the leader has.
b. The model gives little attention to the characteristics of subordinates.
c. The model assumes that both the leader and his or her subordinates have adequate technical competence; this may, in fact, not be the case.

Despite these weaknesses, and the initial difficulty many managers have in understanding the model, Fiedler's contingency explanation of managerial leadership makes a significant contribution. Even if it may not fully explain leadership, it provides valuable insights into the relationship of leader-member relations, task structure, and position power.

House's Path-Goal Theory

The path-goal theory is a contingency approach that holds managers responsible for influencing employees to work for rewards linked to specific tasks. The model formulated by Robert J. House (1971), is based on the expectancy theory of motivation, which states that an individual's motivation depends on his or her expectation of reward and valence, or attractiveness, of the reward. The path-goal model focuses on the leader as a source of rewards and attempts to predict how different types of rewards and different leadership styles affect the motivation, performance, and satisfaction of subordinates (Stoner & Freeman, 1989).

The key situational factors in path-goal theory are:

a. Personal characteristics of subordinates, and
b. Environmental pressures and demands with which subordinates must cope to attain their work goals.

In path-goal model, leaders identify desired outcomes (rewards) and then lead others toward attaining them (paths toward fulfillment). To motivate employees, the leaders should:

a. Recognize the subordinate's needs.
b. Arrange for appropriate rewards to his followers for goal achievement
c. Help subordinates in clearly establishing their expectations
d. Demolish, as far as possible, the barriers in their path of goal achievement,
e. Increase opportunities for personal satisfaction, which are contingent upon satisfactory performance.

The path-goal theory takes into consideration the different types of leadership behaviors. There are four pertinent leadership behaviors that would support this approach, depending upon the nature of the situation. These are directive, supportive, achievement-oriented, and participate-leadership.

1. **Directive leadership**: **-** This behavior reflects authority, rules, policies, and a formal organization. Subordinates follow specific guidelines and traditional patterns of decision making. When tasks are unstructured and roles are ambiguous, directive leaders are effective because subordinates perceive that closer supervision and more directed leadership will increase their opportunities for success.

2. **Supportive leadership:** This style considers subordinate needs and supports a friendly

climate at work. When work is tedious or boring, supportive leaders ease frustrations and make tasks more tolerable, thereby influencing more productive performance. However, when work is pleasant and the environment is enjoyable, supportive leaders have little effect on performance or satisfaction.

3. **Achievement-oriented leadership:** This style leadership sets challenging goals, encourages innovation, and emphasizes confidence in subordinate. It is particularly important when subordinates have to perform non-repetitive tasks in ambiguous circumstances. When tasks are repetitive and clear, achievement-oriented leadership has little or no effect on performance or satisfaction.

4. **Participative - leadership:** leaders emphasize team-building relationships and results can be similar to those of directive leadership. In unstructured and ambiguous situations, participative leadership enhances performance and satisfaction. However, unlike directive leadership, participative methods also enhance satisfaction when work is tedious, boring, or otherwise unpleasant. When work is structured and subordinates have a clear understanding of their jobs, however, it is not clear whether participative leadership affects performance.

Holt (1993) offers an illustration that clarifies the above discussed perspectives of leadership as specified by the path-goal theory. Assume a group of college students charts a student organization called the Associations of College Entrepreneurs (ACE). The student leader expects that a faculty advisor to take a leadership role and help them develop their club. An experienced faculty advisor could easily write the charter, structure the objectives, and suggest a number of activities, but one who did this would be trampling on the concept of student participation. Instead, the faculty advisor should patiently encourage students to develop their own charter, devise objectives, and develop activities. If the charter the students come up with is unsatisfactory, the faculty advisor must counsel them to modify it rather than dictate what the charter should contain. If the students' objectives are somewhat muddled, the advisor must find a way to show them how they will benefit from a clearer set of objectives (raise expectations). If the proposed activities do not satisfy those objectives, the advisor must help students develop activities (new paths) that do. In this condition an effective leader recognizes situational constraints, such as the loosely structured university environment, and takes into account personal limitations, such as the students' lack of experience.

In general, the path-goal theory suggests that the functions of the leader be to:

a. Make the path to work goals easier to travel by providing coaching and direction

b. Reduce frustrating barriers to goal attainment
c. Increase opportunities for personal satisfaction by increasing payoffs to subordinates for achieving performance goals.

Therefore, managers should analyze different situations thoroughly and then adapt their style accordingly.

Hersey and Blanchard's Situational Theory

Paul Hersey and Kenneth Blanchard put forward another situational leadership model known as the life cycle model. Their assumption is that most effective leadership style varies with the "maturity" of followers (Hersey and Blanchard, 1982). They define maturity not as age seniority or emotional stability but as desire for achievement, willingness to accept responsibility, and task-related ability and experience. They continue saving that the goals and knowledge of subordinates are important variables in determining effective leadership.

Hersey and Blanchard's model uses the two dimensions of leadership behavior which are similar to those in the OhioState and University of Michigan studies discussed earlier. In their model, leadership is described by a bell-shaped curve with four models of leader behavior where a manager is required to adopt one of them depending on both relationship and task dimensions as well as the maturity of followers. These include *telling, selling, participating,* and *delegating* (Holt, 1993:457).

Telling: Managers must assume maximum responsibility for subordinates who lack both the ability and the willingness to carry out plans. Workers at this lowest level of maturity cannot take responsibility and have not matured in the sense of being prepared for responsibilities. Because of this insecurity, they expect direction and may view supportive behavior as permissiveness.

Selling: Managers with subordinates at this level of maturity adopt a selling style of leadership. They try to get workers to "buy into" desired performance. Subordinates at this level are willing but not necessarily able to take responsibility for carrying out plans. They need support and want to accept responsibility, but they also require some direction.

Participating: Mangers who work in-groups at this moderately high maturity level face a motivation problem. Subordinates are capable but lack the confidence to take full responsibility for performing expected tasks. Managers are most effective in this situation by participating with

their subordinates, supporting their efforts to carry out plans. These employees want support, not direction.

Delegating: Managers adopt a low-profile style, which provides little support and little direction for subordinates who are given the responsibility for carrying out plans. Subordinates or followers are at a high maturity level and are willing and able to take responsibility. They are confident and neither need nor want direction or support.

It seems logical to say that the leader's behavior toward subordinates should change as their maturity changes. In other words, leadership behaviors should be adjusted over time to develop subordinate competencies as well as to guide and control current performance. The relationship between leadership behavior and subordinates profiles in the life cycle model is shown in figure as follows:



Figure 2: Life Cycle Continuum of Leadership

Source: Holt, D. H. (1993: 459) Management: Principles and Practices

Although little academic research has been conducted on life cycle theory, the model is extremely popular in management training. Regardless of its scientific validity, Hersey and Blanchard's model provides a reminder that it is important to treat different subordinates differently by exercising adaptive leadership. Moreover, it suggests the importance of treating the same individual differently from time to time as the subordinate changes jobs or acquires more maturity in her or his particular job. In short, this theory promotes the viewpoint that managers should influence both employees and the work situation by building up subordinate skill and confidence.

Vroom - Yetton Model/ Normative Theory

Victor H. Vroom and Philip W. Yetton (1973) have developed an alternative view for

contingency leadership. Their theory relates leadership behavior and participation to decision making. Vroom and Yetton propose that it is the type of decision demanded that influence the leadership style. They have also forwarded a sequential set of rules that should be followed when managers choose the form and level of participation to be used in decision making.

The model is reflected by a decision tree incorporating answers to seven diagnostic questions as listed from A through G. As a manager progresses through the questions, yes-or-no answers will determine alternative routes toward one of twelve outcomes. These twelve outcomes show one of the five leadership styles. The model states that any of five behaviors may be feasible in a given situation.

- Does the problem possess a quality requirement?
- Do I have sufficient information to make a high-quality decision?
- Is the problem structured?
- Is acceptance of decision by subordinates critical to effective implementation?
- If I were to make the decision by myself, is it reasonably certain that my subordinates would accept it?
- Do subordinates share the organizational goals to be attained in solving this problem?
- Is conflict among subordinates over preferred solutions likely?

The five leadership styles are*:*

AI: Managers solve the problem or make the decision themselves, using information available at that time.

AII: Managers obtain the necessary information from subordinate(s) then decide on the solution to the problem themselves. They may or may not tell subordinates what the problem is when they request information. The role played by subordinates in making the decision is clearly one of providing the necessary information to managers, rather than generating or evaluating alternative solutions.

CI: Managers share the problem with relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group. Then managers make the decision that may or may not reflect subordinates' influence.

CII: Managers share the problem with subordinates as a group, collectively obtaining their ideas and suggestions. Then they make the decision that may or may not reflect subordinates' influence.

GII: Managers share the problem with subordinates as a group together and they generate and

evaluate alternatives and attempt to reach agreement (consensus) on a solution, Managers do not try to influence the group to adopt their preferred solution, and they accept and implement any solution that has the support of the entire group.

Therefore, Vroom-Yetton's model involves five styles of leadership that represent a continuum from authoritarian approaches (AL, AII) to consultative (CI, CII), to a fully participative one (GII)

The authors suggest that depending on the nature of the problem, more than one leadership style may be suitable, or feasible. Vroom and Yetton call this suitable group the "feasible set of alternatives." Where there are feasible choices, the manager may freely choose among them because both decision quality and acceptance have been taken into account. As guidance for choosing within a feasible set, Vroom and Yetton suggest two criteria.

- When decisions must be made quickly or time must be saved, managers should choose authoritarian decision style ("time-efficient" ones)
- When managers wish to develop their subordinates' knowledge and decision making skills, the more participative styles ("time - investment") should be selected.

The Vroom-Yetton model and the participation questionnaire indicate the tremendous advances that have been made in understanding leadership. Different research results indicate that managers need to look at the total situation rather than in terms of autocratic and participative leaders.

Despite its valuable contributions to the development of leadership effectiveness, the Vroom-Yetton model is known to suffer from many of the same weaknesses as other contingency models (Holt, 1993). Firstly, it proposes a complex set of variables that are difficult to define and analyze. Secondly, it assumes managers can consciously choose a leadership style. Finally, it has been criticized for not adequately explaining for subordinate behavior in terms of personal needs or decision-making capabilities.



Activity 3: Path-Goal Theory

Time allowed: 10 minutes.

What does the Path-Goal theory of leadership suggest about the functions of leaders?

2.4. Transformational, Transactional and Servant Leaders

Dear Learner! Our journey to explore leadership from the old ages to its contemporary shape is now reaching its final stage. Recent studies about leadership uncover that there are three types of leadership exercises. This classification gives us the transformational, transactional and servant leadership styles are discussed in some details as follows.

Transformational leadership

Transformational leadership is a contemporary perspective in the study of leadership. It is also known as charismatic leadership, the transformational leaders have an exceptional impact on their organizations and people through their personal *vision, energy, values, integrity* and so on, which capture their followers' imagination and commitment. Transformational leaders transform situations by generating excitement about the change among their followers. The world history and the history of organizations are full of examples where some leaders brought about profound changes in the beliefs, perceptions, values and actions of their followers. Such leaders have often served as key agents of social change, transforming entire societies through their world and action.

The transformational leadership involves a special kind of leader follower relationship where followers become emotionally involved with the leader's vision and plans and emotional commitment is usually a very solid commitment. As one author put it, "charismatic leaders make ordinary people do extraordinary things in the face of adversity."

The concept of transformational leadership, as tried to indicate above, is a contemporary perspective on leadership study. According to Seltzer and Bass (1990), transformational leadership is the ability of leaders to make profound changes, to induce new visions for their organizations, and to inspire people to work toward achieving those visions. Thus, transformational leaders are required to build new foundations of behavior to transform their organizations rather than merely making adjustments in leadership behavior to accommodate diverse interests. They change things from what could be to what it is; that is, they translate a vision into a reality (Bateman &Zeithaml, 1993), and generate excitement and revitalize organizations.

The transformational perspective contrasts sharply with the more traditional transactional

responsibilities. For most managers, transactional leadership is concerned with the daily management of resources and employees to achieve organizational objectives. Transactional leadership is dispassionate; it does not excite, transform, empower or inspire people to focus on the interests of the group or organization. It assumes a relatively stable environment or one of incremental change and adjustment. Transformational behavior, in contrast, assumes a fundamental change in the organization and where it is heading. Transformational leaders generate excitement in three primary ways.

First, they are charismatic. Charismatic leaders are self-confident, have a strong conviction in moral righteousness in their beliefs, articulate ideological goals, arouse a sense of excitement and adventure. They inspire in their followers trust, confidence, unquestioning acceptance, willing obedience, emotional involvement, affection for the leader, and higher performance. Such qualities help them transform their organizations easily.

Second, transformational leaders are intellectually stimulating. They arouse in their followers an awareness of problems and potential solutions. They articulate the organization's opportunities, threats, strengths, and weaknesses. They stir the imagination and generate insights. Therefore, problems are recognized and high quality solutions are identified and implemented with the full commitment of followers.

Third, pertinent skills or strategies contribute to transformational leadership. (1) Transformational leaders have a vision-a goal, an agenda, or a result orientation that grabs people's attention. (2) They communicate their vision; through words, manner, or symbolism, they relate a compelling image of the ultimate goal. (3) Transformational leaders build trust by being consistent, dependable, and persistent.

They position themselves by choosing a direction and staying with it, thus projecting organizational integrity. (4) They have a positive self-regard. They do not fell self-important or complacent; rather, they recognize their personal strengths, compensate for their weaknesses, nurture their skills and continually develop their talents, and know how to learn from failure. They strive for success rather than merely trying to avoid failure. In general, transformational leaders possess great potential for revitalizing declining institutions and helping individuals find meaning and excitement in their work and lives.

Transactional Leadership

Transactional style of leadership starts with the idea that team members agree to obey their leader totally when they accept a job. The "transaction" is usually the organization paying the team members in return for their effort and compliance. The leader has a right to "punish" team members if their work doesn't meet the pre-determined standard. Team members can do little to improve their job satisfaction under transactional leadership.

Transactional leadership is really a type of management, not a true leadership style, because the focus is on short-term tasks. Under transactional leadership there is little or no room for knowledge-based or creative work. The table below compares between the transactional and transformational types of leadership.

Box 2: Comparison of Transactional and Transformational Leaders

Transactional Leader	**Transformational Leader**
Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments	**Charisma:** Provides vision and sense of mission, instills pride, gains respect and trust
Management by Exception (Active): Watches and searches for deviations from rules and standards, takes corrective actions	**Inspiration:** Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways
Management by Exception (passive): Intervenes only if standards are not met	**Intellectual Stimulation**: Promotes intelligence, rationality, and careful problem solving
Laissez-Faire: Abdicates responsibilities, avoids making decisions	**Individualized Consideration**: Gives personal attention, treats each employee individually, coaches, advises

Source: Bass (1990) cited in Robbins, S.P. (2005). Organizational Behavior (11th ed.). New Jersey: Prentice Hall, Inc.

Servant Leadership

The concept of servant leadership is as old as the Biblical times in terms of Christianity and a relatively new perspective in the study of leadership. The phrase "Servant Leadership" was coined by Robert K. Greenleaf in *The Servant as Leader*, an essay that he first published in 1970 (GreenleafCenter for Servant Leadership, 2010). In that essay, he said:

The servant-leader *is* servant first… It begins with the natural feeling that one wants to serve, to serve *first*. Then conscious choice brings one to aspire to lead. That person is sharply different from one who is *leader* first; perhaps because of the need to assuage an unusual power drive or to acquire material possessions…The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature.

Most writers see servant leadership as an underlying philosophy of leadership, demonstrated through specific characteristics and practices. The foundational concepts are found in Greenleaf's first three major essays, The Servant as Leader, The Institution as Servant, and Trustees as Servants.

Greenleaf Center for Servant Leadership (2010) has identified ten characteristics of servant leaders in the writings of Greenleaf. The ten characteristics are *listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of others,* and *building community*.

Unlike leadership approaches with a top-down hierarchical style, servant leadership instead emphasizes collaboration, trust, empathy, and the ethical use of power. At heart, the individual is a servant first, making the conscious decision to lead in order to better serve others, not to increase their own power. The objective is to enhance the growth of individuals in the organization and increase teamwork and personal involvement.

In addition, McCrimmon (2010) revealed the following attributes as distinguishing characteristics of a servant leader.

- Devote themselves to serving the needs of organization members.
- Focus on meeting the needs of those they lead.
- Develop employees to bring out the best in them.
- Coach others and encourage their self-expression.
- Facilitate personal growth in all who work with them.

- Listen and build a sense of community.

Servant Leadership is based on core values and actions that arise from a desire to serve others. Most organizations today still led by a Command & Control style of leadership, which is counterproductive to effectively leading an organization through transformational change. Servant Leadership is a more evolved form of leadership that recognizes the value in the people side of business to fulfill the organization's mission. It is about engaging everyone involved and using their talents to bring about needed change. To the contrary, the traditional command and control leadership perceives organizations as machines and people in the organization as instruments of production that have no say in the matters pertaining to the organization that they are working for. The following table compares the traditional command and control leadership with that of servant leadership against several variables of leadership interest.

Table 4: Servant vis-à-vis Command and Control Leadership

Variables	**Command and Control Leadership**	**Servant Leadership**
Business Metaphor	Organization is a machine	Organic structure of relationships
Authority	Top down	Participation by entire group
People	Instruments of production	Greatest assets and sources of creativity
Leadership Style	Distant and detached	Connected and present
Supervisory Approach	Dictate, control, punitive	Listen, facilitate, encourage
Service Orientation	Self-serving - What can you do for me and the organization?	Serving others - what can I do to help you fulfill your goals and mission?

Source: Heroic Journey Consulting (2010)"Servant leadership serving employees, customers & the community"

In conclusion, servant leaders are felt to be effective because the needs of followers are so looked after to enable them reach their full potential, hence perform at their best. Strength of this way of looking at leadership is that it forces us away from self-serving, domineering leadership and makes those in charge think harder about how to respect, value and motivate people reporting to them.



Activity 4: Transactional, Transformational and Servant Leaders

Time allowed: 15 minutes.

In the preceding section you have discussed about the transactional, transformational and servant leaders. Having all the narrations in mind, which kind of a leader you like to be. Please clearly indicate your reasons.

2.5. Leadership Competencies and Skills

Leadership as a discipline of study and essential area of organizational practice requires particular competencies to be displayed and skills to be demonstrated. The following part of your study is devoted to this purpose. I hope you will gain good insight into the competencies and skills that leaders are expected to possess.

Leadership Competencies

Not all leaders are equally effective in their endeavors. Some are ineffective. Some are effective. Still some others are more effective ones. Tammemagi (2010) uncovers some important skills and competencies. The effective leader works at building up and maintaining a series of leadership competencies which they use to do their job. By 'competencies' we do not mean 'natural' attributes, personality styles or skills. Competency is something, either natural or learnt, which is practiced and used effectively to achieve their desired goals. For example, someone may be charismatic, but this is only a 'competency' if they are consciously aware of this attribute, and use it purposefully to influence others positively. Competency covers knowledge, skills, practices and processes of the effective leader. The seven essential working competencies of a leader are identified as follows.

1. Influencing Others: A leader must have the ability to get others to act in the desired way. They have the ability to win respect from those who must be influenced, and to build mutual respect. They will give directions and expectations in an appropriate way to influence others to act, and they are also open to ideas and listen actively to others. They walk the talk, influencing others by modeling the behavior, and they reinforce the appropriate attitude, behavior and performance in others. They communicate to the group in a way that sways the group towards behaving in the desired way.

2. Fostering Accountability: Leaders establish in their team members a commitment to achieve results by building a culture of accountability. Again, they model this with their behavior, displaying accountability for themselves, their own areas of accountability and their team. They use fair processes and they organize action plans for sharing workload and effort. They have

open team process for identifying stress points and for accessing help from other team members. They promote accountability and hold each team member personally responsible for their area. They react to deadline and targets with positive or corrective feedback.

3. Building Positive Working Relationships: A leader actively builds a network of positive working relationships, both internally with other department and colleagues, and externally with clients. They take responsibility for ensuring that a relationship is positive and effective, that it works well for both parties. A leader actively seeks to demonstrate respect for self and respect for others. They investigate the goals, targets and stressors of other departments, and of clients, ensuring they work well with them to achieve common goals. They explore and use various styles, techniques and communication methods to achieve successful results and build good relationships.

4. Coaching for Improvement / Results: A leader develops the potential of every team member and ensures that they are achieving the desired performance. Competent leaders work with each other to ensure each one is contributing positively to the team dynamics. They read others - to appreciate their strengths, areas for development, personality style, learning style and motivators. They plan a development strategy for each, and hold effective, motivating and coaching sessions.

5. Communicating Effectively: Leaders plan how they communicate, identifying the objectives, the method, the structure, channel, and feedback mechanism. Effective leaders review the outcome of the communication and they learn from this. They use different forms of communication effectively, the right channel for the given task. Successful leaders handle meetings effectively. Leaders need to plan, structure and facilitate the meeting to achieve the desired outcome. Effective leaders use their leadership presence effectively in interacting, listening, responding, influencing and persuading own group and out of the group.

6. Working Effectively: Successful leaders plan their own workload, prioritizing key tasks and ensuring the appropriate allocation of time and effort to achieve the required results. They organize and structure, building good working processes, systems and habits so that they can effectively achieve their objectives, goals and targets. They translate objectives/project requirements into an achievable work plan, anticipating obstacles. They prioritize tasks, establishing a clear focus and direction for others to follow. They think ahead to anticipate changing business requirements which could affect priorities and plans. The effective leader continuously improves. They plan what improvements they will introduce, when and how these improvements will be implemented.

7. Building a High Performing Team: Leaders ensure that their team will achieve common goals and targets, will achieve the desired performance and is well placed to achieve future increased targets. They understand group dynamics and what influences this. They organize the Team and build good team processes. They communicate well to the team, about the business, the team purpose, progress on goal achievement etc. They give feedback, celebrate goal achievement and motivates to improve. They challenge and encourage the team to improve, find new ways of doing things and to develop the desired competencies and team values.

Skills for Effective Leadership

Managing the kinds of changes encountered by and instituted within organizations requires an unusually broad and finely honed set of skills, chief among which are the following. Lose sight of this fact and any would-be change agent will likely lose his or her head. Organizations are hotly and intensely political. Leaders dare not join in this game but they had better understand it. This is one area where you must make your own judgments and keep your own counsel; no one can do it for you. In further analysis, Fred Nickols (2004) has identified such four skills as *analytical skills, people skills, system skills, and business skills* that need to be possessed by change managers. The skills are discussed in some details as follows.

Analytical Skills: Make no mistake about it, those who would be leaders had better be very good at something, and that something better be analysis. Guessing won't do. Insight is nice, even useful and sometimes shines with brilliance, but it is darned difficult to sell and almost impossible to defend. A lucid, rational, well-argued analysis can be ignored and even suppressed, but not successfully contested and, in most cases, will carry the day. If not, then the political issues haven't been adequately addressed.

Two particular sets of skills are very important here: (1) workflow operations or systems analysis, and (2) financial analysis. Change agents must learn to take apart and reassemble operations and systems in novel ways, and then determine the financial and political impacts of what they have done. Conversely, they must be able to start with some financial measure or indicator or goal, and make their way quickly those operations and systems that, if reconfigured a certain way, would have the desired financial impact. Those who master these two techniques have learned a trade that will be in demand for the foreseeable future. (This trade, by the way has a name. It is called "Solution Engineering.")

People Skills: As stated earlier, people are the sine qua non (essential condition) for organizational success. Moreover, they come characterized by all manner of sizes, shapes, colors, intelligence and ability levels, gender, sexual preferences, national origins, first and second languages, religious beliefs, attitudes toward life and work, personalities, and priorities - and these are just a few of the dimensions along which people vary. We have to deal with them all.

The skills most needed in this area are those that typically fall under the heading of communication or interpersonal skills. To be effective, we must be able to listen and listen actively, to restate, to reflect, to clarify without interrogating, to draw out the speaker, to lead or channels a discussion, to plant ideas, and to develop them. All these and more are needed. Not all of us will have to learn Russian, French, or Spanish, but most of us will have to learn to speak systems, Marketing, Manufacturing, Finance, Personnel, Legal, and a host of other organizational dialects.

More important, we have to learn to see things thought the eyes of these other inhabitants of the organizational world. A situation viewed from a marketing frame of reference is an entirely different situation when seen through the eyes of a systems person. Part of the job of a change agent is to reconcile and view. Charm is great if you have it. Courtesy is even better. A well-paid compliment can buy gratitude. A sincere "Thank you" can earn respect.

System Skills: There's much more to this than learning about computers, although most people employed in today's world of work do need to learn about computer-based information systems. For now, let's just say that a system is an arrangement of resources and routines intended to produce specified results. To organize is to arrange. A system reflects organization and by the same token, an organization is a system.

A word processing operator and the word processing equipment operated form a system. So do computers and the larger, information processing systems in which computers are so often embedded. These are generally known as "hard" systems. There are "soft" systems as well: compensation systems, appraisal systems, promotion systems, and reward and incentive systems. There are two sets of systems skills to be mastered. Many people associate the first set with computers and it is exemplified by "systems analysis." This set of skills, by the way, actually predates the digital computer and is known elsewhere (particularly in the United States Air Force and the aerospace industry) as "systems engineering." For the most part the kind of system with which this skill set concerns itself it a "closed" system which, for now, we can say is simply a

mechanistic or contrived system with no purpose of its own and incapable of altering its own structure. In other words, it cannot learn and it cannot change of its own volition.

The second set of system skills associated with a body of knowledge generally referred to as General Systems Theory (GST) and it deals with people, organizations, industries, economies, and even nations as socio-technical systems - as "open," purposive systems, carrying out transactions with other systems and bent on survival, continuance, prosperity, dominance, plus a host of other goals and objectives.

Business Skills: Simply put, you'd better understand how a business works. In particular, you as a leader would better understand how the business in which and on which you're working works. This entails and understanding of money - where it comes from, where it goes, how to get it, and how to keep it. It also calls into play knowledge of markets and marketing, products and product development, customers, sales, selling, buying, hiring, firing, and just about anything else you might think of.

In addition to the four essential skills of leadership effectiveness discussed right above, there are also other vital skills as far as the issue of leadership effectiveness is concerned. Though these skills, in one way or the other, touched upon while discussing about the four skills, they deserve to be dealt separately for the reason that they are supposed to contribute to effective leadership. The list includes personal skills, thinking skills and decision making skills.

Personal skills: A leader has to have the ability to motivate and influence him/her first. He has to impress himself before he is able to impress others. He/she must focus is on self-mastery, self-management and self-direction. He/she has to have self-discipline. He practices the skills required until they become habits. He/she works continuously on his personal growth by gathering more knowledge and skills. He/she must believe strongly in his ability to achieve great heights and look for possibilities. The effective leaders are both active and reflective. They know when to plan, think, study, ponder or take action. They are able make use of the different skills that they have developed to suit a particular task or situation.

Thinking skill: A leader has to recognize the desired condition and plan the strategies to attain the goals. As a leader, he needs to be aware of the tools that he needs to accomplish his mission. He/she is also able to identify and understand problems, think through them and see the big picture before the followers recognize the situation and keep himself ahead and well informed of developments to happen. A skillful leader learns from his experience and assigns meanings to the

ideas and understanding. He looks for what works and explore more possibilities. He/she then charts the process of his actions.

Decision making skill: One of the important leadership skills is the ability to make accurate and timely decisions. Position holder who vacillates and makes very slow decision will not make a good leader. He/she has to think and act fast. Taking too much time to think through and come up with a solution will cause missed opportunities. His/her followers will lose their faith in him and his ability. He/she must have the courage to make decisions even if it involves taking some risks. The more right decisions he makes, the better he becomes in making more.

2.6. Qualities of Good Leadership and Poor Leadership

A good leader inspires others with confidence in him; a great leader inspires them with confidence in themselves

Anonymous

Dear Learner! By now I am confident that you enjoyed reading about various theories of leadership. Not only the theories, but also you liked the sections that discuss about types of leaders (transformational, transactional, and servant leaders) and factors that contribute to leadership effectiveness. I also hope that you are studying leadership not only for academic purpose alone. Since leadership is an integral part of human life, every one of us is required to apply the principles of effective leadership in one's own personal living, family setting, and in the institution which we constitute a part of it.

As you keep on reading this module and other materials about leadership, we believe that you will not only obtain a very good grade in this particular course, but also become a good leader, of course without concluding the debate over "*is a leader born or made?*" In fact, having a good deal of knowledge about a certain discipline and living up to the expectation thereof may go to the contrary. What matters most is not only what you know. It is the extent to which you yourself and others benefit from your knowledge as well as the degree to which one's behavior is positively influenced as a result of your deeds. In order to draw trust and respect towards your leadership, thus, you must not forget to "*walk your talk*". Therefore, please be advised to examine your leadership qualities as you study the following section that deals with qualities of a good leadership and poor leadership.

Virtues of good leaders cannot be easily and exhaustively presented. The fact that leadership is a dynamic endeavor as is the society itself, the way leadership being exercised also develops from

time to time and differs from context to context. While reading different books, essays, and articles which focus on issues pertaining to management/ leadership/ governance, you may come up with plenty of lists of qualities of good leadership. However, the qualities that are discussed here under seem to be the major ones. According to Santa Clara University and the Tom Peters Group cited in Clark (2010), anyone who aspires to be a good leader needs to be honest, competent, forward looking, inspiring, intelligent, fair minded, broad minded, courageous, straight forward, and imaginative.

Honest: Display sincerity, integrity, and candor in all your actions. Deceptive behavior will not inspire trust.
Competent: Base your actions on reason and moral principles. Do not make decisions based on childlike emotional desires or feelings.
Forward-looking: Set goals and have a vision of the future. The vision must be owned throughout the organization. Effective leaders envision what they want and how to get it. They habitually pick priorities stemming from their basic values.
Inspiring: Display confidence in all that you do. By showing endurance in mental, physical, and spiritual stamina, you will inspire others to reach for new heights. Take charge when necessary.
Intelligent: Read, study, and seek challenging assignments.
Fair-minded: Show fair treatment to all people. Prejudice is the enemy of justice. Display empathy by being sensitive to the feelings, values, interests, and well-being of others.
Broad-minded: Seek out diversity.
Courageous: Have the perseverance to accomplish a goal, regardless of the seemingly insurmountable obstacles. Display a confident calmness when under stress.
Straightforward: Use sound judgment to make effective decisions at the right time.
Imaginative: Make timely and appropriate changes in your thinking, plans, and methods. Show creativity by thinking of new and better goals, ideas, and solutions to problems. Seeking innovative way out to organizational bottleneck is one of the good qualities of a leader.
The following illustration is about how good leadership works.

Leadership is about helping Followers!

Many years ago, a rider came across some soldiers who were trying to move a heavy log without success. The corporal was standing by as the men struggled. The rider asked the corporal why he wasn't helping. The corporal replied, "I am the corporal; I give orders." The rider dismounted, went up to the soldiers and helped them lift the log. With his help, the log got moved. The rider quietly mounted his horse and went to the corporal and said, "The next time your men need help,

send for the Commander-in-chief." After he left, the corporal and his men found out that the rider was George Washington.

Shiv Khera "You Can Win" P. 209

In further analysis of the case of good leadership, Maxwell (2009) puts in contrast the major divide lines between good and poor leadership in the table below.

Table 5: Comparison of Qualities of Good Leadership and Poor Leadership

No.	Leadership Category	
	Good Leadership	**Poor Leadership**
1	Passionate about one's job	Believes as it is just a job
2	Values one's team	Considers having employees
3	Knows one's team	Not necessarily be personal at work
4	Takes time to develop their strengths	Focuses on their weakness
5	Gives people a chance to try out and learn	Controls every decision
6	Empowers others to exercise leadership roles	Lacks trust on others
7	Believes in participatory decision making	Believes that only the boss matters
8	Spends time learning how to be a better leader	Got it all figured out
9	Creates a fun working environment	All work no play
10	Secure	Insecure
11	Admits mistakes	Usually blames others for failure
12	Confrontational	Ignores problems hoping they will go away

Source: Adapted from Maxwell (2009) "Good Leadership vs. Bad Leadership"

As one can easily learn from the table above, good leaders are those of who firmly work to make life easier for their followers. They pay equal concern both for the task to be accomplished and those who are in charge of accomplishing the task. Most importantly they are determined to empower their followers to make decisions and exercise leadership roles through coaching and delegation. To the contrary, ineffective leaders deny full-fledged participation of institutional members, consider themselves indispensable ones, they do not admit mistakes other than looking

for escape-goat, lack interest to empower followers mainly due to the fear of being substituted, and characterized by controlling every decision for they lack trust on others.

2.7. CLet Us Sum Up

Leadership styles are determined on a relative basis of exercising leadership power by the incumbent leaders or position holders. Accordingly, there are autocratic, democratic and laissez-faire leaders. A given individual may not assume a leadership role springing from nothing. He or she has first acquire the power to be a leader from either of the five sources. Based upon the source it emanates from leadership power can be regarded as legitimate power, reward power, coercive power, expert power, and referent power.

There are some four more popular leadership theories that conceive leadership and leaders from different perspectives. Great man theory, as the name itself implies, assumes that the capacity for leadership is inherent – that great leaders are born, not made. This theory often portrays great leaders as heroic, mythic and destined to rise to leadership when needed. Trait theory assumes that people inherit certain qualities and traits that make them better suited to leadership. Trait theory often identifies particular personality or behavioral characteristics shared by leaders.

Behavioral theory of leadership, contrary to the preceding two theories, is based on the belief that great leaders are made, not born. This leadership theory focuses on the actions of leaders not on mental qualities or internal states. Behavioral theory underscores that people can learn to become leaders through teaching and observation

Unlike the three theories of leadership highlighted above, the contingency approach did not prescribe a specified way to be an effective leader. Rather, it focuses on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation. According to this theory, no leadership style is best in all situations. Success depends upon a number of variables, including the leadership style, qualities of the followers and aspects of the situation.

Despite similarities and differences between all the theoretical paradigms about leadership however, what we need to uncover is that effective leaders have many things in common in due course of exercising their leadership. Effective leaders are *honest, competent, forward looking, inspiring, intelligent, broad minded, courageous, straight forward,* and *imaginative.*

2.8. ? Check your progress

Part I: True or False

Instruction: - Write' True' for correct statements or 'False' for the incorrect ones.

1. Minimum effort to get work done as well as minimum effort to sustain and support organizational members is about team management
2. Very high regard for efficiency and operational results denote authority compliance management
3. Country club management orientation concentrates on improving productivity through strict supervision.
4. The non - controversial and a least-risk style of leadership is known as middle of the road management
5. According to the contingency theory, leadership effectiveness is determined by certain situational variables

Part II: Multiple Choice Items

Instruction: - Read each of the following questions carefully and select the best answer from the alternatives provided.

1. One of the following is correct about *the leadership styles*
    a. Democratic style does not allow participatory decision making
    b. Autocratic style does not allow participatory decision making
    c. Laissez-faire style does give direction to allow participation of all concerned
    d. The three leadership styles are found in a continuum with different rate of intensity
2. One of the following does not represent the responsibilities of a formal leader.
    a. Setting of organizational goals within constraints of internal needs and external pressures
    b. Putting apart the activities of his group and developing his team spirit and cohesiveness
    c. Serving as a representative of group members and an official contact with other parts of the organization and facilitating group interaction
    d. Giving out rewards and/or administering punishments or recommendations
3. None of the following belong to the responsibilities of a formal leader except, _____.
    a. Placing insignificant impact on the norms, beliefs and values of the group
    b. Eliminating internal conflicts by waging penalty against conflicting parties

c. Setting an example through persistently walking his talk
d. Resisting change in view to maintain group cohesiveness

4. Which one of the following is not correct about great man theory of leadership?
    a. It recognizes leadership as attribute to the aristocracy
    b. It gives little opportunity to people from lower class to come to leadership
    c. It believes in the view that claims as leaders are made
    d. It holds the notion that leadership had something to do with breeding
5. One of the following is not right about the trait theory of leadership.
    a. It holds that great leaders were born with certain "traits" that made them great leaders
    b. It promotes the viewpoint that certain personality characteristics determine success in leadership
    c. It describes leadership in terms of certain physical and other special characteristics which are considered inherited
    d. Unlike the great man theory, the trait theory assumes that leaders are born, not made

Part III: Matching Items

Match related concept from column "B" with the phrases under column "A".

AB

1. Coercive power A. Provision of incentive
2. Referent power B. Likeable personality
3. Legitimate Power C. Application of force
4. Expert power D. Hierarchical
5. Reward power E. Exceptional skill

F. Abuse of power

2.8. Answers for check your progress

Item No.	True or False items	Multiple Choices	Matching
1	False	D	C
2	True	B	B
3	False	C	D
4	True	C	E

5	True	D	A

UNIT THREE: OVERVIEW OF CHANGE MANAGEMENT

Structure

3.0. Objectives

3.1. Introduction

3.2. Meaning and Need for Change

3.3. Forces of Organizational Change

3.4. Process of Organizational Change

3.5. Resistance to Change

3.6. Managing Resistance to Change

3.7. Let Us Sum Up

3.8. Check your progress

3.9. Answers for check your progress

3.0 Objectives

Upon successful completion of this unit, you will be able to:

- Examine sources and forces of organizational change.

- Grasp basic concepts of organizational change.
- Interpret phases of organizational change.
- Define principles of management of organizational change.
- Apply strategies of effective management of resistance to organizational change.

3.1. Introduction

The unit brings to you a very good experience about one of the indispensable phenomenon of organizational life. This essential occurrence in organizations is change. Even in our individual life there are no days that are one and the same in all aspects. Yesterday was a different one from today and tomorrow will also appear different from the past. In a simple arithmetic, our age increases by a day between yesterday and today. In due course of time, we undergo some changes that may be difficult to easily recognize and the cumulative effects of which make us what we are at present. Likewise, organizations change from time to time because of their internal need or external pressure for change.

This unit consists of several topics about change. It begins with defining *what change is* followed by justifications about the need for change. Forces that insist on change, processes of organizational change, resistance to change and ways of managing resistance to change are the important parts of the unit that expand your horizon of understanding about change. Self-check activities and self-assessment questions are also included to help you test the level of your understanding on your own. I wish you a fruitful study time!

3.2. Meaning and Need for Change

Change is everywhere. Change can take place whether we take note of its prevalence or otherwise. In our day- to- day living we may feel worried about the ever changing situations and circumstances. Some of the changes come with opportunities. Other set of changes may be accompanied by threats. Life sails on a global ocean that hosts a chain of new events one after the other. In such a condition, we may yearn for a relative stability amid of wave of constant change. We human beings can change many things except change. The only thing what we can do with regard to change is managing the way it goes and making benefit out of it. This is one of the core purposes of the course *Leadership andChange Management*.

Defining change management requires being familiar with the concept of the two broad entities, i.e. *Change* and *Management*. First, we limit ourselves to deal with the concept of change. The issue of management as applies to *change* will be addressed under unit two which focuses on the

management and phases of organizational change.

Customarily **Change** can be conceived as:

- making different in some particular aspect
- making radically different
- giving a different position, course, or direction
- replacing with another
- exchanging for an equivalent sum or comparable item
- making shift from one to another
- experiencing modification
- undergoing transformation, transition or substitution

Having all the above explanations as alternative ways of addressing the meaning of change, operationally we may use a definition of change given by Coffey, Cook and Hunsaker (1994: 638) which reads as "change is the process of alteration or transformation which individuals, groups, and organizations undergo in response to internal and external factors".

The above definition relates change to individuals, groups and organizations. In short, the definition tells us that everyone experiences change individually, being belonging to a certain social group or becoming a member of a given organization. To make it more practical, let's take the case of human growth and development.

- The qualifier 'Neonate' is given to a newly born baby
- The qualifier 'Toddler' is given to a child of age 18 months to three years
- The qualifier 'Preschooler' is given to a child of age three to five years
- The qualifier ' School-Age Child' is given to a child of age five to eight years
- The qualifier ' Preteen' is given to a child of age eight to thirteen years

All the qualifiers presented above have their own corresponding time values. Reaching at the age limit in a given segment qualifies the child to join the next cohort. While joining the next cohort, on the other hand, a child is expected to behave in a way the new group behaves, leaving aside his/her earlier ways of handling matters. This is simply what we call a change.

Thinking about change is also thinking about two states of affair. The two states of affair are the *current state that is to be left behind and the future state that is sought to be realized*. The following figure presents the visual image of the change direction.

Figure 1: The Direction of Change

Where we are
Where we want to be in
How to get there

CurrentState of AffairDesired FutureState

Change is everywhere whether we acknowledge it or not. No one can lock himself/herself inside nowhere to keep oneself away from change. The ever-changing social, political, economic, and technological conditions cannot be seen detached from frequently experiencing life encounters.Organizations also change because their environments change.

In today's competitive world, institutions need to work hard to attain success in their operations. But the one time success cannot give them a lifelong guarantee to remain the same all the time ahead. They have to continue their journey in that success line to persist in the business. They should always ask themselves '*what are we here for? What is it that we need to accomplish? What are our goals? How are we proceeding to attain the desired end?*' Answers to these questions help to understand one's purpose of existence. These questions emanate from the very purpose of change to responding to the needs of product and/or service users. Furthermore, the need for change in all organizations (be it in the public or private) becomes a necessity for the following major reasons.

All organizations need to change:

- Because of their internal and external environments keep on changing.
- To continually grow and persist in the ever changing environment of their operation.

Public organizations need to change:

- To successfully achieve public programs and policies those require new way of doing things.
- To cope up with the external economic pressure and advances in the private sector.

Private organizations need to change:

- To meet changing customer needs
- To meet changing market conditions
- To respond to external-cum-competitive pressures

- To take advantage of new opportunities
- To act in response to internal pressures

Note: that ***t***he above classification of reasons for change into public and private organizations doesn't mean that the boundary between the two is a water tight one. Both sectors can share same feature based upon the nature of the business that they engage in.

For example,*Government Banks, Airlines, Public enterprises and other look-alike institutions operate in a worldwide competitive environment which continuously calls for change.* In this case all the reasons listed under the private organization apply to the public institutions as well.On the other hand, private corporations might be forced to enter into change as a result of changes in the public sector.

We may not achieve success by doing the same thing at different times for different customers in the same fashion as it were before. We may not satisfy the changing needs of our current clients in a way we treated others in the past. Furthermore, if we always do what we always did, we won't even get what we always got.

Hence, purposeful change provides our existence with meaning, relevance, and success.



Activity 1: Purposes of change
Time allowed: 10 minutes

Why organizations need to undergo the change process?

3.3. Forces of Organizational Change

Change can be introduced due to several conditions that call for changed way of doing things. Initiation to change can emerge from within the organization or as a result of external forces that urge the organization to undergo a change. In other words, a change may be classified as proactive or reactive based on the source of the change. The management in pursuit of achieving a desired goal usually initiates proactive change. Hence, the force to such a change is said to be internal. Reactive change takes place in response to changes in the macro environment where an

organization is a part of it. In this case the source of change is attributed to an external force. Likewise, Stoner and Freeman, 1989; Gray and Smelter, 1989; Holt, 1993; and Coffey, Cook and Hunsakes, 1994; have attributed sources of change to *internal and external forces.* The two forces are discussed in some details as follows.

Internal forces: Pressures for change may arise from a number of sources within the organization, particularly from new strategies, technologies, and employee attitudes and behavior.

New strategies for long-term growth may trigger changes in the goals of the organization/ departments

Change in internal technology would lead to a change in work routines, training programs, and compensation arrangements.

Innovative suggestions coming from employees (via *q*uality circles, open-door policies, suggestion systems etc*)* may cause changes.

***Changes in the social mix** and **ethnic structures** may also cause changes*

For example, the entrance of ***more women and minorities*** into the work force may lead to introduction of flexible work schedules, benefits like day care, and special employee-training programs.

Work dissatisfaction (as manifested in *high turnover rates* or *strikes*) may lead to ***changes in management policies*** and *practices.*

External forces: As noted earlier, one of the two influential forces that claim for change is external force. The external forces, for being beyond the control of a given organization, dictate institutions to undertake change in view to survive the pressure and to keep oneself in business. The external forces constitute the following such six components as the *technological environment, economic environment, political and legal scenarios, social conditions, competitive environment and environmental influences.* Each component is discussed in some details here under.

The technological environment: Technological advances influence aspects of organizational operations. Since technology brings efficiency in organizational performance, those organizations that aspire to enhance efficiency need to examine their capacity in terms of technology. Introduction of computers and concomitant schemes of automation that revolutionize job accomplishments can be mentioned as best example of technological environment that dictates change.

The economic environment: The economic situation plays a pivotal role in the activities of every organization. Planning to achieve organizational goals in the abundance and scarcity of resources may not mean the same. In the meantime, bringing about enabling economic environment necessitates change. For instance, the economic policy shift from command to market economy forces organizations to think and act in line with the new economic perspective.

The political and legal scenarios: Organizations operate within a given political and legal framework. Consequently, a change in political and legal environment may insist on organizations to comply with the emerging practices. Therefore, the need for change becomes a must.

Social conditions: - change is a constant feature of almost every area of social life. The social values and norms that characterized the ancient society may not be as important to the modern society of today as they were to our ancestors. For example, let's take the issue of gender equality. Women were viewed as subordinates to men until the late 19th century. Legal discrimination has often denied them even personhood (Lundy Warme, 1988). Yet, ensuring gender equality and equity is now becoming one of the strategic issues of governments. Hence, organizations need to embrace change in order to be able to synchronize their moves with the social orders of the day.

Competitive environment: Competitive race relations are characteristics of the time in which we are living. Organizations inter into race with other organizations to determine their position regarding the business that they are engaged. Improving quality, increasing productivity, and working to bringing about customer satisfaction are the three major areas of focus in a competitive environment in order to persist in the business. Therefore, organizations should undergo a change that enables them to win the race.

Environmental influences: Organizations operate in a social/natural environment where one influences the other. The natural and social environment affects the way organizations function. On the other hand, organizations hold responsible **f**or protecting environmental degradation that resulting from environment unfriendly effects. Thus, solving the problem of incompatibility rests on an innovative approach that introduces environment friendly technology.



Activity 2: Forces that Insist on Change
Time allowed: 15 minutes.

What are some of the major external and internal forces of change in your work place? In what ways can these forces create negative and/or positive pressures (opportunities) for change in your organization?

3.4. The Change Process and Contesting Forces

Phases in Change Processes

In order to successfully manage the change process, it is necessary to analyze the phases of this process. Managers need to know that in which phase they have to expect what types of situations and problems. Most successful organizations are those that are able to adjust themselves to new conditions quickly. This requires planned learning processes that lead to improved organizational effectiveness. Ideally, employees are able to reflect their own behavior in relation to the organizational context (e.g. processes, products, resources, customers).

According to Kurt Lewin (1954), change management involves the three-step change process whereby the unfreezing, changing, and refreezing states take place one after the other. The following diagrammatic presentation shows how the process goes.

Figure 1: Three - step change process

Refreezing state
This is the level at which behavior established; desired attitudes and values internalized and reinforced
Unfreezing state
This is the raised state of tensions, dissatisfaction with status quo climate adapted to minimize resistance
Changing state
This is the state whereby changes advocated and implementation begins; changes tested/adapted for desired end

In further analysis of this the three- step change process primarily formulated by Kurt Lewin

(1954) Wikipedia (Feb. 2006) and Nickols (2004) discuss the following. The process of change, as presented above, has been characterized as having three basic stages: *Unfreezing, changing, and re-freezing*. This view draws heavily on Kurt Lewin's (1954) adoption of the systems concept of homeostasis or dynamic stability.

The unfreezing stage involves overcoming inertia and dismantling the existing "mind set". Defense mechanisms have to be bypassed. In the second stage the change occurs. This is typically a period of confusion. We are aware that the old ways are being challenged but we do not have a clear picture to replace them with yet. The third and final stage is called "refreezing". The new mindset is crystallizing and ones' comfort level is returning back to confidence regaining level.
Moreover, Oliver Recklies (2001) noted that people perceive change processes in seven typical stages.

Figure 4: The Seven Phases of Change Process

Source: Oliver Recklies (2001)

Detailed description about the seven phases of change is presented in the table here below.

Phase	Description
Shock and Surprise	Confrontation with unexpected situations. This can happen 'by accident' (e.g. losses in particular business units) or planned events (e.g. workshops for personal development and team performance improvement). These situations make people realize that their own patterns of doing things are not suitable for new conditions any more. Thus, their perceived own competence decreases.
Denial and Refusal	People activate values as support for their conviction that change is not necessary. Hence, they believe there is no need for change; their perceived competency increases again.
Rational	People realize the need for change. According to this insight, their

Understanding	perceived competence decreases again. People focus on finding short term solutions, thus they only cure symptoms. There is no willingness to change own patterns of behavior.
Emotional Acceptance	This phase, which is also called ‘crisis’ is the most important one. Only if management succeeds to create willingness for changing values, beliefs, and behaviors, the organization will be able to exploit their real potentials. In the worst case, however, change processes will be stopped or slowed down here.
Exercising and Learning	The new acceptance of change creates a new willingness for learning. People start to try new behaviors and processes. They will experience success and failure during this phase. It is the change managers’ task to create some early wins (e.g. by starting with easier projects). This will lead to an increase in peoples perceived own competence.
Realization.	People gather more information by learning and exercising. This knowledge has a feedback-effect. People understand which behavior is effective in which situation. This, in turn, opens up their minds for new experiences. These extended patterns of behavior increase organizational flexibility. Perceived competency has reached a higher level than prior to change.
Integration	People totally integrate their newly acquired patterns of thinking and acting. The new behaviors become routine.

Source: Oliver Recklies (2001)

Only if change managers understand these phases of change, and only if they act accordingly, that they will be able to successfully manage change processes without destroying people’s motivation and commitment.

Restraining and Driving Forces in a Change Situation

Change cannot take place without challenge. A change without challenge is no more a change. There could always be stiff resistance that bumps the way ahead of change if not block it at all. In a change situation there are two forces that come in to play. The forces are called driving

forces and restraining forces. The two forces struggle with one another in an intention of keeping the change in motion or maintaining inertia.

This kind of struggle might end up with one of the three possible consequences.

- *Change to the worst*: when the restraining forces dominate
- *A no change situation*: when the two forces become equal
- *Change to the best*: when the driving forces take the upper hand

Where restraining forces dominate, people become overridden by anxiety about job security, loss of power/status, and loss of job satisfaction. Hence, change tastes less stimulating to them.

In the situation where the driving forces become more powerful than the restraining forces, the likelihood of success becomes certain. This state of affairs is characterized by fresh challenge in job, improved rewards, increased job discretion, and greater involvement in decision making by people in the organization. The following pictorial presentation summarizes our points regarding the issue of driving and restraining forces.

3.5. Resistance to Change

Why do people resist change?

If we ask employees what they think about change, we may find that most people have negative attitudes and perceptions towards change at least at its outset or at most to the entire matters related to change. They have fears of losing their job, their status or their social security, or they are afraid of a higher workload or unable to trust the unknown.

In many cases, first effects of change on employees, leaders, and on performance levels are negative. These effects include fears, stress, frustration and denial of change. Most employees tend to react with resistance to change rather than seeing change as a chance to initiate improvements. They are afraid of losing something, because they have incomplete information on how the change processes will affect their personal situation in terms of tasks, workload, or responsibilities.

If change processes lead to redundancies, those who “survived job cuts” still have a negative attitude towards change. One reason may be that they now face additional tasks and responsibilities. Some people may feel guilty for still having their job while others became

unemployed. Such emotional reactions may cause additional stress in the changing organization.

Managers need to keep in mind those negative side effects of change initiatives in order to achieve the expected positive results. The success of change projects depends on the organization's ability to make all their employees participate in the change process in one way or the other and empowering them to make decisions that are within the range of their abilities. This is about working towards change in attitude.

Attitudes towards change can result from a complex interplay of emotions and cognitive processes. Because of this complexity, everyone reacts to change differently. On the positive side, change can be seen as akin to opportunity, rejuvenation, progress, innovation, and growth. To the contrary, change can also be taken as akin to instability, upheaval, unpredictability, threat, and disorientation. Whether employees perceive change with fear, anxiety, and demoralization, or with excitement and confidence, or somewhere in between, depend partially on the individual's psychological makeup, partially on management's actions, and partially on the specific nature of the change.

Resistance to change can assume many forms. The effect of resistance may be overt or implicit, may be subtle and cumulative. Implicit resistance may be manifested in resignation, tardiness, loss of motivation to work, increased absenteeism, request for transfer and similar others. Overt resistance assumes the form of strikes, reduction in productivity, and the look alike. For Liz Clarke (1994:109) resistance to change stems from one or more of the following sources.

- Fear of the unknown
- Lack of information
- Threats to status
- Threats to established skills
- Fear of failure
- Reluctance to let go
- Lack of perceived benefits
- Threats to powerbase
- Low-trust to organizational climate
- History of previous custom
- Fear of looking stupid
- Feeling vulnerable and exposed
- Threat to self-esteem

- Loss of control of one's own destiny
- Loss of team relationships
- High anxiety
- Stress

More precisely, reasons for resistance to change in terms of employee response to a given change initiative, can generally be classified into one or more of the following four categories. This classification, in fact, is based on *personal perspective* of resistance to change.

- **Parochial self-interest**: These people resist change for they perceive it as a threat to their core skills, competence, status, and/ or their power base.
- **Misunderstanding and lack of trust**: People under this category resist change due to lack of information or twisted by misinformation or such historical factors as poor timing, or low trust of the organizational climate, or poor relationships with colleagues as well as superiors.
- **Different assessment**: People in this segment usually understand the proposed change in a contradictory perspective. They see no perceived benefit for themselves in the change. They argue against the change and ridicule it as if it were wrong and ill thought out.
- **Low tolerance for change**: These people fear the unknown. They are reluctant to experiment for they fear failure and looking unintelligent. They do not want to disturb status quo and lack stamina to let go.



Activity 3: Personal Perspectives of Resistance to Change

Time allowed: 15 minutes.

The following table presents the four perspectives of personal resistance to change with possible degree of their prevalence in your organization. Put a tick [P] mark under the scale that you believe properly describes the situation in your institution.

Classification	**Degree of Prevalence**				
	Very high	**High**	**Average**	**Insignificant**	**Non existent**
Parochial self interest					
Misunderstanding and lack of trust					
Different assessment					
Low tolerance for change					

***Note**: Doing this exercise helps, you as a change leader, to identify the nature and intensity of personal resistance towards a given change initiative in your organization. This in turn provides you the opportunity to tackle resistance by individuals and win the battle in successfully implementing the intended change. In further analysis, resistance to change can also be sorted out as individual and organizational inertia. Individual resistance may come to being due to some personal, economic or social reasons. Causes for organizational resistance, then again, ranges from threats to power and influence through misunderstanding and lack of trust.*

Individual Resistance to Change

Individual employees may resist change mainly for such three reasons as *economic*, *personal*, and *social*. Each of these reasons is discussed in some details as follows.

Economic Reasons: Economic reasons, in one way or the other, are associated with earnings of an individual. Therefore, individuals strongly refuse to go along with the proposed change when they fear possible negative consequence on their earning. This might happen as a result of obsolescence of skills or fear of loss of income.

Obsolescence of skills occurs when the proposed change introduces new ways of doing things which might not be done using the old skills. Whenever people sense that new work method poses a threat of replacing or degrading them, they simply resist such a change so as to maintain the status quo. This kind of phenomenon is commonly found in those employees/managers who possess no real marketable skills and whose knowledge is obsolete and outdated.

Fear of economic loss is directly related to loss of job or loss of income as a result of the change that is going to be introduced. Whenever people perceive that consequences of the proposed change have an effect on their income or pay, or perceive psychological degradation of the job or loss of their job, they develop negative attitude to the change initiative.

Personal Reasons: Personal reasons that lead to resistance to change could vary from person to person. However, *Ego defensiveness, maintaining the status quo*, and *fear of the unknown* are said to be commonly prevailing perspectives.

Ego defensiveness refers to the situation whereby an individual resists change for the sake of defending one's own interest regardless of considering benefits of the change to others. Individuals with Ego-centered personality weigh changes in terms of their personal gains than considering it from the broader perspective. They primarily question that 'What is there in it for

me' on the expense of everyone and anything else. Hence, they refuse to accept change when they suppose that the change goes against their personal interest even though it proves good to the rest of the world.

Maintaining status quo is a pattern of behavior that all organisms share, including human beings. We tend to develop emotional attachment with people, places, things, traditions, ways of doing things, etc. that we are familiar than the new ones. Thus, we may prefer to remain with the old bad habits more than welcoming the good new ones. This is mainly because we do not like to allow disturbance into the existing comforts of status quo. Organizational change may involve uncertainty and risk and may be at the cost of the conventional convenience of workers. In this case, people typically struggle to maintain the current structure and situation so as to keep uncertainty and risk away from them.

Individuals resist change due to *fear of the unknown* as well. Change is a journey to the unknown. It replaces the well-known with the unknown. Thinking of the unknown mostly becomes source of anxiety. Consequently, people may resort to the familiar evil than the unfamiliar good as depicted by one of the Ethiopian old proverbs that says '*familiar devil is better than the stranger Angel'*. Whenever people do not know exactly what happens, they are likely to resist embracing change. Uncertainly may not arise from the change itself, but from the consequences of change including the way the change is being managed. For instance, any gap in the information may make employees feel uncertain about the future and they think the better way would be to oppose change.

Social Reasons: Relationships play a decisive role in our life. You might hear of someone complaining about bad neighborhood, work place, family, business, and the like relationships. Good social ties are believed to have positive contribution in shaping one's living. The opposite is true with the reverse.For that reason, people resist changes that result in changing their social relations. In an organizational environment, *social displacement* and *peer pressure* are the major sources of resistance to change under the context of social reasons.

Change often results in disturbance of the existing social relationships entails *social displacement*. It may also result in breaking up of work groups and friendship. When social relationships develop people try to maintain them and fight social displacement by resisting change.

Sometimes individuals may be prepared to accept change at their individual level but refuse to

accept it for the sake of the group. This is what we call *peer pressure.* Whenever change is unwilling to the peers they force the individual subordinate employees who are bent of accepting the change to resist it.

Organizational Resistance to Change

Resistance to change, as you have discussed it earlier, can emerge both at individual as well as organizational levels. Matters related to individual resistance to change have made clear in the preceding section. Now you are at the point where you see the how of organizational resistance to change takes place. Resistance at organizational level may occur for variety of reasons. The major ones include *threats to power and influence, organizational structure, resource constraints, sunk costs, misunderstanding* and *lack of trust.*

Threats to power and influence: Some people, especially those who hold managerial positions without being competent to it, consider change as a potential threat to their position and influence in the organization. No matter how brilliant the change ideas may sound, they become constantly impatient about the change if its introduction seems to affect their access to resources and disrupt their power relationships. Particularly, people who occupy the top management posts in the organization resist change in consideration of any alteration in the system as threat to their existing power.

Organizational structure: Some organizational structures seem to have in-built mechanism for resistance to change. For instance let's take, a highly bureaucratic structure where jobs are narrowly defined, lines of authority are clearly spelled out, the flow of information is stressed from top to bottom, and where subordinates are not listened to. In such organizations the channels of communication make the new idea difficult to travel. Evidently, employees working in such an environment either lack information or obtain perverted information about the change that is going to be introduced. The resultant confusion, thus, makes people to feel bad about the change and prefer to resist its occurrence.

Resource constraints: Lack of resources to implement changes regarded as one of the major sources of resistance. Change requires substantial time, human, financial, material, informational, and technological resources. Inadequacy, in one or more of these resources may lead to stunt progress of the change initiative. A change that could not be able to maintain its momentum is likely to lose excitement to its outcome. Therefore, people start to negate the importance and relevance of the proposed change. This like situation cultivates good ground for

resistance to do well.

Sunk costs: In some instances, *huge capital investments* that followed by the new change agenda, may obstruct the change from going faster and further. If large capital is blocked in the fixed or permanent assets, difficulty may arise even to introduce change. People who are not interested in the change initiative, frequently and sometimes arrogantly, try to discourage the way to change. These people present themselves as more concerned about costs of resources and blame others for being advocates of wastage. However, their so-called concern for costs might be a pretext through which their profound hatred to the proposed change is manifested.

Sunk costs can also be expressed in terms of *payments for people*. Some members of the organization, for example, retain their jobs by virtue of seniority though they do not significantly contribute to the organizational development. Imagine, these people are paid much for doing less or virtually nothing. Unless they are motivated to higher performance, their payments for ritual and nominal services represent the sunk costs for the organization. More importantly, others may lack motivation to energetically proceed with the change for they observe such unmerited practice.

Misunderstanding and lack of trust: Initiating and managing change through implementation is a complex and challenging task that calls for variety of essential conditions to be in place. One of the indispensable components is consensus building about the need for change. This is achieved through continuous communication with all stakeholders. Where there is no effective communication, there will no effective action. Lack of effective communication obviously results in *lack of sufficient information*. During change, we have to provide the right information to the right person, at the right time, with the right details, and from the right source. By doing this, we can not only to bridge the information gap but also narrow down the probability of being misinformed among participants of the change endeavors.

Misunderstanding and lack of trust also emanate from *low trust of organizational climate* as well as *past history of unsuccessful change attempts and their concomitant consequences*. Unstable organizational environment promotes misunderstanding and lack of trust among the members of a given organization. It also creates mutual trust between employees and management. Therefore, change leaders need to clear up the cloud of misinterpretations. Not only misunderstandings and lack of trust but also ineffective track record of change implementation attempts yield reluctance to go along with change.

 **Remember!**

- Resistance is not always bad; it may help to keep organizations from possible disaster.
- Resistance may signal the need for improved communication about the meaning and objective of a change.
- Resistance to change may suggest better ways of developing and introducing changes.
- Resistance provides an excellent opportunity for the managers and change agents to evaluate the change process.

In order to create a positive response to change by employees, however, managers must:

Recognize the potential for resistance*:* Managers should not be imprudent in thinking a change initiative that is devoid of resistance. As long as change is inevitable, resistance to change is automatically there. Rather they need to be aware of the likelihood of resistance to happen ahead of time.

Understand how and why resistance occurs*:* Being aware of possibility of resistance to occur alone is nothing. The next step is to examine how that resistance occurs and why it occurs. This helps to device effective mechanism to challenge the resistance.

Develop a set of strategies or options designed to prevent or buffer occurrence of resistance:This is the stage whereby a number of approaches that help to put a stop to or limit the scope of occurrence of resistance are designed.

The following discussion addresses the last two points. The authors first attempt to explain the processes by which employees learn to resist change. Once this process is understood, it is then possible to articulate what managers can do to prevent or eliminate the potential negative consequences of employee resistance to change.



Activity 4: Creating Positive Response to Chan
Time allowed: 15 minutes.

Assume that you are a change advisor to one of the government offices. Let’s say that the general

manager lacks experience in how to create positive response to a proposed change in the organization. What do you advise him to do?

Relevant Needs of Employees

Individuals seek to evaluate changes that occur within their environment. It is assumed that the key to an individual's positive or negative response to change is his or her own self-interest. In other words, how will the proposed change impact on personal needs and need satisfaction? Changes that are favorable and satisfy employee needs are rarely resisted, while those considered unfavorable (that seemingly thought to fail to satisfy employee needs and result in fear, anxiety, and frustration) are likely to be resisted. Let us briefly consider some of the crucial needs of employees that lead to resistance if not properly addressed.

Need for relevant information: Employees need information specific to their environment, that is, why changes are necessary, how the proposed changes will affect them, what their responsibilities will be, what skills will be valued in the future, degree of top management support, and the roles of others functioning within the same system.

That information in the form of feedback supports the learning process by serving as a correction device, furnishing individuals with the ability to improve and serving as a powerful positive reinforce, which increases motivation and thus affects the individual's willingness to learn.

Need to predict future: Employees want to be able to effectively predict the future. Such a need reflects their basic need for security. Employees who are forced to replace relatively certain futures with ones that are uncertain must re-educate themselves about how the new systems will likely work in the future. This will require employees to expend time and energy collecting data and experimenting with the new system to reach the same level of knowledge achieved before the change. At the same time they must cope with the anxiety and frustrations of functioning within a system they do not fully understand.

Need for environmental consistency: The ability of the employee to successfully predict, and thereby plan for future contingencies is also dependent on the degree of consistency built in to the employee's job environment. Change that disrupts the continuity between the past, present, and future has the potential of causing employees to incur loss. Changing work environments may threaten employees' job security, rewards, friends and social contacts, and relevancy of current skills.

Affiliative need: Behavioral scientists have long argued that individuals generally possess a high need to interact with others. As individuals generally possess a high need to interact with others, such a need results from the individual's desire to:

- Define who and what he or she is,
- Achieve common goals,
- Reduce anxiety and/or fear, and
- Engage in social contacts as an objective in and out of itself.

Need to control environment: Behavioral scientists have also indicated that individuals need some degree of control over what takes place within the organization. Control relates to the ability of employees to affect the social and physical aspects of their work environments. For example, Kenneth Rine-hart found that individuals who perceive themselves as having control over their work environments demonstrated lower levels of resistance to change than did their counterparts who perceive themselves as having limited control.

Need for autonomy: Closely related to employees' need for control is the need to exercise personal autonomy when performing role responsibilities. Autonomy applies to personal behavior and relates to the degree of personal freedom, independence, and discretion provided by the employee's job. In those situations in which the employee is not allowed discretion he or she is unlikely to develop a positive attitude toward his or her own competencies and future personal development.

Need for perceived equity: We have already discussed the importance of distributive justice when attempting to motivate employees and also assess the effect of implementation of a proposed change on the perceived equity for the self, distribution of benefits between the organization and self, and impact of equity on self as compared to others within the organization. For example, changes that are considered equitable to the individual on each of the three levels are less likely to be resisted. Alternatively, changes that are considered inequitable for the individual are likely to be resisted.



Activity 5: Responding to the Employees' Relevant Needs
Time allowed: 20 minutes.

Suppose that you are a manager of XYZ Company that is in a crisis situation. Realizing the crisis and in an effort to redeem the company from total bankruptcy that is lingering to prevail, you might be interested in introduction of change into the organization. However, workers might not be convinced of the change agenda due to fear of possible negative consequence of the proposed change on them. So, how can you proceed to effectively handle this problem and successfully continue with your agenda of change?

More on Employee Resistance to Change

Our intention is not to imply that only the seven needs discussed above are the only relevant ones to understand the source of employee resistance to change. They do, however, provide insight into why employee resists change and what managers can do to reduce the probability that resistance occurs. Furthermore, we do not assume that all individuals are high on these seven needs. However; employees high on these needs are likely to experience negative tension, anxiety, fear, or frustration if change is introduced in such a way as to prevent need satisfaction.

To demonstrate how this might happen, let us consider the potential effects of change when it is not introduced by employee themselves. First, change, by definition, produces a situation that is in some way different from the past i.e. it introduces *new tasks*, *procedures*, *methods*, *technologies*, *structures*, and *work flow*). Some type of transformation has taken place within the work environment. When this occurs, employees may find that their present skills are no longer of value to the system. If this is true, they will be forced to upgrade old skills or develop new ones. However, the upgrading of old skills or the acquisition of new skills may not be reasonable because of *time constraints*, or *lack of support facilities*, or *inability of the employee to learn the new required skills.*

In this case, employees may ultimately be forced to change positions if they cannot adjust to the changes brought about by management. Even when employees learn new skills or remain current after a planned change, they may still question their job security. Good performance no longer guarantees job security when such programs as Total Quality Management, downsizing, or rightsizing are introduced by organizations. Marginal or poor performers have already been removed during past restructuring. As a result, future efforts to restructure or downsize organizations will likely result in the loss of jobs for employees who are productive. Under these conditions, change will be perceived as a threat to one's existence within the organization.

Organizations that function within a stable environment develop rules policies and procedures that act as guides to the employee. This is even true for highly turbulent environments as the organization oscillates between stable states and change states. Such rules, policies, and procedures take on significance when one considers the tendency for individuals to develop habits to guide future behavior. Such habits are relied upon by employees for both guidance and protection (i.e., they act as a zone of security for the individual).

When introduced, change typically disrupts this zone of security by reducing the applicability of established habits. The employee must now face a changed and unfamiliar job environment without a zone of security to facilitate his or her task performance, interactions with others, and planning for future contingencies. The removal of the employee's zone of security is likely to increase a feeling of vulnerability and thereby reduce his or her feeling of control and understanding of the job environment.

The employee performing within a socio technical system frequently develops numerous social relationships. As indicated earlier, these relationships are important to the individual for several reasons. First, day-to-day interactions with familiar others serve to satisfy the employee's affiliative needs. Second, the interaction with familiar others affords the employee and emotional outlet for the reduction of anxiety that may develop on the job. Third, by interacting with familiar others, the employee has a constant reference point against which to assess and define his or her own behavior. When change is introduced, these social relationships are frequently disrupted or destroyed. Employees can only interpret this disruption as a further threat to their well-being.

Individuals performing within complex organizations develop, over time, what they perceive to be vested interests. Specifically employees may perceive that they have a right, given their position and personal status within the organization, to (a) make decisions, (b) direct others, (c) control resources, and (d) use a high degree of self-direction when fulfilling their responsibilities. These rights, whether real or imagined, take on an air of normalcy. Consequently, to the degree that change appears to endanger these vested interests, employees fell threatened.

Finally, change is frequently introduced from a power center outside one's department or by someone other than oneself. Behavioral scientists have long argued that individuals possess a rather high propensity to distrust that, which is initiated by an external source, as well as the external source itself. This means that an employee tends to feel threatened, irrespective of the

quality of the change program, when change is introduced by an external source.

The process by which individuals learn to resist change is described in this section. There is also an assumption that employee resistance to change is not an innate behavior but a learned response. It has generally been accepted that ***unsatisfied needs are the primary motivators of human behavior***. Specifically, when individuals have an unsatisfied need or set of needs, they experience a negative tension state that they will attempt to reduce. This attempt will be accomplished by redirecting their full range of behaviors, as well as psychological outlook, in a way consistent with need satisfaction.

The importance of employees who are high on the seven needs discussed above becomes evident when one considers the consequences of change. Change has the potential for producing an environment that prevents the fulfillment of these needs, that is, lack of information; reduced security; disruptions of social networks; removal of previously relied upon rules, regulations, and policies, etc. Therefore, employees faced with repeated change situations may find it impossible to satisfy their dominant needs profile, a situation that results in a continued state of negative tension. Such a tension state produces other negative consequences; such as frustration, anxiety, and fear. Because of these negative consequences, employees learn to resist change by linking negative consequences with change. Because of what employees have experienced in the past and because employees learn to associate these negative consequences with change, they learn to resist change in the future.



Activity 6: Inability to Upgrade Old Employee Skills
Time allowed: 20 minutes.

The fact that changes in organizations necessitate changed way of doing things. The changed way of doing things in turn calls for new skills that enable a worker to carry out his/her assignment up to the standard. Training and retraining become indispensable in this case. But some of the employees might not be comfortable with the training schemes that are designed to upgrade their skills.

What are the factors that influence upgrading of old skills or the acquisition of new skills of employees?

Assuming that you are a manager of such an institution, suggest recommendations to put in effect in order to settle the case of employees that are unable to upgrade their old skills.

3.6. Managing Resistance to Change

By employing various approaches, managers can act to reduce the probability of outburst of employee resistance. The key is to break the perceived link between change and employees' inability to satisfy their dominant needs. Before this can happen however, managers must understand that the potential for employee resistance exists whenever change is introduced. Managers must also recognize the importance of planning as a critical first step when attempting to introduce change. Furthermore, change leaders need to understand the human dimension in responding to a given change initiative. In the process of understanding the human dimension leaders should know as to how people react to change. Generally people in an organization may fall in one of the following four groups based on their response to a proposed change (Lovell, 1994).

- **Explorers**: These people are with high willingness to change and high ability to change.
- **Pioneers**: This group has high willingness to change but lack ability to change. Despite their limitation in ability to cope up with change, they are loyal to change in any way they can.
- **Settlers**: These are kind of persons with high ability to change but low willingness to it. Hence, the change leader should convince settlers so that change will gain pace and become norm.
- **Outlaws**: This group consists of people with low ability to change and low willingness too. Having neither the ability nor willingness to change, these people are loyal to the status quo mainly because of their inherent inability to bring about change.

Whatever the employees' position, in terms of the aforementioned indicators, may be, a set of 11 possible change strategies that, if properly used, will help facilitate the introduction of change into an organization and thereby weaken the perceived link between negative consequences for employees and change.

Provide relevant information: Where possible, managers should describe the objectives of the proposed change, why it is needed, and clearly outline the consequences. This information should include both the benefits and the potential negative consequences. The effect of full disclosure is to communicate that it is 'business as unusual". Full disclosures also satisfy

employees' need to know where they are going and why; prevents rumors, misunderstandings, and resentments; and it gives management the opportunity to explain what steps will be taken to ensure and employee's continued success on the job that is, training programs, none evaluative periods (discussed below), and similar others.

Information should be dispersed early in the change process to ensure complete understanding by affected employees. Early dispersal also provides employees with time to express their views, provide input and for management to respond. Early dispersal of information also gives the employee more time to plan for and adjust to potential adverse consequences of the change program.

Full dispersal of information also implies that managers should communicate their own feelings toward the proposed change. Communicating feeling of discomfort about a particular issue or aspect of the change program allows managers to open up a dialogue with employees about possible future problems early in the change program and at the same time humanizes the situation.

Allow for participation: When the affected employees are knowledgeable, interested and likely to affect ultimate success of the change program, managers should allow employee participation in planning of the proposed change. Participation will help ensure (a) input of all relevant information into the decision-making process, (b) dispersal of all relevant information after the decision has been made, and (c) personal commitment by employees to the successful introduction of change.

To maximize the benefits of participation, it is recommended that employees be involved in all stages of the planning process, and that they be included early in the process. To gain employee commitment, it is desirable to involve employee commitment; it is desirable to involve employees in joint diagnosis of existing business problems. Similarly, employee involvement in solution generation or solution selection can significantly reduce future resistance. The assumption here is that changes and problem solutions initiated or selected by employees are less likely to be resisted than those forced upon them by others.

For example, an auto part manufacturer was forced into a severe cost cutting program due to declining sales. As part of its cost-cutting program it was decided that salary expenses had to be trimmed by 20 percent. However, it was also decided that the company would not take the easy way out by laying off 20 percent of its employees. Instead, the company identified six

alternatives that would accomplish their objectives and then allowed employees to decide which solution best fit their unique needs. The six alternatives provided by management were, 'five months of Fridays without work or pay, one month off without pay, 10 percent reduction in salary for one year, elimination of vacation pay and all holiday pay for one year, half days of work and pay for two month off without pay, 10 percent reduction in salary for one year, elimination of vacation pay and all holiday pay for one year, half days of work and pay for two months, or two and one half months (June 15 - August 31) of Fridays and Mondays without work or pay. Employees agreed to decide for themselves, and most selected the last alternative. The net result was additional work for the personnel department, but no resignations, complaints, or reduction in moral or productivity by employees.

Non-evaluative period: Where possible, management should build into its change program a period during which the employee's performance cannot have a negative impact on income, rank, or other perceived benefits already being received from his or her present position. The purpose of a non-evaluative period is to allow the employee to adjust and to develop new skills in an atmosphere free of perceived threats to need satisfaction. Also critical to the success of a non-evaluative period is the amount of constructive feedback or training that management gives the employee when attempting to upgrade his or her skills.

Training: Employee fears about making mistakes on the job are likely to increase when faced with the threat of a change require employees to learn new skills, develop new methods, learn new concepts, or expand their knowledge base in some way. However, in those instances where employees are fully informed as to the consequences of change and what skills will be needed to perform effectively within the changed environment, and where threats to the employees are minimized by building in a non-evaluative period, management is provided with a key opportunity to develop their employees through training. Under ideal conditions, employees will recognize the need for learning new skills and request that management provide the training. By making relevant training available to employees, management further reduces the likelihood of resistance.

Simplicity: The ability of an employee to adjust to changed environment is frequently a function of the complexity of the change program itself. This becomes a problem when managers, trying to demonstrate their expertise, develop a change program that is more complex than is necessary to achieve organizational goals. The more complex the change program, the greater the probability that it will exceed employee' adaptive capabilities and thereby cause them to fail. A more desirable course of action would be to introduce a change program with the complexity

required to achieve existing objectives and no more.

Incremental change: Closely related to the concept of simplicity is the concept of incremental change. The ability of an employee to effectively adjust to change is also a function of the amount of change introduced within a given period of time. When managers become too ambitious to introduce too much change programs at a time the possibility to come across employee resistance to the proposed change becomes very high. It is often more desirable to recognize that large or bold changes can be divided into digestible steps that can be introduced sequentially. In strengthening this position, Peters L.H cited in Mealiea and Latham (1996:478) stipulated, " the most efficient and effective route to bold change is the participation of everyone, every day, in incremental change. Most bold change is the result of a hundred thousand tiny changes that culminate in a bold product or procedure".

Clearly define what's over and what isn't: Change represents and ends to how things were done in the past and the introduction of new ways to do things in the future. Change, however, rarely requires a total rejection of past practices. This is especially true when change is introduced incrementally to adjust to changes in the environment and to avoid radical change and upheaval. To minimize confusion, managers must define what activities are no longer appropriate and which are to be continued, and communicate this information to employees. Failure to do so is likely to cause employees to (a) continue doing both the old and new, and burn out in the process, (b) make their own decisions about what to reject from the past and increase the probability of organizational chaos, and (c) reject the past in total and as a result, discontinue activities still critical for success.

Clearly defining what activities stay or go also facilitates managerial attempts to make changes compatible with past practice. The better the fit between proposed changes and the existing system, the more likely that subordinates will accept present and future change.

Appropriate timing: Also critical to the ultimate success of any change program is the timing of its introduction. Before introducing change, management must consider the environment in which the employee is functioning. Only by being sensitive to the employee's unique situation is management likely to introduce change at an optimal time period and with a minimal threat to the employee. For example, management should not (unless forced to by time constraints or external pressures) introduce new purchasing procedure during a peak work period, are likely to rely on behaviors proven to be successful in the past. It would be more appropriate to introduce change during a slack period to ensure minimum pressure and maximum probability of

acceptance.

Managers should also attempt to build in as much lead time as possible to the implementation of any change program. This allows employees to think the changes through, get mentally prepared, and make adjustments, which will minimize personal loss or discomfort. Kanter echoed this point when she stated, *"Time is one of the first requirements for significant long-term organizational changes. There has to be sufficient calendar time to make it work, as well as enough available participants time to engage in planning, communication, and reflection about the appropriateness of job and project activities.'*

The following example demonstrates the importance of timing. A computer software company in response to rapid growth decided to close its original facilities and move to a site 60 miles away. The decision was made not to inform employees of the move until one week before the grand opening. As a result, employees did not have sufficient time to plan for the change. When the move was announced, 941 out of 3,710 of the company's employees resigned.

Informal leaders: It is generally accepted that within any formal organizational structure, there will also exist an informal social structure which management can frequently identify. Such informal structures will typically have one or more informal leaders. Managers can expedite change by working through these informal leaders. This is especially true when managers cannot effectively deal with all the employees involved in the change program. Involving informal leaders in the development and implementation also gives the change program credibility when being evaluated by other employees and thereby reduces the probability of employee resistance.

Formal avenues of appeal: As indicated above, a major source of anxiety is an employee's perceived inability to control his or her environment. The negative feeling associated with not being in control can occur during the implementation phase of the change process. To help alleviate anxieties in this phase, it is desirable to build into the process formal avenues of appeal. This facilitates upward communication from the unsatisfied employees and offers them a mechanism to share their ideas with senior management.

Formal avenues of appeal are especially important because change, by its very nature, will have its great impact in the future - when the effects of the change program permeate throughout the organization. The problem, however, is that the future is uncertain, and as a result the planned change may be inappropriate because of unforeseen events. Therefore, feedback from those

employees who are implementing the change is a critical factor in determining the ultimate success of any change effort.

There may, however, be hesitancy by employees to communicate their dissatisfaction about current changes. Employees may fear attack or ridicule for speaking out against changes supported by top management. Similarly, individuals who question changes designed to improve the total organization may be criticized for not being team players. It is therefore critical that managers be receptive to the feedback they receive, guarantee employee confidentiality, and take steps to ensure that there are no negative repercussions for those employees appealing senior management's action.

Distributive justice: The key to any attempt to ensure that inequities are not built into a change program is to take the time to analyze the likely consequences of change on employees' payoffs and outcomes. In instances where inequities are identified, managers can make adjustment to the affected employees' outcomes or inputs to bring the equity equation back in balance.

Gray and Larry (1989), on the other hand, suggest six important techniques that help to deal with resistance to change. The techniques include *education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and cooptation and explicit* and *implicit coercion*

Education and communication: People are considered as foundation of an organization. Changes in organizations are also designed by people to people. But it is not always that people respond to changes as an opportunity which takes to the new height both in personal and organizational development. Despite benefits of being changed, however, people resist change. Some prefer to pay intolerable cost of remaining unchanged more than enjoying the fruits of change. Resistance to change can be intentional or otherwise. Many people may resist change due to lack of proper understanding about the proposed change. This problem can be solved by explaining exactly what is to happen to individuals and groups. Education and communication play decisive role in this regard. Besides, the following basic questions about the change need to be addressed in order to making the change familiar to all concerned.

What the change is about?
Why the change is needed?
When it is to be introduced?
How it will be implemented?
Who will be responsible to the change?

Participation and involvement: Participation in making decisions on the matters of common concern makes people to assume responsibility for their decision. It also narrows the path to blame shifting. Experienced change leaders involve even those who oppose the change in some aspects of design and implementation of change so as to obtain their support. It is clear that when people are allowed to fully participate and involve in the change process, they feel satisfied and develop sense of belongingness towards change. Participation leads to commitment beyond bringing about mere compliance. It also encourages individuals and groups to ventilate their opinions on the change and its implementation.

Facilitation and support: Changing circumstances pose challenges to those who take part in the change effort. However, supportive leaders can play key role in cultivating favorable environment. Making change to happen requires enthusiasm and commitment. Listening to co-workers, giving emotional support and showing concern for subordinates, and provision of training are said to be instrumental in facilitation and support. Facilitative support attempts to remove organizational barriers that might hinder change. It includes assistance offered to help make the change work effectively.

Negotiation and agreement: Resistance can be reduced through negotiation. Discussion and difference analysis can be helpful to identify points of negotiation and agreement.

For example, convening a person to move to less desirable work location may require covering the relocation cost or payment of disturbance allowance.

Manipulation and cooptation: Manipulation involves conscious structuring of events and the very selective use of information. Cooptation involves giving individuals an attractive role in dealing with the change matters so that they could consider themselves as members of the change team. This approach is believed helpful in bringing opposing groups on board.

Explicit and implicit coercion: In some instances, change management can involve coercion. The coercive measures may take the form of explicit and/ or implicit actions. Declaring some positions become redundant, reducing promotion opportunities, poor job assignment, firing, and transferring to less desirable location or position can be employed as a strategy to circumvent resistance.

Note: Do not forget that there is no one size that fits to all. Similarly, there is no one best method to overcome the problem of resistance to change. You may employ different techniques for similar problems or you may use similar technique for different problems depending on the context and nature of the

resistance to be addressed.

Table 1: Summary of Strategies in Dealing with Resistance to Change

Approach	Commonly Used in Situations	Advantages	Disadvantages
Education and communication	Where there is a lack of information or inaccurate information and analysis	Once persuaded, people will often help with the implementation of the change.	Can be very time consuming if many people are involved.
Participation and involvement	Where the initiators don't have all the information they need to design the change and where others have considerable power to resist.	People who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan.	Can be very time consuming.
Facilitation and support	Where people are resisting because of adjustment problems.	No other approach works well with adjustment problems	Can be time consuming and expensive
Negotiation and agreement	Where someone or some group will clearly lose out in a change, and where that group has considerable power to resist.	Sometimes it is a relatively easy way to avoid major resistance	Can be too expensive, time consuming and in many cases it tantalizes others to negotiate for more
Manipulation and co-option	Where other tactics will not work, or are too expensive.	It can be a relatively quick and inexpensive solution to resistance problems	Can lead to future problems if people feel manipulated.
Explicit and Implicit Coercion	Where speed is essential and the	It is speedy, and can overcome any kind of	Can be risky if it leaves people mad at the

	change initiators possess considerable power	resistance	initiators.

Source: Edmund R. Gray and Larry R. S. Meltzer. *Management: The Competitive Edge*, 1989:622

C3.7. Let Us Sum Up

Change is an inherent phenomenon in life. Sometimes it takes place while we are consciously aware of its happening. It could also come to being even without our knowledge. Some changes are controllable by nature and some others are not. Change in it literary sense can be defined as giving a different position, course, or direction to a certain aspect of personal or institutional life.

Change may take place as a result of two forces. These forces are regarded as external and internal to the recipient of the change. Internal source that cause change come from within the organization of the organism itself. Yet, external source of change is out of the range of control of an organization that is obliged to undergo the change process. Change usually passes through a three step process as identified by Kurt Lewin. The three phases are the unfreezing phase, changing phase, and refreezing phase.

Unfreezing phase is the state of raised tension and high level of dissatisfaction with status quo in desperate need for change. Changing phase is the state whereby changes advocated, implementation begins, and testing and adapting changes in order to direct it to the desired end also takes place at this phase. Refreezing phase is the level at which behavior established; desired attitudes and values are internalized and reinforced

Change is not always welcomed by all. Though there are people who propose change, some others may like to maintain what is already there. Thus resistance to change is not a surprise. People resist change mainly for the reason that they fear the unknown. The fact that change is the process of introduction of new ways of dealing with things, it is natural to any organism get suspicious of the new environment and event until it tests the new paradigm through course of time. In the meantime, there are people who resist change for several reasons that range from temporary lack of understanding to persistently against the idea of change at all. Hence, people who resist change can roughly categorized in to: People resisting change to safeguard their parochial self-interest, people resist change due to misunderstanding and lack of trust, people resisting change due to different assessment, and/or people resisting change as a result of low tolerance for it. In a broader summary, causes for change resistance can be either individual or

organizational. Individual resistance might occur as a result of personal, economic or social reasons. Organizational causes for change resistance can come about as a result of threats to *power and influence, organizational structure, resource constraints, sunk costs*, or *misunderstanding and lack of trust*.

However, one need not consider facing of resistance as bad fortune to the anticipated change. Resistance to change should not be regarded as a disease that does not cure. Resistance can be converted to cooperation if handled properly. What we need to make this happen is through *education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-optation,* and *explicit and implicit coercion*.

? 3.8. Check your progress

Part I: True or False

Instruction: - Write' True' for correct statements or 'False' for the incorrect ones.

1. Obsolescence of skills can occur when a change doesn't introduce different ways of doing things.
2. People with Ego defensive personality decide to resist change for the sake of public interest.
3. People may prefer to remain with their old habits more than welcoming the new ones. This is what we call maintaining status quo.
4. Fear of the unknown could keep grand opportunities away from being realized.
5. Change is always introduced only and intentionally to disturb the existing social relationships.

Part II: Multiple Choice Items

Instruction: - Read each of the following questions carefully and select the best answer from alternatives given.

People resist change due to _____.

a.a. Fear of losing their job

b. Fear of losing their status

c. Fear of losing their social security

d. All of the above

1. 2. Planned change cannot be taken as _____.

a.a. An opportunity

b. Progress

c. Displacement
d. Innovation

1. 3. One of the following is not the reason to resist change.
   a. Parochial self-interest
   b. Misunderstanding and lack of trust
   c. Different assessment
   d. High tolerance for change
4. Which one of the following is right about managerial actions to create positive attitude to change?
   a. Understand how and why resistance occurs
   b. Disregard the potential for resistance
   c. Consider all resistances as evil act
   d. Impose the idea of change on subordinates
5. Employees need to know why changes are necessary, how the proposed changes will affect them, and what their responsibilities with regard to the proposed change are questions of _____.
   a. Need to predict future
   b. Need for relevant information
   c. Need for environmental consistency
   d. Affiliative need

Part III: Matching Items

Match related concept from column "B" with the phrases under column "A".

A	**B**
1. Parochial self-interest	A. Fear of the unknown
2. Misunderstanding & lack of trust	B. Threat to one's status
3. Different assessment	C. Contradictory perspective
4. Low tolerance to change	D. Misinformation
	E. Altruism

3.9. Ñ Answers for check your progress

Item No.	**Answer for check your progress**		
	True or False items	**Multiple Choices**	**Matching**
1	False	D	B

2	False	C	D
3	True	D	C
4	True	A	A
5	False	B	

UNIT FOUR:TYPES OF CHANGE

Structure

4.0. Objectives

4.1. Introduction

4.2. Targets of Organizational Change

4.3. Planned versus Unplanned Change

4.4. Revolutionary versus Evolutionary Change

4.5. Business Process Reengineering (BPR) as a Radical Undertaking

4.6. Other Kinds of Change

4.7. Let Us Sum Up

4.8. Check your progress

4.9. Answers for check your progress

4.0. Objectives

Upon successful completion of this unit, you will be able to:

- Distinguish between the effects of planned and unplanned changes on employees.
- Review to decide the target of change in one's own organization.
- Classify types of changes in their respective categories upon examining deep into their nature.
- Demonstrate the use of effective skills for change management.
- Design viable change implementation strategies.

4.1. Introduction

Marking a continuation of the preceding discussion on matters related to change, this second unit deals with types, targets, and strategies of organizational change. If you give enough attention to each of the sub-topics under the unit and work out all the exercises, you will expand the horizon of your understanding about the planned and unplanned changes; revolutionary and evolutionary as well as other types of changes; and helpful skills and strategies in implementation of organizational changes.

4.2. Targets of Organizational Change

Dear Learner! This unit discusses the matters pertaining to targets, types, and strategies of organizational change. I trust you will get a pack of valuable experiences that are beneficial to both yourself and your organization in this part of your study. Keep on digging deep into the issues of change.

Change in an organization can be initiated focusing on at least six different targets all together at once or one after the other. The targets are individuals in the organization, management, structure, technology, process, and/or organizational culture. The how of each of the above mentioned targets of change is discussed as follows.

Individual: A change at an individual level aims at changing the knowledge level, upgrading skills, or shaping one's attitude. This is at best. When the worst comes, replacing or firing stiff change resistant will also be applied.

Management: Contemporary management style relies on enhancing participation of all concerned in the matters that determine the fate of their organization. Hence, the management's attitude and practice have to be geared towards encouraging participation. Exercising team management is becoming the order of the day.

Structure: A change can take place specifically focusing on the organizational structure. The change in structure may be proposed to introduce new departments and/or consolidate the existing ones in view to promoting efficiency and effectiveness. Also a change can be made in substituting a functional form with product or process structure.

Technology: Technology plays a significant role in making life easier. Organizations are also tending to depend on technological advances to speed up their business. Thus, introduction of modern technology into their system stands one of the areas of concern for change.

Process: A change in process emphasizes on inputs, workflows, outputs, and systems to improve product/ service quality and timely delivery to bring about customer satisfaction.

Culture: Change in organizational culture means that dealing with subtle but very influential ingredient of organizational milieu. Components of organizational culture include but not limited

to tolerance, respect for differences in value systems, and beliefs. Passion for quality, value for money, caring for customer, time consciousness, and dozens of similar other convictions can also be viewed as elements of organizational culture.



Activity 1: Targets of Change
Time allowed: 10 minutes.

Targets of organizational change include individual employee, management, structure, technology, process, and culture. Having this in mind, identify two key target areas for change and describe why they need to be changed in your organization.

4.3. Planned versus Unplanned Change

Every one of us experiences plenty of changes related to oneself, one's organizational life, or social relationships, some of these changes may be planned, others may not. The distinction between these two forms is discussed in some details as follows.

Planned change takes place as a result of consciously designed preparation to reach a desired goal or state. A planned change usually focuses on structural transformation. In a planned change the participants of the change process can predict the consequence of the change that is going to take place. Therefore, the situation is well explained through:

- Proactive involvement of staff towards the desired end
- Less anxiety and increased security
- Less resistance to change with more predictable degree of acceptance and commitment
- Higher risk taking and forwarding creative solutions for challenges that might occur

To the contrary, the unplanned change occurs as a natural phenomenon through natural course of events. This kind of change is not easily visible to the participants of the change process. Unplanned change can also manifest itself through course of time on an incremental basis. It is a kind of change that is mainly imposed and characterized by:

- Reactive responses by the staff for the change
- The change feels unpredictable
- Prevalence of anxiety, uncertainty, and little or no control of direction of change
- Resistance to change with unpredictable degree of acceptance or commitment

- Low risk taking and low creativity in managing the change

Moreover, a planned change takes place step-by-step in order to systematically respond to the institutional need for change. Hence, the following basic change questions remain crucial so as to undertake a successful change initiation and implementation.

- What is the current state?
- What are the problems with the current state?
- What will happen if we don't change anything?
- Change from what (now); to what (the future)?
- What systems are we trying to change?
- Who are the key people?
- What are the boundaries to be managed?
- What structures and roles are needed to manage the changes?
- How will we know how well we're doing? (Monitoring and Evaluation)

4.4. Revolutionary versus Evolutionary Change

Change can take different forms. It could take either revolutionary or evolutionary form. It could also be adaptive or reconstructive depending on the nature and effect that it bears. Balogun and Hailey, (2004) define change in terms of the end result and nature of the change dimensions.

The end result is about the extent of change desired. Definition of the change based on its consequence can take the form of transformation or realignment.

Transformation-is changewhich cannot be handled within the existing paradigm and organizational routines; it entails a change in the taken-for-granted assumptions and "the way of doing things around here". It is fundamental change within the organization requiring a shift in strategy, structures, systems, processes and culture.

Realignment- is a change to the way of doing things that does not involve a fundamental reappraisal of the central assumptions and beliefs within the organization, although it may still involve substantial change like a major restructuring.

The nature of changeis the way change is implemented, either in an all-at once, big-bang fashion over a period of, say, a year to 18 months, or in a more step-by-step, stage-by-stage incremental fashion.

These two dimensions, *the end result* of change and *the nature of change*, provide the explanation for the four different types of change (adaptation, reconstruction, evolution and

revolution).

Adaptation is non-paradigmatic change implemented slowly through staged initiatives.

Reconstruction is also non-paradigmatic change undertaken to realign the way the organization operates, but in more dramatic and faster manner.

Evolution is transformational change implemented gradually through different stages and interrelated initiatives. It is likely to be planned, proactive transformation, in which change is undertaken by managers in response to their anticipation of the need for future change. It can also occur in a more emergent manner.

Revolution is fundamental, transformational change, but it occurs via simultaneous initiatives on many fronts, and often in a relatively short space of time, such as 18 months. It is more likely to be a forced, reactive transformation; due to the changing competitive conditions the organization is facing. If an organization's strategy is still rooted in the ways of behaving that used to lead to success, then the mismatch between the strategy being pursued and the new strategies required may be great enough to force fundamental change in a short span of time if the organization is to survive. An organization may also need to implement planned transformation rapidly, because, for example, the organization sees the need to pre-empt fast competitor response, or realizes that rapid change is necessary to meet changing customer needs. The figure below depicts the pictorial explanation of these types of change.

Figure 2: Types of change



Despite, different authors have various approaches in classifying sources of change; Huberman borrows from anthropologists and classified those sources of change into such two major groups as c*reative motive* and d*efective motive*.

Creative Motive- is a voluntary and self-imposed desire to:

- Change customary usages
- Reduce the gap between objectives of the system and present practices
- Recognize new problems and to create new ways of dealing with them

According to this theory people have an innate need to upset their personal organizational equilibrium, to be curious and exploratory, to correct unsatisfactory practices, to generate new ideas, to do things they have never done before.

Deficit Motive- is brought about by crisis, competition or conflict. This incorporates –

- Employees strike in organizations
- Dissatisfaction of citizens at large or of national officials
- Internal conflicts between and among management and employees
- Shortage of resources, human, material and financial etc

In short, a change that is introduced as a result of deficit motive is a change that takes place in reaction to a problem situation which already prevailed in an organization. This kind of change is mainly related with the practice of firefighting than earlier prevention of the fire from flaring-up.

4.5. Business Process Reengineering as a Radical Undertaking

In their desire to provide quality services to their customers, to persist in the business they operate, to revitalize their importance to the public at large, and in pursuit to increase productivity and cope up with the changing situations, organizations often undergo changes of various types. Total quality management, business process improvement, management by objective, and business process reengineering (BPR) are some of organizational change initiatives that were introduced since 1970s aiming at promoting institutional efficiency and effectiveness. Of all approaches of reforming organizations, business process reengineering is becoming more popular across the globe ever since its emergence in 1990's. Ethiopia is also among one of the late adopting nations of the notion of BPR into the entire system of its public institutions. Let's have an overview of history, concept, meaning, and steps pertaining to BPR in some details here below.

The History of Business Process Reengineering

As it has been mentioned earlier, BPR focuses on redesigning work processes to enhance productivity and competitiveness. The demand for a new approach to company restructuring has been fueled by the awareness that many of the existing

business logic is built on premises of considerable age. These existing processes were first designed as a set of sequential manual procedures, and then automated parallel with the accelerating development of technology. However, this automation did not change the strong efficiency orientation pushing for optimizing procedures or functions and a maximum level of control; neither did it address the organizational externalities, such as customer demands. As organizations grew, more people were added and procedures were quick-fixed, while the organization of work still followed the original logic.

The rise of BPR is often explained by the reality that organizations have to confront old ways of organizing –the division of labor doesn't work anymore (Hammer &Champy, 1993: 17). BPR challenges many of the assumptions which underpin the way organizations have been run for the last two centuries. First, it rejects the idea of reductionism –the fragmentation and breaking down of organizations into the simplest tasks. Second, it encourages organizations to capitalize on substantial developments made in technology. Third, BPR enables organizations to take advantage of the more highly developed education and capabilities of the staff they employ (Beckford, 1998 cited in Parys and Thijs, N., 2003).

Task-oriented jobs in today's world of customers, competition and change are obsolete. Instead, companies must organize work around processes (Hammer &Champy, 1993). BPR insists on the need to restructure processes prior to structuring institutions and hierarchies, and to structure these processes in different ways more than before. This is predicted on the assumption that the potential of IT enables innovative designs of how work is being carried out. At least in theory, BPR thus provides the missing link between the layer of strategy and that of the information system design. Moreover, it recommends a holistic perspective which encourages the bringing of objectives, human resources, organization, IT and culture into a coherent perspective (Lenk, 1997 cited in Parys and Thijs, N., 2003).

Due to the global changes in economy, globalization of markets, changes in customer requirements and intensified competition, new approaches had to be developed for coping with environmental dynamics and the required flexible organizational change. In 1991, Michael Hammer, a former MIT professor in computer science published an article in the Harvard Business Review, emphasizing the need for fundamental organizational change and for the first time using the term Business Process

Reengineering. Since then, the concept has been widely spread and applied, the publications of books and especially journal articles increases enormously and more and more conferences are held on the topic (Simon, 1994). Since then Business Process Reengineering has become a popular tool of organizational change especially in the United States and Europe.

The Concept of Business Process Reengineering

Successful organizations are envisioned to be networked across functional boundaries and business processes rather than functional hierarchies. However, it is pointed out in literature that simply using the latest technology on existing processes, respectivelyprocedures, is no valid solution to the problem. The solutions are found in taking a step further and rethink and question the business activities being a fundamental for business processes. Effective redesign of business processes by removing unnecessary activities and replacing archaic, functional processes with cross-functional activities, in combination with using information technology as an enabler for this type of change will, according to the advocates of BPR lead to significant gains in speed, productivity, service, quality and innovation. Business reengineering normally includes a fundamental analysis of the organization and a redesign of: *organizational structure, job definitions, reward structures, business work flows, control processes,* and *revaluation of the organizational culture and philosophy*.

BPR is generally conceived as consisting of four elements to be considered, as there are strategies, processes, technology and humans where strategies and processes are building the ground for the enabling utilization of technologies and the redesign of the human activity system (Simon, 1994). A brief description of these four dimensions will be given below.

The strategy dimension has to cover strategies within the other areas under concern, namely organization strategy, technology strategy and human resources strategy. The determination of all strategies has to be performed with respect to the dynamic marketplaces the organization is acting on and is not focused on internalities, but the external presumptions for successful acting on markets. Beyond that, strategies have to be current and relevant to the company's vision, as well as to internal and external constraints, which implies, that a reconsideration and redefinition of strategies might be a presumption for further change. Finally, the strategies must be defined in a way that

enables understanding and motivation of employees in order to align the work force with them.

Processes: Processes can be defined on different levels within the organization. The issue is, to identify core processes which are satisfying customer needs and add value for them. It is important to point out, that processes are not determined by internal organizational requirements, but by customer requirements, even though organizational constraints have to be taken under consideration. The shift from functional departments to inter-functional processes includes a redesign of the entire organizational structure and the human activity system and implies process- instead of task optimizing.

Technology: Information technology is considered as the major enabler for spanning processes over functional and organizational boundaries and supporting process driven organizations. However, the point is not to use IT as an improver for existing activities, as which it often has been conceived, but as enabler for the new organization. This includes using new technologies such as groupware, as well as new methods for using them and an acceptance of technological changes and the fact that information technology will be shaping the future.

People: The human activity system within the organization is the most critical factor for reengineering. While top management support for reengineering efforts is rather simple to ensure, the real change agents, middle management are far harder to win due to the fact, that they have to identify change opportunities and perform them, while they are the group facing most threats, as BPR often is used for cutting hierarchies and reducing the work force. The other crucial factor is to align the work force with the strategies defined and to address the variable cultural and environmental contexts within the organization. Finally, flattening hierarchies implies decision making to be moved down in the organization and empowerment of the employees taking them. This requires training and education as well as motivation and trust from top management that people are able and willing to take responsibility, a fact that is rather contradictory to the “trust is good, control is better” way of thinking.

Meaning of Business Process Reengineering

Re-engineering is defined as “the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed.” This definition

contains four key words. The first key word is ***fundamental***. In doing re-engineering, people must ask the most fundamental questions about their organizations and how they operate: “Why do we do what we do? And why do we do it the way we do?” Secondly, ***radical design*** means getting to the root of things, not making superficial changes or fiddling with what is already in place, but throwing away the old. The third key word is ***dramatic***. Re-engineering isn’t about making marginal or incremental improvements, but about achieving performance improvements. Finally ***processes***. Most organizations are not process-oriented; they are focused on tasks, on jobs, on people, on structures, but not on processes. A process can be defined as a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer. This effort for realizing dramatic improvements by fundamentally rethinking how the organization’s work should be done distinguishes re-engineering from process improvement efforts that focus on functional or incremental improvement (Hammer &Champy, 1993)

Steps in Business Process Reengineering

Business process reengineering is a change undertaking that is required to follow a pre specified four logical steps from mapping the current process (as is) to designing the new one (to be). The four key steps in business process reengineering as specified by Linden (1998) include the following.

1. Map the current process
   - Identify steps, costs and cycle time
   - Look for bottlenecks
   - Identify current assumptions
2. Establish the desired outcomes
   - Interview stakeholders to learn: current needs, expectations, and how these might change
   - Determine desired outcomes
3. Set a stretch objective
   - Use from the stakeholder feedback
   - Use from benchmarking data
   - Learn from own best performance
4. Design from a clean sheet
   - Assume no constraint
   - Use breakthrough thinking

- Challenge assumptions
- Analyze options costs and benefits
- Make recommendations

Activities outlined above constitute the milestones of business process reengineering effort. These step-by-step accomplishments are followed by pilot testing of the newly designed process before embarking on full scale implementation. Scaling up will follow after pilot testing is completed with rigorous monitoring and continuous improvement of the overlooked aspects while designing the new process.

4.6. Other Kinds of Change

Change can also be classified as reactive and proactive. Reactive Change occurs when some forces make it necessary for a change. Proactive change takes place when some forces to change lead an organization to conclude that a particular change is desirable and goes about in initiating the change in a planned manner. Reactive Change involves a limited part of the system whereas proactive change coordinates the parts of system as a whole.

Changes can be different in type. Our discussion sheds light on four types of change, that often experienced by organization. These include change by *exception, incremental change, pendulum change* and *paradigm shift*.

Change by exception: This type of change focuses on one aspect or part of an organization. This kind of change is believed to have little impact on the other parts of the organization beyond that specific aspect wherein the change takes place. Change by exception has also a distinct beginning and end.

Incremental change: This is the most usual type of change. It is evolutionary by nature. Incremental change can take place often without the participants realizing the change itself.

Pendulum change: This type of change is often associated with a fashion that becomes popular at any one time and diminishes at another without any justification that defines the purpose. Pendulum change swings from side to side like a pendulum as moods change in favor or otherwise toward that particular change movement.

Paradigm shift: This is a type of radical change. It changes the way we view the world. It is a radical change by nature and brings about fundamental transformation in the organizational performance.



Activity 2: Types of Change
Time allowed: 10 minutes.

What difference do you observe between incremental change and paradigm shift?

C4.7. Let Us Sum Up

Organizational changes are not introduced on a haphazardly basis. First the pain must be carefully analyzed in view to come up with the key areas of intervention following the priority order of their significance to the overall organizational performance improvement. Individual employee capacity, management of the organization, organizational structure, technology, process and organizational culture are the six important areas of concern while thinking institutional change.

Change can be planned or unplanned in terms of the way it happens. Planned change happens as a result of deliberate actions taken by an organization with systematic sequencing of activities and availing resources required. The unplanned change takes place with little or no control of people. This kind of change can best explained by the world financial crisis whose hard hit destabilized the global economy. A change can be evolutionary or revolutionary in terms of the time it takes and the outcome it brings about. Evolutionary change takes place through longer period of time even without being noticed by the change bearer. Revolutionary change results in a drastic renewal of what is in the past in as shortest period of time as possible.

Whatever form it may take, however, changes are implemented following appropriate strategies and principles that are helpful to reach at the desired end. Empirical-rational, normative-re-educative, power coercive, and environmental- adaptive strategies are the

commonly identified strategies of change implementation. The choice of change implementation strategy depends on such several factors as degree of resistance to the proposed change, size of target population, the stakes, the timeframe or the level of urgency, expertise, and dependency. In sum, different situations of change call for employing different strategies of implementation.

? 4.8. Check your progress

Part I: True or False

Instruction: - Write' True' for correct statements or 'False' for the incorrect ones.

1. A change target that deals with a subtle but very influential ingredient of organizational milieu is called change in culture.
2. A change target that emphasizes on inputs, workflows and outputs refers to change in technology.
3. A change mainly introduced to bring about new departments and/or consolidate the existing ones in view to promoting efficiency and effectiveness is a change that targets on management.
4. A change designed to enhance participation of all concerned in the matters that determine the fate of their organization is about changing the individuals.
5. In a planned change the participants of the change process cannot predict the consequence of the change ahead of time.

Part II: Multiple Choices Items

Instruction: - Read each of the following questions carefully and select the best answer from the alternatives provided.

1. Planned change is characterized by all of the following except_____.
    A. Proactive involvement of staff towards the desired end
    B. Heightened anxiety and increased insecurity
    C. Predictable degree of acceptance and commitment
    D. Higher risk taking and forwarding creative solutions
2. Unplanned change is characterized by all of the following except_____.
    A. Reactive responses by the staff for the change
    B. High staff commitment in managing the change
    C. Uncertainty and little or no control of direction of change
    D. Low risk taking and low creativity in managing the change
3. Creative motive to change involves all of the following but _____
    A. Reduce the gap between what is desired and actually achieved
    B. Recognize new problems

C. Create new ways of dealing with the problems
D. Tries to cope up with externally imposed changes

4. Deficit motive to change involves all of the following but _____
   A. Scarcity of resources
   B. Dissatisfaction of citizens at large
   C. Consistency with national interest
   D. Conflicts between and among management and employees
5. One of the following is correct about the sequential steps in BPR.
   A. Mapping the current process, setting stretch objective, establishing the desired outcome, and designing from a clean sheet
   B. Mapping the current process, establishing the desired outcome, setting stretch objective, and designing from a clean sheet
   C. Setting stretch objective, mapping the current process, establishing the desired outcome, and designing from a clean sheet
   D. Establishing the desired outcome, setting stretch objective, mapping the current process, and designing from a clean sheet

Part III: Matching Items

Match related concept from column "B" with the phrases under column "A".

A	**B**
1. Deficit motive	A. Revolutionary change
2. Paradigm shift	B. Evolutionary change
3. Creative motive	C. Change by exception
4. Fashion and fad	D. Pendulum change
5. Limited impact	E. Proactive change
	F. Reactive change

4.9. Ñ Answers for check your progress

Item No.	**True or False items**	**Multiple Choices**	**Matching**
1	True	B	F
2	False	B	A
3	False	D	E
4	True	C	D
5	False	B	C

UNIT FIVE: CONFLICT AND ITS MANAGEMENT

Structure

5.0. Objectives

5.1. Introduction

5.2. Meaning and Nature of Conflict

5.3. Sources of Conflict

5.4. Conflict Outcomes

5.5. Conflict Management

5.6. Interpersonal Relations Management

5.7. Let Us Sum Up

5.8. Check your progress

5.9. Answers for check your progress

5.0. Objectives

Upon successful completion of this unit, you will be able to:

- Comprehend the inevitability of conflict in the organizations of varied nature and purpose.
- Identify sources and types of organizational conflict.
- Appreciate different perspectives on conflict within the organization.

- Employ various conflict handling strategies to successfully resolve conflicts.
- Realize the possible outcome of conflict in order to make it productive.

5.1. Introduction

Dear Learner! you are now on the fifth and last unit of the course Leadership and Change Management. Conflict management is one of the challenging responsibilities of leaders. Wise leaders tirelessly work to convert confrontations into cooperation. Unwise ones try to make fruitless effort to eliminate conflicts. But trying to eliminate conflict complicates the conflict rather than resolving it. One cannot solve his/her problem by avoiding. Better to face and get it solved. This unit is about conflict and its handling. Meaning and nature of conflict come first and followed by sources and outcomes of conflict. The last sub-topic is about management of conflict. Particularly under this sub-topic you will learn about how to analyze the conflict situation, why to stimulate conflict and how to systematically resolve conflict. I hope, this gives you an opportunity to reflect on your organization's ways of handling conflict and your perception about it. Good reading!

5.2. Meaning and Nature of Conflict

Thinking of conflict may leave many of us at the state of unease. What we always favor is to live in harmony, consensus, understanding, and peace. But we fought several severely devastating wars in pursuit for peace. In a simple day- to -day usage of the term, conflict is a state of opposition between two or more varying interests. Conflict takes place not only between two different parties. But it also happens between opposing thoughts within an individual person. Indecision to take or not to take a certain action due to compelling nature of the two competing thoughts is simply a conflict that every one of us faces very often in life. This teaches us that conflict is there whether one likes it or not. We may try to avoid conflict from happening. It is very much costly and virtually impossible to do. Rather insightful leaders make wise use of conflict situations to craft a new perspective of cooperation.

Conflict can take intra-personal, inter-personal, or group forms. The intra-personal conflict takes place within an individual person as a result of confrontation of two or more undeniable values or competing interests. Inter-personal conflict is a kind of conflict that takes place between two or more people as a result of incompatible interests. Group conflict may be any form of confrontation between different groups due

to difference in interest of either side that is felt as hindrance to the achievement of their respective group goals.

Different authorities define conflict in different ways. Conflict, according to Fisher (2000), is “an incompatibility of goals or values between two or more parties in a relationship, combined with attempts to control each other and antagonistic feelings toward each other”. The incompatibility or difference may exist in reality or may only be perceived by the parties involved. Nonetheless, the opposing actions and the hostile emotions are very real hallmarks of human conflict.

As for Brennen, conflicts are the “expression of opposing interests that they are characteristic for modern societies that they are endemic in modern societies”. In further explanation about conflict, Brennen citing Nicholson (1992) presents that a conflict exists when two people wish to carry out acts which are mutually inconsistent. The conflicting parties may decide to carry out mutually incompatible actions at a time. In a very simple illustration, conflict can happen when two friends have earlier decided to stay together working on their group assignment in the library but one wants to go to the cinema and the other one changes his mind to stay at home, afterwards. Such a conflict is resolved while some mutually compatible action is worked out.

5.3. Sources and Levels of Conflict

Sources of Conflict

Conflict can take different forms and originate from various sources. Fisher (2000) in making synthesis of the works of earlier scholars comfortably rests on a typology that distinguishes three main sources of conflict: economic, value, and power that is created by one of the pioneering theorists on conflict, Daniel Katz (1965). Besides, Fisher includes “ineffective communication” as the fourth source of conflict.

1. **Economic conflict** involves competing motives to attain scarce resources. Each party wants to get the most that it can, and the behavior and emotions of each party are directed toward maximizing its gain. Union and management conflict often has as one of its sources the incompatible goals of how to slice up the “economic pie”.

2. **Value conflict** involves incompatibility in ways of life, ideologies - the

preferences, principles and practices that people believe in. International conflict (e.g., the Cold War) often has a strong value component, wherein each side asserts the rightness and superiority of its way of life and its political-economic system.

3. **Power conflict** occurs when each party wishes to maintain or maximize the amount of influence that it exerts in the relationship and the social setting. It is impossible for one party to be stronger without the other being weaker, at least in terms of direct influence over each other. Thus, a power struggle ensues which usually ends in a victory and defeat, or in a "stand-off" with a continuing state of tension. Power conflicts can occur between individuals, between groups or between nations, whenever one or both parties choose to take a power approach to the relationship. Power also enters into all conflict since the parties are attempting to control each other.

4. Another important source of conflict is **ineffective communication**. Miscommunication and misunderstanding can create conflict even where there are no basic incompatibilities. In addition, parties may have different perceptions as to what are facts in a situation, and until they share information and clarify their perceptions, resolution is impossible. Self-centeredness, selective perception, emotional bias, prejudices, and the like are all forces that lead us to perceive situations very differently from the other party. Lack of skill in communicating what we really mean in a clear and respectful fashion often results in confusion, hurt and anger, all of which simply feed the conflict process. Whether the conflict has objective sources or is due only to perceptual or communication problems, it is experienced as very real by the parties involved.

It must be noted that most conflicts are not of a pure type, but involve a mixture of sources. For example, union-management conflict typically involves economic competition, but may also take the form of a power struggle and often involves different ideologies or political values. The more sources that are involved, the more intense and intractable the conflict usually is.



Activity 1: Sources of conflict

Time allowed: 15 minutes.

Take your organization as a frame of reference and classify to which of the sources that some frequently occurring conflicts within your own organization are attributed to.

Levels of Conflict

Conflict can occur at a number of levels of human functioning. Conflict in your head between opposing motives or ideas is shown by your "internal dialogue" and is at the intrapersonal level. Beyond that, the primary concern here is with social conflict, i.e., conflict between people whether they are acting as individuals, as members of groups, or as representatives of organizations or nations.

Interpersonal conflict occurs when two people have incompatible needs, goals, or approaches in their relationship. Communication breakdown is often an important source of interpersonal conflict and learning communication skills is valuable in preventing and resolving such difficulties. At the same time, very real differences occur between people that cannot be resolved by any amount of improved communication. "Personality conflict" refers to very strong differences in motives, values or styles in dealing with people that are not resolvable. For example, if both parties in a relationship have a high need for power and both want to be dominant in the relationship, there is no way for both to be satisfied, and a power struggle ensues. Common tactics used in interpersonal power struggles include the exaggerated use of rewards and punishments, deception and evasion, threats and emotional blackmail, and flattery or ingratiation. Unresolved power conflict usually recycles and escalates to the point of relationship breakdown and termination.

Role conflict involves very real differences in role definitions, expectations or responsibilities between individuals who are interdependent in a social system. If there

are ambiguities in role definitions in an organization or unclear boundaries of responsibilities, then the stage is set for interpersonal friction between the persons involved. Unfortunately, the conflict is often misdiagnosed as interpersonal conflict rather than role conflict, and resolution is then complicated and misdirected. The emotional intensity is often quite high in role conflict since people are directly involved as individuals and there is a strong tendency to personalize the conflict.

Inter-group conflict occurs between collections of people such as ethnic or racial groups, departments or levels of decision making in the same organization, and union and management. Competition for scarce resources is a common source of inter-group conflict, and societies have developed numerous regulatory mechanisms, such as collective bargaining and mediation, for dealing with inter-group conflict in less disruptive ways. Social-psychological processes are very important in inter-group conflict (Fisher, 1990). Group members tend to develop stereotypes (oversimplified negative beliefs) of the opposing group, tend to blame them for their own problems (looking for an escape goat to shift a burden unto), and practice discrimination against them. These classic symptoms of inter-group conflict can be just as evident in organizations as in race relations in community settings. Inter-group conflict is especially tense and prone to escalation and intractability when group identities are threatened. The costs of destructive inter-group conflict can be extremely high for a society in both economic and social terms.

Multi-Party Conflict occurs in societies when different interest groups and organizations have varying priorities over resource management and policy development. These complex conflicts typically involve a combination of economic, value and power sources. This complexity is often beyond the reach of traditional authoritative or adversarial procedures, and more collaborative approaches to building consensus are required for resolution (Cormick et al, 1996; Gray, 1989 cited in Fisher, 2000).

International conflict occurs between states at the global level. Competition for resources certainly plays a part, but value and power conflict are often intertwined and sometimes predominate. The differences are articulated through the channels of diplomacy in a constant game of give and take, or threat and counter-threat, sometimes for the highest of stakes. Mechanisms of propaganda can lead to many of the same

social-psychological distortions that characterize interpersonal and inter-group conflict.

5.4. Conflict Outcomes

From our earlier discussions, it is learnt that conflict is an unavoidable phenomenon in organizational or personal living. We may not be able to fully stop conflict from happening. This is, however, does not to mean that we are not capable of managing conflict in a way that it contributes to the institutional advancement and individual development. In the meantime, while we talk about positive sides of conflict, we need not overlook the possible unfavorable aspects of it as well. Brennen (2010) has identified both sides of conflict and its outcome as follows.

Positive Outcomes of Conflicts

Conflicts can have constructive outcomes when they are properly handled. Some of these positive outcomes of conflict include the following.

- Providing greater interest in the topic of discussion
- Stimulating greater feelings of identify
- Causing attention to be drawn to the existing problems
- Promoting diffusion of ideas those help to solve other problems
- Enhancing understanding
- Motivating one to work more efficiently.

Negative Outcomes of Conflicts

To the contrary, of course when not handled carefully, conflict can result in the following less desirable at best and crippling consequences at worst.

- Causes stress
- Creates frustration
- Paves way to hostility
- Results in impaired or bad judgment
- Restricts freedom
- Consumes valuable energy
- Influences other workers negatively
- Yields in lack of confidence in leadership
- Detracts from the attainment of goals and objectives

Positive outcomes of conflict have also positive impacts on the development of organizations. These positive impacts range from enabling members of the organization to demonstrate commitment, highlighting problems within the organization, stimulating creativity and innovation, allowing members of the organization to value different perspectives, and increasing motivation to learn.

Negative outcomes of conflict, on the other hand, produces negative impact. The list of perceived negative impact of conflict on the organization include reduced productivity, increased stress, inefficient and ineffective communication, poor decision making, resistance to cooperate, and low morale.



Activity 2: Outcome of conflict

Time allowed: 15 minutes.

As you are well aware of it, conflict can have both positive as well as negative outcomes. In addition to the ones that are stated as helpful and depressing outcomes of conflict in the preceding section, can you mention those that you on your own recommend to be included on the list?

5.5. Conflict Management

This section deals with the ways as to how conflicts are managed. Analysis of conflict situation, conflict simulation, and conflict resolution constitute the major topics of concern under this part of your study.

Analysis of the Conflict Situation

When leaders feel that there is a possibility for conflict to happen or it already took place, they have to think and act in a way that conflict can be solved. The first measure towards taking effective action to solve a given conflict is to examine into the conflict situation. Examining into the conflict situation, as noted by Brennen (2010), involves a closer scrutiny of (1) why the conflict occurred, (2) the relation between the conflicting parties, and (3) the relationship between the authority in charge of resolving the conflict and the conflicting parties.

Beyond analysis of the conflict situation, we need to follow rational steps to be able to

successfully resolve the conflict. In fact, the choice of an appropriate conflict resolution technique depends on a number of factors including the very nature of the conflict itself. As a general rule the following technique of analysis which consists of four steps to be adhered to in due course of conflict resolution are indicated here below.

Identify or clarify the issues: This is the first step in the effort to resolve a conflict. Here we seek to unveil the underlying factors that brought about the prevailing conflict. The extent of analysis goes to the degree to which studying objects and sources of conflict. The depth of identification of the profound cause of the conflict helps to formulate many different perspectives or solutions as well as facilitates greater creativity and innovation to tackle the problem.

Search for shared values: Conflict may not take place where there is no interest over the object of conflict from parties entering into conflict. Where there is competing interest, then, there obviously are some commonly shared values. Thus, exploring into the commonly shared values among the conflicting groups helps to generate the most appropriate solution for the prevailing situation. It is so difficult if not impossible to permanently resolve conflicts only through talking about differences. Though differences are there for very clear reasons, it is what the conflicting groups have in common that is endowed with more power to bring about a sustainable resolution. Conflict situations allow all parties concerned to reflect on their own position and commitment facilitating greater understanding and heightened values and beliefs within the organization.

Explore possible solutions: A given conflict can have more than one ways of being resolved. In the process of looking for solution to a given conflict situation, therefore, we may generate several alternative mechanisms. But one alternative solution can be more effective than the other. Hence, it is better to propose as many as possible resolution mechanisms so that we can choose the most appropriate one from among a list of alternatives.

Select the solution that satisfies those who have the conflict: The existence of conflict can highlight fundamental issues within the organization which if hadn’t manifested in the form of conflict could have impaired the long-term and effective functioning of the organization. At this final step of conflict resolution, thus, we need to implement a best fit solution to the conflict situation in view to fix the problem permanently.

Conflict Stimulation

Conflict improves group and organizational effectiveness. The stimulation of conflict initiates the search for new means and goals and provides the stimulus for innovation. The successful solution of a conflict leads to greater effectiveness, to more trust and openness, to greater attraction of members for each other, and to depersonalization of future conflicts. This section of the module is devoted to discussion on as to how stimulating conflict can provide benefits to the organization. Conflict is a means by which to bring about radical change. It's an effective device by which management can drastically change the existing power structure, current interaction patterns, and entrenched attitudes.

Conflict, if managed intelligently, facilitates group cohesiveness. Whereas conflict increases hostility between groups, external threats tend to cause a group to pull together as a unit. Inter group conflicts raise the extent to which members identify with their own group and increase feelings of solidarity.

Conflict brings about a slightly higher, more constructive level of tension. When the level of tension is very low, the parties are not sufficiently motivated to do something about a conflict. Groups or organizations devoid of conflict are likely to suffer from apathy, stagnation, groupthink, and other debilitating diseases. In fact, more organizations probably fail because they have too little conflict, not because they have too much. Take a look at a list of large organizations that have failed or suffered serious financial setbacks over the past decade or two. The common thread through these companies is that they are stagnated. Their management became complacent and unable or unwilling to facilitate change. These organizations could have benefited from functional conflict.

It may be true that conflict is an inherent part of any group or organization. It may not be possible to eliminate it completely. However, just because conflicts exist there is no reason to deify them. All conflicts are dysfunctional, and it is one of management's major responsibilities to keep conflict intensity as low as possible. A few points will support this case. The negatives consequences from conflict can be devastating. The lists of negatives associated with conflict are awesome. The most obvious are increased turnover, decreased employee satisfaction, inefficiencies between work units, sabotage, labor grievances and strikes, and physical aggression.

Effective leaders build teamwork. A good leader has a coordinated team. Conflict works against such an objective. A successful work group is like a successful sports team; each member knows his or her role and supports his or her teammates. When a team works well, the whole becomes greater than the sum of the parts. Any leader who aspires to move up in such an environment (of conflict) would be wise to follow the traditional view and eliminate any outwards sign of conflict.

Managers who accept and stimulate conflict don't survive in the organizations. The whole argument of the value of conflict may be moot as long as the majority of senior executives in organizations view conflict from the traditional view. In the traditional view any conflict will be seen as bad. Since the evaluation of a manager's performance is made by higher-level executives, managers who do not succeed in eliminating conflict are likely to be appraised negatively. This, in turn, will reduce opportunities for advancement.

Conflict Resolution

Conflict resolution is one of the leader's important responsibilities though it is a challenging and time-consuming undertaking. It is inevitable that conflicts of various nature and varying degree of complexity take place in organizations. The cause of such conflict could be open and observable or intricate and subtle. Irrespective of the nature of the conflict that comes to surface, leaders are there to help others achieve consensus, set the stage for one's own success, and the success of the team they are leading.

Unresolved conflicts worsen under the surface and affect everyone who comes into contact with employees in conflict. In a conflicting situation, people feel as if they are walking on egg shells and this contributes to the creation of a hostile workplace for everyone. In worst case scenarios, team members start taking sides and a team begins to be divided. This is why conflict management becomes in a center of the leader role.

Regardless of the level of conflict, there are differing approaches to deal with the incompatibilities that exist. Conflict can result in destructive outcomes or creative ones depending on the approach that is taken. If we can manage conflict creatively, we can often find new solutions that are mutually satisfactory to both parties. Sometimes this will involve a distribution of resources or power that is more equitable than before, or in

creating a larger pool of resources or forms of influence than before. Creative outcomes are more probable when the parties are interdependent, i.e., each having some degree of independence and autonomy from which to influence the other, rather than one party being primarily dependent on the other.

Mary Parker Follett (1868-1933) was one of the pioneering theorists in introducing ideas of human psychology and human relations into industrial management in general and dealing with conflict and the ways as to how it gets resolved. She has classified approaches to conflict resolution into such three strategies as *domination, compromise,* and *integration*. Domination is also called contending or competing. It is an approach of resolving conflict through a kind of “I win, you lose” way. But one cannot be sure about what would happen if roles are being reversed and the today’s loser may become the tomorrow’s dominant.

Compromise is an approach that involves “I bend; you bend” situation. In this pattern of conflict resolution both parties lose some proportions of their initial claims. However, the approach helps to maintain relationships in addition to removing the conflict. Integration is alternatively called as collaboration or problem solving. This approach involves “I win, you win” mechanism to get conflicts resolved. The hallmark of this approach is to find out a lasting solution of the conflict in a way it is understood and appreciated by the parties involved in the conflict.

Alike Mary Follett, Blake, Shepard & Mouton, cited in Fisher, (2000), address the issue of conflict resolution in almost the same way but using somewhat different terms. These authors have also classified mechanisms of conflict resolution into three as saying win-lose, lose-lose, and win-win strategies. Each of the mechanisms are discussed in some details here under.

Win-lose approach is all too common. People learn the behaviors of destructive conflict early in life - competition, dominance, aggression and defense permeate many of our social relationships from the family to the school playground. The “fixed pie” assumption is made, often incorrectly, that what one party gains, the other loses. The strategy is thus to force the other side to capitulate. Sometimes, this is done through socially acceptable mechanisms such as majority vote, the authority of the leader, or the determination of a judge. Sometimes, it involves secret strategies, threat, innuendo - whatever works is acceptable, i.e., the ends justify the means. There is often a strong

we-they distinction accompanied by the classic symptoms of inter-group conflict. The valued outcome is to have a victor who is superior, and a vanquished who withdraws in shame, but who prepares very carefully for the next round. In the long run, everyone loses.

Lose-lose approach is exemplified by smoothing over conflict or by reaching the simplest of compromises. In neither case is the creative potential of productive conflict resolution realized or explored. Disagreement is seen as inevitable, so therefore why not split the difference or smooth over difficulties in as painless a way as possible? Sometimes, this is indeed the reality of the situation, and the costs are less than in the win-lose approach, at least for the loser. Each party gets some of what it wants, and resigns itself to partial satisfaction. Neither side is aware that by confronting the conflict fully and cooperatively they might have created a more satisfying solution. Or the parties may realistically use this approach to divide limited resources or to forestall a win-lose escalation and outcome.

Win-win approach is a conscious and systematic attempt to maximize the goals of both parties through collaborative problem solving. The conflict is seen as a problem to be solved rather than a war to be won. The important distinction is we (both parties) versus the problem, rather than us (one party) versus them (the other party). This method focuses on the needs and constraints of both parties rather than emphasizing strategies designed to conquer. Full problem definition and analysis and development of alternatives precedes consensus decisions on mutually agreeable solutions. The parties work toward common and super-ordinate goals, i.e., ones that can only be attained by both parties pulling together. There is an emphasis on the quality of the long term relationships between the parties, rather than short term accommodations. Communication is open and direct rather than secretive and calculating. Threat and coercion are proscribed. The assumption is made that integrative agreements are possible given the full range of resources existing in the relationship. Attitudes and behaviors are directed toward an increase of trust and acceptance rather than an escalation of suspicion and hostility. The win-win approach requires a very high degree of patience and skill in human relations and problem solving.

In any rate, however, resolution of conflicts does not aim at the elimination of conflict, and even less at the elimination of opposing interests. Its aim is the search for such forms of conflict behavior which allow a non-violent handling of opposing interests in an

orderly, pre-arranged process, the course and result of which will be accepted by all parties involved.

Consistent with the above conferred strategies but with addition of two more perspectives onto the list, Mihai (2008) discusses the five strategies of conflict resolution as *competing style, accommodating style, avoiding style, collaborating style,* and *compromising style*.

The Competing Style

It is assertive and uncooperative, a power-oriented approach where the individual pursues their own interests at another's expense. Best used when quick decisions are vital, such as in an emergency.

The Accommodating Style

It is unassertive and cooperative, the opposite of competing. Those using this style may neglect their own concerns to satisfy those of others. Best used when the issue is much more important to the other person than it is to you or when maintaining harmony and balance is critical to you.

The Avoiding Style

It is unassertive and uncooperative. Individuals using this style do not address the conflict. Best used when the issue is trivial or there are more important issues that need to be addressed. This style becomes preferable when the potential costs of addressing the conflict outweigh the benefits of its resolution.

The Collaborating Style

It is both assertive and cooperative, the opposite of avoiding. When collaborating, an individual tries to work with the other person to find a solution that satisfies both of them. Best used when both parties have concerns those are too important to be compromised on.

The Compromising Style

It is intermediate in both assertiveness and cooperativeness. It is a middle ground between competing and accommodating. Best used when goals are moderately important and when it is important to arrive at a quick solution.



Activity 3: Conflict Resolution Strategies
Time allowed: 25 minutes.

Find out similarities and differences between the two set of conflict resolution strategies developed by Mary Parker Follett and Blake, Shepard and Mouton.

_____
_____
_____
_____
_____
_____
_____
_____

5.6. Interpersonal Relations Management

People join organizations with varying social, cultural, ethnic, religious, and academic backgrounds. This kind of diverse representation can be an asset to a given organization for the reason that differences can contribute a lot in terms of doing things in a different and more productive way than in the past. But it is not always easy to manage bringing differences into sameness. The likelihood of conflict to arise is much higher while such an effort is underway.

Here comes the need for meaningful communication. As good communication can improve relationships, increasing intimacy, trust and support; poor communication can weaken bonds, creating mistrust and even contempt. Elizabeth Scott (2008) reveals some examples of negative and even destructive attitudes and communication patterns that can exacerbate conflict in a relationship.

1. Avoiding Conflict Altogether: Rather than discussing building frustrations in a calm, respectful manner, some people just don't say anything to their partner until they're ready to explode, and then blurt it out in an angry, hurtful way. This seems to be the less stressful route—avoiding an argument altogether—but usually causes more stress to both parties, as tensions rise, resentments fester, and a much bigger argument eventually results. It's much healthier to address and resolve conflict.

2. Being Defensive: Rather than addressing a partner's complaints with an objective eye and willingness to understand the other person's point of view, defensive people steadfastly deny any wrongdoing and work hard to avoid looking at the possibility that they could be contributing to a problem. Denying responsibility may seem to alleviate stress in the short run, but creates long-term problems when partners don't feel listened to and unresolved conflicts and continue to grow.

3. Over-generalizing: When something happens that they don't like, some blow it out of proportion by making sweeping generalizations. Avoid starting sentences with, "You always…" and "You never…", as in, "You always come home late!" or "You never do what I want to do!" Stop and think about whether or not this is really true. Also, don't bring up past conflicts to throw the discussion off-topic and stir up more negativity. This stands in the way of true conflict resolution, and increases the level of conflict.

4. Being Right: It's damaging to decide that there's a 'right' way to look at things and a 'wrong' way to look at things, and that your way of seeing things is right. Don't demand that your partner see things the same way, and don't take it as a personal attack if they have a different opinion. Look for a compromise or agreeing to disagree, and remember that there's not always a 'right' or a 'wrong', and those two points of view can both be valid.

5. "Psychoanalyzing" / Mind-Reading: Instead of asking about their partner's thoughts and feelings, people sometimes decide that they 'know' what their partners are thinking and feeling based only on faulty interpretations of their actions—and always assume it's negative! (For example, deciding a late mate doesn't care enough to be on time, or that a tired partner is denying sex out of passive-aggressiveness.) This creates hostility and misunderstandings.

6. Forgetting to Listen: Some people interrupt, roll their eyes, and rehearse what they're going to say next instead of truly listening and attempting to understand their partner. This keeps you from seeing their point of view, and keeps your partner from wanting to see yours! Don't underestimate the importance of <u>really listening</u> and empathizing with the other person.

7. Playing the Blame Game: Some people handle conflict by criticizing and blaming the other person for the situation. They see admitting any weakness on their own part as a weakening of their credibility, and avoid it at all costs, and even try to shame them for being 'at fault'. Instead, try to view conflict as an opportunity to analyze the situation

objectively, assess the needs of both parties and come up with a solution that helps you both.

8. Trying to 'Win' the Argument: I love it when Dr. Phil says that if people are focused on 'winning' the argument, "the relationship loses"! The point of a relationship discussion should be mutual understanding and coming to an agreement or resolution that respects everyone's needs. If you're making a case for how wrong the other person is, discounting their feelings, and staying stuck in your point of view, you're focused in the wrong direction.

9. Making Character Attacks: Sometimes people take any negative action from a partner and blow it up into a personality flaw. (For example, if a husband leaves his socks lying around, looking it as a character flaw and label him 'inconsiderate and lazy', or, if a woman wants to discuss a problem with the relationship, labeling her 'needy', 'controlling' or 'too demanding'.) This creates negative perceptions on both sides. Remember to respect the person, even if you don't like the behavior.

10. Stonewalling: When one partner wants to discuss troubling issues in the relationship, sometimes people defensively stonewall, or refuse to talk or listen to their partner. This indicates disrespect and, in certain situations, even contempt, while at the same time letting the underlying conflict grow. Stonewalling solves nothing, but creates hard feelings and damages relationships. It's much better to listen and discuss things in a respectful manner.

In order to enjoy good and healthy interpersonal relationship at work, therefore, we need to go for an extra mile from where we are to where our colleague is, instead of demanding the other party to do it toward us alone. If this does not work, the conflicting situation becomes a formal case which needs to be addressed by employing one of the strategies specified above as appropriate to the issue of concern.

C5.7. Let Us Sum Up

At the very beginning of this unit we have defined conflict as an *incompatibility of goals or values between two or more parties in a relationship, combined with attempts to control each other and antagonistic feelings toward each other.* When classified into different sources, conflict can take the form of economic conflict which emerges as a result of competition over resources. Value conflict comes out of incompatibility in principles and practices that govern the way individuals or groups are living. Power conflict arises when parties try to dominate each other in the relationship and the social setting. Ineffective communication serves as a source of conflict when misunderstandings prevail or wrong interpretation of the content of communication happens.

Traditionally conflict is viewed as a destructive event. Conflict is understood as a productive experience in its modern sense. Of course, the outcome of conflict can be positive or negative depending on the way we handle it. If it is handled wisely and systematically, the outcome of conflict can take a given organization or even personal relationships to a new level of progress.

Conflict management involves such three main functions as analysis of the conflict situation, conflict stimulation, and finally conflict resolution. Conflicts may be resolved via win-lose, lose-lose or win-win strategies.

?5.8. Check your progress

Part I: True or False

Instruction: - Write' True' for correct statements or 'False' for the incorrect ones.

1. Besides resolving, leaders sometimes stimulate conflict for the benefit of their organization.
2. One of the easiest task that leaders are expected to accomplish is conflict resolution.
3. Since conflict is inevitable, we need to learn as to how to live with conflicts.
4. Promoting diffusion of ideas those help to solve other problems is one of the adverse outcome of conflict.
5. A conflict that arises as a result of the parties' wish to maintain or maximize the amount of influence is called economic conflict.

Part II: Multiple Choices Items

Instruction: - Read each of the following questions carefully and select the best answer from the alternatives provided.

1. One of the following is correct about conflict.
    A. Successful leaders are those who can eliminate conflict
    B. Conflict can contribute in creation of new dimension of cooperation
    C. Conflict resolution is about avoiding it at all
    D. Intrapersonal conflict involves two parties with incompatible interests
2. Which one of the following is an outcome of poorly handled conflict?
    A. Desire to mutual respect
    B. Enhancing calm coexistence
    C. Waiting for favorable time to retaliate

D. Cultivating cooperation and commitment

3. Lack of proper and timely response to a conflict situation involves all of the following except _____.
   A. Escalate hostility among groups
   B. Foster mutual understanding among groups
   C. Degrade unity of direction
   D. Accelerate institutional efficiency

4. All of the following are exacerbate interpersonal conflicts except, _____
   A. Keeping silent about conflict situation
   B. Being defensive
   C. Overgeneralization
   D. Valuing differences

5. Only one of the following is correct about role conflict.
   A. Role conflict occurs when responsibilities are not clearly designated
   B. Role conflict occurs where groups compete for scarce resources
   C. Role conflict involves confrontation over economic, value and power source
   D. Role conflict occurs when two people have incompatible needs and goals

Part III: Matching Items

Match related concept from column "B" with the phrases under column "A".

A	**B**
1. Competing style	A. Unassertive-cooperative
2. Accommodative style	B. Assertive-cooperative
3. Avoiding style	C. Assertive - uncooperative
4. Collaborative style	D. Unassertive-uncooperative
5. Compromising style	E. Intermediate approach
	F. Conflict free State

5.9. Ñ Answers for check your progress

Item No.	Answer for Check your progress		
	True or False items	**Multiple Choices**	**Matching**

1	True	C	C
2	False	C	A
3	True	B	D
4	False	D	B
5	False	A	E

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