

# Organizational Change Management: Leadership Roles in Adapting New Norms

Ibrahim Zada

## ABSTRACT

As the business world changes rapidly today, employees' continuous learning is critical to organizational success, and businesses should transform their capabilities and make learning a strategic priority. To sustain the business, organizations' leadership should focus on the development of people's skills and the maintenance of mental health by gradually adopting new techniques that help in transformational change and involve the creation of a new context that can disrupt dominant patterns and allow new ones to emerge using new understanding and acts, such as the digital transformation that accelerated rapidly, especially during the COVID-19 pandemic, putting more pressure on teams and questioning the roles and the importance of the leadership and senior managers during the change process. This paper reviewed the importance of leadership by mentioning Microsoft's HR strategy, the successful transformation formula in the digital transformation era, and the lack of traditional supervision.

**Keywords:** Change Management, Digital Transformation, Leadership, Organizational Behavior, Strategy, Team Performance.

**Submitted :** June 5, 2022

**Published :** July 2, 2022

**ISSN:** 2507-1076

**DOI:** 10.24018/ejbmr.2022.7.4.1477

**I. Zada\***

Beirut Arab University, Lebanon.

ORCID: 0000-0002-0302-9867.

*\*Corresponding Author*

## I. INTRODUCTION: FAST MOVING ORGANIZATIONAL CHANGES

As the business world changes rapidly today, employees' continuous learning is critical to organizational success, and businesses should transform their capabilities and make learning a strategic priority. To sustain the business, organizations' leadership should focus on the development of people's skills and the maintenance of mental health by gradually adopting new techniques that help in transformational change and involve the creation of a new context that can disrupt dominant patterns and allow new ones to emerge using new understanding and acts, such as the digital transformation that accelerated rapidly, especially during the COVID-19 pandemic (see Fig. 1) (McKinsey, 2020), putting more pressure on teams and questioning the roles and the importance of the leadership and senior managers during the change process.

There is no one-size-fits-all approach to the organization because each organization is different according to its nature, industry, and the people inside it. This paper is about change in organizations that can be applied to the knowledge work companies that are more into organic adaptation and innovations, such as marketing, software, and IT, but it is not necessarily applicable to other types of organizations, such as mass, mechanistic, or governmental. However, the characteristics of leadership empathy can be applied in all organizations, particularly during the recent pandemic and economic recessions, which requires a shift in leadership characteristics and motivational needs, including a balance between life and work. In any organization, everyone plays a key role in change, but the leadership role is crucial and senior managers or CEOs are the primary custodians of change and should be the motivators.

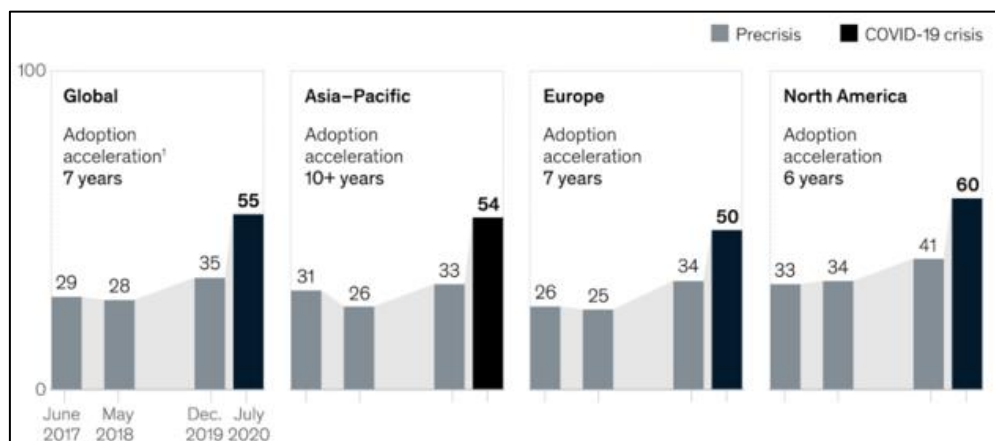


Fig. 1. The average share of products or services that are partially or fully digitized in percentage (%) (McKinsey, 2020).

To achieve successful organizational change, organizations should adopt techniques that are useful and have already been tested by industry leaders, or new experimental techniques that can be modified later, because complexity may be addressed with incremental modifications that can be used to achieve significant results (Morgan, 1994). On the other hand, the author of “Change or Die”, Alan Deutschman mentioned that Dr. Ornish found that radical, sweeping, comprehensive changes are often easier for people than small, incremental ones (Deutschman & Keeler, 2007), and he gave an example about switching to a healthy diet. Organizational change and development are undoubtedly more complicated when cognitive, normative, and regulatory institutions are considered since the organization is a complex adaptive system.

Changing or transforming to a new business module faces resistance, but organizations can elaborate on what this change entails for people and what benefits may arise, allowing individuals to be an asset in the change.

## II. THE DRIVERS OF CHANGE AND THE SHIFTS IN ORGANIZATIONAL DEVELOPMENT

Changes are motivated by three drivers, which are the changing nature of work, the changing nature of data, and the changing dynamics of the workforce itself (Church & Burke, 2017). Organizational development is now experiencing all these drives during the pandemic's transformation.

The nature of work is changing as the organizations are migrating away from products and toward platforms. Organizations are now adopting eCommerce over physical stores, and they are focusing less on Total Quality Management and more on the adaptive service approach. After analyzing platforms and client usages, organizations are shifting from traditional organizational development to more customer-centricity and design thinking.

The nature of data is changing as organizations are shifting from mechanical to digital because of the use of digital platforms and services, and they are now focusing more on insights than data. Organizations' development is now focusing on implementing big data visualization and intelligence to improve their services and fulfil needs based on new data resources such as social media channels and digital platforms.

Also, the dynamics of the workforce itself are changing as remote work is now booming in terms of geographical dispersion and demographic complications. To preserve a balance between work and life, organizations are now turning their focus to selecting competent resources and focusing more on the social responsibility standards.

## III. CHANGE RESISTANCE

Resistance to change and tensions to follow the legacy process and techniques can be very toxic in organizational development because resistance can occur at many levels, including ineffective change management sponsorship from senior management, insufficient change management resourcing, employee resistance, and even middle-management resistance (MOD, 2021).

However, it is possible to politicize change to avoid it. The United States, for example, has been reluctant to accept the COVID-19 vaccination, which is seen as a political issue because some political parties have refused to embrace the vaccine while others have backed it as a matter of health and ethics. As a result, the organization should avoid politicizing the change and make healthy adjustments by conducting awareness campaigns to educate people about the importance of implementing new techniques or processes to survive.

Also, culture is a powerful tool for emerging changes. Start-ups, for example, have a culture based on innovation and creativity, and they analyze needs and think outside the box to produce future innovations while taking into consideration the high level of competition in the market. However, big companies sometimes have an assumption on business continuity, and they become blind to market forces. General Motors, for example, lost 17% of its market share from the early 1970s to the late 1980s before adapting new changes in the areas of quality improvement, cooperation, and reducing operational waste, which had a positive impact on market share due to the new organizational development strategies and the management willingness to change (Train & Winston, 2007).

## IV. LEADERSHIP ROLES IN ADAPTING CHANGE

As leadership is the ability to sell reality to others, senior managers and directors should assist in changing awareness and explaining why these adjustments are beneficial to all. Senior managers should also give training for the resources needed, as some may object due to a lack of knowledge or experience. The remaining resistors, according to Jack Welch, should be removed from business because they may be transformed into negative resistive political powers, which adds toxicity to the organizational context.

Leaders that have a mindset that encourages change boost the organization's openness for change, which has an impact on the organizational values such as employee flexibility and acquiring the trust to be ready for change and to perform better (see Fig. 2) (Indriastuti & Fachrunnisa, 2021).

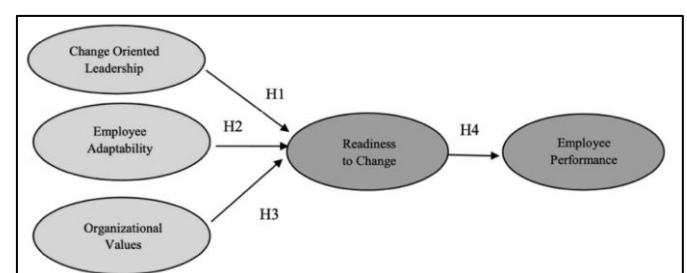


Fig. 2. Imperial Model of Change (Indriastuti and Fachrunnisa, 2021).

Senior managers should lead with empathy, considering the employee's health and well-being, workplace automation to minimize redundant tasks, diversifying the talent pool, upskilling, and training the employees, restructuring, and implementing flexible and agile techniques at work.

Also, senior managers should empower the HR department to accelerate policies that enable employees to adopt flexible working practices and operate agile business modules. HR should be trained to understand digital transformations to

redesign and embrace a remote and hybrid work environment, as well as to integrate these changes into the workplace culture and properly analyze and study the employees' performance. A good example of that would be when Microsoft's CEO, Satya Nadella, supported the "Model, Coach, Care" strategy that is implemented by the HR department to train the team about the company's mission and to unlock people's potential through growth attitude, since people became more involved in the workplace during the pandemic, and caring about people is the key to being a manager. According to Kathleen Hogan, Chief People Officer and EVP of Human Resources at Microsoft, Microsoft focused on the 5Ps as a strategy to success, which stands for good Pay, Perks and benefits, Pride in the company, People interactions through focus groups to generate innovative ideas, and Purpose not only towards the company but also towards personal matters and each other. This strategy was successful because Microsoft hired 25,000 new people during the COVID-19 pandemic due to the great onboarding mindset of the managers (Dale Carnegie Training, 2022) including the transcendence and the self-actualization that should be fulfilled as growth needs for employees as per Maslow's Motivation Model (see Fig. 3) (McLeod, 2007).

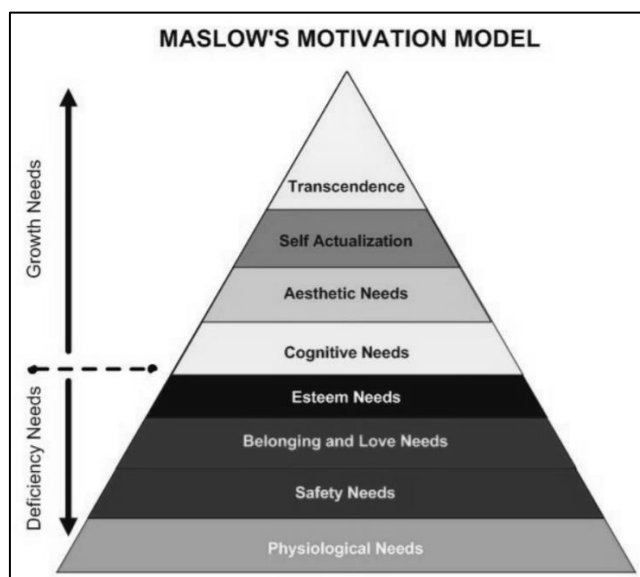


Fig. 3. Maslow's Motivation Model (McLeod, 2007).

The leadership role is so important because senior managers have more power to change than the team members for the following reasons: the symbolic and formal authority power, they are the decision-makers on strategic levels, and because of the structural factors in organizations especially since the estimated power distance in some countries is more than in others (see Fig. 4) (Hofstede Insights, 2022).

Ballaro *et al.* (2020), suggested an organizational development change process theory (see figure 5), including 4 steps, which are: diagnosis, action planning, intervention, and evaluation.

The diagnosis step entails collecting information from employees, such as conducting interviews to identify any existing problems and observing the motions and processes to make improvement recommendations.

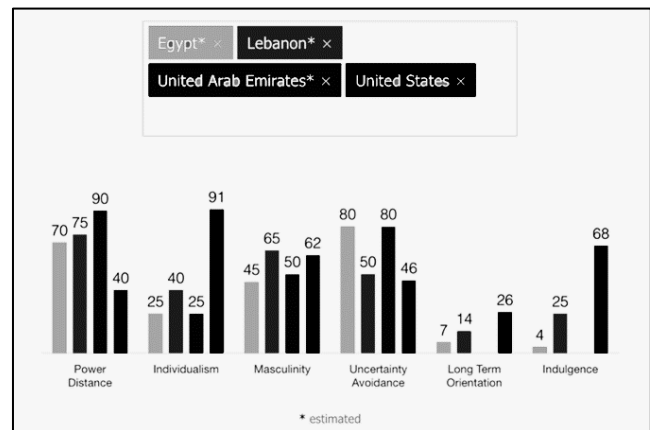


Fig. 4. Hofstede's Dimensions of Culture in Three Middle Eastern Countries and the USA (Hofstede Insights, 2022).

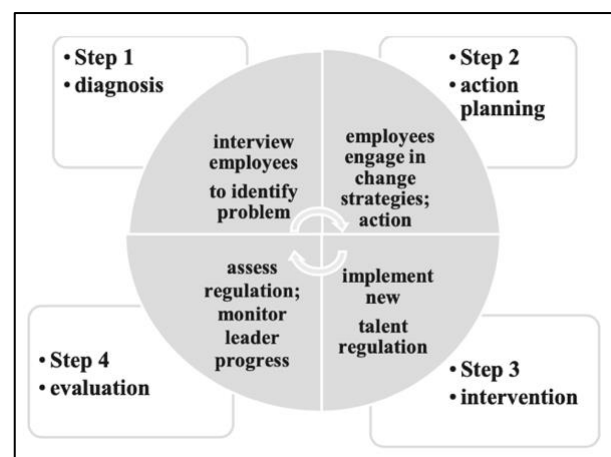


Fig. 5. Organizational Development Planned Change Strategies (Ballaro *et al.*, 2020).

The second step is action planning where the employees are engaged and needed in this change. Action planning should be based on the information collected and analyzed while taking into consideration the numerous factors that can affect business.

The third step is intervention, which involves the implementation of the new strategy that was planned in the second step. It could be a change in the process or a new regulation or policy.

The last step is evaluation, which requires the organization to assess the implemented policy and monitor the progress and results to complete the first step and repeat the cycle.

This proposed theory appears to be based on the cybernetics process, which relies on negative feedback to eliminate errors and achieve continuous improvements. Gareth Morgan introduced the double-loop learning process, which involves questioning by putting assumptions to illustrate goals, values, and strategies to monitor and validate the results and repeat the cycle to eliminate errors and improve the process (Morgan & Ramirez, 1984).

The CEOs should act as a liaison to achieve more engagement and adopt a sustainable strategy by taking into consideration the social concerns and connecting these concerns with reality to increase team motivation and reduce uncertainties by adapting the Net Positive Framework, which supports less organizational hierarchy and silos, more human strategies, high level of consciousness, and more inclusive communication (SSIR, 2022), especially that many studies show that young adults, in comparison with other age groups,

had higher degrees of loneliness and stress during COVID-19 (OECD, 2022), and this can be used as a call to renew the commitment to the Sustainable Development Goals because the cost of not acting is higher than the cost of action.

The results of organizational performance and strategy adaptation can be graphically reported or monitored to assess problems and amend or drive new strategies. This visualization and reporting can be automated using information technology, which is now booming, especially since the remote business trend was implemented.

## V. HELPFUL TOOLS IN ADAPTING CHANGE

### A. Process Automation and Digitization

Technology helps in change management by identifying new techniques and tools that may be implemented to boost productivity and profitability. Technology reduces resistance, enhances communication, and addresses the challenges that come with a major change (Kutner, 2022).

Process automation is a technique that helps during the fast-moving organizational changes and becomes an investment priority for senior managers to reduce waste, access reports faster, take decisions based on related insights and easily access information while working remotely from distributed locations. Leaders also focus on developing new platforms to achieve proper automation by getting benefits from digital services and information technology, as well as using Artificial Intelligence to build predictive tools to reduce future risks (see Fig. 6) (Walker, 2021).

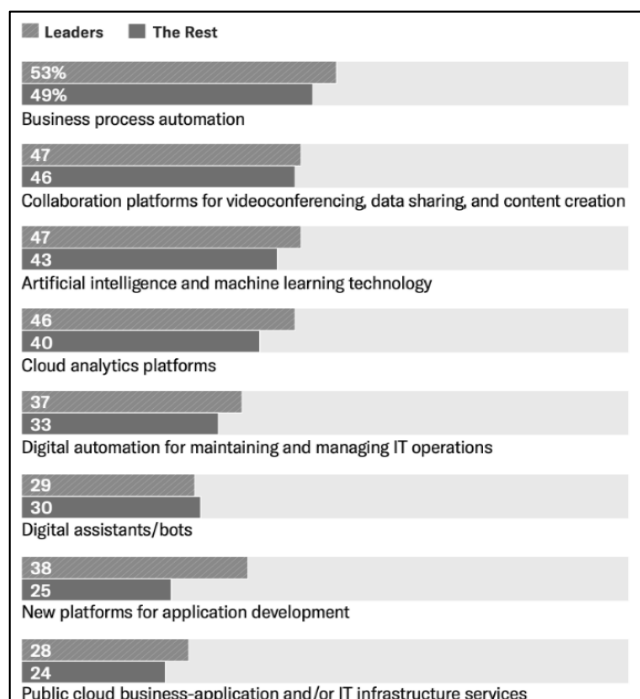


Fig. 6. Leading organizations planning to invest in new technologies over the next 12-18 months to support digital transformation (Walker, 2021).

Organizations in both the private and public sectors are embracing digitization as a self-transformation strategy, either through internal efforts such as reading and experimenting with useful content ranging from blog posts to YouTube videos, or through using external consultants such as hiring subject-matter experts (Lundberg & Westerman,

2020). The government of the United Arab Emirates, for example, is working to become the first eGovernment in the Middle East to achieve sustainability and adapt the trending techniques towards automation by implementing a variety of strategies, such as the paperless government roadmap, which began in 2018 and became the world's first paperless government in the last quarter of 2021, saving over 336 million sheets of papers, more than Dh1.3 billion related costs, and over 14 million man-hours (Faisal Masudi, 2021).

### B. Change Success Score – Dice Framework

Beer and Nohria developed the DICE framework to help organizations determine whether their change strategies would succeed by calculating scores for each of the DICE framework's four factors: duration, integrity, commitment, and effort (see Fig. 7) (Beer & Nohria, 2000). Each factor is rated on a scale of 1 to 4, with a lower number indicating better performance.

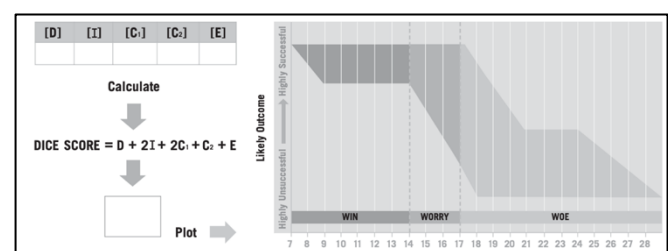


Fig. 7. DICE Score Plotting (Beer and Nohria, 2000).

Duration (D) is determined by the organization's average project duration. For example, if the ideal time to complete a project is two months, D can be assigned a score of "one" if the change can be completed in less than or equal to two months.

Integrity or Performance (I) indicates whether the leader can make the necessary changes, as well as whether the team members are skilled and motivated.

Senior Management Commitment (C<sub>1</sub>) demonstrates senior management's commitment and force power in implementing change. Local-Level Commitment (C<sub>2</sub>) demonstrates the eagerness of the team members to change.

Effort (E) is measuring the efforts put to apply changes while also taking into consideration the change resistance among team members and senior management in the organization.

By analyzing the DICE score, we found that integrity (I) and the senior management commitment (C<sub>1</sub>) is measured by multiplying them by two, implying that leadership has a significant impact on change and is the key to success or failure.

## VI. CONCLUSION

In conclusion, change management is a critical topic in organizational development, particularly in the era of the pandemic and the implication of new business modules, when pressure is placed on internal teams, raising the issue of leadership and how senior managers can support change. By analyzing the DICE score and considering successful digital transformations and the deployment of the eGovernment approach in various countries, it can be concluded that



leadership plays an essential role in change management and incremental transformation.

Senior managers should better educate and communicate with their employees about the benefits of the change that the organization is attempting to implement, as well as use feedback to reflect and improve and be more flexible by applying the agile techniques, training employees, and empowering the HR department in the new era of remote and blended work while keeping in mind that each organization has its own culture and dynamics. Senior managers should not be dogmatic but reevaluate and be open to organic change in the workplace to establish new norms through empowering employees and demoting toxic cultures.

Managers should cease criticizing the team and the culture because they are in charge of illustrating the strategy of transformation to a diverse and innovative culture, and failure to change indicates management failure, and efficient results indicate management success.

Hiring external consultants is insufficient, and developing new platforms is difficult if the leadership doesn't invest in change management and empowers the team to self-manage from within the organization to reduce bureaucracy and silos, as per modern management, which combines thinking and doing, and change is driven from within with taking into consideration the culture, cumulative learning, and communications.

Managers are encouraged to change on a personal level, retain talents, and lead with empathy by balancing EQ with IQ to implement successful change with efficiency to increase productivity and profitability, and to lead humans with dignity, respect, and compassion by considering the compromises of all stakeholders and shifting to the eight-motivators model to satisfy the internal team. Researchers are also encouraged to conduct additional research about the implementation of new project management methodologies and leadership techniques that are compatible with the new working norms, taking into consideration management with empathy, human interactions, and the life-work balance.

#### CONFLICT OF INTEREST

The author declares that there is no conflict of interest with the European Journal of Business and Management Research.

#### REFERENCES

- Ballaro, J.M., Mazzi, M.A. & Holland, K. (2020). Organization development through effective communication, implementation, and change process. *Organization Development Journal*, 38(1).
- Beer, M. & Nohria, N. (2000). *Cracking the code of change*. HBR's 10 must reads on change, 78(3), 133–141.
- Church, A. H., & Burke, W. W. (2017). Four trends shaping the future of organizations and organization development. *OD Practitioner*, 49(3), 14–22.
- Hofstede Insights. (2022). *Country Comparison*. Hofstede Insights. <https://www.hofstede-insights.com/country-comparison/egypt,lebanon,the-united-arab-emirates,the-usa/>
- Dale Carnegie Training. (2022). *Culture Transformation: Model, Coach, Care Unlocking People Potential with a Growth Mindset*. Dale Carnegie Training. <https://www.dalecarnegie.com/en/resources/culture-transformation-model-coach-care-unlocking-people-potential-with-a-growth-mindset>.
- Deutschman, A. & Keeler, B. (2007). *Psych Concept 3 Short-term Wins*. In *Change or die*. (p. 56). Harper Audio.
- Indriastuti, D. & Fachrunnisa, O. (2021). Achieving Organizational Change: Preparing Individuals to Change and their Impact on Performance. *Public Organization Review*, 21(3), 377–391.
- Kutner, Y. (2022). *Council Post: Five Steps to Successful Technology Change*. Management. Forbes. <https://www.forbes.com/sites/forbestechcouncil/2021/05/03/five-steps-to-successful-technology-change-management/?sh=3d6efedc6f0a>.
- Walker, M. (2021). Accelerating Transformation for a Post-Covid-19 World. *Harvard Business Review*.
- Lundberg, A. & Westerman, G. (2020). The Transformer CLO. *Harvard Business Review*, 98(1), 84–93.
- Faisal Masudi, A. (2021). *Dubai becomes world's first paperless government, saves over 336 million papers*. Gulfnews.com. <https://gulfnews.com/uae/environment/dubai-becomes-worlds-first-paperless-government-saves-over-336-million-papers-1.84328648>.
- McKinsey & Company. (2020). *How COVID-19 has pushed companies over the technology tipping point and transformed business forever*. McKinsey & Company. <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever>.
- McLeod, S. (2007). Maslow's hierarchy of needs. *Simply psychology*, 1(1–18).
- MOD, D.T.K.H. (2021). Spinning Wheels: How Resistance, Culture, and Assumed Continuity Interact to Paralyze a Company. *Organization Development Journal*, 39(1), 45–57.
- Morgan, G. (1994). *The Flux and Transformation metaphor*. In *Organization as flux and transformation*. New Thinking in Organizational. Sage Publications.
- Morgan, G. & Ramirez, R. (1984). Action learning: A holographic metaphor for guiding social change. *Human Relations*, 37(1), 1–27.
- SSIR. (2022). *Net Positive: The Future of Sustainable Business*. [https://ssir.org/articles/entry/net\\_positive\\_the\\_future\\_of\\_sustainable\\_business#](https://ssir.org/articles/entry/net_positive_the_future_of_sustainable_business#)
- OECD. (2022). *COVID-19 crisis response in MENA countries*. <https://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-mena-countries-4b366396/>.
- Train, K.E. & Winston, C. (2007). Vehicle choice behavior and the declining market share of US automakers. *International Economic Review*, 48(4), 1469–1496.



**Ibrahim Zada** is experienced in digital and IT services with a demonstrated history in leading multidisciplinary teams and managing customer relationships globally.

Led on innovational and strategic projects with worldwide agencies and clients in the digital industry and information technology especially in the Middle East and Europe.

Agile Certified Practitioner and Professional Scrum Master. Doctoral Candidate and holds

an MBA and a BS in IT and Computing.