

**A new leadership framework to navigate change**

**by**

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# Chapter 1: Introduction, background and research overview

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# **Chapter 1: Introduction, background and research overview**

## **1. Introduction**

Employee relations focus on relationships in the workplace, whilst dealing with change, navigating change and the leader's role in organisational change. The researcher will therefore attempt to contextualise each of the above mentioned in terms of the objectives and envisaged articles.

Despite different interpretations and opinions regarding industrial relations and employment relations this study will focus on Beardwell and Claydon (2007, p. 415) who view the employment relationship as “a relationship containing an economic component – the exchange of work for payment – but also includes a sociological dimension centered on power and authority. The economic and sociological components of the relations are structured by the contract of employment. In addition to this, the employment relationship is subject to a range of other processes, for example management competence and efficiency, work group control, management and worker motivation and the potential for workplace conflict and agreement. These factors make the apparently rational process of economic exchange much more complicated and to some extent indeterminate – that is, a relationship in which the specific details are subject to ongoing negotiation and change.”

With reference to the above it is important to note that leaders are “facilitators of organisational change processes and therefore have a crucial role to play in ensuring that other leaders are nurtured so that real transformation and organisational renewal can take place. This new approach to leadership will fundamentally impact the way we govern organisations in the future” (Meyer & Kirsten, 2005, p. 101).

It is important to note that in this research project the article option was followed and the three themes will be covered in three separate articles being prepared for publication in accredited journals. Articles 1 and 2 (Appendices C and D) have been

prepared according to prescribed guidelines and already published in the African Journal of Business Management. Article 3 (Appendice E) has been prepared according to prescribed guidelines and already submitted to the Journal for Social Sciences.

## **2. Background**

Change is probably the most quoted phenomenon today and is at the root of every important event. In this regard Van Tonder (2004, p. 4) remarks that “at organisational level, the turbulence and rate of change and innovation experienced in the operating context of organisations are equally evident”. It is evident that the business environment is driven by globalisation, competitiveness and changes in the nature of work. Clarke (1994, p. 8) states that “change is the very essence of business growth”.

Change is an inseparable part of organisations, and it will certainly “not disappear or dissipate” (Paton & McCalman, 2001, p. 5). Change is now a way of life and it thus appears that leaders need to exhibit a certain degree of frequency of transformational leadership behaviors for them to be able to lead the change process effectively and efficiently. As Cummings and Worley (2001) point out, change management is concerned with the sequence of activities and leadership issues that produce organisational improvements. Whatever view is expressed about organisational change, organisations must change in order to survive and attain a sustainable competitive advantage.

In the case of radical or transformational change the successful navigation of change becomes a key organisational process and core competence. In this regard Veldsman (2002, p. 47) refers to a so-called “emerging new world order”, where rules of the game of doing business are being redefined. He also refers to “creating realities beyond those that exist at present” (Veldsman, 2002, p. 47).

According to Veldsman (2002, p. 48) the basic challenge for organisations to create order during any change is to determine how successfully the organisation can get to where it wants to be in future. This research will therefore strongly focus on navigating change in terms of “creating realities beyond the present”.

Van Tonder (2004) states that the idea of successfully navigating organisations through the necessary change has spawned many change facilitations, implementations and management programmes. He believes that to measure success with regards to navigating change “hard” measures that will include principles such as improvement in profitability, lower costs structures, improved effectiveness and efficiency and ultimately higher return on investment have to be used.

Dealing with change navigation will require an analysis of specific interventions. In this regard the emphasis will be on structural, strategic and relations interventions (Van Aswegen, et al. 2009, p. 306). In successfully navigating change, there are key principles to be considered. These will be highlighted in this study (Veldsman, 2002; Mabey & Mayon-White, 1993; Pellissier, 2001; Nasser & Vivier, 1993). In an ever changing environment of modern business, leadership excellence will be required and leaders will be expected to embark on “journeys into the unknown”.

Leadership serves as “a beacon for direction and guidance; radiates, mobilizing energy around which people, sometimes widely diverse, rally: envisions them to visualize and explore previously unseen challenges; enables people to rise above circumstances, frequently during the darkest of times; and models the desired way of acting to be adopted” (Veldsman, 2002, p. 73).

Reviewing the evolution of leadership, it is clear that leadership has changed from just being participative and task driven, towards transformational leadership, which can be both participative and directive in achieving extra ordinary outcomes (Meyer & Kirsten, 2005). Apart from achieving specific outcomes it needs to be noted that leading change will directly impact on employment relations.

Leadership and management are two terms that are often confused. “Good management brings about order and consistency by drawing up formal plans, designing rigid organisation structures and monitoring results against the plans. Leadership, in contrast, is about coping with change. Leaders establish direction by developing a vision of the future; then they align people by communicating this vision and inspiring them to overcome hurdles” (Robbins, Odendaal & Roodt, 2007, p. 242).

The focus in this study will therefore be on the ability of leaders to navigate the ongoing organisational change in such a way that not only certain performance standards are met but that they actually contribute to the long term sustainability of organisations. Change navigation will obviously reflect on the impact thereof on the employment relationship.

### **3. Stating the problem**

From literature it is evident that few organisations succeed in changing or transforming successfully (Pellisier, 2001, Veldsman, 2002, Van Tonder 2004). One needs to remember that an organisation cannot exist without its employees and that change within organisations cannot take place if the individual employee is not engaged in the change initiative. Interesting views are expressed by Mintzberg, Ahlstrand and Lampel (1998, p. 325) who claim that “change can’t be managed”. To be successful, change can be influenced but not controlled or managed in the true sense. The biggest problem would therefore be for leaders to embark on journeys into the unknown.

Considering the above stated the objective of this study would be to determine whether certain leadership competencies could be regarded as pre-requisites to successfully navigate change. Consequently it is important to understand how employees perceived leadership in navigating this change and ultimately how this



change influenced relationships in the organisation. The research questions and objective are the following:

Article 1: How was change perceived?

Article 2: What were the leadership challenges in this change intervention?

Article 3: Constructing a new leadership framework for navigating change.

#### **4. Contribution of the study**

The main contribution of this study is to be found in clearly and very distinctly constructing a framework for leadership challenges which could lead to successful change navigation in ensuring sound employment relations leading to competitiveness and business success.

#### **5. Objectives of the study**

In view of the research questions stated above, the researcher will attempt:

Article 1: to analyse perceptions of organisational change.

Article 2: to identify leadership challenges in change navigation.

Article 3: to construct a leadership framework to effectively lead organisational change.

#### **6. Research design**

The overall research process that is applied is briefly outlined below.

## **6.1. Scientific beliefs**

### **6.1.1. Ontology and epistemology**

The positivist and post positivist stances are regarded as the two main theoretical frameworks within the larger meta-theoretical debate in complexity science (Buijs, Eshuis, & Byrne, 2009; Morçöl, 2001).

Buijs, Eshuis, and Byrne, (2009, p. 40) summarise the positivist stance to assume that reality exists independently of the subject. The positivist stance is further characterised by an ontology that aims to discover reality by means of general or universal laws through scientific methodology that is based on observation of facts and deductive reasoning. According to Morçöl, (2001, p. 109): "...the positivist stance views the nature of reality as deterministic with linear causality and reductionist by holding that reality consist of discrete elements that can be broken down into its constituent parts, which can be isolated and analysed to determine the relationship between them."

In contrast post positivism holds that there exists no reality outside of what is perceived and that reality is socially constructed (Buijs, Eshuis, & Byrne, 2009). Post positivism also holds that the world is dynamic and only temporarily in equilibrium and that process may unfold in either linear or non-linear ways and that emergence plays an important role (Buijs, Eshuis, & Byrne, 2009, p. 41).

Buijs, Eshuis, and Byrne, (2009, p. 41) also mention that the positivist and post positivist stances differ sharply in respect of a number of epistemological areas: Positivists claim that scientific knowledge is universally valid, while post positivists argue that scientific knowledge is bounded in within a local context. Post positivists would argue that any description of social reality is relative to the perspective from which it is made, while positivists would argue that scientific knowledge is objective and does not depend on the observer.

In this research the theoretical stance adopted will be that of critical realism. Critical realism takes a position between positivism and post positivism in that it asserts, like positivism, that objects exist and act independently of human actors and their thoughts, but rejects the positivist's empiricist's assumption that objects are only knowable by means of direct, human sense experience. Like post positivism, realism asserts that social objects could have no existence apart from the conceptions which humans possess of them, but it rejects the post positivist assumption that society is nothing but the product of these conceptions (Reed, 2005). He also refers to critical realism as a "third way" approach to positivism and social constructivism.

Ontologically, realism distinguishes several layers of reality that ranges from the level of immediate impressions that is observable in everyday life, through to a deeper phenomenological level that creates patterns and sequences and a deeper reality of underlying structures that cannot be observed directly (Wilson, 1983, p. 168). Epistemologically realists subscribe to the notion that reality can only be perceived through interpretive frames with cause and effect as interdependent to each other (Buijs, Eshuis, & Byrne, 2009; Wilson, 1983).

Reed (2005, p. 431) proposes that critical realism possesses a number of distinctive domain principles or assumptions that sets it apart from other philosophies of social sciences. These principles or assumptions are:

- Critical realism commits to a stratified and differentiated social ontology, which holds that social reality consists of a number of distinct layers that are not easily collapsible onto each other;
- Critical realism holds that causality is "generative" rather than deterministic and which ranges from the concrete to the abstract;
- Retroductive analysis allows critical realism to systematically explore knowledge about the underlying social strata. Retroductive analysis will be particularly useful in this research assignment, as the different distinct layers of safety culture can thus be explored;

- Research questions are intensively, rather than extensively explored, which allows for proper appreciation of the complexity of the generative mechanisms that operative at different levels of social reality;
- Critical realism supports the “transformative model of social action” which means that while the distinction between “structure” and “agency” is recognised, the complex interplay between them can transform social reality;
- Critical realism is finally committed to the concept of explanatory critique, which holds that there are always powers and capacities that lie behind courses of events and outcomes. One implication of this assumption is the recognition that no research endeavour can be totally divorced from normative considerations (Sayer, in Reed, 2005).

## 6.2 Research approach

As indicated above, in this research the researcher will adopt accords more closely with the realist stance. In line with the realist stance it is then also proposed that a mixed method research design be used. Tashakkori and Teddlie (2009, p. 286) defines mixed method research as: “...research in which the investigator collects and analyses data, integrates the findings and draws conclusions using both qualitative and quantitative approaches or methods in a single study or programme of inquiry.”

In further defining the mixed method approach Onwuegbuzie and Johnson (2004) state that mixed methods research is a research paradigm whose time has come, while Cameron and Miller (2007) use the metaphor of the phoenix to illustrate the emergence of mixed methods as the third methodological movement, arising from the ashes of the paradigm wars. Cameron (2011, p.100) takes this analogy further by asking “whether the phoenix has landed in terms of research conducted within management research”

Creswell et al. (in Onwuegbuzie and Johnson, 2004) see mixed methods as the use of quantitative and qualitative approaches in combination providing a better

understanding of research problems instead of using one approach alone (Symonds & Gorard, 2008). Caracelli and Green (1997) states “the mixing may be nothing more than a side-by side or sequential use of different methods, or it may be that different methods are being fully integrated into a single analysis” (Bazeley, 2004, p. 2).

It is stated that a mixed method design is particularly suitable to the purpose of this research for the following reasons (Tashakkori & Teddlie, 2009, p. 287):

- It will allow the researcher to gain complementary insights in the conceptualisation, experiential and inferential stages about the relative contributions of leadership in navigating change;
- It will provide a more complete and meaningful picture of the nature and dynamics of leading change;
- An initial qualitative research approach will allow the researcher to refine the initial research propositions, that can be tested quantitatively;
- It will allow the researcher to expand on the initial understanding of the type of leadership and provide a more comprehensive explanation at a later stage in the research process;
- It will provide the opportunity to assess the credibility of the inferences that are made about leadership during one stage and thereby strengthen the credibility of inferences that are made at a later stages in the research;
- A mixed design approach will compensate for weaknesses and errors that are normally associated with a single research approach.

### **6.3 Research process**

During the first stage of the research the scope and impact of organisational change will be identified in terms of the characteristics of high reliability organisational theory.

During this stage of the research the provisional research questions will be qualitatively tested with the selected five executive team members of a large Southern African Retail and Financial Services company.

In this regard a provisional set of research propositions will be developed to address the following research questions:

- What are the changes that face the organisation in order to continue to be financially sustainable?
- What were the challenges for the leaders in a change intervention?
- Can a new leadership competency framework for leading change be constructed?

During the first stage of research the provisional research questions will be qualitatively tested with a selected focus group of five senior level executives within the company.

The purpose of the qualitative investigation will be to (a) understand what meaning the participants attach to research propositions, (b) gain an understanding of the changes that took place as well as the leadership competencies necessary to deal with such, (c) identify unanticipated phenomena and influences that were not initially anticipated when the theoretical model was initially developed (Maxwell, in Tashakkori and Teddlie, 2009).

The focus group results will be tested against the propositions of the theoretical model of leadership and change navigation. During the second stage of the research a quantitative approach will be followed. In this regard a survey questionnaire was developed focusing on change, leadership and leadership challenges. This questionnaire was tested by means of a pilot study to ensure that the survey questionnaire is valid and reliable. After an analysis of the initial research questions a survey questionnaire was developed that was administered to a number of respondents as identified in the sample group. An integration of the qualitative and quantitative data will be conducted.

## **6.4 Research methodology**

The research methodology includes a description of the measuring instruments that was used and research procedure that will be employed.

### **6.4.1 Measuring instruments**

Two measuring instruments were deployed. During the first stage of the research in-depth focus interviews were conducted with five individuals (and focus group) to test the efficacy of the initial research questions. These research questions are based on leadership and change navigation and the nature of the interrelationships between the variables that make up the study. Notwithstanding the limitations associated with focus group interviews, a focus group approach as is suggested here and holds specific advantages to the research intended, namely quick and easy access to respondents, exploration of large and rich amounts of data, the synergistic effect of a group setting and group responses, flexibility and ease of understanding.

During the quantitative phase (Phase 2) of this research a survey questionnaire was developed that is based on the focus group results. The survey questionnaire is based on the dimensions as espoused by the theoretical framework.

### **6.4.2 Research procedure**

Phase 1: Qualitative research procedure

- Step 1: A number of provisional research propositions were developed that is based on leadership in change from a non-linear systems perspective;
- Step 2: Permission was sought from the company to conduct a focus group session. Focus group schedules and selection of staff will also be submitted to the management team of the company;

- Step 3: Approximately five executives will be assembled and the provisional research propositions will be tested by means of a schedule of open-ended questions;
- Step 4: Content analysis will be conducted on the focus group outputs and tested against the theoretical leadership competency model.

#### Phase 2: Quantitative research procedure

- Step 1: A survey questionnaire was developed and piloted at the company amongst a number of non-randomly selected employees who were not part of the initial focus group;
- Step 2: Permission will be sought to administer the survey questionnaire amongst employees in one of the company's Financial Services divisions;
- Step 3: Data will be analysed and comparisons made between perceptions about change and the leadership required to navigate this change.

### **6.5 Population and sample**

The research population can be described as the total number of units that could be considered for observation during research, while sampling can be regarded as the process of selecting observations as a subset of the population observed in order to make inferences about the nature of the total population (Babbie & Mouton, 1998; Henry, 2009).

In this research the research population comprises of certain individuals from the company. The selected company is one of the largest Furniture Retailers and Financial Services companies operating in Southern Africa with just over 1 000 operating units across the geographical split of South Africa, Swaziland and Botswana.



### **6.5.1 Unit of analysis**

Because this research views leadership and change from an organisational perspective, the unit of analysis will similarly be at organisational level. While data will be obtained from individuals, organisational-level measures will ultimately be used to compare the differences in change navigation and leadership. For Phase 1, N = 5.

### **6.5.2 Sampling strategy**

While it is generally acknowledged that probability samples that are based on random sampling are the stronger sample designs, especially when attributing sample results to the entire study population, it is often necessary and unavoidable to employ non-probability samples that do not use random sampling (Babbie & Mouton, 1998; Henry, 2009; Kerlinger, 1986). Notwithstanding the weakness of bias and absence of generalisability in non-random sampling, Kerlinger (1986) points out that these weaknesses can be mitigated by using knowledge, expertise and care in selecting samples and by replicating studies with different samples.

In this research a multi-stage sampling strategy is followed. The sampling strategy consists of convenience sampling during the qualitative research phase (Phase 1), cluster and convenience sampling during the quantitative phase (Phase 2).

Phase 1: Qualitative research:

During this phase of the research five top executives will be identified. It is proposed that the focus group be composed in the following manner:

- The executive chairman;
- The chief executive officer;
- The director: strategy and human resources;
- The director: transformation;
- The group executive: human resources.

Phase 2: Quantitative research:

During the quantitative phase of the research a questionnaire will be developed and distributed to the employees in one of divisions in the Financial Services department of the company. Financial Services has been decoupled from the traditional retail department, which brought about a substantial amount of change, hence the selection. Here  $N = 301$ .

The 301 respondents represent approximately 120 operating business units, which represents 25% of the total Financial Service operations department. In some of the 200 business units there are at least two staff members, however in most the number of employees are three and more.

The employees are well represented and 50% of the employees are on a Paterson job grade of C 5 and above and the balance of the employees are C 4, C 3, C 2 and C 1 job grade employees. This specific division is representative of three of the geographical regions/provinces in South Africa.

This non-random sampling strategy is preferable in this research because evidence about individuals whose experiences are particularly relevant to the study's research questions can be more readily obtained.

## **6.6 Protection of integrity of the research design**

The following measures are aimed at ensuring that the integrity of the research design is protected:

- The mixed research design which will incorporate both qualitative and quantitative research procedures and instruments that are independently deployed, and administered to different target groups, and thereby improving the reliability and validity and reliability of data analysis – triangulation – data sources and measures;

- A multi-phase and multi-stage sampling strategy will be employed that will ensure that sampling selection, while non-random and purposive, remains rigorous and representative;
- To overcome sensitivity regarding leadership styles and competencies amongst respondents a number of measures will be employed which will include gaining endorsement from Senior Management, provide full feedback on findings and results and by building personal support for this research amongst key personnel.

## 6.7 Data Analysis

This will be guided by Professor H.F. Steyn (statistical Consultative Services – University of the North West).

### Phase 1 – Qualitative

- Capture data in Think Tank
- Content analysis of verbal responses to identify and/or verify different dimensions

### Phase 2 – Quantitative

- Electronic distributing questionnaires with Info slips
  - Factor analysis to identify / confirm questionnaire structure
  - Reliability analysis of questionnaire
  - Inferential statistics to test hypotheses
  - Comparative statistics to identify differences
- Depending on sample size obtained could be either discriminate analysis OR correspondence analysis – likely to be the latter

## 6.8 Reliability and Validity

### Reliability

In qualitative research procedural reliability relates to consistency which means that another person examining the same text will come to a similar conclusion. The key question therefore would mean: have we accurately captured or represented the issue under investigation? Careful documenting and reporting should allow the

reader to determine how the researcher collected, produced and interpreted the data. (Ihantola & Kihn, 2011, p. 43).

In the quantitative approach reliability refers to the extent to which the set of variables is consistent in what it is intended to measure. This means when different measurements are taken, reliable measures will all be consistent value wise. If the measurement results are not reliable it becomes more difficult to make inferences about the relations between variables (Ihantola & Kihn, 2011, p. 43).

### **Validity**

In qualitative research contextual validity refers to the credibility of case study evidence and the conclusions drawn. The primary focus of such research is to capture the lived experiences of people and to describe them convincingly demonstrating that the researcher fully understand the case. Generalisability is concerned with whether the research results are transferable. (Ihantola & Kihn, 2011, p. 43).

In the quantitative approach contextual validity allows the researcher to draw valid conclusions from a study given the research design and controls employed. The contextual validity asserts that variations in the dependent variable results from variations in the independent variables. Generalisability and transferability in quantitative research determine whether one can draw more general conclusions on the model used and data collected, and whether results may be generalized to other samples. (Ihantola & Kihn, 2011, p. 43).

Symonds and Gorard (2008, p. 8) state that validity checks in quantitative research are usually performed by statistical analysis or relate to questionnaire design. They further argue that the underlying concepts of each validity check can be equally applied to qualitative research. Qualitative constructs are often negotiated between the researcher and participants whilst in quantitative research constructs are decided on at the beginning of the study.

“Regarding the mixed method, it is important to note that this method is inherently neither more nor less valid than specific approaches to research. As with any research, validity stems more from the appropriateness, thoroughness and effectiveness with which those methods are applied and the care given to thoughtful weighing of the evidence rather than the application of a specific set of rules or adherence to an established tradition. Critical issues in a mixed method research include:

- Clarity of purpose, basis and focus, giving direction to the study and a logical basis for explanation;
- awareness of the limitations of traditional methods as they are modified in a mixed method environment;
- appropriate use and interpretation of quantitised coding from qualitative data;
- varied methods of treatment of “error” or “deviants”; and
- appropriate generalization, given choice of sample and methods.” (Bazeley, 2004, p. 9).

## **6.9 Ethical considerations**

Sieber (2009, p.117) states that: “privacy refers to people, while confidentiality is about data and anonymity is about identifiers”. Throughout this research, issues of privacy, confidentiality and anonymity will be considered: The privacy of the research participants will be considered in light of the rights enshrined in the South African Constitution. In this regard consent will be obtained from the research participants by amongst others being very transparent with respect to the research procedure, issues of disclosure, the uses of the data and anticipated adverse impact of results.

Confidentiality refers to access to data and safeguards against breach of confidentiality will be explained to research participants prior to embarking on administering the research instruments (Sieber, 2009). Where required, the sensitivity of some of the information likely to be conveyed will be recognised; the steps that will be taken to ensure that others are not privy to the identity of subjects

of details of individuals, will be clearly explained; and the legal limitations to confidentiality in South Africa will be stated.

Steps to ensure the research participants' anonymity that will be considered include response sheets that cannot be traced back to individual participants; destroying any lists against which participants' can be identified; or requesting the participants to separately mail a post card with their names on it, in order to verify whom has completed their response sheets.

The research proposal and the entire scope of this study were accepted by the Ethical Committee of the University of the North West (Potchefstroom campus).

## **7. Chapter layout**

Chapter 1: Introduction, background and research overview

Chapter 2: Perceiving change in an organisation (Article 1)

Chapter 3: Identifying leadership challenges in change navigation (Article 2)

Chapter 4: Constructing a model of leadership competencies to effectively  
lead organisational change (Article 3)

Chapter 5: Conclusions and recommendations

## **8. Conclusion**

Chapter 1 dealt with the background of and the motivation for the research study dealing with change, change navigation and leadership competencies required for the effective implementation of change interventions.

In accordance with the requirements of this research, namely, to present the contents and research findings in three different articles the objectives and research questions were formulated separately as per article. The completed articles according to the prescribed format appear as separate chapters.

# Chapter 2: Perceiving change in an organisation

## Article 1

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## **1. Abstract**

*The reality today is that organizations and leaders are faced with unrelenting demands for change. Globalisation, competitiveness and ever changing business environments force organisations to constantly consider innovative changes. The challenge today is for leaders to be able to reduce the resistance to change, thus allowing for successful change navigation. It is therefore necessary to be mindful of the various approaches to change to ensure that successful change can be successfully implemented. This article will outline some of these approaches.*

*In the company researched, in depth interviews have been undertaken with five Senior Executives of the company and a questionnaire was distributed to 301 employees at different levels within a single division in the same organisation. By following the mixed method approach in two separate phases namely the qualitative and quantitative it was possible to gather the required data.*

*Key words: change, organisational change, navigating change, leading change, approaches to change, resistance to change, perceiving change and change management.*

## **2. Introduction**

Change is beyond all doubt, the most debated phenomenon today. The pervasiveness of change is visible in every sphere of human activity. At organisational level the turbulence and rate of change and innovation due to competitive pressures are evident. The reality of change is that it comes in many different forms and levels of complexity. It also varies in its extent and significance ranging from nominal to transformational. Fact remains, change has become more regular and pervasive over the past few years.

The pressures for change today in organisations are formidable. The competitive landscape is ever changing. Economic conditions, labour markets, demographics, consumer preferences and especially technological changes affect how we do business, and how we manage and how we drive major changes. The pace of change is accelerating and it is evident that globalization is not the real problem, however change is the major challenge. (Herold & Fedor. 2008).

According to Thurlow and Mills (2009, p. 459) change in modern literature is explained in three fundamental approaches namely:

“First, there is an unquestioning acceptance of change as essential to organisational survival. Second, change is characterised as a threat to organisations. Third, change is represented as an issue of leadership.”

Organisations seem to struggle with change when responding to mergers, acquisitions, restructuring, realignment and strategy changes. There are further indications that a pace of organisational change is also quickening due to accelerated environmental change.

Although change and the characteristics thereof have been defined in many ways the outline provided by Blake and Bush (2009, p. 4) significantly reflect the focus and scope of this article. “Change in nature or evolution, can be seemingly unstructured and chaotic to those being affected. It is only when viewed retrospectively that purpose and direction are revealed. Staying competitive in business doesn’t allow for the luxury of evolution – it takes too long. Only by approaching change in a structured way can you shape and achieve a pre defined future and realize benefits to the business”. In general, change is managed ineffectively and there seems to be agreement that the chances of success are greatly enhanced when the “people side” is fully attended to. (Taylor, 2011, p114).

### **3. The aim of the article**

This article will explore the field and scope of change, reflect on different approaches and also illustrate the importance of navigating or leading change. This research will attempt to indicate how Senior Executives and employees perceived a major change they implemented and experienced in the workplace together with how the employees perceived the navigation of the implemented change.

There are various approaches and or techniques used in the world today to deal with change. In this article a summary of a few approaches to dealing with change will be discussed. An important point stated by Bohlander and Snell (2010) is that many people at first resist change because they have to modify the way they do things even though they have been doing them a certain way for some time. They continue by stating that: "Organizations that have been successful in engineering change: link the change to the business strategy, show how the change creates quantifiable benefits, engage key employees, customers, and their suppliers early when making a change and finally make an investment in implementing and sustaining change." (Bohlander & Snell, 2010, p. 8).

The most important aspect with change is to ensure the envisaged change is not seen as negative or for that matter ignored. It remains of paramount importance that change be navigated properly. It is widely accepted that coping with change and the resistance thereof causes a lot of anxiety and may result in people switching to survival mode. Van Tonder (2004, p. 192) states that: "change, without exception, is experienced as stressful and will result in a variety of undesirable outcomes which to a large extent will be a function of the manner in which it is implemented. Managers could either facilitate relief from, or exacerbate, employees' discomfort during change."

## 4. Literature review

### 4.1 Defining change

In dealing with change different researchers' focus on different concepts, perspectives and forms. Exploring these definitions should emphasize the focus of this article. Ackerman (1986) reflect on developmental change, transitional change and transformational change. It is worthy to note that Felkins, Chakiris and Chakiris (1993) see change as a process that alters organisational relationship, structures, systems and processes to ensure that the organisation survives.

Veldsman (2002) regards organisational change as the transformation from the current state of the organisation to the desired state. Van Tonder (2004, p. 6) attempts to provide a generic definition as follows:

- “change is a process, that is dynamic and bound to time and clearly not discrete;
- change is evident in the state and/or condition within a state of an entity and
- change as difference does not occur in void but is bounded by its context.”

King and Anderson (2002) regard change as a phenomenon that significantly influences organisational performance while Jones and George (2003) believe that the success of organisational change resides more in the individual rather than organisational dynamics and refers to critical tasks of managers.

The definitions above and other definitions from literature clearly indicate that change is:

- inevitable;
- a process;
- an initiative that alters the state of something;

- involving people (person based);
- dynamic;
- non discrete;
- time bound;
- context bound and
- developmental, transitional or transformational.

Regarding the principles of change Hall and Hord (2011, p. 5 – 15) significantly refer to the following:

- change is learning
- change is a process, not an event
- the institution/organisation is the primary unit for change
- organisations adopt change, individuals implement change
- interventions are key to the success of the change process
- appropriate interventions reduce resistance to change
- administrator leadership is essential to long term change success
- facilitating change is a team effort
- mandates can work
- the context influences the process of learning and change

## **4.2 Approaches to change**

It is evident that there are contrasting ways to view change and furthermore change efforts in practice do not neatly fall into one approach or the other. The most logic way would be to fully identify the range of approaches that organizations and/or individuals take when implementing change. This article will reflect on specific frameworks to fully

understand different change approaches. Considering the main objective of this article the approaches below will not be discussed in detail.

Roland and Higgs (2008, p. 31) refer to the following four approaches:

- directive;
- self assembly;
- master and
- emergent.

It needs to be mentioned that no single change process ever falls into just one approach and different approaches might be needed in different parts of the organisation.

Directive change is top down and driven from a single source, usually senior leadership. Both the outcome and goals and the process of change are determined and developed by the initiating source.

Self assembly change implies that the goals or outcomes of the change is pre determined, however how you go about the change is mainly left to local operating units and teams.

Master change approaches are characterised by having a very clear central framework for the change effort, whilst the emergent approach assumes that the organisation is complex and cannot be directly controlled. It is characterised by leaders establishing hard rules to govern what needs to happen.

Green (2007, p. 19) on the other hand distinguishes between the following five approaches where change is brought about through:

- emergence;

- learning;
- design;
- addressing interests and
- people.

Change through emergence means to create the conditions for change to occur without specifying the exact nature of the change. Change through learning is concerned with change happening as a direct result of learning. Change through design most often occurs in organisations and implies the project management approach to change and involves careful planning and detailed analyses. Change through addressing interest addresses the political aspects of organisations directly addressing the different needs of the various stakeholders. Change through people recognizes that change in an organisation is predominantly done through people.

Cameron and Green (2009 p. 19) emphasize the behavioral approach focusing on how one individual can change the behavior of another by using reward and punishment to achieve the intended results. Secondly the cognitive approach whereby individuals need to look at the way they limit themselves through adhering to old ways of thinking and replace that with new ways of being. Thirdly the psycho dynamic approach is useful for managers who want to understand the reactions of their staff during a change process and deal with them. It allows them to gain an understanding of why people react the way they do and use such in the change management process. Fourthly the humanistic psychology approach combines some of the insights from the previous three approaches while at the same time developing its own insight.

Graetz and Smith (2010) provide an extremely detailed and significant framework regarding different approaches to change briefly reflecting on the following:

- The Biological Philosophy - “incremental change within industries rather than individual organizations. The philosophy is developmental in nature, comparing the ongoing

stages of progress and change in organizations to organic processes of growth and reproduction”.

- The Rational Philosophy - “(also referred to as strategic) concerns the alignment between an organization’s composition, competencies and state over time, and its environmental context”.
- The Institutional Philosophy - “makes some fundamentally evolutionary assumptions, but does so in the context of a strong belief in the sensitivity of organizations to the external environments in which they are placed”.
- The Resource Philosophy - “organizational change begins by identifying needed resources, which can be traced back to sources of availability and evaluated in terms of criticality and scarcity. Understanding that a dependence on resources increases uncertainty for organizations is particularly useful to change attempts because it encourages an awareness of critical threats and obstacles to performance”.
- The Contingency Perspective - “is based on the proposition that organizational performance is a consequence of the fit between two or more factors, such as an organization’s environment, use of technology, strategy, structure, systems, style or culture”.
- The Psychological Philosophy - “is based on the assumption that the most important dimension of change is found in personal and individual experience ..... referring to organizational development and change transitions”.
- The Political Philosophy - assumes that it is the clashing of opposing political forces that produce change and explains change as the result of clashing ideology or belief systems”.
- The Cultural Philosophy - “change is normal in that it is a response to changes in the human environment where this process is natural, leading to the construction of firm ways of thinking about how things should be done”.
- The Systems Philosophy - “any imposed change has numerous and sometimes multiplied effects across an organization, and consequently, in order for change management to be successful, it must be introduced across the range of organizational units and sub-systems”.



- The Postmodern Philosophy - “best described as one which is comfortable with ephemerality, fragmentation, discontinuity and chaos, but also seeks to take action rationally toward ongoing improvement”.

These 10 philosophies illustrate the distinctive differentiation in a particular situation or set of events. These different philosophies focus on the complementary and competing forces that organizations face in managing the tension between continuity and change.

In view of different approaches to change as outlined above it is evident that attention must be paid to the different views on implementing a change intervention.

#### **4.3 The transition to leading change**

Lately there has been, worldwide, intensive debate about relevant issues such as managing change, leading change and navigating change. Many regard the above said as pure semantics but in this article about change the principle of leading a change will be adopted and further discussed in the articles published from the research undertaken in the company. There is little doubt that managing change will focus more on the planning, organizing, co ordination and controlling aspects of change, whereas successful change depends on the leadership aspects.

This view is supported by Graetz and Smith (2010) when they state the following: “Traditional approaches to organizational change generally follow a linear, rational model in which the focus is on controllability under the stewardship of a strong leader or ‘guiding coalition’. The underlying assumption of this classical approach, ever popular among change consultants, is that organizational change involves a series of predictable, reducible steps that can be planned and managed. The evidence from case studies of failed change implementations indicates, however, that this uni-dimensional, rational focus is limited because it treats change as a single, momentary disturbance

that must be stabilized and controlled. Such a view fails not only to appreciate that change is a natural phenomenon which is intimately entwined with continuity but, also, that the change-continuity continuum is what defines organizations and their ability both to exploit and explore. Change and continuity represent competing but complementary narratives, bringing in ambiguity and novelty to destabilize as well as validate existing organizational routines”.

In an article by Geldenhuys and Veldsman (2011) they remark that traditional and existing approaches to change are less effective and furthermore, state that change navigation in an organisation tends to be more of an emotional process. They state that change navigation consists of the following basic steps:

- mobilising dissatisfaction with the status quo
- shaping a guiding coalition
- diagnosing organisational problems
- building organisational capacity
- developing a shared vision
- formalising change strategies and generating short-term wins
- dismantling temporary transition structures and processes
- ensuring organisational learning.

In addition to the above stated they mention that “in order to enhance the chances of affecting lasting, successful change, organisational change navigation needs to be guided by at least the following principles:

- believing in the possible actualisation of a clear vision
- linking change to the organisation’s strategic intent (for example a central or overall change theme) and the concerns of organisational members
- steering the overall change in a manner that mirrors the desired future state; maintaining congruence between all aspects of the change and the organisation itself

- providing organisational members with adequate or high-impact training and emotional support
- investing substantial resources in support of the change
- dealing with the resistance to change in an open and fearless manner
- conducting frequent assessments of the change's effects (or impact)
- the ongoing, wide sharing of information
- dealing with the historical baggage of previous change journeys
- celebrating milestones and successes
- providing visible and active transformational leadership
- encouraging responsible and active participation (or engagement) by organisational members
- developing a conceptual model as an intellectual map to aid in conceptualising and systematising the change that the organisation has to undergo”.

A final remark regarding leading change by Mokgolo, Mokgolo and Modiba (2012) when they mention that managers and leaders are the key role players to influence people on leadership acceptance, performance and job satisfaction. People who work and operate in situations that change often may have a more positive and open-minded approach to the change. They continue by saying that leaders that are able to reduce the effects of uncertainty during change interventions will ultimately assist employees in achieving the desired change outcomes.

## **5. Research design**

For the purposes of this article a mixed method methodology was used. While there are various definitions for mixed method methodology, for this article the following definition will suffice: Tashakkori and Teddlie (2009, p. 286) defines mixed method research as: “...research in which the investigator collects and analyses data, integrates the findings

and draws conclusions using both qualitative and quantitative approaches or methods in a single study or programme of inquiry.”

A mixed method design is particularly suitable to the purpose of this research for the following reasons (Tashakkori & Teddlie, 2009, p.

287):

- It allows the researcher to gain complementary insights in the conceptualisation, experiential and inferential phases about the relative contributions of leadership in navigating change;
- It provides a more complete and meaningful picture of the nature and dynamics of leading change;
- An initial qualitative research approach allows the researcher to refine the initial research propositions in research hypothesis that can be tested quantitatively; It will allow the researcher to expand on the initial understanding of the type of leadership and provide a more comprehensive explanation at a later phase in the research process;
- It provides the opportunity to assess the credibility of the inferences that are made about leadership during one phase and thereby strengthen the credibility of inferences that are made at a later phase in the research;

## 5.1 Qualitative methods

The following decisions are relevant:

**Sampling:** a convenient sample of 5 Senior Leaders was selected. While data was obtained from individuals, organisational-level measures were used to compare the differences in change navigation and leadership.

**Data collection:** semi structured interviews were conducted and digitally recorded.

**Data analyses:** all semi structured interviews were transcribed. Content analysis of verbal response was undertaken to identify and verify different dimensions.

## **5.2 Quantitative methods**

**Sampling:** one of the divisions in the company was purposefully selected and 301 questionnaires were distributed to all the employees in said division.

**Data collection:** a survey questionnaire was developed and piloted at the company amongst a number of non-randomly selected employees who were not part of the initial focus group, where after 301 employees were requested to complete the questionnaire.

**Data analyses:** a factor analysis to identify and confirm the questionnaire structure was used. Comparative statistics to identify differences and similarities was applied during this process.

## **6. Discussion of findings**

In the discussion of the major findings of this research this article will focus on the results regarding organisational change. Research objective 1 was to analyse perceptions of organisational change. This will be done in two separate phases:

**Phase 1: Qualitative findings**

Relevant questions and the responses by participants are labeled below:

<p><b>Question:</b></p> <p><b>Did you provide a clear vision on where you intended going with the Company with reference to the Traditional Retail and Financial Services decoupling?</b></p>
<p>Participant 1:</p> <p>The response came quick and decisive absolutely yes. The change did not emanate from the stance that it is time to change things, what would we change. We constantly focus on the long term vision of the organisation and more so the long term well being of the organisation. As a leader one has to constantly ask who you are as an organisation and then decide if your long term vision will stand the test of time. With regards to change one can become a “healthy dinosaur” if you do not provide a clear vision for the future and that is all you will ever be.</p>
<p>Participant 2:</p> <p>Regarding the response, it was exactly the same as participant one namely absolutely. The strategic initiative as we like to call it is curtail to the success of the business and the communication of such vital for our future success. During the communication of the vision we found that when it comes to change you have to look at things completely through a different set of eyes. This vision was not only provided to the employees we also ensured that the vision was “tested” in the international business environment.</p>
<p>Participant 3:</p> <p>The response was consistent with the two above. It was furthermore mentioned that it was not only provided or shared it was also clearly defined. The business strategy was also formulated and articulated and aligned to support the vision we have for the organisation.</p>
<p>Participant 4:</p> <p>Regarding the question the response was positive in that the participant indicated yes. The vision and said change were briefly discussed and an interesting observation was the research and numerous discussions that took place at an executive level long before the</p>

change was actually implemented. Another important point was that there existed different cultures and interpretations in the organisation and in the sharing of the vision this was taken into account.

Participant 5:

This participant had a slightly different view on this. Regarding the vision the feeling was that it was communicated and shared using a very theoretical view as oppose to a model that will enable the change rather than only communicating such. The participant continued and stated that empowering people to ensure that we follow one vision is more important than merely communicating it.

**Question:**

**What was the initial reaction to the envisaged change?**

Participant 1:

The response focussed on the fact that different level of staff reacted differently. There was a definite level of anxiety especially amongst more senior members of the business. There were definitely people who said: "we do not need this in our lives". The key lies in your leadership ability to get people to believe not only in you as the leader but also in them selves that their best effort will be good enough.

Participant 2:

Very similar to participant 1 the participant discussed the different reactions at different levels, comparing the board of directors to the employees in the business units. There was mention of people being shell shocked at lower levels and turning my world upside down. Clearly the initial reaction was uncomfortable and certain unpleasant discussions took place. Getting the correct message out at the various levels was crucial.

Participant 3:

The response included amongst others the comment “there was a significant feeling of uncertainty” and also referred to a fundamental re-orientation towards accountability and responsibility. Involving all the stakeholders including the union and sharing the honest truth about the long term strategy/vision contributed to the success. Furthermore it was very important to keep people’s self esteem in tact.

Participant 4:

A definite and clear indication of “panic” and then an explanation of such from the participant to put it into perspective: all levels of staff were not necessarily involved in the initial planning and discussion phase, so this change came quickly and turned their world upside down. Another explanation consisted of the fact that people has gone through similar experiences in the past and immediately relate to such experiences. The important issues for us as leaders was to ensure we take them through this and TRUST was very critical, something that is earned.

Participant 5:

The participant felt that the employees did not understand initially why the change is necessary and secondly did not clearly understand the benefits to them in changing the business strategy. The reason for this is linked to the initial communication which was very academic driven by a communication model that did not talk about one company, one vision, one future and one customer. The participant did mention that once the communication “model” was changed did a change in the people take place.

**Question:**

**Was this change contemplated and if so provide reasons for this?**

Participant 1:

The participant felt extremely strong that it would be a blatant lie if anybody claimed that the change was contemplated. In November 2005 following an investor’s road show a decision was taken that the business model should change. The economy was still doing well but we realised change is immanent and that we had to “split” traditional retail from financial services.



We already started back then to search for a business partner in this change process.

Participant 2:

The journey from 2006 was very interesting as we knew that we had to change the business strategy and that there was a clear vision of where we wanted to go. The decision was made and the one thing that had to be done was to stretch test that decision. There were so many opportunities and we engaged with banks, with the point of view of finding a partner of course. The participant also made it clear that the change was never contemplated.

Participant 3:

The participant had a lengthy discussion on the theory behind contemplation and the role of leaders in such. It is mentioned that leaders have continuously contemplate whether the current business direction and strategy is still applicable in the long term future. The participant also spoke about the timing of certain visionary and long term fundamental changes in a business. The question was asked again and the participant responded by saying only time will tell us, however the participant was confident that it was done at the right time.

Participant 4:

A lot of discussion relating to change and the timing of such. There is also mention of one change bringing about other changes and how we as leaders are able to harmonise such. The participant during the discussion indicated that the said change came at the right time and that it was necessary to change.

Participant 5:

The participant joined the top leadership team after the decision to decouple traditional retail from financial services, and although the participant discussed the contemplation question in theory, it was never established/confirmed whether the change was contemplated or not.

## **Phase 2: Quantitative findings**

Figure 1 below reflects the responses of employees regarding change, how the envisaged change was perceived, how the change was communicated as well as the initial reaction of employees towards the change initiative.

Relevant questions regarding the finding below dealing with change referred to.....

Question 9: You understood the need for change.

Question 11: You did not feel comfortable with the change initially.

Question 12: The new vision was clearly stated.

Question 13: There was clarity on the desired end results.

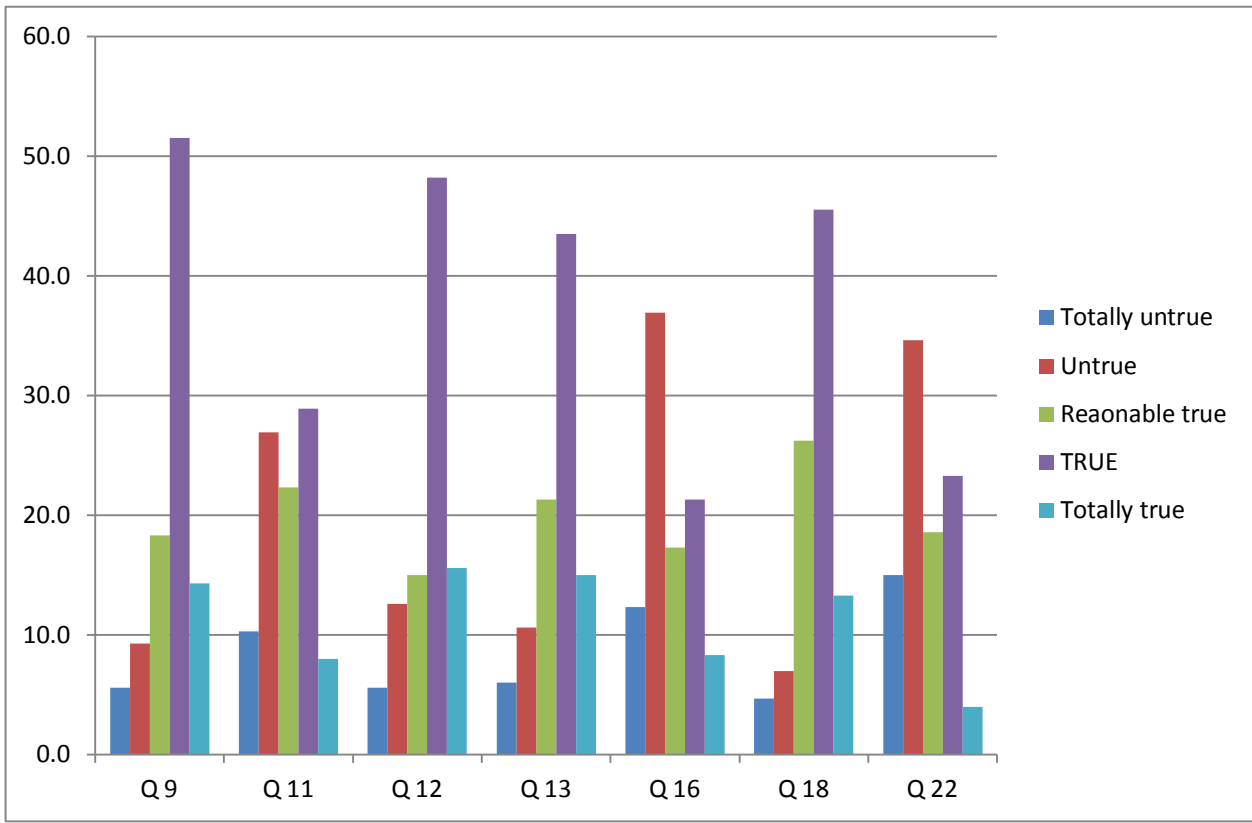
Question 16: The intended change was experienced as a threat.

Question 18: All stakeholders supported the intended change.

Question 22: You resisted the intended change.

All the factors were above the Chronbach's Alpha reliability coefficient of .732 and a result of .93 was indicated, thereby indicating adequate internal consistency.

Figure 1: Summary of employee responses



Source: own constrion

## 7. Interpretation and synthesis

Regarding question 9 that relates to the understanding of the need to change, the majority of the respondents (65.8%) indicated that they agree. The mere fact that only 14.9% of the employees stated this to be untrue is a strong indication that the reasons for the envisaged change was well communicated. The majority of Senior Management (4) stated that the vision of the company, which included the envisaged change was well communicated. They also stated that the envisaged change did not merely pertain to short term business results, but rather the long term survival of the company. A control question in the questionnaire confirmed that 65.8% of the respondents were extremely positive about the communication in the change process supports the finding above.

Question 11 that pertains to how comfortable the employees were with the change had an interesting result. From the figure above it is evident that there exist a balance in the number of respondents that answered true and untrue. There was 37.2% that felt they were uncomfortable initially and 36.9% that were comfortable. The reasonably true category represented 22.3% of the respondents. It is clear that the initial reaction was therefore not as positive as one would have preferred, which correlates with literature investigated in this article. Furthermore the initial reaction of employees is confirmed by Senior Management in that the participants during the interviews referred to: "uncertainty, shell shocked, panic and anxiety".

There is a direct correlation between question 9 and question 12 that deals with the Vision and whether or not the employees felt that the Vision, which included the change was well communicated. In this regard the respondents stated that they knew about the Vision and that it was clearly communicated. The fact that 63.8% of the respondents replied positively to this is testament to this. As indicated above Senior Management felt that the Vision, with specific reference to the change intervention was continuously and clearly communicated.

On the question whether there was clarity on the desired results (Question 13) the majority of the respondents (58.5%) replied positively. There was furthermore 21.3% that said relatively true, which confirms that the employees knew and understood why the need for the envisaged change. In this context one of the participants of Senior Management referred to "healthy dinosaur" as opposed to creating a vision for the company that would ensure the long term profitability and sustainability of the company.

It was mentioned in the literature review that resistance to change is one of the primary reasons why change is not navigated and implemented successfully. One of the reasons for this phenomena is that people often feel threatened by change because they are afraid of the unknown. Question 16 deals with the challenge of whether employees felt threatened or not.

42.9% of the respondents did not feel threatened by the envisaged change, whilst 29.6% did feel threatened by the changes. As mentioned before Senior Managers confirmed that there was definite indications of initial resistance. It was furthermore confirmed that lower level employees did react with emotions at first and that they were “uncomfortable” as mentioned by one participant.

During the literature review it was evident that the ability to reduce resistance to change is the key to successfully lead or navigate change. Question 18 specifically focussed on the support or the absence thereof for the envisaged change. The majority of the respondents (58.8%) felt that they supported the envisaged change and only 11.7% indicated that they did not support the envisaged change. On the question whether or not the change was contemplated, the majority of Senior Management indicated that it was well researched and that it was planned for some time. They further indicated that all involved understood the necessity for change and supported the vision of the company to implement the envisaged change.

The final question pertaining to change posed the question directly namely “you resisted the intended change”. This was used as a control question for Question 16 (the intended change was experienced as a threat) and when one look at figure 1 above the similarities are obvious, confirmed by the Chronbach’s Alpha of .93. A total of 46.9% of the respondents indicated that they did not resist the change compared to the 27.3% that indicated they did resist the intended change.

## **8. Conclusion**

It was stated in the introduction that change will continue to challenge leaders and organisations. Change occurs in different forms and will never remain the same, it will evolve, it will bring about new challenges and most of all, it will continue to push our

boundaries. The article defined change, reviewed the different approaches to change and briefly highlighted the shift from managing change to navigating or leading change.

The literature review was supported by extremely interesting and significant data that was gathered by using a mixed method approach. The one thing that is clear is that change remains the most challenging part of any leader's position. The better the leader can reduce resistance to change and continuously communicate the envisaged change and ensure employee acceptance and engagement, the more likely implementation will be successful.

During phase 1 the interviews with five Senior Executives of the company indicated that in order to implement any significant change interventions it is of the utmost importance to continuously share and communicate the vision as well the reasons for the envisaged change. In addition to this, the ability of the leader to reduce the initial resistance to change, anxiety and fears of the employees will enhance the acceptability of change in the organisation.

During phase 2 the respondents indicated that they were definitely cautious regarding the envisaged change. They also indicated that the need for the change was well understood and the benefits of the change were clear to them. The fact that they supported the change initiative was evident and therefore engaging to the change was high.

Finally, one needs to remember that any improperly planned and poorly executed organisational change initiative will result in failure. Should this happen, financial, human, information and physical resources utilized, become a waste. The contrary was proved in the research above.

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# Chapter 3: Identifying leadership challenges in change navigation

## Article 2

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## **1. Abstract**

*The success of any change intervention depends on the leadership of the organisation. It is therefore important to note that leadership is an enabler of any type of change. Quite often organisations require transformational leadership for the successful implementation of any change intervention. Transformational leaders focus on three critical activities namely the creation of a compelling sense of vision, the mobilization of commitment to the vision and the implementation of change.*

*In general leadership can be seen as the driving force to ensure effectiveness and efficiency. Effective leaders know that the successful implementation of change begins with attending to the human side. Therefore, leadership is about the leader' ability to influence people and allowing them to change perceptions, behaviors, attitudes and finally action. It is about arousing human potential and allows for leaders and followers to be united in pursuit of high level goals common to and accepted by all parties involved.*

*This article will mainly focus on the above scope.*

*Key words: leadership, change, navigating change, leading change, leadership styles, change interventions and change communication.*

## **2. Introduction**

Globally on all fronts, whether politically, economically, socially or organizationally, it appears as if there is an intensifying and growing crisis with respect to leadership. What is not always clear is whether the crisis centers on the institution of leadership

itself; the context relative to which leadership has to be demonstrated and the persons exercising leadership. Questions such as the following are relevant:

- Is there continued justification for the phenomenon called “leadership”?
- What is effective leadership and how does the context affect its effectiveness?
- Where do good leaders come from?
- Are the right persons exercising leadership?
- Are people adopting the appropriate styles and modes of leadership given changing times, shifting needs and expectations?

Under conditions of uncertainty, shifting and open-ended futures, such as the present and future expected challenges; the demand for leadership becomes a pressing and dire necessity. Indeed, the need is for more effective leadership more often, and exercised by more people. Given these conditions, the necessity for leadership becomes all pervasive if people want to be masters of their own destinies. The intensifying and growing crisis regarding leadership thus makes sense when seen against this backdrop since it is realized that good leadership and leaders are the essential means of actualizing desirable futures. From a macro perspective the debate about leadership therefore may be one of the most important issues of our present time alongside issues such as population growth, economic prosperity, world peace and environmental protection. Indeed the sustainable and successful resolution to the latter issues may be presupposed by the quality of leadership.

Due to different macro- and micro- environmental factors it became critical for South African organizations to adapt or renew basic structures, systems and organisational culture and management practices. International competition, new information, technology and socio-economic changes can be regarded as important factors to be considered when navigating change.

The process of change or transformation is difficult and a long-term process. The success of transformation however, depends on the leadership of an organization. It is possible to bring about meaningful change if credible and capable leaders navigate or lead this change. Strategic leadership is required for systematic planned and controlled change (Nel, et.al. 2011, p.322).

In essence, leadership is the art of getting others to want to do what the leader believes to be done. Leaders gain the confidence of others through their insights, interpersonal influence and their competence. Leadership is not about having the power and influence to command and control the performance of subordinates. It needs to be emphasized that leadership responses exist at all levels in the organisation.

Amongst other leaders identify opportunities build capabilities and drive for results. Bellingham and O'Brien (2005) correctly refer to leadership being more about talent and behavior than only a title and bravado.

### **3. The aim of the article**

There are very few companies today that can avoid large scale organisational changes in order to improve or even survive as a business. Whatever the cause, it may be market saturation, a tough macro-economic environment, standard living costs, competitive advantages, or simply the desire to improve business results: the potential resolutions remains restructuring the organisation, changing relationships among sales, marketing, supply chain and other functions or simply improving efficiencies. All these changes commence at the top and demand a relentless focus from leaders in all spheres of the organisation. Too often senior leaders overlook the "softer" skills they require to disseminate changes throughout the organization and implement such successfully.

This article will explore the field and scope of leading change, reflect on different leadership styles as well as identifying those challenges facing leaders who act as change agents. This research will attempt to indicate how Senior Executives prepared, communicated and ultimately implemented a major change intervention in a large organisation and how employees perceived the leaders' ability to introduce and implement the envisaged change.

Burnes and Oswick (2012) mention that when dealing with change and leadership, the most crucial element is ethical values that influence both the actions of the leader as well as the outcomes of the change initiatives. They continue by stating that we are still living in a time where leaders are allowed to put their own egos and self-interests ahead of the interests of other people and this often with disastrous results and consequences. To avoid this we need to emphasize the importance of promoting the ethical dimension of change to ensure that leaders and followers act in the interests of the many rather than the few.

This sentiment is shared by Van Dijk and Van Dick (2009) when they mention that to navigate organizational change and the resistance thereof the difference in successful transformation starts by moving away from looking at how change and change management affects what we do. A more useful model begins with looking at how the change and change management affects who we are and how we perceive ourselves, how we see others as perceiving us, organizational members and, ultimately, the organization as a whole.

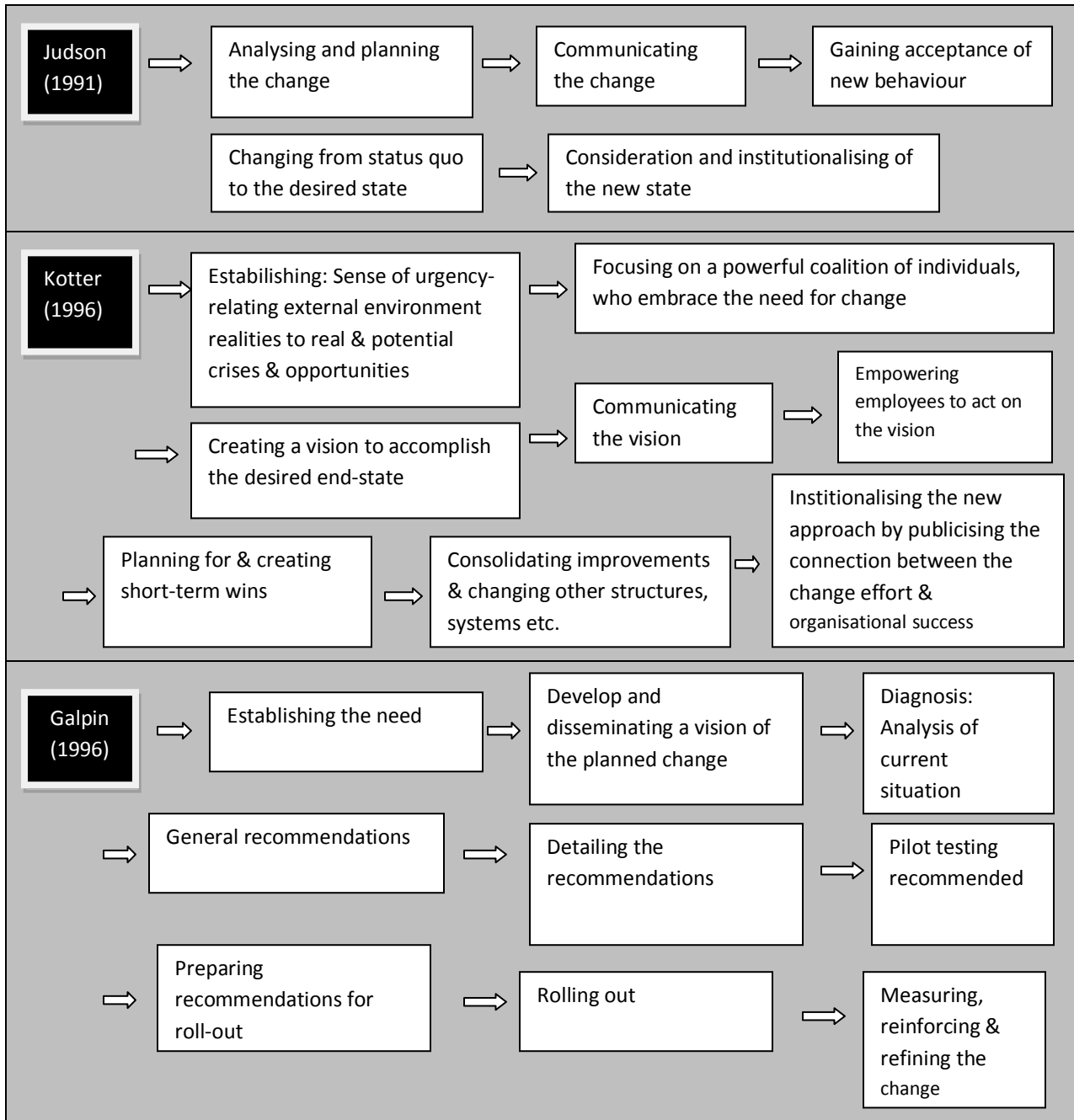
## **4. Literature review**

### **4.1 Defining leading change**

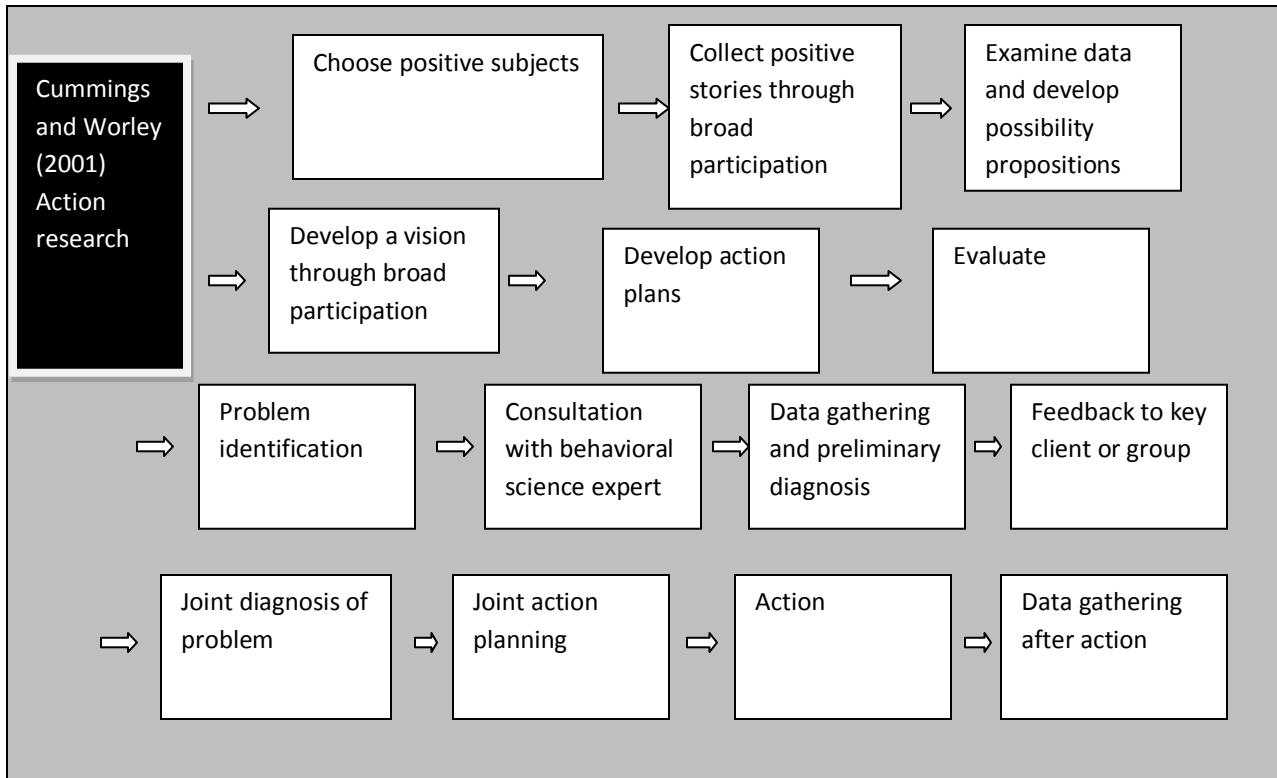
The concept of managing change has been around for a long time in a typical closed-system view of the organisation. In this regard Van Tonder (2004, p. 197) summarise this by stating: "It implies that change can be managed in "one best way" and that such change management programmes will ensure that loss of production and performance as a results of change can be corrected swiftly and without complications. He continues by saying "..... this view of change management as a planned, purposive and controlled activity (and change being amenable to such activities) has been criticised for the fact that it can only be conceived of from within a closed-systems perspective – a situation of environmental stability that was more prevalent during the 1960s than in the current millennium. It is now commonly accepted that such rigid and structured programmatic approaches for dealing with change will no longer suffice in the rapidly changing and turbulent environments in which organisations now have to adapt and evolve."

From the literature above it is essential to summarise the various approaches for dealing with change. Van Tonder (2004) summarised this and stated that remedies for change implementation are presented as a set of different steps and that the essential ingredients of such steps or processes do not differ that much. (See diagram below).

Table 1: Implementation of change







Source: Van Tonder (2004, p. 200)

Following the review of the more traditional ways of managing change it is important to look at a more modernistic approach to change management, an approach that place the emphasis on leading change as oppose to managing it. In doing so the following definitions and explanations are of importance:

In this regard Achua and Lussier (2010, p. 386 – 387) summarise leading change as follows: “There is a growing interest in understanding how to increase the success rate of change initiatives. Experts stress the importance of leadership involvement throughout the process. Leadership must make every effort to eliminate policies, procedures, and behaviors that undermine the change efforts. Followers who are charged with implementing change must see in the behavior of their leaders an honest effort to share in the challenges of the change. The leader must be willing to alter his or her own behavior if

it will minimize resistance. Effective listening helps a leader to have a better understanding of the root causes of resistance. They conclude by stating: “Ultimately, the role of the leader is to implement change that results in better organizational performance; however, the question has always been how to do it effectively and successfully, given the stress, discomfort, and dislocation associated with it.

Griffin and Moorhead (2006) emphasise the importance of the influence component of leadership. They stress the importance of the influence the leader has on followers as oppose to characteristics of the leaders when implementing large change interventions. The ability of the leader to influence others is the cornerstone to successfully lead change. They mention three specific changes in others that will ultimately lead to success namely:

- Change in perception – realizing that the current working conditions are more hazardous than the person believed it to be.
- Change in attitude – the organisation will be a far better place to work in than before.
- Change in behavior – a person works harder and/or get others to work harder.

There are also those that are of the opinion that a multi dimensional approach to leading change is required, rejecting the view that either n–step, goal directed models of change management or the more humanistic, 21<sup>st</sup> century leader with a more participative inclusive style is required.

In an article by Graetz and Smith (2010) they summarised the challenge that face our change leaders today as their ability implement systems that can cope with ambiguity, ambivalence and contradiction. They continued by saying that a multi-philosophy approach reinforces the need to discard assumptions about opposing values and replacing them with an appreciation of complementary concepts. Flexibility is crucial in a turbulent environment in order to find new ways of doing things (innovation), but order is necessary to ensure that innovation is relevant.

From the above the following summarised aspects of leading change seem common:

- The traditional change management “steps” and/or processes can no longer be applied as a “recipe”.
- A combination of system and/or goal directed change models and humanistic and inclusive leadership models are recommended.
- Leading change is widely accepted as oppose to managing change.
- Change is more receptive once the leaders are committed and honest towards the change interventions.
- Leading change deals with influencing people to change perception, attitude and behavior.

#### **4.2 Discussion on the different leadership styles**

Transformational and transactional leadership styles are categorized as the new leadership paradigms and are linked to charismatic and strategic leadership (Durungs-Ruhier, 2011). Transactional leadership emphasis the importance of the relationship between the leader and the followers and is less concerned with the transformation of organisational change. Transformational leaders set high goals of change and take responsibility for their commitments. Furthermore, they are concerned with collective well-being and can inspire and motivate their followers to cross their comfort zone in order to go beyond their potential.

Derungs-Ruhier, (2011, p. 53) refers to four i’s in transformational namely:

- Idealized influence (a leader is a role model for others).
- Inspirational motivation (a leader provides meaning, vision, hope).
- Intellectual stimulation (a leader stimulates creativity and innovation).
- Individual consideration (a leader is concerned with the individual’s needs).

Hughes, 2007, p. 148 refers to transactional leaders as believing “..... to guide or motivate their followers in the direction of established goals by clarifying role and task requirements. Whereas transformational leaders change followers’ awareness of issues by helping them to look at old problems in new ways, where they are able to excite, arouse and inspire followers to put out extra effort to achieve group goals.”

According to Isaksen and Tidd (2006, p. 125) a transactional style “..... is a mutual influence between leaders and followers working on the basis of a reciprocal exchange relationship of costs and benefits. Decision-making takes place in a stable and certain framework where bureaucratic authority, formal rules, regulation, procedures and legitimate power are all visible and regularly exercised. Transformational leadership is based not on physical rewards but on motivation. Transformational leaders often initiate and implement changes in the structure and strategy of the business and to people.....”.

A modernistic approach to leadership styles was highlighted in an article by Pearse (2011) in that he refers to patterns of leadership actions. With regards to these patterns he mentions that leadership patterns should not simply be interpreted as leadership styles but they are patterns arising because of the interaction between leaders and their context over a particular period of time.

The six patterns, the first three as affective patterns and the last three as in effective patterns described by Pearse (2011) are summarised as follows:

- Freewheeler – the organisation is already in the process of moving in the direction of the desired change, the leader will maintain this momentum.
- Focused pioneer – the leader needs to push ahead with the planned change and ensure all systems and processes are aligned, this pattern goes hand in hand with next as a balance between system and people is crucial.

- Reflexive accommodator – the leader is required to slow down the pace of the change slightly to accommodate the needs and concerns of the followers. Once more this pattern in conjunction with the focused pioneer is important to successfully lead the change.
- Rigid combatant – excessive forcing of the change process is described by this pattern. It can also be viewed where caution is not applied during the focus pioneer pattern.
- Popular people pleaser – this pattern is exactly the opposite of the above, whereby the leader accommodates the concerns of the followers at the expense of the change.
- Static non-leader – this occurs when there is no or limited influence by the leader. There is a lack of communication on progress and the vision/goals are not regularly reinforced and the momentum is subsequently lost.

An interesting view is provided by Matthew (2009, p. 7) in referring to creative leadership.

“Creativity has been linked to the function of leading change in the propulsion model of creative leadership. According to the theory, significant organizational change requires a type of creative leadership that rejects current ways of doing things and proposes new assumptions or paradigms. Leading organizational change is conceptualized here as a creative function that fundamentally influences change in individual and group behavior in organizations. As such, leader creativity is expected to predict the capacity to lead change. Since leading change involves understanding and working with a range of basic human needs on multiple levels (i.e., individual, group, and organizational), social-emotional competency is expected to have a direct effect on the capacity to lead change.”

Puccio, Mance and Murdock (2011) support this view in believing that highly creative leaders always challenge the status quo, take risks, experiment with new approaches and examine alternative ways of solving problems. Therefore, creative leaders will focus on future possibilities and will think in terms of what is possible and might be and are adept at getting others to buy-in to their ideas. It is evident that creativity-related leadership practices are crucial in bringing creative change to an organisation.

### 4.3 Challenges in leading change

There exist differences in opinion in business today regarding the phenomenon of change management versus leading change as discussed in 4.1 above. Veldsman (2004, p. 216) believes that leadership is one of the most important elements and in this regard mention the following top change implementation challenges in order of importance:

- “employee resistance,
- leadership issues,
- planning issues,
- communication failures,
- culture,
- skills issues and
- industrial relations issues.”

It is important to note that successful large change needs to be implemented according to a holistic plan. Change leaders often try to balance two countervailing forces namely the need to drive change through their organisation if they are to respond to ever changing environments and looking at the importance of incorporating what they know about the human aspects of change. In this respect Herold and Fedor (2008, p. 112) suggest that leaders should understand the following in any change intervention:

- “organisational changes cannot be contemplated as independent and isolated events,
- all changes cannot be priority one and leaders need to take a more strategic view,
- no matter how carefully leaders contemplate a given change, the actual benefits will be a function of the change environment in which it is embedded,
- the challenge associated with a given change will increase exponentially as the environment in which the change is to be embedded becomes more turbulent,
- not all individuals will react the same way to change turbulence and

- senior leadership needs to take serious its role in orchestrating the various change initiatives.”

In successfully leading change Spiro (2011, p. 5) suggest the following eight steps in overcoming major challenges:

- Determine the change strategy (define it specifically with timelines).
- Assess readiness (improve the readiness of all parties).
- Analyse the stakeholders (understand the motivation levels of all stakeholders).
- Minimize resistance (assess individual’s own tolerance).
- Secure a small early win (plan and secure a small early win to convince).
- Engage the key players in planning (skillfully bring together all internal and external players).
- Scale and sustain the change strategy (sustain the initiative over time).
- Build in ongoing monitoring and cause corrections (determine whether the change strategy solved the original challenge).

Bauman (in Mambrick, Nadler & Tushman, 1998, p. 309) reflect on five requisites for successfully navigating change:

- Cultivate a winning attitude (create an environment in which others can succeed),
- make the organisation the hero (managers to play a different role than previously),
- establish cumulative learning (educating people in ways that are in line the organisation believes are the best),
- promote strategic communication (look at what it is you want the employees to do and building trust and loyalty) and
- align strategy and behavior (reinforcing values and concepts of behavioral change through management processes and systems that can measure and promote the desired change).

Cloud (2010, p.75) emphasizes the following elements of importance in navigating change:

- successful change leaders listen more than they talk or act,
- prudent leaders do not view themselves as “the boss” with the right to coerce subordinates or force institutional changes without appropriate dialog and planning,
- successful change leaders are motivated to serve before they aspire to lead,
- change leaders articulate a vision for their followers and then persuade them to help with its implementation,
- effective leaders have a high degree of emotional intelligence, meaning they are highly motivated, self-disciplined, empathic, and caring individuals and
- change leaders are authentic individuals who eschew pretense. They are comfortable with themselves and open with others.

## **5. Research design**

For the purposes of this article a mixed method methodology was used. While there are various definitions for mixed method methodology, for this article the following definition will suffice: Tashakkori and Teddlie (2009, p. 286) defines mixed method research as: “...research in which the investigator collects and analyses data, integrates the findings and draws conclusions using both qualitative and quantitative approaches or methods in a single study or programme of inquiry.”

A mixed method design is particularly suitable to the purpose of this research for the following reasons (Tashakkori & Teddlie, 2009, p. 287):

- It allows the researcher to gain complementary insights in the conceptualisation, experiential and inferential phases about the relative contributions of leadership in navigating change;
- It provides a more complete and meaningful picture of the nature and dynamics of leading change;



- An initial qualitative research approach allows the researcher to refine the initial research propositions in research hypothesis that can be tested quantitatively; It will allow the researcher to expand on the initial understanding of the type of leadership and provide a more comprehensive explanation at a later phase in the research process;
- It provides the opportunity to assess the credibility of the inferences that are made about leadership during one phase and thereby strengthen the credibility of inferences that are made at a later phases in the research;

### 5.1 Qualitative methods

The following decisions are relevant:

**Sampling:** a convenient sample of 5 Senior Leaders was selected. While data was obtained from individuals, organisational-level measures were used to compare the differences in change navigation and leadership.

**Data collection:** semi structured interviews were conducted and digitally recorded.

**Data analyses:** all semi structured interviews were transcribed. Content analysis of verbal response was undertaken to identify and verify different dimensions.

### 5.2 Quantitative methods

**Sampling:** one of the divisions in the company was purposefully selected and 301 questionnaires were distributed to all the employees in said division.

**Data collection:** a survey questionnaire was developed and piloted at the company amongst a number of non-randomly selected employees who were not part of the initial focus group, where after 301 employees were requested to complete the questionnaire.

**Data analyses:** a factor analysis to identify and confirm the questionnaire structure was used. Comparative statistics to identify differences and similarities was applied during this process.

## 6. Discussion of findings

In the discussion of the major findings of this research this article will focus on the results regarding organisational change and the navigating change. Research objective 2 was to identify leadership challenges in change navigation. This will be done in two separate phases:

### Phase 1: Qualitative findings

Relevant questions and the responses by participants are labeled below:

<b>Question:</b> <b>How did you achieve this? (With reference to: Did you provide a clear Vision?)</b>
Participant 1:  Communication, communication and communication. It started of course with our shareholders – to convince them of the vision and not everybody was convinced, some had doubts and this was supported by some of our competitors. One has to be resolute and continuously communicate the strategy, benefits and keep people up to speed of where you are.
Participant 2:  The participant stated it as follows: "... once we had made up our minds in terms of what to do, the communication process was paramount, because heaven help you go and try and implement a strategy and you forget to tell the people what you are doing and why you are doing it". How we communicated was also important (using for example road shows) – we are touching people's lives and one has to be cognisant of this. There was mention of the communication to the board as well as how the different businesses were grouped together into 5 units and each unit receiving the same message, but differently packaged.
Participant 3:  The participant started by saying that change management does not equate to communication only, it is merely one component. There was a four step process that we applied namely: building awareness of the change to come, create an understanding as to why we are

changing, build acceptance for the change and lastly is to get the people involved in the change. To get to a point where people say “I want to be involved in building the new organisation”. Communication to the board was also important and we had to ask: “If we do not do it, what are the consequences?”

Participant 4:

This participant was of the view that the further away you are from the change process the more difficult for you to accept the change. Therefore the communication part was important; however a lot of emphasis is put on the accompanying support provided to employees whom was not necessarily involved in the initial change decisions.

Participant 5:

The participant answered both questions 1 and 2 simultaneously. The participant felt that the communication model used was too academic in the beginning and that only later once it was realised that the world we work in and the job itself has changed only then did we start to make inroads. All that being said – a clear indication of ongoing communication to create understanding and acceptance to ensure we engage with staff.

**Question:**

**Did you explain the reasons for the change interventions?**

Participant 1:

Absolutely was the response. Did we do it perfect?– most certainly not. The participant puts strong focus on ensuring that each and every level of employee must understand why we are changing. The participant also mentions the fact that we assume everybody understands English and Afrikaans – this in itself is dangerous – there were times when we saw in the business results that not everybody understood exactly what is expected.

Participant 2:

The participant referred to being a healthy dinosaur and that was the message we took to all parties, our shareholders, the board of directors, the executive team, the leadership community as well as each and every staff member. The research was done, nationally and internationally

and we knew that change is imminent. The participant therefore concluded in saying that the change was most certainly explained, however, that does not guarantee success.

Participant 3:

The participant responded immediately “absolutely”. There were two issues around the change that we explained to our staff: there are implications if we do not change and there are implications if we do change – everybody had to understand this. Individual leadership discussions were highlighted as opposed to mass communication with the focus on ensuring people can see the light from a career perspective.

Participant 4:

The participant responded by saying yes, however he mentioned some real interesting challenges: a big change like this one scares people and they might even switch off or even not understand the reasons behind the change. All staff was not necessarily involved from the start and they felt disempowered. The reason: the decision to change was already made and I am just informed about it – it is now a lot more difficult to get buy- in.

Participant 5:

The participant felt it was done, but it was done poorly. The reason being: a lot of communication to high level leadership people transpired, however the challenge was to package that same message in a language that the lowest level of employee can understand. You have to connect cognitively and emotionally with these staff members. There were good examples where relationships between certain business divisions suffered – we should have, from the start, have empowered our senior leaders and enabled them to communicate one message in a language that all staff could understand.

**Question:**

**How was the intended change communicated to all involved?**

Participant 1:

The participant spoke very broadly of communication mentioning all stakeholders: investor’s community, the shareholders, senior leadership, middle management and all the staff of the company. The one thing that is mentioned is your ability as a leader to communicate the absolute truth and that the message must be consistent.

Participant 2:

The participant speaks about the message (how it was packaged) as well of the timing of the message (due to the sensitive/emotional nature of the message). The initial communication was with the Union and to ensure we get their buy-in. Then communication to our staff was like a military operation: the time, the message, the messengers, the audience, the how to communicate and the objectives – everything was well planned. Following this there was road shows where the top executive leaders were involved. We communicated the intended change and dealt with questions/concerns. We also used our structures in the company to continuously communicate the process.

Participant 3:

For this participant the focus was what to communicate, when, by whom, to whom and what the value we wanted to add. The participant mentioned again awareness, understanding, acceptance, and being involved. In terms of methods the participant mentioned road shows, information DVD's played in business units, e mails and communication utilizing the organisational structure. Eye to eye contact was very important as well as feedback loops. Feedback loops are where following the various discussions in the business units that Senior Management (General Managers) will provide constructive feedback and these questions/issues were addressed in the follow up/following communication session.

Participant 4:

There was a lot of discussion between senior executives and the HR community who assisted in driving the change. The point was raised that because we have successfully implemented certain changes in the past, this will be similar – this was seen as an unique change with its own challenges. The structures in the company were used successfully in that General managers would meet with Regional Managers and in turn they would meet with the Business Managers whom would discuss the changes and challenges with the staff in the business unit.

Participant 5:

This participant felt that the two main business divisions did it totally differently, which was not ideal. The one division used e-mails and certain instruction methodologies and everybody had to ensure they implement. The other division had a change partner and they communicated using other methods such as newsletters, communication sessions (per region and division) and creating understanding and excitement surrounding the changes. Therefore these division's staff were excited, engaged and energized.

**Question:**

**Should you in future consider another major change Intervention in the Company, what would you do differently?**

**Participant 1:**

Two things were highlighted by the participant: firstly is to ensure that every level of employee must receive the message in a “language” that he/she understood – the message must be clear. The second thing is to ensure your IT platforms support your new business strategy and each and every staff member must understand the design and importance for business success thereof.

**Participant 2:**

The participant felt extremely strong about the IT platforms and its ability to serve the business strategy and the changes. The availability of such in good time was also highlighted. The second aspect highlighted by the participant was that of having the right people/leaders to drive a changed vision/strategy. The discussion was an argument for and against in that the remark was made that one needs leaders without “baggage” in that one does not require statements such as “we have tried it and it did not work”. On the other hand it was mentioned that experienced people are absolutely necessary to assist you in identifying risks as well as finding solutions to mitigate such.

**Participant 3:**

The participant responded by saying “very little”. The participant added that it must be stressed that change management is not about communication only – so many leaders make the mistake by thinking change is managed once we have communicated it. It involves the redesign of elements such as processes, technology, competence, structure and so forth.

**Participant 5:**

The first point of importance to the participant was that of appointing and involving a change team from day one – in all conversations and decisions. We have to simplify things and not over complicate issues/matters. The last aspect that was mentioned was that of ensuring your top leadership has the ability to properly lead the change and it is the change team’s job to constantly ensure they are equipped.

## Phase 2: Quantitative findings

Figure 1: below reflects the responses of employees regarding the proposed benefits of a large change intervention, the effectiveness of the communication during this process as well as leadership displayed during the said change process.

Relevant questions from the questionnaire regarding the findings dealing with change navigation included the following:

Question 14: You were convinced of the benefits from the change.

Question 15: The intended change was regularly communicated.

Question 20: My role in the change process was clearly explained.

Question 27: You were personally informed by the leaders regarding the change.

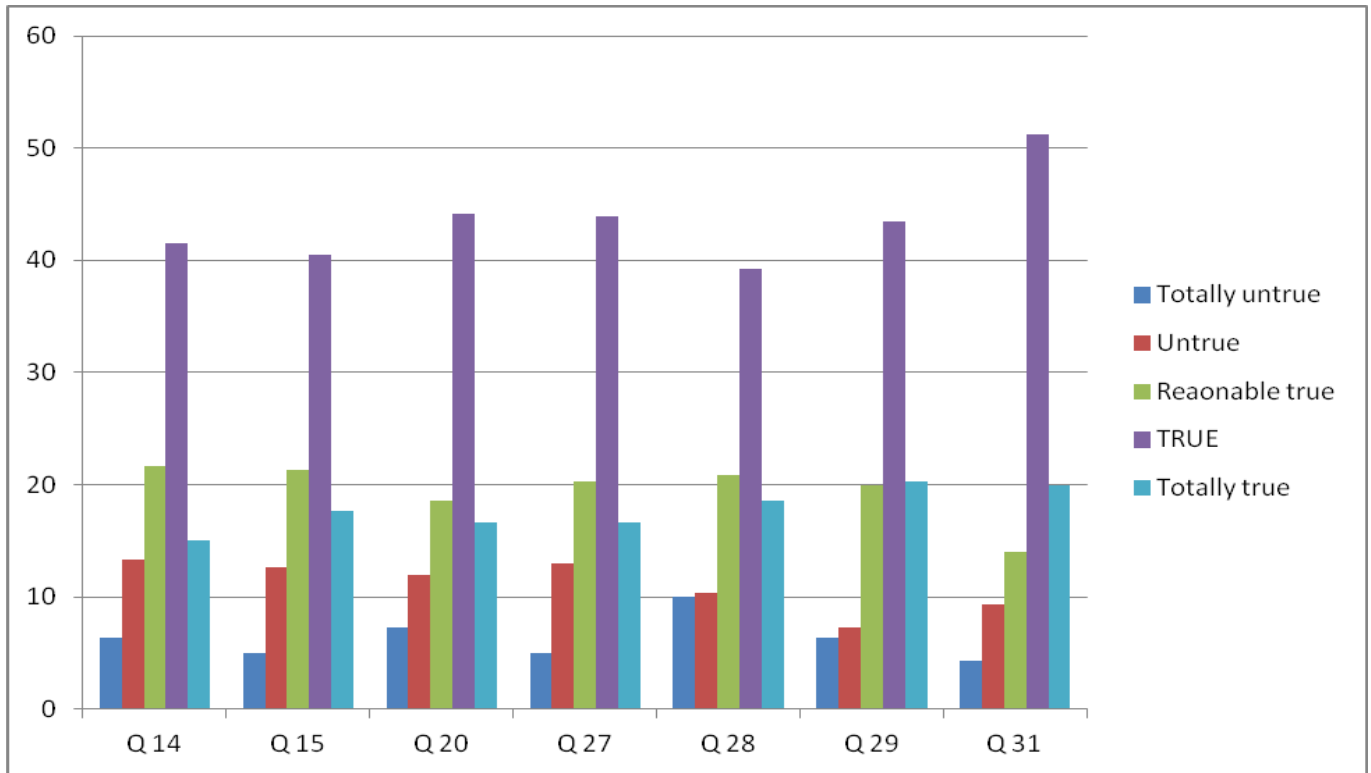
Question 28: You believed the leaders made the right decision to decouple financial services and traditional retail.

Question 29: You had confidence that the leaders in the Organisation could succeed with the change.

Question 31: The leaders themselves were committed to the change.

All the factors were above the Chronbach's Alpha reliability coefficient of .732 and a result of .88 was indicated, thereby indicating adequate internal consistency.

Figure 1: Summary of employees responses



Source: Own construction

## 7. Interpretation and synthesis

Regarding the question whether the employees were convinced of the benefits from the envisaged change it is evident that the majority of respondents (78.1%) agreed with this. According to literature, also discussed in this article it is important to ensure that all possible resistance factors be minimised and trust must be maintained throughout. This finding corresponds with the response to the role the employees played in the envisaged change (question 20) where 79.4% indicated they understood their role. This positive response is supported by the majority of the participants (80%) who clearly indicated that the need for the change (“healthy dinosaur”) and the value of the change (“ensuring people can see the light from a career perspective”). This was summarised



by one participant stating: “There was a four step process that we applied namely: building awareness of the change to come, create an understanding as to why we are changing, build acceptance for the change and lastly is to get the people involved in the change.”

The importance of communication in navigating change was highlighted in the literature by Mambrick, Nadler and Tushman (1998), Veldsman (2004), Hughes (2007) and Spiro (2011). 79.4% of the respondents were extremely positive how the change intervention and its affects were communicated to the employees. Senior Leaders in the organisation all emphasised the importance of transparency and clear communication. This can best be illustrated by the following statements by the senior leaders:

- “Communication, communication and communication.”
- “...the communication process was paramount...”
- “Therefore the communication part was important...”

The question referring to the personal involvement (question 27) also touched on the issue of communication and an 80.8% response positively link up with the feedback received from the five participants (senior leaders).

Employees were convinced that the right decisions were made by the senior leaders of the organisation where 78.7% of them responded positively. Literature also emphasized the importance of a clear vision and direction of a change intervention. This response undoubtedly serves as an indicator of mutual understanding and trust. One of the participants stated the following: “being a healthy dinosaur and that was the message we took to all parties, our shareholders, the board of directors, the executive team, the leadership community as well as each and every staff member. The research was done, nationally and internationally and we knew that change is imminent. The participant

therefore concluded in saying that the change was most certainly explained, however, that does not guarantee success.” Equally (83.7%) respondents indicated that they displayed confidence in the leadership which reflects a sense of trust and belief in the change intervention and the way the leaders navigated this.

Achua and Lussier (2010) and Cloud (2010) stress the importance of leaders being totally committed in navigating change. This research revealed that 85.1% of the respondents felt that the senior leaders were committed to their cause. One of the participants clearly indicated that one could not expect employees to accept change if Senior Leaders are not prepared to accept change.

## **8. Conclusion**

The objective of this article was to identify leadership challenges in change navigation. It was therefore necessary to construct a theoretical framework to address issues such as: leading change as oppose to managing change, the various leadership styles inclusive of some modernistic approaches such as creative leadership and finally the various challenges facing change leaders. In an attempt to clarify the challenges to effective and efficiently navigating change different views on prerequisites to change navigation were highlighted.

The findings of the survey done in an organisation clearly reflected extremely positive change navigation with very little resistance to the process and outcome. Regarding the vision, communication, trust and commitment a high response rate by employees (quantitative research) and the documented feedback (qualitative research) from Senior Leaders underlined a clearly effective and efficient change intervention.

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# Chapter 4: Constructing a model of leadership competencies to effectively lead organisational change

## Article 3

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## **1. Abstract**

*Despite being one of the most debated topics in all organisations today there are specific myths about leadership. The importance thereof and contributions of leadership in high performing organisations can never be under estimated. Leaders play an important role in an organisation as social architects by creating vision and strategic direction, building relationships, establishing culture and values and leading change.*

*This article will attempt to address specific requirements, referring to relevant leadership competencies and providing more empowering views on the essence of leadership when dealing with organisational change. By referring to various models of leadership there will be an emphasis on the evolution of change leadership. This article will also attempt to provide a new model applicable to leading change successfully by applying a mixed method methodology.*

*The existing model or framework in the relevant Company will be viewed critically in order to get to this new model.*

*Key words: leadership, leadership competencies, leadership models, leadership in change, leading change, organisational success, values and culture.*

## **2. Introduction**

Leadership competencies are probably one of the most debated topics in this field. Much has been written already and critics worldwide emphasize remarkable differences. The leadership challenges associated with the world of work today will not only require better but also different leadership competencies to deal with a rapid changing workplace. From

literature it is evident that there is a wide range or scope of competencies required in leading change.

Beyond all doubt, leaders play an important role as social architects, providing strategic direction, building relationships, establishing culture and values and leading change.

In defining leadership it will be evident that leaders are regarded to be different than other people for they possess outstanding competencies and characteristics.

It needs to be emphasized that the research findings referred to in this article will be a reference to the model or framework currently used in the Company where this study was conducted.

### **3. Aim of this article**

The main objective of this article is to identify specific competencies required for a future-fit change leadership model. In constructing the new model it requires an in depth analysis of common leadership competencies and existing models. From existing literature it is evident that a variety of views and explanations are to be found but this article will therefore explore trends and tendencies in a selective way.

### **4. Literature review**

#### **4.1 Defining leadership**

Dubrin (2007, p. 3) define leadership as “the ability to inspire confidence and support among the people who are needed to achieve organisational goals.” He continues by referring to the essence of interpersonal influence through communication, the influence of orders, an act

that causes others to act or respond the art of influencing people and a dynamic force that motivates.

Puccio, et al. (2011) refers to the relationship between change, leadership and creativity. These writers emphasize that creative people and leaders are one and the same, but acknowledge the fact that effective leadership requires traits, skills and knowledge that lie outside the scope of creativity.

Rowe and Guerrero (2011, p. 2) maintain that “leadership is about influence.” They also indicate that leadership operates in groups, includes the achievement of goals and sharing objectives.

Ungerer, et al. (2013, p. 269) state that leadership is not about intent but all about infecting others. “Leadership as a capability to influence positively and impact on situations and people in order to make a difference. Leaders exert their influence and power in such a way that they impact the status quo and others in a positive way”.

An interesting and significant view is presented by Binney, et al. (2005) referring to “getting connected” which means enough openness and trust to confront difficult issues, enough respect to make people want to work with others, enough shared values and perspectives to enable joint working and enough constructive conflict to deepen the exchanges that make real trust possible.

Most definitions on leadership refer to influencing others, directing efforts and abilities towards attaining group or organisational goals. The 21<sup>st</sup> century leader “embraces a new paradigm of change and crisis management, empowerment, diversity, a higher ethical purpose and humbleness” (Nel et al., 2011, p. 313).

In analyzing the above and other definitions the following seem to be the essence of leadership in a changing business environment:

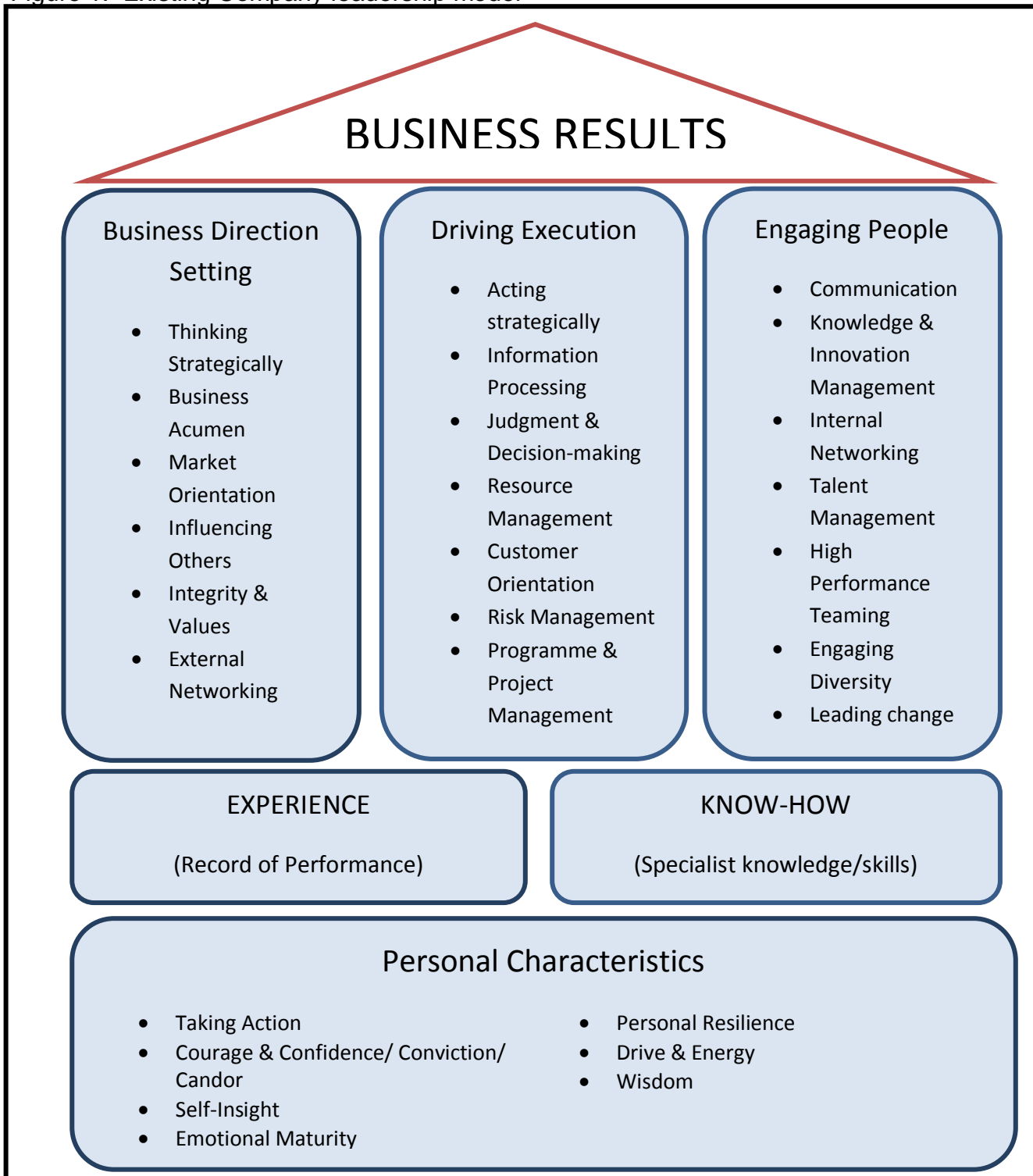


- Leaders have the ability to create a vision and excite people to achieve the impossible.
- Great leaders have an external energy and an inner strength that see them through difficult times.
- Leaders have a mental agility that enables them to make effective decisions faster than most other people.
- Leaders allow team members to grow by empowering them.
- Leaders are emotionally intelligent and enhance people's confidence by understanding and dealing appropriately with their emotions and concerns.
- In leading change integrity and trust are crucial.

To be able to explore specific competencies and characteristics appearing in different definitions it is important to reflect on some leadership models to finally arrive at a new model considered to be applicable in leading change.

## 4.2 Leadership competency models

Figure 1: Existing Company leadership model



Source: Developed by the relevant Company.

The model above (figure 1) was developed in 2008 by the relevant Company and implemented in anticipation of transformational change interventions. This means the findings reflected in the discussion and interpretation below will be a reference in terms of this model.

The fact that integrity and values as well as influencing others are clustered with business direction setting and leading change with engaging people need critical evaluation and these competencies will be addressed specifically in establishing the new model.

Cohan (2003, p. 16) in his outline of value leadership emphasizes seven principles:

- Value human relationships, which means to treat people with respect.
- Foster teamwork in getting people to work together.
- Experiment frugally, referring to using accidental discoveries to create value for customers.
- Fulfill commitments, saying what you intend doing.
- Fight complacency by weeding out arrogance.
- To win through multiple means by using the strategy to sustain market leadership.
- Give to the community in transferring corporate resources to society.

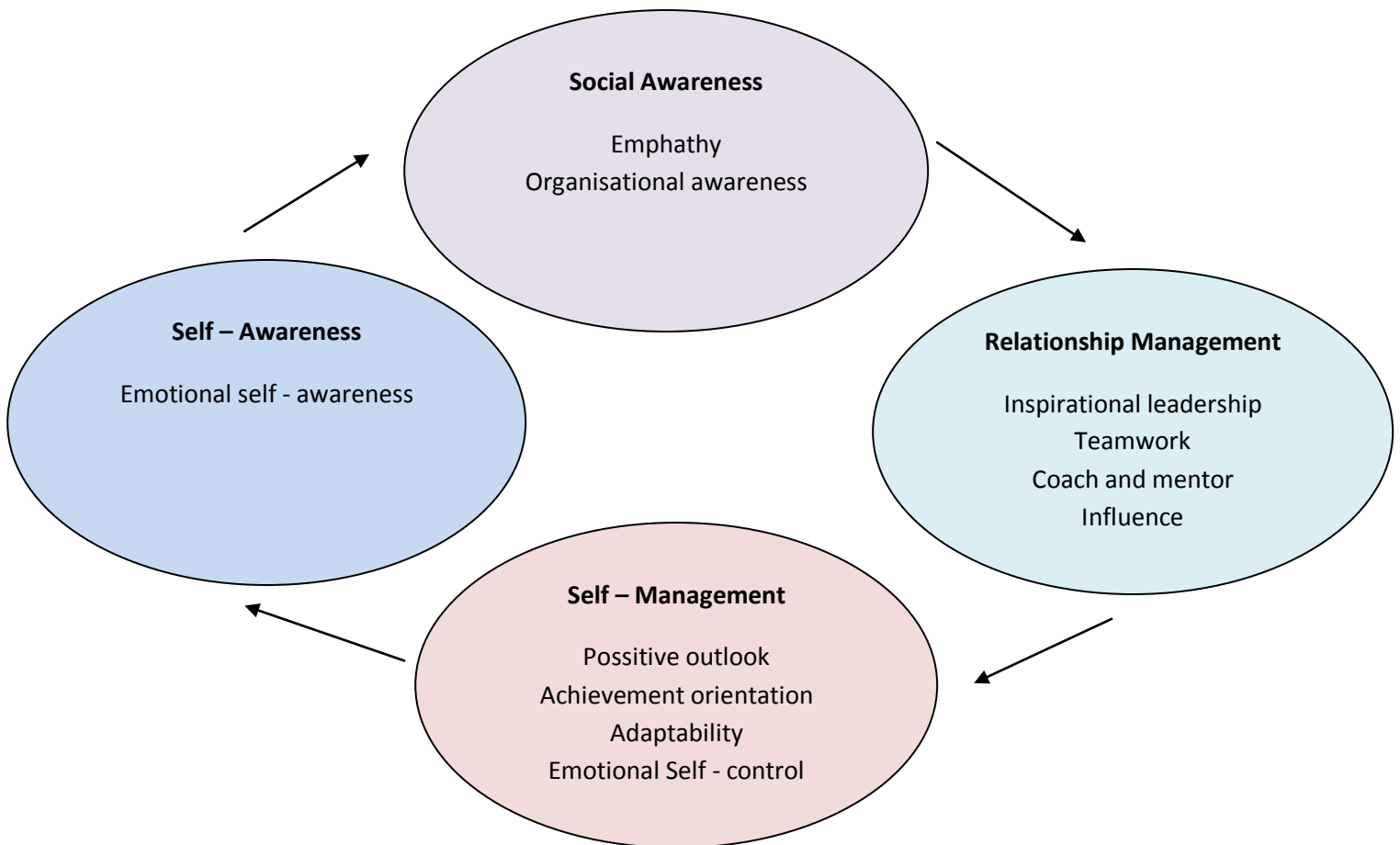
Lussier and Achua (2004, p. 33-36) refer to the following traits of effective leaders:

- High energy, referring to drive and hard work to achieve goals.
- Self confidence, referring to being self assured and have the ability to influence followers.
- Locus of control, control of own fate and taking responsibility for own behavior and performance.
- Stability, indicating in control of themselves, secure and positive.
- Integrity, referring to behavior that is honest and ethical, making a person trustworthy.
- Intelligence, where there is the ability to solve problems, think critically and to make decisions.
- Emotional intelligence, to motivate one self and showing empathy.

- Flexibility, which refers to the ability to adjust to different situations.
- Sensitivity to others, which refers to understanding group members and how best to communicate with and influence them.

McKee et al. (2008, p. 25) provide the following significant model when referring to emotional and social intelligence competencies in leading change:

Figure 2: Emotional and social intelligence competencies



Source: McKee et al. (2008, p. 25)

Cameron and Green (2008) in exploring five key roles used by effective leaders include the following: the edgy catalyser, the visionary motivator, the measured connector, the tenacious implementer and the thoughtful architect. In the understanding of these critical

roles of effective leaders it is evident that these roles are crucial in directing and leading any change intervention.

Leaders display certain patterns in behavior. It is, however, to take note of the importance of leaders understanding their own unique leadership strengths. Daft (2011, p. 36) refer to the following personal characteristics of leaders:

Table 1: Personal characteristics

	<p><b>Social Characteristics</b></p> <p>Sociability, interpersonal skills Cooperativeness Ability to enlist cooperation Tact, diplomacy</p> <p><b>Work-Related Characteristics</b></p> <p>Drive, desire to excel Responsibility in pursuit of goals Persistence against obstacles, tenacity</p> <p><b>Social Background</b></p> <p>Education Mobility</p>
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Source: Daft (2011, p. 26)

Kouzes and Posner (Puccio et al. 2011, p. 11) reflect on specific leadership practices emphasizing what leaders do to achieve extra ordinary results. They are not too much concerned about personal traits but focus more on what leaders have to do to turn

challenging opportunities into remarkable successes. The following seem to be of importance:

Table 2: Leadership creativity

<b>Challenging the Process</b>	<b>Inspiring a shared Vision</b>	<b>Enabling others to act</b>	<b>Modeling the way</b>	<b>Encouraging the heart</b>
Search for opportunities	Envision the future	Foster Collaboration	Set the example	Recognize contributions
Experiment and take risk	Enlist others	Strengthen others	Achieve small wins	Celebrate accomplishments

Source: own construction.

In the latest leadership theories and models much emphasis is placed on a more humanistic approach in which the following competencies are highlighted by Bester (2012, p. 152):

- Hope.
- Humility.
- Values.
- Realism.
- Temperance.

The same writer feels that we so easily accept the leadership of others but do not really buy-in to our own.

A very stimulating and meaningful trend on leadership is provided by Ungerer, et al. (2013, p. 10-15). In their arguments they state that leadership studies have traditionally focused on individual leaders and their traits, abilities and actions and were chosen for their

suitability. Somehow theories in this regard tended to neglect the cultural context of leaders. Other theories again emphasize the relationship between leaders and followers where the focus was either on the concern for task or concern for people.

Later research describes the leader as a member of a group with strong emphasis on the potential to influence the group. In this sense the reference is to transactional and transformative leadership. The latest concepts on leadership refer to authentic, neuro and distributed leadership where the task of leading is shared than more than one person in a team.

Ungerer et al. (2013, p 19) identify authentic - principle centered and servant leadership as the three main leadership models. Significantly they refer to six universal virtue themes identified in all three mentioned models and that these overlap in terms of the 6 universal themes. The six universal themes that they identified are:

- Courage.
- Wisdom.
- Temperance.
- Humanity.
- Justice.
- Transcendence.

The models, trends and latest philosophies on leadership were briefly touched on in the above section. It is important to understand that leadership is a key strategic issue for organisation for they look to their leaders to navigate a turbulent and complex environment to ensure sustained profitability through engaged employees. It is essential that leadership and business strategies work together to drive a culture and performance ethic that leads to the desired business performance.

## 5. Research design

For the purposes of this article a mixed method methodology was used. While there are various definitions for mixed method methodology, for this article the following definition will suffice: Tashakkori and Teddlie (2009, p. 286) defines mixed method research as: "...research in which the investigator collects and analyses data, integrates the findings and draws conclusions using both qualitative and quantitative approaches or methods in a single study or programme of inquiry."

A mixed method design is particularly suitable to the purpose of this research for the following reasons (Tashakkori & Teddlie, 2009, p. 287):

- It allows the researcher to gain complementary insights in the conceptualisation, experiential and inferential phases about the relative contributions of leadership in navigating change;
- It provides a more complete and meaningful picture of the nature and dynamics of leading change;
- An initial qualitative research approach allows the researcher to refine the initial research propositions in research hypothesis that can be tested quantitatively; It will allow the researcher to expand on the initial understanding of the type of leadership and provide a more comprehensive explanation at a later phase in the research process;
- It provides the opportunity to assess the credibility of the inferences that are made about leadership during one phase and thereby strengthen the credibility of inferences that are made at a later phases in the research;



## 5.1 Qualitative methods

The following decisions are relevant:

**Sampling:** a convenient sample of 5 Senior Leaders was selected. While data was obtained from individuals, organisational-level measures were used to compare the differences in change navigation and leadership.

**Data collection:** semi structured interviews were conducted and digitally recorded.

**Data analyses:** all semi structured interviews were transcribed. Content analysis of verbal response was undertaken to identify and verify different dimensions.

## 5.2 Quantitative methods

**Sampling:** one of the divisions in the company was purposefully selected and 301 questionnaires were distributed to all the employees in said division.

**Data collection:** a survey questionnaire was developed and piloted at the company amongst a number of non-randomly selected employees who were not part of the initial focus group, where after 301 employees were requested to complete the questionnaire.

**Data analyses:** a factor analysis to identify and confirm the questionnaire structure was used. Comparative statistics to identify differences and similarities was applied during this process.

## 6. Discussion of findings

In the discussion of the major findings of this research this article will focus on the results regarding leading and navigating change. Research objective 3 was to identify leadership competencies in leading change. This will be done in two separate phases:

**Phase 1: Qualitative findings:**

**Question:**

**Did you provide a clear vision on where you intended going with the Company with reference to the Traditional Retail and Financial Services decoupling?**

**Participant 1:**

The response came quick and decisive absolutely yes. The change did not emanate from the stance that it is time to change things, what would we change. We constantly focus on the long term vision of the organisation and more so the long term well being of the organisation. As a leader one has to constantly ask who you are as an organisation and then decide if your long term vision will stand the test of time. With regards to change one can become a “healthy dinosaur” if you do not provide a clear vision for the future and that is all you will ever be.

**Participant 2:**

Regarding the response, it was exactly the same as participant one namely absolutely. The strategic initiative as we like to call it is curtail to the success of the business and the communication of such vital for our future success. During the communication of the vision we found that when it comes to change you have to look at things completely through a different set of eyes. This vision was not only provided to the employees we also ensured that the vision was “tested” in the international business environment.

**Participant 3:**

The response was consistent with the two above. It was furthermore mentioned that it was not only provided or shared it was also clearly defined. The business strategy was also formulated and articulated and aligned to support the vision we have for the organisation.

Participant 4:

Regarding the question the response was positive in that the participant indicated yes. The vision and said change were briefly discussed and an interesting observation was the research and numerous discussions that took place at an executive level long before the change was actually implemented. Another important point was that there existed different cultures and interpretations in the organisation and in the sharing of the vision this was taken into account.

Participant 5:

This participant had a slightly different view on this. Regarding the vision the feeling was that it was communicated and shared using a very theoretical view as oppose to a model that will enable the change rather than only communicating such. The participant continued and stated that empowering people to ensure that we follow one vision is more important than merely communicating it.

**Question:**

**How did you provide support/guidance during this change intervention?**

Participant 1:

One of the main things that were mentioned is communication – ongoing and constant communication. Continuously referring back to the Vision – selling the Vision. Make your leaders believe in you and the Vision – win their trust. Your team players should never say “I do not need this in my life”. Ensure your team knows that you would not desert them in their hour of need – you are reliable.

Participant 2:

The participant also highlighted communication as one of the top priorities and went on to talk about it in greater detail. The participant referred to communication to the unions, communication with regards to the new structures, new positions, and the availability of a detailed vacancy list. The participant mentioned further that people were offered early retirement, there was a six month retention period, during which no person would lose their

jobs. Finally the concept of retraining or up skilling to be able to do another job as well as individual counseling that was offered to the effected staff was mentioned.

Participant 3:

Leadership availability and accessibility were mentioned first – to quote “You need a sound board”. The top leadership was always available to answer questions and creating a better understanding of the change. The emphasis remained on the top 120 leaders in the organisation and ensuring that they understood the Vision as well as buy-in to the change – they were ultimately used as ambassadors.

Participant 4:

The participant mentioned “assurances” as the first most important aspect. There have been changes where job losses were part of a change process – this time round we had to assure people that would not happen. As we moved along and there were instances where people were affected, we provided the necessary counseling to those people. Ensuring staff were engaged the whole time was also mentioned as well as explaining to staff the new opportunities that will emerge from the change.

Participant 5:

The aspect of budget was mentioned first – a proper change management strategy involved consultants and it is an expensive exercise. The change strategy ultimately assisted in implementing the change. A sense of urgency was created. Communication was also mentioned as very important, but interestingly the participant referred to the various forms of communication (videos, memorandums and interviews with leaders). A lot of emphasize was also placed on the way in which communication was conducted – it was made fun, therefore the staff were engaged and interacted the whole time.

**Question:**

**Which aspects in change leadership do you regard crucial in a change intervention?**

Participant 1:

The participant said: “you have to get buy-in”. The architect of the change should be someone that has not been with the company, someone that can design the change and does

not say what can and cannot be achieved. In this regard the participant mentioned the following: "Do not limit my mind by your limitations". Make sure you have a Vision and that a strategy is designed properly and the execution must be impeccable.

Participant 2:

Transparency during the change process was mentioned as crucial. Being prepared to engage with any staff member at any time regarding the change and how affects people's lives are very important. The strategy must be articulated, communicated and executed. The participant mentioned that one has to be 100% sure and convinced you are doing the right thing, and then be tenacious and stick with the tasks at hand and ensure you follow through on what you promised.

Participant 3:

The participant stated: "leaders must be equally open to journey through their own change". To determine and identify the need for change is first priority. Following this is to ensure one considers all the implications and risks of the change one propose. The third step is to determine whether you as a leader have the "stomach" to take on the change process. Last but not least one has to determine your own role in implementing the change and ensure you execute accordingly.

Participant 4:

The participant mentioned the following five aspects when dealing with leading change: firstly change is driven top down- that is you lead from the front. Secondly one has to apply one's mind properly as to what one wants to achieve. Thirdly, you as leader must first embrace this change yourself and change as well. Next you have to be able to sell the change to other leaders and people in the organisation. Lastly you have to act and do your part in implementing the envisaged change.

Participant 5:

The critical aspects to transform an organisation are energise, engage, empower and enable people according to the participant. The participant also furnished some examples like training staff to enable them, regular communication to engage them, changing policies and procedures to empower people more and involve people to get energy levels up. The fact that the top leadership first has to understand, support and embrace the change was also mentioned. The last point mentioned by the participant is that you have to take egos out of the equation. Having personal agenda's will never allow for change to be successful.

**Question:**

**What would you regard to be the core competencies of a leader in leading change?**

**Participant 1:**

The participant highlighted two very important aspects namely work ethic and a sound value system. The competencies mentioned under the umbrella of work ethic and values included trust, consistency, commitment, building and maintaining relationships, your ability to influence people, identifying people's leadership abilities and make them aware of them and finally recognize how little you actually know and how much you can learn from others. The participant summarised it well by stating: "through your own consistent behavior, show your guys that there is a reason for them to believe in you".

**Participant 2:**

The competencies mentioned by the participant included transparency, honesty, integrity, building trust with people, whatever you say you do, commitment, complete openness and execution. The participant went on and referred to wisdom, which is never be afraid to ask for advice and being tenacious and never give up on what you embarked on.

**Participant 3:**

The participant answered the question twofold in that there was reference of competencies when dealing with change and reference to the leadership framework referred to in this article. With regards to the competencies specifically dealing with change the following was mentioned: courage, a closely knitted top leadership team, obtaining support from all stakeholders, the capability to live with uncertainty, a multi dimensional view of systems and a deep understanding of the change phenomena.

**Participant 4:**

There were five competencies mentioned by the participant: courage, your ability to listen to other people and build solid relationships, innovation, creativeness and allowing people space to work and move in. Once there is space provided individuals are more likely to be innovative and creative and they feel important and tend to be more engaged than when there is limited space.

**Participant 5:**

This participant also referred to the leadership framework discussed in this article and highlighted the following: business acumen, strategic development and direction setting, information processing, execution, knowledge and the ability to apply such knowledge. The participant also referred to connecting with people cognitively and emotionally. People need to fully understand the strategy, why we are embarking on it, what is my role and contribution and how will I be measured.

**Phase 2: Quantitative findings:**

Figure 1: below reflects the responses of employees regarding the proposed benefits of a large change intervention, the effectiveness of the communication during this process as well as leadership displayed during the said change process.

Relevant questions from the questionnaire regarding the findings dealing with change navigation included the following:

Question 17: You constantly received guarantees regarding your position.

Question 24: You received a clear vision of where the organisation intended to go with the decoupling of financial services and traditional retail.

Question 25: You were informed on the end results of the intended change.

Question 26: You were informed of the benefits of the change.

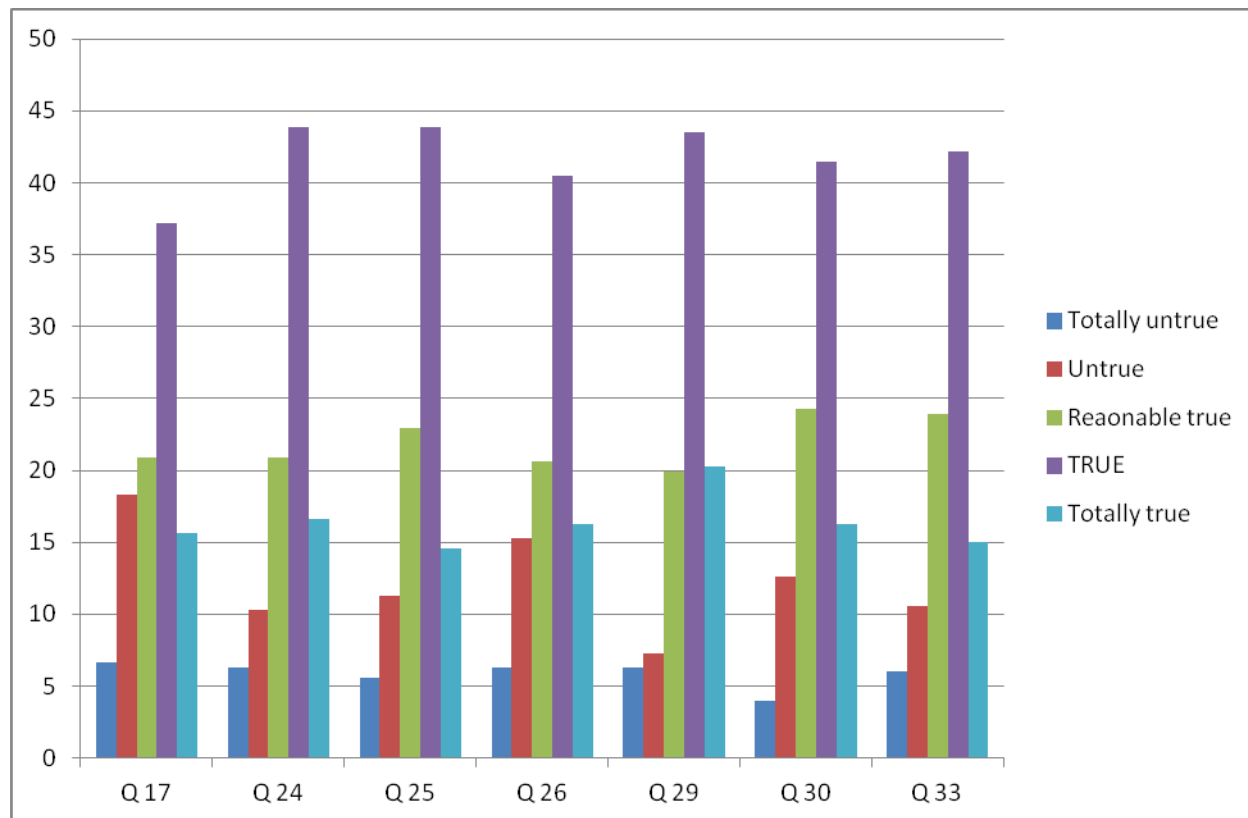
Question 29: You had confidence that the leaders in the Organisation could succeed with the change.

Question 30: You received the necessary guidance during the time of change.

Question 33: You were encouraged to persist during the change process.

All the factors were above the Chronbach's Alpha reliability coefficient of .732 and a result of .88 was indicated, thereby indicating adequate internal consistency.

Figure 3: Summary of employees responses



Source: Own construction

## 7. Interpretation and synthesis

With reference to the question pertaining to employees receiving guarantees regarding their position 73.7% of the respondents answered positively. Three participants clearly and distinctly referred to the importance of giving a degree of assurance to employees that sufficient and suitable positions will be available and that no employee will be affected. One of the participants stated: “there have been changes where job losses were part of a change process – this time round we had to assure people that would not happen”.



Question 24 dealt with the fact that a clear vision was communicated during the envisaged change intervention. An extremely positive response (81.4%) was received indicating that the majority of staff was aware of the intended direction. Participant 1 quoted the following: “continuously referring back to the Vision – selling the Vision”. In addition to this the majority of participants (80%) unconditionally supported the fact that the vision was continuously communicated throughout the change intervention.

In the case of communicating the end results, 81.4% of the respondents felt that this was done efficiently whilst 77.4% agreed that they were informed about the benefits of the envisaged change. Different participants referred to employee wellness, business success and future opportunities for the business to grow and expand. It can therefore be accepted that the benefits and the results of the change intervention was constantly being communicated.

Regarding the question on having confidence in the leaders during the change intervention respondents was extremely positive (83.7%). This finding corresponds with literature in emphasizing the importance of leadership ability to set a clear vision, continuous communication and providing constant feedback on progress. Participants in this study mostly referred to “you are reliable”, “individual counseling”, “leadership availability”, “assurances”, “the strategy must be articulated, communicated and executed” and “you as leader must first embrace this change yourself and change as well”.

Question 30 dealt with the guidance received by employees during the change intervention and in this regard 82.1% of the respondents felt that they received clear and sufficient guidance. A similar response came from all participants in referring to making communication fun, building trust, providing counseling, implementing staff retention policies, being change ambassadors, explaining the change strategy and constantly enhancing staff engagement. It is significant that respondents and participants were totally

convinced that this change intervention was lead in an appropriate, effective and supportive way.

During any change intervention it is of great importance to encourage and consistently support employees by clearly indicating the direction and the expected outcome. In this regard 81.1% of the respondents felt that they were encouraged by the leadership team to persist. Although literature reveals a high percentage of change interventions failing due to the lack of persistence this response therefore is quite significant. A similar finding with the employees leave little doubt that the leadership team succeeded in leading this journey. Participants felt “one has to be 100% sure and convinced you are doing the right thing, and then be tenacious and stick with the tasks at hand and ensure you follow through on what you promised”, “have the stomach to take on the change process”, “you execute accordingly” and “you have to act and do your part in implementing the envisaged change”.

In reflecting on the findings and outcomes of this research it is evident that the leadership team said about the change intervention in a constructive and efficient way and that they possessed the skills, characteristics and competencies to do so. The findings above and the exploration of existing models referred to in this article make it possible to construct a new model for the company researched.

## **8. A future-fit change leadership model**

An analysis of different definitions and models of leadership clearly show that leadership can be viewed from different angles. In an attempt to select competencies to really depict the essence of requirement to lead change successfully. The guidelines provided by Nel et al. (2011, p. 319) seem to be significant and include the following:

- Credibility, trust, fair treatment.
- Sense of mission and purpose.

- Willing to take risks.
- Able to communicate a vision.
- Able to perform at a high level.
- Able to inspire others.
- Emotional intelligence.
- Able to participate fully with all.
- Strength to resist peer pressure.
- Openminded, life long learning.

De Vries (Ungerer et al., 2013, P. 47) states “that most effective leaders possess clusters of competencies in three areas:

- Cognitive competencies, such as conceptual thinking and holistic overviews,
- Social competencies, such as empathy, presence and political awareness, and
- Personal competencies, such as energy, self-confidence and personal effectiveness.”

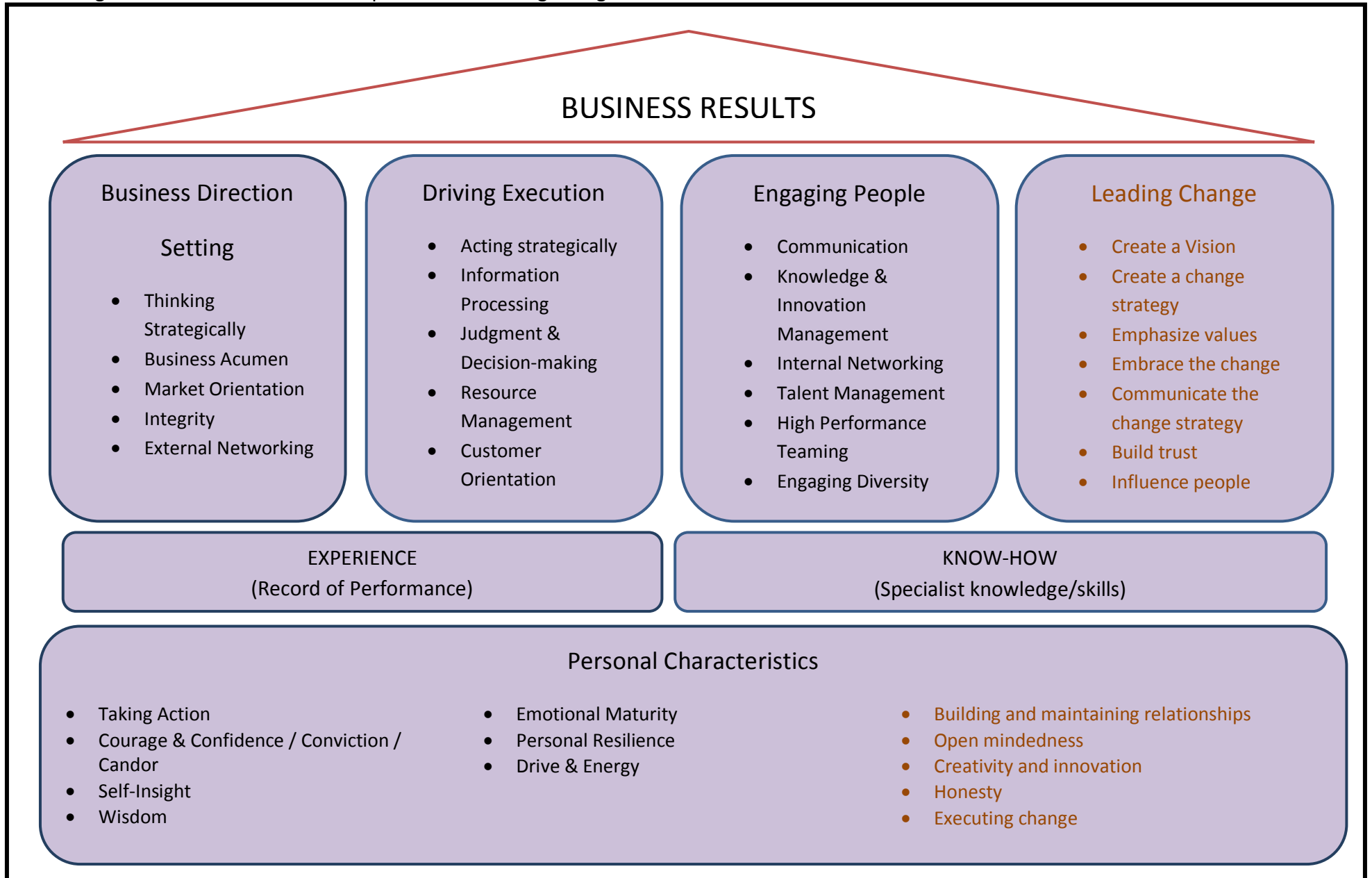
In critically analysing the above it must be noted that these elements and traits commonly occur in most literature on this subject highlighted below:

Campbell and Samiec (2005), Weiss and Molinaro (2005), Isaksen and Tidd (2006), Herold and Fedor (2008) and Grimshaw and Barron (2010).

Recent articles published reflecting on trends and change leadership competencies concur with the above stated. Refer to: Smith and Wolverton (2010), Battilana et al. (2010) and Gentry and Sparks (2012).

Considering the above stated, different perspectives on leading change and the need for a future-fit leadership change model the model below could serve as a useful framework to be applied in organisations.

Figure 4: The future-fit leadership model for leading change



Source: Own construction

The new model clearly focuses on the importance of leading change. Regarding this the emphasis is placed on creating a vision, creating a change strategy, establishing values, communicating the change strategy, building trust and influence people involved in the change process. The issues above are relevant in existing literature.

In analysing these elements in leading change it is evident that specific leadership competencies are required. The new model reflects on building and maintaining relationships, open mindedness, creativity and innovation, honesty and the ability to execute the envisaged change.

All inclusive leadership excellence pertains to the act of influencing and engaging people to reach specific goals. In this article the traditional leadership-management style was discussed and through the findings of the research conducted the following elements and dimensions not usually found in the traditional leadership-management style became evident and can be regarded as a pre requisite in a successful change intervention:

- knowing yourself and self awareness;
- building trust between the leader and the followers;
- building and maintaining sound relationships and
- establishing work ethics as a core value.

## **9. Conclusion**

In this article there was an attempt to define and outline leadership traits and competencies. To be finally able to construct a model which includes leadership competencies to be able to lead and navigate change it was necessary to define and analyse different definitions and views to establish the core elements of leadership.

These definitions clearly indicated the complexity of understanding the different elements and dynamics of leadership and navigating change.

A few models and frameworks were scrutinised to identify certain leadership dimensions such as competencies (driving business results, business direction, people leadership and interpersonal relationships), capabilities (cognitive, personality and creativity) and values (honesty, integrity, trust, courage and execution).

The major findings of the research conducted in the relevant organisation, beyond all doubt, indicated that the leadership displayed in the relevant change intervention proved to be highly successful in terms of the following: creating a vision for the envisaged change, providing the necessary guidance during the change process and ensure the application of relevant change leadership attributes in order to implement the said change.

The intensive literature review together with the positive responses and participants in full agreement with the change intervention and leadership displayed therein enabled the researcher to construct a new model where there is a strong emphasis on the prerequisites to lead change successfully.

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# Chapter 5: Conclusion and recommendations

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## **1. Introduction**

After completing this research it is evident that leadership and leadership in a change intervention prove to be one of the most debated themes over the past ten years. Furthermore, much more will still be written about the complexities of understanding the challenges, requirements and opportunities associated with the 21<sup>st</sup> century leadership and how these can be translated into unique leadership architecture.

The emphasis in debating this crucial issue will undoubtedly not only be to speculate on leadership for now but also in the future. The leadership environment in organisations have changed dramatically over the last few years, and instead of stability, control, uniformity, competition, self-centeredness, the 21<sup>st</sup> century leader embraces a new paradigm of change and crisis management, diversity, empowerment and higher ethical purpose.

The senior leadership in an organisation has a significant influence on the ethical culture of the organisation. Not only do they create a vision but they also identify, describe and live the organisational values that guide the development of an organisational strategy and the desired behavior in the organisation.

The scope of research undertaken will briefly be outlined below.

## **2. Overview of this research**

As globalisation and international competition increase, the world of work becomes increasingly turbulent. At the same time cross national strategic alliances and mergers, privatization, outsourcing information, technology innovations and changing work ethics and culture bring about never ending change. All these elements bring about a complex workplace which leaders have to deal with. There is a clear shift to leaders who offer

service to internal and external stakeholders. This includes values, integrity and honesty towards all.

From literature it is evident that few organizations succeed in changing or transforming successfully. The research conducted is article based and the respective objectives will be covered in the summary presented below:

### **3. Summary of findings**

#### **Article 1**

The aim of this article was to explore the field and scope of change also investigating the different approaches to leading any change intervention. The research also attempted to illustrate how Senior Executives and employees perceived the major change they had implemented in the organisation.

Change was analysed as a process that is dynamic and bound to time and not discrete. Furthermore change was defined within a specific context. It was evident that the success of organisational change resided more in the individual rather than organisational dynamics. From the discussion it was also evident that there are contrasting ways to view change and change efforts and therefore specific frameworks were presented to fully understand the different change approaches.

Different philosophies were uncovered in understanding the change phenomenon. It was significant to note that traditional and existing approaches to change are less effective and more attention should be paid to believing in the actualization of a clear vision, linking change to the organisation strategic intent, investing substantial resources in support of the change and providing visible and active transformational leadership.

Mixed method methodology was applied in that 5 members of the top leadership team were interviewed and 301 employees completed a questionnaire. The most significant findings are listed below:

- Senior leadership felt the envisaged change stated a clear vision and was well communicated. Special reference was made that it was all about the long term survival of the company.
- Only 14.9% of the employees were not positive about the change.
- 79.9% of the respondents indicated confirmed that they knew and understood the need for change and this finding corresponds with the finding that there was very little resistance to the change. Although 37.2% of the employees referred to an initial discomfort which was confirmed by the senior leaders.

Literature on change clearly reveals that quite often there appears to be a strong resistance to a change intervention. In this research, however, the preparation, communication and implementation with strong support from top leadership proved to be highly successful.

## **Article 2**

There are few companies today that can avoid large scale organisational change in order to improve or survive. All changes begin at the top and demand a relentless focus from leaders. Often the leadership team does not pay attention to the so called softer skills in leading change successfully. The objective of this article was to explore the scope and field of leading change, specifically emphasizing leadership styles needed in a change intervention.

Furthermore, there was an attempt to indicate how senior leaders prepared, communicated and implemented the change initiative in the company researched.

Employees gave their perception of the leadership team's ability to successfully navigate the change.

The literature background defined different concepts specifically referring to leading change by emphasizing a planned purposive and controlled activity. Mention was made of a more modernistic approach to change management where there is a clear shift to leading change. In leading change every effort must be made to eliminate policies, procedures and behaviors that undermine change efforts. The leader also, must be willing to alter his/her own behavior to minimize resistance. Another prominent issue of important refers to specific changes in others in a change intervention. These changes refer to perception, attitude and behavior.

Significant is the fact that change is more receptive once the leaders are committed and honest towards the change intervention whilst leading change is all about influencing people to change in terms thereof.

This article briefly distinguishes between transformational, transactional, modernistic and creative leadership styles. Relevant literature also outlined some challenges in leading change and prerequisites to be successful in any change intervention.

In the research, through a mixed method design, 5 senior leaders of the company indicated how they approached the change intervention whilst 301 employees indicated how they perceived the leadership role. The following were the most important findings:

- 78.1% of the respondents stated clearly that they were convinced of the benefits from the envisaged change.
- 79.4% of the respondents remarked that they understood their roles in the change process.
- All the participants indicated clearly the need for change and the value or benefit of the envisaged change. There was a mutual agreement on the way the change was

communicated and how acceptance for the change was secured. The importance of communication underlined by participants and respondents is strongly supported in literature on change navigation.

- This specific change intervention can therefore be regarded as being highly successful for 78.7% of the respondents were in favor of decisions made by the leadership team and 83.7% displayed confidence and trust in the change process.
- Above all 85.1% of the respondents felt that the leaders were committed to their course.

### **Article 3**

The leadership challenges associated with the world of work today will not only require better but also different leadership competencies. It is generally accepted that leadership can be seen as the ability to inspire confidence and support needed in achieving organisational goals. In influencing others people need to act or respond which makes communication and power to influence important.

Many definitions refer to the relationship between leadership, creativity and change. This article reflected on specific definitions, models and specifically the existing model used by the company where the research was conducted. Carefully analyzing the trends and characteristics it was possible to arrive at a common understanding of the leadership competencies needed in a change intervention. As indicated the following aspects in change leadership can be regarded as appropriate guidelines:

- Credibility, trust, fair treatment.
- Sense of mission and purpose.
- Willing to take risks.
- Able to communicate a vision.
- Able to perform at a high level.
- Able to enspire others.

- Emotional intelligence.
- Able to participate fully with all.
- Strength to resist peer pressure.
- Open minded, life long learning.

Different models were researched in an attempt to construct a new model to serve as guideline in a change intervention. It is important to understand that leadership is a key strategic issue for organisation for they look to their leaders to navigate a turbulent and complex environment to ensure sustained profitability through engaged employees. It is essential that leadership and business strategies work together to drive a culture and performance ethic that leads to the desired business performance.

Surveys indicate that the most important leadership qualities that executives value are creativity, integrity and the ability to balance work and other life demands. From this perspective leadership has been viewed being shaped by attitudes towards hierarchy, superiority, privilege and capacity to control resources. It is evident that leadership needs to be viewed from an outcome perspective not being about intend but all about the effect on others.

Applying a similar approach to the research methodology as in Article 1 and 2 the following were the most significant findings:

- 81.4% of the respondents were aware of the intended direction and 80% of the participants supported this view and felt that the vision was continuously communicated throughout the change intervention.
- The majority of respondents (81.4%) agreed that the end results of the implemented change were effectively communicated.

- One of the most significant findings reflects on the fact that 83.7% of the respondents had confidence in the leadership's capability to successfully lead the change intervention.
- Also significant was the fact that 82.1% of the respondents felt that they received clear and sufficient guidance and support during the implementation of the change process. A similar response came from all participants in referring to making communication fun, building trust, providing counseling, implementing staff retention policies, being change ambassadors, explaining the change strategy and constantly enhancing staff engagement. It is significant that respondents and participants were totally convinced that this change intervention was led in an appropriate, effective and supportive way.
- During any change intervention it is of great importance to encourage and consistently support employees by clearly indicating the direction and the expected outcome. In this regard 81.1% of the respondents felt that they were encouraged by the leadership team to persist. Participants felt "one has to be 100% sure and convinced you are doing the right thing, and then be tenacious and stick with the tasks at hand and ensure you follow through on what you promised", "have the stomach to take on the change process", "you execute accordingly" and "you have to act and do your part in implementing the envisaged change".

Reflecting on the three different articles of this study it is evident that article 1, dealing with the different views and implementations of a change intervention clearly indicated the procedure and process followed by the company under research. Article 2 specifically referred to leadership challenges in successfully navigating change. Various models of leadership and leadership competencies were analysed and discussed critically in article 3. This analysis enabled the researcher to arrive at a new leadership framework to navigate change.



The outcomes and findings of this research, as indicated above undoubtedly show that the change intervention implemented in the Company can be regarded as being highly successful and the leadership displayed throughout this intervention classified as being highly effective.

#### **4. Contribution to the body of knowledge**

In defining and conceptualizing change, leading change and leadership competencies in three separate articles, together with the analysis of various competencies models (Article 3) it was possible for the researcher to construct a model to be applied in an organisation. The outcome of this research can be found in the practical implementation of the model (Article 3, figure 4).

This new model clearly indicates that traditional leadership whereby business strategies and goals are set and driven by top management will be enhanced by the leader's ability to lead change applying a more humanistic and modernistic approach. Some of these characteristics include building and maintaining relationships, honesty, change execution, creativity and open mindedness.

In addition to the above it was also highlighted in Article 3 that change management as merely a communication skill will no longer be sufficient for 21st century leaders. With the business environment changing constantly the biggest challenge for successful leadership is the ability to lead and navigate these changes in an organisation. To successfully navigate or lead change the following competencies were identified: To create a vision, create a change strategy, emphasize values, embrace the change, communicate the change strategy, build trust, influence people and enhance staff engagement and participation.

## **5. Possible limitations**

Although the questionnaire used as research instrument in this study was developed by the researcher, carefully scrutinized, pilot surveyed and tested for validity and reliability it might be considered to use a standardized instrument for future research.

In the data analysis process only frequencies were indicated and refined statistical analysis, factor and regression analysis could have provided additional data and insight.

This quantitative research was undertaken in one region of a large Retail Organisation which means that the findings on the change intervention clearly reflect on the situation relevant to this region, even though it is regarded as a representative sample with relevant age, race and geographical scope.

## **6. Suggestions for future research**

It would be interesting to determine the outcomes of a change intervention where the leadership team did not apply the competencies as highlighted in this research and what the effect of this will be on not only the success of such a change intervention but also the responses from the employees that have been subjected to such leadership practices.

Literature reviewed that most change intervention fail because of specific leadership approaches. This study however clearly showed that leading the change intervention in the relevant company proved to highly successful due to the particular leadership approach followed. Similar research in other companies and comparisons between approaches followed could prove to be useful.

## **7. To conclude**

Change will continue to challenge leaders and organisations. Change occurs in different forms and will continue to push boundaries. Change and the leading of such will remain one of the biggest challenges for leaders today. The better the leader can reduce resistance to change and continuously communicate the envisaged change and ensure employee acceptance and engagement, the more likely implementation will be successful. One needs to remember that any improperly planned and poorly executed organisational change initiative will result in failure.

Leadership challenges in change navigation focus on the various leadership styles inclusive of some modernistic approaches such as creative leadership and the challenges to effective and efficiently navigating change. To be able to lead and navigate change it was necessary to define and analyse different definitions and views to establish the core elements of leadership.

Leadership models and frameworks were scrutinised to identify certain leadership dimensions such as competencies (driving business results, business direction, people leadership and interpersonal relationships), capabilities (cognitive, personality and creativity) and values (honesty, integrity, trust, courage and execution).

Leadership is a key strategic issue for organisations as they look to their leaders to navigate a turbulent and complex environment to ensure sustained profitability, through engaged employees and satisfied customers. It is up to leaders to develop the required competencies and leverage the capabilities to ensure that the organisation has a profitable and sustained future.

In any change intervention it is important to create and sustain a sufficient sense of urgency. Realising that one can not be fully prepared for, or predict how employees will respond to the daunting change. To grow the business one needs to attract and retain real talent which means that the leader must be mature enough to accept being

challenged and having his/her views questioned. As a leader you must consult and engage so that your people feel that their destiny is not dictated by you and that they are part of shaping it.

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## Appendices A: Qualitative questionnaire

### Qualitative Research: Rein Coetzee

#### Introduction:

**Purpose:** the following 10 questions form part of research conducted by myself on the topic of Leadership and change management. The information gathered will be used in a PhD study and form an integral part in the completion of such. The company has authorized this study and all the information gathered will be treated as highly confidential. Please note that the interview will be recorded for record keeping purposes as well for reference purposes later in the study.

**Objectives:** the following are some of the things we have to achieve during our session today: the first and most important one is to ensure honesty and transparency at all times. The questions are straight forward and you are expected to answer them from your point of view as a leader in the company. **Background:** the study mainly focuses on change management and the role of leadership in such. The questions therefore are relating to the principle change of decoupling Traditional Retail (TR) from Financial Services (FS) as well as some generic leadership questions pertaining to leading the change.

1. Did you provide a clear vision on where you intended going with the Company with reference to the Traditional Retail and Financial Services decoupling?
2. How did you achieve this?
3. Did you explain the reasons for the change intervention?
4. What was the initial reaction to the envisaged change?
5. How was this intended change communicated to all involved?
6. How did you provide support/guidance during this change intervention?
7. Which aspects in change leadership do you regard crucial in a change intervention?
8. What would you regard to be the core competencies of a leader in leading change?
9. Should you in future consider another major change Intervention in the Company, what would you do differently?
10. Was this change contemplated and if so please provide reasons for this?



## **Appendices B: Qualitative questionnaire Landscape**

### **Questionnaire:**

#### **Introduction:**

Attached hereto is a questionnaire aimed at receiving honest feedback regarding the numerous changes that has taken place in the company recently, with specific reference to the decoupling of Traditional Retail and Financial Services. The only thing that is required from you is to answer these questions as honestly and accurately as possible. You are NOT required to state your name or any other details like your Division or Business Unit and your responses will therefore remain anonymous and the results will be treated as strictly confidential.

The questionnaire has been developed as part of the research being conducted by one of the leaders that operates in the Financial Service Division and the outcomes will be used as part of the requirements for a post graduate degree.

#### **Objectives:**

Amongst others the objectives are as follows:

- To obtain information on the recent changes (decoupling of Traditional Retail and Financial Services) that has taken place in your world of work,
- to obtain information on the leadership practices that assisted to implement and manage the said changes and
- to allow you an opportunity to add your own experiences on each of the above (there is a section that follows after the short “tick” questions that allow you to contribute whatever you feel is relevant).

**Your role:**

The only thing that is required of you is to ensure you answer the questions as honestly as possible (those questions that requires only a “tick” using an X) and to share any experiences you feel are valid under each section in the space allocated to do so.

**Conclusion:**

Thank you very much in advance for your assistance, it is highly appreciated and it will surely contribute substantially to the successful completion of the research necessary to complete the post graduate degree.

**QUESTIONNAIRE**

**Instructions:**

- This questionnaire focuses on the quality of leadership in navigating change to ensure organisational performance.
- You are required to answer all the questions in this questionnaire by drawing a cross (X) in the appropriate square or complete where asked to do so.
- Your immediate and honest feedback will be highly appreciated.

**Section A: Biographical data**

- |                  |          |                          |   |     |
|------------------|----------|--------------------------|---|-----|
| 1. Gender?       | Male     | <input type="checkbox"/> | 1 | (4) |
|                  | Female   | <input type="checkbox"/> | 2 |     |
| 2. Ethnic group? | Black    | <input type="checkbox"/> | 1 | (5) |
|                  | White    | <input type="checkbox"/> | 2 |     |
|                  | Indian   | <input type="checkbox"/> | 3 |     |
|                  | Coloured | <input type="checkbox"/> | 4 |     |

3. Age?	Younger than 20	<input type="checkbox"/>	1	(6)
	20 – 29 years	<input type="checkbox"/>	2	
	30 – 39 years	<input type="checkbox"/>	3	
	40 – 49 years	<input type="checkbox"/>	4	
	Above 50 years	<input type="checkbox"/>	5	
4. Current position?	Cashier	<input type="checkbox"/>	1	(7)
	FS Consultant	<input type="checkbox"/>	2	
	FS Manager	<input type="checkbox"/>	3	
5. Years completed service in this organisation?	Less than 1 year	<input type="checkbox"/>	1	(8)
	2 - 5 years	<input type="checkbox"/>	2	
	6 – 9 years	<input type="checkbox"/>	3	
	10 – 15 years	<input type="checkbox"/>	4	
	Longer than 15 years	<input type="checkbox"/>	5	

## Section B: Change

In this section you find listed below descriptive statements on change and experiences of organisational change. As you are all aware the organisation recently embarked on a strategic decision to decouple the traditional retail section of the business from the financial service section of the business. Express your personal experience by reading each statement carefully and marking (X) in the appropriate square.

Use the following response scale:

1	2	3	4	5
Totally untrue	Untrue	Reasonably true	True	Totally true

You understood the need for change.	1	2	3	4	5	(9)
You accepted the need for change.	1	2	3	4	5	(10)
You did not feel comfortable with the change initially.	1	2	3	4	5	(11)
The new vision was clearly stated.	1	2	3	4	5	(12)
There was clarity on the desired end results.	1	2	3	4	5	(13)
You were convinced of the benefits from the change.	1	2	3	4	5	(14)
The intended change was regularly communicated.	1	2	3	4	5	(15)
The intended change was experienced as a threat.	1	2	3	4	5	(16)
You constantly received guarantees regarding your position.	1	2	3	4	5	(17)
All stakeholders supported the intended change.	1	2	3	4	5	(18)
There was a clear plan communicated regarding the change.	1	2	3	4	5	(19)
My role in the change process was clearly explained.	1	2	3	4	5	(20)
You believed that people can roll out the change successfully.	1	2	3	4	5	(21)
You resisted the intended change.	1	2	3	4	5	(22)

The achievement of deadlines during the change was communicated.	1	2	3	4	5	(23)
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**Instruction:**

You are required to give your personal experience on the necessity of the change and the way in which the change was implemented:


### Section C: Leadership in change navigation

In this section you find listed below descriptive statements on the quality of leadership you experienced during the change in the organisation recently. Express your personal experiences by reading each statement carefully and marking only one answer.

Use the following response scale:

1	2	3	4	5
Totally untrue	Untrue	Reasonably true	True	Totally true

You received a clear vision of where the organisation intended to go with the decoupling of financial services and traditional retail.	1	2	3	4	5	(24)
You were informed on the end results of the intended	1	2	3	4	5	(25)
You were informed of the benefits of the change.	1	2	3	4	5	(26)

You were personally informed by the leaders regarding the change.	1	2	3	4	5	(27)
You believed the leaders made the right decision to decouple financial services and traditional retail.	1	2	3	4	5	(28)
You had confidence that the leaders in the Organisation could succeed with the change.	1	2	3	4	5	(29)
You received the necessary guidance during the time of change.	1	2	3	4	5	(30)
The leaders themselves were committed to the change.	1	2	3	4	5	(31)
The leaders were enthusiastic throughout the change initiative.	1	2	3	4	5	(32)
You were encouraged to persist during the change	1	2	3	4	5	(33)

**Instruction:**

You are required to give your personal experience on how well the leaders managed to implement the envisaged change:


**Thank you for your honest responses and cooperation.**



*Full Length Research Paper*

# Leading a successful change intervention in a modern organisation: Key elements to consider

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**The reality today is that organizations and leaders are faced with unrelenting demands for change. Globalisation, competitiveness and ever changing business environments have forced organisations to constantly consider innovative changes. The challenge today is for leaders to be able to reduce the resistance to change, thus allowing for successful change navigation. It is therefore necessary to be mindful of the various approaches to change to ensure that successful change can be successfully implemented. This article will outline some of these approaches. In-depth interviews were conducted with five senior executives in the case company, and questionnaires were distributed to 301 employees at different levels within a single division in the same organisation. By following the mixed method approach in two separate phases namely the qualitative and quantitative it was possible to gather the requisite data.**

**Key words:** Change, organisational change, navigating change, leading change, approaches to change, resistance to change, perceiving change and change management.

## INTRODUCTION

Change is beyond all doubt, the most debated phenomenon today. The pervasiveness of change is visible in every sphere of human activity. At organisational level the turbulence and rate of change and innovation due to competitive pressures are evident.

The reality of change is that it comes in many different forms and levels of complexity. It also varies in its extent and significance ranging from nominal to transformational. The fact remains that, change has become more regular and pervasive over the past few years.

The pressures for change today in organisations are formidable. The competitive landscape is ever changing. Economic conditions, labour markets, demographics, consumer preferences and especially technological changes affect how business is conducted, managed and driven in order implement change initiatives. The pace of change in modern organisations have accelerated and it

is evident that globalization may not be the real problem, but how to adapt to the changes that has been triggered by the current economic phenomenon (Herold and Fedor, 2008). According to Thurlow and Mills (2009, p.459) change in modern literature is explained in three fundamental approaches namely, *“There is an unquestioning acceptance of change as essential to organisational survival; change is characterised as a threat to organisations; and change is represented as an issue of leadership”*. Organisations seem to struggle with change when responding to mergers, acquisitions, restructuring, realignment and strategic planning. There are further indications that the pace of organisational change is also accelerated by environmental change.

Although change and the characteristics thereof have been defined in many ways the outline provided by Blake and Bush (2009: 4) significantly reflect the focus and scope of this article. *“Change in nature or evolution, can be seemingly unstructured and chaotic to those being affected. It is only when viewed retrospectively that purpose and direction are revealed. Staying competitive*

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*in business does not allow for the luxury of evolution – it takes too long. Only by approaching change in a structured way can you shape and achieve a pre-defined future and realize benefits to the business*". In most cases, change is ineffectively managed and there seems to be some agreement that the chances of success are greatly enhanced when the "people side" is fully attended to (Taylor, 2001, p. 114). An important point stated by Bohlander and Snell (2010) is that many people at first resist change because they have to modify the way they do things even though they have been doing them in a certain way for some time. They continue by stating that: "Organizations that have been successful in engineering change: link the change to the business strategy, show how the change creates quantifiable benefits, engage key employees, customers, and their suppliers early when making a change and finally make an investment in implementing and sustaining change" (Bohlander and Snell, 2010, p. 8).

### **Problem statement**

The most important aspect of change is to ensure that the envisaged change is not seen as negative or for that matter ignored. It remains of paramount importance that change should be navigated effectively. It is widely accepted that coping with change and the resistance thereof causes a lot of anxiety and may result in people switching to survival mode. Van Toder (2004:192) argues that, "change, without exception, is experienced as stressful and will result in a variety of undesirable outcomes which to a large extent will be a function of the manner in which it is implemented. Managers could either facilitate relief from or exacerbate employees' discomfort during change."

### **Research objectives**

This article will explore the change process in organisations, by reflecting on different approaches and illustrate the importance of navigating or leading change. This research will attempt to reflect on how senior executives and employees perceive the change that they implemented and experienced in the workplace, and how the employees perceive the navigation of the implemented change. There are various approaches and techniques used in the world today to deal with change. In this article a summary of a few approaches to dealing with change will be explicated.

### **Literature review**

In dealing with change, different researchers have focused on different concepts, perspectives and forms.

For instance, Ackerman (1986) reflects on developmental change, transitional change and transformational change. On the other hand, Kanter et al. (1992) see change as a process that focuses on modifying patterned behaviour. However, Felkins et al. (1993) see change as a process that alters organisational relationship, structures, systems and processes to ensure organisational survival.

Veldsman (2008) regards organisational change as the transformation from the current state of the organisation to the desired state. Van Tonder (2004:6) attempts to provide generic definitions namely, "change is a process that is dynamic and bound to time and clearly not discrete; change is evident in the state and/or condition within a state of an entity; and change as difference does not occur in void but is bounded by its context." King and Anderson (2002) regard change as a phenomenon that significantly influences organisational performance while Jones and George (2003) believe that the success of organisational change resides more in the individual rather than organisational dynamics and refers to critical tasks of managers. The definitions above and other definitions from literature clearly indicate that change is inevitable; it is a process; it is an initiative that alters the state of something; it involves people (person based); it is dynamic and non-discrete; it is time and context bound; it is developmental, transitional or transformational.

With Regards to the principles of change, Hall and Hord (2011:5) maintained that change is a learning process, which is not an event and the institution/organisation is the primary unit of analysis. Organisations therefore adopt change, while individuals implement change interventions as a key to the success of the change process. Therefore, an appropriate intervention reduces resistance to change. In other words, an administrator leadership is essential for long term change success. Facilitating change is a team effort, which requires mandates and influences the process of learning and change.

### **Approaches to change**

It is evident that there are contrasting ways to view change and furthermore change efforts in practice do not neatly fall into one approach or the other. The most logical way would be to fully identify the range of approaches that organizations and/or individuals take when implementing change. Roland and Higgs (2008:31) has mentioned the four approaches of implementing change as directive; self-assembly; master and emergent. It should be mentioned that no single change process ever falls into just one approach and different approaches might be needed in different parts of the organisation. Directive change is top down and driven from a single source, usually senior leadership. Both the outcome and goals and the process of change are determined and developed by the initiating source. Self-

assembly change implies that the goals or outcomes of the change is pre-determined, however how to go about the change is mainly left to local operating units and teams.

Master change approaches are characterised by having a very clear central framework for the change effort, whilst the emergent approach assumes that the organisation is complex and cannot be directly controlled. It is characterised by leaders establishing hard rules to govern what needs to happen. Green (2007:19) on the other hand distinguishes between the following five approaches where change is brought about through emergence, learning, design, addressing interests and people. Change through emergence means to create the conditions for change to occur without specifying the exact nature of the change. Change through learning is concerned with change happening as direct result of learning. Change through design most often occurs in organisations and implies the project management approach to change, which involves careful planning and detailed analyses. Change through addressing interest addresses the political aspects of organisations directly addressing the different needs of the various stakeholders. Change through people recognizes that change in an organisation is predominantly done through people.

Cameron and Green (2009 p. 19) emphasize the behavioural approach focusing on how one individual can change the behaviour of another by using reward and punishment to achieve the intended results. Secondly the cognitive approach whereby individuals need to look at the way they limit themselves through adhering to old ways of thinking and replace that with new ways of being. Thirdly the psycho dynamic approach is useful for managers who want to understand the reactions of their staff during a change process and deal with them. It allows them to gain an understanding of why people react the way they do and use such in the change management process. Fourthly the humanistic psychology approach combines some of the insights from the previous three approaches while at the same time developing its own insight.

Graetz and Smith (2010) provide an extremely detailed and significant framework regarding different approaches to change by briefly reflecting on certain philosophies. For example, the biological philosophy is an incremental change within industries, rather than individual organizations. The philosophy is developmental in nature, comparing the on-going stages of progress and change in organizations to organic processes of growth and reproduction. The rational philosophy, which is also referred to as strategic, is concerned with the alignment between an organization's composition, competencies and state over time, with its environmental context". The institutional philosophy "makes some fundamentally evolutionary assumptions, but does so in the context of a strong belief in the sensitivity of organizations to the

external environments in which they operate". The resource philosophy of organizational change begins by identifying needed resources, which can be traced back to sources of availability and evaluated in terms of criticality and scarcity. By understanding that a dependence on resources increases uncertainty for organizations is particularly useful to change attempts because it encourages an awareness of critical threats and obstacles to performance.

The contingency perspective is based on the proposition that organizational performance is a consequence of the fit between two or more factors, such as an organization's environment, use of technology, strategy, structure, systems, style or culture. The psychological philosophy is based on the assumption that the most important dimension of change is found in personal and individual experience, which is referred to as organizational development and change transitions. The political philosophy assumes that it is the clashing of opposing political forces that produce change and explains change as the result of clashing ideology or belief systems. The cultural philosophy maintained that change is normal in that it is a response to changes in the human environment, where this process is natural, leading to the construction of firm ways of thinking about how things should be done. The Systems Philosophy posited that any imposed change has numerous and sometimes multiplied effects across an organization, and consequently, in order for change management to be successful, it must be introduced across the range of organizational units and sub-systems. The postmodern philosophy is best described as one which is comfortable with ephemerality, fragmentation, discontinuity and chaos, but also seeks to take action rationally toward ongoing improvement. These aforementioned 10 philosophies illustrate the distinctive differentiation in a particular situation or set of events. These philosophies focus on the complementary and competing forces that organizations face in managing the tension between continuity and change. In view of different approaches to change as outlined above it is evident that attention should be paid to the different views of implementing a change intervention.

### **The transition to leading change**

Lately there has been worldwide intensive debate about relevant issues such as managing change, leading change and navigating change. Many regard the aforementioned as pure semantics but in this article about change, the principle of leading a change will be adopted. There is little doubt that managing change will focus more on the planning, organizing, coordination and controlling aspects of change, whereas successful change depends on the leadership aspects. This view is supported by Graetz and Smith (2010) when they state

that: “Traditional approaches to organizational change generally follow a linear, rational model in which the focus is on controllability under the stewardship of a strong leader or ‘guiding coalition’. The underlying assumption of this classical approach, ever popular among change consultants, is that organizational change involves a series of predictable, reducible steps that can be planned and managed. Evidence from case studies of failed change implementations indicates, however, that this uni-dimensional, rational focus is limited because it treats change as a single, momentary disturbance that must be stabilized and controlled. Such a view fails not only to appreciate that change is a natural phenomenon which is intimately entwined with continuity but also, that the change-continuity continuum is what defines organizations and their ability both to exploit and explore. Change and continuity represent competing but complementary narratives, bringing in ambiguity and novelty to destabilize as well as validate existing organizational routines”.

Geldenhuis and Veldsman (2011) have remarked that traditional and existing approaches to change are less effective... and change navigation in an organisation tends to be more of an emotional process. In that line of thought change navigation consists of the following basic steps of mobilising dissatisfaction with the status quo; shaping a guiding coalition; diagnosing organisational problems; building organisational capacity; developing a shared vision; formalising change strategies and generating short-term wins; dismantling temporary transition structures and processes and ensuring organisational learning.

In order to enhance the chances of affecting lasting, successful change, organisational change navigation needs to be guided by at least the principles of believing in the possible actualisation of a clear vision; linking change to the organisation’s strategic intent (that is a central or overall change theme) and the concerns of organisational members; steering the overall change in a manner that mirrors the desired future state; maintaining congruence between all aspects of the change and the organisation itself (Geldenhuis and Veldsman, 2011); providing organisational members with adequate or high-impact training and emotional support; investing substantial resources in support of the change; dealing with the resistance to change in an open and fearless manner; conducting frequent assessments of the change impact; the on-going, wide sharing of information; dealing with the historical baggage of previous change journeys; celebrating milestones and successes; providing visible and active transformational leadership; encouraging responsible and active participation (or engagement) by organisational members; developing a conceptual model as an intellectual map to aid in conceptualising and systematising the change that the organisation has to undergo” (Geldenhuis and Veldsman, 2011).

Finally, Mokgolo et al. (2012) have remarked: “line managers or leaders are key sources of influence on

leadership acceptance, performance and job satisfaction. Employees who work in changing situations may have a more positive, open-minded approach to the change of leaders and develop a more accepting attitude”. They further stated that leaders who are able to reduce the effects of uncertainty during change interventions will ultimately assist employees in achieving the desired change outcomes.

## RESEARCH DESIGN

This article adopted a mixed method approach. While there are numerous definitions for mixed method approach, Tashakkori and Teddlie (2009:286) has defined mixed method research as “...research in which the investigator collects and analyses data, integrates the findings and draws conclusions using both qualitative and quantitative approaches or methods in a single study or programme of inquiry.” Hence, a mixed method design is suitable to for this research owing to the fact it allows the researcher to gain complementary insights in the conceptualisation, experiential and inferential phases about the relative contributions of leadership in navigating change; it provides a more complete and meaningful picture of the nature and dynamics of leading change (Tashakkori and Teddlie, 2009:287). An initial qualitative research approach allows the researcher to refine the initial research propositions in the research hypothesis that can be tested quantitatively. It also allows the researcher to expand on the initial understanding of the type of leadership and provide a more comprehensive explanation at a later phase in the research process, and provides the opportunity to assess the credibility of the inferences that are made about leadership during one phase and thereby strengthen the credibility of inferences that are made at later phases in the research.

In terms of the qualitative component, a convenient sample of 5 Senior Leaders was selected. While data was obtained from individuals, organisational-level measures were used to compare the differences in change navigation and leadership. Semi structured interviews were conducted and digitally recorded and transcribed. Content analysis of verbal response was undertaken to identify and verify different dimensions.

In terms of the quantitative component, one of the divisions in the company was purposefully selected and 301 questionnaires were distributed to all the employees in that division. A survey questionnaire was developed and piloted at the company amongst a number of non-randomly selected employees who were not part of the initial focus group; where after 301 employees were requested to complete the questionnaire. A factor analysis to identify and confirm the questionnaire structure was used. Comparative statistics to identify differences and similarities was applied during this process.

## DATA ANALYSIS

In discussing the major findings of this research, focus will be paid to the results relating to organisational change. Research objective was to analyse perceptions of organisational change. This will be done in two separate phases:

### Phase 1: Qualitative analysis

Table 1 shows the relevant questions and the responses

**Table 1.** Relevant questions and the responses by participants.

Question	Participant	Response
Did you provide a clear vision on where you intend to go with the Company with reference to the Traditional Retail and Financial Services decoupling?	1	The response came quick and decisive with an absolute yes. According to the participant, the change did not emanate from the stance that it is time to change things and what we would change. We constantly focus on the long term vision of the organisation and more so the long term wellbeing of the organisation. As a leader, one has to constantly ask who we are as an organisation and then decide if our long term vision will stand the test of time. With regards to change one can become a 'healthy dinosaur' if you do not provide a clear vision for the future that is all you will ever be.
	2	Regarding the response, it was exactly the same as participant one, namely absolutely yes. According to the interviewee, the strategic initiative as we like to call it is curtail to the success of the business and the communication of such, which is vital for our future success. During the communication of the vision we found that when it comes to change you have to look at things completely through a different set of eyes. This vision was not only provided to the employees, be we also ensured that the vision was 'tested' within the international business environment.
	3	The response was consistent with the first two. It was furthermore mentioned that it was not only provided or shared, but it was as well clearly defined. According to the participant, the business strategy was also formulated, articulated and aligned to support the vision that we have for the organisation.
	4	Regarding the question the response was also positive in that the participant indicated yes. According to the participant, the vision and said change were briefly discussed and an interesting observation was done, in addition to numerous discussions that took place at an executive level long before the change was actually implemented. Another important point was that there were different cultures and interpretations in the organisation, which was taken into account in the sharing of the vision.
	5	This participant had a slightly different view on this. Regarding the vision, he felt that it was communicated and shared using a very theoretical view as opposed to a model that will enable the change rather than communicating it only. The participant continued and stated that empowering people to ensure that we follow one vision is more important than merely communicating it.
What was the initial reaction to the envisaged change?	1	The response focussed on the fact that different level of staff reacted differently. According to the participant, there was a definite level of anxiety especially amongst more senior members of the business. There were definitely people who said: "we do not need this in our lives". The key lies in your leadership ability to get people to believe not only in you as the leader but also in them by instilling in them that their best effort will be good enough.
	2	Very similar to participant 1, the participant discussed the different reactions at different levels, comparing the board of directors to the employees in the business units. He mentioned that people were shell shocked at lower levels and felt that the initiative is turning their world upside down. Clearly the initial reaction was uncomfortable which triggered certain unpleasant discussions. In his view, getting the correct message out at the various levels was crucial.
	3	The response included amongst others the comment that "there was a significant feeling of uncertainty" and also referred to a fundamental re-orientation towards accountability and responsibility. According to the respondent, involving all the stakeholders including the union and sharing the honest truth about the long term strategy/vision contributed to the success. Furthermore it was very important to keep people's self-esteem intact.
	4	A definite and clear indication of "panic" and then an explanation of such from the participant to put it into perspective: all levels of staff were not necessarily involved in the initial planning and discussion phase, so this change came quickly and turned their world upside down. Another explanation consisted of the fact that people have gone through similar experiences in the past and immediately relate to such experiences. The important issues for us as leaders was to ensure we take them through this and trust was very critical, something that is earned.

Table 1. Contd.

Was this change contemplated and if so provide reasons for this?	<p>5 The participant felt that the employees did not understand initially why the change is necessary and secondly did not clearly understand the benefits of the initiative to them in changing the business strategy. The reason for this is linked to the initial communication which was very academic driven by a communication model that did not talk about one company, one vision, one future and one customer. The participant did mention that once the communication “model” was changed did a change in the people take place.</p>
	<p>1 The participant felt extremely strong that it would be a blatant lie if anybody claimed that the change was contemplated. In November 2005 following an investor’s road show, a decision was taken that the business model should change. The economy was still doing well but we realised change is immanent and that we had to “split” traditional retail from financial services. We have already started then to search for a business partner in this change process.</p>
	<p>2 According to the participant, the journey from 2006 was very interesting as we knew that we had to change the business strategy and that there was a clear vision of where we wanted to go. The decision was made and the one thing that had to be done was to stretch test that decision. There were so many opportunities and we engaged with banks, with the intention of finding a partner of course. The participant also made it clear that the change was never contemplated.</p>
	<p>3 The participant had a lengthy discussion on the theory behind contemplation and the role of leaders in such. It is further mentioned that leaders have continuously contemplate whether the current business direction and strategy is still applicable in the long term future. The participant also spoke about the timing of certain visionary and long term fundamental changes in a business. The question was asked again and the participant responded by saying only time will tell us, however the participant was confident that it was done at the right time.</p>
	<p>4 According to the participant, there were several discussions relating to change and the timing of such. He also mentioned of one change bringing about other changes and how they as leaders should be able to harmonise them. The participant during the discussion indicated that the said change came at the right time and that it was necessary to change</p>
	<p>5 The participant joined the top leadership team after the decision to decouple traditional retail from financial services, and although the participant discussed the contemplation question in theory, it was never established/confirmed whether the change was contemplated or not.</p>

by participants.

**Phase 2: Quantitative analysis**

Figure 1 reflects the responses of employees regarding change, how the envisaged change was perceived, how the change was communicated as well as the initial reaction of employees towards the change initiatives. Relevant questions relating to the change process in the organisation are:

- Q9: You understood the need for change?
- Q11: You did not feel comfortable with the change initially?

- Q12: The new vision was clearly stated?
- Q13: There was clarity on the desired end results?
- Q16: The intended change was experienced as a threat?
- Q18: All stakeholders supported the intended change?
- Q22: You resisted the intended change?

All the factors were above the Chronbach’s Alpha reliability coefficient of .732 and a result of .93 was indicated, thereby indicating adequate internal consistency.

**DISCUSSION**

Regarding question 9 that relates to the understanding of the need to change, the majority of the respondents (65.8%) indicated that they agree. The mere fact that only 14.9% of the employees stated this to be untrue is a strong indication that the reasons for the envisaged change were well communicated. The majority of senior management (4) stated that the vision of the company, which included the envisaged change, was well communicated. They also stated that the envisaged change did not merely pertain to short term business results, but rather the long term

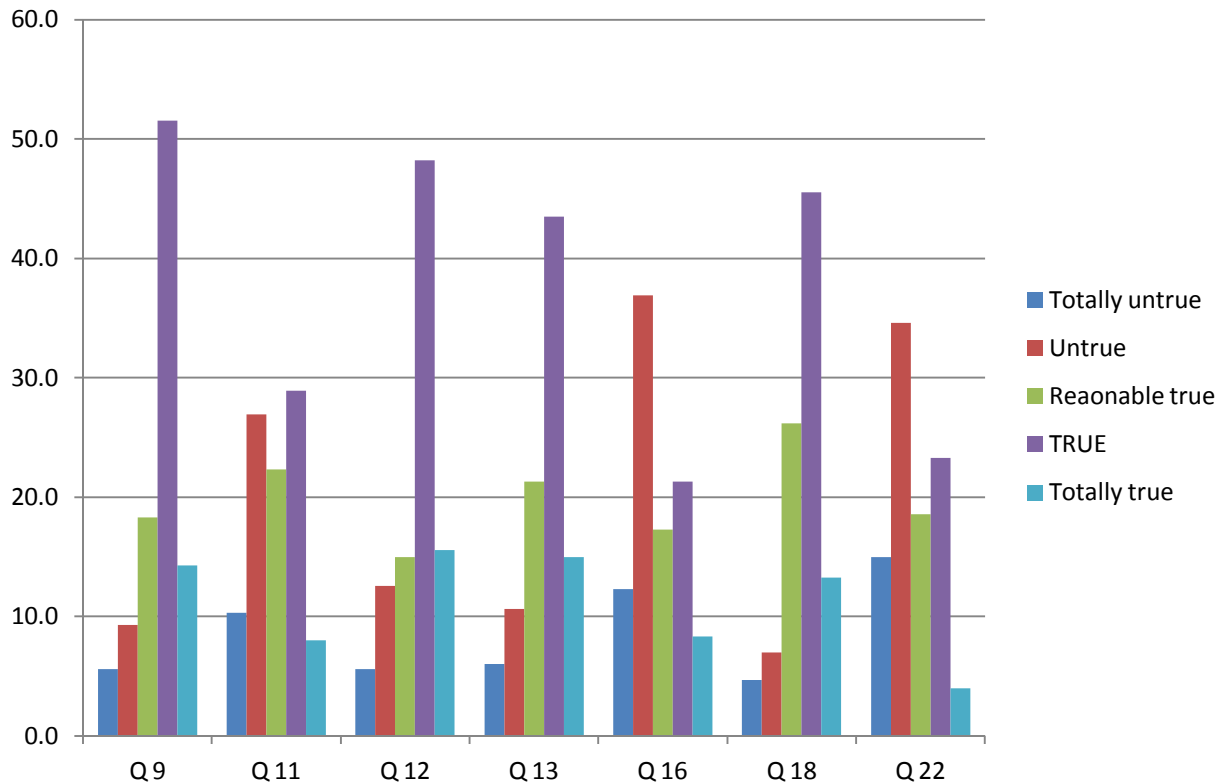


Figure 1. Summary of employee responses.

survival of the company. A control question in the questionnaire confirmed that 65.8% of the respondents were extremely positive about the communication in the change process, which supports the assertion in the interview phase.

Question 11, which pertains to how comfortable the employees were with the change, had an interesting result. From Figure 1, it is evident that there exists a balance in the number of respondents that answered true and untrue. There was 37.2% that felt they were uncomfortable initially and 36.9% that were comfortable. The reasonably true category represented 22.3% of the respondents. It is clear that the initial reaction was therefore not as positive as one would have preferred, which correlates with other literatures reviewed in this study. Furthermore the initial reaction of employees is confirmed by senior management in that the participants during the interviews mentioned about uncertainty, shell shock, panic and anxiety.

There is a direct correlation between question 9 and question 12 that deals with the vision, namely whether or not the employees felt that the vision, which included the change, was well communicated. In this regard the respondents stated that they knew about the Vision and that it was clearly communicated. The fact that 63.8% of the respondents replied positively to this, is a testament to that. As indicated in the interview senior management

felt that the vision, with specific reference to the change intervention was continuously and clearly communicated.

On the question whether there was clarity on the desired results (Question 13), the majority of the respondents (58.5%) replied positively. There was furthermore 21.3% that said relatively true, which confirms that the employees knew and understood why the need for the envisaged change. In this context one of the participants from the senior management referred to "healthy dinosaur" as appose to creating a vision for the company that would ensure the long term profitability and sustainability of the company.

It was mentioned in the literature review that resistance to change is one of the primary reasons why change is not navigated and implemented successfully. One of the reasons for these phenomena is that people often feel threatened by change because they are afraid of the unknown. Question 16 deals with the challenge of whether employees felt threatened or not. 42.9% of the respondents did not feel threatened by the envisaged change, whilst 29.6% felt threatened by the changes. As mentioned in the interview, senior managers confirmed that there were definite indications of initial resistance. It was furthermore confirmed that lower level employees did react with emotions and were "uncomfortable" as perceived by one of the interviewee.

From the literature reviewed, it was evident that the

ability to reduce resistance to change is the key to successfully lead or navigate change. Question 18 specifically focussed on the support or the absence thereof for the envisaged change. The majority of the respondents (58.8%) felt that they supported the envisaged change. Only 11.7% indicated that they did not support the envisaged change. On the question whether or not the change was contemplated, the majority of senior management indicated that it was well researched and planned for some time. They further indicated that all involved understood the necessity for change and supported the vision of the company to implement the envisaged change.

The final question pertaining to change posed the question directly namely “you resisted the intended change”. This was used as a control question for Q16 (the intended change was experienced as a threat) and when compared with Figure 1, the similarities are obvious, confirmed by the Chronbach’s Alpha of .93. A total of 46.9% of the respondents indicated that they did not resist the change compared to the 27.3% that indicated they did resist the intended change.

## Conclusion

In conclusion, change will continue to challenge leaders and organisations. Change occurs in different forms and will never remain the same. It will evolve, it will bring about new challenges and most of all, will continue to push our boundaries. One thing that is clear is that change remains the most challenging part of any leadership position. The better the leader can reduce resistance to change and continuously communicate the envisaged change and ensure employee acceptance and engagement, the more likely implementation will be successful.

Thus, in order to implement any significant change interventions it is of the utmost importance to continuously share and communicate the vision as well the reasons for the envisaged change. In addition to this, the ability of the leader to reduce the initial resistance to change, anxiety and fears of the employees will enhance the acceptability of change in the organisation. Finally, it should be mentioned that any improperly planned and poorly executed organisational change initiative will result in failure. Should this happen, the financial, human, information and physical resources utilized become a waste.

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*Full Length Research Paper*

# Leadership challenges in change intervention and navigation

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**The success of any change intervention depends on the leadership of the organisation. It is therefore important to note that leadership is an enabler of any type of change. Quite often organisations require transformational leadership for the successful implementation of any change intervention. Transformational leaders focus on three critical activities namely the creation of a compelling sense of vision, the mobilization of commitment to the vision and the implementation of change. In general leadership can be seen as the driving force to ensure effectiveness and efficiency. Effective leaders know that the successful implementation of change begins with attending to the human aspect. Therefore, leadership is about the leader's ability to influence people and allowing them to change perceptions, behaviours, attitudes and finally action. It is about arousing human potential and allows for leaders and followers to be united in pursuit of high level goals common to and accepted by all parties involved. This article will mainly focus on the above scope.**

**Key words:** leadership, change, navigating change, leading change, leadership styles, change interventions and change communication

## INTRODUCTION

Globally, on all fronts, whether politically, economically and socially, it appears as if there is an intensifying and growing crisis with respect to leadership. What is not always clear is whether the crisis centres on the institution of leadership itself; the context relative to which leadership has to be demonstrated and the persons exercising leadership.

Under conditions of uncertainty, shifting and open-ended futures, such as the present and future expected challenges; the demand for leadership becomes a pressing and dire necessity. In other words, the necessity for leadership becomes all pervasive if people wish to be masters of their own destinies. The intensification of the growing crisis related to leadership thus makes sense when seen against this backdrop, since it is realized that good leadership and leaders are the essential means of actualizing desirable futures. From a macro perspective,

the debate about leadership therefore may be one of the most important issues of our present time alongside issues such as population growth, economic prosperity, world peace and environmental protection. Indeed, a sustainable and successful resolution of the latter issues may be predicated by the quality of leadership.

Owing to different macro- and micro- environmental factors it became critical for South African organizations to adapt or renew basic structures, systems and organisational culture and management practices. International competition, new information, technology and socio-economic changes can be regarded as important factors to be considered when navigating change. The process of change or transformation is difficult and a long-term process. The success of transformation however, depends on the leadership of an organization. It is possible to bring about meaningful change if credible and capable leaders navigate or lead this change. Strategic leadership is required for systematic planned and controlled change (Nel, et.al., 2011:322).

Burnes and Oswick (2012) have stated that when

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dealing with change and leadership, the most crucial element is ethical values that influence both the actions of the leader as well as the outcomes of the change initiatives. They continue by stating that we are still living in a time where leaders are allowed to put their own egos and self-interests ahead of the interests of other people and this often leads to disastrous consequences. To avoid this we need to emphasize the importance of promoting the ethical dimension of change to ensure that leaders and followers act in the interests of the many rather than the few.

This sentiment was also shared by Van Dijk and Van Dick (2009) when they posited that to navigate organizational change and the resistance thereof the difference in successful transformation starts by moving away from looking at how change and change management affects what we do. A more useful model begins with looking at how the change and change management affects who we are and how we perceive ourselves, how we see others as perceiving us, organizational members and, ultimately, the organization as a whole.

In essence, leadership is the art of getting others to want to do what the leader wants to be done. Amongst other things, leaders identify opportunities build capabilities and drive for results. Leaders gain the confidence of others through their insights, interpersonal influence and competence. In concordance, Bellingham and O'Brien (2005) have correctly referred to leadership as being more about talent and behaviour rather than title and bravado. Leadership is not only about having the power and influence to command and control the performance of subordinates, however, leadership responses exist at all levels in the organizational functioning.

### Problem statement

There are very few companies today that can avoid large scale organisational changes in order to improve or even survive as a business. Whatever the cause, be it market saturation, a tough macro-economic environment, standard of living costs, competitive advantages, or simply the desire to improve business results; the potential resolutions remains restructuring the organisation, changing relationships among sales, marketing, supply chain and other functions or simply improving efficiencies. All these changes commence at the top and demand a relentless focus from leaders in all spheres of the organisation. Too often top leaders overlook the "softer" skills they require to disseminate changes throughout the organization and implement such successfully.

### Research question

The above statement triggered the following research questions:

1. Are there still justifications for the phenomenon called

'leadership'?

2. What is effective leadership and how does the context affect its effectiveness?
3. Where do good leaders come from?
4. Are the right persons in leadership position?
5. Are people adopting the appropriate styles and modes of leadership given changing times, shifting needs and expectations?

### Research objectives

The paper will explore the field and scope of leading change; reflect on different leadership styles as well as identifying those challenges facing leaders who act as change agents. This research will attempt to indicate how top executives prepare, communicate and ultimately implement a major change intervention in a large organisation and how employees perceived the leaders ability to introduce and implement the envisaged change.

### LITERATURE REVIEW- Defining leading change

The concept of managing change has been around for a long time in a typical closed-system view of the organisation. In this regard Van Tonder (2004:197) has stated: *"It implies that change can be managed in "one best way" and that such change management programmes will ensure that loss of production and performance as a results of change can be corrected swiftly and without complications"*. He further stated: *"..... this view of change management as a planned, purposive and controlled activity (and change being amenable to such activities) has been criticised for the fact that it can only be conceived of from within a closed-systems perspective – a situation of environmental stability that was more prevalent during the 1960s than in the current millennium. It is now commonly accepted that such rigid and structured programmatic approaches for dealing with change will no longer suffice in the rapidly changing and turbulent environments in which organisations now have to adapt and evolve."*

In a nutshell, Van Tonder (2004) has stated that remedies for change implementation are presented as a set of different steps and that the essential ingredients of such steps or processes do not differ that much as reflected in the figure 1 below.

Following the review of the more traditional ways of managing change it is important to look at a more modernistic approach to change management, an approach that place emphasis on leading change as appose to managing it. In this regard, Achua and Lussier (2010: 386) have averred: *"There is a growing interest in understanding how to increase the success rate of change initiatives. Experts stress the importance of leadership involvement throughout the process. Leadership must make every effort to eliminate policies,*

*procedures, and behaviours that undermine the change efforts. Followers who are charged with implementing change must see in the behaviour of their leaders as honest effort to share in the challenges of the change. The leader must be willing to alter his or her behaviour in order to minimize resistance. Effective listening helps a leader to have a better understanding of the root causes of resistance". They further posited: "Ultimately, the role of the leader is to implement change that results in better organizational performance; however, the question has always been how to do it effectively and successfully, given the stress, discomfort and dislocation associated with it".*

Griffin and Moorhead (2006) have emphasized the importance of the influence component of leadership. They stress the importance of the influence the leader has on followers as opposed to characteristics of the leaders when implementing large change interventions. The ability of the leader to influence others is the cornerstone to successfully lead change. In their view, there are three specific changes that will ultimately lead to success namely, change in perception, that is realizing that the current working conditions are more hazardous than a person thought it to be; change in attitude, which means that the organisation will be a far better place to work in than before; change in behaviour, which makes a person works harder and get others to emulate same.

There are also those who are of the opinion that a multi-dimensional approach to leading change is required. They reject the view that either n-step, goal directed models of change management or the more humanistic, 21<sup>st</sup> century leader with a more participative inclusive style is required. Graetz and Smith (2010) has summarised the major challenge that change leaders face today, as their ability to implement systems that can cope with ambiguity, ambivalence and contradiction. They further argued that a multi-philosophical approach reinforces the need to discard assumptions about opposing values and replacing them with an appreciation of complementary concepts. Flexibility is crucial in a turbulent environment in order to find new ways of doing things (innovation), but order is necessary to ensure that innovation is relevant. It therefore follows that, the traditional change management "steps" and/or processes can no longer be applied as a "recipe; There will be a need for a combination of system and/or goal directed change models that is based on humanistic and inclusive leadership approach; Leading change is widely accepted as appose to managing change; change is more receptive once the leaders are committed and honest towards the change interventions; Leading change deals with influencing people to change perception, attitude and behaviour.

### **Different Leadership Styles**

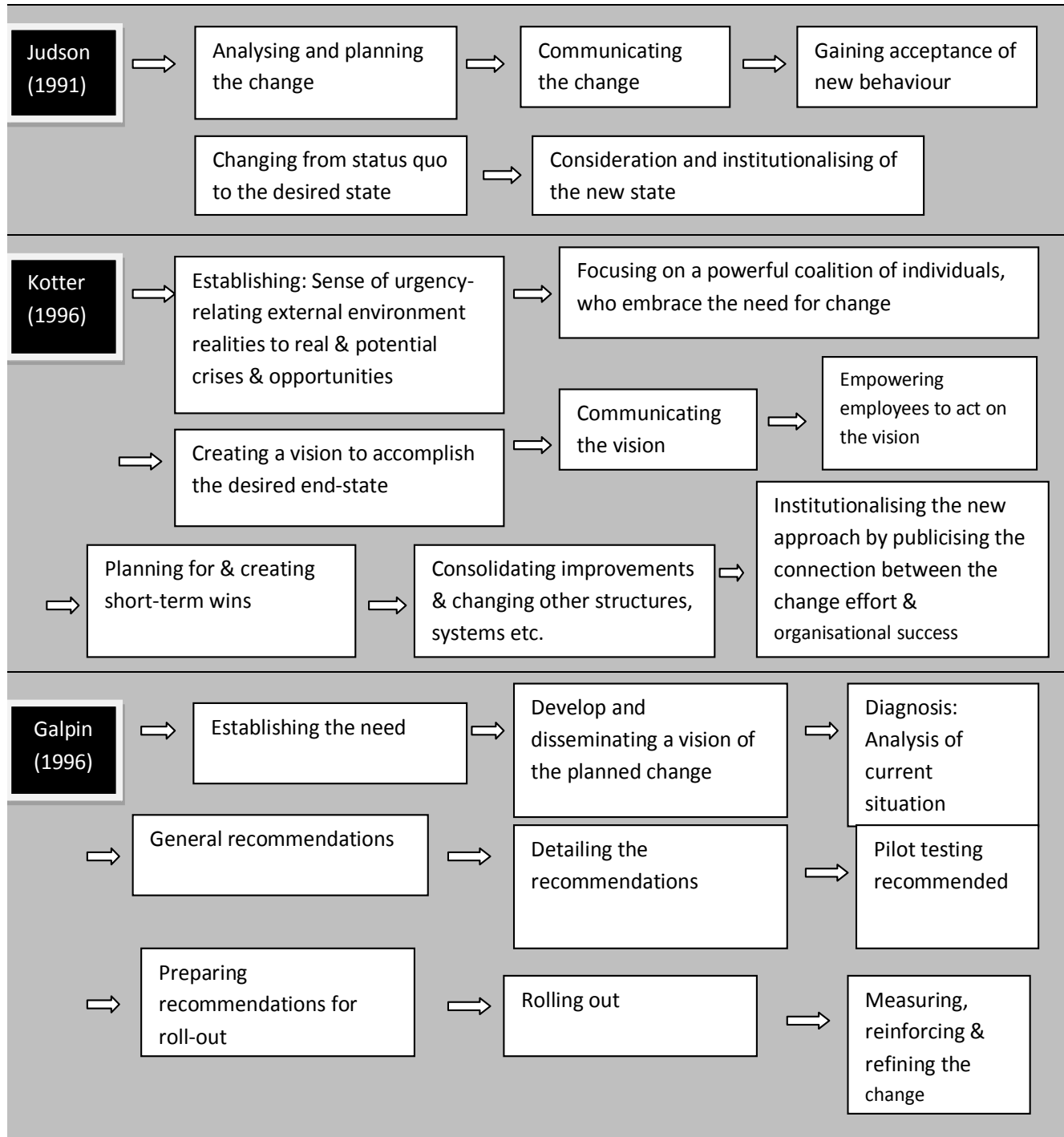
Transformational and transactional leadership styles are

categorized as the new leadership paradigms and are linked to charismatic and strategic leadership (Durungs-Ruhier, 2011). Transactional leadership place emphasis on the importance of the relationship between the leader and the followers and is less concerned with the transformation of organisation. Transformational leaders set high goals for change and take responsibility for their commitments. Furthermore, they are concerned with collective well-being and can inspire and motivate their followers to cross their comfort zone in order to go beyond their potential. Derungs-Ruhier (2011:5) refers to four i's in transformational leadership namely, Idealized influence (a leader is a role model for others); Inspirational motivation (a leader provides meaning, vision, hope); Intellectual stimulation (a leader stimulates creativity and innovation); Individual consideration (a leader is concerned with the individual's needs).

Hughes (2007:148) refers to transactional leaders as believing "... to guide or motivate their followers in the direction of established goals by clarifying role and task requirements. Whereas transformational leaders change followers' awareness of issues by helping them to look at old problems in new ways, where they are able to excite, arouse and inspire followers to put out extra effort to achieve group goals."

According to Isaksen and Tidd (2006:125) a transactional style "...is a mutual influence between leaders and followers working on the basis of a reciprocal exchange relationship of costs and benefits. Decision-making takes place in a stable and certain framework where bureaucratic authority, formal rules, regulation, procedures and legitimate power are all visible and regularly exercised. Transformational leadership is based not on physical rewards but on motivation. Transformational leaders often initiate and implement changes in the structure and strategy of the business and people"

A modernistic approach to leadership styles was highlighted by Pearse (2011), in that he refers to patterns of leadership actions and mentioned that leadership patterns should not be simply interpreted as leadership styles but they are patterns arising because of the interaction between leaders and their context over a particular period of time. According to Pearse (2011), there are six patterns, with the first three as affective patterns and the last three as in effective patterns, namely Freewheeler, which is an organisation that is already in the process of moving in the direction of the desired change, where the leader maintains the momentum; Focused pioneer, is a pattern where the leader need to push ahead with the planned change and ensure that all systems and processes are aligned; Reflexive accommodator requires the leader is to slow down the pace of the change slightly to accommodate the needs



**Figure 1.** Change implementation  
Source: Van Tonder (2004:200).

and concerns of the followers. This pattern in conjunction with the focused pioneer is important to successfully lead the change; rigid combatant is a pattern that entails excessive force in the change process. It can also be viewed as a state where caution is not applied during the change process; Popular people pleaser is a pattern that

is exactly the opposite of the above, whereby the leader accommodates the concerns of the followers at the expense of the change; Static non-leader occurs when there is no or limited influence by the leader. There is a lack of communication on progress and the vision/goals are not regularly reinforced and the momentum is

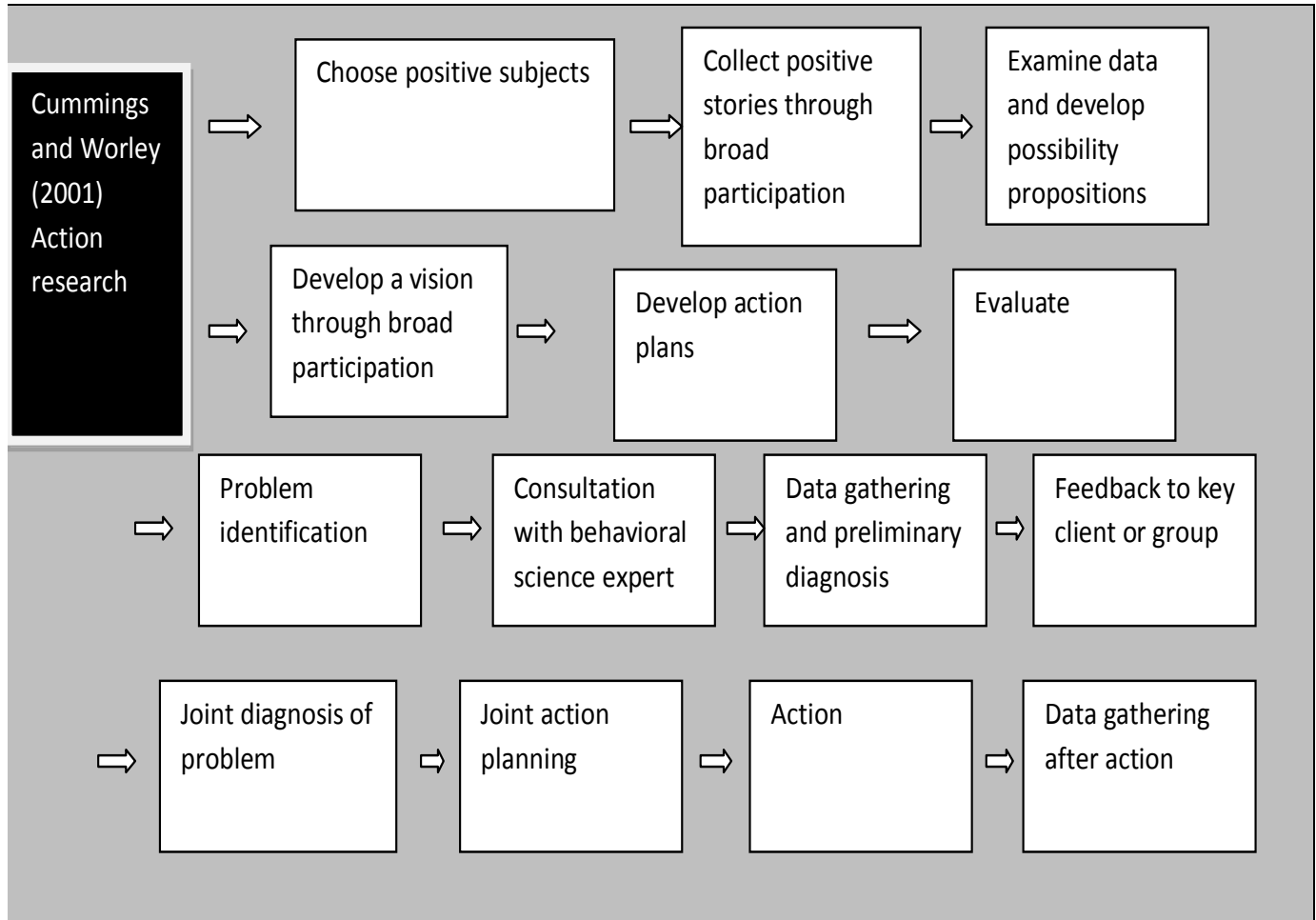


Figure 1. Continue.

subsequently lost.

Matthew (2009:7) has provided an interesting perspective known as creative leadership.

*“Creativity has been linked to the function of leading change in the propulsion model of creative leadership... significant organizational change requires a type of creative leadership that rejects current ways of doing things and proposes new assumptions or paradigms. Leading organizational change is conceptualized here as a creative function that fundamentally influence change in individual and group behaviour in organizations. As such, leader creativity is expected to predict the capacity to lead change. Since leading change involves understanding and working with a range of basic human needs on multiple levels (i.e., individual, group, and organizational), social-emotional competency is expected to have a direct effect on the capacity to lead change.”*

Puccio et al. (2011) support this view by asserting that highly creative leaders always challenge the status quo,

take risks, experiment with new approaches and examine alternative ways of solving problems. Therefore, creative leaders will focus on future possibilities and will think in terms of what is possible and possibly be adept at getting others to buy-in to their ideas. It is evident that creativity-related leadership practices are crucial in bringing creative change to an organisation.

### Challenges in Leading Change

There exist differences in opinion in business today regarding the phenomenon of change management versus leading change as discussed above. Veldsman (2002:216) believes that leadership is one of the most important elements and mentioned the top change implementation challenges in order of importance, namely employee resistance, leadership issues, planning issues, communication failures, culture, skills issues and industrial relations issues.”

It is important to note that successful large change

needs to be implemented according to a holistic plan. Change leaders often try to balance two countervailing forces namely the need to drive change through their organization in order to respond to ever changing environments, and looking at the importance of incorporating what they know about the human aspects of change. In this respect, Herold and Fedor (2008:112) have suggested that leaders should understand the certain key elements in any change intervention, namely, that organisational changes cannot be contemplated as independent and isolated events; all changes cannot be priority one and leaders need to take a more strategic view; no matter how carefully leaders contemplate a given change, the actual benefits will be a function of the change environment in which it is embedded; the challenge associated with a given change will increase exponentially as the environment in which the change is to be embedded becomes more turbulent; not all individuals will react the same way to change turbulence; and senior leadership needs to take serious its role in orchestrating the various change initiatives. In order to successfully lead change, Spiro (2011:5) has suggested eight steps to overcome the major challenges, namely Determine the change strategy (define it specifically with timelines); Assess readiness (improve the readiness of all parties); Analyse the stakeholders (understand the motivation levels of all stakeholders); Minimize resistance (assess individual's own tolerance); Secure a small early win (plan and secure a small early win to convince); Engage the key players in planning (skilfully bring together all internal and external players); Scale and sustain the change strategy (sustain the initiative over time); Build in on-going monitoring and cause corrections (determine whether the change strategy solved the original challenge).

However, Bauman (Hambrick et al., 1998:309) reflect on five requisites for successfully navigating change, namely Cultivate a winning attitude (create an environment in which others can succeed), make the organisation the hero (managers to play a different role than previously), establish cumulative learning (educating people in ways that are in line the organisation believes are the best), promote strategic communication (look at what it is you want the employees to do and building trust and loyalty) and align strategy and behaviour (reinforcing values and concepts of behavioural change through management processes and systems that can measure and promote the desired change).

Cloud (2010:75) has pinpointed some key elements in navigating change namely, successful change leaders listen more than they talk or act; prudent leaders do not view themselves as 'the boss' with the right to coerce subordinates or force institutional changes without appropriate dialog and planning; successful change leaders are motivated to serve before they aspire to lead; change leaders articulate a vision for their followers and then persuade them to help with its implementation; effective

leaders have a high degree of emotional intelligence, which is to say that they are highly motivated, self-disciplined, empathic and caring individuals; in addition, change leaders are authentic individuals who eschew pretence. They are comfortable with themselves and open to others.

## RESEARCH DESIGN AND METHODOLOGY

A mixed method approach was utilized in this article. While there are various definitions for mixed method methodology, the following definition will suffice as far as this paper is concerned. Tashakkori and Teddlie (2009:286) has defined mixed method research as, "...research in which the investigator collects and analyses data, integrates the findings and draws conclusions using both qualitative and quantitative approaches or methods in a single study or programme of inquiry." The above definition makes mixed method design appropriate for the purpose of this research. According to Tashakkori & Teddlie (2009: 287) mixed method is normally utilized owing to certain reasons namely, it allows the researcher to gain complementary insights in the conceptualisation, experiential and inferential phases about the relative contributions of leadership in navigating change; It provides a more complete and meaningful picture of the nature and dynamics of leading change; An initial qualitative research approach allows the researcher to refine the initial research propositions in research hypothesis that can be tested quantitatively; It will allow the researcher to expand on the initial understanding of the type of leadership and provide a more comprehensive explanation at a later phase in the research process; and, it provides the opportunity to assess the credibility of the inferences that are made about leadership during one phase and thereby strengthen the credibility of inferences that are made at a later phases in the research.

In terms of the qualitative method, a convenient sample of 5 senior leaders was selected. While data was obtained from individuals, organisational-level measures were used to compare the differences in change navigation and leadership. Semi structured interviews were conducted and digitally recorded. All interviews were transcribed and content analysis of verbal response was undertaken to identify and verify different dimensions. With regards to the quantitative phase, one of the divisions in the company was purposefully selected and 301 questionnaires were distributed to all the employees in the said division. A survey questionnaire was developed and piloted at the company amongst a number of non-randomly selected employees who were not part of the initial focus group. Afterwards, 301 employees were requested to complete the questionnaire. A factor analysis to identify and confirm the questionnaire structure was used.

Comparative statistics to identify differences and similarities were applied during this process.

## DATA ANALYSIS AND FINDINGS

This section will focus on the qualitative and quantitative data analysis and findings, in order to enable the research to draw suitable conclusion.

### Phase 1: Qualitative analysis

Table 1 show the relevant open ending questions and responses of participants.

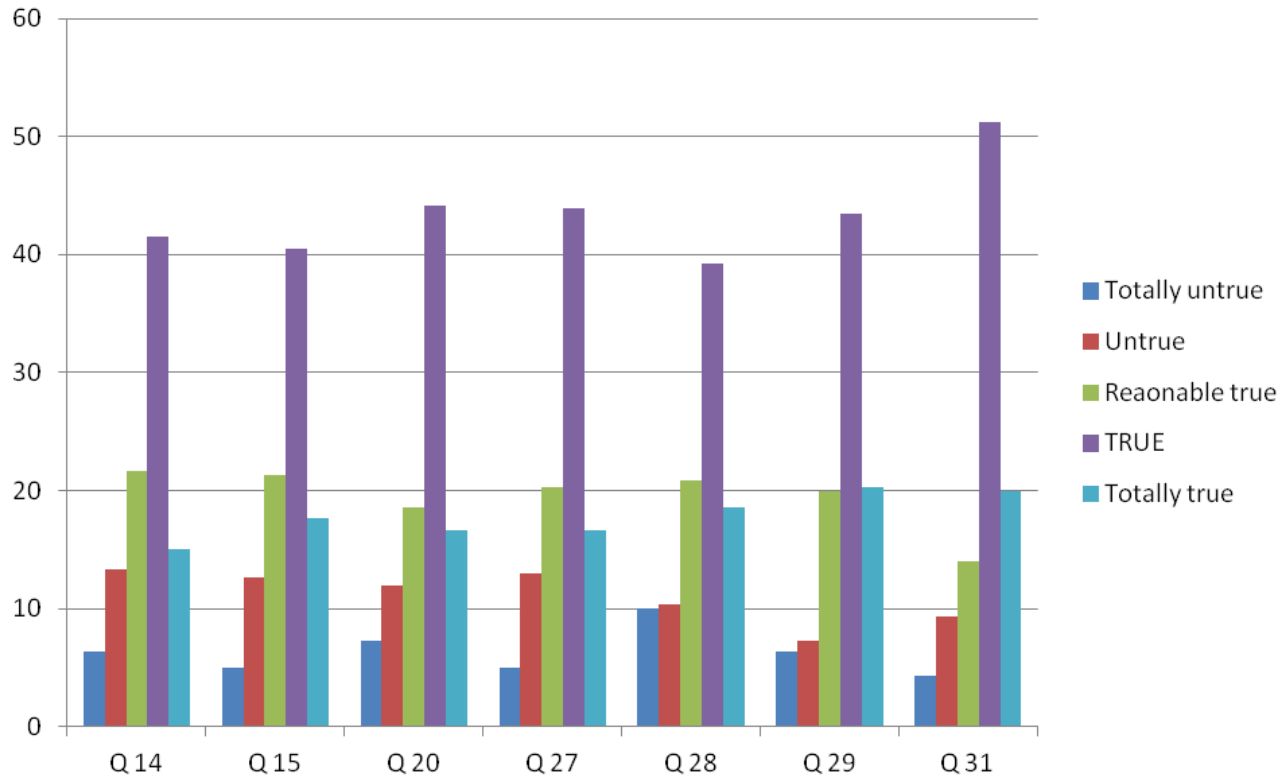


Figure 2. Summary of employees responses.

## Phase 2: Quantitative analysis

Figure 2 reflects the responses of employees regarding the proposed benefits of a large change intervention, the effectiveness of communication during this process as well as leadership approach during the change process. Relevant questions from the question-naire regarding change navigation are:

Question 14: You were convinced of the benefits from the change?

Question 15: The intended change was regularly communicated?

Question 20: My role in the change process was clearly explained.

Question 27: You were personally informed by the leaders regarding the change?

Question 28: You believed the leaders made the right decision to decouple financial services and traditional retail?

Question 29: You had confidence that the leaders in the Organisation could succeed with the change?

Question 31: The leaders themselves were committed to the change?

All the factors were above the Chronbach's Alpha reliability coefficient of .732 and a result of .88 was

obtained, thereby indicating adequate internal consistency.

## DISCUSSION

Regarding the question whether the employees were convinced of the benefits from the envisaged change it is evident that the majority of respondents (78.1%) agreed to that. According to literature, it is important to ensure that all possible resistance factors are minimised and trust must be maintained throughout. This finding corresponds with the response to the role the employees played in the envisaged change (question 20) where 79.4% indicated they understood their role. These positive responses is supported by the majority of the participants (80%) who clearly indicated that there is a need for the change ("healthy dinosaur") and appreciate the value of the change ("ensuring people can see the light from a career perspective"). This was summarised by one participant who stated: *"There was a four step process that we applied namely, building awareness of the change to come, creating an understanding as to why we are changing, building acceptance for the change and getting the people to become involved in the change process."*

The importance of communication in navigating change

**Table 1.** Relevant open ended questions and responses of participants

Questions		Participants				
Questions 1	1	2	3	4	5	
<b>How did you achieve this? (With reference to: Did you provide a clear Vision?)</b>	Communication, communication and communication. It started of course with our shareholders – to convince them of the vision and not everybody was convinced, some had doubts and this was supported by some of our competitors. One has to be resolute and continuously communicate the strategy, benefits and keep people up to speed of where you are.	The participant stated it as follows: "... once we had made up our minds in terms of what to do, the communication process was paramount, because heaven help you go and try and implement a strategy and you forget to tell the people what you are doing and why you are doing it". How we communicated was also important (using for example road shows) – we are touching people's lives and one has to be cognisant of this. He also mentioned that they communicated to the board as well as how the different businesses were grouped together into five units and each unit receiving the same message, but differently packaged.	The participant started by saying that change management does not equate to communication only, however, it is merely one component. There was a four step process that we applied namely, building awareness of the change to come, creating an understanding as to why we are changing, building acceptance for the change and lastly is to get the people involved in the change. To get to a point where people say "I want to be involved in building the new organisation". Communication to the board was also important and we had to ask: "If we do not do it, what are the consequences?"	This participant was of the view that the further away you are from the change process the more difficult for you to accept the change. Therefore, the communication part was important; however, a lot of emphasis was put on the accompanying support provided to employees who were not necessarily involved in the initial change	The participant answered both questions 1 and 2 simultaneously. The participant felt that the communication model used was too academic in the beginning, however, once it was realised that the world we work in and the job itself has changed, only then did we start to make inroads. All that being said, a clear indication of on-going communication to create understanding and acceptance is necessary to ensure that we engage with staff.	
<b>Question 2. Did you explain the reasons for the change interventions?</b>	Absolutely was the response. Did we do it perfect? Most certainly not. The participant puts strong focus on ensuring that each and every level of employee must understand why we are changing. The participant also mentioned the fact that they assume that everybody understands English and Afrikaans – this in itself is dangerous – there were times when we saw in the business results that not everybody understood exactly what is expected.	The participant referred to being a healthy dinosaur and that was the message we took to all parties, our shareholders, the board of directors, the executive team, the leadership community as well as each and every staff member. The research was done, nationally and internationally and we knew that change is imminent. The participant therefore concluded by saying that the change was most certainly explained, however, that does not guarantee success.	The participant responded immediately, 'absolutely'. There were two issues around the change that we explained to our staff. There are implications if we do not change and there are implications if we do change – everybody had to understand this. Individual leadership discussions were highlighted as opposed to mass communication with the focus of ensuring that people can see the light from a career perspective.	The participant responded by saying yes, however he mentioned some real interesting challenges: a big change like this one scares people and they might even switch off or even not understand the reasons behind the change. All staff members were not necessarily involved from the start and they felt disempowered. The reason was that the decision to change was already made and I have just been informed about it – it is now a lot more difficult to get buy-in.	The participant felt it was done, but it was done poorly. The reason being that a lot of communication to high level leadership people transpired, however, the challenge was to package that same message in a language that the lowest level of employee can understand. You have to connect cognitively and emotionally with these staff members. There were good examples where relationships between certain business divisions suffered – we should have, from the start, empowered our senior leaders and enabled them to communicate one message in a language that all staff members could understand.	



Table 1. Contd.

<p><b>Question 3.</b> How was the intended change communicated to all involved?</p>	<p>The participant spoke very broadly of communication mentioning all stakeholders, namely investors, community, the shareholders, senior leadership, middle management and all the staff of the company. The one thing that is mentioned is the ability of a leader to communicate the absolute truth and that the message must be consistent.</p>	<p>The participant speaks about the message (how it was packaged) as well of the timing of the message (due to the sensitive/emotional nature of the message). The initial communication was with the Union and to ensure we get their buy-in. Then communication to our staff was like a military operation: the time, the message, the messengers, the audience, the how to communicate and the objectives – everything was well planned. Following this there was road shows where the top executive leaders were involved. We communicated the intended change and dealt with questions/concerns. We also used our structures in the company to continuously communicate the process.</p>	<p>For this participant the focus was what to communicate, when, by whom, to whom and what the value we wanted to add. The participant mentioned again awareness, understanding, acceptance, and being involved. In terms of methods the participant mentioned road shows, information DVD's played in business units, emails and communication utilizing the organisational structure. Eye to eye contact was very important as well as feedback loops. Feedback loops are where following the various discussions in the business units that senior management (General Managers) will provide constructive feedback and these questions/issues were addressed in the follow up/following communication session.</p>	<p>There was a lot of discussion between senior executives and the HR community who assisted in driving the change. The point was also raised that because we have successfully implemented certain changes in the past, this will be similar – this was seen as a unique change with its own challenges. The structures in the company were also used successfully in that General managers would meet with Regional Managers and in turn they would meet with the Business Managers whom in turn would discuss the changes and challenges with the staff in the business unit.</p>	<p>This participant felt that the two main business divisions did it totally different, which was not ideal. The one division used emails and certain instruction methodologies and everybody had to ensure they implement. The other division had a change partner and they communicated using other methods such as newsletters, communication sessions (per region and division) and creating understanding and excitement surrounding the changes. Therefore these division's staff were excited, engaged and energized.</p>
<p><b>Question 4.</b> Should you in future consider another major change Intervention in the Company, what would you do differently?</p>	<p>Two things were highlighted by the participant: firstly is to ensure that every level of employee must receive the message in a "language" that he/she understood – the message must be clear. The second thing is to ensure your IT platforms support your new business strategy and each and every staff member must understand the design and importance for business success thereof.</p>	<p>The participant felt extremely strong about the IT platforms and its ability to serve the business strategy and the changes. The availability of such in good time was also highlighted. The second aspect highlighted by the participant was that of having the right people/leaders to drive a changed vision/strategy. The discussion was an argument for and against in that the remark was made that one needs leaders without "baggage". Hence, one does not require statements such as "we have tried it and it did not work". On the other hand it was mentioned that experienced people are absolutely necessary to assist you in identifying risks as well as finding solutions to mitigate such.</p>	<p>The participant responded by saying "very little". The participant added that it must be stressed that change management is not about communication only – so many leaders make the mistake by thinking change is managed once we have communicated it. It involves the redesign of elements such as processes, technology, competence, structure and so forth.</p>	<p>The participant felt extremely serious about change that must emanate from the bottom and not always from the top. The whole discussion is around the advantages and disadvantages of change being initiated from top management. People are more engaged when they are allowed the freedom of initiative – more engaged people lead to better business results. People on ground level know the business extremely well as well as know the customer very well and can inform business strategy. One gets a far better and faster buy-in from people once they are involved in the design process.</p>	<p>The first point of importance to the participant was that of appointing and involving a change team from day one in all conversations and decisions. We have to simplify things and not over complicate issues/matters. The last aspect that was mentioned was that of ensuring that your top leadership has the ability to properly lead the change and it is the change team's job to constantly ensure that they are equipped.</p>

was highlighted in the literature by Hambrick et al. (1998), Veldsman (2002), Hughes (2007) and Spiro (2011). 79.4% of the respondents were extremely positive how the change intervention and its affects were communicated to the employees. Senior Leaders in the organisation all emphasised the importance of transparency and clear communication. This was illustrated by the statements of the senior leaders as the all emphasise the importance of communication. The question referring to the personal involvement (question 27) also touched on the issue of communication and 80.8% responses are positively in line with the feedback received from the five participants (senior leaders).

Employees were convinced that the right decisions were made by the senior leaders of the organisation. About 78.7% of them responded positively. Literature also emphasized the importance of a clear vision and direction in a change intervention. This response undoubtedly serves as an indicator of mutual understanding and trust. One of the participants has stated: *"being a healthy dinosaur and that was the message we took to all parties, our shareholders, the board of directors, the executive team, the leadership community as well as each and every staff member. The research was done, nationally and internationally and we knew that change is imminent. The participant therefore concluded in saying that the change was most certainly explained, however, that does not guarantee success."* Equally (83.7%) respondents indicated that they displayed confidence in the leadership which reflects a sense of trust and belief in the change intervention and the way the leaders navigated same. Achua and Lussier (2010) and Cloud (2010) stress the importance of leadership commitment in navigating change. This research revealed that 85.1% of the respondents felt that the top leaders were committed to their cause. One of the participants clearly indicated that employees may not be expected to accept change if senior leaders are not prepared to accept change.

## Conclusion

In conclusion, this paper has identified the leadership challenges in change navigation. A theoretical framework was conducted to scrutinize issues such as leading change as appose to managing change, the various leadership styles, including some modernistic approaches such as creative leadership and the various challenges facing leaders in terms of change navigation. Thus, in an attempt to clarify the challenges to an effective and efficient change navigation, different views on the prerequisites for change navigation were re-

viewed. The findings of the survey conducted in a given organisation showed a positive change navigation process with only little resistance to the outcome. Finally, in order to drive the vision of an organization, communication, trust and leadership commitment is a must for successful change intervention and navigation.

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## Appendices E

### A proposed leadership competency model for effective organizational change intervention

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#### **Abstract**

*There are still several myths around leadership in spite of the fact that it is one of most topical issues in modern organisations. The importance thereof and contributions of leadership in high performing organisations can never be underestimated. Leaders play an important role in an organisation as social architects by creating vision and strategic direction, building relationships, establishing culture and values and leading change. This article attempts to address specific requirements, by referring to relevant leadership competencies and providing more empowering views on the essence of leadership when dealing with organisational change issues. By referring to various models of leadership, emphasis will be place on the evolution of change leadership. This article also attempts to provide a new model applicable to leading change successfully by applying a mixed method. The existing model or framework in the relevant Company will be reviewed in order to develop this new model.*

**Keywords:** *leadership, leadership competencies, leadership models, leadership in change, leading change, organisational success, values and culture.*

## **Introduction**

Leadership competency is probably one of the most topical issues in the human resources field. Much has been written already and opposing views worldwide emphasize remarkable differences. The leadership challenges associated with the world of work today will not only require better but also different leadership competencies to deal with ever changing workplace. There is a wide range or scope of competencies required in leading change according to various literatures.

Beyond all doubt, leaders play an important role as social architects, providing strategic direction, building relationships, establishing culture and values and leading change. In other words, leaders may be regarded as different from other people because they possess outstanding competencies and characteristics. It needs to be emphasized that the research findings referred to in this article will be a reference to the model or framework currently used in the Company where this study was conducted.

## **Research objective**

The main objective of this article is to identify specific competencies required for a future-fit change leadership model. In constructing the new model it requires an in depth analysis of common leadership competencies and existing models. From existing literature it is evident that a variety of views and explanations are to be found. However, this article will explore trends and tendencies in a selective way.

## **Literature review: Leadership defined**

Dubrin (2007:3) define leadership as “the ability to inspire confidence and support among the people who are needed to achieve organisational goals.” He further refers to the importance of interpersonal influence through communication, the given of orders, which causes others to act or respond in a certain way and the art of influencing people, which is also a dynamic force that motivates. Puccio, et al., (2011) refer to the relationship between change, leadership and creativity. They emphasize that creative people and leaders are

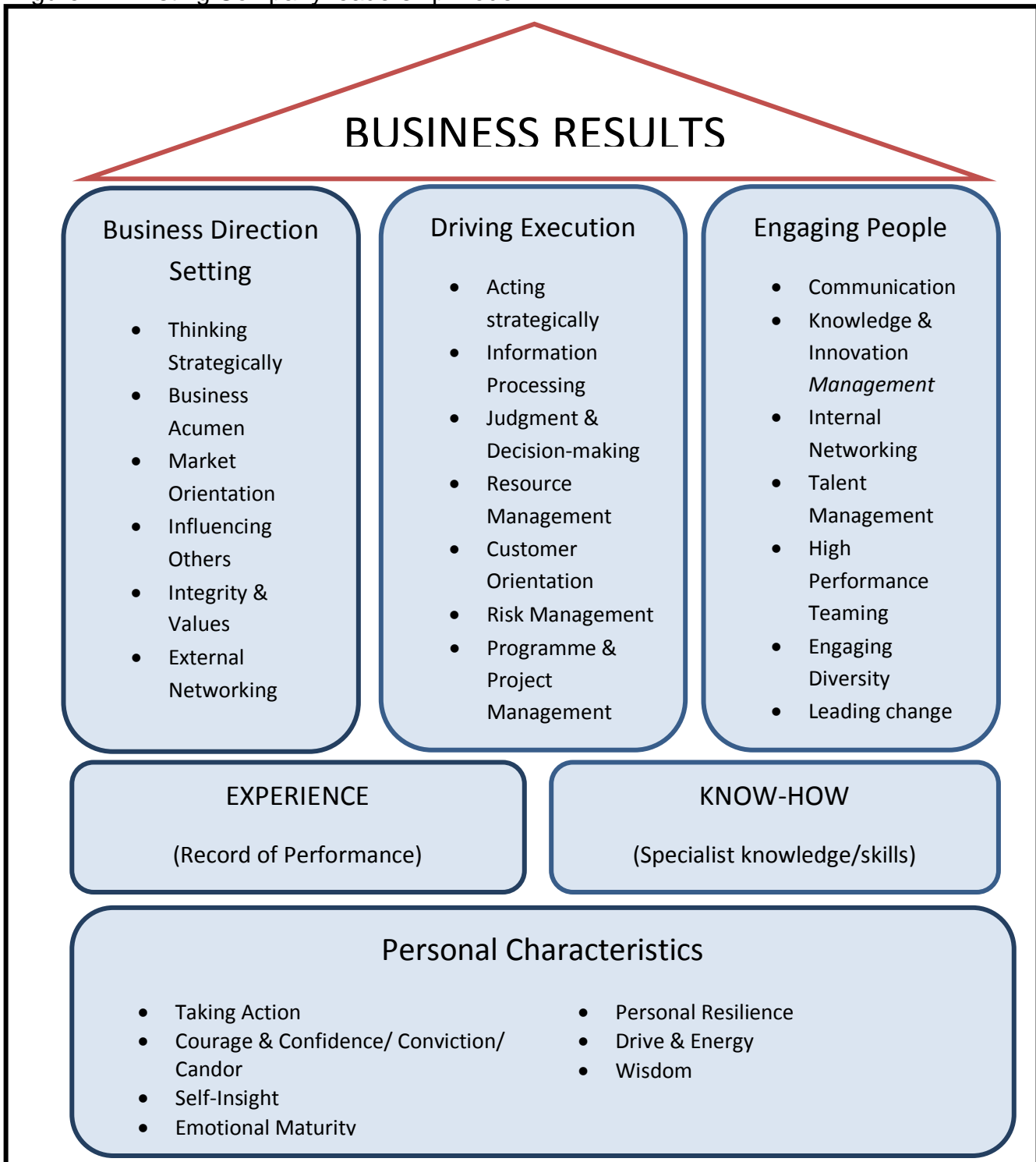
one and the same, but acknowledge the fact that effective leadership requires traits, skills and knowledge that lie outside the scope of creativity. Rowe and Guerrero (2011:2) maintain that “leadership is about influence.” They also indicate that leadership operates in groups, which includes the achievement of goals and sharing of objectives. Ungerer et al., (2013:269) maintained that leadership is not about intent but about infecting others. Hence, “Leadership is the capability to influence positively and impact on situations and people in order to make a difference. Leaders exert their influence and power in such a way that they impact the status quo and others in a positive way” (Ungerer et al., 2013).

An interesting and significant view was presented by Binney, et al., (2005) who made reference to *‘getting connected’* which means enough openness and trust to confront difficult issues, enough respect to make people want to work with others, enough shared values and perspectives to enable joint working and enough constructive conflict to deepen the exchanges that make real trust possible. Most definitions on leadership refer to influencing others, directing efforts and abilities towards attaining group or organisational goals. The 21<sup>st</sup> century leaders should *“embraces a new paradigm of change and crisis management, empowerment, diversity, a higher ethical purpose and humbleness”* (Nel et al., 2011:313).

An analysis of the above and other definitions shows that the essence of leadership in a changing business environment includes the ability to create a vision and excite people to achieve the impossible; Possession of an external energy and an inner strength to pull through difficult times; Possession of a mental agility that enables them to make effective decisions faster than most other people; Support team members to grow by empowering them; They must be emotionally intelligent and enhance people’s confidence by understanding and dealing appropriately with their emotions and concerns; and leading change warrants integrity and trust from the leader. In order to explore specific competencies and characteristics appearing in different definitions it is important to reflect on some leadership models to finally arrive at a new model considered to be reliable in leading change.

## Leadership competency models

Figure 1: Existing Company leadership model



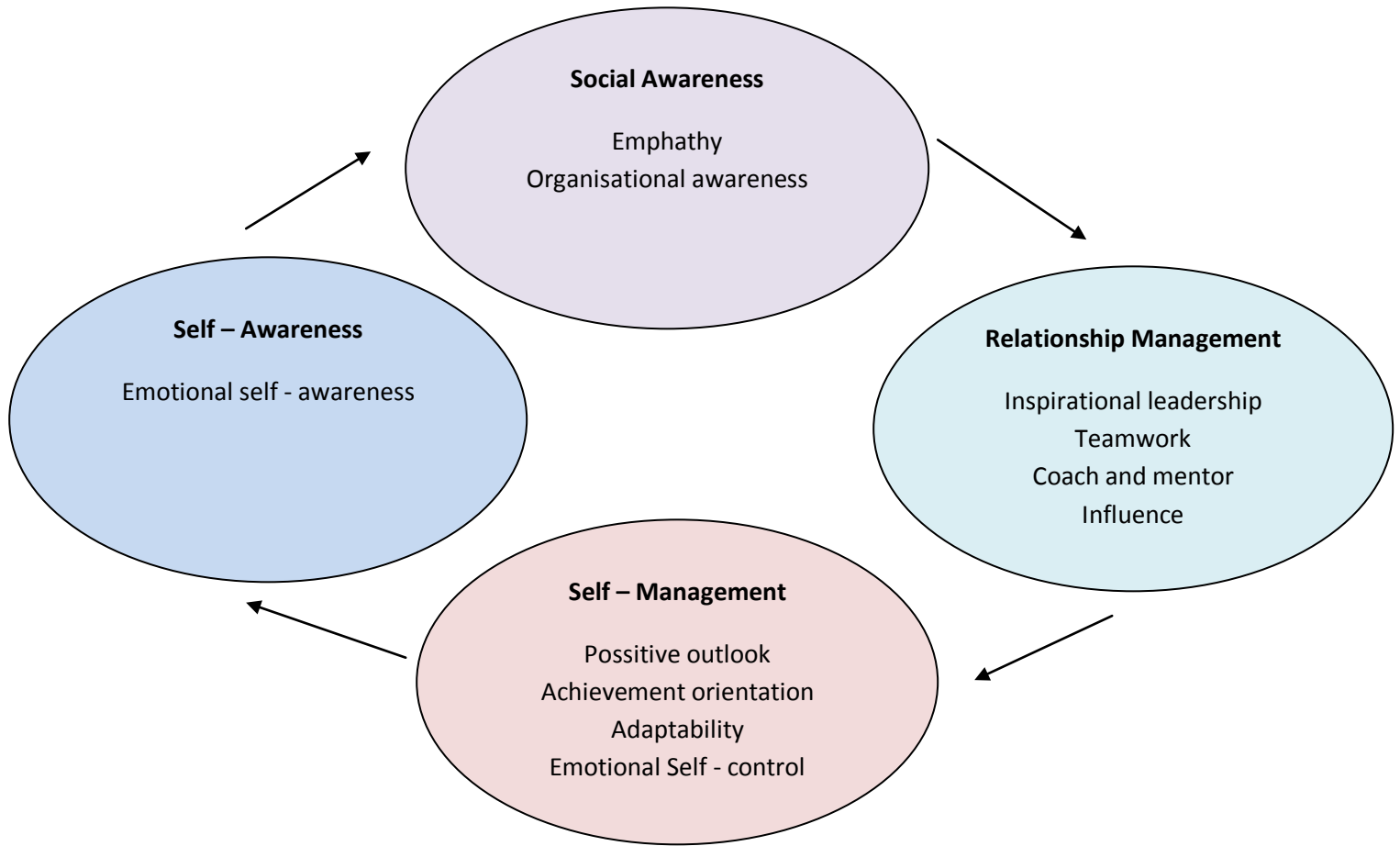
Source: Developed by the relevant Company in 2008.

The model above was developed in 2008 by the relevant Company and implemented in anticipation of transformational change interventions. Hence, the findings reflected in the discussion and interpretation below will be referring to this model. The fact that integrity and values as well as influencing others are clustered within business direction, leading change by engaging people will need critical evaluation and these competencies will be addressed specifically to establish a new model.

Cohan (2003:16) in his outline of value leadership emphasizes seven principles, namely Value of human relationships, which means to treat people with respect; Fostering of teamwork by getting people to work together; Experiment frugally, referring to using accidental discoveries to create value for customers; Fulfill commitments, saying what you intend doing; Fight complacency by weeding out arrogance; To win through multiple means by using the strategy to sustain market leadership; Give to the community by transferring corporate resources to society. From another vintage point, Lussier and Achua (2004:33) refer to the different traits of effective leaders namely, High energy, referring to drive and hard work to achieve goals; Self-confidence, referring to being self assured and have the ability to influence followers; Locus of control, control of own fate and taking responsibility for own behavior and performance; Stability in controlling themselves, being secure and positive. Integrity, which refers to behavior that is honest and ethical, thereby making a person trustworthy; Intelligence, where there is the ability to solve problems, think critically and make decisions; Emotional intelligence, to motivate one self and showing empathy; Flexibility, which refers to the ability to adjust to different situations; and Sensitivity to others, which refers to understanding group members and how best to communicate with and influence them.

McKee et al., (2008:25) provide the following significant model when referring to emotional and social intelligence competencies in leading change:

**Figure 2:** Emotional and social intelligent competencies in leading change



Source: McKee et al., (2008)

Cameron and Green (2008) in exploring five key roles used by effective leaders enumerated the following: the edgy catalyser, the visionary motivator, the measured connector, the tenacious implementer and the thoughtful architect. In the understanding of these critical roles of effective leaders, it is evident that these roles are crucial in directing and leading any change intervention.

Leaders display certain patterns in behavior. It is, however, to take note of the importance of leaders by understanding their own unique leadership strengths. Daft (2011: 36) refer to the various personal characteristics of true leaders in the Table 1 below:



Table 1: Personal Characteristic true leaders

<p><b>Personal Characteristics</b></p> <p>Energy Passion Physical stamina Intelligence and ability</p> <p><b>Intelligence, cognitive ability</b></p> <p>Knowledge Judgment, decisiveness</p> <p><b>Personality</b></p> <p>Optimism Self-confidence Honesty and Integrity Enthusiasm Charisma Desire to lead Independence</p>	<p><b>Social Characteristics</b></p> <p>Sociability, interpersonal skills Cooperativeness Ability to enlist cooperation Tact, diplomacy</p> <p><b>Work-Related Characteristics</b></p> <p>Drive, desire to excel Responsibility in pursuit of goals Persistence against obstacles, tenacity</p> <p><b>Social Background</b></p> <p>Education Mobility</p>
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Source: Daft (2011).

Kouzes and Posner (cited in Puccio et al., 2011:11) reflect on specific leadership practices by emphasizing what leaders do to achieve extra ordinary results. They are not too much concerned about personal traits but focus more on what leaders have to do to turn challenging opportunities into remarkable successes. The following in the Table 2, seem to be of importance:

Table 2: Leadership creativity

<b>Challenging the Process</b>	<b>Inspiring a shared Vision</b>	<b>Enabling others to act</b>	<b>Modeling the way</b>	<b>Encouraging the heart</b>
Search for	Envision the	Foster	Set the	Recognize

opportunities	future	Collaboration	example	contributions
Experiment and take risk	Enlist others	Strengthen others	Achieve small wins	Celebrate accomplishments

Source: Authors fieldwork.

In the latest leadership theories and models much emphasis has been placed on a more humanistic approach in which the following competencies are highlighted according to Bester (2012: 152) as Hope; Humility; Values; Realism; and Temperance. He further argues that people tend to easily accept the leadership of others but do not really buy-in to our own. As initially mentioned, a very stimulating and meaningful trend on leadership was provided by Ungerer, et al., (2013:10). In their arguments they maintained that leadership studies have traditionally focused on individual leaders and their traits, abilities and actions and were chosen for their suitability. Somehow theories in this regard tended to neglect the cultural context of leaders. Other theories again emphasize the relationship between leaders and followers where the focus was either on the concern for task or concern for people.

More recent researchers describe the leader as a member of a group with strong emphasis on the potential to influence the group. In this sense, the reference is towards transactional and transformative leadership. The latest concepts on leadership place more emphasis on authentic, neuro and distributed leadership where the task of leading is shared by more than one person in a team. Ungerer et al., (2013:19) have identified authentic - principle centered and servant leadership as the three main leadership models. Significantly they refer to six universal virtue themes identified in all three mentioned models and these seem overlap in terms of the 6 universal themes. The six universal teams are courage; wisdom; temperance; humanity; justice and transcendence.

The models, trends and latest philosophies on leadership were briefly touched on in the above section. It is important to understand that leadership is a key strategic issue for organization, because they look to their leaders when navigating within a turbulent and

complex environment in order to ensure sustained profitability through engaged employees. It is essential that leadership and business strategies work together to drive a culture and performance ethic that leads to the desired business performance.

### **Research design and methodology**

For the purposes of this article a mixed method research approach was adopted. While there are various definitions for mixed methodology, this article will follow the definition by Tashakkori and Teddlie (2009:286) who define mixed method research as: *“...research in which the investigator collects and analyses data, and integrates the findings to draw conclusions using both qualitative and quantitative approaches in a single study or programme of inquiry.”* A mixed method design is particularly suitable to the purpose of this research for the following reasons: It allows the researcher to gain complementary insights in the conceptualisation, experiential and inferential phases about the relative contributions of leadership in navigating change; It provides a more complete and meaningful picture of the nature and dynamics of leading change; An initial qualitative research approach allows the researcher to refine the initial research propositions in research hypothesis that can be tested quantitatively; It will allow the researcher to expand on the initial understanding of the type of leadership and provide a more comprehensive explanation at a later phase in the research process; It provides the opportunity to assess the credibility of the inferences that are made about leadership during one phase and thereby strengthen the credibility of inferences that are made at a later phases in the research (Tashakkori & Teddlie, 2009: 287).

In terms of the qualitative method, a convenient sample of 5 senior leaders was selected. While data was obtained from individuals, organisational-level measures were used to compare the differences in change navigation and leadership. Semi structured interviews were conducted and digitally recorded. All interviews were transcribed and content analysis of verbal response was undertaken to identify and verify different dimensions. With regards to the quantitative phase, one of the divisions in the company was purposefully selected and 301 questionnaires were distributed to all the employees in the

said division. A survey questionnaire was developed and piloted at the company amongst a number of non-randomly selected employees who were not part of the initial focus group. Afterwards, 301 employees were requested to complete the questionnaire. A factor analysis to identify and confirm the questionnaire structure was used. Comparative statistics to identify differences and similarities were applied during this process.

## **Data analysis**

In the data analysis, the researcher will focus on the results regarding leading and navigating change. The main research objective was to identify leadership competencies in leading change. This will be done in two separate phases, namely qualitative and quantitative analysis.

### **Phase 1: Qualitative analysis**

#### **Question 1.**

**Did you provide a clear vision of where you intend to go with the Company, with reference to the Traditional Retail and Financial Services decoupling?**

Participant 1:

The response was quick with decisive absolutely yes. The change did not emanate from the stance that it is time to change things, but what would we change. We constantly focus on the long term vision of the organisation and more so the long term well being of the organisation. As a leader one has to constantly ask who you are as an organisation and then decide if your long term vision will stand the test of time. With regards to change, one can become a “healthy dinosaur” if you do not provide a clear vision for the future and that is all you will ever be.

Participant 2:

Regarding the response, it was exactly the same as participant one namely, absolutely yes.

The strategic initiative as we like to call it is curtail to the success of the business and the communication of such vital information for our future success. During the communication of the vision we found that when it comes to change you have to look at things completely through a different set of eyes. This vision was not only provided to the employees but we also ensured that the vision was “tested” in the international business environment.

Participant 3:

The response was consistent with the above two. It was furthermore mentioned that it was not only provided or shared, but it was also clearly defined. The business strategy was also formulated and articulated and aligned to support the vision we have for the organisation.

Participant 4:

Regarding the question the response was positive in that the participant indicated yes. The vision and said change were briefly discussed and an interesting observation was the research and numerous discussions that took place at an executive level long before the change was actually implemented. Another important point was that there existed different cultures and interpretations in the organisation and in the sharing of the vision this was taken into account.

Participant 5:

This participant had a slightly different view on this. Regarding the vision, the feeling was that it was communicated and shared using a very theoretical view as opposed to a model that will enable the change rather than only communicating such. The participant continued and stated that empowering people to ensure that they follow one vision is more important than merely communicating it.

## **Question 2.**

**How did you provide support/guidance during this change intervention?**

Participant 1:

One of the main things that were mentioned is communication – ongoing and constant communication. Continuously referring back to the Vision – selling the Vision. Make your

leaders believe in you and the Vision – win their trust. Your team players should never say “I do not need this in my life”. Ensure your team knows that you would not desert them in their hour of need – you are reliable.

Participant 2:

The participant also highlighted communication as one of the top priorities and went on to talk about it in greater detail. The participant referred to communication to the unions, communication with regards to the new structures, new positions, and the availability of a detailed vacancy list. The participant mentioned further that people were offered early retirement, there was a six month retention period, during which no person would lose their jobs. Finally the concept of retraining or up skilling to be able to do another job as well as individual counseling that was offered to the effected staff was mentioned.

Participant 3:

Leadership availability and accessibility were mentioned first – to quote “You need a sound board”. The top leadership was always available to answer questions and creating a better understanding of the change. The emphasis remained on the top 120 leaders in the organisation and ensuring that they understood the Vision as well as buy-in to the change – they were ultimately used as ambassadors.

Participant 4:

The participant mentioned “assurances” as the first most important aspect. There have been changes where job losses were part of a change process – this time around we had to assure people that it would not happen. As we moved along and there were instances where people were affected, we provided the necessary counseling to those people. Ensuring staff were engaged the whole time was also mentioned as well as explaining to staff the new opportunities that will emerge from the change intervention.

Participant 5:

The aspect of budget was mentioned first – a proper change management strategy involved consultants and it is an expensive exercise. The change strategy ultimately assisted in implementing the change. A sense of urgency was created. Communication was also mentioned as very important, but interestingly the participant referred to the various forms of communication (videos, memorandums and interviews with leaders). A lot of emphasize was also placed on the way in which communication was conducted – it was made fun, therefore the staff were engaged and interacted the whole time.

**Question 3.****Which aspects in change leadership do you regard crucial in a change intervention?**

Participant 1:

The participant said: "you have to get buy-in". The architect of the change should be someone that has not been with the company, someone that can design the change and does not say what can and cannot be achieved. In this regard the participant mentioned the following: "Do not limit my mind by your limitations". Make sure you have a Vision and that a strategy is designed properly and the execution must be impeccable.

Participant 2:

Transparency during the change process was mentioned as crucial. Being prepared to engage with any staff member at any time regarding the change and how it affects people's lives are very important. The strategy must be articulated, communicated and executed. The participant mentioned that one has to be 100% sure and convinced you are doing the right thing, and then be tenacious and stick to the tasks at hand and ensure you follow through on what you promised.

Participant 3:

The participant stated: "leaders must be equally open to journey through their own change". To determine and identify the need for change is first priority. Following this is to ensure that one considers all the implications and risks of the change proposed. The third step is to determine whether you as a leader have the "stomach" to take on the change process. Last but not least one has to determine his own role in implementing the change and ensure that it is executed accordingly.

Participant 4:

The participant mentioned the following five aspects when dealing with leading change: firstly change is driven top down- that is you lead from the front. Secondly one has to apply one's mind properly as to what one wants to achieve. Thirdly, you as leader must first embrace this change yourself and change as well. Next, you have to be able to sell the change to other leaders and people in the organisation. Lastly you have to act and do your part in implementing the envisaged change.

Participant 5:

The critical aspects to transform an organisation are to energise, engage, empower and enable people to participate accordingly. The participant also furnished some examples like

training staff to enable them to perform, regular communication to engage them, changing policies and procedures to empower people more and involve people to get energy levels up. The fact that the top leadership first has to understand, support and embrace the change was also mentioned. The last point mentioned by the participant is that you have to take egos out of the equation. Having personal agenda's will never allow for change to be successful.

**Question 4.**

**What would you regard to be the core competencies of a leader in leading change?**

Participant 1:

The participant highlighted two very important aspects namely work ethic and a sound value system. The competencies mentioned under the umbrella of work ethic and values included trust, consistency, commitment, building and maintaining relationships, your ability to influence people, identifying people's leadership abilities and make them aware of these abilities and finally recognize how little you actually know and how much you can learn from others. The participant summarised it well by stating: "through your own consistent behavior, show your guys that there is a reason for them to believe in you".

Participant 2:

The competencies mentioned by the participant included transparency, honesty, integrity, building trust with people, whatever you say you do, commitment, complete openness and execution. The participant went on and referred to wisdom, which is never to be afraid to ask for advice and being tenacious and never give up on what you embarked on.

Participant 3:

The participant answered the question twofold in that there was reference of competencies when dealing with change and reference to the leadership framework referred to in this article. With regards to the competencies specifically dealing with change the following was mentioned: courage, a closely knitted top leadership team, obtaining support from all stakeholders, the capability to live with uncertainty, a multi dimensional view of systems and a deep understanding of the change phenomena.

Participant 4:

There were five competencies mentioned by the participant: courage, your ability to listen



to other people and build solid relationships, innovation, creativeness and allowing people space to work and move in. Once there is space provided, individuals are more likely to be innovative and creative and they feel important and tend to be more engaged than when there is limited space.

Participant 5:

This participant also referred to the leadership framework discussed in this article and highlighted the following: business acumen, strategic development and direction setting, information processing, execution, knowledge and the ability to apply such knowledge. The participant also referred to connecting with people cognitively and emotionally. People need to fully understand the strategy, why we are embarking on it, what is my role and contribution and how will I be measured.

## **Phase 2: Quantitative analysis**

Figure 3 below, reflects the responses of employees regarding the proposed benefits of a large change intervention, the effectiveness of the communication during this process as well as the leadership displayed during the said change process.

Relevant questions from the questionnaire regarding dealing with change navigation where based on the following:

Question 17: You constantly received guarantees regarding your position.

Question 24: You received a clear vision of where the organisation intended to go with the decoupling of financial services and traditional retail.

Question 25: You were informed on the end results of the intended change.

Question 26: You were informed of the benefits of the change.

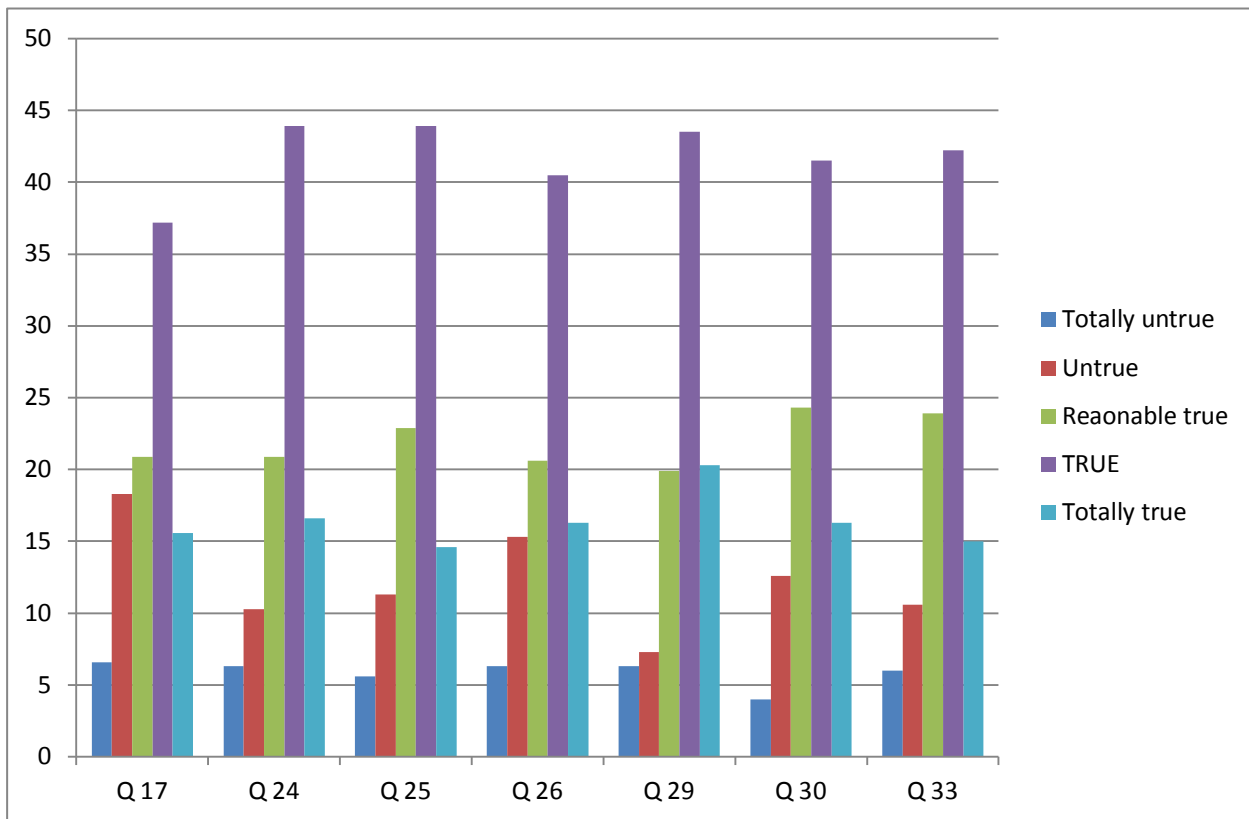
Question 29: You had confidence that the leaders in the Organisation could succeed with the change.

Question 30: You received the necessary guidance during the time of change.

Question 33: You were encouraged to persist during the change process.

All the enumerated factors were above the Chronbach’s Alpha reliability coefficient of 0.732 and a result of 0.88 was obtained, thereby indicating adequate internal consistency.

Figure 3: Summary of employees responses



### Discussion of findings

With reference to the question pertaining to whether employees received guarantees regarding their position, 73.7% of the respondents answered positively. Three participants clearly and distinctly referred to the importance of giving some degree of assurance to employees. For instance, assurance that sufficient and suitable positions will be available and that no employee will be adversely affected by the change. One of the qualitative

participants stated: “there have been changes where job losses were part of a change process – this time around we had to assure people that would not happen”.

Question 24 dealt with the fact that a clear vision was communicated during the envisaged change intervention. A high positive response (81.4%) was received indicating that the majority of staff was aware of the intended direction. Participant 1 in the qualitative interview has remarked: “continuously referring back to the Vision – selling the Vision”. In addition, a majority of participants (80%) unconditionally supported the fact that the vision was continuously communicated throughout the change process. In the case of communicating the end results, 81.4% of the respondents felt that this was done efficiently whilst 77.4% agreed that they were informed about the benefits of the envisaged change. Different participants referred to employee wellness, business success and future opportunities for the business to grow and expand. It can therefore be accepted that the benefits and the results of the change intervention was constantly communicated to the staff members.

Regarding the question of having confidence in the leaders during the change intervention respondents was extremely positive (83.7%). This finding corresponds with literature, which emphasized the importance of leadership ability to set a clear vision, continuous communication and providing constant feedback on progress. Participants in this study mostly referred to ‘reliability’, ‘individual counseling’, ‘leadership availability’, and ‘assurances’. Moreover, “the strategy must be articulated, communicated and executed” and “as leader one must first embrace the change and change as well”. Question 30 dealt with the guidance received by employees during the change intervention and 82.1% of the respondents felt that they received clear and sufficient guidance. A similar response came from all participants with regards to making communication fun, building trust, providing counseling, implementing staff retention policies, being change ambassadors, explaining the change strategy and constantly enhancing staff engagement. It is significant to note that respondents and participants were totally convinced that this change intervention was conducted in an appropriate, effective and supportive manner.

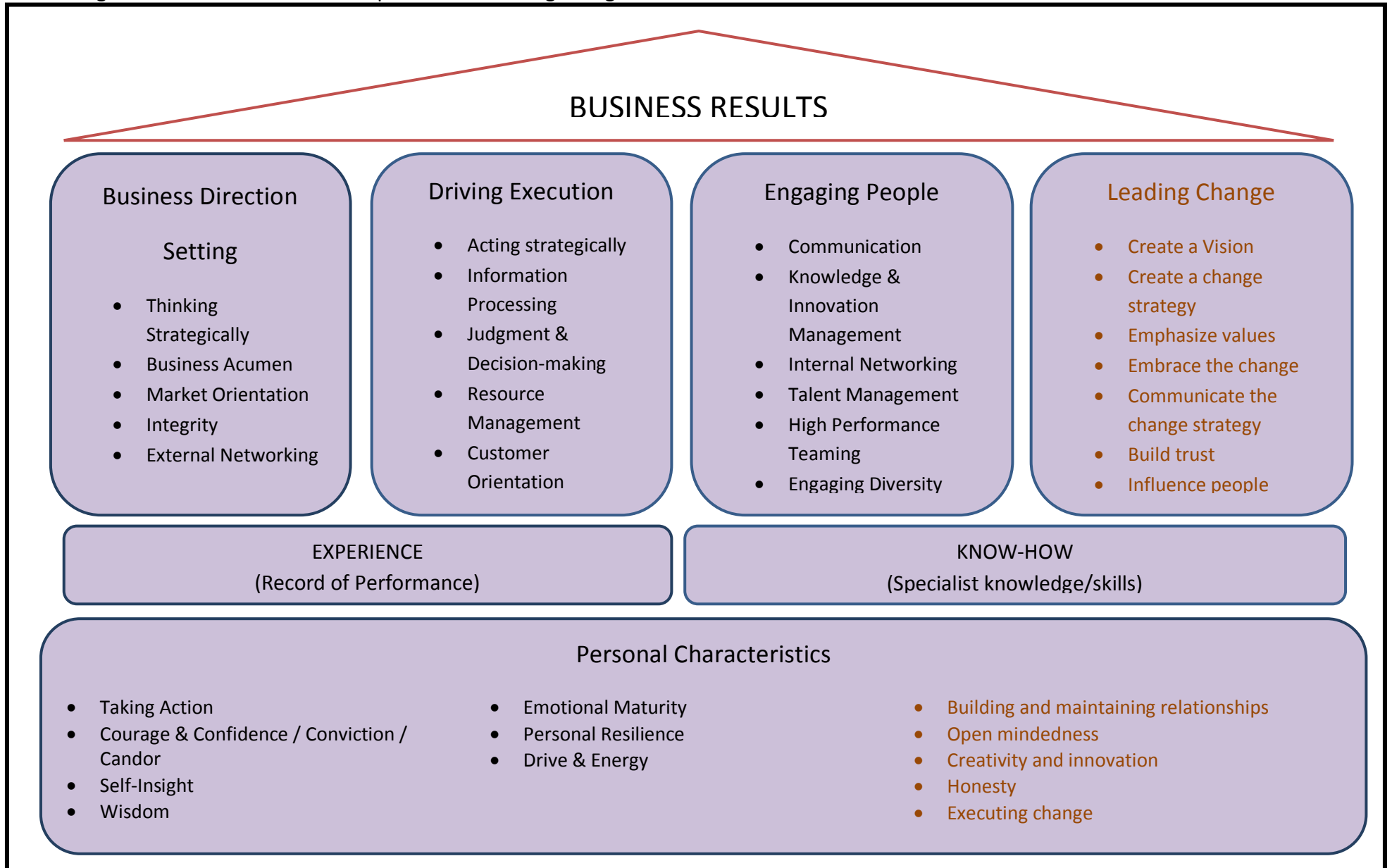
During any change intervention it is of great importance to encourage and consistently support employees by clearly indicating the direction and the expected outcome. In this regard, 81.1% of the respondents felt that they were encouraged by the leadership team to persist. Although literature reveals that a high percentage of change interventions failures occur due to the lack of persistence. This finding significantly supports the current response. A similar finding with the employees leave little doubt that the leadership team succeeded in leading the process. Participants in the qualitative phase felt that “one has to be 100% sure and convinced he/she is doing the right thing, and then be tenacious and stick with the tasks at hand, in order to ensure that he/she follow throughout what he/she promised to do. In addition, a person needs to “have the stomach to take on the change process”. Therefore one has to execute it by acting and playing his/her own part in the implementation of the envisaged change. In reflecting on the findings and outcomes of this research it is important to note that the leadership team felt satisfied with the change process, which was conducted in a constructive and efficient manner. It must also be kept in mind that the team was successful because they possessed the skills, characteristics and competencies to achieve their goals. The above findings in conjunction with other existing models aforementioned in this article will enable the research to construct a new model for the investigated organization, which may as well be useful to other organisations.

### **A Future-fit change leadership competency model**

An analysis of different definitions and models of leadership clearly show that leadership can be viewed from different angles. In an attempt to select competencies to really depict the essence and requirement to successfully lead change. The guidelines provided by Nel et al. (2011:319) seem to be significant and include: Credibility, trust, fair treatment; Sense of mission and purpose; Willingness to take risks; Able to communicate a vision; Able to perform at a high level; Able to inspire others; Emotional intelligence; Able to participate fully with all; Strength to resist peer pressure; Open mindedness; and life long learning. De Vries (cited in Ungerer et al., 2013:47) states “that most effective leaders possess clusters

of competencies in three areas, namely Cognitive competencies, such as conceptual thinking and holistic overviews; Social competencies, such as empathy, presence and political awareness; and Personal competencies, such as energy, self-confidence and personal effectiveness.” It must be emphasised here that these aforementioned elements and traits have been supported by literatures (Campbell and Samiec, 2005), (Weiss and Molinaro, 2005), (Isaksen and Tidd, 2006), (Herold and Fedor, 2008) and (Grimshaw and Barron, 2010). Recent articles published that reflected on trends and change leadership competencies also concurred with the above (Smith and Wolverton, 2010), (Battilana et al., 2010); and (Gentry & Sparks, 2012). Considering the above analysis and perspectives of leading change, and an urgent need for a future-fit leadership change model, the present authors have proposed a new model for possible adoption by organizations below:

Figure 4: The future-fit leadership model for leading change



Source: Authors Fieldwork

## **Conclusion**

In conclusion this article attempts to define and outline leadership traits and competencies needed for change intervention. To construct a model of leadership competencies that will help in change intervention and navigation, it was necessary to revisit the different definitions and views of other existing treatises in order to establish the core elements of leadership. These definitions clearly indicated the complexity of understanding the different elements and dynamics of leadership in terms of navigating change. A few models and frameworks were scrutinised to identify certain leadership dimensions such as competencies (driving business results, business direction, people leadership and interpersonal relationships), capabilities (cognitive, personality and creativity) and values (honesty, integrity, trust, courage and execution).

The major findings of the research conducted in the relevant organisation, indicated beyond all doubt, that the leadership displayed in the relevant change intervention proved to be highly successful in terms of the following: creating a vision for the envisaged change, providing the necessary guidance during the change process and ensuring the application of relevant change leadership attributes to support the implementation of the proposed change. The intensive literature review together with the positive responses from participants in full agreement with the leadership of the change intervention, aided the researchers in the construction of a new model that place emphasis on the key prerequisites to lead a successfully change intervention.

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