

LEADERSHIP STYLE AS A CORRELATE OF EFFECTIVE CHANGES IN AN ORGANIZATION

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ABSTRACT

Change in organization is really the norm today. Organizations are influenced by a multitude of factors, which are influenced by both the internal and external environments. Research was conducted by selecting a sample of fifty respondents using simple random sampling technique and all research instruments were returned. Analysis was done using a statistical package for social sciences (spss). Descriptive and inferential statistical techniques were used for data analysis. Multinational regression analysis was used to assess both relationships and effects as per the set hypothesis of the study. Results showed that the identified factors of Leadership styles have jointly contributed 71.1% effective organization changes. Having consulted various write-ups and existing publications, it concludes that 'leadership effective changes lead to positive change in an organization'. In other to ensure proper and effective changes in an organization, it is recommended that the leadership styles and behavior should vary according to the circumstances faced by organization.

KEYWORDS: leadership styles, correlate, change, communication, organization, participative management.

INTRODUCTION

Change in organizations is really the norm today. Organizations are influenced by a multitude of factors, which are influenced by both the internal and external environment.

Change in organization does not happen in a vacuum. If nothing happens to disturb organization life, change would be very slow and perhaps, merely accidental.

However, commentators on organizational life have evidenced that the pace of change is accelerating and all organization if they are to benefit from continue survival must be prepared not only to respond to but also to anticipate change.

One of the major debates concerning organization relates to the role of those who lead it. In this research, emphasis shall cover the issue of leading change. The changing nature or work organization, include flatter structures and recognition of the efficient use of human resources couple with advances in social democracy, have combined to place growing importance on leadership. The

nature of management is moving away from an emphasis on getting results by the close control of the workforce and towards an environment of coaching, support and empowerment. Good leadership involves the effective process of delegation and empowerment. The leadership relationship is not limited to leader behavior resulting to subordinate behavior. Leadership is a dynamic process. The leader – follower relationship is reciprocal and effective leadership is a two-way process that influences both individual and organization performance.

Fullan (2011), discussed leadership in a culture of change and points out that leadership is key to large-scale improvement. It is essential for leaders to understand the change process and moral purpose without change will lead to moral martyrdom. Leaders must be able to operate under complex, uncertain circumstances. According to Useem (2012), leadership is a matter of making a difference. It entails changing an organization and making activities choice among plausible alternatives, and depends on the development of others and mobilizing them to get the job done.

Leadership is at its best when the vision is strategic, the voice persuasive and the results tangible. In the study of leadership, an exact definition is not essential but guiding concepts are needed. The concepts should be general enough to apply to many situations but specific enough to have tangible implications for this research.

Discussion shall be made whether there is one style of leadership best suited to managing change or whether different. Styles of leadership are required according to different change situation. Issue regarding resistance to change and the identification of strategies for managing it are also recognized.

STATEMENT OF PROBLEMS

Obviously, every research work seeks to proffer solution to certain research problem/question. In this research work however, research problem identified the impact of effective leadership on effective changes in an organization. Secondly, whether innovations by leaders enhance organization effective change. Thirdly, whether different styles of leadership enhance effective changes in an organization. Fourthly, whether leadership effectiveness leads to positive change in an organization

RESEARCH QUESTIONS

1. Does effective leadership have impact on effective changes in an organization?
2. Does an innovation by leaders enhance organization effective change?
3. Does a different style of leadership enhance effective changes in an organization?
4. Does leadership effectiveness lead to positive change in an organization?

LITERATURE REVIEW

Leadership then is concerned with establishing shared visions and goals: with interpersonal relationships and communication, and with motivation and getting the best out of people. Ultimately, leadership is about influencing others in pursuit of the achievement of organizational goals.

However, as smith (2013) points out, rather than being about absolute influence, leadership is about relative influence, in that “A leader is someone who has more influence over others than they have over him or her”. It will become evident also that there is no universally agreed view as to what constitute “Good leadership”.

There is a range of theories purporting to explain what makes a person a good and effective leader. These can put into broad categories. The first include and focus on a particular set of characteristics, which good leaders should possess. The second category suggests a range of leadership styles that should be applied differentially according to the situation in which leadership is required.

TRAIT MODEL

Many people have tried to identify the personal characteristics associated with effective leaders. They observed the personalities of prominent figure, and distinguished what they believed were enduring aspects of their personality, which they displayed in a variety of setting and that appeared to influence them to behave in a particular way.

Early work on personality and leadership identified numerous such traits.

A major advance in this area of study came when researchers noted that they could group the many observed traits into a much smaller number of cluster or “Super Traits” (McCrae and John, 2010) these have become known as the big five.

SUPER TRAITS	TRAITS(POSITIVE)	NEGATIVE
OPENNESS	Explorer, creative, open-minded, intellectual	Preserver, unimagination, distinguished, narrow-minded
CONSCIOUSNESS	Focused, dutiful, achievement-oriented, self-disciplined.	Flexible, frivolous, irresponsible, disorganized.
EXTRAVERSION	Extravert, gregarious, warm, positive	Introvert, quiet reserved, shy
AGREEABLENESS	Adapter, straightforward, compliant, sympathetic	Challenger, quarrelsome, oppositional, unfeeling
NEUROTICISM	Reactive, anxious, depressed, self-conscious	Resilient, calm, contented, self-assured

One limitation of the traits model is that a trait that is valuable in one situation is not necessarily

valuable in another. However, instead of trying to find a set of characteristics to describe what successful leader is, these ideas concentrate more on how a leader ought to behave in order to be successful.

LEADERSHIP BEHAVIOUR

Wright (2010), maintained that four main leadership styles of behavior could be identified.

1. **Concern for task:** The extent to which the leader emphasizes high levels of productivity organizes and defines group activities in relation to the group's task objectives and so on. (Also called Concern for production production-centered, task orientated and task-centered leadership).
2. **Concern for people:** The extent to which the leader is concerned about his or her subordinates as people-their needs, interests, problems, development, etc. rather than simply treating them as units of production. (Also called person-centered, person-oriented and employee centered-leadership).
3. **Directive leadership:** The extent to which the leader makes all the decisions concerning group activities him or herself and expects subordinates simply to follow instructions (Also called authoritarian or autocratic leadership)
4. **Participative leadership:** The extent to which the leader shares decision making concerning group activities with subordinates (Also called democratic leadership).

Consequently, no one style seemed to emerge as the most appropriate in all situations and where, for instance, a participative leadership style was related to high performance and satisfaction of subordinates, it was not clear whether the leaders' style was the causal variable or vice-versa. Given this, it is interesting to note that two famous studies of leadership Stodgill and Coons, (2011), Likert (2010) known respectively as the University of Michigan studies and the Ohio state studies separately identified two independent dimensions of leadership, which were, in essence, a combination of the four types of behavior described earlier. The Ohio researchers named these 'consideration' and initiating structure.

Consideration is the degree to which a leader build trusts and mutual respect with subordinates, show respect for their ideals and concern for their well-being (Concern for people). Initiating structure is the degree to which a leader defines and structure his or her own role and the interactions within the group towards the attainment of formal goals. ("Directive leadership" or "Concern for task").

The university Michigan researchers used the team employee centered and production centered leadership for these dimensions.

Despite the many types of actual leadership behavior, we have seen that there appears to be general agreement on two major dimensions of managerial leadership. This can be extended to include the works of Douglas McGregor and of Blake and Mouton's managerial grid. (Leadership Grid-Blake and McCauley, 2010).

TRANSACTIONAL AND TRANSFORMATIONAL LEADERSHIP

Bass (2012), compare and contrast transformational leadership to the less visionary styles of leadership associated with transactional leadership. According to Bass (2012), transactional leaders are those who initiate structure and are considered to employees- they might, therefore, be considered to be "Team management". However, transformational leadership goes beyond this, as confirmed by Robbins. (2012, p367) who says "transformational leadership is built on top of transactional leadership.

According to Tichy and Ulrich (2010, p60) 'where transactional managers make only minor adjustments in the organization's mission, structure and human resources management, transformational leaders may only make three major changes in three major areas but they also evoke fundamental changes in the basic political and structural system of the organization. The revamping of the political and cultural system is what most distinguishes the transformational leaders to the transactional ones. James Burn (2012), submitted the transactional leaders influence subordinates' behavior through a bargain. The leaders enabled followers to reach their goal of the organization. If subordinates behave in the way desired by the leader they receive rewards, transactional leaders tend to support the status quo by rewarding subordinates' effort and commitment.

James Burn (2012), contrasted these approach with that of transformational (sometimes called charismatic leadership). They are thought to change the status quo by infusing work with a meaning that encourages subordinates changing their goals, needs and aspirations. Transformational leaders raise the consciousness of followers by appealing to higher ideas and moral values. They energize people by, for example, articulating and attractive vision for the organization, reinforcing the values in that vision and empowering subordinates to come up with new and creative ideas. They also articulate transcendent goals, demonstration of self-confidence and confidence in others, setting a personal example for followers, showing high expectations of followers' performance and the ability to communicate one's faith in one's goals (Fielder and House 2015, p112).

Indeed, Bass (2012, p20) goes so far as to say the transactional leadership is in many instances 'a prescription for mediocrity' arguing that only transactional leadership can make a difference in an organizational performance at all levels.

CONTINGENCY APPROACHES TO LEADERSHIP

There are many things that can influence organizational outcome in addition to those associated with a leaders' qualities and behavior. Therefore, in contrast to theories of leadership which argue for a universal view of what traits and/or behaviors leader which have other theories maintain that a leaders' behavior should be contingent upon the organizational situation prevailing.

One of the best known leadership which takes into account situational factor is that of Tannenbaun and Schmidt (2015), which arranges leadership behavior along a continuum not dissimilar to the "directive" and participative" leadership styles that contribute to the dimensions of the Ohio state and Michigan studies. On the contrary, they suggest a leader should move along the continuum, selecting the style that is most appropriate to the situation prevailing, for which they use a threefold category according to the "forces" that they say should determine the style of leadership that they should determine the style of the leader to use. These three forces are in the managers, in the subordinates and in the situations.

LEADERSHIP IN TIMES OF CHANGE

The discussion so far suggested a number of conclusions, not all compatible, about leadership in times of organization change. The first, which relates to the "One best way of leading, is that most of the characteristics pressure necessary for successful Kirtpatrick and Locke (2010), identification of drive, leadership motivation, honesty and integrity, self-confidence, cognitive ability and knowledge of the business seem most relevant –along with the trait of general intelligence and the recognition that intuitive decision-making.

The second is that, given these characteristics, there might be a particular type of leadership behavior, which is most appropriate to leading change. This is the development-oriented behavior that the researchers Ekvall and Arvonen (2011) and Lindell and Rosenqvist (2013), claimed to have found. The third is that transformational leadership seems almost tailor-made for leading change. Tichy and Devanna (2015), put forward a dramatic analogy of transformational leadership in their book entitled "The transformational leader". They proposed triggers for change emerging from what they call "the prologue" of new global playing field. Act I (Recognizing the need for revitalization), II (Creating a new vision) and III (Institutionalization change) all follow on from this prologue. The "epilogue" of "History repeating itself" serves emphasize the continuous transformation of organization and the people in organization having the continuing need for transformational leader.

VARIABLES AFFECTING LEADERSHIP EFFECTIVENESS

Clearly, there is no one "best" form of leadership that will result in the maintenance of morale among group members and high work performance. Three main aspects to be considered a determining the most appropriate style of leadership are: the manager, the group and the work

environment.

However, there are many variables that underlie the effectiveness of leadership in work organization. More specifically, these include the following:

1. Characteristics of the manager, personality, attitudes, value system, and the personal credibility of the manager.
2. The types of power of the manager and the basis of the leadership relationship.
3. The characteristics of the follower: diversity, their needs and expectations, attitudes, knowledge, confidence and their motivation.
4. The relationship between the manager and the group, and among members of the group.
5. Organization structure and system of management.

FORCES FOR CHANGE OR AGAINST CHANGE

For the management of any organization that is reacting to, or planning for change, there will be forces acting to facilitate the change and forces acting against it.

Although, these forces are important for any types of change, they become particularly important in the context of frame breaking or transformational change. Newton (2011) discusses a number of processes that, she says, obstruct or facilitate change. Some of these factors are:

- i. Driving forces for change (external forces): Role of the state, social pressures, changing technology, constrains from supplier, stakeholder demands, competitor behavior, and customer's needs.
- ii. Internal forces: Organizational growth, pressures for increased performance, managerial aspirations, political conditions, redesign of jobs, restructuring.
- iii. Driving forces against change: Individual Resistance fear of the unknown, dislike of the uncertainty and ambiguity, surrounding change and potential loss of power base.
- iv. Organization Resistance: Inertia forces deriving from the systemic nature organization, interlocking aspects of structure, control system, rituals and routines, signs and symbols.

Inertia forces deriving from group norms

Potential loss of group power bases

Entrenched interests of stakeholders

Lack of organizational capacity

Lack of resources

Threat to resource allocations.

RESPONDING TO RESISTANCE TO CHANGE

Leadership can be conceptualized in terms of its three main functions within a group or organization (Open University, 2014, p.38)

- a. **The strategic Function:** developing a sense of direction in the group or organization.
- b. **The Tactical Function:** Defined the task necessary to achieve the group of the organization’s goals and making sure that these tasks are carries out effectively.
- c. **The Interpersonal Function:** Maintaining the morale, cohesion and commitment of the group or organization, it is reasonable to suggest the task the strategic and tactical function will feature more prominently in the planning and early stages of change, with the tactical and interpersonal functions feature more prominently due to the change process and when the change is in place.

Reducing or overcoming resistance to change depends on identifying the sources of resistance. It also depends on a leader’s ability to be task oriented (strategically and tactically) when the time requires it but also relationship oriented to address the more individualized-resistance to change.

Kotler and Schlesinger (2010), is more circumspect in detailing a range of different approaches for deal with resistance to change.

- a. Education and Communication
- b. Participation and Involvement
- c. Facilities and Support
- d. Negotiation and Agreement
- e. Manipulation and Cooptation
- f. Explicit and Implicit Coercion.

METHODOLOGY

The methodology adopted in this research work is field survey through the use of self-administered questionnaire to some selected member of staff of access bank. Total population of 100 was used while 50 was randomly selected as a sample size. The structured administered questionnaire will be analyzed through a descriptive statistics using the Multinomial Regression Analysis through the use of SPSS and hypothesis will be tested.

MULTINOMIAL LOGISTIC REGRESSION MODEL RESULT

(Dependent variable = Organization Effective Change (Q6))

VARIABLES	ESTIMATOR	ESTIMATES	SIGNIFICANCE
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		(-2log Likelihood)	
Model information	Intercept only	88.057	
Constant	Final (β_0)	15.987	0.000
Leadership Effectiveness	β_1	116.250	0.007
Innovation	β_2	127.585	0.005
Leadership Style	β_3	125.467	0.002

Source: Extracted from SPSS, Version 20 Output

Table 4.3 specified the multinomial logistic model results. The final model information value of 15.986 with significance value of $0.000 < 0.05$ signifies that the overall model fitted is significant at 5% significance level based on the analyzed predictor variables of “Leadership Effectiveness”, “Innovation”, and “Leadership Style” considered under study.

Thus, the fitted model from the result in table 4.3 can be expressed as;

$$\pi = \frac{e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3}}{1 + e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3}} \quad (4.1)$$

Where β_0 = the constant value (intercept) which predicts the level of self-employed standard of living when variables of “Leadership Effectiveness”, “Innovation”, and “Leadership Style” cannot be accounted for.

β_1, \dots, β_3 are coefficients of the predictor variables?

X_1 = Leadership Effectiveness

X_2 = Innovation

X_3 = Leadership Styles

Substituting the estimates of equation 4.1 into the model, we have;

$$\pi = \frac{e^{88.057 + 116.250X_1 + 127.585X_2 + 125.467X_3}}{1 + e^{88.057 + 116.250X_1 + 127.585X_2 + 125.467X_3}} \quad (4.2)$$

The intercept β_0 of 88.057 represents the multinomial logit estimate for the prediction of Organization Effective Change. The remaining multinomial logit estimates of 116.250, 127.585 and 125.467 shows a unit improvement in predicting the Effective Changes in an Organization through the “Leadership Effectiveness”, “Innovation”, and “Leadership Styles”. However, the significance value of the measure of Effective Changes as reported indicates that the overall estimates of the regression coefficients are different from zero and this shows that the three predictors variables

considered significantly affects the Effective Changes in an Organization since their respective significance values (p-value=0.007, 0.005 and 0.0020) are less than 5% significance value. This implies that measured factors of leadership significantly serve as a correlate of Effective Changes in an Organization.

Pseudo R-Square

Estimators	Estimates
Cox and Snell	0.763
Nagelkerke	0.837
McFadden	0.594

Source: Extracted from SPSS, Version 20 Output

Based on report of table 4.4, the three Pseudo R-squared values of Cox and Snell (0.763), Nagel Kerke(0.837) and McFaden (0.595) measure the goodness of the fitted model. This result implies that 71.1% variation in the three predictors' variables can be assumed on the Organization Effective Changes. It can be evidenced that the model fitted captured goodness of fit thereby serving as a tool in predicting the response variable as impacted by the measured factors influencing Effective changes. From the hypothesis tested in table 4.8 above, the Wald test statistic of 7.963 with DF1 and corresponding P-value of $0.002 < 0.05$ level of significance indicates the rejection of H₀₄ and thereby conclude that leadership effectiveness significantly impact positive changes in an organization.

Interpretation of Results

This research study is primarily based on the "Assessment of Leadership as a Correlate of Effective Changes in an Organization" taking Access Bank Ilaro as case study. Empirical analysis of the research study shows that adopted measures of Leadership were found to be statistically significant towards enhancing Effective Changes in an Organization. This implies that all the aforementioned predictors variables contribute significantly to the logit model and were found to be a variable of good prediction for the enhancement of Effective Changes.

In addition, analysis revealed that organization encourage transformational leadership style likewise effective leadership serves as a two-way process that influence both individual and organization performance. However, it can also be deduced from the frequency and percentage analysis that the participants' organization encourage participative management of change and also encourage innovation.

Based on the set objectives of this research study, it indicates that there is strong relationship between leadership and organization effectiveness at 5% significance level. In addition, analysis also

revealed that transformational leadership style exerts positive effect on effective organization changes. This effect can be termed to be positively inclined.

In conclusion, empirical analysis shows that Leadership is a significant correlate of effective changes in an organization.

CONCLUSION

Based on the result of the findings, it could be concluded that effective changes in an organization rest on the leader's ability to investigate the necessary changes in the organization, encouraging innovation, participation in planning and proper communication in order to discourage resistance to change.

Briefly, organizational leaders should imbibe changes towards organizational growth and development, thus, encourages participative management of change to curb those changes.

From the data collected and analyzed, the research revealed that the research topic is positive, viable and effective and this has been concretizing by the alternative hypothesis one (1) to four (4).

RECOMMENDATIONS

In order to ensure a proper and effective changes in an organization, the following recommendations were made:

- i. Leadership styles and behaviour should vary according to the circumstances faced by the organization.
- ii. Organization should encourage participative management of change in their structure in order to deal and plan for those necessary changes before they actually occur.
- iii. Resistance to change should be disapprove by facilitating participation in planning process, education and proper communication of those change to those that are to be affected
- iv. Organization should encourage transformational leaders in their structure.
- v. Lastly, organization growth and survival can only be met by changing to the trends in the environments, as a result of their leaders, should encourage and support innovation of new and useful ideas

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