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Applicability of Various Dimensions of Transformational Leadership in Organisational Change and Organisational Transformation

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Abstract

Transformation is indispensable and there is no escape from it in today's insecure and complex corporate world. It is the only way to save the organisation from wiping out of the race of survival. The uncontrollable factors are ever-changing and directly affect the earning capacity of the business. These adjustments bring opportunities and threats simultaneously and those organisations which can adjust themselves as per the situation lead towards the verge of success. Transformational leadership plays a vital role in this transformation phase. Its various dimensions have a direct impact on the behaviour of employees. The present study reflects the applicability of transformational leadership and its multiple dimensions on organisational change and organisational transformation. It is concluded that for a successful transition in organisations, the dimensions of transformational leadership play a vital role. Thus, it is impactful in reducing the reluctant behaviour of employees towards transition.

Keywords: Transformational Leadership, Organisational Change, Organisational Transformation

Introduction

Organizations have faced extreme levels of unpredictability in their environments, forcing them to constantly modify themselves (Breu and Benwell, 1999). Perpetual development is an essential element in any business organisation and it leads to change in the existing policies, procedures and operations. No organisation can survive without it and it is an inevitable part. Employees determine the eventual effectiveness of change activities, whether mergers, restructuring or downsizing (Fugate, 2015). The primary goal of organisational change (which is usually foreseen and planned for) is to move from a present state to a better one. Whenever any change occurs, it leads to a disturbance in the status quo. A change in the status quo faces opposition at all levels of the hierarchy (Orji, 2019). The uncertainty and fear increase in the employees and they resist the change as it creates some uneasiness in them. Managers facing the challenges given by the dynamic transformations occurring in the expanding global economy must cope with the dilemmas connected with implementing change in their businesses to survive and perhaps prosper (Dehler and Welsh, 1994). Managers confronted with the problems presented by the dynamic shifts occurring in the evolving globalized economy must grapple with the difficulties of implementing change in their organisations (Dehler and Welsh, 1994).

Future organisations' prolonged survival is dependent on their ability to implement successful transformations, which is an actual goal in enhancing and transforming the company (Zare, Azzar, Mardani and Arein, 2014). Human capital is one of the most critical factors in an organisation, and gaining their confidence in the transition period is essential. They are the ones on which this change is implemented. What they perceive and behave during the change phase is a significant issue. It has been discovered that some employees resist organisational changes because of how the change is being performed. Organisations, leaders, managers, and HRM practices must now be "designed to adapt" because change is widespread and crucial for competitiveness (Fugate, 2015). Human resource transformation is required to maximise the impact of other organisational factors such as organisational structure and technological shifts (Zare et al., 2014).

Leadership plays an essential role in change and transformation as the influence of a leader directly affects the behaviour of employees. In today's corporate world success is impossible without good leadership (Ghasabeh, Soosay, and Reaiche, 2019). A leader can persuade people to follow him. The association between leadership, organisational commitment and job happiness is based on quality leadership skill (Wanza and Nkuraru, 2016).

In any successful change endeavour, visionary, prioritising, planning, offering feedback, and rewarding accomplishment are essential leadership and management abilities (Marković, 2008). There are various elements of a leader's behaviour that are needed to encourage, especially in a time of change. Transformational leadership plays a vital role in these aspects as its multiple dimensions significantly impact the employees.

Research Gap

There is a shortage of literature on the applicability of transformational leadership in organisational change and organisational transformation. Although many research papers discussed transformational leadership, organisational change and organisational transformation separately, only a very few articles were found that addressed the applicability of transformational leadership in

influencing the behaviour of employees towards organisational change and transformation.

Objectives

The paper's primary objective is to determine the applicability of transformational leadership and its various dimensions in a successful change and transformation. Another aim was to discuss how transformational leadership can control resistance during shifts.

Method

The research is secondary by nature. Several research papers and articles selected from reliable databases like emerald insight, google scholar have been thoroughly studied to go deeper into organisational change, transformation, and leadership. The leadership style best suited in the transition phase (transformational leadership) has been chosen for the study. Its various dimensions are studied individually to understand their implementation in change and transformation in organisations.

Organisational Change

Organizational change has become an essential element of work experience, with adjustments required at the corporate and individual employee levels (Anderson, 2013). It is the alteration within the organisation and helps to move from the status quo position. The changes that take place outside affect the organisation directly or indirectly. Due to this, an organisation also needs to change itself to survive in the environment and those who do not change themselves as per the need face many problems and ultimately wipe out the market. In the three-step change model, Lewin said that change requires three steps first, unfreeze the stagnant situation, then move towards the planned state, and lastly, refreeze and stabilise it (Robbins, Judge and Vohra, 2016). At first, it is required to find out whether any change is needed or not. The problem is defined clearly which involves change. Alternatives are found to tackle the problem, and the aftermath of change should be adequately planned to take action without any delay. Then existing ways are challenged and the change process is implemented. Lastly, changes are stabilised so that the employees do not return to the old ways (Alkaya and Hepaktan 2003).

Organisational Transformation

Organisational Transformation (OT) is a long-term, continuous, in-depth process that creates and maintains renewal, innovation, and learning attitudes. It alters organisational assumptions and basics, resulting in a significantly different organisational structure, procedure, culture, and strategy (Gallego and Hernandez, 2021). Organizational transformation necessitates changes in factors such as mission, philosophy, process, and hierarchy (Zare et al. 2014).

OTs involve many aspects of an organization's culture, leadership abilities, work-group creation, policy, and recognition programs through trajectories or critical points (Kilmann and Covin, 1988). OT necessitates determining values, attitudes, norms, and operation that define the company's organisational culture (Smith and Stewart, 2011). Organizational transformation is frequently triggered by the actions of corporate leaders, who seek out new paradigms in response to signs of turbulence that indicate unknown risks and opportunities or are inspired by a new vision and make an effort to put new tactics in place (Wischnesky and Damanpour, 2015). While leading organizational transformation, leaders should use both individual and plural leadership orientations (Canterino, Cirella, and Shani, 2018). Testimonials of organizational transformations include specific aspects of the role of leadership (Sharma and Khokle, 2017).

Resistance

Organisational changes that induce a transformation in the current environment face opposition at all levels of the organisation's hierarchy. Unsustainable situations can arise due to organisational resistance to change and a failure to respond appropriately to new opportunities (Orji, 2019). Employee health and well-being have been linked to organisational change, with lower self-rated health and higher use of stress-related drugs (Has son et al., 2006; Dahl, 2011). In this way, resistance becomes the biggest hurdle in organisational transformation. There are several reasons for this resistance. Because each person is unique, so are their perspectives and motivations for opposing organizational change. As a result, overcoming resistance to organisational change

necessitates a practical grasp of the particular instances driving each employee's reluctance (Sorre, 2016)

Individual Sources

Employees become habitual of the existing methods and do not want any disturbance in their convenience to perform a task. Thus any change creates uneasiness in them. People sometimes believe that change will make a hurdle in their financial or other security and therefore, they resist because of fear of insecurity. They feel that if they do not appropriately perform a new job or task, they will lose their job. People do it to keep their perception intact. They only want to hear what they feel and ignore the rest of the information (Robbins et al., 2016).

Organisational Sources

There exist various sub-systems in any organisation. A change in one sub-system leads to change in the other and thus creates complications. In organisations, groups are formed often. Even if an individual does not resist change, the group he belongs to creates psychological pressure on him to fight. When employees face change, they feel the threat to lose their expertise and fear of being outdated encourages them to resist change. Long-standing power connections may be disrupted by redistribution of decision-making authority, and people may resist due to a loss of power (Robbins et al., 2016).

Transformation Leaderships

The term "transformational leadership" was coined by James V. Down ton and further, the concept was taken ahead by leadership expert James MacGregor Burns. According to him, transformational leaders and their followers make each other advance and increase the standard of morality and motivation. Idealised Influence (II), Inspirational Motivation (IM), Intellectual Stimulation (IS) and Individual Consideration (IC) are its dimensions (Odumeru and Ogbonna, 2013). During change, organizations must have a clear strategy for dealing with and managing it. In addition, understanding the proper tactics for catalysing transformation (Lozano, 2015). In these

situations, transformational leadership can be proved effective as it affects the behaviour of employees by providing motivation, enhancing morale, and thus relating to the performance of followers. It encourages followers to share a sense of ownership of their assigned job and recognise their capabilities and weaknesses (Odumeru and Ogbonna, 2013).

Dimension of Transformational Leaderships

Idealised Influence is the impact of a leader on the followers by which they feel a leader is an ideal person. The characteristics of a leader are such that it gives a positive impression on the followers (Baškarada, Watson, and Cromarty, 2017). The charismatic behaviour of a leader is an essential part of this dimension. Idealised Influence is further divided into two categories that are attributed and behaviour. Attributed means the traits, characteristics and behaviour indicates the behavioural aspect of influencing (Passakonjaras, and Hartijasti, 2020). Inspirational Motivation deals with motivating followers toward the organization's goal. The leader sets the goals and pushes the followers towards them. The mission and vision are set and continuous efforts are made to achieve the goals (Baškarada, Watson, and Cromarty, 2017). Intellectual Stimulation is enhancing the power of employees to think out of the box so that they can give new ways to tackle problems and help in innovative ways to deal with things.

Along with this, it also helps in brainstorming among followers (Passakonjaras and Hartijasti, 2020). Individual Consideration pays attention to every follower so that the best can be taken out from them and he can be developed in the best possible manner. In this, the various weaknesses among the followers are found, and these are removed by providing training to them (Baškarada, Watson, and Cromarty, 2017).

Transformational Leadership, Organisational Change and Transformation

Breaking the status quo and bringing down change is not an easy task as it is implemented on employees, and employees are different in behaviour; thus, most of the time, they resist change and without their proper support, it is not possible to bring any

change. Transformational leadership plays a vital role in bringing down change in any organisation. The leader is also essential for establishing and facilitating transition in any organisation by creating a conducive environment for this phase (Abbas, 2010). The empirical research presents that the effect of transformational behaviour was particularly striking in the case of reactive, transformative changes that will change the organization's character (Penava, 2014). Transformational leadership emphasizes the necessity of technology advancements while also considering human relations. It emphasizes his status as a trailblazer and communicates his vision through the use of abilities. In this scenario, the leader has a massive effect on the organization's ability to change and innovate.

Figure 1 Dimensions of transformational leadership and their impact on organisational change and transformation



Source: The author

(a) Idealised influence builds the confidence of followers in a leader. Leaders can manage successfully and efficiently because of their collection of skills and information accumulated through experience. (Abbas, 2010). Managers with a positive mindset and good conduct will be crucial in changing employee behaviour and performance at work. The leaders' beliefs and actions have a significant impact on their employees' performance. (Wanza and Nkuraru, 2016). The influence of attributes and behaviour of leaders gives a positive attitude to the employees towards transformation.

(b) Inspirational motivation is impact ful as successful change requires having the necessary inspiration to change which is essential in transformation (Alkaya and Hepaktan, 2003). Motivation accounts for 13 percent of a manager's time during organisational change (Jones, 2010). Encouraging words delivered while leading, encouraging, or rewarding employees can add significant value to extrinsic or intrinsic accomplishment and improve employee encouragement (Muthusamy, 2019).

Transformational leaders have a clear and straight vision of the future and they clearly show this vision to employees. Successful transformation needs to have a clear picture of tomorrow. Without vision, successful changes are complicated (Abbas, 2010). Inspirational motivation builds confidence among employees and prepares them to adopt the organisation's transformation. Words of encouragement have a powerful motivating influence and can elicit beautiful emotions. Positive language can aid in forming a shared attitude, the expression of the vision and goal, and the channelling of all employees' energies toward shared goals (Muthusamy, 2019).

(c) By applying the intellectual stimulation aspect, the leaders provide new knowledge and ideas that motivate employees to approach organizational problems more naturally (Ghasabeh et al., 2019). It requires those in the most senior positions to be willing to seek feedback on their leadership effectiveness (Alimo-metcalfe and Alban-metcalfe, 2002). It is important for effective organisational change and transformation to be open to receive input and suggestions from members (Lingham, Richley and Soler, 2005). When employees are stimulated intellectually, they feel valued and it instils an urge to participate actively during the transition phase.

(d) Individual consideration instils significant contribution to transformation by giving positive attitudes at the personal level (Ghasabeh et al., 2019). When opportunities are given to the members to learn and develop a supportive network in the organisation, people adjust themselves (Lingham et al., 2005). During the transition, transformational leaders find out the problems that occurred at the individual level and try to solve the issues that build up employees'

confidence towards change. Individual consideration gives a chance to every employee to make himself a better version of her. This particular quality helps him to build confidence in dealing with the changes. He is constantly evolving and adapting. His members must keep pace with the developments in their workplace by learning new skills and competencies, and, most critically, by developing insight in a quickly changing environment (Breu and Ben well, 1999).

Managerial Implication

Managers have to deal with the resistance which is occurred in an organisation due to a change taken place inside or outside. Transformational leadership can help a manager in dealing with the transition phase of business in the most appropriate manner. Its various dimensions have an impact on the behaviour of employees. If a manager apply dimensions of transformational leadership appropriately in his behaviour he will be able to deal with the transition in a most effective manner.

Conclusion

Transformation is a requisite for every business to survive in the ever-changing business environment. The organisations which do not adjust themselves wipe out easily. Change also leads to resistace from employees because of several fears and uncerainty. If a good leadership style is adopted, it can transform employees' mindsets and behaviour. Transformational leadership style plays a vital role in the process of change. It can be concluded that the various dimensions of transformational leadership play a significant role in the transition phase. The idealised influence builds trust in employees, which reduces resistance and makes a change easy to implement. It also influences the subordinates' performance in the workplace. Inspirational motivation encourages them to take one step further towards shift. A clearde live rance of vision to the employees is a must to move towards successful transition as it clears the confusion among employees and in this way, confusion as a source of resistance is controlled by it. Intellectual stimulation increases mental involvement, which improves employees' level of comfort. Individual consideration helps them develop necessary skills.

Their fear of being outdated reduces drastically and their confidence to work in a changed environment increases. In this way, we can say that all dimensions of transformational leadership help employees adopt change appropriately. It further reduces resistance to change and helps in transformation, which is a big hurdle in implementing the change process. Transformational leadership not only helps in reducing resistance but it also help creates an environment in which employees embrace change most effectively which further leads to organisational transformation.

Limitations and Recommendations for Future Research

The present article deals with the study of secondary nature only, which has its limitations. Future research can be done through primary research by selecting a particular sector where the successful change occurred through transformational leadership. A case study can also be done in a specific company. Other leadership styles can also be included to study their effect on change and transformation of the organisation.

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