# Chapter 15
# Leading Strategic Change in Organizations Today

**Peter Mutuku Lewa, Jeremy Muna, and Faith Mutuku Muna**

## Introduction

Change Management has been widely used to denote several theories, concepts and practices and may not necessarily denote the controlling aspect. Change Management is a strategic activity aimed at getting the best outcomes from the change process. In principle, managing change has to be done consciously through set standards and guidelines as part of a plan of action or strategy.

Strategic change management is a phenomenon to behold. It can be described as the tool that prepares us for the uncertain future by enabling us to create it and by empowering organizations to take responsibility for their future. It is the task of managing change or an area of professional practice where change is planned or as a body of knowledge where the content or subject matter, that is models, methods and techniques, tools, skills and other forms of 'change knowledge' are studied. Change is a reality that we all need to be comfortable with because we have little or no control over it (Mutuku S. 2005).

The key aspect about strategic change is that it is difficult to predict and control. Hence, the optimal way to deal with it is to expect the unexpected and be ready for anything. Unless companies embrace change, they are likely to be fossilized and unless companies prepare to deal with sudden, unpredictable, discontinuous, and radical change, they are likely to go the way of the dinosaurs. Finally, many companies proclaim that they are changing whereas the process is superficial and the world

P. M. Lewa (✉)
United States International University (USIU) Africa, Nairobi, Kenya

J. Muna
Moxiet Professional Services Ltd, Nairobi, Kenya

F. M. Muna
The Clinton Health Access Initiative, Nairobi, Kenya

comes to this realization when it is discovered that their change models were neither broad nor deep. Change must be managed in a strategic manner. Strategic change management is the process of managing change in a structured, thoughtful way in order to meet organizational goals, objectives, and missions. In addition, strategic change managers use models to help move through the change process with purpose rather than haphazardly attempting to change the company. Strategic change as a subject has for a long time become a question of importance, within the strategic management field. The reason why strategic change is important is because it represents the means through which an environment serving organization maintains co-alignment with shifting Political, Economic, Social, Technological, Ecological (geographical), Legal and Competitive (PESTELCO) environments. Strategic change involves the implementing of changes to important characteristics of a business, in response to change. The change is likely to bring about both opportunities or threats.

The planning and implementing of strategic change is an important aspect of the role of the manager. Strategic change is basically having a certain strategy and then making changes to it. A strategy is a long-term plan to achieve certain objectives. Strategies are aimed at the future, and should be aimed at lasting change. This is necessary to stay relevant in a highly evolving market. Thus, Strategic change management is the process whereby the strategy is managed in a structured manner to achieve organizational objectives and missions.

## Theory of Strategic Change Management

In response to the fast changing and fluid marketplace and changing industry landscapes, many management thinkers came up with theories of strategic change. The first among them was the legendary Peter Drucker who coined the term Age of Discontinuity to describe the way in which disruptive change affects us (Drucker, 2007). In Drucker's model, the four sources of discontinuity are: globalization, cultural pluralism, knowledge capital, and new technologies. The main idea behind this theory is that extrapolating into the future by using the existing models was ineffective as the rapidity with which change was barreling down on corporations made nearly all change models redundant within no time. Instead, what Drucker proposed was that firms should explore the drivers of change and strategize them according to which aspect was most likely to affect them in the future. Today many forces have come onto the business environment. They include diseases such as Covid 19, increased consumerism, climate change, resource constraints and conflict over resources, and the clamor for freedom and personal choice.

Cameron and Green (2015) posit that everyone has his/her own assumptions about how organizations function. Much has to do with how a person sees the organization as and what it exists to do. The assumptions have a lot to do with how leaders manage change in organizations. The use of metaphor is an important way in which we express these assumptions. Some people talk about organizations as if

they were machines, organisms, political systems, and as flux and transformation. It would appear that metaphors are different ways of describing the 'elephant'. No matter how the elephant is described, one constant is that it will be impacted by change in its operating environment or context. Organizational metaphors are a good starting point for understanding change management models and hence change management.

**Organizations as machines** When we speak of organizations as machines, we see them as rational enterprises designed and structured to achieve predetermined ends (Morgan, 1998).

**Organizations as organisms** This metaphor takes the organization as a living, adaptive system. In law, organizations are artificial persons. They can sue and can be sued. Just like human beings they have aspirations, motives and goals that they pursue in their organizational lives. This metaphor suggests that different contexts favor different species of organizations based on the different methods of managing or leading that are practiced. Congruence with the environment becomes the key to organizational success. This metaphor also views the organization as an 'open system'. The needs of individuals and groups and those of the environment are balanced by viewing organizations as groups of interconnected sub-systems. This implies that when designing organizations and when managing change, we should be cognizant of the fact that organizations are systems with many sub-systems that require to be synergized for success.

**Organizations as political systems** The focus here is how organizations are run and systems of political rule within them. We may refer to 'democracy', 'autocracy', 'dictatorship' and even 'anarchy' to describe what is going on in a particular organization. The orientation adopted by the leaders of organizations is important in terms of how to approach change management especially in regard to communication dynamics that are adopted (Morgan, 1998). Politics is about resources and control over them. Negotiation, competition, resource constraints and so on are important variables to consider.

**Organizations as flux and transformation** Viewing organizations as flux and transformation takes us into areas such as complexity, chaos and paradox. Rather than viewing the life of organizations as different from the environment, this metaphor allows us to see the organization and its life as part of the environment. In the words of the late US Professor of strategic management, Igor Ansoff, organizations are environment serving (Ansoff & McDonnell, 1990). This view sheds some good light on how change and adaptation happen in a turbulent world.

There are many approaches and models (theories) to managing and understanding change and change management that one can choose from. None of these appear to tell the whole story. Each of the models is convincing up to a point. The main models are examined below but not in any order. However, we begin our discussion with the earliest of them all.

**Lewin's three-step model**  Kurt Lewin (1951) defined organizational change from the viewpoint of the organism metaphor. His model of organizational change is one of the most popular approaches. His traditional model has three steps: Unfreeze, Change, and Freeze. Upon realizing that your company needs to change, the first step is to "unfreeze" your current process and take a look at how things are done. This means analyzing every step and human interaction for potential improvements, no matter how in-depth you have to go and how much you need to unearth. Unfreezing involves diminishing or getting rid of forces or biases that keep things inside an organization in the manner in which they are. Changing or moving refers to moving the organization conduct or behavior. When everyone becomes aware of what is wrong with the current process and systems and why there is need to change, and what changes are necessary it is easier to convince workers to stick to new processes and systems. New systems and processes may engender redesigning organizational roles, responsibilities, and relationships. Training for newly required skills in preparation for the new organization equilibrium is mandatory. Recruiting change agents to promote change management helps a lot and especially in regard to managing resisters within the organization. Refreezing refers to balancing out the organization in another condition of equilibrium. This progression is impossible without a support mechanism. For instance, constructing strong and supportive corporate systems and structures such as, reward systems or aligning pay, reengineering measurement or control systems and new organization structure. Communication, support, and education are vital, as you want to limit any difficulties in the transition and address problems as soon as they arise. Finally, you should be communicating regularly with all members of your team (or at least getting their manager to do so). This is primarily to listen to feedback, as this will quickly highlight any problems you need to tackle. Lewin's change management model is fantastic at the time when your organization or business needs to drastically change in order to succeed. It also excels at uncovering hidden mistakes which were taken for granted, since you have to analyze every aspect of whatever you're changing.

**Nudge Theory**  Nudge theory is odd, in that it really is just a theory. There is no set change management model to be had, but instead, a mindset and tactic which can be used to frame your changes in a more attractive and effective manner. The basic theory is that "nudging" change along is much more effective than trying to enforce it in a traditional sense. So, instead of telling your employees what to do and how to change, you pave the way for them to choose to do so by themselves. The trick is knowing how to present these nudges. However, as for a set method, the theory is incredibly vague, as it's more of a tool to use within another, more structured change model.

The basic principles you need to follow when nudging changes are (i) Clearly define your changes (ii) consider changes from your employees' point of view; use evidence to show the best option (iii) present the change as a choice (iv) listen to feedback (v) limit obstacles, and keep momentum up with short-term wins. Nudge theory also covers the hole many other change management models leave open in

that it deals with change on the employee's side of things and focuses on encouraging them to adopt it. It is a good supplement to more formal approaches. By itself, nudge doesn't provide a model capable of analyzing, managing, deploying, and maintaining change, hence why it serves best as a supplement. Nudge also suffers a little in terms of its predictability. Employees can decide either to support you or not.

**The Bridges Model** is a model that was Created by William Bridges in 1991. It focuses on transition rather than change. Change happens *to* people and can be considered intrusive. It's usually pushed despite what the recipient wants. Transition on the other hand is more of a journey over time. This makes Bridges' transition model one of guiding your employees through the reaction and emotions they will encounter when dealing with your changes. It does this by detailing three stages of transition, each of which the employee must be guided through for the change to be successful (i) Ending, losing, and letting go and is what is usually expected. Listening and continuous communication are very much desirable here (ii) The neutral zone is the bridge between the old and the new. It is likely to be the time when productivity is at its lowest and your employees most tempted to give up and revert to the old ways of doing things (iii) The new beginning is when the changes have been accepted and energy is high. Here the main aim is to reinforce the changes, keep objectives clear, and to keep up the pace while you can. A constant reminder of what the future holds helps a lot.

The Bridges' transition model closes the gap between management and rank-and-file employees. It is a transition model and is fantastic for guiding your team through a period of slow improvement (transition). Unfortunately, this means that it may not be useful during periods of turbulence involving large-scale change for the organization.

**Five Stages of Grief Model by Elisabeth Kübler-Ross**  She was a psychiatrist who detailed the five stages of grief in her book on Death & Dying. Her model based on the five stages fulfills a specific niche in change management. These stages are: (i) Denial (ii) Anger (iii) Bargaining (iv) Depression (v) Acceptance. The model allows managers and leaders to focus on the emotional response of those affected by change and deal with it. It is a good model to use in helping employees answer the 'why' question and then lent their support to the change management efforts. No matter how hard we try to remain consistent, emotions play a massive role in our productivity, and by knowing and applying the five stages of grief, managers can anticipate their employees' reactions and plan appropriate response well ahead of time. Emotions are usually unpredictable and this means that not everyone will fit into this model. It may also not be able to reach every employee especially in a large organization. The model is thus more applicable in small organizations or in small meetings where there is need connect with employees on an individual level and manage their complaints to any changes.

**Satir Change Model** is fairly similar to Kübler-Ross', except it applies the progression through the five stages of grief to a general model of performance during the change. In this sense, it's a way of predicting and tracking the effect of changes on overall performance. The five stages of this model are (i) Late Status Quo (ii)

Resistance (iii) Chaos (iv) Integration (v) New Status Quo. This model focuses on tracking rather than affecting performance. Without using a supporting model to tackle these negative effects the manager is left with little more than a way to measure the effect of the change. Like Kübler-Ross, the Satir change model can be good for anticipating the impact of change before it happens, and even for justifying the change to employees as they go through the chaos phase. If they can be adequately educated about what to expect then they will be more willing to stick out the changes.

**McKinsey 7–S Model** This model has several elements, that is the 7-Ss. These "Ss" are Strategy, Structure, Systems, Shared values, Style, Staff, and Skills. This is a good model where change is all encompassing and there is therefore the need to address many aspects of the organization. If you know that you need to change your act, but you're not sure what to do, this is the change management model for you to use because it includes many elements. It allows you to look at whether your 7-S' support each other, and planning incremental changes to make that happen if it isn't already. For example, you may wish to look at whether your structure supports your strategy, how they are both supported by your systems, and how all three reflect your shared values. Each of the elements would need to be looked in detail to examine issues such as: What, Why, Which, Who, When and How (5Ws & 1 H). Unless you run a small company with very few employees, the McKinsey model is impossible to effectively carry out alone or in a short amount of time in a large organization. It can be time consuming to apply.

**Bullock and Batten, planned change** Bullock and Batten's (1985) phases of planned change draw on the disciplines of project management. The phases are (i) Exploration (ii) Planning; whereby technical experts and key decision makers are involved (iii) Action (iv) Integration. This particular approach implies the use of the machine metaphor of organizations. The model assumes that change can be defined and moved towards a planned way. A project management approach simplifies the change process by isolating parts of the organizational machinery in order to make necessary changes at all levels and in various functional areas.

**Kotter's eight-step model** (1995) provides eight steps to transforming your Organization. The model highlights the significance of a 'felt need' for change in the organization, addresses some of the power challenges which engulf the change management process and emphasizes the importance of communicating the vision and keeping the communication levels open throughout the course of change management. The eight steps by Kotter (2009) are:

1. **Establishing a sense of urgency**. This step involves discussing current competitive truths and detecting potential future scenarios
2. **Forming an influential guiding coalition**. This step entails bringing together a powerful group of people who can work well as a team
3. **Creating a vision**. This involves formulating the vision and the strategies for achieving it. The vision is a mental picture of where the organization sees itself like in future

4. **Communicating the vision.** Communication is critical and has to be kept open and escalated at all times. A variety of different communications ways must be adopted to communicate the vision, supporting strategies and expected new behaviors.
5. **Empowering others to act on the vision**. This step involves addressing imponderables which may prevent change management occurring in a good way even if not very smoothly. Staff are allowed to experiment and try different options.
6. **Planning for and creating short-term wins**. This step allows the identification and advertising of short-term noticeable wins that help to increase hope and motivate workers.
7. **Consolidate improvements and help produce still more change.** This involves promoting and rewarding individuals who are able to get more involved to promote and work towards the set vision.
8. **Institutionalizing new approaches**. This step ensures that every individual is made to understand that the new expected approaches and behaviors will translate into success of the organization.

Kotter's theory focuses less on the change itself and more on the people behind it (albeit from a top-down point of view). By inspiring a sense of urgency for change and maintaining that momentum, Kotter's theory can be used to a great effect in adapting your business to the current climate. While it focuses largely on widespread adoption of your changes, Kotter's model/theory is a top-down approach at heart. Without a little extra effort on your part it doesn't take any feedback on board, and therefore runs the risk of alienating employees by just telling them what to do. Put it this way – if you're small enough to know the name of almost everyone working for you, you need to go one step beyond Kotter and listen to your team. That way they will be more likely to adopt your changes, as they will at least have some say and direct connection to the changes. Kotter's theory is great as a checklist, but lacks the necessary back-and-forth (and, to a degree, actionable instructions) to be taken as a step-by-step process. Smaller companies depend much more on cementing every employee as a champion of each change, meaning that managers need to pay more attention to their feedback.

**Beckhard and Harris's Change formula: Organism**   Beckhard and Harris (1987) developed their change formula from original and background work by Gelicher. The model comes from the organism metaphor of organizations although it has been adopted by those working with a planned change approach to target the management effort.

The key factors can be captured in the following formula;

$$C = [ABD] > X$$

**C** = Change
**A** = Level of dissatisfaction with the status quo
**B** = Desirability of the proposed change or end state

**D** = Practicality of the change (minimal risk and disruption)
**X** = Cost of changing

The formula is sometimes written as **(A × B × D) > X**. This adds something useful to the original formula. The multiplication implies that if any one factor is zero or near zero, the output will also be zero or near zero and the resistance to change will not be overcome. These factors (A, B, D) do not compensate for each other if any one of them is low. All factors must be assigned weights on the basis of critical analysis. Beckhard and Harris emphasized the need to design interventions that allow these factors to surface in the organization.

**Nadler and Tushman, Congruence Model: Political, organism**  Their model is called the ADKAR change management model. Each letter represents a goal. The goals are: Awareness (of the need to change), Desire (to participate and support the change), Knowledge (on how to change), Ability (to implement required skills and behaviors), and Reinforcement to sustain the change. The model created by Jeffery Hiatt (founder of Prosci) is a bottom-up approach that focuses on the individuals behind the change. It's less of a sequential method and more of a set of goals to reach, with each goal making up a letter of the acronym ADKR. By focusing on achieving the five goals, the model can be used to effectively plan out change both at an individual and organizational level. The Nadler et al. (1997) model aims to help us understand the dynamics of what happens in an organization when we try to change it. The model is based on the conviction that organizations can be seen as systems with subsystems or sets of connecting sub-frameworks that scan and sense changes in the non-controllable external environment. The model perceives the organization as a framework that draws contributions from both the inner and outer forces and changes them into yields (activities, conduct and execution of the framework). The core of the model is the open door it offers to break down the change procedure in a manner that does not offer prescriptive responses, rather it invigorates contemplations on what requirements may occur in a particular hierarchical setting. The model draws on the sociotechnical view of organizations that looks at their managerial, strategic, technical and social aspects, emphasizing the assumption that everything relies on everything else. This implies that the different elements of the total system have to be aligned and synergized to achieve high performance. Achieving synergy or congruence is a big challenge in change management. The ADKAR model focuses greatly on employees, in turn speeding up the rate at which changes can be reliably deployed. By giving employees set goals to meet without a specific method, the model provides a flexible framework which workers can apply to different situations. While it's suited to incremental change, ADKAR is left lacking when it comes to large-scale modifications. However, it is a great model for cutting through any complicated setups and getting straight to the point on how to improve the employees' reaction to change. The model works best where managers already know what they want to change and why.

**Carnall's Change Management Model: Political, Organism**  Carnall (1990) produced a useful model that brings together a number of perspectives on change. He

says that the effective management of change depends on the level of management skill in the following key areas: (i) Managing transitions effectively (ii) Dealing with organizational cultures (iii) Managing organizational politics. A manager with experience in managing transitions, culture and organizational politics will find this model very useful in change management efforts. The model has merit in that it identifies critical factors that must be considered by experienced managers and change leaders.

**Senge, Kleiner, Roberts, Ross, Roth, Smith and Guman (1999): Systemic Model (political, organism, flux and transformation)**  Those interested in sustainable change, will find the ideas and concepts in the model of Senge et al. (1999) very useful. The model provides a framework for those who are deeply involved in building new types of organizations as is often the case in transforming organizations through change management. Senge et al. (1999) talk about the myriad of 'balancing processes' or forces of homeostasis which act to preserve the status quo in any organization. These need to be well understood by the Top Management Team and the internal as well as the external stakeholders. In the work of improving performance in organizations managers must initiate change. They must identify gaps, analyze causes and recommend a wide array of interventions. These interventions are designed to create change that will be beneficial and long lasting. As the authors point, most change efforts fail because they do not produce the hoped-for results. To deal with this problem the managers must be skilled at initiating and sustaining change. The change management agents in the organization must help their clients to deal with the challenges of change so they don't become discouraged and revert to the original systems. Senge et al. (1999) observe that "Most genuine change activities in the long run face issues inserted in our predominant arrangement of the management. These include managers' commitment to change as long as it doesn't affect them; 'undiscussable' topics that feel risky to talk about; and the ingrained habit of attacking symptoms and ignoring deeper systemic causes of problems. Their guidelines are: • Start small. • Grow steadily. • Don't plan the whole thing. • Expect challenges. The authors embrace the principles of environmental systems to illustrate how organizations operate and to enhance our understanding of what forces are at play. Business and other human endeavors are also systems and do borrow a lot from environmental systems. Just like everyone else, it is very difficult for managers to see the entire patterns of change. Instead they tend to focus generally on depictions of confined pieces of the frameworks, and marvel at why their most profound issues never appear to get ironed out. This model is noticeably different from much of the other work on change, which focuses on the early stages such as creating a vision, planning, finding energy to move forward and deciding on first steps. It looks at the longer-term issues of sustaining and renewing organizational change. The authors examine the challenges of first initiating, sustaining and redesigning and rethinking change. The model does not give formulaic solutions, or 'how to' approaches, but rather gives ideas and suggestions for dealing with the balancing forces of equilibrium in organizational systems. People working on change initiatives will need extra time outside of the day to day activities to devote

to change efforts, otherwise there will be push back. Managers and their subordinates will need coaching and support to develop new capabilities, they will need to be convinced of the need for effort to be invested, they will look for reinforcement of the new values or new behaviors from management and especially their leaders and supervisors. They will need constant assurance that in spite of apparent challenges, misunderstandings and doubts success will be achieved. There is always need to include and engage people around the deep questions of purpose and strategy in change efforts.

**Stacey and Shaw, complex responsive processes: political, flux and transformation** Stacey (2003) and Shaw (2002) view organizations by utilizing the metaphor of flux and transformations. The ramifications of this method of intuition for those keen on overseeing and enabling change are huge because (i) Change, or a new order for things, will develop normally from clean correspondence, strife and strain (not all that much) (ii) As a manager, you are not outside of the framework, controlling it, or wanting to adjust it, you are a piece of the entire environment.

Shaw (2002) address the traditional inquiries of 'How would we oversee change?' she tends towards the key question of, 'How would we take an interest in the manners in which things change after some time?' This composition manages the oddity that 'our cooperation, regardless of how considered or enthusiastic, is continually developing in manners that we can't control or anticipate in the more drawn out term, regardless of how refined our planning instruments are'. The issues here are profound and addressing them aids change management experts in profound ways.

All the models described above are many and varied but have similarities. None of them appears to tell the whole story about how to manage change effectively. To be an effective manager or leader interested to engage in change management you need to be able to flexibly select appropriate models and approaches for particular situations. It is good to appreciate the existence of so many models on change management as this shows the efforts that academics and practitioners have put in the discourse on change management. Although the number of change management models on offer (and the time and effort it takes to deploy even a single one) might be overwhelming at first, leaders have ready frameworks to deploy in managing changes that will let them reliably use towards effecting their organizations' transformation efforts.

## Changing Dynamics in the Workplace Today

Organization theory and managerial wisdom suggest that, for an organization to survive, it must be compatible with its environment, i.e., it must be in tandem with all the external political, economic, social, technological, geological (ecological), and competitive conditions (PESTGCO) that can influence the organization's actions, nature, and survival. The external factors have an impact on the internal

(micro) environment of an organization. These profound changes, some gradual and others rapid, have made the workspace of today a very different place than what it used to be in the past. For example, new technology and more recently the Covid-19 phenomenon have forced organizations to make changes in their modus operandi in order to cater for the changing needs of employees, stakeholders and the organization as an artificial person. Remote working and commuting have become the new ways of working. This is unlike in the situation during the 70s, 80s and 90s where offices used to be made up of cubicles and c-suites and the key focus was employees' independence with very little collaboration and synergy. From around the year 2000 the work environment was challenged to change in order to make employees more comfortable, happy and motivated due to changing paradigms about work and happiness. Today's work place is about social collaboration and the increased use of information communication technology (ICT). New tools and technology have brought about transformation in the way we work. The internet, smart phones, ability to share files online and related developments have made it possible for workers to work remotely from anywhere and forge working relationships with ease. There are some challenges in terms of remote working but as systems become perfected and the internet spreads more widely it would appear that the new normal will be to work remotely with only occasional physical meetings to put the human face on things in a more direct way. Globalization is one factor that has put pressure and brought major challenges in regard to managing the workforce. Some of the challenges can be identified as deployment, knowledge and innovation dissemination, new marketing dynamics, talent identification and development.

Whilst some changes have been with us for some time now, COVID-19 has been a catalyst and has forced organizations to reinvent the future of work; new technologies have defined new roles, which is one reason to encourage workers to acquire new skills, with employees benefitting from learning new mindsets, behaviors and values in the new and quickly-changing workplace.

The world's response to COVID-19 has resulted in the most rapid transformation of the workplace. Working from home and remotely has become the new normal, and we have gone from digitizing the relationship between the firm and customer to digitizing the relationship between the employer and the employee. It would appear that companies that capitalize on the post-turbulence opportunities will be the most successful. Employees must be taught how to build new mindsets, open their minds to change through learning, and they must be quick to adopt new and advanced technology. Modern technology must become everybody's cup of tea.

Changing dynamics have created fear and uncertainty and this requires that human beings must be supportive of one another. In the midst of social distancing, many of us are getting closer. We are building more adaptive teams and systems, and are more consistently in touch with each other and our connections have become a priority. We are learning how to do work disparately and with far less oversight, and are increasingly learning what works and what doesn't work as we work remotely and from our homes. Old mind sets must give way to the new mental schemas and paradigms of work.

Today's changes that are becoming more and more rapid and are putting pressure on employees in ways that test their wellbeing and private lives. Wellness programs have risen to prominence to help deal with stress, depression and other psychological problems. The problems engendered by change today have created a mandate and an opportunity for us to expand our mental health priorities. There is a felt need in every organization for workers to work in more agile ways than was the case in the past. It is increasingly clear that workers are working outside their companies' traditional boundary processes, and COVID-19 is forcing both the pace and scale of workplace innovation. Many workers and organizations are finding simpler, faster and less expensive ways to operate. New strategies about how to deal with the downside of discontinuous change are being devised everywhere. Organization leaders and managers need to be accommodative to the new changes occurring in regard to work and working modalities. Change will force itself on those who do not want to embrace change. We like the adage "if you do not change then change will change you."

## Leading Change in Diverse Work Environments

Diversity can be looked at in many ways. Due to technology developments people of different cultures, genders, gender identities, and geographies, time differences, education levels and so on are increasingly coming together in the work space to pursue common goals or vision. This is diversity in essence. Different generations are now increasingly working together creating much more diversity. People enabled differently and women are increasingly assuming significance in the work place mainly because traditional glass ceilings are increasingly being challenged. Today's common factor is leadership that is dynamic and that recognizes diversity. Diversity refers to the existence of variations of different characteristics in a group of people. These characteristics include everything that makes us unique, such as our cognitive skills and personality traits, along with the things that shape our identity including race, age, gender, religion, sexual orientation, geographical location and cultural background. These factors are important in defining diversity in the work space. In addition, other factors such as talents, skills, opinions and personalities are also significant.

Achieving inclusion with diverse employees is not automatic and is usually challenging. Inclusion is a situation where every employee is valued and given opportunities to thrive. Organizations that wish to manage and achieve both diversity and inclusion, assign senior staff the responsibility of forming teams dedicated to designing anti-discrimination policies for their departments and for the organization and ensuring that all workers are exposed to equal opportunities. Some organizations prominently display policies on diversity management in prominent places and in communication with both their internal and external publics to show commitment to this very important aspect in today's life. Discrimination can lead to serious litigation issues. Building a diverse company means that you don't discriminate

against protected characteristics and that you're an equal opportunity employer. This is very important in terms of employee engagement, motivation and sense of pride. It can help build the company's brand and keep employees satisfied and productive. In many countries and nation states the employment and labor laws encourage companies to be unbiased when hiring, managing employees and when disengaging with them but the law does not make it mandatory for organizations to actively aim to build diverse teams.

Leadership theory has increasingly focused on strategic leadership for a long time now. Research has demonstrated the critical importance of strategic leadership to performance, long-term sustainability, and innovation. The literature on leading change emphasizes the critical role of the top executives in leading what is referred to as radical, episodic change or discontinuous change. Radical, episodic change is most often triggered by disruptive events in an organization's external environment. Leading change in diverse work environments engenders the application of strategic leadership principles. Schermerhorn (2010, p. 227) observes rightly that "in our dynamic and often uncertain environment, the premium in strategy implementation is on strategic leadership – the capability to inspire people to successfully engage in a process of continuous change, performance management, and implementation of organizational strategies." Strategic leaders have to apply tools, processes, skills and principles in order to be effective in their change management efforts. The responsibility for managing change is with the management and executives of the organization; they must manage the change in a way that employees can cope with. This means employees have to be engaged and included in the process. The leader has the cardinal responsibility to facilitate and enable change by understanding the situation from an objective standpoint (to 'step back', and to be non-judgmental), and then to help workers understand the reasons, aims, and ways of responding positively according to employees' own situations and capabilities (Yazici, 2009). A good change management practice strategy is a critical success factor in the implementation of change in organizations. Effective change management practices, therefore, require to be approached from both an individual and an organizational perspective. In order to successfully manage change processes, managers need to establish clearly the nature and extent of change, what changes to expect, the types and situations as well as possible problems likely to be experienced including causes of resistance and possible solutions. Change management becomes successful when each employee who must do things differently has awareness, desire, knowledge, ability and reinforcement. This can be achieved through true engagement and inclusion of employees in the change management efforts.

Michael Porter, as quoted in Schermerhorn (2010, p. 227), places great emphasis on the role of the CEO as the chief strategist. He describes some key aspects of the strategic leadership tasks as:

- A strategic leader has to be the guardian of trade-offs in resource allocation by ensuring that resources are allocated in ways consistent with the grand plan or strategy

- A strategic leader needs to create a sense of urgency, not allowing the organization and its members to grow slow and complacent
- A strategic leader needs to make sure that everyone understands the strategy or plan of action
- A strategic leader needs to be a teacher of the strategy to ensure that the plan is made a "cause" and is understood

Training in the dynamics of change management using the models already discussed can be very enriching in the change management agenda.

## *Role of Engaged Leadership in Change Management*

The concept of leadership is complex. Leadership is an interesting social phenomenon which occurs in all groups of people. During the ancient times the Chinese, Romans, Greeks, Romans and even Africans had great leaders. For example, Egyptians, in Africa, attributed specific godlike traits to their Kings (Pharaohs). Ancient Israel had God appointed and anointed kings and leaders such David, Solomon, Moses and Solomon. Famous writers such as Machiavelli, Homer and military leaders such as Sun Tzu and Alexander the Great are credited with documenting the kind of strategies or plans ancient army leaders used to succeed in battle. Sun Tzu is famous for his book "The Art of War", Ancient Greeks are credited with the origins of the term Strategy (Strategos in Greek). In today's context we can conclude that winning business strategies and the influence of leaders account to a large measure to improved company or organization's performance. Jack Welsh of General Electric and Livermore of Hewlett-Packard are often quoted as successful leaders who transformed and greatly improved the performance of their organizations through the application of business strategies and strategic leadership ideals and their personal influence. They inspired, influenced and motivated people to achieve constructive change in their organizations (Dubrin, 2001, pp. 2–3).

Much history is recorded through the lives of famous leaders including George Washington, Abraham Lincoln, Washington Churchill, Clara Barton, Mahatma Gandhi, Golda Meir, John F. Kennedy, Martin Luther King Jr., and Nelson Mandela (Howell & Costley, 2001, p. 3). These visionary leaders influenced their communities towards certain defined future goals particularly during times of social upheavals that threatened to disrupt their communities greatly. Each of these leaders influenced their followers through engagement, inclusion and inspiration and stimulated them to achieve their aspirations and those of their communities. Almost anyone who exerts influence over people to want to move to a given future state as they follow him or her exercises leadership. Thus, leadership is about influence more than anything else. It is strategic when it is futuristic in orientation.

Leadership is a very important factor in an organization because it determines most of its success and failure. It is considered that any company's success is due to performance, employee job satisfaction and employee affective commitment mostly

brought about by inclusive and engaging leaders (Bass & Riggio, 2006; Drucker, 2007). To increase the organizational performance a leader must have the ability to promote creativity and innovation, stimulate the employees to challenge their own value systems and improve their individual performance. Organizations that attempt to adapt to today's competitiveness using old processes tend to find it difficult to prosper and may even cease to exist. The dire need for transformation in today's global economy places pressure on organizations to not only catch up with changes, but also to foresee them. For leadership to be effective it has to be truly engaging. Engagement is characterized by a set of attributes including respect for others and concern for their development and wellbeing (Alimo-Metcalfe et al., 2008). Engagement by its very nature combines different distinct leadership styles in that it requires application of inclusive leadership attributes, servant leadership, ethical leadership, spiritual leadership, authentic leadership, visionary leadership and transformational leadership. Thus, engagement is born out of a combination of various concepts of leadership.

## Conclusion

Today's business environment is dynamic and the demands of people are changing, therefore organizations and their leaders need to be cognizant of these changes. Change agents and champions have to think on their feet in response to the strategic imperatives of the moment. Today organizations know that they need a sustainable competitive edge in order to achieve their goals and satisfy their customers so that customers don't find it necessary to go to the competition. Hence they need concepts that transcend any boundaries and that is why it is advisable to welcome change with open arms. There is always a 'change facilitator' who is in charge of managing people and in charge of the change management strategy. The communication plan and know how on how to manage the resistance to change is important too. Change can be planned and managed in a systematic way where the goal is to implement new methods and systems in an organization or it can be a response to changes where the organization has little or no control over the actions of the competitors or shifting economic events. This is the reactive approach while the former is more anticipative because the change lies within and is controlled by the organization. The change process can be viewed as a problem-solving template, where a solution is sought and the organization brought to the future state they want to be in. The main goal is to empower the organization to take responsibility for their future.

**Key Takeaways**
1. Today's changes are unprecedented. They demand to be managed in new and novel ways
2. Many theories/models of change exist. None is by itself sufficient to explain change management. They complement each other. However, Kotter's eight stage model is much more comprehensive than the other competing models

3. Profound changes brought about by Covid-19 and other factors have made the workspace a very different place to what it used to be in the past. Most rapid transformation has occurred in the space

4. Working from home and remotely has become the new normal, and we have gone from digitizing the relationship between the firm and customer to digitizing the relationship between the employer and the employee

5. Achieving inclusion and engagement with diverse employees is not automatic and is usually very challenging. It requires the application of strategic leadership

6. Engaged leadership has an important role to play in today's change management efforts

**Reflective Questions**

1. How has Covid-19 impacted your personal life and the lives of those around you?
2. What adjustments has your employer or your organization made in order to accommodate the new normal of working remotely and what unforeseen challenges have been faced?
3. Which one of the change management models discussed here seems to appeal most to you and why?
4. What are the benefits of diversity in the work place (or in a social unit or place that you know about) and what problems does diversity management efforts expose?
5. Why is self-management and work ethics important in working remotely and away from direct physical supervision?

# References

Alimo-Metclafe, B., Alban Metcalfe, J., Bradley, M., Mariathasan, J., & Samele, C. (2008). The impact of engaging leadership on performance, attitudes to work and wellbeing at work: A longitudinal study. *Journal of Health Organization and Management, 22*(6), 586–598.

Ansoff, I., & McDonnell, E. (1990). *Implanting strategic management* (2nd ed.). Prentice Hall.

Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership*. Lawrence Erlbaum Associates, Inc.

Beckhard, R., & Harris, R. T. (1987). *Organizational transitions: Managing complex change*. Addison-Wesley Publishing Company.

Bridges, W. (1991). *Managing transitions: Making the most of change*. Perseus Books.

Bullock, R., & Batten, D. (1985). It's just a phase we're going through: A review and synthesis of OD phase analysis. *Group & Organization Studies, 10*(4), 383–412. https://doi.org/10.1177/105960118501000403

Cameron, E., & Green, M. (2015). *Making sense of change management: A complete guide to the models, tools and techniques of organizational change*. Kogan Page Publishers.

Carnall, C. A. (1990). *Managing change in organizations*. Prentice Hall Law & Business.

Drucker, P. F. (2007). *Management: Tasks, responsibilities, practices*. Transaction Publishers.

Dubrin, A. (2001). *Leadership: Research findings, practice, and skills* (3rd ed.). Houghton.

Howell, J. P., & Costley, D. L. (2001). *Understanding behaviors for effective leadership* (1st ed.). Pearson.

Kotter, J. P. (2009). Leading change: Why transformation efforts fail. *The Principles and Practice of Change*, 113–123. https://doi.org/10.1007/978-1-137-16511-4_7

Lewin, K. (1951). Field theory in social science: selected theoretical papers.

Morgan, G. (1998). *Images of organization*. Berrett-Koehler Publishers.

Mutuku, S. M. (2005). *MBA Term Paper*. Alliant International University, Scripts Ranch, San Diego, California, USA.

Nadler, D., Tushman, M., Tushman, M. L., & Nadler, M. B. (1997). *Competing by design: The power of organizational architecture*. Oxford University Press.

Schermerhorn, J. R. (2010). *Introduction to management* (10th ed.). John Wiley & Sons, Inc.

Senge, P., Kleiner, A., Roberts, C., Ross, R., Roth, G., Smith, B., & Guman, E. C. (1999). The dance of change: The challenges to sustaining momentum in learning organizations. *Performance Improvement, 38*(5), 55–58. https://doi.org/10.1002/pfi.4140380511

Shaw, P. (2002). *Changing conversations in organizations: A complexity approach to change*. Psychology Press.

Stacey, R. (2003). *Complex responsive processes in organizations: Learning and knowledge creation*. Routledge.

Yazici, H. J. (2009). The role of project management maturity and organizational culture in perceived performance. *Project Management Journal, 40*(3), 14–33.