Managing Change: The Leadership Challenge

Written by Cheryl Francis-Nurse

| October 30, 2007

Rate this item
(12 votes)

Change, whether incremental or quantum, can create significant challenges and displacements in organizations due to the difficulty of many individuals, groups and institutions to adapt to change. Organizational success, and indeed survival, is dependent on the ability to respond to and manage environmental changes, and the identification and development of strong leadership to guide the process. Leaders are required to lead from the front and to develop effective strategies to recruit, retain, and develop effective successors.

Macro Environmental and Market Changes

The last two decades have evidenced dramatic changes in the global environment, driven by macro-environmental factors including globalization of businesses, technological advances, oil market fluctuations, corporate scandals and increased risk associated with terrorist activities and wars. In addition, an increasingly competitive environment has given new meaning to the phrase "survival of the fittest."

Variously described as Process Improvements, Business Process Reengineering, Restructuring, Total Quality Management and Right Sizing, transformation efforts recognize and respond to the uncertain and challenging external environment where the common constant, change, impacts every facet of organizational life. Consequently, 'business as usual' is a thing of the past, and maintenance of the status quo is likely to drive an organization into bankruptcy.

However, many change efforts have resulted in failure. Evidence suggests that the probability of failure is higher when organizations react to fads in the marketplace rather than cultivate a culture that monitors and responds to change in a proactive fashion, which fosters stakeholder involvement and alignment with the organization's vision and strategy.

Kotter[i] noted that many of these unsuccessful change efforts occur due to many shortcomings. These include: failure to generate a sense of urgency; failure to establish a powerful guiding coalition; no clear vision or strategy to direct the change effort; ineffective communication of the change vision to all stakeholders; failure to identify and eliminate obstacles to change; failure to create and recognize short-term achievements; celebrating success prematurely, causing stakeholders to lose focus; failure to firmly incorporate the changes into the corporate culture.

The costs of such shortcomings manifest themselves in failed implementation of new strategies or initiatives. Therefore, to reduce the risk of failure and of being overwhelmed by the impact of change, the change effort must be guided by committed and resilient role models, who must plan strategically if they are to successfully lead the organization.

Change Management and Leadership