

# Exploring the Effectiveness of Leadership Styles in Organizational Change Management

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**Keerthana. S**

*I MBA, School of Management*

*Dwaraka Doss Goverdhan Doss Vaishnav College, Chennai, Tamil Nadu*

**Jayasri. V**

*I MBA, School of Management*

*Dwaraka Doss Goverdhan Doss Vaishnav College, Chennai, Tamil Nadu*

## Abstract

*The article extensively investigates the role of leadership style in organizational change management, covering a wide range of literature on the subject. The authors have made efforts to present various leadership styles that can facilitate change management processes, including authoritarian, transformational, laissez-faire, servant, transactional, democratic, strategic, bureaucratic, consultative, and participative leadership. The review underscores the essential nature of leadership in ensuring successful organizational change, especially in navigating competitive markets. Furthermore, the review delves into the concepts of leadership and organizational change management, providing detailed explanations of their types.*

**Keywords:** Change Management, Leadership, Leadership Style, Organizational Change, Team Dynamics

## Introduction

Exploring the effectiveness of leadership styles in organizational change management is a critical endeavour in understanding how leaders can successfully navigate and implement change within their organizations. Leadership styles play a pivotal role in influencing employee attitudes, behaviours, and overall organizational culture during times of change. This topic delves into the various leadership approaches, such as transformational, transactional, and servant leadership, and examines their impact on change initiatives. By studying these leadership styles, organizations can gain insights into which approaches are most effective in driving successful change outcomes. This research is essential for leaders seeking to enhance their change management strategies and improve organizational performance.

Globalization has transformed the world into a global village, leading to increased competition among organizations. Consequently, organizations must adopt new and beneficial operational approaches. In this scenario, leadership has become indispensable for successfully navigating change and competing in the global market. Leaders are often seen as the "Champions of Change," highlighting the

responsibility of top management to continuously drive change to maintain the organization's operational effectiveness. Despite the inevitability of change and its importance, studies indicate that between 50% and 70% of planned change efforts fail. This poses a significant challenge for organizations that seek to implement meaningful change as a pathway to success. Furthermore, many organizations have focused on the operational or structural aspects of change but have neglected the human side of change.

### **Objectives**

1. To analyse the impact of different leadership styles on the success of organizational change initiatives.
2. To analyse the impact of different leadership styles on the success of organizational change initiatives.
3. To understand how leadership behaviours influence employee attitudes and behaviours during times of change.
4. To investigate the correlation between effective leadership and the overall success of organizational change endeavours.
5. To provide recommendations for organizations on how to adapt leadership styles to better facilitate change management processes.

### **Review of Literature**

The Role of Leadership Style in Organizational Change Management: Tang, Keow Ngang, and Keow Ngang Tang (2019)

This review explores the relationship between leadership styles and organizational effectiveness. According to Bunmi, leadership is a process of social influence where leaders seek voluntary participation from subordinates to achieve organizational goals. Holmes notes that the concept of leadership has been extensively studied, mostly through surveys and interviews, providing valuable insights into people's perceptions of good leaders. Despite this, there is still a prevalent belief that a good leader is authoritative, articulate, decisive, and typically male. This belief persists even in Western nations, despite the election of Barack Obama as US President in 2009, challenging the stereotype. However, stereotypes and reality often differ to some extent.

### **Tang, K. N., & Tang, K. N. (2019)**

They discussed leadership styles and organizational effectiveness in their work on leadership and change management. Mullins defined a leader as someone who delegates or influences others to act to achieve specified objectives. In today's fast-changing global environment, organizations require effective leaders who can understand the challenges they face. When tasks are highly structured and leaders have good relationships with employees, the organization's success depends largely on the employees. The 14 leadership styles identified are: Trait, Authoritarian, Managerial, Paternalistic, Democratic, Laissez-faire, Transactional, Transformational, Participative, Distributed, Moral, Emotional, Postmodern, and Contingent. The chapter concludes with a discussion of four leadership research approaches: trait, behaviour, power-influence, and situational.

### **The Role of Leadership Style in Organisational Change Management**

#### **Hassan Elsan Mansaray**

Initial theories regarding management and leadership styles primarily focused on how authority was wielded by leaders in organizations. According to research conducted at the University of Michigan in the 1950s by Rensis Likert, four distinct styles of leadership were identified:

1. Exploitative/authoritative – The leader lacks confidence in subordinates and manages them through orders, using fear and punishment as motivators.
2. Benevolent/authoritative – The leader has some faith in workers but manages them in a patronizing and authoritarian manner.
3. Consultative – The leader demonstrates belief and confidence in subordinates, seeks their input, but retains decision-making authority.
4. Participative – The leader relies entirely on subordinates, seeks and acts on their ideas, and involves them in setting organizational goals.

Likert's research suggested that consultative and participative leadership styles are more effective. However, he did not consider situations where management may need to direct employees to align with the organization's objectives and directives.

**“Organizational Change and Leadership Styles.” Journal of Library Administration (1994): Faerman, Sue R and Taylor & Francis in Business Organizations, Leadership Styles Vary, Including**

1. Authoritarian leadership, or autocratic leadership, is characterized by the leader taking control of all decisions and directing processes and tasks within the organization. This style relies heavily on discipline.
2. Transformational Leadership: This style focuses on understanding people's needs and finding ways to address them. It is driven by purposes, values, morals, and ethics, and aims to achieve long-term goals while upholding human values. Transformational leaders identify and address causes that impede progress, and they work to prevent them. They prioritize mission and strategies for achieving goals, utilize human resources fully, and identify and nurture new talent. They reward significant contributions, unleash human potential, and model love. They also align internal structures and systems to support overarching values and goals.
3. Laissez-faire leadership is the opposite of authoritarian leadership in many aspects. A laissez-faire leader allows followers complete freedom in making decisions related to their work and how it is carried out. The leader's responsibility is to provide the necessary resources for employees.

**Transformational Leadership and Organizational Change: In the Context of Today's Leader: Usman, Muliati. (2020)**

A servant leader prioritizes the needs of their team members. They believe that meeting employees' needs leads to organizational success. Servant leaders encourage idea-sharing and support employees in achieving their goals. They also involve employees in decision-making.

1. Transactional Leadership: Focuses on completing tasks and earning a living. It emphasizes power, position, politics, and perks.
2. Democratic Leadership: Involves distributing decision-making power among members and valuing contributions from all. It encourages employees to contribute to the organization's vision.
3. Strategic Leadership: Sits at the intersection of a company's operations and growth opportunities. Strategic leaders balance executive interests with maintaining stable working conditions for all employees. This style is valued because it supports various employee needs, but leaders must be cautious not to support too many conflicting interests or lose sight of the company's overall direction.
4. Bureaucratic Leadership: Typically seen as ineffective because it rigidly adheres to rules. However, this style may consider employee input.

**Avolio & Bass, 2004; Bass & Avolio, 1990a; Xirasagar, 2008**

Organizations have diverse purposes, with community-based organizations aiming to empower communities, while business-oriented ones seek to generate and maximize profits. Leadership plays a crucial role in achieving these objectives. Various leadership models exist, but the full range leadership model suggests a continuum. It starts with non-effective leadership, such as laissez-faire leadership, progresses to an involving approach like transactional leadership, and culminates in transformational leadership, which is motivating and inspiring.

**Judge & Piccolo, 2004. Transformational Leadership Comprises four Components (Avolio & Bass, 1991; Bass & Avolio, 1990b)**

Transformational leadership is recognized for its change-oriented approach at the organizational, group, and individual levels. It involves positive idealized influence, where leaders instill values, beliefs, respect, a strong sense of purpose, and a collective mission. Intellectual stimulation is another key aspect, involving the ability to accept diverse perspectives and stimulate innovative thinking. Individualized consideration is also important, showing appreciation for each individual's contributions. Additionally, inspirational motivation is crucial, as these leaders have the ability to motivate and inspire subordinates. They communicate high standards and encourage followers to align with organizational goals to achieve performance objectives.

**Culture and Leadership Are Simply Two Sides of the Same Coin: Majeed, K., Bhatti, A. M., Nemati, A. R., Rehman, I. U., & Rizwan, A. (2010). Can cultural change with different leadership styles enhance the organizational performance. Research Journal of International Studies**

Schein (1991) identified four key factors influencing organizational culture: the business environment, leadership, management practices, and formal and informal socialization processes. The business environment in which an organization operates influences its culture, and this is further influenced by geographical region, as discussed in Hofstede's (1991) work on national culture. Additionally, there is evidence to suggest that cultural attitudes vary depending on the social strata within a region. The industry in which a company operates also impacts its culture; for example, Wilson (2001) suggests that banks and bankers tend to have a risk-averse culture, while stockbrokers have a deal-oriented culture. Factors such as competitiveness, technology, and customer demands also influence the values, attitudes, and behavior within organizations.

Can Cultural Change with Different Leadership Styles Enhance the Organizational Performance?: Majeed, Kamran, et al. "Can cultural change with different leadership styles enhance the organizational performance." Research Journal of International Studies

Majeed, Kamran, et al. "Can cultural change, influenced by different leadership styles, enhance organizational performance." Research Journal of International Studies

**Key Considerations for Leaders Implementing Cultural Change Include**

1. Understanding the old culture: Leaders should have a thorough understanding of the existing culture within the organization to effectively implement new processes. Understanding the old culture helps in educating employees about the new system or culture.
2. Encouraging innovative employees: Leaders should identify innovative employees and encourage them to share their ideas with others. This can lead to the generation of new ideas that benefit the organization.
3. Avoiding immediate reliance on a new vision: It is important for leaders not to immediately rely on a new vision for change. Leaders should seek consensus among the group before making any cultural changes.

4. Allowing time for change: Leaders should not expect immediate change. The old culture consists of strong beliefs and norms that cannot be quickly altered. Patience is required for the change to take effect.

Thuijsman, Thomas. Leadership styles and their influence on employees regarding the acceptance of organizational change. BS thesis. University of Twente, 2015.

This study presents a conceptual framework to explain the relationship between employees and their acceptance of organizational change. The focus is on employees' openness to experience, which is believed to be related to their acceptance of change. The framework is complemented with propositions drawn from literature, explaining how employees are influenced by different leadership styles in accepting organizational change. These propositions have practical implications for understanding how psychology can be utilized in organizations when implementing change. Specifically, the study links leadership styles to employees' openness to experience and forms propositions to predict how individuals are influenced by these styles in accepting organizational change.

### Research Methodology

A study was undertaken to investigate the effectiveness of leadership styles in managing organizational change. The research involved collecting both primary and secondary data to understand how different leadership styles impact the success of change initiatives. The study aims to identify the most effective leadership styles and approaches for driving and managing change within an organization.

### Findings

1. Leadership styles are often associated with successful organizational change initiatives, as they inspire and motivate employees to embrace change and work towards common goals.
2. Employee involvement in decision-making processes can result in increased levels of employee engagement and commitment, especially during leadership transitions.
3. This helps to focus on flexibility and innovation, are effective in navigating complex and uncertain change environments.
4. The importance of communication in leadership during change management, as clear and transparent communication can help alleviate uncertainty and resistance among employees.
5. Emotional intelligence plays a crucial role in the effectiveness of leadership during organizational change. Leaders who can comprehend and regulate their own emotions, as well as the emotions of others, are more adept at navigating change successfully.

### Conclusion

Leadership has become a critical component for successful change in organizations facing intense market competitiveness. Leaders are viewed as change advocates, with one of their key responsibilities being to ensure that the change process continues to progress in order to maintain the organization's operational credibility. The role of leaders should be to guide employees towards achieving organizational goals. Therefore, effective communication and motivation are fundamental for leaders to achieve outcomes that increase workers' commitment and loyalty to the organization. However, change can be challenging for individuals as it may take away privileges and opportunities they once enjoyed, leading to discomfort and resistance.

Several leadership styles were reviewed in this paper to determine which is most effective in change management processes. These styles include authoritarian leadership, transformational leadership, laissez-faire leadership, servant leadership, transactional leadership, democratic

leadership, strategic leadership, bureaucratic leadership, and consultative and participative leadership. Among these, transformational leadership emerged as the most prominent style for addressing the challenges of modern administrative practices. Transformational leaders have the ability to motivate their teams to exceed expectations and can cultivate individual incentives for performance. They also nurture and inspire workers to achieve a balance between intelligence and innovation, as they are attuned to their needs. Transformational leaders are often seen as role models, fostering a sense of empathy and a shared vision, and instilling pride and faith in their teams.

In conclusion, the transformational leadership style is believed to be effective in reducing resistance to change, which can be a major obstacle in change initiatives. Understanding and implementing transformational leadership can be crucial for successful organizational change.

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