
The Impact of Leadership on Organizational Change in the New World System

Keskamol Pleansamai

California University (FCE), U.S.A. Keskamol Clinic Inter Group Company Limited, Thailand
<https://orcid.org/0009-0004-9836-0609>

Abstract: People are captivated by the idea of leadership, and they seek more information on how to become effective leaders. Many individuals believe that leadership is a way to improve how they present themselves to others. Corporations want individuals who have “leadership abilities” because they believe these individuals provide special assets to their organizations. Future leaders need to understand and analyze the impact of culture on organizations. Furthermore, they should lead in influencing cultural change within their institutions. Today’s managers operate in a global environment that has changed more rapidly and extensively than any other period in human history. In order to survive and develop, leaders not only need new skills for coping with change, but must learn to build an environment that is open to dynamic change within their systems, as well as within the life-styles of their colleagues and themselves. This article presents the role of leaders on change and the impact of leadership on organizational change.

Introduction

The rapid change of information technology today impacts all facets of organization and society. Organizations face tremendous pressure from the conditions of the economy, an increase in global competition, and radical changes and reinventing themselves (Harvey and Brown, 2001). The only constant factor for today business environment is change. Managing change is a difficult task for corporate leaders. Different situations, different organizations and different degree of change require different degrees of attention. Change can be intensive or just mild reinvention or refocusing. Changing the organizational structure and culture is even harder and the role and impact of leadership to adapt the change is even greater. All changes do not guarantee results, but the role and impact of leadership in leading change is not lessened in any case.

The Role of Leaders on change

Leaders are the center of change. Therefore, leaders must have leadership as their most important characteristics to affect change in group and organization. Fleishman (1991) views leadership as the focus of group processes. From this perspective, the leader is at the center of group change and activity and embodies the will of the group. Bass (1990) conceptualizes leadership from a personality perspective, which suggests that leadership is a combination of special traits or characteristics that individuals possess and that enables them to induce others to accomplish tasks.

Leadership has also been defined in terms of “the power relationship that exists between leaders and followers” (Peter, 2000, p. 2). From this viewpoint, leaders have power and wield it to effect change in others. Still others view leadership as an instrument of goal achievement in helping group members achieve their goals and meet their needs. This view includes leadership that transforms followers through vision setting, role modeling, and individualized attention. According to Philip and Robert (2000), the organizational change means servicing better and faster the needs of the customer, consumer, or public. Like individuals, institutions whose cultures are flexible and adaptive usually outperform their counterparts. Individuals can be trained to move toward a culture of continuous change, but the organization’s way of doing things must also continuously reaffirm this norm of human behavior. Level 5 leaders are necessary for all organizations in the 21st century because they have a strong motivation and dedicate themselves for the organization’s success. They prefer blaming themselves rather than blaming the followers. Collins states:

“Level 5” refers to a five-level hierarchy of executive capabilities, with level 5 at the top. Level 5 leaders embody a paradoxical mix of personal humility and professional will. They are ambitious, to be sure, but ambitious first and foremost for the company, not themselves. Level 5 leaders set up their successors for even greater success in the next generation, whereas egocentric level 4 leaders often set up their successors for failure. Level 5 leaders look out the window to attribute success to factors other than themselves. When things go poorly, however, they look in the mirror and blame

themselves, taking full responsibility. The comparison CEOs often did just the opposite—they looked in the mirror to take credit for success, but out the window to assign blame for disappointing results. (2001, p. 39)

In *The Good to Great*, Collins stated: “The good-to-great companies paid scant attention to managing change, motivate people, or creating alignment, motivation, and change largely melt away” (Collins, 2001). Collins emphasized the importance of the leadership role through the level 5 leadership concept. The concept of get the right people on the bus, and get the wrong people off the bus (Collins, 2001). Regardless of the purpose of change in the organization, for the economic value or for organizational capacity, the leaders’ role is very important. The two examples used in the breaking the code of change for theory E and theory O proved that the leaders took charge and lead the way (Beer, M. & Nohria, N.,2000). Whatever the approaches of the leaders in charge, from the top down as Conger argues for theory E, or participative as Bennis argues for theory O, the leaders need to clearly understand that there is a need for change (Conger & Bennis in Beer & Nohria, 2000). The role of leaders on change is very important to start the change and provide guidelines to the organization and people who are involved in the change process.

The Impact of Leadership on Organizational Change

Leadership comes with many definitions, but in general the effective leadership is characterized by the ability to efficiently achieve or exceed the organizational performance goals, maximizing the value of stakeholder through use of available resource. Leadership is the process of influencing others to achieve organizational goals (Schaff-Johnson, 2003). When it comes to organizational change, the leadership has the most impact on the process of change. The leaders can initiate change that are deemed necessary, and make the change a success or a failure. The leaders can prevent the change from happening by using their power to protect the status quo, or to stop the process of change (Bangbon et al, 2024; Channuwong et al., 2024).

After successfully changing the culture in the accounting department from a department that used to operate by fear of punishments, top down authoritative, closed communication channel to a flat structure in the past year, where all staff are enjoying open communication channel, sharing responsibilities regardless of ranking, encouraged to make their own decisions and take charge of what they are doing, helping others when needed, and all are equal peers. Most of the author’s time now is used to deal with the top management and taking care of exception reviews if any. The author, as a leader of the company took the initiative to change and plan out the change with the support of all accounting staff.

After reviewing the organizational structure and culture the author understands that the organization needs to change to adapt to the current economic condition and return to profit. This organization needed to change the organizational structure and culture to be more open in communication, more accountability and better performance. In over a year of pushing for change, the author received heavy resistance from the top-level management who wants to maintain the status quo and control. The result, the author almost lost his job and his department was almost completely abolished. The fight for change is still going on. With the successes and failures, the author learned a valuable lesson in the impact of leadership on organizational change.

To change the organizational structure: first, the top leaders must clearly understand that there is a need for change. When the top leaders do not see the need for change, they will do whatever to stop the wheel. Second, leaders must completely commit themselves to changing. The author experienced that some top leaders understand the need for change but the lack of commitment due the fear of losing control or having a conflict of interest. When this happens, the process of change stops and redirects to their own agenda and the organizational development is getting worse instead of getting better. Third, before any changes, the communication channel must be improved and leaders need to send a clear and positive message to the employees to build the support for change and educate employees. Fourth, the support of core personnel and gradually involve all employees. Fifth, Organization must have clearly stated goals, targets and plans. Finally, continuous checking and improving the plan of change.

Conclusion

Leaders are at the position of power and can influence the organizational development change in a variety of ways. The impact of leadership on organizational change is great and often contributes to the success or failure of the efforts. Change is inevitable and change is only the constant factor in organizational development. Most of the study in organizational development today agree that the leading changes is one of the most important and difficult leadership responsibilities. Whatever the approaches that the leaders may take, their impact on change are one of the deciding factors for improving the performance of organization, increasing the organizational capacity or destroying the future of the organization they lead. Leaders are put in place to guide change, it will take every bit of wisdom, common sense, perspective and creativity we can muster, as well as a savvy team of learner around us to pull it off successively.

Reference

1. Bangbon, P., Channuwong, S., Wang, K., Lamsutthi, V., & Amnuaywuthikul, J.(2024). Strategic management influencing mission implementation of Thai universities. *International Journal of Religion*, 5(10), 1336-1347.
2. Bass, B. (1990). *Bass and Stogdill's handbook of leadership: A survey of theory and research*. New York: Free Press.
3. Beer, M. & Nohria, N. (2000). Resolving the tensions between theories E and O of change. In Beer, M. & Nohria, N. (Eds.), *Breaking the code of change* (pp. 1-33). Boston, MA: Harvard Business School Press.
4. Beer, M. & Nohria, N. (Eds.). (2000). *Breaking the code of change*. Boston, MA: Harvard Business School Press.
5. Bell, C.H. & French, W.L. *Organizational development*. (6th ed.). Upper Saddle River, NJ: Prentice Hall.
6. Bennis, W. *Leadership of change*. (2000). In Beer, M. & Nohria, N. (Eds.), *Breaking the code of change* (pp. 113-121). Boston, MA: Harvard Business School Press.
7. Channuwong, S. Ruksat, S., Bangbon, P., & Naude, A. (2024). Organizational factors
8. influencing good governance application of Thai Higher Education Institutions. *International Journal of Religion*, 5(11), 1858-1870.
9. Collins, J. (2001). *Good to great: Why some companies make the leap...and others don't*. New York: HarperCollins.
10. Conger, J.A. (2000). Effective change begins at the top. In Beer, M. & Nohria, N. (Eds.), *Breaking the code of change* (pp. 99-112). Boston, MA: Harvard Business School Press.
11. Harvey, D. & Brown, D.R. (2001). *An experiential approach to organizational development*. 6th ed. Upper Saddle River, NJ: Prentice-Hall.
12. Hessenbein, F., Goldsmith, M., & Beckhard, R. (2001). *The leader of the future: New vision*. San Francisco, CA: Jossey-Bass Publishers.
13. Phillip, R., & Robert, T. (2000). *Managing cultural differences*. Houston, TX: Gulf Publishing Company.
14. Louis, E., & David, L. (1993). *Contemporary business*. Orlando, FL: The Dryden Press.
15. Michael, H., Courtland, L., & John V. (1999). *Business today*. Upper Saddle River, NJ: Prentice Hall.
16. Peter G. (2000). *Leadership theory and practice*. London: Sage Publications, Inc.
17. Schaff-Johnson, D. (2003). Faculty View 2. Retrieve March 10, 2003 from <http://www.online.argosyu.edu>
18. Schaff-Johnson, D. (2003). Introduction - Faculty Perspective. Retrieved from <http://www.online.argosyu.edu>
19. William, G., James, M., & Susan, M. (2001). *Understanding the business*. Boston, MA: Times Mirror Publishing.