Role of Effective leadership in Change Management

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Abstract: Change is good". Change brings a new thinking and a new environment in the organization. But people have tendency to resist changes. They do not accept changes and even sometimes they oppose changes. So it becomes imperative to manage the changes at proper time to bring the significant changes in organization.

Organizational change is a demand of the day, and needed for organizations to survive. Organizations now a days, well understand the importance of the matter, but Along with all of its implications and importance the process of organizational change is also a very complex and challenging. Research shows that 70 percent of organizational changes fail to get their goals. Leadership has a central role in evolution and cultivating an organization change. The process of organizational change demands a very effective and highly competent leadership that is well capable to perceive the most desirable shape of an organization and address the issue of organizational change in most appropriate way.

Change management entails thoughtful planning and sensitive implementation, and above all, consultation with, and involvement of, the people affected by the changes. Leader (Manager) has a responsibility to facilitate amenable change, and then to help people understand reasons, aims, and ways of responding positively according to employees' own situations and capabilities. Leaders cannot impose change - people and teams need to be empowered to find their own solutions and responses, with facilitation and support from leaders, and tolerance and compassion from the leaders and executives. Employees need to be able to trust the organization and most importantly their leader.

Key Words: Organizational Change, Leadership, *Vision, Planned Change, Management* .

I. INTRODUCTION

Change management is the application of a structured process and tools to enable individuals or groups to transition from a current state to a future state, such that a desired outcome is achieved. When change management is done well, people feel engaged in the change process and work collectively towards a common objective, and the outcomes are change projects realizing benefits and delivering results. It is a systematic approach to deal with change, both from the perspective of an organization and on the individual level. Change management has at least three different aspects, including: adapting to change, controlling change, and effecting change. A proactive approach to dealing with change is at the core of all three aspects.

When change is implemented, the most important determinant to implement the change is the ability of leadership. In an organization where there is faith in the abilities of formal leaders, employees will look towards the leaders for a number of things. During the drastic times, employees will expect effective and sensible planning, confident and effective decision-making, and regular, complete communication that are timely. Also during these times of change, employees will perceive leadership as supportive, concerned and committed to their welfare, while at the same time recognizing that tough decisions need to be made. There must be a climate of trust between leader and the rest of the team. The existence of this trust brings hope for better times in the future, and that makes coping with drastic change much easier.

Objectives & Importance

1. To understand, formulate and implement the most suitable change for organizations.
2. To explore the importance of leadership in an organization for change management.
3. To identify leadership qualities for an effective process of change. What kind of knowledge, skills, talent and competencies are required from a leader to bring a successful organizational change.
4. To understand the relation of successful organizational changes and leadership competencies.
5. To understand how effective leadership change the position of the company in a significant way.

II. LITERATURE REVIEW

Change is becoming a way of life for organizations, employees and managers' alike (Leanna & Barry, 2000). With organizational change occurring at a more rapid pace than ever before (Wanberg & Banas, 2000), the ability to identify, cope with, *Role of Leadership…. Abasyn* and capitalize on organizational change is becoming a requirement of effective managers.

According to Ajay (2002), change is an illogical and emotional process. Being a leader of change, one has to focus more on human aspects of change as individuals are the main actors in sphere of intellectual capital. Organizational change is a multifaceted and long term task. A change management is actually a vital plan in designing how the organization is to move from its current state to a desired future state. Organizational change is a planned activity as it serves as a linkage between the different parts of a change process, setup priorities and timelines, assigning responsibilities, establishing mechanisms for review and revision where necessary. For an effective change management process, it is required to be properly planned. Effective planning for change must begin well before changes are to take effect and consultation should be done (Smith, 2006).

For successful completion of any change management plan, it needs to be properly planned and fully budgeted. Along with these important constraints, leadership is also a spirit for the manager to capture employee back into work and to produce maximum benefits from change. This concludes that leaders are more effective than managers during the process of change (Bejestani, 2011).

Change as a process was being firstly conceptualized by Lewin in 1947. He segmented the change as a process with three phases: (1) unfreezing—it is about readiness to change means it involves getting a point of an understanding that change is necessary and to be prepare for leaving the current state of comfort for the sake of future benefits; (2) moving—At this stage, people have to move forward to adopt a new changed setup. Most fearful from this stage of change process as they have to leave their current comfort zone; and (3) refreezing—At last, change is accepted as a new norm in an organization and now the change is a part of routine process. Lewin also suggested that although common sense might bend toward increasing powerful forces to persuade change, in many illustrations this might arouse an equal and opposite increase in resisting forces, the net effect being no change and greater tension than before.

Leaders as Change Agent :

Leader means someone who has the authority or power to control a group of people and get it organized for a particular task or goal. Leader has a clear vision for the welfare of his organization and development of his organization. Leadership is that quality of leader by which he leads the team or his group (Bass, 1985). Leadership has six basic personality traits named as; self confidence, ambition, drive and tenacity, realism, psychological openness, appetite for learning, creativity, fairness, dedication. To involve other members of team in decision making is also the part of leadership

Senge (1990) illustrates three foundation characteristics for a person to be in a leadership role in the modern day organizations and they are of an architect, a teacher, and a steward. These three qualities assist in clarifying mission, vision and values; identifying strategies, structure and policies; generating efficient learning processes; and facilitating subordinates to develop their mental model continuously and think systematically. A well developed leader Steve Job's leadership style revolves around main two concerns; (i) Persistence is the key, (ii) Innovation brings leadership. Steve Jobs believes that persistence is the key towards the successfulness of any leader. His attitude towards his work, related Job's leadership style as task oriented leadership. Whereas his second belief indicates that his leadership style is also comprised of people oriented leadership. Innovation brings leadership means that the leader engages his team to be an important part of decision making. This developed attitude of the leaders creates a sense of belongingness in the members of team and motivates them towards their assigned work or duty, which ultimately increases the efficiency of the work.

For an effective change, the study reveals that charismatic leadership and trust in top management both are important. They are strongly correlated (positively) with change implementing behavior, monitoring of anticipators, management level, and department connection (Michaelis, Stegmaier & Sonntag, 2009). According to Noer (1997), the leader, as a person, is the most important tool for change. The leader's spirit, insight, wisdom, compassion, values, and learning skills are all important facets in the capabilities to lead others to embrace change and redesign. The leader who prompts change within a firm is often subject to approximate thought (Nadler & Nadler, 1998). It is the leadership's behavior that makes the change situations more effective (Higgs & Rowland, 2005).

In response to today's socioeconomic environment for successful organizational development, the key defined by Darling & Heller (2009) is embodied in the managerial leaders' attitudes, and the commensurate thoughts and feelings communicated (vibrated) to the universe, both inside and outside of their organizations. Study further reveals that leaders must have to understand the reasons for the failure of change in any organization. They have to develop capabilities to be a successful change agent (Manikandan, 2010).

Even after implementation of change, the duty of leader does not end. Change is the one constant, one can easily anticipate. But in business, it's vital that organizations build up a change management approach through which they can rely on to diminish both expected and unexpected changes. That way, they can meet any challenges head-on and not be derailed by whatever changes come their way (Gans, 2011). Nickols (2010), states that there are four basic definitions for change management.

Change Management in Titan Industries limited
Brief Introduction:
Titan Industries limited, a joint venture between TATA group and Tamil Nadu Government (TIDCO), was formed in 1985, to design, manufacture, brand and retail watches. As per the understanding reached between the partners, The Managing director of Titan will be a nominee from TATA group and the Chairman will be nominated by Tamil Nadu Government.

Today Titan is the dominant watch retailer in India, with sales of 15 Million watches per annum, and with market share of 55%. 15% of our total sale comes from exports; it also have an international presence in Middle East, Singapore, Malaysia, Vietnam, Bangladesh and many other countries.

Titan diversified into precious jewellery manufacturing and retailing in the year 1995.Precious Jewellery is a big market in India with 40 Billion USD market today (8 Billion USD in 1995). The retailing of precious jewellery in India is dominated by family jewellers. Jewellery retail is also highly fragmented, with over 300000 individual retailers. Titan was the first Corporate to enter in Jewellery retail, and the task was to understand jewellery manufacturing, precious metal buying, and the biggest task was to compete with family jewellers, who have been in business for decades with a loyal customer base. The family jewellers source their jewellery from gold smiths (through middle men) who work from their house (cottage industry) with nil or minimum overheads.

Titan had started with a manufacturing plant with all modern refining, alloying, waxing and casting facilities, imported from Sweden, Japan & Germany, with an investment of 15 Million USD. We evolved to selling jewellery under two brands, brand Tanishq , for the evolving, modern design & fashion conscious Indian woman , and brand GOLDPLUS for traditional, investment conscious Indian women. Titan has, as of date, 182 retail stores under these two brands across the geographies of India. The annual revenue from jewellery business had crossed 1.5 Billion USD in last financial year, the overall revenue for the company being 2 Billion USD.

Titan also has a very modern manufacturing plant for manufacturing the intricate case & modules of watches.

We have 350 exclusive watch retail outlets across India & our watches are also retailed in over 6000 multi-brand watch outlets. Titan has the unique distinction of having made the slimmest watch (EDGE) in the world. As of today, we are the largest jewellery & watch retailer in India.

Titan have recently expanded our retail foot print in selling optical eye wear (started in 2006), and have achieved market leadership in this category also with over 250 retail stores. The Company has set up a modern facility to manufacture our own lenses.

In Titan (Being a part of TATA group) , we are guided by the TATA group philosophy on ethics , values, and Governance , and also, processes for Business excellence (called TBEM) , HR processes , Sustainability , safety, and Innovation Processes (guidelines by TGIF). There are appropriate forums, and structured yearly audits by assessors certified by TATA group, to understand where Titan is good at and the opportunity for improvement, in our journey of excellence.

Role of Leadership in Change Management at Titan Industries Limited:
Back in 2002 the leadership baton (MD) was handed over to Mr. Bhaskar Bhat, from a charismatic leader Mr. Xerxes Desai, who had established a very profitable watch business for the company and had incubated the jewellery business. While it was a great opportunity for Mr. Bhat to take TITAN to next horizon of growth, he had his own challenges to overcome too. The challenges were many; to mention a few-

1. The profitability of the company was substantially eroded by the newly incubated jewellery business, which was making losses

2. The "huge losses" incurred by TITAN, foraying into Europe, in mid 90s was to be managed.

Mr. Bhat, who always believes in the strength of employees and who places employees interest above company's interest, and who (unconditionally) believes in the collective thinking power of the employees, had the initial challenge, to win the confidence of all stake holders and more importantly, the investing community, by showcasing profitable operations, despite all the challenges, for the year 2001-02 (his first year as COO). Instead of directing his employees on a set of prioritized tasks to overcome the challenges, Mr. Bhat in his own style, came out with an inspiring theme titled "Mission Impossible" which, backed with his energizing communication, propelled each employee to walk the extra mile (or extra many miles) in enabling TITAN, to record profitable operations for the year 2001-2002.

Mission Impossible:
 A turning point in the Company's fortunes in 2001–02, the Company's business performance by the end of the third quarter had been below budgets due to a variety of market related and other factors. And the outlook for

the last quarter looked bleak too. At such a stage, most organizations would just announce very aggressive sales schemes and promotions and hope that the last quarter can generate the much needed sales. At Titan, most times, thoughts run to innovation, even if it is just in the way schemes are put together. Mission Impossible (where the IM was crossed out) was one such initiative. The end objective was to generate higher sales and profits; but the route taken to achieve it by involving and motivating the national sales force is what made it different.

The program took on a war-like fervor. It was a war worth sacrificing and fighting for, Bhaskar said to the employees. The Company's pride and prestige that was threatened had to be protected…and we had to steer our Company out of the troubled waters by delivering a brilliant economic performance. MI took on an army like logo and imagery. It was a war and Titan wanted to win! Regional Teams were formed. Foot tapping audio visuals was created for national viewership by the Titan sales force. Fortnightly messages from Bhaskar, cheering and urging the teams on were beamed across the country with the countdown as we moved towards the last month of the year. Teams were challenged to perform and they were helped by the back end Supply Chain Department pitching in with faster dispatches of stocks etc. It was a well planned execution where the entire organization, including Manufacturing, Finance Departments etc. came together and played their parts. Sales teams had never seen a program of this scale, with so much zeal and energy ever unleashed at Titan! The MI momentum was unstoppable and Titan achieved sales results which were almost unbelievable! And even today, this program is seen as the one that turned the tide in the fortunes of this Company!

The QTR on QTR sales and profits achieved were as under:

Period	Sales (Rs. in Crs)
PBT (Rs in Crs)	
Sept 01 - Dec 01	207
10	
Jan 02 - Mar 02 (MI Qtr)	277
18	

MI is talked of at Titan even today … but the company realize that a note like this can barely capture the true magnitude of the initiative, the perfection in its execution and the energy it generated in the Company. It is not just about the sales or profit numbers; it is about the spirit to excel against all odds that Bhaskar Bhat ignited in the minds of all Titanians across the country in that period – through this Mission Impossible initiative . "Mission Impossible" had not only made the year 2001-02 profitable for TITAN, but had very clearly set the tone for new ways of managing future plans and strategies-by creating a process of empowering its employees, guiding & mentoring them ,to decide the destiny of TITAN. The circumstances under which "Mission Impossible" was launched, and the success it had achieved, triggered TITAN to energize and involve its employees in all its strategy formulation and implementation processes. Looking back, after a decade into our journey, the revenues have gone up from Rs.800 Cr to Rs. 10,000 Cr and the profits from Rs. 9 Cr to Rs.1000 Cr.

III. CONCLUSION

In today's fast-paced, highly competitive world, change is inevitable. Organizations must respond to change to remain competitive and customer-focused. The biggest issue for implementation of change is getting people to accept and implement the required changes.

Leadership is needed to revitalize an organization and facilitate adaptation to a changing environment. Major change in an organization is usually guided by the top management team, though any member of the organization can initiate change or contribute to its success. Additionally, efforts to implement change in an organization are more likely to be successful if the leaders understand the sequential phases in the change process, different types of change and the importance of using appropriate models for understanding organizational problems.

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