Leadership’s role in shaping the organizational environment for sustainable change

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Accepted 17th August, 2016

Abstract. Leadership is essential to shaping the organizational culture through a host of philosophies, tools, and resources. The role of leadership in molding organizational culture and promoting lasting success includes such elements as selecting appropriate behaviors and traits and employing successful tools and initiatives. This review is a unification of current theories from studies with significant practical implications in the field of leadership, organizational culture, and sustainability change initiatives. The amalgamation of topics is designed to begin to identify effective leadership strategies essential for establishing organizational goals and influencing sustained effectiveness of the company. The review begins with a statement of the problem then continues with a review of relevant literature to bring meaning to the various concepts. Findings indicate strategies and leadership behaviors to implement sustainable change initiatives successfully for long-term achievement. A discussion and recommendations for future research conclude the review highlighting the need for a systems approach to addressing the environment and implementing successful leadership strategies.

Key Words: Leadership, organizational behavior, sustainable change, change initiatives.

INTRODUCTION

The most fundamental aspect of organizational development begins with an organization’s leadership, which holds the power to drive successful change and promote lasting success. Leadership has a multifaceted involvement with business and is an integral player in establishing the culture in which it operates. The literature on this subject indicates the effect of an efficient alignment of leadership development strategies with company values and culture in shaping an organization is far-reaching. The standard textbook definition of organizational change identifies a process that attempts to make an organization more efficient by bringing about planned, systemic changes over a sustained period (Van Eynde and Bledsoe, 1990). Successful implementation of change initiatives allows a firm to achieve consistent performance in ever-changing environments.

Such success is possible because organizations have achieved this task by using behavioral science and knowledge. Throughout history, effectiveness in this area has manifested through leaders’ ability to manage talent to lead sustainable change in organizations successfully. Unfortunately, benefits are rarely realized because sophisticated implementations in companies experience a high failure rate, with about 70 percent of all significant change initiatives in organizations failing (Umble and Umble, 2014), primarily due to lack of alignment between the value system of the change intervention and members of the organization undergoing the change (Burnes and Jackson, 2011).

Prywes (2011) explained that history aids in success as leaders link the past with the present and the present to the desired future state. History allows managers to assess where they have been to help foresee the direction they want to take the organization (Prywes, 2011). A commonality across various studies is that leading and managing people throughout the change process is imperative. From the early 21st century, 2000–2012, the primary focus of literature addressing
organizational development was some element of leadership (VanEyd et al., 2013). In the modern organizational environment, where a constant state of flux constitutes the norm and employees experience changes at a chaotic pace (Grady and Grady, 2013), individuals must learn to adapt to their environments to survive and prosper (Parent et al., 2012). The effectiveness of a given tool depends on the organization’s situation, and choosing the right tools becomes necessary for managers contemplating change (Christensen et al., 2006). Raelin and Cataldo (2011) found that cynicism led to disempowerment, as executives did not consider rank-and-file employees' suggestions.

The indications are that managers and leaders within organizations play pivotal roles in organizational change initiatives. Companies gain the greatest benefit through effective communication between leaders and employees (Strang and Kuhnert, 2009). The authority of their positions usually means leaders have a set amount of power within an organization. In some sectors of business, leadership development strategies are more critical to leadership development than they are feasible (Mirocha et al., 2013), indicating that effective leadership strategies are essential for establishing organizational goals and influence the sustained effectiveness of a company. The purpose of this study is to provide a broad overview of a few key theories related to leadership and organizational culture, thereby identifying leaders’ roles through management in the successful facilitation of change initiatives within the organizations environment.

METHODOLOGY

A narrative synthesis review was the method used to identify leaders’ roles through management in the successful facilitation of change initiatives within the organizations environment. The review comprised of information from online resources to include Proquest and all EBSCO host databases. The article began with a review of existing literature, approaching the phenomenon based on Porter’s (1985) view of organizations as a value chain along with Zdanyte and Neverauskka (2014) systemic thinking approach to organizational development that enables the organization to promote lasting success. The research continues with current concepts of leadership, as applied to various aspects of diversity and elements that impact the organizational environment. The article concludes with a discussion of results that include recommendations for further research, implication for professional practice and a concluding statement.

REVIEW OF LITERATURE

Kotter (2007) discussed the change process as a series of phases that requires a considerable length of time to navigate. The major points highlighted were (a) establishing a sense of urgency, (b) forming a powerful guiding coalition, (c) creating a vision, (d) communicating a vision, (e) empowering others to act on the idea, (f) planning for and creating short-term wins, (g) consolidating improvements and producing still more change, and finally, (h) institutionalizing new approaches (Kotter, 2007). People resisting this change and playing a pertinent role in the progression or lack of progression are the enemy of change, but a modern paradigm is a resource for change practitioners experience (Bareil, 2013). Views of the models offer interpretations of the meaning of the divergent perspectives in which the modern paradigm is the act of resisting and the traditional paradigm is a form of feedback of discomfort. Bareil (2013) made a significant contribution toward the explanation and mitigation of the high failure rate associated with organizational change initiatives. These dynamics evolved when Grady and Grady (2013) viewed organizational loss of effectiveness (LOE) through the theoretical lens of the activation attachment theory.

Banai et al. (2000) proposed the idea of shared leadership roles creating an entity for the benefit of the members. Individuals take responsibility and are prepared to make long-term commitments. Conversely, Semler (1994) disputed the value of leaders focusing on growth. Strategic planning and vision were cited as barriers to success. Leading by numbers ignored what the end user thinks of the product and what the people who produce it think of the company (Semler, 1994). Implementing Lewin’s (1951) renowned three-stage model of unfreezing, changing, re-freezing, and analyzing stage-by-stage, Lucey (2008) identified 15 reasons major change transitions fail. His research became important in the field of organizational change because the findings indicated a lack of preparation for change to commence and dedicated resources were inadequate for a structured implementation. More recent research successfully identified over 60 possible critical failure factors that place organizational implementation and change initiatives at risk (Decker et al., 2012). Through a literature review, Decker et al. (2012) developed a taxonomy of implementation failure factors and proposed a methodology for predicting these failure factors.

Organizational Change as a Systemic Initiative

Porter (1985) viewed organizations as a value chain, a set of interconnected functional processes that help companies compete by highlighting specific activities in the business for successful employment of competitive strategies. An effective or ineffective change in one part of the chain affects other parts and creates systemic impacts on the organization as a whole. The information gained through strategic analysis allows companies to gain an understanding of the dynamics of the competition
within the industry, critically assess potential opportunities, and ultimately differentiate the organization from the competition. Sustainable change depends on multiple factors at different levels of analysis and remains a significant aspect of organizational development that enables lasting success (Buchanan et al., 2005). The emerging literature in this study is focused on leadership processes that influence sustainable change initiatives, thereby contributing to a systemic view of the phenomenon.

Sustainability and the Organization

Sustainability for organizations includes critical areas that collectively create a systemic, strategic focus on fostering sustainable growth for stakeholders and agencies. Zdanyte and Neverauskas (2014) classified sustainable development as systemic thinking concentrated on improving the quality of life for all inhabitants of the Earth without causing too much consumption of natural resources with limited renewable capacities. Sustainability is the significant aspect of organizational development that enables the organization to promote lasting success. Wolf (2011) discussed the significance of focusing on achieving consistent performance in ever-changing environments. Various models offer mechanisms to apply a newfound ability to transform organizations rapidly through leadership, core values, and vision (Wolf, 2011).

The history of an agency influences its functionality. History is a contributing factor in sustainable change by creating a feedback mechanism for alteration of future organization practices (Prywes, 2011). The need for successful sustainable change is driven by a continuous attempt to adapt to ever-changing external environments. Adoption of recognized international standards may help in the quest for corporate sustainability. The need for systemic thinking allows authors to experiment with leadership theories to adapt to the need for creative thinking and advanced human relations (Lubans, 2006). Nirenberg and Romine (2000) examined organizational leadership according to the nature of decision makers and found leading for sustainable change is a complex process involving many stakeholders, moral assumptions, and values, as well as facts.

Leadership and the Organization

Given that leadership may carry different meanings in different situations, the term has innumerable ways of being defined. In relation to the business, leadership is a course of action through which a person has success at influencing a body to attain a universal goal (Northouse, 2013). The phenomenon manifests itself within a group dynamic in which a leader emerges, demonstrates personality traits to fit the group, and uses this action to influence the group to achieve the desired outcome. In organizational settings, leaders use information and various sources of power, to motivate people, eradicate barriers, inspire change, challenge the status quo, and create new visions to realize the mission of the company (Northouse, 2013). According to Malik (2013), for the company and group leadership phenomena to materialize, leaders must show understanding of the emotions and feeling of the employees. A rapport must exist; employees should understand the integrity, compassion, and ethical stance of the leader. A consistency in leadership theories is that they are fraught with paradoxes (Visser and Courtice, 2011). As global challenges evolve, individuals touted as sustainability leaders in the past may be discredited in the present, and today’s targeted villains may be tomorrow’s sustainability heroes (Visser and Courtice, 2011). Ultimately, to be effective, a leader must exert certain behaviors and be skilled at understanding the feelings, needs, and motivations of the people he or she is leading.

Leadership behavior

Leaders and leadership behavior affect the workplace and the ability to proactively realize external opportunities to foster employees’ behavior toward pro-environmental change (Robertson and Barling, 2013). The tone set by the leader of the organization bears influence on the behavior of followers. Creative strategies are crucial to long-term development, directing a company through sustainability related requirements (Newman-Storen, 2014). Sustainable leadership is broad in scope and recognizes the disruptive and transformational changes that occur in the context of business and society (Tideman et al., 2013). Scott and Johnson (2011) described intellectual capital characteristics of strategic leaders and argued that layered strategic leadership is a critical element in promoting, sustaining, and advancing institutional significance.

While many factors affect leaders’ ability to shape organizational culture, leaders’ primary involvement in the process is through their actions. This person uses their ability to influence and coerce to lead the group to effect change. Visser and Courtice (2011) acknowledged a distinction between traits of individual leaders and the styles they use to motivate people within an organization. Leaders must use varied styles to achieve organizational goals through effective communication and the power of persuasion. French and Raven’s framework has been a basis for and a primary topic of many studies over the last half century (Schriesheim et al., 1991). Decades of research have not produced a consensus on general behaviors that compose successful leadership (Glynn and Raffaelli, 2010). However, a vast number of effective leadership styles and theories are available. The existence
of ample leadership styles means many ways exist to categorize leadership theories.

Chemers (2000) introduced a comprehensive perspective to distinguish leadership theories, using a historical approach to highlight periods of classification. These classifications include the period before the contingency model was introduced and the period during contingency model application, cognitive theories, and transformational theories (Chemers, 2000). Collectively, research supporting the identified theories included discussions of whether leaders are born or made and the charismatic leader’s impact on society. The seminal work of Bass (1985) preceded Chemers’ historical approach and was instrumental in presenting the relationship between leadership and the organization by examining the influence of distinctive styles of leadership on culture. Based on what is known about leadership studies, the continued evolution includes very broad approaches. As research on leadership theories continues, the research community should expect new theories in leadership to continue to emerge. The emergence of new interpretations may further the body of knowledge in the study of leadership and its impact on organizational culture.

**Leadership theories**

Many different ways of defining the leadership theory exist because of the broad implications of leadership itself. To correlate leadership with management as it pertains to an organization, *leadership* is a course of action during which an individual influences a body to attain a single objective (Northouse, 2013). Behavioral theories describe the actual behaviors leaders use to interact with others, including followers. Through transformational leadership, leaders use their relationship with subordinates to intentionally influence and encourage their subordinates to engage in workplace pro-environmental behaviors (Robertson and Barling, 2013). Within the context of influencing environmental sustainability, leaders high in intellectual stimulation encourage subordinates to think about environmental issues for themselves. Leaders also encourage others to question long-held assumptions about their own and their organization’s environmental practices and address environmental problems in an innovative manner (Robertson and Barling, 2013). Semler (1989) found success in eliminating managers in the leadership spectrum and insisted on making important decisions collegially, using a company-wide vote to make certain decisions.

Continuous changes bring unique ethical implications for organizational development practice and the practitioner (Wooten, 2008). Karakas (2009) suggested enabling positive organization development by focusing on creating sustainable learning communities and inspirational learning contexts. Inspirational learning context in organizations are highly personalized and coherent and internally and externally networked. They are not bound by physical or temporal space and are rich in learning experiences for all organizational members. The contexts are flexible, diverse, innovative, and self-organized, centered on core principles and beliefs implemented around a mutually created vision.

**Leadership’s role in the organization**

Leadership roles evolve through interpersonal interactions and, therefore, become the most important aspect of self-managed teams (Barry and Stewart, 1997). Van Velsor and Leslie (1995) concluded that managers who do not advance to team management positions tend to lack interpersonal skills. Development strategies build interpersonal relationships, increase behavioral flexibility, and help leaders apply problem-solving skills that help improve team effectiveness (Van Velsor and Leslie, 1995). Standard criteria can assess a team’s effectiveness (Northouse, 2013). Vision, direction, structure, and support are measures of these standards. The team can work independently yet learn, grow, and develop a product or service collectively by relying on the strengths of each member. The team leader should be aware of the skill mix and be able to use the most effective leadership style for the individual, task, or environment to motivate performance levels.

Real-life teams are subsystems of larger organizations that require monitoring and finessing to foster a successful team (Northouse, 2013). In every group, a variety of skills and perspectives is needed. As environments and markets arise, successful teams use the required interpersonal skills, ability to adapt, and ability to lead teams to high performance (Van Velsor and Leslie, 1995). The leader assures team members’ needs are met and intervenes when warranted. The nature of the business and organizational support are a couple of driving forces of team-structured conditions. In acquisitions, the service being acquired or performed is the basis behind the team construct. The team leader provides resources and training and establishes team goals. The leader also ensures attainment of objectives by providing feedback and acknowledgments. A well-developed team can be self-sufficient, requiring leadership intervention only during changes that influence the group.

**Organizational environment characteristics**

While leadership has multiple dimensions, the term *leadership* has been defined clearly in a number of ways. However, defining *organizational culture* has not been as clear. Organizational culture is complicated and robust. The term is defined using elements of sociology, economics, and political science theory (Dull, 2010).
Culture has different meanings based on the audience, but as it relates to the identification of an organization, Dull (2010) used the features of the commitments, assumptions, symbols, and artifacts to help define the word. Leader-culture fit has emerged as an element critical to organizational effectiveness and demonstrating congruence and incongruence that can lead to increased leader effectiveness (Nieminen et al., 2013). Burns et al. (2013) referred to leader-culture fit as the compatibility of a leader with the standards, ideals, and performance behaviors that personify the organization. Therefore, leadership is related to organizational culture through the knowledge and ability of the leader to align its features with the commitments, assumptions, symbols, and artifacts of the group while motivating employees along this same path toward a common goal. The environment of an organization has implications for how employees perform. Leadership is only one aspect contributing to organizational culture theory. Given the significance of the role of leadership in an organization, it is an aspect worth mentioning as an important facet.

No matter the leadership approach selected, the leader can affect employee mood, job satisfaction, and organizational commitment (Malik, 2013). The dynamic between the leader and follower is an arrangement through which the two parties influence organizational performance through successful collaboration (Strang and Kuhnert, 2009). Clear goals and expectations are critical in disseminating organizational values that are invaluable in creating an amalgamation between employees and their company (Posner, 2010). The company plays a part in creating the organizational culture it wants to foster by developing values and behaviors of both leaders and followers; as a result, leaders lead according to the established value system. The interaction among all parties involved in the relationship affects the organizational culture. Obtaining the ideal system means using a complete course of tools and resources in building and training effective leaders.

Organizational stress

When examining workplace stressors, scholars tend to focus on the work-family conflict because work and family factors play an important role in how employees perceive and manage stress in the workplace, as well as how the overall family copes with work-related pressures (Tziner and Sharoni, 2014). Stress results from elements of the organizational environment, work overloads, and organizational tensions (Mitut, 2010). Stress for an organization is similar to that of individuals, but instead of one individual being affected with symptoms, the entire organization begins to show signs of the burden. The underlying source of organizational stress is the failure of human resources (Mitut, 2010). In this respect, studies have shown the relationship between managers and employees is a mutual exchange of respect, caring, and communication (Tziner and Sharoni, 2014). This suggests that factors in which individual leaders have control go a long way to establishing workers’ sense of fairness. The extent that the business can be successful depends on leaders’ capacity to identify signs of stress and promptly counteract them (Mitut, 2010). High employee stress causes a variety of emotional and physical ailments. Therefore, leadership’s contribution to stress is through its ability to influence work production and employee morale. Effective organizational leadership helps management identify signs of stress and design a strategy to address the complications that plague businesses.

Leadership ethics

Research in the area of leadership ethics has indicated the culture of an organization affects the decision-making processes of leaders (Abriem, 2012). When compared to studies of comparable fields, research in management is more susceptible to conflicts of interest and bias (Bell and Bryman, 2007). Although outside pressure to conform to societal ethical expectations often force appropriate ethical behavior, studies have indicated the importance of ethical principles in daily decision-making business practices is essential to leaders, employees, and the sustainability of the organization (Weaver et al., 1999). This conclusion suggests that leaders and employees both have a stake in the ethical dealings of the company. Leadership is fundamental to this effort to promote ethical behavior when motivated by moral issues and reinforcing organizational values (Northouse, 2013). Essentially, moral leadership is one of the most important facets in establishing a foundation for business ethics. Ethical issues within the business environment are important to managers, shareholders, and consumer groups, as well as to researchers who work in the field (Miyazaki and Taylor, 2008). Leadership ethics has a multitude of areas to explore, but it is related to organizational culture through the integrity and fairness moral behavior brings to both the internal and external stakeholders.

Diversity in leadership

Gender and ethnic concerns incorporate stereotypes, group interactions, role expectations, and power differentials into leadership styles and organizational culture. The social and ethnic values that people hold constitute learned beliefs, much like gender-role beliefs and attitudes (Ayman and Korabik, 2010). Historically, White men (Herrera et al., 2012) have dominated the leadership prototype in business and much of what researchers have studied in the area of effective leadership.
leadership traits and behaviors. With the recognition of new age leadership styles and the need for different skill sets in leadership, companies have changed perspectives and moved toward the inclusion of more women and minorities in the workplace (Ayman and Korabik, 2010). This concept is not limited only to women and minorities. As other groups that influence organizational culture begin to emerge and broaden what embodies diversity, they will continue to change what constitutes effective leadership.

Gender in the organization

Dynamics of both gender and culture affect various aspects of leadership (Ayman and Korabik, 2010), and this diversity has become a critical need for businesses planning how they will compete in an emerging business environment (Virick and Greer, 2012). Thus, companies have recognized the importance of including women and minorities in leadership positions. The influence of gender and culture on leadership is an important topic because these values help mold the identities of individuals, thus affecting the choices made and the manner in which they lead.

Although some studies have indicated that women tend to lead differently from men, Herrera, Duncan, Green, and Skaggs (2012) suggested that women have high achievement experience as managers and executives and, therefore, can improve their companies’ competitive standing. Many of the gaps in advancement for women in leadership that exist are in developmental opportunities (Northouse, 2013). For example, women hold most of the professional degrees in the United States and make up nearly half of the labor force. However, they remain severely under-represented as CEOs, representatives for major companies, and politicians (Northouse, 2013). They have the abilities and skill sets, so the issue is with prejudice that women and minorities continue to face. If given the opportunity, historically under-represented groups in leadership can immensely increase the talent pool and be valuable leaders in progressive organizations. Essentially, diversifying the organizational culture has the potential to improve group cohesion, interpersonal interactions, and access to power and resources because of the physical and value components that diversity incorporates into groups and organizations.

RESULTS

With increased global competition, companies must become more permeable to the external environment (Teece, 2007). The literature reviewed indicated a few suggestions for transitioning organizations into sustainable plans. Themes revealed included leadership’s role in (a) focusing on organizational change as a systemic initiative and (b) using history as an aid to link the past with the present and the present to the desired future state. Because of the necessity of this influential entity in directing change, leadership becomes the critical element in the change process within organizations. While management and leadership have similar features, they are fundamentally different methods; however, both are important in organizational change. The heterogeneity of management and leadership theories indicates that both are pivotal forces for corporate prosperity (Grunewald and Salleh, 2013). Through effective communication and the power of persuasion, leaders use their ability to motivate and encourage people to abolish impediments to change and accomplish the mission of the organization.

Essentially, leaders can inspire members to achieve the mission of the organization by challenging the status quo and creating new visions of the future. Leaders carry great power and ability to affect all aspects of the business, perhaps the most important role in striving for sustainable change. Managers assist these changes by formulating policy, establishing frameworks, and commanding daily operations of the organization (Robbins and Judge, 2013). On a systemic level, understanding when and how to implement behavior styles based on the standing of the organization and initiative employed becomes an essential dynamic for leaders of organizations. To achieve optimal success in sustainable change initiatives, effective leadership and efficient management are required. Interpersonal interaction to develop strategies based on history and new observations and analysis of available data may help company leaders become aware of their environments and ultimately learn from them. The information obtained would allow the appropriate amalgamation of organizational strategies and leadership behaviors to implement sustainable change initiatives successfully for long-term achievement.

DISCUSSION

Leaders must maintain a level of understanding concerning how to make decisions that maximize the effectiveness of the organization and enlarge the value of human resources (Cascio and Boudreau, 2011). A connection between productivity, positive employee feelings, attainment, and value exists (Thornton et al., 1999). Thus, appealing to the personal values of employees helps reinforce their commitment to performing for the business. Therefore, the company must focus on providing leaders the resources, education, and training to disseminate this information to employees. Ensuring leaders focus on training needs, career development opportunities, rewarding employees, and implementing programs to improve work-life balance helps maintain a positive dynamic between leadership, employees, and the business.
Leadership and organizational environment

For any organization, establishing a strategy and moving toward a vision means placing the proper pieces in place for implementation. The process may take time because the company works to find the right blend of variety and methods to communicate its vision. Historical studies of leadership have not always included groups with mixed gender, culture, and minorities. Ayman and Korabik (2010) argued, without the inclusion of the roles of such groups in leadership and organizational culture, the scope of information in the area of study is limited. With many companies competing globally, strategies for leading people from different cultures and diverse backgrounds, experience, and ethnicities become a process that companies must adapt to in order to achieve sustainability.

Implications for future research

Offered in this review is a framework for leaders to view organizational change as a systemic initiative. The information obtained provides practitioners with a starting point for bridging gaps in organizational history, current organizational standing, and leadership behaviors. Omitted are the most efficient methods for implementation of sustainable practices. Change also comes in the form of innovative behaviors and techniques used by leadership through either knowledge sharing dissemination, psychological enrichment, or both (Doh and Quigley, 2014). Bureaucratic structures and key performance indicators become drivers of corporate sustainability initiatives (Strand, 2014). Specific initiatives used by organizations that have achieved success in implementing change initiatives may offer specific methods for failing companies to use for success. Leaders and managers should develop strategic plans for implementing contemplated changes, including training and education for successful practical application.

CONCLUSION

As the research continues to evolve, changes in leadership styles, organizational stress and performance, globalization, ethics, and gender and cultural diversity construct new ways for leaders to mold organizations’ cultures (Karaszewski, 2010). While limitless possibilities, theories, behaviors, styles, and resources exist to assist both leaders and organizations in reaching an ideal organizational society, the information here was provided in an attempt to reveal key theories related to current research on the subject. With available tools and information, managers can find practical ways to implement change initiatives. Although, the achievement of sustainability through various mechanisms, such as economic and social approach is possible, and achieving this may take many years. Focusing on a few key theories in leadership and sustainable change, the information introduced information to begin the discussion. This literature suggests a holistic versus a singular approach to addressing the phenomena.

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