

Sessions 24-27

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Recent developments

Ethical Leadership

Directed towards concern for ethics and dignity of others (Watts, 2008)

Shared Leadership

Directed towards sharing the credit of leadership; participative management

Paradoxical Leadership

Leader's ability to handle seemingly contradictory demands in the organization -nurturing the unique aspects of competing strategies while finding ways to unite them. (Smith et al., 2016)

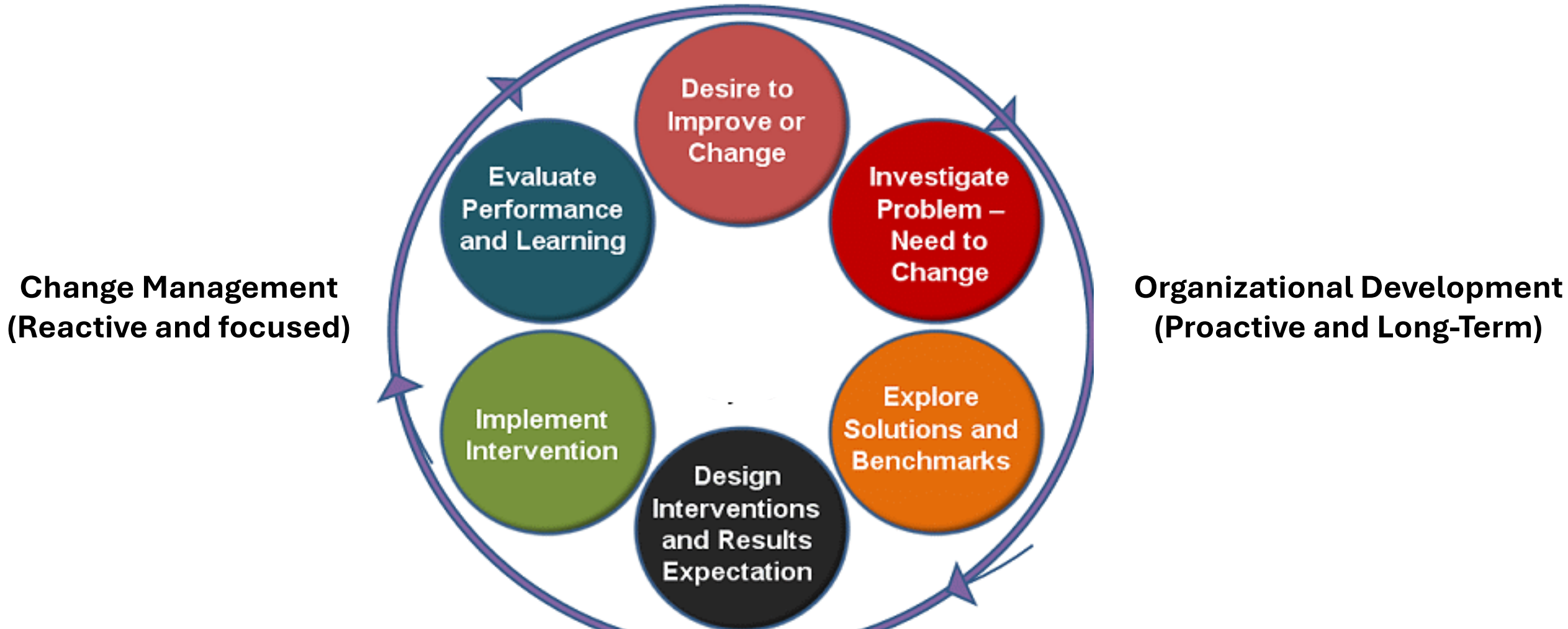
Environmental Leadership

Leadership with a focus on sustainability

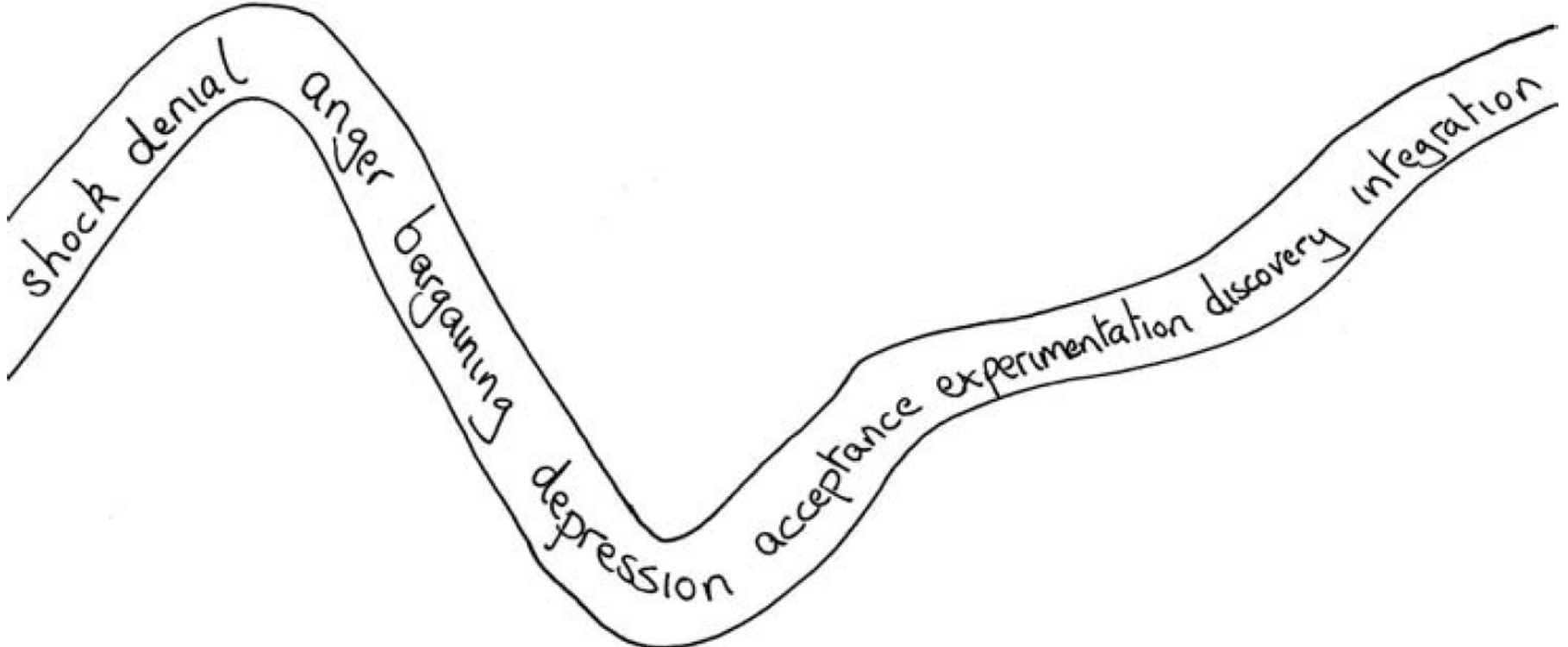
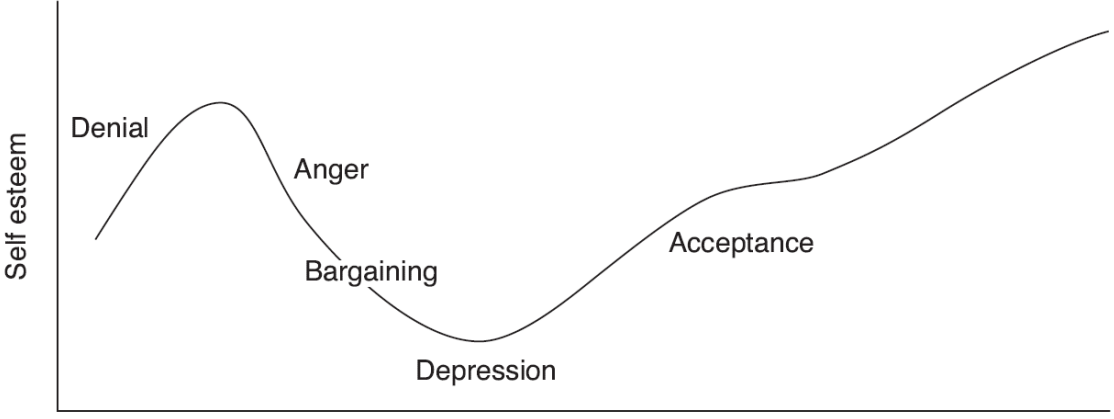
Restorative Leadership

Embracing interconnectedness of all life and promoting well-being of all (Steffen, 2012)

How do we change an organization?



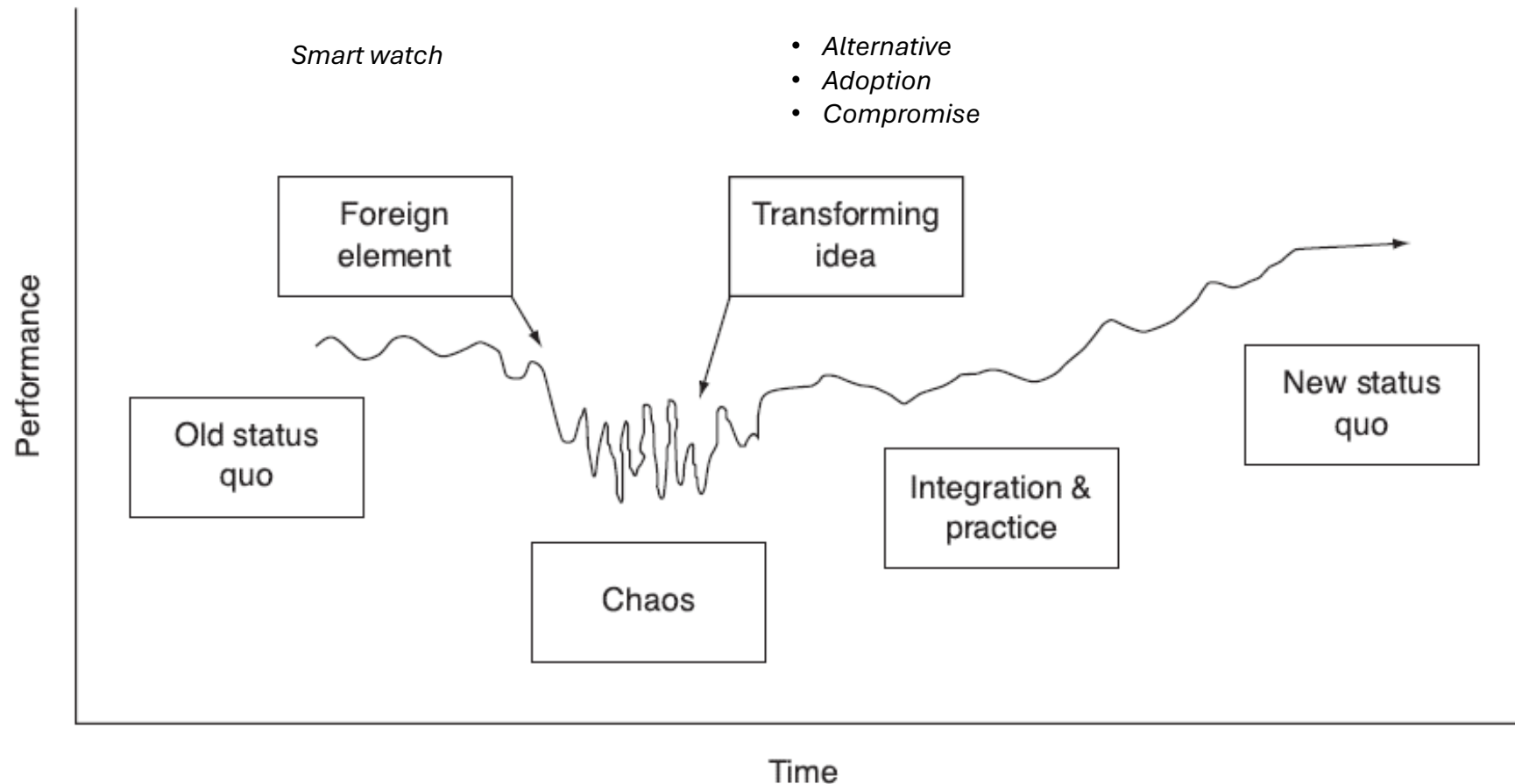
How: Hayes and Hopson (1976)



Hayes and Hopson Change stages(1976)

- **shock and/or surprise:** really a subset of denial but characterized by a sense of disbelief;
- **denial:** total non-acceptance of the change and maybe ‘proving’ to oneself that it is not happening and hoping that it will go away;
- **anger:** experiencing anger and frustration but really in an unaware sort of way, that is, taking no responsibility for your emotions;
- **bargaining:** the attempt to avoid the inevitable;
- **depression:** hitting the lows and responding (or being unresponsive) with apathy or sadness;
- **acceptance:** the reality of the situation is accepted;
- **experimentation:** after having been very inward looking with acceptance, the idea arrives that perhaps there are things ‘out there’. ‘Perhaps some of these changes might be worth at least thinking about. Perhaps I might just ask to see the job description of that new job’;

How: Satir Model



Disconfirmation.

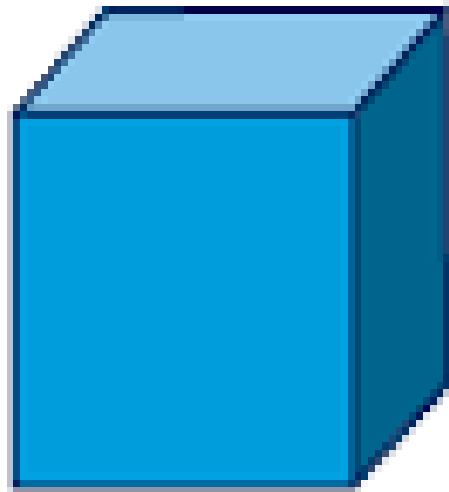
- Creation of survival anxiety or guilt.
- Creation of psychological safety to overcome learning anxiety

- Imitation of and identification with role models.
- Scanning for solutions and trial-and-error learning.

- Incorporation into self-concept and identity.
- Incorporation into ongoing relationships.

Lewin's Model

Create right environment for change



Unfreeze



Support change to desired state



Change



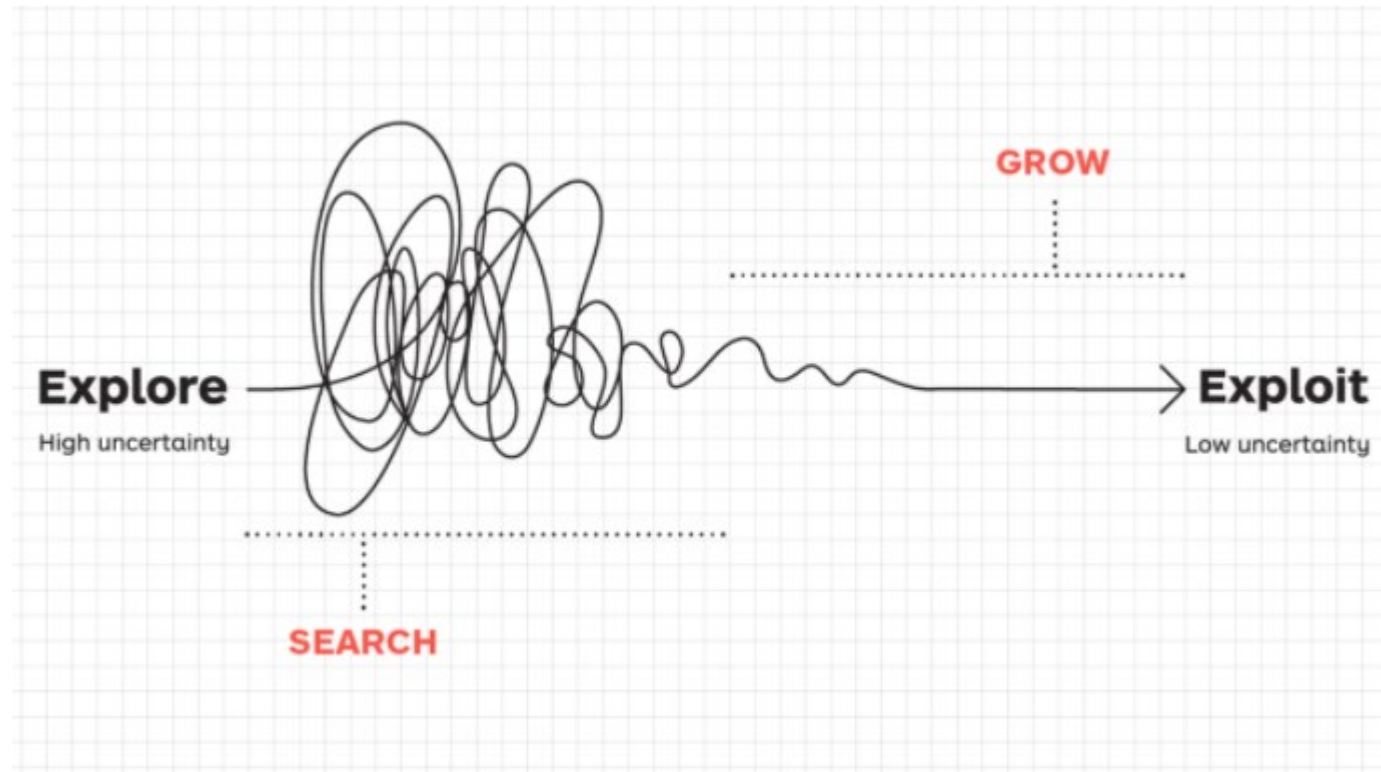
Reinforce Changed state



Freeze

Source: http://www.mindtools.com/pages/article/newTSM_04.html

Ambidextrous Leadership



- In the fall of 2008, Mike Lawrie, the CEO of the London-based software firm Misys, asked his senior executives to prepare a plan for weathering the global economic crisis. When they reported back, at the top of their list of recommendations was to cut the company's annual \$3 million investment in Misys Open Source Solutions, a venture aimed at developing a potentially disruptive technology in the health care industry.
- When Lawrie joined in 2006, the company, which served the financial services and health care industries, had been plagued by problems with quality, and it was losing customers at an alarming rate. Despite the pressure to shore up the existing business, one of Lawrie's first moves was to create a stand-alone unit for open source technology, which was a key component of his vision for the company's future. He knew that open source was emerging as a serious disruptive threat in the software industry, especially in health care.
- At the same time, Lawrie made significant investments to restore the core business to profitability by 2007. Misys also acquired Allscripts, a major proprietary electronic health records (EHR) provider, to take advantage of the growing government investment in IT for medical sector.
- In the wake of the 2008 crisis, Lawrie's team needed to generate significant cost savings if they were to both keep financial services going and fund their plans for the Allscripts health care unit. Against this background, Open Source seemed to be more trouble than it was worth. The leaders of the core units advised Lawrie to unlock capital by selling off the investment. "Cut it now," one executive told him. "You can't afford the distraction."
- What should Lawrie do?

<https://hbr.org/2011/06/the-ambidextrous-ceo>

Often, innovation's only friend is the CEO.

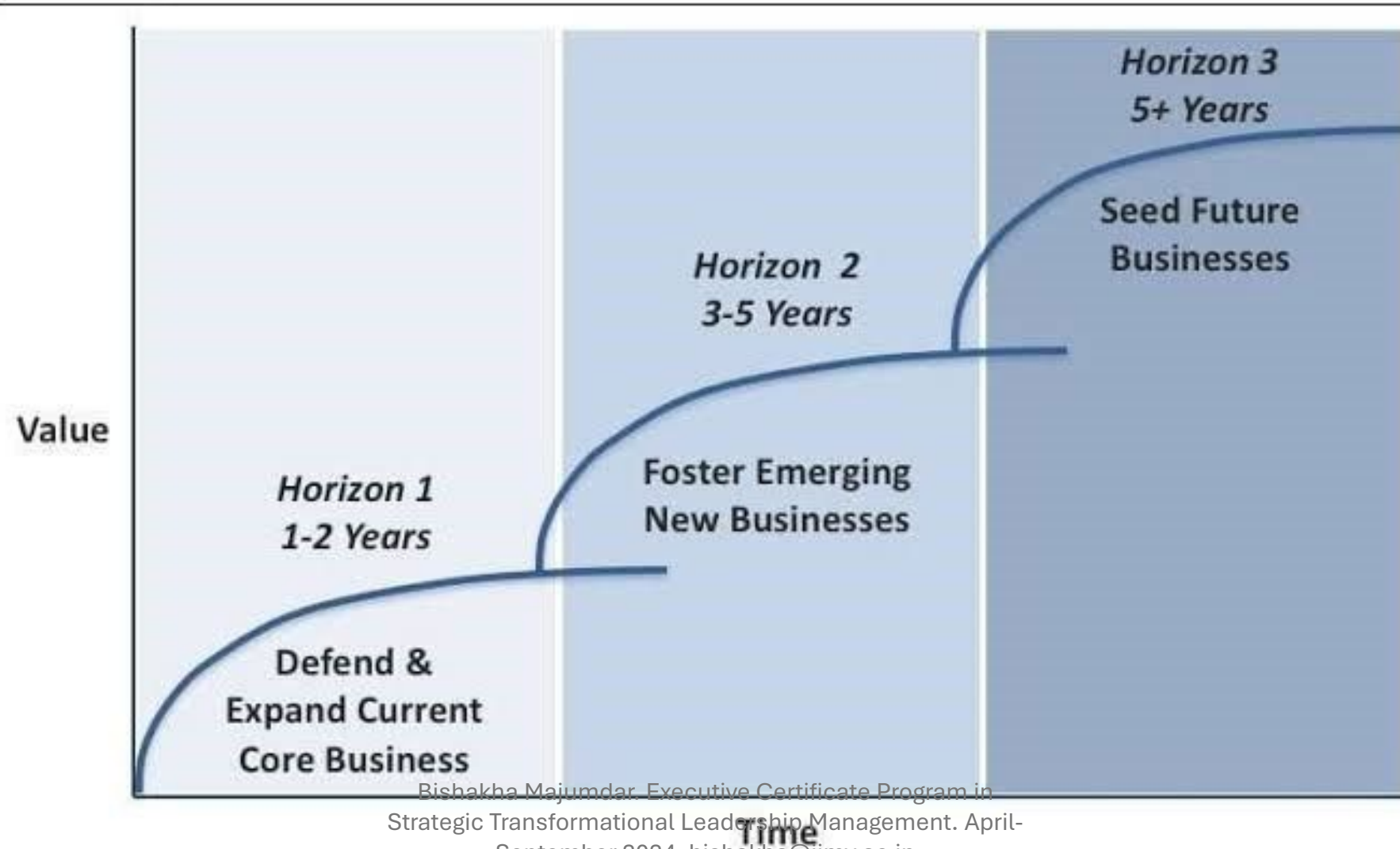


Alignment of:	Explorative Business	Exploitative Business
strategic intend	innovation, growth	profit, cost
critical task	adaptability	operations, efficiency
competencies	entrepreneurial	operational
organizational culture	risk taking	formal, mechanistic
controls, rewards	milestones, growth	productivity, margins
leadership role	visionary, involved	authorative, top down

Sources: O'Reilly & Tushman, 2004

How do leaders embrace ambidextrous behaviour?

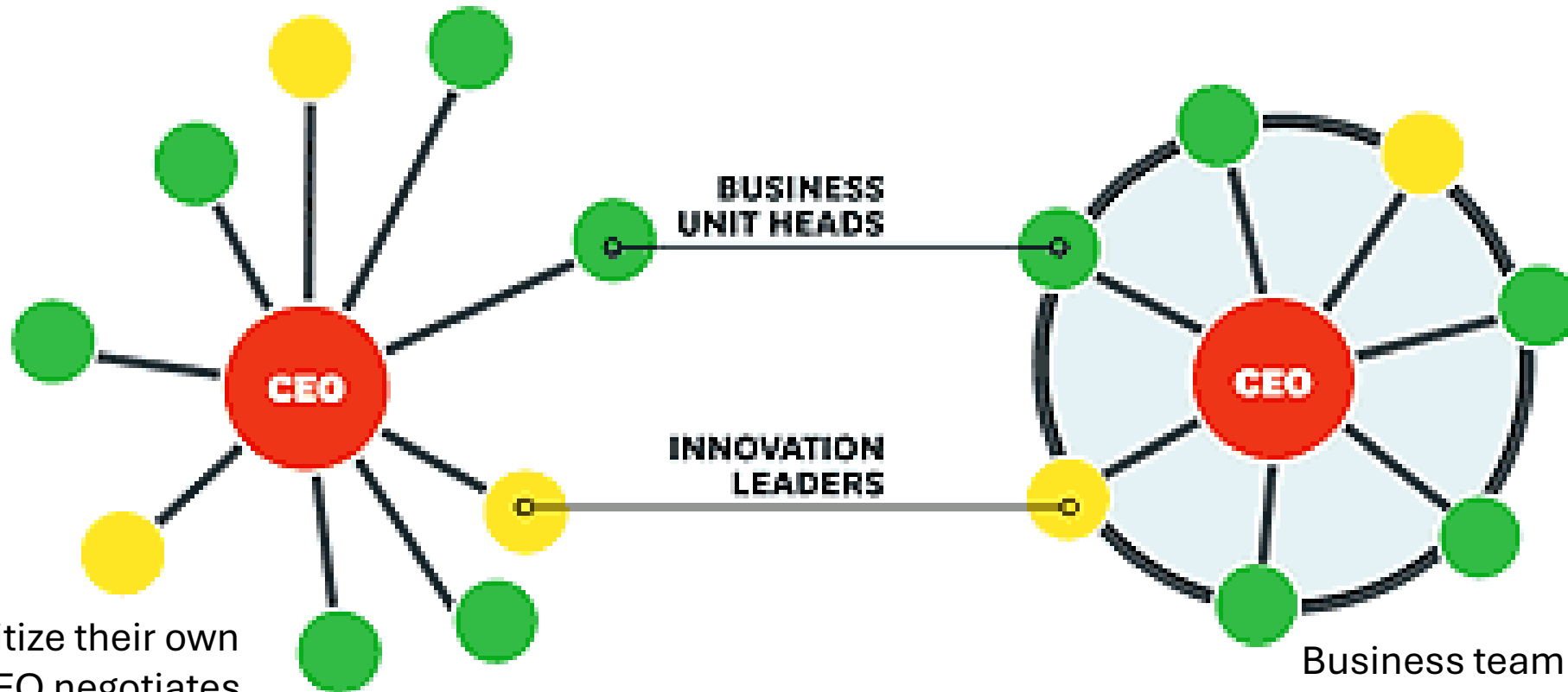
McKinsey's Three Horizons of Growth



How do leaders embrace ambidexterity?

- Create an overarching identity
 - Does your firm have an emotionally compelling identity that encompasses your existing products and services?
 - Is your identity broad enough to be aspirational?
 - Does your identity limit you to customer groups or solutions that may be disrupted in the future?
 - what defines your identity? Can you name any "threats" to that existing identity?
 - E.g., LexisNexis
- Hold tension at the top
 - Do innovation business units report directly to the CEO?
 - Are there separate business units for innovation with leaders at the strategic table
 - Do innovation units get what they need from the core business to be successful?

Hub-and-spoke vs Ring teams



All units prioritize their own well-being, CEO negotiates resources and insulates innovations

Business team leaders are rewarded on overall profitability – not individual P&L

- Lawrie did more than just protect the investment. At the height of the financial crisis, he gave it an even stronger organizational voice: Open Source was the only Misys health care asset not folded into the core Allscripts unit. This permitted Open Source leaders to sit at the table with Allscripts top executives and compete for resources. Every strategic move involved trade-offs between more-immediate returns from Allscripts and longer-term returns from Open Source. The tensions reflected the power struggle over the firm's identity and future. For example, the head of Allscripts wanted his proprietary software to dominate, and he saw Open Source as a direct threat. His fears proved well-founded; Open Source soon started to beat out Allscripts for contracts.
- Lawrie wisely held this tension in his senior team, and his strategy has paid dividends. Allscripts revenues grew more than 30% in 2009, even as Misys Open Source won important contracts. The software is opening up the potential for integrated data sharing among hospitals, physicians, and insurers and could radically improve the U.S. health care system's ability to manage costs and patient outcomes. In addition, Open Source has triggered innovation in other Misys units: A new banking product was developed using open source components, and Misys's website is completely open source.

<https://hbr.org/2011/06/the-ambidextrous-ceo>

Initiating Change Management: Gap Analysis

Gap Analysis

Complete the Gap Analysis by entering your target items for change in the far left column. List the current state of each item, then list the desired state. Identify the gaps that exist between your current (from) state and your desired (to) state.



	Current State (FROM)	GAPS	Desired Future State (TO)
Target Item 1	<ul style="list-style-type: none">Enter current state here	<ul style="list-style-type: none">Identify gap between current and desired states	<ul style="list-style-type: none">Enter target item here
Target Item 2			
Target Item 3			
Target Item 4			
Target Item 5			
Target Item 6			
Target Item 7			
Target Item 8			

Stakeholders

Gap Analysis

- A gap in information between room readiness and the information that the desk clerk has
- A gap between what the hotel's managers say they will do and what they actually do
- A gap between the appropriate bill and the bill given to the customer
- A gap between the desired interpersonal relationships between employees and customers and that which exists
- A gap between the desired handling of hotel guests and that which occurs

Initiating Change Management: Gap Analysis

- Jessica runs a tax filing office and feels that her staff is not very efficient in doing each return, thus hindering bottom-line performance.
- The average time of her staff to complete a tax return is 55 minutes. She compares this to other tax filing offices where their average time is 35 minutes per return. She sets a S.M.A.R.T. goal of reducing tax return preparation time.
- Once she knows the goal with a gap of 20 minutes per return, she starts to ask why her staff takes so much longer than other offices. She realizes that they are not utilizing all the software tools available to them that expedite each filing.
- Jessica decides to implement a training program that will teach her staff how to use the resources available to them to shorten the time to prepare each return.

A gap analysis is an efficiency tracker that considers where one are, where one wants to be and looks for the reasons preventing your success.

With that information, one can create an action plan that closes the gaps.

<https://www.forbes.com/advisor/business/what-is-gap-analysis/>

Types of Gap Analysis

- **Market/Product Gap Analysis**

This looks at the actual sales versus the budgeted sales. This can be done internally or externally by an analyst. A company will use a market gap analysis to discover underserved markets that it can capitalize on. . Product gaps look for opportunities where supply is less than the demand.

- **Strategic Gap Analysis**

Also called a performance gap analysis, it measures the actual performance versus the anticipated performance. This analysis often benchmarks the company to competitors to see what you are doing versus what they are doing, to seek out opportunities to add services or products that fit the overall mission of your business.

- **Profit Gap Analysis**

This is a common gap analysis that looks at the profit goals compared to the actual profits. By analyzing the gap, the company does a deeper dive into why the goals are not being met rather than just looking at the numbers on their own. It's a way for a business to correct its course of action where necessary.

- **Skills Gap Analysis**

This is sometimes called an HR gap analysis because it looks at the company's personnel resources to determine whether or not it has enough people with the right skills to meet the goals of the company. The gap would be the makeup of the current workforce versus the workforce needed to succeed.

Organizational Analysis

Organizational Analysis: Elements

Internal

Analysis of Objectives

- short and long-term objectives and priorities
- Specific goals and strategies for various divisions, departments, of the organization

Resource Utilization Analysis

- process of allocation of various human and physical resources in the organization
 - adequacy of specific workflows in terms of efficiency indices

Organization Climate Analysis

- reflection of the employee's attitudes towards various aspects of work, supervision, company procedures, goals and objectives and productivity in the organization.

Work Practices

- The practices adopted for the execution of various activities in different functional areas
- Norms followed by all employees to maintain uniformity in performing various tasks.

External

Environmental Scanning

- Analysis of the enterprise as a subsystem operating in a socio-cultural, economic, legal, political and competitive environment
- aspects of the environment that may be managed
- constraints that cannot easily be handled, and strategies to control these.

Technology

- Technology responsible for driving various Organisational Processes – converting raw materials into final Products and Services

Other resources

- financial resources
- Business and administrative practices
 - Management expertise
- Information resources, R & D, etc.

Systems

- overriding set of interacting elements that acquire inputs from the environment transforms then and discharges outputs to the external environment.

Organizational Analysis: Sources of data

- 1) Questionnaires
- 2) Interviews
- 3) Observation
- 4) Analysis of records, circulars, appraisal reports, and other organizational literature
- 5) Analysis of hard data of organizations and various units
- 6) Task forces and task groups
- 7) Problem identification/problem-solving workshops
- 8) Seminars, symposia, and training program
- 9) Recording and examining critical incidents,

Readiness for Change

Values and Vision	Do people throughout the organization share values or vision?
History of Change	Does the organization have a good track record of handling change?
Cooperation and Trust	Do cooperation and trust seem high throughout the organization?
Culture	Is the culture one that supports risk taking and change?
Resilience	Can people handle more change?
Rewards	Will this change be seen as beneficial?
Respect and Face	Will people be able to maintain dignity and self-respect as a result of the change?
Status Quo	Will the change be seen as mild?

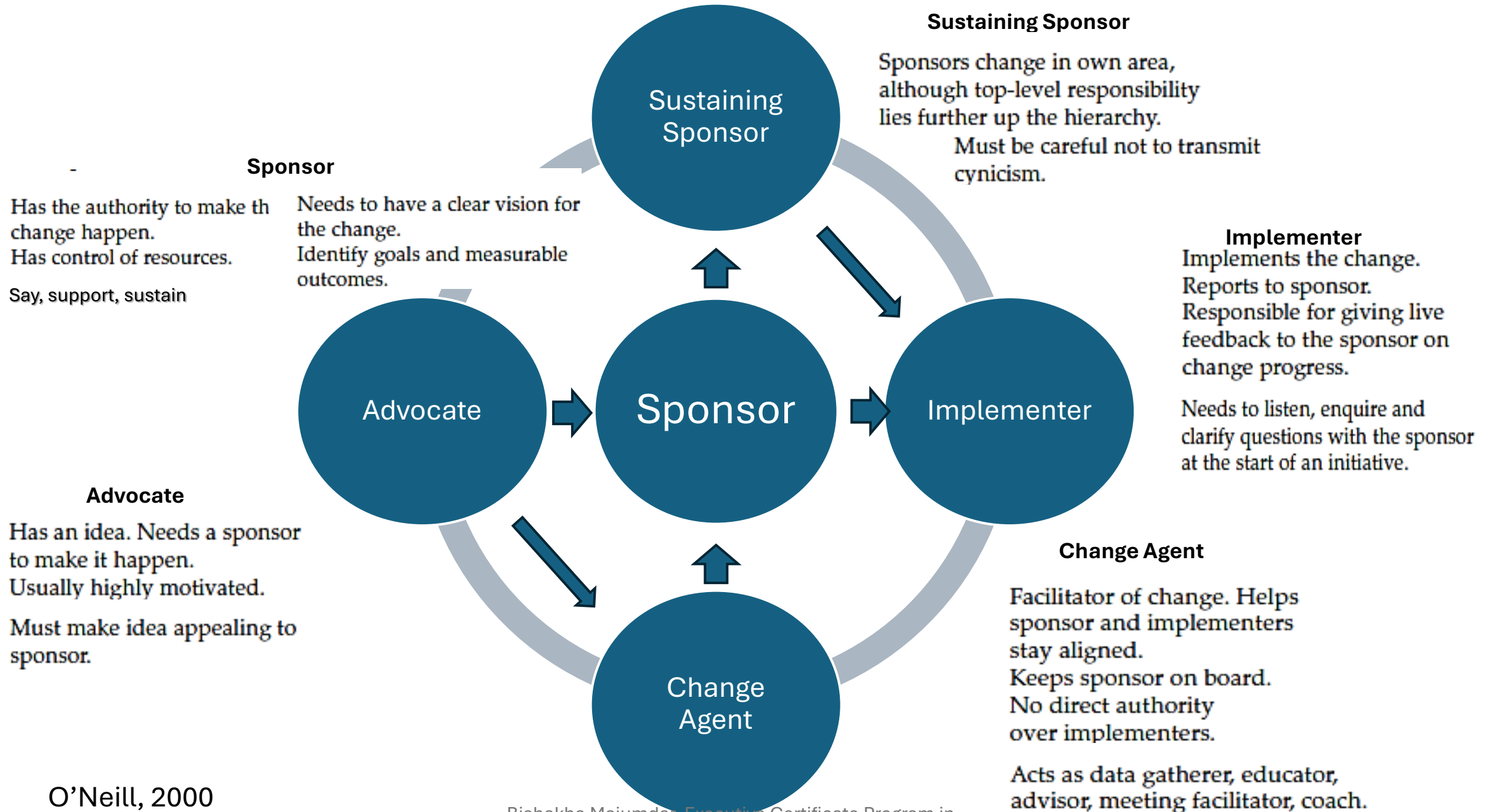
Maurer, 2023

https://rickmaurer.com/wp-content/uploads/2023/10/Toolkit-Page-118-SUPPORT-FOR-CHANGE_QUESTIONNAIRE.pdf

Stakeholder Analysis

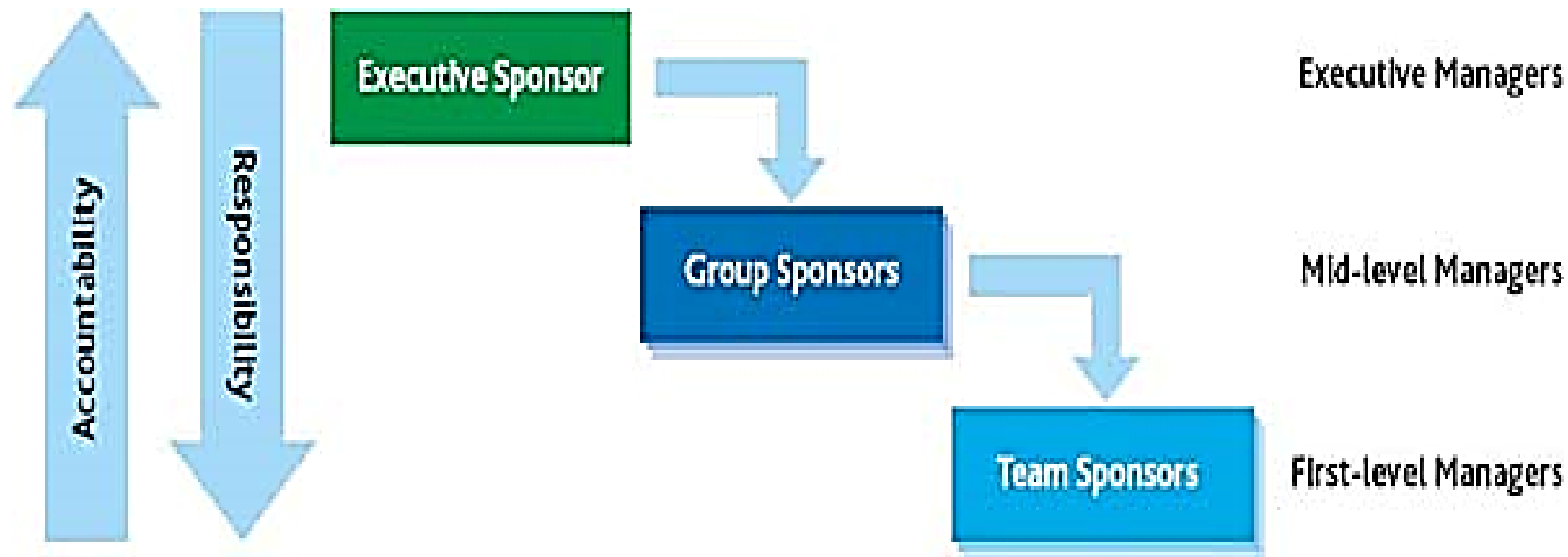
Force-Field Analysis





O'Neill, 2000

Sustaining Sponsor Network



Black Holes

- Bureaucratic layers
- Cultural differences
- Geographic distance
- Personal differences
- Budgeting issues
- Lack of time