

A study on Role of Effective Leadership and Change Management Strategies on Organizational Culture

Dr. Om Prakash Sharma*

Abstract:

This paper describes how leadership and change management tactics affect an organization's culture. The concept of culture is introduced initially. This paper presents a number of different approaches to defining "organizational culture." When an organization's culture is analysed, it becomes possible to define the leader's function inside the company. It is believed that transformative strategic leadership is essential for an organization's success. The concept of transformation then becomes central. Cultural transformation requires extensive planning and the deployment of every instrument at one's disposal for influencing people's attitudes and behaviours. One must be able to describe and, hence, pinpoint exactly what one is aiming to modify or manage in order to affect a shift in corporate culture. This research demonstrates that CEOs have an impact on company culture through communicating their vision and, to a lesser extent, by establishing norms and standards. This study is theoretical and exploratory in character, with the goal of serving as a resource for researchers. The purpose of this work is to provide a critical bibliographical evaluation of key concepts in the discipline and to demonstrate how these concepts are interconnected. In conclusion, this study provides managers and academics with a framework for highlighting Management Strategy's significance.

Keywords: Change, Leadership, Management Strategy, Organizational Culture

Introduction:

In today's world of instantaneous information and worldwide connectivity, adaptability and flexibility are often crucial to a company's success. Professionals and researchers alike have long been curious about leadership and company culture. Much of the interest is based on assumptions that both leadership and culture are connected to organisational success. However, "little critical study has been done to examine the linkages between the two concepts" (Ogbonna and Harris, 2000, p. 766).

There seems to be a dearth of information about Greek workplace cultures. Since this is research about leadership and corporate culture, the goal is to compile an annotated bibliography. To achieve this goal, we examined the impact of a number of variables as well as workers' impressions of company culture.

The major goal of this research is to model the relationship between organisational culture and change, illuminating how a manager's awareness of culture influences the transformational process. Organizational performance has been shown to be connected to both leadership and organisational culture, according to a review of the relevant research.

Leadership styles, as well as the culture of a business, have both been studied in relation to their effects on employees' productivity. In addition, many discussions of corporate culture touch on how leaders play a part in "forming" certain cultures (Schein, 1992). Similarly, the literature on leadership emphasises the importance of adapting one's style to the group's culture.

Despite the widespread linkage between culture and leadership in a variety of branches of organisation theory, there has been less critical investigation into the nature of these ties or their potential impact on management efficacy. Despite the widespread acknowledgement of the significance of these two ideas to the operation of organisations, there is a striking dearth of critical writing on the subject (Schein, 1992). Thus, the purpose of this research is to give empirical evidence of the relationships between different forms of organisational culture and management success.

* Assistant Professor, Department of Business Administration, BBD Govt. P.G. College, Chimanpura (Shahpura), Jaipur

Objectives of the Study

- To determine why effective leadership is significant for organizational change.
- To identifying successful change leadership skills.
- To demonstrate why effective leadership is crucial for implementing change.

Delimitations of the Study

To ensure their continued existence, many organizations are using change management strategies. Our research was limited to the following concepts: change as a deliberate action, leadership as a catalyst for transformation, change management, and the need of strong change agents.

Literature Review

Organizations, workers, and supervisors must learn to adapt to the new normal of constant change (Leanna & Barry, 2000). It is becoming increasingly important for managers to be able to recognise, adapt to, and profit from organisational change as the velocity of change inside organisations increases (Wanberg & Banas, 2000).

For Ajay (2002), transformation is an inherently irrational and subjective procedure. As humans are the primary players in the realm of intellectual capital, a leader of change must place greater emphasis on the human dimensions of change. Introducing change into an organisation is a complex and time-consuming endeavour. An organization's ability to successfully transition from its present state to its planned future state depends on the details laid forth in its change management strategy. Planning organisational change is important because it provides a bridge between the many stages of the change process, including the establishment of goals and deadlines, the delineation of roles and responsibilities, and the establishment of mechanisms for review and modification. Planning is essential for a successful change management approach. Changes need to be properly thought out and discussed before they can be implemented effectively (Smith, 2006).

A well-thought-out strategy and adequate funding are essential for implementing any change management plan. In addition to these vital restraints, leadership is the mindset that allows a manager to re-engage disengaged employees and reap the most rewards from change. From this, we might draw the conclusion that leaders are more useful than managers throughout the transition to a new way of doing things (Bejestani, 2011).

Leaders as Change Agent

A leader is someone who has the respect of their peers and the ability to direct them toward a common objective. The leader has a long-term plan for the organization's growth and success. Leadership is the ability to steer one's group or team toward its goals (Bass, 1985). Self-assurance, ambition, drive and tenacity, realism, psychological openness, a hunger for learning, inventiveness, fairness, and commitment are only six of the core personality attributes that make for effective leaders. Leadership also entails getting other people in the team involved in making decisions.

For a leader to succeed in today's companies, Senge (1990) identifies three essential traits: the ability to build and maintain structures, the ability to educate others, and the ability to look out for the organization's long-term success. To put it another way, these three traits help employees develop their mental model continuously and think systematically, which in turn aids in clarifying mission, vision, and values; identifying strategies, structure, and policies; generating efficient learning processes; and facilitating subordinates. Steve Job, a leader with considerable maturity, bases his approach to management on two core tenets: (i) persistence is the key, and (ii) innovation delivers leadership. Steve Jobs thinks that the secret to a great leader's career is tenacity. Job's leadership style was described as "task-oriented" because of his focus on getting things done. However, his second conviction suggests that his approach to leadership is equally people-focused. Leadership via innovation implies include subordinates in key decision-making processes. As a result of the leaders' evolved attitude, team members have a feeling of belonging and are more motivated to complete their tasks, which boosts productivity.

In the twenty-first century, executives of businesses will need to be experts in managing change. Leaders will need to be more skilled and inspiring if they are to fulfil their roles as visionary change agents. A leader's talents are most negatively impacted by sudden shifts (Nadler, Shaw & Walton, 1995). When it comes to managing disagreements among employees and within departments, as well as implementing new ideas, the leadership style and level of confidence in upper management have a significant and beneficial impact on the behaviour of those involved (Michaelis, Stegmaier & Stonntag, 2009). According to Nadler and Tushman (1990), only a "Charismatic leader" possesses the unique capacity of mobilising and maintaining activity inside an organisation through a combination of deliberate personal action and the way that person is seen by others.

The research shows that both charismatic leadership and trust in top management are necessary for a successful transformation. They are favourably connected with change-related behaviours, anticipatory-behavior-monitoring, managerial rank, and interdepartmental collaboration (Michaelis, Stegmaier & Sonntag, 2009). Noer (1997) argues that a leader's personality is the single most effective factor in effecting change. Capabilities to lead people to accept change and redesign depend on several factors, including the leader's spirit, insight, knowledge, compassion, values, and learning skills. There is often a tendency for approximative thinking toward the leader who initiates change inside an organisation (Nadler & Nadler, 1998). The effectiveness of change circumstances is enhanced by the actions of the leadership (Higgs & Rowland, 2005).

Darling and Heller (2009) argue that the managerial leaders' attitudes, and the corresponding ideas and sentiments transmitted (vibrated) to the cosmos, both within and outside of their businesses, are the key to effective organisational growth in today's socioeconomic climate. Leaders of organisations, according to the findings of this research, need to be familiar with the factors that contribute to the often-predictable failure of change initiatives. If they want to be effective in bringing about change, they'll need to acquire the skills necessary to do so (Manikandan, 2010).

Change Management:

A company's ability to adapt to and manage change is crucial not just to its continued success in the modern economic environment, but to its very existence. People, individuality, and social habits have become central to the field of change management. In the twenty-first century, executives of businesses will need to be experts in managing change. As a result, leaders will need to exhibit greater competence and inspiration if they are to be effective as agents of transformation. A leader's talents are most negatively impacted by sudden shifts (Nadler, Shaw & Walton, 1995).

Leadership development (the ability of top management to gain the trust of internal customers), marketing and sales expertise (the capacity to raise consciousness about the effects of change), and interpersonal communication prowess (the capacity to garner buy-in for the decision to change) are all necessary components of an effective change management strategy (Kaminski, 2000). The efficiency of a company's change management process may suffer if any of these abilities are lacking.

As a leader, your responsibilities do not cease once you've successfully implemented a change. The only thing we can count on is change. The only way businesses can survive the inevitable and the unexpected is to have a change management strategy. Thus, they will be able to adapt to new circumstances without being thrown off course (Gans, 2011). According to Nickols (2010), the term "change management" may be broken down into four distinct categories. Here are the four meanings:

- **The task of managing change:** First, "the task of managing change" was cited as the definitional key phrase in the context of change management. Change management may be defined as the process of making deliberate, well-thought-out adjustments to an existing situation; second, it refers to the practice of coordinating an organization's reaction to external factors over which it has influence. Change management also involves minimising the emotional toll that transformation has on individuals.
- **An area of professional practice:** Professional change agents lay claim to the field of change management, which is where organisations manage the overall process of change.
- **A body of knowledge:** The concepts, methods, and strategies, tools, skills, and other types of knowledge that go into creating any change practice make up the body of knowledge known as "change management."
- **A control mechanism:** Effectively introducing new policies, practices, and procedures into an established system is the goal of change management.

Leadership Style:

There are many different ways to lead, including transformational (Khan et al., 2020), transactional (Sandstrom and Reynolds, 2020), laissez-faire (Khan et al., 2020), and servant leadership (Karatepe et al., 2020). Organizational performance (Al Khajeh, 2018); employee turnover (Nanjundeswaraswamy & Swamy, 2014); and employee devotion to the company are all affected differently by various leadership styles (Yahaya and Ebrahim, 2016). A similar recommendation for more study on leadership styles in the hotel industry was made by Rabiul and Yean (2021).

Despite the growing interest in leadership styles in the academy, a systematic examination of the literature on leadership in the hospitality sector is lacking. There is a lack of a comprehensive literature study on leadership styles in the hospitality industry. This includes the hotel, restaurant, resort, motel, casino, nightclub, and food service sectors. Previous systematic reviews have primarily focused on one leadership style, such as empowering leadership in hospitality and tourism management (Hoang et al., 2021) or servant leadership (Eva et al., 2019), especially in hospitality management. These reviews have been conducted in other fields, such as nursing (e.g., Cummings et al., 2008; Wong and Cummings, 2007). (Bavik, 2020; Chon and Zoltan, 2019).

The characteristics that give rise to each leadership style are discussed in our review, which was prompted by the recognition of gaps in the existing literature on leadership and the significance of leadership style in the field of hospitality management. Our systematic study was prompted by the dearth of literature reviews focusing on leadership styles in the hotel sector, and it served to identify academic publications that regularly publish studies of this topic (Arici et al., 2021).

When a person is committed to their position, they are enthusiastic about their work and willing to abide by all policies and procedures. At the outset of a new job, employees are expected to make a number of commitments, including adhering to the terms of a written employment contract outlining their duties, pay, and other perks. The employee's commitment to the firm and its leader might be gauged by his or her willingness to sign the employment contract. According to a group of researchers (Angelliza Chantica et al., 2022).

Change as a Process:

Lewin initially defined change as a process in 1947. He divided up the transition into three distinct stages: The first step, "unfreezing," entails coming to terms with the fact that change is inevitable and mentally preparing to forego present comfort in favour of future gain. The second step, "moving," refers to the actual process of making the transition to the new, improved system. This is the most difficult element of the change process because it requires people to go outside of their comfort zones; (3) refreezing – At this point, the new normal has been established in the company, and people have adjusted to it. Lewin further argued that, while logic may dictate that more force be applied in order to encourage a desired outcome, doing so may in fact provoke an equal and opposite reaction from those who are opposed to the proposed change, leading to the same result but with even more tension.

In order to make any kind of change, one must first become conscious of the fact that one needs to make that change. Before beginning to execute any form of change in a company, a thorough assessment of the present situation is required; yet, this kind of assessment may take more time than management has available (Armstrong, 2003). The strategic actions needed by leaders to make the most of the effective transformation process have been outlined by Galpin (1996). What followed was a series of the following steps:

- **Determining need to change:** The first stage is to evaluate the present state of affairs and determine if any changes are necessary.
- **Visioning outcomes of change:** An organization's ability to adapt to change depends on its leaders having a clear idea of what they hope to achieve as a result of the process.
- **Utilizing group efforts for the development, testing, and rollout of Change:** Empowering teams that can create, test, and implement ways to guarantee the efficacy of change is crucial for achieving the greatest potential outcome.
- **Addressing the cultural aspects in Change:** The culture of an organisation must be included into the change process in order for change to be successful in addressing upcoming difficulties.
- **Essential skills needed to lead the change effort:** Last but not least, it is believed that specific qualities and abilities must be honed in order to compete effectively in the transformation process.

Effective organisational transformation is impossible without the support of dedicated leaders. Managing change successfully calls for change leaders capable of steering a brave team through the necessary adjustments to an established system. Because transformation lies at the heart of change, it is incumbent upon the agents of change (leaders and management) to inspire a positive reaction to the process of change among the people who will be affected by it (Kotter, 2007). Barriers to success are often cited, such as a lack of knowledge regarding change achievement techniques and an inability to modify one's management style or organisational functions (Bossidy & Charan, 2002; Gilley, 2005).

According to the research, an organization's ability to accomplish its goals is directly related to the quality of its core competences and the leadership and management methods it employs (Goonan & Stoltz, 2004). Due to the nature of the change process, which necessitates the development of new systems and the subsequent institutionalisation of new, creative approaches, leadership is a crucial component of the change management process. At its core, transformational leadership is defined as a mode of management that may accelerate change inside an organisation (Eisenbach, Watson & Pillai, 1999).

In order to implement quality-led strategic transformation, visionary transformers are needed (Nwankwo & Richardson, 1996). Companies in today's period of rapid technological development are all fighting to get an advantage over their rivals, and to do so they need to be more flexible. Organizations need to transform into learning organisations as a first step toward becoming world-class in order to tackle the challenges of the twenty-first century. Leadership is the most crucial ingredient for a smooth transition from a static to a dynamic learning culture inside a company. That may make the organization's goals and objectives clearer, help workers meet those goals, and ease their transition into a new, creative, and educational work environment (Singh, 2011).

Cultural Change:

A cultural shift of this magnitude requires the full deployment of all available organisational resources for influencing people's perspectives. One must be able to describe and hence pinpoint exactly what one is aiming to modify or control in order to effect a change in corporate culture. Researchers and managers in the field of organisational change management have mostly been concerned with three key questions: what changes, why changes, and when changes should be implemented (Pettigrew, 1987). And last, a shift in corporate culture is essential for every transition that substantially alters a company.

As was previously noted, cultural shifts centre on how people think and act within the context of an organisation. It is generally accepted that, as Michela and Burke (2000) assert, gaining an understanding of a culture is the first step in altering it. According to Goffee and Jones (2001), it is possible for cultural change to occur gradually over time through gradual modifications to the elements that make up a given culture.

It's crucial to view cultural shifts as requiring a shift in approach. According to Sathe and Davidson (2000), altering a culture entail altering not just people's actions but also their beliefs. The result and the repercussions for each individual are significantly influenced by the method used to provoke the culture shift. Thus far, it has been clear that cultural shift is, by definition, vague. Hatch's (2000) model of organisational culture transformation places equal emphasis on the contributions of leaders and employees. In general, these shifts represent a departure from conventional forms of control in which authorities impose strict mandates and inspire obedience by intimidation.

Everything is cultural, and that's exactly the problem with culture and cultural shifts. Weber (1978) also examined the topic of cultural transformation, attributing it to charismatic interventions of an individual and distinct kind. Weber also believes that the power and influence of top executives makes them the go-to people for news and information.

Last but not least, it's important for any management team attempting a cultural shift to have a firm grasp on what kind of shifts in thinking and conduct amongst both upper and lower-level employees are called for. According to Fishman and Kavanaugh (1989), a leader's actions have a significant impact on both the company's culture and employees' openness to change. Therefore, introducing new cultural norms is difficult since it necessitates reshaping people's habits and poses a significant change management issue.

Organizational Change:

Leaders in the workplace must cope with the constant challenge of change in order to keep up with the demands of today's fast-paced commercial world. It is true that an organisational shift might affect one's sense of job security, as shown by Terry, Carey, and Callan (2001). Therefore, the first step for the adaptive leader in coping with change is to comprehend how it impacts individuals. According to Buono, Bowditch, and Lewis (1985), studies of organisational culture and of changes in businesses should centre on the subjective experiences of those engaged.

Because of how rapidly things might shift, it's important that the methods used to oversee such transformations are flexible as well. According to Cartwright and Cooper (1996), the degree to which people are restricted during a transition from one culture to another depends on the cultures involved. They connect this to Harrison's (1972) four sorts of cultures (power, role, task/achievement, and person/support) and argue that combining some types of cultures is more likely to facilitate a smooth transition than others. Finally, the degree to which people are restricted will depend on the nature of the cultural shift.

Transforming a company's culture is a daunting task for any CEO. That's because the objectives, procedures, communication techniques, and assumptions that make up an organization's culture all work together. According to Cartwright and Cooper (1996), in this area, when an organisation undergoes significant change, such as rapid growth or a merger, it typically moves to more stringent control by imposing a greater level of constraint and reducing the freedom with which individuals are endowed to make decisions. They also note the need of getting staff at all levels invested in the transition. They presented a continuum to illustrate the connection between cultural traditions and the resulting expectations for personal freedom.

Conclusion

As previously stated, this study's research reveals that leadership is related to organisational culture, largely through the processes of expressing a vision and, to a lesser extent, through the establishing of high-performance standards and offering workers individualised assistance. So, generally speaking, understanding how companies work is essential to choose the best strategy for cultural change. Organizations, which are social systems made up of people, work, formal processes, and unofficial systems, are resistant to change and built to mitigate the effects of change initiatives. Our perspective is that implementing the required structural changes may serve as the initial intervention for changing culture, even if culture change is essential in generating and supporting organisational transformation.

The study's findings are also in line with research showing that vision is a crucial aspect of leadership and is connected to organisational culture (Bass and Avolio, 1994). Leaders often play a crucial part in choosing and organising effective change management strategies. In conclusion, it is crucial that the organization's leaders foster a psychologically secure environment for everyone to adopt new habits and test the waters of the new culture. Employee participation is necessary so that they may assess the new beliefs' veracity for themselves, consider the implications for their own personal lives, and consider how they might support the change effort (Zammuto, Gifford and Goodman, 2000). Therefore, in order to get better results, it is essential to thoroughly research and comprehend the root reasons of employee resistance.

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