LEADERSHIP STYLES AND EFFECTIVENESS OF CHANGE :
THE IMPACT OF RESISTANCE TO CHANGE

by

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ABSTRAK

Kajian ini bertujuan untuk mengetahui hubungan antara gaya kepimpinan dan keberkesanan perubahan organisasi. Kajian ini juga menyelidiki sama ada para pekerja yang menentang perubahan mempengaruhi hubungan tersebut. Gaya kepimpinan yang dipilih adalah penglibatan, "nurturant-task" dan autokratik. Seramai 215 pasangan responden yang terdiri daripada pekerja dan penyelia mereka daripada organisasi perkilangan di Pulau Pinang yang beribupejabat di US mengambil bahagian dalan kajian ini dengan menjawab soalan kaji-selidik. Keputusan yang diperolehi menunjukkan terdapat perbezaan bererti dalam gaya kepimpinan dan keberkesanan perubahan organisasi. Gaya kepimpinan penglibatan mempunyai hubungan yang positif terhadap prestasi kerja dan kepuasan kerja. Walaupun begitu, gaya kepimpinan "nurturant-task" adalah lebih baik untuk keberkesanan perubahan apabila dihadapi dengan rintangan daripada pekerja yang secara sendirinya tidak suka membuat perubahan. Keputusan ini menyokong model gaya kepimpinan "nurturant-task" yang iikuti oleh gaya kepimpinan penglibatan di Malaysia yang dicadangkan oleh Ansari, Ahmad dan Aafaqi (2004). Organisasi yang ingin membuat perubahan harus meneliti dan memilih gaya kepimpinan yang sesuai supaya rintangan pekerja dapat diatasi and keberkesanan perubahan dapat dicapai.

ABSTRACT

This study assesses the relationship between leadership style and the effectiveness of change in organizations while taking into consideration the impact of individual's resistance towards change on that relationship. The three leadership styles included were the participative, nurturant-task and autocratic style. An analysis of 215 responses through questionnaires from employees and their respective supervisors or managers in US-based manufacturing firms in Penang, Malaysia showed that there is significant relationship between leadership style and the effectiveness of change. Participative leadership, specifically, is positively related to performance and job satisfaction. However, the nurturant-task leadership style is more appropriate and suitable for an effectiveness of change when the subordinates have high rigidity in their interpersonal conduct. The findings of this study are consistent with and support the transitional model of leadership from nurturant-task to participative style in Malaysia as proposed by Ansari, Ahmad and Aafaqi (2004). An organization introducing changes should not overlook the importance of establishing the right leadership style to manage individual's resistance and change effectively for a successful outcome.

Chapter 1
INTRODUCTION

1.1   Background

Change is an ever-present feature of organization life, though many would argue that the pace and magnitude of change has increased significantly in recent years (Burns, 2000). It comes in all shapes, sizes and forms, and for this reason, it is difficult to establish an accurate picture of the degree of difficulty the organizations face in managing change successfully. Generally, change can be planned or unplanned responses to internal or external forces affecting an organization.

Ineffective changes could cause the organization huge losses both in tangible and intangible resources. An obvious example in the last few years was the merger between Hewlett Packard and Compaq which was supposed to have spurred Hewlett Packard to be the market leader. Instead, poor change management, which many analysts claimed to be due to the chief executive officer Carly Fiorina's ineffective leadership, caused Hewlett Packard to lag behind Dell even more in the market share and to the eventual resignation of Fiorina in February 2005 (LaMonica, 2005).

On the other end of the quantum is the result of change effectiveness realized by Intel with the introduction of a new concept called "platformization" in its Centrino products that integrated processors, chipsets and supporting peripherals development. It was a paradigm shift that paid off handsomely when Intel captured a respectable 11%   of the market for wireless networking, up from zero prior to Centrino (Roush, 2005).

Malaysia, as a fast developing country that practices an open economy, is constantly affected by changes that take place in the world. The technological, social, and economic environment is rapidly changing and an organization will be able to survive only if it can effectively respond to these changing demands (Harvey & Brown, 1996).

There are many factors associated with successful adaptation or implementation of change. Some of them are openness to change, level of staff support, flexibility, and adaptability (Tan & Tan, 2005).

An effective change requires influencing employees positively and accomplishing group objectives (Aronson, 2001). Meeting the challenges posed by organizational change often means not doing things piecemeal but in an organization-wide manner, and usually it takes a leader to bring everyone together.

While change must be well managed, it also requires effective leadership to introduce change successfully as it is leadership that makes the difference (Gill, 2003). Leadership role is crucial to effective performance (Bartlett & Ghoshall, 1994).

The strategic challenges that Malaysian leaders face are how to maintain organizational growth and renewal; how to pursue excellence; and how to prepare for the next millennium within the context of our multiracial and multi-religious society (Yeoh, 1998). All these are in response to changes which will occur in every organization.

Ansari, Ahmad and Aafaqi (2004) proposed a transitional model of leadership that is based on the watch-and-win principle, called the nurturant-task style of leadership in Malaysia. The nurturant-task model states that an effective leader is one who carries his or her subordinates toward a shared goal.

Leadership style plays an important role in managing employees to accept change. The lack of communication or inconsistent messages, and the resulting misunderstanding of the aims and process of change lead to rumors that demoralize people and to a lack of commitment to change (Gill, 2003). One of the most well documented findings from studies of individual and organizational behavior is that organizations and their members resist change (Robbins & Millett, 1994).

Resistance to change is not always bad as it can stimulate a healthy debate over the change and could possibly lead to a better decision. Nevertheless, any resistance slows down development progress and likewise it hinders progress in change management. An effective leadership style is critical to break down that barrier.

1.2 Problem Statement

Higgs and Rowland (2000) estimated that as many as 70 percent of change initiatives fail. Although effective change is essential for all companies including those in Malaysia which operate in today's dynamic environment, many organizations fail in making change happen effectively. A mistake made by many executives in the past is insufficient consideration of the changing environment which ends up creating problems for them (Harvey & Brown, 1996).

Managing change effectively in an organization is dependent on various factors and one of them is leadership style. While leadership style is a possible influence factor in any organizational change efforts, the leader is also confronted with managing individuals who have different level of resistance towards change within himself or herself.

In short, the issue at hand is how to execute a change effectively in an organization by choosing the right type of leadership style while taking into consideration the impact of the individual's resistance on the relationship.

1.3 Research Objectives

The main objectives of this research are as follows:

(1) To investigate the change effectiveness' dependence on the leadership style

(2) To examine the impact of individual's resistance on the leadership style that affects change effectiveness.

1.4   Research Questions

This study attempts to answer the following questions:

(1) Does leadership have any impact on the effectiveness of change management?

(2) Does the individual's resistance level towards change moderate the relationship between the leadership style and effectiveness of change management?

1.5   Significance of the study

There have been many researches carried out on managing change and likewise on leadership style. However, little has been done to find out the relationship among the three components of effective change management, leadership style and individual's resistance, and especially so in the Malaysian context.

This study is important to the companies and organizations in a developing and open economy country like Malaysia which is a small global player and very vulnerable to every slight change in the world economy and affairs.

During every change that takes place in an organization, the leader plays a critical role to ensure the change takes place smoothly and successfully. In order to do that, the management must apply the right type of leadership style as well as understand the general resistance level of individuals in the context of Malaysian employees.

As such, this study provides an integrated view of the type of leadership style which is appropriate given the kind of individual's resistance to make change take place effectively in an organization, and specifically in Malaysia.

1.6   Definition of key terms

Organizational change – defined as an attempt or series of attempts to modify an organization's structure, goals, technology or work task (Carnall, 1986)

Leadership – the ability of individuals to influence, motivate, and enable others to contribute toward effectiveness and success of the organizations of which they are members (House, 1987).

Participative leader – a leader who encourages followers' participation in decision making so that they actually contribute to the development of ideas rather than simply voicing their opinions on the leader's suggestions (Aronson, 2001).

Nurturant task leader – a task–and–efficiency– oriented leader with a blend of nurturance (Ansari et, al., 2004)

Autocratic leader – a directive leadership style. Directive leadership sets goal and expectations, provides guidance and establish rules and procedures (Pierce, Gardner & Dunham, 2002).

Performance rating – performance measurement based on a systematic job analysis, and is behaviorally based in order to meet technical standards and legal precedents (Nathan & Cascio, 1986).

Job satisfaction – the extent to which an employee feels positively or negatively toward his/her job (Locke, 1976; Odom, Boxx & Dunn, 1990).

Non–performance – the extent to which an employee is unable to fulfill his job requirements

Resistance towards change - encompasses behaviors that are acted by change recipients in order to slow down or terminate an intended organizational change (Lines, 2004).

Routine seeking – individual's inclination to adopt routines (Oreg, 2003).

Emotional reaction – the amount of stress and uneasiness the individual experiences when confronted with change (Oreg, 2003).

Short term thinking – the extent to which individual is distracted by short term inconveniences involved in change, such that they refrain from choosing a rationally valued long-term benefit (Oreg, 2003).

Cognitive Rigidity – the frequency and ease with which people change their minds (Oreg, 2003).

Employee commitment - refers to the psychological attachment of workers to their work places (Allen & Meyer, 1990).

1.7   Organization of the Report

Chapter 1 provided an introduction to the research starting with the background of the study, followed by the problem statement, research objectives and research questions. It also explains the significance of the study and the definition of key terms. In Chapter 2, reviews and studies were made on past journals and articles of previous research as well as on relevant books. Subsequently, the theoretical framework was developed and hypotheses created based on the literature review in Chapter 2. The research methodology used during the study was discussed in Chapter 3 whereby it included the use of questionnaires. Statistical analysis results were reported in Chapter 4 which preceded the profile of respondents and the type of analysis done on the data collected back. Finally, this study wrapped with a discussion

on the findings, implications, limitations and conclusion of it as well as recommendation for future research.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

According to Kirkpatrick (1993), eventually nearly every manager faces the same problem of how to affect change and get subordinates to accept it. Some managers think the only way to do that is to decide on the change, communicate it to people, and then tell them to implement it, or else! Other managers simply do not introduce change because they know that people will resist.

Obviously it is not only in Malaysia that top managers should be preoccupied by change, which could bring either threats or opportunities. Sometimes changes could be initiated as a result of their values and aspirations instead of just reactions to external forces. Last but not least, there are also managers who carefully determine what change is needed, overcome subordinates' resistance, and ultimately gain their acceptance.

2.2 Effective Change Management

Organization change refers to the process by which organizations move from their present state to some desired future state in order to increase their effectiveness (Bharmbri, 1992; Jones, 2003; Paton & McCalman, 2000). Managing change, in whichever way one looks at it, is a huge challenge. In the past, it took years for product development, corporate restructurings and emerging technologies to happen but now these developments are measured in months.

Change management usually involves one of three different kinds of thing, or a combination of them which are a program, specific actions to be taken by an individual or a group and a set if skills associated with these actions (Griffith, 2002). According to Etorre (1999), even though the experts say that change management

should be logical in its approach and marked by communication across the organization, real-world change management is usually a messy, trial-and-error affair.

There are many early studies in management and organizational behavior which dealt with efforts aimed at technological change but less emphasis was placed on change management with regards to people which is the most difficult category of change to handle. Competitive factors or innovations within an industry often require change agents to introduce new equipment, tools or operating method (Robbins & Millett, 1994).

The desperate call-to-arms, "change or die", which can be heard echoing down the corridors of businesses everywhere, is ample evidence that leaders have recognized the need to change (Youngblood, 1997). Managers are beginning to understand that they cannot simply delegate the work of managing change to others (Etorre, 1999). They must become instruments of change themselves, inspiring the troops and becoming deeply involved in the effort. As the rate of change has grown exponentially, managers must be change experts.

It is almost an uphill task to execute an effective change especially with the wave of change that takes place almost everyday. Keeping up with the rest of the world becomes a challenge itself, and maintaining status quo in the way business is done may not be an option to companies that seek outstanding achievements.

In view of this, an organization is required to adapt itself to being flexible on responding and managing change effectively so as to ensure it sustains its competitive edge and continue to be ahead in the market. As Malaysia competes with other countries to establish itself in the eyes of the world, it is critical that companies here are able to respond to changes effectively given the increasingly complex

environment whereby a borderless world is becoming more apparent each day with the daily large amount of bilateral trade.

Ideally managers are expected to constantly creating new programs, evaluate improved courses of action, and identify new opportunities in their organizations' environments to increase effectiveness, gain market share, and maximize shareholders' profit. These activities involve changes which must be effectively made to meet the ultimate goal of a sterling performance of the company. The pace of change has become so rapid today that it is difficult to adjust or compensate for one change before another is necessary.

In a study on acceptance to change on human resource (HR) management, Kossek (1989) stated that acceptance of HR innovation is the extent to which an employee possesses favorable attitudes toward an innovation. Likewise in an organization setting, an effective change would happen if the employee has accepted the change in good light. This would encompass involving individuals in decision making, especially in redesigning of job scope and compensation packages as it would directly impact the employees.

Attitude toward change in general consists of a person's cognitions about change, affective reactions to change, and behavioral tendency towards change (Dunham, Grube, Gardner & Pierce, 1989). Among the reasons that people accept or welcome change are because they expect more favorable working conditions, opportunities for growth, think the change will provide new challenges and lessen boredom, and have positive feelings about the organization or their jobs (Kirkpatrick, 1993). Changes involving reductions in job variety are likely to be evaluated negatively by change recipients, but on the other hand changes not effecting or

leading to an increase in job variety will lead to a neutral or positive evaluation of change (Lines, 2004).

Several authors have tried to provide guidelines on the principles and practices underlying the successful management of organization change (Abraham, Crawford & Fisher, 1998). Nadler (1981) distinguished between changes that are incremental and which focus only on specific subsystems of the organization and changes which are strategic. He found that effective change must be supported by appropriate resources and added that since major transitions involve potentially large risks for organizations, it was worth providing the resources to make the change happen effectively.

Effective communication also contributes to effectiveness of change for all phases, especially when one is to guide change through the complexities of the transition stage of change (Abraham et al, 1998). Stace and Dunphy (1994) advocated that leaders should generate new vision to guide the organization to a viable future through effective communication that would eventually be translated into the concrete actions of the members of the organization. According to Sathe (1985), managers also need to devise various forms of cultural communications, memos, slogans as well as implicit communications such as logos and metaphors to manage and implement change effectively.

Hackman, Oldham, Janson and Purdy (1975) emphasized the importance of recognition and feedback to employees in order to produce high satisfaction and high quality work performance. It was recognized that the empowerment of subordinates as well as reward for good behavior was an effective organizational practice.

Research by Dunphy and Stace (1990) showed that participation by employees in change programs were effective in bringing about change in different circumstances. Here, participation referred to the effective approach when both

managers and employees were motivated to support the changes needed to bring the organization into fit. They distinguished between two kinds of participative leadership which were collaborative and consultative. The former shared power between managers and employees to influence the goals and means of change, while the latter placed power more firmly in the hands of the managers but involved managers consulting widely among employees.

In Abraham et al. (1998) research, it was reported that the key factor in effectiveness of cultural change and improved productivity in implementing total quality management was management support. Management support was paramount in achieving successful conversion to a quality culture and leaders must act in ways congruent with the message contained in the vision. Furthermore, their research also found that participation was an effective approach to change whereby both managers and employees were motivated to support the organizational change. However, they also highlighted that if there were significant resistance from key stakeholders and management, more coercive approaches might be needed to ensure a critical mass support for the change.

One of the ways to find out whether an effective change has happened is through performance measurement. Performance measurement has three roles which are to identify the expected contribution (e.g. higher quality decision making, faster cycle time), to assess whether the realized performance levels are contributing to the primary objectives and to identify opportunities for reengineering activities (Atkinson & Waterhouse, 1997).

Performance ratings must be based on a systematic job analysis, and should be behaviorally based in order to meet technical standards and legal precedents (Nathan and Cascio, 1986). An objective performance measure requires objective criteria such

as production and quality indices which measure results instead of behaviors (Hoffman, Nathan & Holden, 1991).

Organizational commitment and job satisfaction, in particular, plays a vital role in an employee's acceptance of change (Iverson, 1996; Lau & Woodman, 1995; Cordery, Sevastos, Mueller & Parker, 1993). Becker, Billings, Eveleth & Gilbert (1996) found that certain forms of commitment are related to performance in a predictable and meaningful ways.

Commitment to organization is positively related to such desirable outcomes as job satisfaction (Bateman & Stasser, 1984; Mowday, Porter & Steers, 1982). Job satisfaction is defined as the extent to which an employee feels positively or negatively towards his/her job (Locke, 1976 ; Odom, Randy & Dunn, 1990).

Job satisfaction has a positive relationship towards change as those who are satisfied with various facets of their jobs are likely to be more willing to accept change (Yousef, 1999). Howard and Frink (1996) reported that organizational changes influence worker satisfaction. Gardner et al. (1987) observed significant interactions between satisfaction and job change. A job change could be a result of a change that has taken place in an organization.

Change has become a source of frustration for today's organization (Yousef, 1999). Change management fails sometimes and there are many reasons for it to happen. Failed change efforts are commonly blamed on inadequate change management competence, which in turn drives the search for, and selection of, change management solutions (Griffith, 2002). Change programs also often fail because of poor management which includes poor planning, monitoring, control, lack of resources and know-how, and incompatible corporate and policies (Gill, 2003).

In their research on change management in Singapore's local small and medium enterprises, Tan and Tan (2005) found that adaptability, flexibility and optimism were consistently correlated with the organizations' ability to cope with changes. On the other hand, Gill (2003) advocated effective leadership to be the main source of successful change management. While change must be well managed, it also requires effective leadership to introduce change successfully and that is when leadership makes the difference. Whitmore (2004) shared the same opinion whereby he believed that leadership must change accordingly to retain the goodwill and enhance the performance of the business in a fast changing world.

Although Tan and Tan's (2005) research did not directly emphasize the importance of leadership, the factors associated with effective change identified implied the need to have some kind of leadership to guide the organization and its employees to adapt to changes successfully, to put in place plans for organization flexibility and to create optimistic outlook for everyone. As such this study will focus on leadership style as the main factor associated with effectiveness of change.

2.3   Leadership Style

Leaders, like parent figures, model action among employees and therefore, leading by example necessitates leaders becoming role models that emphasize managerial values critical to the change process (Abraham et al.,1998). The role of leadership is central and an absolutely critical condition for success (Nadler & Tushman, 1991).

What really separates the best performers from the rest was how people worked together, how decisions were made and how leadership was practiced (Lublin, 1993). In general, there are leaders who practice laissez-faire styles who allow

employees to figure out their own solutions and those at the other extreme end who are authoritative and dictate employees' every move.

There have been many researches done on leadership style, and some have even ventured into a narrower scope such as a culture-impact leadership style as well as an organization-type leadership style. Definitions vary in terms of emphasis on leader abilities, personality traits, influence relationships, cognitive versus emotional orientation, individual versus group orientation, and appeal to self versus collective interests (Pasa, Kabasakal & Bodur, 2001).

One of the theories on leadership style was the path goal theory of leader effectiveness which explained mainly the difference between leader initiating structure and leader consideration. The former described the degree to which the leader initiated psychological structure for subordinates (House, 1971). The latter described the degree to which the leader created a supportive environment of psychological support, warmth, friendliness and helpfulness (House, 1971). Findings of previous research by House (1971) showed that among high-occupational groups, leader initiating structure was generally positively related to subordinate satisfaction and performance but negatively correlated to subordinate role ambiguity.

The appropriateness of leadership style is even more important in managing change effectively when viewed from the expectancy theory of motivation standpoint. The central concept of expectancy theories is that the force of an individual to engage in a specific behavior is a function of his expectations that the behavior will result in a specific outcome and the sum of the valences, that is, personal utilities or satisfactions that he derives from the outcome (House, 1971). Galbraith and Cummings (1967) pointed out that some of the valences associated with a specific behavior are intrinsic to the behavior itself and some are the extrinsic consequences of that behavior.

Therefore, according to this theory of motivation, an individual chooses the behaviors he engages in on the basis of the valences he perceives to be associated with the outcomes of the behavior under consideration and his subjective estimate of the probability that his behavior will indeed result in the outcomes (House, 1971). A leader needs to be aware of this and to ensure the behaviors chosen by the employees do not become a hindrance to the effectiveness of change management.

Kouzes and Pozner (1990) who conducted surveys of more than 7,500 managers from a range of private and public organizations indicated that there are several crucial attribute, such as the leader's display of trust and ability to inspire, that people expect leaders to demonstrate if they are to enlist others in common cause and gain commitment to the actions required to thrive in the 1990s (Abraham et al., 1998). According to Gill (1998) who conducted a cross cultural comparison of leadership behavior of managers in various regions (US, UK and Southeast Asia), he found Southeast Asian managers to be more directive, delegate lesser, more transactional and more laissez-faire in terms of leadership behavior than were the US and UK managers (Ansari et al., 2004).

It is generally agreed that the effectiveness of a leadership style in a work organization is contingent on task characteristics and the nature of the leader-subordinate relationship (Sinha, 1984). The nurturant-task style of leadership was developed in India as a result of 25 years of research (Ansari et al, 2004). The nurturant-task model states that an effective leader is one who helps his subordinates to mature and take on responsibilities towards the achievement of a goal.

According to Sinha (1984), a nurturant leader "cares for his subordinates, shows affection, takes personal interest in their well-being, and above all is committed to their growth". He makes his nurturance contingent on the subordinate's task

accomplishment. Those who meet his expectations are reinforced by nurturance. The progression from a nurturant-task to participative style is a gradual and interactive process. In certain instances the process can become regressive. A nurturant-task leader who continues to assist on close supervision which matured subordinates may not need anymore may unintentionally regress toward authoritarian style.

Although Sinha's (1984) findings leaned towards nurturant-task leaders as being the most suitable one for an organization, there have also been cases of failures whereby in a number of studies, the nurturant task style did not lead to greater effectiveness of subordinates.

In the Malaysian context however, not much is empirically known about the country's leadership (Ansari et al., 2004). Little has been done to study the type of leadership that's suitable or effective to guide organizations undergo the growth and modernization that it is subjected to due to its high interaction in the global business, especially in the Asia region which is experiencing exponential market growth.

In a multi-racial country like Malaysia, it would not be surprising to find that more than one leadership style exists as there are significant differences in the cultural attributes of each ethnic group (Kennedy & Mansor, 2000; Poon, 1998). Maintaining relationship is much more important (Abdullah, 1994) than performing a task in the Malaysian culture. As such one could conclude that a leadership style that emphasizes more on relationship is preferred here. Relationships are basically contractual in the West, whereas relationships are personalized in Malaysia (Ansari et al., 2004). This is not something unique in Malaysia only because generally in the Asian culture, much importance is placed on building up a relationship at a personal level. Mansor and Kennedy (2000) found that Malaysian managers rated the dimensions of decisiveness, team integration, diplomacy, modesty, humane orientation, and autonomy as being

more important contributors to effective leadership than did managers in most other countries.

Ansari et al. (2004) found that there were various research results with regard to leadership style in Malaysia. For instance, Gill (1998) suggests that Malaysian managers are more directive, less delegating and more transactional but Govindan (2000) found that the preferred styles of Malaysians are participative and consultative.

Ansari et al. (2004) proposed the nurturant-task leadership style as a model to suit the Malaysian leadership culture instead of either autocratic or completely participative. According to their study, the nurturant-task leader helps his or her subordinates grow up, mature, and assume greater responsibility. Once that happens, the leader is pressured to shift to the participative style. From this perspective, one can consider the nurturant-task leadership style to be a forerunner of the participative style in the reciprocal influence processes between a leader and his or her subordinates.

2.4   Resistance

Successful adaptation to change can be moderated by several factors such as stakeholder alignment including individuals and teams, smooth knowledge transfer and good communications (Gill, 2003; Martin, Quigley & Rogers, 2005). Tan and Tan (2005) also suggested that openness to change may be linked to an organization's transition from status quo to that of a successful adaptation to change but she cautioned that it is not a common phenomenon.

Openness to change rarely happens especially when one thinks about the human nature whereby many people are resistant to change and it is not very different today than how things were ten, twenty or thirty years ago. One of the most difficult challenges facing leaders today would probably be making sure that people in the

organization can adapt to change, and to do that the leaders need to be visionary to plan for where the organization is currently placed in the market and where it should be in the future.

Zander (1950) defined resistance to change as : "Behavior, which is intended to protect an individual from the effects of real or imagined change" . Folger and Skarlicki (1999) found resistance to be "Employee behavior that seeks to challenge, disrupt or invert prevailing assumptions, discourses and power relations".

Resistance towards change often happens for various reasons and one of them could be due to the individual himself (Ludeman & Erlandson, 2003). Employees resist change because they feel threatened, particularly when they see change as imposing hardship or loss (Folger and Skarlicki, 1999) Resistance to organizational change may result from one or a combination of factors such as substantive change in job, reduction in economic security, psychological threats, and disruptions of social arrangements and lowering of status (Dawson, 1994). Kirkpatrick (1993) listed a number of reasons that people resist or resent change, namely because they fear losing their jobs, don't see the need for change, don't understand the reasons for the change, weren't consulted or personally informed about the change and have negative feelings about the organization or their jobs.

Sometimes it is unavoidable for employees to have negative feelings towards change especially when it could mean that the management is consolidating work from two persons to one person or dispositioning employees from relatively high labor cost countries to one which has low labor cost to do the same job. Changes for which the main objective is to reduce costs are assumed to be evaluated more negatively by recipients than changes more oriented towards business development (Lines, 2004).

Valley and Thompson (1998) explored and made a distinction between resistance due to attitudes towards the change itself, and due to the extent to which a person's job includes new task demands after the change. Vroom (1964), in the expectancy theory, said that based upon perceptions, attitudes and beliefs, people consciously choose courses of action as a consequence of their desires to enhance pleasure and avoid pain.

Employee resistance can be a significant deterrent to effective organizational change (Cummings & Worley, 1997). Resistance from employees as a result of rejection of change can be crippling to an organization which operates in today's business environment that is exposed to frequent change daily. Organizational change can generate skepticism and resistance in employees, making it sometimes difficult or impossible to implement organizational improvements (Folger & Skarlicki, 1999).

Kirkpatrick (1993) suggested that managers should empathize with subordinates by putting themselves in subordinates' shoes. Before introducing change, managers should try to assess how subordinate might react. This is not applicable only in an organization but also in daily individual's life. The reason for doing this is that the managers will then know better whether the change is good or bad from the subordinate's perspective. By doing the right thing as perceived by the subordinate, the employees would approve of the change and this would avoid problems in implementation.

Responses to unfairness appear particularly acute when organizations change (Cobb, Wooten & Folger, 1995). A common reason for resistance towards change by an individual is due to non alignment of the organization's goal compared to the individual's goal.

Oreg (2003) designed a Resistance to Change Scale to measure an individual's dispositional inclination to resist changes. According to him, resistance to change would be a multidimensional disposition that comprises behavioral, cognitive and affective components.

In the past, resistance to change has focused on situational antecedents and it is only recently that there were studies that begun to explore concepts that are related to resistance to change from an individual difference perspective. Elizur and Guttman (1976) classified individuals or groups' response to the introduction of organizational change into three types. Affective responses are a greater or lesser feeling of being linked to, satisfied with, or anxious about change. Cognitive responses are the opinions one has about the advantages and disadvantages, usefulness, and necessity, and about the knowledge required to handle the change. Instrumental responses are the actions already taken or which will be taken in the future for or against the change.

Individual's resistance level can lead to different levels of acceptance of change through its influence of the behavioral, cognitive and affective conditions. The expenditure of an individual's effort is determined by expectations that an outcome may be attained and the degree of value placed on the outcome in the person's mind (Porter & Lawler, 1968). As such, a person's attitude towards change and subsequent behavior stem from a process by which the perceived outcomes of a change are compared with the individual's goals and values (Lines, 2004).

2.5   Summary of Literature Review

Change is simply unavoidable and effective change management is desired by all organizations. An effective change management can be evaluated through

performance measures. There are many contributing factors to an effective change management and leadership style is one of them. Leaders, who are at the helm of any change, are responsible to role-model and manage the employees as they embrace the changes that take place. Nurturant-task leadership is deemed to be the leadership style prevalent in Malaysia and it is a forerunner to the participative leadership style. Resistance towards the unknown such as change is normal and experienced by all employees. The different level of resistance within each individual may determine the effectiveness of change as influenced by the leadership style.

2.6   Theoretical Framework

2.6.1 Gap in the Previous Literature

This study is based on previous literature which sets the stage for the framework. The literature suggested that effective change management is contingent on many factors and of which is the leadership style. Acceptance to change is reflected in performance and job satisfaction. Acceptance to change is also implied to be affected by the individual's affective, cognitive and behavioral responses. Furthermore, the type of leadership which seems to be suitable for organizations in Malaysia is the nurturant-task type of leadership.

As these literatures were carried out separately and individually, there have not been previously reported studies of the relationship among leadership style, individual's resistance level and effective change management.

Due to the gap that exists to investigate the relationships among the three factors, this study attempts to address the knowledge gap related to effective change management by focusing on the leadership style and the impact of individual's resistance towards change.

2.6.2 Justification of the Framework

Most modern industrial societies value the person who is willing and able to initiate and respond positively to change, and yet organizations that attempt to initiate such changes are often stymied by individuals or groups within the organization who resist the changes (Oreg, 2003). As leaders are undeniably at the forefront of changes that take place in an organization, it is then of interest to this study to explore the relationships between the kinds of leadership style that is more suitable to manage an organization change effectively while taking into account the impact of the individual's resistance level on that relationship.

Based on the review of the literature, following research model was proposed (see Figure 2.1).
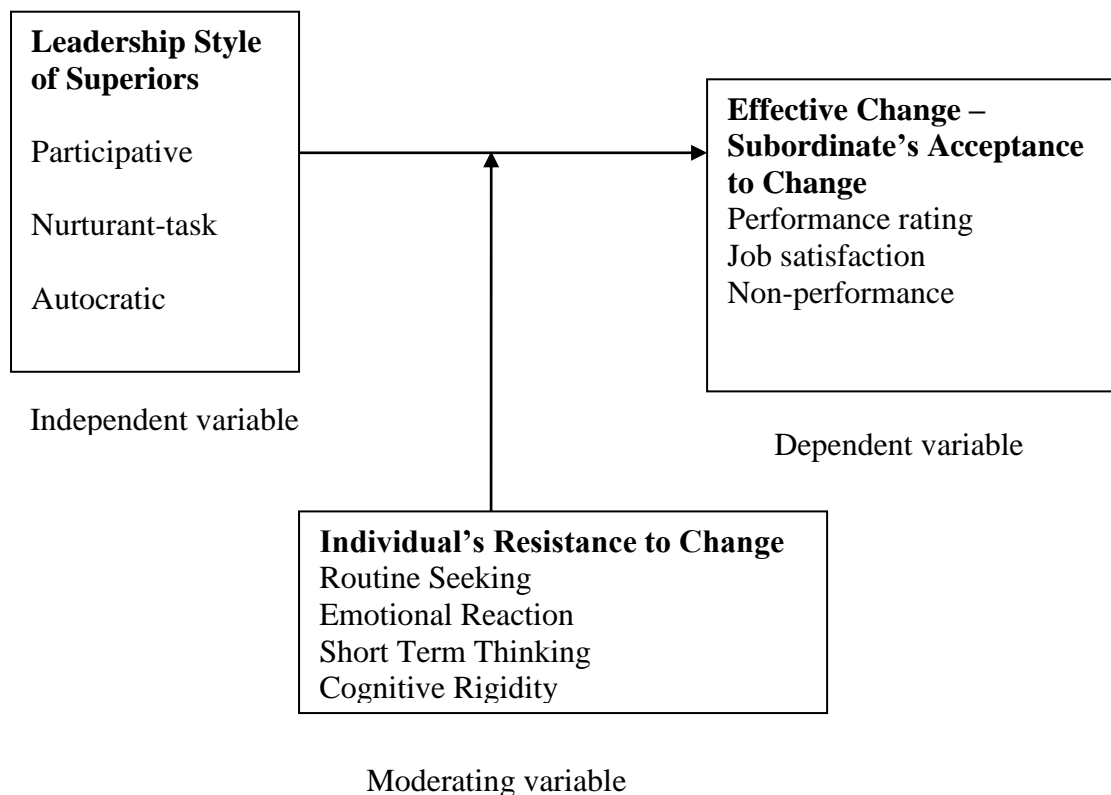

Figure 2.1. Theoretical framework

2.6.3 Development of Hypotheses

While change must be well managed, it also requires effective leadership to be successfully introduced. In his classic statements on management and leadership, Kotter (1990) stated that management produces orderly results which keep something working efficiently but leadership creates useful change.

Measurement of change is important for improvement because it focuses attention on essential factors, shows how resources are used and provides means of knowing whether one is winning of losing among other benefits (Harrington, 1991). This study also intends to understand the effectiveness of change through the evaluation of performance rating, job satisfaction and non performance indicators by the supervisor/manager on the subordinate.

Sinha (1984) studied the effectiveness of leadership style in a work organization and advocated that the nurturant task style is the one which is most likely to be received well in India. Ansari et al (2004) proposed a transitional model of leadership, nurturant-task leadership, that is based on the watch-and-win principle, in the context of Malaysia. Participative and nurturant-task style of leadership are generally thought of to be better accepted by subordinates and vice versa for autocratic leadership style.

It is very clear from the literature review that leadership style is a key factor associated with effective change management and hence, it is hypothesized that :

H1:   *Leadership style significantly predicts the effectiveness of change management*

H1a: *Participative style is positively related to performance rating.*

H1b: *Participative style is positively related to job satisfaction*

H1c: *Participative style is negatively related to non-performance*

H1d: *Nurturant-task style is positively related to performance rating.*