

# Strategic Management of Change

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## Chapter 8. Leading strategic change

# Objectives of the chapter

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- Understanding the stakeholders in the change process and their roles;
- Understanding leadership approaches in the change process.

# Leading change: Roles and approaches

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## Roles in leading change:

- The change leader is the individual or group responsible for the actual leadership of the change process in the organization.
- This role does not necessarily have to be assigned to the strategy designer but can also be assumed by the operations manager or an internal or external team (such as consultants specializing in change leadership).

# Roles in change leadership

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## Strategic Leader:

- Change leadership is often directly associated with the role of the strategic leader.
- Leadership is the ability to guide an organization or a group within the organization to achieve its goals.
- The leader is not necessarily the manager of the organization but rather any individual with the power to influence.

# Roles in change leadership

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## Strategic Leader:

- There are two main categories of leaders:
  - **Charismatic Leader:** This leader primarily seeks to build a vision for the organization and mobilize individuals within the organization to achieve it. Studies have shown that this type of leader achieves better results when the organization is facing a state of uncertainty.
  - **Administrative Leader:** This leader primarily focuses on designing systems and monitoring the organization's activities.
- It is essential to consider both approaches to reduce the risk of incomplete change leadership.

# Roles in change leadership

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## Managers:

Acting as intermediaries, can play the following roles:

1. **Execution and Monitoring:** They are responsible for implementing and monitoring the strategies established by the hierarchical authority.
2. **Translation of Strategy:** They translate the strategies issued by the hierarchical authority into actionable plans.
3. **Reinterpretation and Correction:** They reinterpret and correct strategic responses to unexpected events.
4. **Linking Top and Operational Managers:** They link between top-level and operational managers.
5. **Informing and Proposing Solutions:** They inform leaders about potential obstacles to the change process and propose practical solutions to overcome challenges.

# Roles in change leadership

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## External Stakeholders:

- A new general manager provides a fresh perspective on routines and applications that impede the change process.
- Introducing new managers contributes to the diversity of ideas, opinions, and applications in a manner that mitigates obstacles to the change process, also brings in new expertise. However, this action requires the support of the general manager.

# Roles in change leadership

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## External Stakeholders:

- Consultants can contribute to the design and implementation of the strategy, but they can also play a facilitating role. Consultants have advantages:
  - They do not inherit the organization's culture, and thus, they have a neutral view of the change process.
  - They can question routines and underlying assumptions.
  - They provide symbolic reminders of the importance of change, especially through the proposed fee for their services.
- External stakeholders can influence the change process as they may act as advocates.

# Modes of leading change

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## 1. Education:

**Definition:** It relies on explaining the reasons for change and the means of implementing it.

**Methods:** Meetings ensuring the assimilation of strategic logic and instilling trust in managers.

**Pros:** Overcoming information gaps.

**Cons:** Time-consuming, and progress may be uncertain or slow.

**Success conditions:** Gradual or radical change after a long term.

# Modes of leading change

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## 2. Participation (Collaboration):

**Definition:** It relies on involving all stakeholders in the change process in identifying strategic problems, priorities, decision-making, and planning.

**Methods:** Involving groups in identifying strategic priorities and/or solving strategic problems.

**Pros:** Improvement in the allocation of operations and decisions; it can also enhance the quality of decisions.

**Cons:** Time-consuming; solutions or results may remain at the level of the existing model.

**Success conditions:** Gradual or radical change after a long term.

# Modes of leading change

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## 3. Intervention:

**Definition:** Involves coordinating the change process through an authority that delegates a significant portion of the implementation.

**Methods:** Stakeholders coordinate and monitor, delegating the execution of the change process.

**Pros:** The process is directed and monitored, with genuine involvement.

**Cons:** Risk of the perception of manipulation.

**Success conditions:** Gradual or radical change not originating from a crisis.

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## 4. Direction:

**Definition:** Resorting to personal authority of a designated individual responsible for clearly defining the direction, strategy, and its implementation method.

**Methods:** Using authority to specify directions and methods of progress.

**Pros:** Clarity and speed.

**Cons:** Risk of poor allocation and a lack of understanding of the strategy.

**Success conditions:** Radical change.

# Modes of leading change

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## 5. Imposition (Enforcement):

**Definition:** Change imposed by formal hierarchical authority.

**Methods:** Explicit use of authority.

**Pros:** Can succeed in the case of a crisis or strong disturbance.

**Cons:** Slim chances of success in the absence of a crisis.

**Success conditions:** Crisis, rapid radical change, or directed cultural change.

# Modes of leading change

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## Observations:

- Each stage in the change process requires a distinct approach. Depending on the scale and scope of the change, collaborative methods appear more suitable for gradual changes, while radical changes necessitate directive approaches.
- In highly hierarchical organizations, it becomes challenging to avoid employing directive methods. Conversely, in organizations with a strong horizontal structure, adopting collaborative approaches is often preferable.
- Each approach is guided by individual preferences.

# Summary

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- Leadership approaches to change are primarily divided into collaborative and directive methods.
- The leader of the change process should tailor their approaches based on the types and contexts of the changes.