

# How Leadership Affects Organizational Change Process

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## Abstract

Leadership seems to be the chief factor which aligns and coordinates with the organizational processes. Leadership of the organization is linked with the functioning and performance of the organization and it reflect how effective they are in achieving their desirable outcomes, (Lewis, Packard, and Lewis, 2007). Leadership styles, traits, approaches and strategies are the starting point of the change process. It goes to the large extent in affecting the management capacity by designing different systems in the organization

**Keywords:** ,change process, leadership, Pakistani public sectors.

## 1- INTRODUCTION:

### 1.1 BACKGROUND OF THE STUDY:

Leadership seems to be the chief factor which aligns and coordinates with the organizational processes. Leadership of the organization is linked with the functioning and performance of the organization and it reflect how effective they are in achieving their desirable outcomes, (Lewis, Packard, and Lewis, 2007). Leadership styles, traits, approaches and strategies are the starting point of the change process. It goes to the large extent in affecting the management capacity by designing different systems in the company. Therefore it is extremely important for the leaders to monitor and evaluate the contingency factors working in the internal and external environment. It is also Leadership seems to be the chief factor which aligns and coordinates with the organizational processes. Leadership of the organization is linked with the functioning and performance of the organization and it reflect how effective they are in achieving their desirable outcomes, (Lewis, Packard, and Lewis, 2007). Leadership styles, traits, approaches very important to assess the situation, and staffs by considering the characteristics of the staffs and employing different leader to member process for shaping the culture and climate of the organization. Other factors like service delivery mode and characteristics of the clients also have impact on the attainment of ultimate outcomes (McNeece & Thyer, 2004).

Leadership of the company has direct affect on the organizational change process by the implication of the evidence based practice. Leaders have power to observe the performance of the organization at different levels like teams, agencies, groups, communities, programs, countries/societies and even in world (House, & Mitchell, 2004). The focus of this research is based on the leadership of the Pakistan public sectors and their performance and change level.

### 1.2 PROBLEM STATEMENT :

Leadership seems to be an essential factor which has direct impact over the performance of an organization. Despite of extensive studies on this topic, there is lot more to discover about the affect of leadership in bringing change in the organization. The major aim of this research project is going to shed light on the attitude, behavior, strategies and practices of the leadership in defining the change process in the Pakistani organizations, so to ensure the attainment of effective outcomes.

### 1.3 AIMS AND OBJECTIVES OF RESEARCH:

This research is conducted by aiming to explore the determinants of leadership which have direct impact on the organizational change process. It is aimed to highlight those factors which has dictated the attainment of positive performance outcomes for the Pakistani organizations.

The stated objectives are:

- To investigate different leadership styles adopted in Pakistani organizations
- To examine the factors of leadership which has resulted in enhances the performance of the organizations
- To explore determinants of leadership which has resulted in bringing change in the organizations

### 1.4 RESEARCH QUESTION:

Q1 How different leadership styles are adopted in Pakistani organizations

Q2 What are the factors of leadership which has resulted in enhances the performance of the organizations

Q3 What are the determinants of leadership which has resulted in bringing change in the organizations

### 1.5 SCOPE OF RESEARCH:

Research work conduction is very supportive for the public sector of Pakistan. This research work will shed light on different leadership styles which have ensued in bringing positive change in the Pakistani organizations. Top

management of the organizations will take advantage of this research and can easily design their strategies for the adaptation of effective leadership style.

**1.6 Limitation of the research:**

Research work done here is facing some limitations, like other researches. This research is geographically limited to Pakistan and it will be only studying the leadership style of public sectors. It is assumed that public sectors is having effective leadership styles adoption and their change process is very clear. However, only two to three public sectors will be studied because of limited time and monetary resources. This project is assigned by the university and thus it has to be finished within the given time period.

**1.7 HYPOTHESIS:**

- H1: Leadership style has direct impact on climate of organization
- H2: Leadership style is linked with culture of organization
- H3: Leadership style is associated with behavior of the organizations
- H4: Leadership style dictates the adopted strategies for the growth of the company
- H5: Leadership style has impact over the performance of the organization

R	r <sup>2</sup>	Adj.R <sup>2</sup>	F.stat	P.value
0.436	0.190	0.182	23.021	0.000

**2- LITERATURE REVIEW:**

**2.1 INTRODUCTION:**

The chapter of literature review is designed to illustrate the theories and models of leadership style, discussed by the previous researchers and theorists. In this chapter, researcher has extensively reviewed the past literatures and has confined to develop their own contextual framework for the further studies.

**2.2 OVERVIEW OF THE LEADERSHIP:**

In the recent studies, different leadership practices and theories have concluded that there are almost different definitions of leadership. Each of the researchers has differently defined leadership. According to Northouse, (2004), leadership is a process by which individual put influence on the group of individuals for the attainment of one common goal. Those who follow leaders or get influenced by their decisions are known as followers and in the organisational setting, they are known as subordinates.

Gill, (2006) has defined the shared leadership as the quality of interaction instead of hierarchical levels and team problem solving. They are more conservative rather than having shared beliefs and values. They have desire to achieve the common good for the company. Leadership can also best understand by comparing it with the management style. In this domain, Kotter, (1990) has defined management for the production of orders, contingency and predictability for the attainment of key results. Their work includes organizing, planning, controlling, budgeting, problem solving and staffing. On contrary, leadership style is the production of change. Their work includes the establishment of directions by aligning the people, visioning the future and development of strategies. Their work also comprises of motivating and inspiring the employees working under them. Roberts-DeGennaro & Packard, (2002) has defined the concept of leadership in combination of management. They believed that leadership comprises of strategy development, visioning, community collaboration, change management and culture management. Alternatively, the work of management is to design the program, do financial management, human resource management, project management, program evaluation and manage information system. In order to perform these functions effectively, managers must have effective leadership style.

Leadership of the company has direct affect on the organizational change process by the implication of the evidence based practice. Leaders have power to observe the performance of the organization at different levels like teams, agencies, groups, communities, programs, countries/societies and even in world (House, & Mitchell, 2004). The focus of this research is based on the leadership of the public sector of Pakistan and their performance and change level.

**2.3 LEADERSHIP.ORGANIZATIONAL DYNAMICS AND PERFORMANCE:**

Leadership seems to be the major factor in aligning and coordinating with the organisational processes. Unlike other functions of the organizations, leadership is also associated with the performance of organization towards the achievement of desired goals, (Lewis, Packard & Lewis, 2007). The starting point of the leadership is the styles, approaches and traits they have. This has direct impact over the management capacity through which organisational systems are designed. It is extremely important for the leaders to monitor and evaluate the contingency factors working in the internal and external environment. It is also very important to assess the

situation, and staffs by considering the characteristics of the staffs and employing different leader to member process for shaping the culture and climate of the organization. Some other elements which affect the leadership style and performance of the firms consists of clients characteristics and capacity of the program. Leaders can have impact over the capacity of program by adaptation of evidence based practice. Here the importance of job satisfaction cannot be denied and it is key for the outcomes of the organizations.

#### **2.4 Types of organisational change:**

There have been three types of changes in the organization, according to the Proeh, (2001). These are developmental change, transitional change and transformational change. These are thoroughly explained as:

##### **2.4.1 DEVELOPMENTAL CHANGE:**

It comprises of adjustment in the current operations or improvement in the process, skills or methods which are currently not fulfilling the standards. This level of change is not threatening for the employees and quite easy to manage. Example of this type of change can be training, improvement in communication and problem solving.

##### **2.4.2 TRANSITIONAL CHANGE:**

This type of change involves the implementation of the new ideas and abandoning the old ways. This type of change requires time and patience as it moves from the transitional period to the future state. Examples are new technology system, implementation of new program and reorganization.

##### **2.4.3 TRANSFORMATIONAL CHANGE:**

This is the most extreme type of the change which necessitates major shifting in the structure, system or vision strategy. Example includes the major change in the policy which requires managed care and welfare reform. It also includes the new beliefs, awareness and new culture for new possibilities. Privatization and the managed competition are also example of transformational change.

#### **2.5 PERFORMANCE:**

Performance of the organization can be measured with numerous aspects. These aspects can be measured with the aid of return on asset, return on equity and the net income. These are accessed with the assistance of financial performance of the firm. These mentioned aspects are measurable with the accounting terms. Companies perform audits in the firm so that they can easily manage the viable condition. These are also important for making decision and making investment choice by evaluating risk.

#### **2.6 SUMMARY AND CONCLUSION:**

Leadership is quite important aspect of the firms. Firms are liable to adopt different leadership and management style to perform organizational function. The performance is evaluated with regards of the adopted leadership style. Leadership seems to be an essential factor which has direct impact over the performance of an organization. Despite of extensive studies on this topic, there is lot more to discover about the affect of leadership in bringing change in the organization. The major aim of this research project is going to shed light on the attitude, behavior, strategies and practices of the leadership in defining the change process in the public sector of Pakistan , so to ensure the attainment of effective outcomes.

### **3- METHODOLOGY:**

#### **3.1 RESEARCH APPROACH:**

The approach of the research is defined by the research onion, which is sub-divided into three groups. These are entitled and renowned as qualitative, quantitative and mixed approach. Researchers have defined quantitative research approach as the measure of numeric figures. These outlay their results on the basis of calculative figures and numbers for the attainment of solution to the desired problem. This approach is best when there is shortage of time and unavailability of qualitative data. On the other end, researchers have defined qualitative research approach as the attainment of solution to the desired problem by investigating deeply from the victims. This research is entirely based upon the deep views of the persons linked with the problem studied. Lastly, Researchers have defined mixed approach as the combination of qualitative and the quantitative research. This research is going to focus over the mixed approach. Qualitative and the quantitative both data will be assembled for reaching towards the solution of the problem.

#### **3.2 RESEARCH DESIGN :**

As research is multidimensional, the research is also following more than one design. The first design is co relational design, which is adopted for the quantitative research approach. A correlation design is deemed to illustrate the relation or association among the discussed variables. This is intended to shed light over the degree of relationship among the defined variables. Second design of the research is exploratory design which is adopted for the qualitative approach. This design is used to explore the phenomenology by making keen observation of the data.

### 3.3 DATA COLLECTION:

Collection of the data depends upon the nature of the data employed. There are two major sub-divisions of data, as primary and secondary. The primary data is fresh and first hand collected data, whereas secondary data is already collected and gathered by other and is only used in the research. In this project, the data which researcher will use is going to be primary in nature for gathering the data from the interviews and secondary in nature for gathering the data about the organisational change. Primary data is going to be availed from the employees and top management of the public sector of Pakistan. The secondary data is going to be get from the financial statements of the companies.

### 3.4 SAMPLING TECHNIQUE:

Sampling technique which is applied in this work is going to be convenient and purposive sampling. Convenient sampling is adopted to ensure the attainment of interviews from the easily approachable organizations. Public sectors will be approached and their top management and employees will be interviewed

Table 1.1 of sampling technique

Institutions	Officers
Pakistan railways	100
Pakistan post office	100
Total	200

### 3.5 MEASURING TOOL:

The tool which is designed to measure the interview includes the preparation of the questionnaire. This tool is specially designed for the collection of the data. Data is collected via asking different questions. These are answered by the officers of public sector and they have been asked to give review about their personal experiences while working with their managers. They have been given proper environment so to answer the viable questions.

### 3.6 DATA ANALYSIS TOOL:

Tool selected for data analysis is observation and the trend analysis. Observation technique is applied for extracting the information from the taken interviews. This tool will help in shedding light over different phenomenologies and themes. From the interviews of top management and officers of public sectors of Pakistan, result will be derived about the organisational change and the different leadership style adopted. In order to further study the change in the organisational performance, the profitability will be studied with the help of trend analysis. MS Excel will be employed for grabbing the trend through line charts. 5 years of data will be studied by extracting it from the financial statements of the companies.

### 3.7 SUMMARY AND CONCLUSION:

This research is going to focus over the mixed approach. Qualitative and the quantitative both data will be assembled for reaching towards the solution of the problem. Correlational design and exploratory design is adopted as the nature of research design is two dimensional. Primary data is going to be availed from the OFFICERS and top management of the public sector of Pakistan. The secondary data is going to be get from the financial statements of the companies. Tool selected for data analysis is observation and the trend analysis. Observation technique is applied for extracting the information from the taken interviews. In order to further study the change in the organizational performance, the profitability will be studied with the help of trend analysis.

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