

**DILEMMAS OF CHANGE AND TRANSFORMATION :
MANAGING THROUGH LEADERSHIP**

by

Dr. P. Singh*
Dr. Asha Bhandarker**

**INDIAN INSTITUTE OF MANAGEMENT
BANGALORE**

**Professor, Indian Institute of Management, Bangalore*

*** Associate Professor, IPE, Hyderabad*

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DR. P. SINGH*
DR. ASHA BHANDARKER**

The present paper is divided into four parts: Part I attempts to sketch the challenges and dilemmas of change that contemporary business organisations are confronted with; Part II delineates the desired organisation processes for balancing and effectively managing the contradictory forces and demands emerging out of environmental turmoil; Part III examines the modes for orchestrating norms, ethos, organisational energies and culture to evolve a responding organisation; and Part IV highlights the needed leadership profile to create organisations which could successfully manage the turbulent environment.

PART I

Important works - Age of Unreason (Hardy, 1989); Thriving on Chaos (Peters, 1987); When Giants Learn to Dance (Kanter, 1989); Managing on the Edge (Pascale, 1990); Corporate Success and Transformational Leadership (Singh and Bhandarker, 1990); The Emerging Flexible Organisation: Perspective from Silicon Valley (Bahrami, 1992); Power Shift (Toffler, 1991); Age of Discontinuity (Drucker, 1969); The Adaptive Corporation (Toffler, 1985) Beyond National Borders (Ohmae, 1987); Made in Japan (Morita, et al, 1986); The Turning Point (Capra, 1982), etc. - focusing on the contemporary business scenario, emphatically conclude that monolithic and rigid organisations, designed for repetitive transactions and routine activities, are hopelessly inadequate to cope with the current business problems and challenges. The decade of the nineties symbolizes the spirit of perestroika and unprecedented change, making the business world increasingly complex, full of turbulence and turmoil. It is characterised by multiple factors like technological and information innovation, radical change in global polity, world economy and human values. The decade has begun with dramatic increase in globalisation of business in which physical, geographical and regional boundaries have shrunk at a remarkable pace. If anything, this pace will undoubtedly gather further momentum. All these developments have converted the business world into a corporate olympia where only the fittest excel and thrive.

* Professor, Organisational Behaviour Area, Indian Institute of Management, Bangalore.

** Associate Professor and Chairperson, Human Resource Division, Institute of Public Enterprises, Hyderabad.

In order to meet the growing international competition, it is imperative for Indian organisations to reposition their competitive edge by reorienting their goals, business strategies and management systems. They must improve their product quality, on time delivery systems; enhance internal efficiency through technical process improvement and cost reduction, as well as streamline services. This is possible only when organisations develop the capability to think creatively and nurture the culture and ethos of innovation and flexibility.

The swiftness of multiplex change is such that every business organisation is affected. In fact, many enterprises are in the midst of fundamental changes in their strategies, structure and management practices. This is so with both the pioneering and traditional companies. All are experimenting with new forms of organisations to cope with the fast pace of technological change, global competition and the emergence of a knowledge based economy.

Today, organisations are caught up amidst bipolar forces - the basic paradox of hegelian dialectic dualism. Percy Barnevik (1992) CEO of ABB, beautifully describes some of the critical organisational dilemmas and internal contradictions when he says: "We want to be global and local, big and small, decentralised with centralised reporting". The same paradox is echoed in British Petroleum: "How to reinforce its strengths as a corporation while allowing its constituent businesses much greater flexibility and speed of response" (Lorange, 1990). Another quote which highlights the above dilemma has been from the executive Vice President of a \$ 700 million high tech firm: We want an environment that enhances individual creativity, but we do not want chaos.... we want people involved in decisions that affect their work, and we want team work, yet we want our employees to have a bias towards action... we want a small group of dedicated workers (decentralisation)...but such groups may feel aimless or may be charging in the wrong direction with hidden agenda...we want people to stretch to reach tough goals, so our real emphasis is on easily measured short term growth and profit. But we should also have time to develop our employees for the longer haul to promote from within to monitor the atmosphere for creativity (Bahrami, 1992).

Moss Kanter aptly describes the increasingly incompatible demands on the contemporary business executives and organisations:

- * Think strategically and invest in the future - but keep the numbers up today.
- * Be entrepreneurial and take risks - but don't cost the business anything by failing.
- * Continue to do everything you're currently doing even better - and spend more time communicating with employees, serving on teams, and launching new projects.

- * Become passionately dedicated to "visions" and fanatically committed to carrying them out - but be flexible, responsive, and able to change direction quickly.
- * Speak up, be a leader, set the direction - but be participative, listen well, cooperate.
- * Throw yourself wholeheartedly into the entrepreneurial game and the long hours it takes - and stay fit.
- * Succeed, succeed, succeed - and raise terrific children.

Corporations, too, face escalating and seemingly incompatible demands:

- * Get "lean and mean" through restructuring - while being a great company to work for and offering employee-centered policies, such as job security.
- * Encourage creativity and innovation to take you in new directions - and "stick to your knitting."
- * Communicate a sense of urgency and push for faster execution, faster results - but take more time to deliberately plan for the future.
- * Decentralize to delegate profit and planning responsibilities to small, autonomous business units. But centralize to capture efficiencies and combine resources in innovative ways.

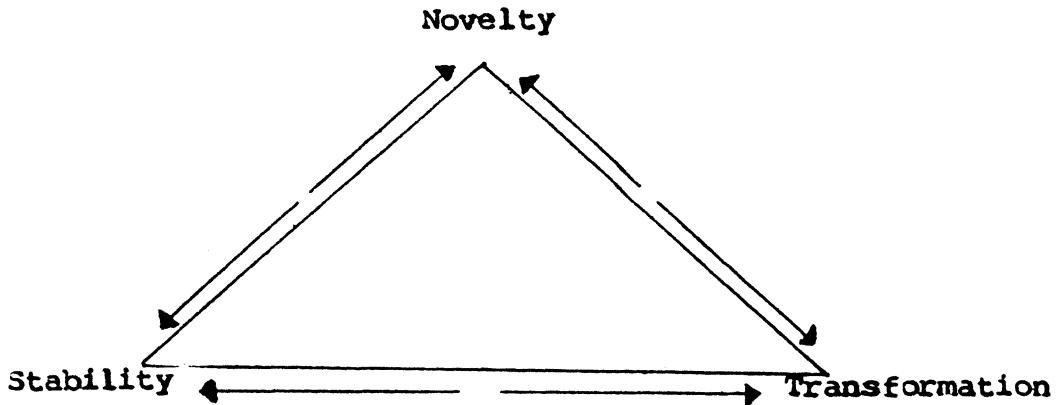
The above quotes bring out that the phenomenon of dialectic dualism has indeed become the painful present day reality across the business world. The severity of such dialectic polarity is much more in a society like India where business is characterised more by traditional norms and the rate of modernisation compared to the western society, has been on a much lower scale.

The foregoing analysis reveals that in the Indian context we need to build an organisation which could be agile, robust enough to quickly respond and continuously reorient to the dynamic changes, as well as simultaneously establishing adequate balance among contradictory forces and demands - stability vs. flexibility, uniformity vs. diversity, continuity vs. transformation, unidimensionality vs multidimensionality, etc.

PART II

In part I, we focused on the problems of transition experienced by contemporary industrial society born out of the unprecedented metamorphosis and change. The key issues which need to be addressed in managing changes effectively are basically of the following nature:

- a) stability vs transformation;
- b) stability vs novelty; and
- c) novelty vs transformation.



The above diagram depicts the troika of forces which need to be synthesized for managing change. Before we discuss about effectively handling the troika of forces and synthesizing them, it would be appropriate to explain their meaning.

Stability: refers to the focus in the organisation, which helps maintain continuity, steadfastness and ensure predictability. Stability is important to provide continued level of energy in the work place for the day to day functioning of the organisation. It offers a sense of psychological security to organisational members. These are achieved in the organisation through organisational norms, rituals, culture, ethos, and also through core strengths, core technology and core logic of the organisation.

Novelty: refers to the renewing and life giving forces in the organisation generated through innovation and creativity; freshness of approach and exploration of new ways for organisational functioning. Here the organisation utilises the power of ideas to explore new directions for making the organisation responsive and adaptive.

Transformation: refers to the quantum shift of the organisation from one stage to another. It is achieved through the processes of alteration, transmutation, conversion and transfiguration. As a result, organisational forces are released and channelised for the realisation of organisational metamorphosis.

Organisations - like human beings - are basically novelty-seekers. They would like to grow, expand, explore new grounds and territories. However, in our experience, we find that some organisations have converted this desire into reality, while many others have not been able to do so. The following are some of the critical reasons why many organisations are unable to actualise their desire for greater innovation for growth in India.

1. **Power Orientation:** Indian society is still highly feudalistic. Since organisations are very much part of the larger societal system, they too tend to carry in them the feudalistic predisposition, despite espousing values to the contrary. As a result of this, relations across the hierarchy are seldom collegial. The relations are more of boss-subordinate, where the boss sees his role as one of controller and ruler. He expects blind compliance from his subordinates, becoming uncomfortable whenever he is questioned. The subordinate also feels comfortable in complying and playing the role of a conformist; and obediently following the instructions and orders of the boss unquestioningly.

Owing to the prevalence of such boss-subordinate dynamics, the subordinate hesitates to dissent and voice his ideas even when there is a need to do things differently. All these lead to a state where novelty becomes a casualty and perpetuation of stability becomes a way of life; superiors tend to become highly power oriented; they tend to maintain the boss-subordinate relationships characterised by formality; distancing and non-receptivity to new ideas. As a result, the need to contribute, the quest for constant improvement, the desire for change go into the background. Finally, the organisation ends up perpetuating things as they are.

2. **Varna System:** Notwithstanding the fact that the Indian constitution espouses the values of a casteless, equal and secular society, we Indians nevertheless continue to be highly caste ridden in our style and orientation. Even today, the political scenario is rife with caste and community politics. Most of the Indian organisations also reflect the caste characteristics in their approach and functioning.

There is a prevalence of caste system across the organisational hierarchy. Thus, the top management are assumed to be the brahmins as in the Indian varna system, while the rest are either Kshatriyas, Vaishyas or Shudras. Although, the need of the organisation - especially in today's scenario - is for every employee to think creatively, identify improved ways of doing things and be proactive to the new demands and challenges, in reality, these functions are - regrettably - considered to be the exclusive domain of the top management. This results in the division of the organisation into doers and thinkers - thinkers at the top and doers down the line.

Viewing the power orientation and varna system in combination, brings out a peculiar mix, which ends up in the orphaning of thinking in organisations. It may be re-emphasised here that between thinking and power in the Indian context, people tend to focus on power owing to the feudalistic orientation and therefore thinking is crucified.

3. **Absence of quest for survival with excellence:** Indians are preponderately characterised with more of a survival orientation than that of survival with excellence. Because of this, our need to innovate and improvise has been on the lower side. A case in point is the fact that in 1951 India used to produce more cars than Japan. While Japan is today a world leader in the automobile industry, India still produces vehicles which are near relics, as compared to the world standards. The same is true about most of the industries in India - right from the so called hi-tech areas down to the service industry.

It is heartening to note that Indian industry is changing gears on this front. However, it may be noted that the push factor here, once again - has been the need for survival. The greatest challenge today, therefore, is how to convert the need for survival to survival with excellence, where Indian industries are endowed with capability to think creatively; where spirit of inquiry is the basic foundation of organisational culture; and where the organisation strives to be a leader and not a follower?

4. **Conformity and Compliance:** The process of childhood socialisation has a profound impact on the behaviour and style of human beings. The familial environment, child-rearing practices and the socialisation by various educational and religious institutions, play a crucial role in shaping the behavioural predisposition of a human being through various norms, customs, rituals and practices. The strongest impact a person carries in his life -- needless to say -- is that of the child-rearing practices.

An examination of the above forces in the Indian context brings out that behaviours like risk-taking, questioning attitudes, independent thinking, testing of self and equalising with elders are not sufficiently inculcated in Indian children. On the contrary, behaviours like compliance, respecting authority, non-questioning attitude and seeking approval even on minor things, are valued, appreciated and predispose a person to be a conformist, perpetuate the status quo, unduly depend on authority for decisions and accept superiors ideas unquestioningly. Qualities like spirit of inquiry, rejecting the beaten track, carving out new paths, thinking differently and being innovative and creative thus do not feature prominently in the Indian personality.

5. **Dominant Emotive Map:** The child-rearing practices in India, like duration of nursing of the baby and constant physical proximity and warmth provided by parents and others family members, predisposes a person to develop a dominant emotive map, strong emotionality and feeling orientation coupled with the conformity and non-risk taking behaviours discussed above create a peculiar profile in responding to change. When faced with the scenario of change, Indians feel

uncomfortable, react emotionally, and at times, irrationally. As a result of this the rational and logical behaviour goes down. The security seeking behaviour makes Indians either reject the changes taking place, or superimpose structure, which could guarantee security, continuity, and stability. The combination of the above dimensions, thus, lead to an overwhelmingly antichange, rather than a pro-change orientation among Indians. Any change without guarantee of safety and devoid of emotional appeal is bound to be totally rejected or subverted.

6. **Tribalistic Predisposition:** Indians generally have a tribalistic orientation. Thus, when they occupy positions of power, they tend to behave like tribal chiefs -- one chief would not like to see eye to eye with another, and constantly makes efforts to annihilate him. In addition to this mentality, Indians are solo players and individualistic. As a result of the combination of the above characteristics, our capability to collectively cope with change is not very high. This is because, in a situation of novelty and transition, we do not lend a hand in support of those people who are pro-change. On the contrary, we are tempted not to cooperate and sometimes even pull down such a person. In fact, many times, it has been observed that even those who are pro-change, but are not in the lead, unfortunately exhibit the tendency to oppose the ideas of prochangers. The most common example is of many chief executives, who go out of their way to denounce and undo what the previous incumbents had initiated. Rather than accentuating the change forces, they make efforts to kill the process of change, just to prove that their ideas are superior compared to that of the previous chief executive. Along with such behaviour it has also been seen that the present incumbent seldom has good words for the previous one. Thus, evolving agreement for collectively coping with change is a herculean task in India.

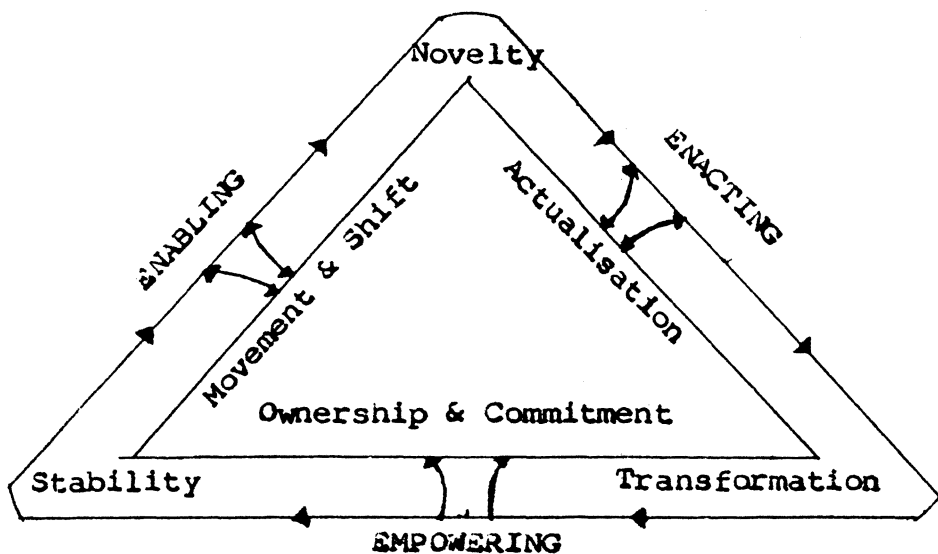
PART III

From the foregoing discussion it is evident that we are in the midst of irreversible changes. If anything, the pace of such changes will further get accelerated. The most productive option before us is to cope with and respond to such changes. The problem that Indian society faces is very complex because of the functioning style of Indian organisations and the behavioural disposition of the managerial community. Compared to the Indian industrial society, in the western world, the facilitating forces of change at both the individual and organisation level are more manifest and visible. All one needs to do is to synergise and channellise these forces. In contrast, the prochange forces are dormant in Indian organisations and need to be activated and catalysed. Thus, while the western strategy for initiating change needs to focus more on synergising and channelling available forces, in the Indian scenario the primary focus needs

to be first of all to trigger, energise, and catalyse the thinking of the people, so that the prochange forces become far greater in magnitude compared to the antichange forces.

By no means it is being assumed that there is no need in the western world for triggering and energising forces. The point being highlighted here is the needed difference in focus for initiating change. It may be appropriate to restate here that on the one hand, the organisational forces in India pull organisations more towards stability and continuity. There are very few organisational forces pushing the organisation for change and transformation. On the other hand, the environmental demand is for a pull towards novelty and transformation. Being caught up in such dialectic forces, we find that organisations are struggling to get away from such bipolarity. Although the end goal - i.e. transformation - is clear, the challenge is to effectively synthesize the troika of forces, viz. stability, novelty, and transformation.

Figure I
Direction and Movement of Transformation



The above figure depicts the processes-enacting and empowering - for synthesising the dialectic force, viz. stability vs novelty, stability vs transformation, and novelty vs transformation. This figure shows that for transformation -

1. the forces facilitating novelty need to be triggered. Simultaneously, the non-facilitating forces need to be converted into facilitating forces. If the organisation is not successful in fully converting the forces towards novelty, at least their dysfunctionality is reduced;
2. the organisation has to actualise the forces/ideas/approaches generated at the novelty end of the troika. Without

concretisation of new ideas, they will remain only as dreams, grand vision, and philosophy. Over a period of time, the stability forces, may overpower the forces of novelty if they are not converted into action, leading to transformation;

3. there is no need to develop commitment and ownership among organisational members to move from security and stability to transformation. It is important to highlight that it is ownership and commitment which sustains the shift to transformation. In the absence of such commitment and conviction, there may be an attitude of apathy towards the transformation process. In such a scenario, at the most, there will be a lot of talk about "we must change" "we must move", etc. with little results. An attempt is now made here to discuss the enabling, enacting, and empowering processes for transformation.

Enabling: Organisational members can be enabled to move towards novelty by modes like envisioning, by creating new meaning and by promoting the value of innovation and creativity. This can be best done by the process of catalysing which accelerates speed of reaction. In the organisational context, it refers to the process of triggering of organisational forces in order to mobilise people's energies towards the desired goals. It is the first stage of initiating organisational change - shaking people out of the conditioned patterns of perception, thought and behaviours; attracting the attention of people; and creating the hope and excitement that something new must take place, is important both for the organisation and the individual, and is going to take place. It involves creating some kind of dissonance in the minds of people about whatever is happening in the organisation and injecting in them the quest for doing things better. All these help psychologically prepare organisational members to explode many myths and stereotypes regarding the prevalent organisational norms, values and beliefs. The process of enabling is started by creating a new language, new symbols, new metaphor, using dramatisation, etc. This is accentuated and sustained by evolving appropriate organisational ethos and culture.

Around the globe novelty seeking companies foster an ethos and work culture characterised by:

- a) higher value to ideas rather than authority and position;
- b) encouraging people to explore and experiment new grounds and direction, even at the cost of making mistakes;
- c) rewarding innovation;
- d) granting sufficient personal space and autonomy; and
- e) providing people sufficient exposure to the new realities and latest information.

Empowering: The basic objective of empowering is to develop a sense of ownership about ideas and action strategies among organisational members. The whole purpose is to develop a sense of responsibility for bring about the shift in the organisational functioning. Our experiences regarding modes of empowering practiced by many organisations reveals that the following are used:

- a) Making people feel that they are important, worthwhile and wanted;
- b) Respecting the dignity and honour of people;
- c) Trusting people;
- d) Supporting people to take risks;
- e) Continued positive strokes for contributions made;
- f) Making people feel that they are co-partners in the change process, through openness in sharing information and transparency in functioning;
- g) Involving people right from the idea generation to implementation;
- h) Demonstrating willingness to try out new ideas irrespective of levels; and
- i) Delegating and decentralising.

Enacting: The process of enacting aims at concretising and converting the new ideas and approaches into specific action plans. It refers to the process through which concretisation takes place and sustains over a period of time. This can be achieved by:

- a) demonstrating seriousness and commitment to transforming the organisation;
- b) identifying strategic actions and evolving action plans for converting ideas into reality;
- c) assigning responsibility for implementing action plans; and
- d) constant communication regarding where we are and where we want to go as a company.

The above forces bring about organisational transformation, by achieving a shift from

Power	to idea
Solo	to folk
Distance	to proximity
Short term	to long term orientation

Inward-looking	to outward looking
Segmented	to holistic
Regimenting and control	to autonomy and freedom
Partial manager	to full manager
Criticism	to support
Conformity	to experimentation
Centralisation	to decentralisation
Secrecy	to openness
Fear	to confidence
De-empowerment	to empowerment
Puppetry	to theatrical

At this stage, one may like to ask what kind of leadership is required to steer the organisational forces towards transformation? An attempt is made here to sketch the desired profile of such a leader.

Our experiences of working with catalysts and change makers and transformational leaders, reveal the following characteristics:

1. Visionary Capability to telescope into the future, using the power or intuition to put together bits and pieces of sometimes unrelated facts and data.
2. Holistic view Capability to have a helicopter or bird's eyeview as well as peaks' vision by elevating from the mundane activities to the broad canvas.
3. Symbiotic Power to synthesise divergent organisational forces and channelise them into a mosaic and yet provide a sensate view where each extreme retains its distinctive identity.
4. Team Builder Having the power to enthuse and build confidence in people, with a view to collectively channelising their energies.
5. Missionary Characterised by the zeal to achieve the desired objective and single minded devotion.
6. Frontal leaders Capability to lead people from the front seat, that is, being visible, accessible and being with people, rather than being a back seat driver.
7. Inspiring The power to elevate people to a higher level of consciousness and convert despair and despondency into new hopes, new meanings, and new dreams.

8. Educator Who constantly grooms, builds, and coaches his people, like a teacher.
9. Boundary manager Capability to mobilise the external forces by networking, building strategic alliances and creating the desires among people to be co-partners in the organisational shift.
10. Role model Who demonstrates consistency between precept and practice.

In the contemporary scenario in India, what we need is not a manager, but a leader. The following quote by Bennis (1992) powerfully brings out the difference between the two:

"The Manager administers: the leader innovates.

The Manager focuses on systems and structures: the leader focuses on people.

The Manager relies on control: the leader inspires trust.

The Manager has a short range view: the leader has a long range perspective.

The Manager asks how and when: the leader ask what and why?

The Manager does things right: the leader does the right thing".

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