LEADING THE CHANGE: CONCEPTUAL AND PRACTICAL PERSPECTIVES

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ABSTRACT
Practical perspective of the concept revolves around a porcelain tableware company in Sri Lanka a public quoted company, having a 34 year history in making quality tableware products to the export market. Company was set up with the influence of the government, with the assistance of Japanese and had a rich, and deep routed culture embedded into the village. Despite the quality of product and global acceptance company was malfunctioning: export share dropped, cost of manufacturing shot up, export prices dwindled, dynamism and initiatives of people eroded. Company went through various ownership and management changes, which is common in todays’ business and was in financial crisis few times. Employees claimed lack of business focus and wrong investment decisions by top management as reasons for the downfall. In that context, a dedicated change leader, a new CEO was brought in, for the course correction, and his theoretical and practical approach is hereby unfolded.

Transformational leadership who envision and embrace change will always have positive impact whilst change procedure, without an effective leadership is nonexistent. The necessity, and the urgency required in a process, believe in team work are ingredients in a transformation. In doing so, theory and concepts of leadership, change management, learning and development undergone, challenges, risks and failures in executions and are noteworthy to highlight. Some of the policy changes carried out regarding the reduction in workforce after recruitments were frozen, empowering the next layer of people creating new opportunities, job enrichment and rotation with the provision of necessary technology, tools and equipment to the people maneuvering available limited resources, are few amongst many initiatives.

Memories captured before and after, unfreeze stage to the freeze stage, are the new look the company embraced by setting up systems and procedures; organization structure followed by the setting up of job responsibilities, key performance indicators (KPIs), transparent performance management system are important ingredients in the change process.

Keywords: Change, Leadership, Lewin, Management, Kotter Organizational Transformation
1 INTRODUCTION

The Company is a culture by itself for upscale dining, a premium porcelain dinnerware brand renowned across the world for achieving a remarkable whiteness in porcelain products for overseas customers for more than a decade. However, the Company’s export share was dropping continuously over the past few years due to outdated and uncompetitive production practices and competition from the region; Company’s technology is over 25 years of age, and highly labour intense. The major cost drivers being energy, labour, raw materials and overheads. Major competition for porcelain tableware is from Bangladesh, China, Indonesia, Thailand, India, Middle East and Eastern Europe where those countries compete with high capital and low labour intensity operations. Manufacturing of porcelain tableware is traditionally complicated with 24/7 continuous operations, due to their kiln (firing) architecture, together with parallel product combinations of hundreds of shapes and designs being produced at any given time. Designs are handcrafted, and dependent on skilful labour who are unionised and politically motivated. On the other hand, management was reluctant on radical workplace change due to unrests. As such naturally, Company’s operational and financial performances were always below average as workers always interfere with management decisions.

2 PURPOSE OF THE STUDY

Today's dynamic work environment is witnessing the effects of globalization, technology advances (Zott, 2011), complex organizations partnering across company and national boundaries. Business leaders buy and sell companies, merge and acquire and expand globally (Stanleigh, 2008). No longer companies will have the luxury of expecting day-to-day operations to fall into a structured and predictable pattern, or stay in the same status quo. As such the new normal in today’s business is continuous change. (Jönsson & Schölín 2016)

Profitable growth is a narrow and moving target, which is hard to find, as Eastman (2012) mentions, and sustaining consistent growth is even hard. Profitable and growing business in any industry will always change (Gupta, 2011). The fact that few companies manage to grow profitably over time indicates how difficult to keep up to the change, (Jönsson & Schölín, 2016) this means finding the emerging value proposition, not just refining today's, but through a grand plan.

Certain Companies are very conservative on use of new technology, however as Zott (2011) highlights the use of new technology is the order of the day. Organizations cannot be structured and departmentalized, though the employees are very competent with machines, processes, systems and products. In such a context turn around operations, from a bureaucratic, inflexible and rigid organization to an agile and dynamic state is challenging (Magretta, 2002). Higher product variability in mass production means more defects in manufacturing, out sourcing in certain businesses was looked as fairly a new concept, performance appraisals of individuals are not often, but salary revisions based on ad hoc needs and special re-
quests were very common. Product packaging and presentation were often outdated, not suited to modern day market demand appealing to the growing giftware, e-commerce and online business segment. Companies are in an illusion when worker benefits schemes are introduced such as concessionary personal loan schemes, transportation facilities, daily meals, uniforms, insurance schemes, benefits to their children, free product (quota) parcels, to get support from the employees for the organizational change thereby as Jönsson & Schölin (2016) argue to achieve flexibility and superior performance. Despite many positive factors with regard to the human resource management, companies fail to win the support of the workers, on the other hand despite having the functional expertise failed to deliver results. Managers are generally fully qualified functional managers, and they are very thorough with the product and production process, who are experienced with the company or in the industry for years. Also supervisors, and workers have had solid experiences with the production process too. So the question is, why companies still go wrong? Why no business growth? As such the study is carried out to find reasons, and propose changes to turnaround operations for the benefit of all stakeholders, Operational managers, academics and students.

3 METHODOLOGY
This paper follows an actual case scenario associated with theoretical background and a literature review in change management and transformational leadership in large established and old manufacturing organization. In doing so, author reviews certain concepts and associated practical applications in leadership as McGuire & Hutchings (2007), highlights in their article regarding a portrait of a transformational leader and change management. Lewin (1940) mentions as change leadership. Author highlight the industry specific issue, by himself has gone through in a manufacturing organization whilst concepts and arguments were empirically supported. Finally, conclusions are drawn leaving many assumptions and change management procedures and technics wide open for arguments.

4 THEORATICAL REVIEW
There are two broad areas in this context naming leadership for change i.e. transformational leadership and change management. As Gupta (2011) highlights, companies need strong leadership to change the current state to a desired state, where export competitiveness, flexible manufacturing, agile organization and regional cost competitiveness, to achieve whilst sustaining and strengthening the product and brand promise. Secondly, the change management techniques, as Prof Kotter mentions, has to be deployed by the leader in a systematic way to bring about the desired change.

Transformational leadership is a process in which leaders and followers help each other to advance to a higher level of morale and motivation. (McGuire & Hutchings, 2007). Further, Yuki (1994) draws some tips for transformational leadership, as developing a challenging and attractive vision together with employees, tying the vision to a strategy, specify and translate it into actions, expressing confidence, deci-
siveness, commitment and optimism about the vision’s implementation, and realizing it through small planned steps. Generally, organizational change directly affects all departments and employees as Eastman (2012) says. Therefore, effectiveness of change management can have a strong positive or negative impact on employee morale. According to Dr. John P. Kotter, stages of leading the change is all about determining the need for change, establish a sense of urgency, prepare & plan for change, implement the change, communicate the change vision, empower employees, generate short-term wins, sustain and anchoring the change.

As per professor Kotter, Organizational change management should begin with a systematic diagnosis of the current situation in order to determine both the need for change and the capability to change. As Eastman (2012) points out, although there are many types of organizational changes, the critical aspect is that company’s ability to win the employees on the change. People are resistant to change because it can be uncomfortable, because ‘this is the way we have always done things’ (Stanleigh, 2008). As such, change management processes should include companywide brainstorming, rigorous negotiations, discussions and communications between leadership, management and employees (Kitchen & Daly, 2002), in order to have a deep understanding about the journey.

One of the cornerstone models for understanding organizational change was developed by Kurt Lewin in 1940, and his model is known as Unfreeze, Change and Refreeze, a model described using the analogy of changing the shape of a block of ice. As Lewin explains motivation for change must happen before any change action, preparing the organization to accept that change, which involves breaking down the existing status quo. As Lewin put it, this forces organizations to re-examine its core, and effectively “creating a controlled crisis” in the organization. The Change procedure may be rigorous and uncomfortable, however when the people have embraced the new ways of working, the organization is ready to refreeze, by way of a stable organization chart, consistent job descriptions, and KPIs. As Gupta, (2011) explains together, employees feel stable, confident and comfortable.

5 LITREATURE REVIEW

Organizations that have over-adapted are likely to resist change (Frank, Gertz, and Porter, 1996). Sustaining profitable growth is most puzzling and compelling problems for leaders and managers. (Drucker P, 1996). Companies are struggling to keep the pace at least over GDP and Inflation. As Hampton (1993) explained, the means of internal growth is the firm’s ability to increase sales and expand its own operations. Also note that greatest barriers to profitable growth are inside the company as Kurt Lewin explained. A leader through his or her vision creates the road map for a corporation (Burns, 1978). Business acumen, sound technical background, etc. are some often-cited attributes of a modern-day corporate visionary (Gupta, 2011).

Transformational leadership will impact cohesive leadership and team performance through develop-
ment of a shared vision within the team. (Zander, 1994). This possibly develop team communication (Kitchen & Daly, 2002) and conflict management skills, and promote team cohesion. Cohesion as defined by Shaw (1976) as the degree to which members of a team are motivated to remain in the team, to achieve and celebrate results. Effective leaders produce one thing in common, by definition their followers produce good results (Zander, 1994). Burns (1978) argue transformational leadership is the process of developing the people, who, in turn, develop their organizations by accomplishing the determined goals and objectives. In other words, transformational leadership results in making ordinary people produce extraordinary performance. Employees at all levels are empowered to improve outputs by coming together with new and flexible work structures to solve problems, improve processes and satisfy customers. (Stanleigh, 2008). As such, total involvement starts with active leadership and utilizes the talents of all employees. Strong leadership is necessary to overcome resistance to change, to form clear quality-oriented goals, and to formulate means by which these goals might be achieved. (Eastman, 2012).

Further, Business Process Re-engineering (BPR) is rethinking and radical redesign of business processes to achieve dramatic improvements in business performance, such as cost, quality, service, and speed. These cannot be minor fixes or continuous improvement projects but starting all over, from scratch to meet the demand of today's markets with the power of today's technologies (Nasierowski, 1997). In this process, business will have to abandon the outdated rules, as how people and companies did things yesterday doesn't matter in meeting the current and future challenges. It's a whole new game. (Stanleigh, 2008). Revenues and income stagnate even after painful layoffs and restructuring. (Nasierowski, 1997). This includes, taking decisions about the appropriate workforce size, skill requirement, plant capacity and locations, functions consolidation and possible shifts in production focus, which mainly changes either: the scope of a business undertaken or the manner in which the business is conducted by the enterprise (Lin, 2018).

Globalization and constant innovation of technology result in a constantly evolving business environment. Easily accessible information has resulted in unprecedented scrutiny from stockholders and pressure on management. Areas of social media and mobile adaptability have revolutionized business and the effect of this is an ever-increasing need for change. Adopting computer-based techniques for product design, engineering and production technology in the today's context are essential part of the business excellence. (Nasierowski, 1997). With the business environment experiencing so much change, organizations must learn to become comfortable with change, as change becomes way of living. When these developments occur, the organizations that adapt fast, create a competitive advantage, while the companies that refuse to change will suffer in profits and market share losses.

According to Magretta (2002) and Zott (2011) entrepreneurs in the dotcom era used to describe the way
they were doing business, compare differences between their business and that of their competitors, or how their business would be profitable. Under environmental changes, criticality of achieving sustainable competitive advantage becomes more important considering that fast pace technological change is forcing firms to rotate strategy cycle faster and sooner (McGrath, 2013). The effect of business model on performance of entrepreneurial firms (Zott and Amit, 2007) position business model between strategy and tactics to complement with technological innovation (Velu, Khanna, 2013). On the other hand, the intensity of technological change and the shifts in industry borders have all created new business opportunities.

As Kitchen & Daly, (2002) explain after the uncertainty is created in the unfreeze stage, people begin to look for new ways to support the new direction. People take time to embrace the new direction and participate proactively in the change. In order to accept the change, people need to understand how it will benefit them. (Eastman, 2012) However, not everyone will fall in line just because the change is necessary and will benefit the company. Reconciliation of different interests, managing politics will also be part of change management, therefore employees, like it or not become de facto, politicians (Butcher, Clarke, 2017), in an organization. In other words, game playing, sabotaging, negative, win-lose, non-corporate behavior, are very common attributes in a changing business environment. (Butcher, Clarke, 2017)

Nasierowski, (1997) explains four central restructuring concepts and argue businesses will have to abandon the outdated rules; how people and companies did things yesterday doesn't matter in meeting the current and future challenges. Companies do not lay off the excess carders all the time but it deploys freezing of recruitments, out sourcing of non-core activities and assign work force to core areas. As Appelbaum (1997) argues in survivor’s syndrome some human resource professionals as being the “mixed bag of behaviors and emotions, lack of communication (Kitchen, Daly 2002) and inadequate preparation of employees for layoffs cause survivors to view the entire process with suspicion, resulting uncertainty.

An oversized staff is dysfunctional for the organization. Its by-products include organizational inefficiency, tolerance for incompetence, cumbersome administrative procedures, to name a few (Lorange and Nelson, 1987). On the other hand, undersized staff is detrimental to efficiency. Overloading people with work on a continued basis build unhealthy stress. Matching people and tasks is of major importance. Assigning simple, tasks to overqualified people may negatively affect their motivation and performance (Hackman and Oldham, 1975). Assigning a task to someone who is not adequately qualified is also counterproductive. However, 3 tests to follow before assigning a person to perform a task: whether the new technology can be used instead (Zott et al., 2011), or whether the remaining staff can be trained and developed to carry out such tasks (Rothwell, 2002) or whether the change in systems and procedures can be applied instead (Stanleigh M, 2008) of the current established proce-
In a change procedure the succession planning for unplanned loss of key personnel (Rothwell, 2002) is inevitable. It entails a longer term and more extensive approach towards the training and replacement of key individuals (Wolfe, 1996; Rothwell, 2002). However, theory and practice both indicate that a healthy turnover in the management cadre is positive for the company. (Mannion 2009).

Market strategy of an organization seeks superior performance in the market place, while the nonmarket strategy aims at shaping the competitive environment (Baron, 1997). Understanding the nature and timing of the changes adopted by business groups is important as they respond to markets (Ramaswamy, Purkayastha, 2017). Creating the best on-line experience for customers, bringing more commerce, which generates more revenue and more profit are of essential, Sharma (1999). Strategy formulation without an executable plan and the resources even the most innovative strategy is merely words on paper. Misaligned operations, will stall the best strategy miserably if a company’s operating model does not support it. (Wary, Waco, 2004)

Autonomy and entrepreneurship, is a trade-off between guidance and freedom. As Gelderen (2010) explained, is essential for a leader to carry on with radical change. Peters and Waterman (1982), who is responsible for the development of best business practices, identified eight attributes of corporate excellence, amongst them bias for action, productivity through people, stick to the knitting, lean staff, autonomy and entrepreneurship plays a significant role. Moreover, creativity may also mean employees using a range of their diversified skills, abilities, knowledge, views, and experience to generate new ideas for decisions making, problem solving, and completion of tasks in efficient ways. (Millissa, Cheung, Wong, 2011). Often consequent restructuring effort is to bring the firm back to the ‘core’ (Zhao 2009). Some benefit from becoming more focused (Hoskisson and Hitt, 1994), by eliminating non-value adding areas in the business process. Firm’s performance should improve by freeing-up capital to invest in the core competencies, and by freeing time for managers to focus on a smaller, more understandable set of businesses (Hoskisson and Hitt, 1994). Evidence showed generally the specialized firms perform better than those diversified. Zhao (2009), stick to the knitting as Peters and Waterman (1982) argue. As we see, many business groups have been actively reducing their business scopes by divesting or spinning off the existing business units in their portfolio. Zhao (2009).

Strategic thinking, core values, purpose, vision and empowerment were the key attributes of corporate excellence and continuous growth. (Jönsson, Schölin, 2016). One of the significant features of firms revealed in this study (Nanayakkara, 1999) is their orientation towards results. The relative importance was given by managers for bias for action. However, it reveals Sri Lankan firms are less oriented towards growth and development. (Nanayakkara, 1999), Fonseka (2000), however workplace training and related activities are often discussed as important factors.
for productivity, capacity, and competitiveness (Jöns-
son, Schölin 2016).

The field trips organized by Companies for its em-
ployees, whether it is related or nonrelated to under-
stand and learn good manufacturing practices, is es-
sential. In addition, experienced staff to create oppor-
tunities to disseminate their explicit and tacit
knowledge of its products and processes (Rothwell,
2002) are important. Learning from the history, pro-
vide change leaders with access to historical data, as
important as Jørgensen (2009) argued. However, in
too many situations the change has resulted in a signif-
icannt amount of waste and anguish in organizations
according to Stanleigh (2008).

6 CONCLUSION
Changes to the company were not easy to come by,
with a culture of strikes, work stoppages for various
issues due to the resistance to change. As Eastman
(2012) put it, resistance can be in many forms. Lead-
ership was determined to create an investor friendly
environment and turnaround complex manufacturing
operation to a profit-making entity, thereby reap bene-
fits to employees. In the change process, bringing dis-
cipline, improving working condition of employees,
engagement of employees for the change process were
key highlights. (Jönsson S, Schölin T 2016)

Transformational leadership is all about creating posi-
tive change, (Jönsson, Schölin 2016) motivation, mo-
rale and performance of the followers. Thereby bring
about innovation and creativity, significant change in
the life of people and organizations. Cadres came
down with freezing recruitments, (Lorange and Nel-
son, 1987) use of new technology, and change in sys-
tems, procedures, Training and development. When
changes are being embraced company started to make
profits, brought a good investor friendly environment
and a good feeling amongst all stake holders. Maint-
aining minimum stocks, disposing of redundant as-
sets, flat department structure, sharing and empowered
teams, simple and transparent management, and logi-
cal approach to problem solving are some of the key
highlights.

The ability to manage and adapt to change is an essen-
tial ability required in the workplace today. However,
major and rapid organizational change is a challenge
because of the structure, culture, and routines of or-
ganizations; are often reflects a resistance to change
internally even with the external environment changes
rapidly. These diverse range of change activities in-
clude ultimately to achieve customer satisfaction im-
provement, sales and revenue growth, cost reduction,
process innovation, technology implementation, new
market entry, through satisfied workforce Jørgensen et

7 FUTURE RESEARCH DIRECTIONS
It is important to measure the effectives of the change
in terms of financial performances, market share im-
provement, global competitiveness, customer satisfac-
tion, shareholder value, and employee satisfaction etc
holistically from different perspectives from different
stakeholders such as employees, customers, suppliers, and shareholders. Stanleigh (2008), in his recent surveys, according to 75 percent of CEOs do not yield the promised results in organizational change. Further state, change efforts fail to produce the expected and always produce unintended and unhelpful consequences.

Also, from the change point of view, it is noteworthy to observe and measure how effectively the change can be frozen, in other words sustained, in a duration to which it is practically possible. The commitment from different stakeholders, especially from the leadership and employees towards its sustainability.

After the fundamental changes are carried out, it is important to freeze the change and move on to next phase of technological advancements, (Velu, Khanna, 2013) with required shareholders financial commitment. As such it is noteworthy to study how the technological adaptation is feasible and sustained after a change procedure is completed.

After completely outsourced non-core areas, whilst sticking to the knit (Zhao 2009), the situation, has to be preserved into the future. As such effectiveness of the outsourcing after categorizing the firms’ activities into core and non-core activities are worth studying

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