

## **Business Administration and Business Economics**

### **The Influence of the Leadership Style on the Resistance to Change Phenomenon in Romanian Organizations**

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**Abstract:** In this article we examine the influence of the leadership style on the resistance to change phenomenon, as well as how the degree of resistance to change differs in private organizations versus public ones. After analyzing the literature and conducting a survey in Romanian organizations we have concluded that the leadership style adopted by a top manager has an important impact on employees resistance to change. The research was designed to inform practitioners, researchers, managers and other interested persons about the influence of the leadership style on the resistance to change phenomenon, as well as how the phenomenon is manifested in different types of organizations. The main contribution of this paper is that in order to benefit of a lower degree of resistance to change from employees, the participative leadership style is recommended to be applied.

**Keywords:** resistance to change; leadership style; public organization; private organization

**JEL Classification:** O30; O39

#### **1. Introduction**

This paper aims to investigate the resistance to change phenomenon in the Romanian organizations, the objectives of the article being: first, to identify the degree of resistance to change shown by top managers versus operational officers, second, to identify the degree of resistance to change in private organizations versus public ones, third, to identify the dominant leadership style in the Romanian organizations, and last, to determine what effect has the adopted leadership style on the resistance to change phenomenon.

To reach our objectives, we have conducted a survey on 232 employees, 112 being top managers and 120 operational officers. Survey administration and data collection, both on paper and electronically, was conducted between February 25 to March 30, 2013. The acceptance rate of responses was 80.55%. As stated by

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Edwards et al. (1997), “there is no accepted criterion for responses to surveys, but in general, the rate of 50% or more is considered to be satisfactory”.

## 2. Literature Review

Resistance is a natural reaction of people, regardless of the impact that change will have. The biggest problem is not the change itself, but the inability of leaders responsible with implementing the change to anticipate and respond promptly to employees resistance to change. Goetsch and Davis (2006) refer to the fact that “the ability to manage resistance and smoothly implement change in order to meet the challenges of the environment is essential for organizational survival”.

According to Kanter et al. (1992) and Bennebroek Gravenhorst (2003, p. 6), all members of an organization manifest resistance to change, except executive managers. The authors found that when executive managers try to implement a new change, middle managers and operational officers always meet their decisions with resistance to change.

Although there is sufficient evidence to support the above mentioned statement, Smith (1982) and Spreitzer and Quinn (in Dent and Galloway, 1999, p. 26) disagree, bringing solid arguments. Smith indicates that top managers and all those who have some power in the organization usually are reluctant to new implementations. They prefer to maintain the status quo at the expense of more radical changes. In support of this idea, Spreitzer and Quinn, who conducted a study over 3000 managers in Ford Company and found that those who usually want new changes are middle and lower level managers, while top managers are often the ones who oppose to new ideas.

Resistance to change from employees part is greatly influenced by the leadership style adopted by the top manager, which represents the manner in which the manager will influence in future its subordinates.

The best known classification of the leadership styles is the one proposed by Lewin (1939), who classified the styles in: authoritarian, democratic and permissive (*laissez-faire*). Two leadership styles are most commonly encountered in Romanian organizations, these being: authoritarian style, which is results oriented and participative style, oriented towards human relationships.

*The authoritarian leadership style* represents the classic approach according to which the manager is the one who has both power and authority to make decisions. Once the decision is made, it is communicated to the subordinates without the possibility of the last ones to express their views. An important feature of this style is that both employee motivation and influence is made either through a reward or a punishment. As a result of multiple researches, it was found that organizations

that have many authoritarian leaders record both a very high turnover, as well as a high degree of absenteeism from employees part (Ispas, 2012).

Authors like Muczyk and Reimann (1987), Yukle (1989) and Bass (1981) state that this style is task-oriented, with a convincingly and manipulative character (in Clark et al., 2009, p. 212). Depending on employee attitudes, the adoption of this style can be beneficial or less beneficial. It is not recommended for top managers to adopt an authoritative leadership style when employees feel stressed, have an increased dependency towards the manager, are unable to generate creative ideas, as well as in those situations when employees want to be actively involved in the organizational change process.

On the other hand, the adoption of this style can be beneficial in those situations when new staff is hired, the new employees not being familiar with the working procedures and not having sufficient knowledge to carry out their activities, in those situations when the time to take a decision is limited, as well as when a change is urgent and employees do not have sufficient experience to make decisions (Zlate, 2004, pp. 101-137).

*The participative leadership style*, which is also called *democratic*, is characterized by employee involvement in decision making, encouraging employees to express their opinions and make contributions that might help improve the change process. The authors Clark et al. (2009, p. 213) state that employees who work with a manager that adopts a participative leadership style tend to be more engaged, committed and loyal than those who work with an authoritarian manager.

Employee empowerment and support are the basic characteristics of this leadership style, an important emphasis being put on teamwork and employees freedom to make decisions. However, there are situations in which the adoption of this management style is not recommended, these situations being: the management of the organization does not have sufficient time to learn about employees views, the manager feels threatened by employee involvement or in those cases when no mistakes or delays are admitted (Zlate, 2004, pp. 101-137).

Comparing the two leadership styles, we can conclude that resistance to change will be much higher when the manager will adopt an authoritarian leadership style, characteristic to a collectivist culture, than when the manager will adopt a participative leadership style, specific to an individualistic culture.

Reviewing the literature, I found that to successfully implement an organizational change process it is not recommended to use only one leadership style, but a combination them, corresponding to each situation. Of course, each manager will adopt the style that characterizes him better and which he considers to be more appropriate to each situation. As Robert Tannenbaum and Warren Schmidt stated

in the article “How to choose a leadership pattern” published by Harvard Business Review in 1957, “the leadership style is manager’s option”.

### **3. Method**

The aim of this study was to inform practitioners, managers, researchers and other interested persons about the resistance to change phenomenon, through the above mentioned objectives. Research was conducted between February 25 to March 30, 2013, data being collected through a questionnaire.

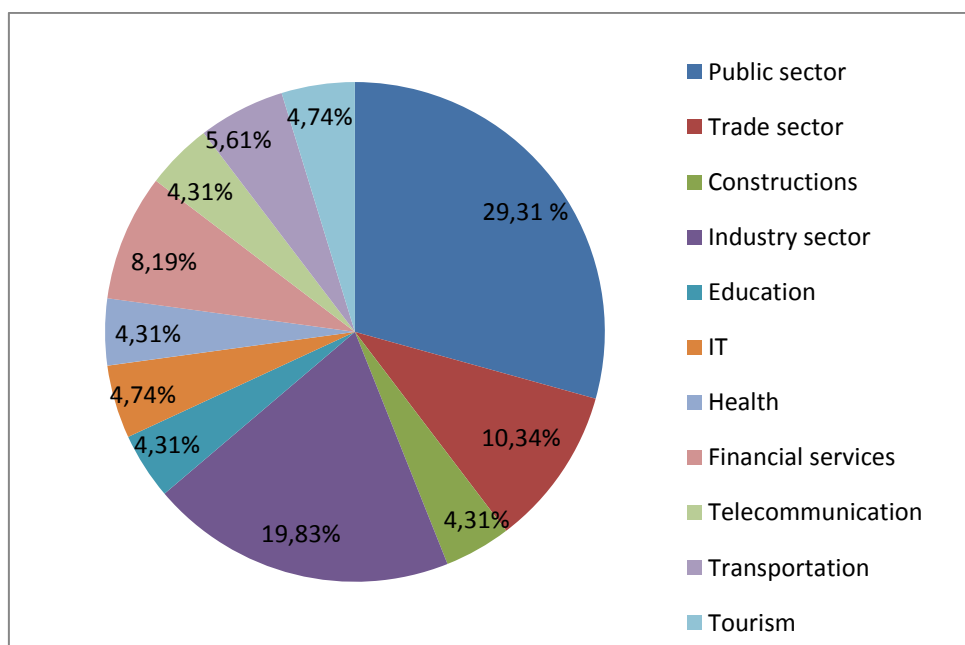
The participating organizations were both from a private and public sector, the survey including 232 employees, from which 112 were top managers and 120 were operational officers. The acceptance rate of responses was 80.55%. As stated by Edwards et al. (1997), “there is no accepted criterion for responses to surveys, but in general, the rate of 50% or more is considered to be satisfactory”.

The respondents who participated in the study were from various parts of the country, however, most responses were received from employees in Bucharest, the western and eastern parts of the country.

### **4. Results**

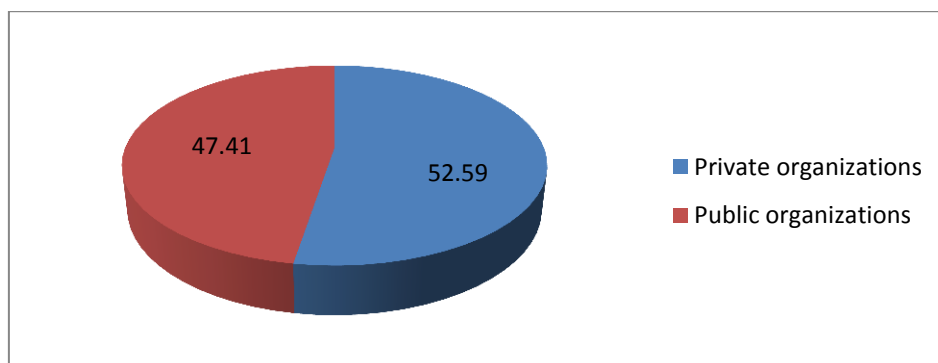
#### **4.1. Descriptive Analysis**

As the participants to the study worked in organizations with different fields of activity, we began our research with a classification of the responses according to the field of activity. 11 fields of activity were identified, the largest share being held by organizations in the public sector - 29.31%, followed by organizations in the industry sector - 19.83% and trade sector – 10.34% (Figure 1).



**Figure 1. Fields of Activity**

In order to achieve a deeper research of the resistance to change phenomenon, two types of organizations were considered: private and public.

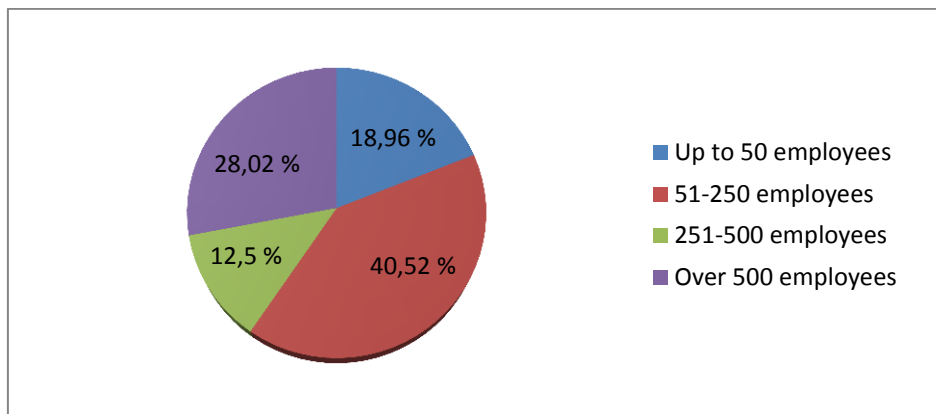


**Figure 2. Private Organizations versus Public Ones**

It can be easily seen in figure 2 that more than half of the respondents work in a private organization - 52.59%, but even so, the number of the respondents from the public sector is quite satisfactory, yielding a value of 47.41%.

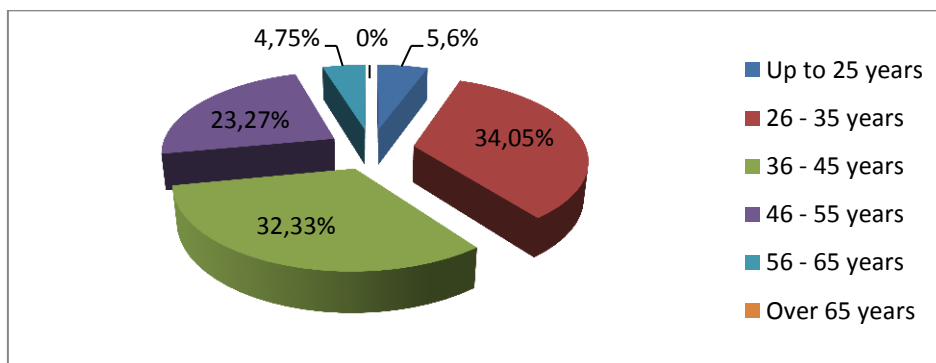
Analyzing the structure of the sample in relation to the size of the organization, we found that respondents come from organizations of different sizes. As it can be seen in figure 3, the most active respondents are from organizations with a number

of 51-250 employees, representing 40.52% of the sample and they are followed by employees of large companies with more than 500 employees, which represent 28.02%. On third and fourth place are situated employees from small organizations and those that have a number of 251-500 employees.



**Figure 3. Sample's Structure in Relation to Organization's Size**

The average age of the operational officers was 34 years old, while for top managers it was 44 years old. The most active respondents had an age between 26-35 years old, being followed by respondents with an age between 36-45 years old and 46-55 years old. Only 13 of the respondents had an age below 25 years old and no employee was aged 65 (Figure 4).



**Figure 4. Sample's Structure in Relation to Employees Age**

As respects employees' sex, 121 respondents were women and 111 were men. In the case of top managers more respondents were males, 54.5%, while in the case of operational officers, females were predominant, 58.3%.

## 4.2. Hypothesis Testing Results

*H1: Top managers manifest a lower degree of resistance to change than operational officers.*

**Table 1. Descriptive Analysis of the “Resistance to Change” Scale**

	Results top managers	Results operational officers
Mean	<b>1.8554</b>	<b>2.5649</b>
Standard deviation	.53841	.73087
Skewness	.427	.309
Skewness standard error	.228	.245
Kurtosis	-.256	.076
Kurtosis standard error	.453	.485
Minimum	1.00	1.00
Maximum	3.40	4.60

From the above table we see that the average score for top managers is 1.8554, while for operational officers it is 2.5649. We conclude that change is often encouraged by top managers and often accepted by operational officers. However, the difference between the means of the two groups of employees suggests that the degree of resistance to change is more pronounced in the case of operational officers compared to the case of top managers.

The hypothesis is accepted, top managers showing a lower degree of resistance to change than operational officers.

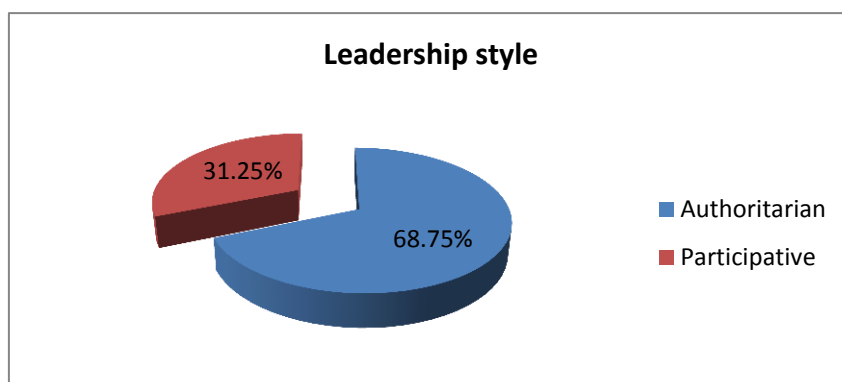
*H2: Resistance to change is lower in private organizations compared to public ones.*

The hypothesis is accepted, resistance to change from both parts, top managers and operational officers, being lower in private organizations than in public ones. Levene test results support the hypothesis that the difference between the degree of resistance to change is due to the type of organization. The results indicate choosing from SPSS the situation “Equal variances not assumed” and related to it, the following values for t test:  $t=-4.174$ ,  $p=0.000$  for top managers and  $t=-4.008$ ,  $p=0.000$  for operational officers. We consider this level acceptable and significant,  $p < 0.001$

*H3: Romanian managers adopt rather an authoritarian leadership style than a participative one.*

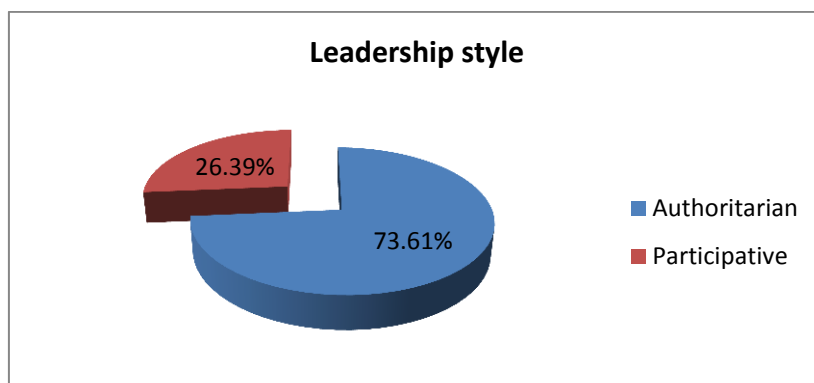
The hypothesis is accepted. Both from top managers part as well as from operational officers part, the dominant leadership style is the authoritarian one.

Analyzing top managers answers, we found that 68.75% of respondents apply more frequently an authoritarian leadership style, while 31.25% show a preference for applying the participative style.



**Figure 5. The Dominant Leadership Style According to Top Managers Responses**

In terms of operational officers, 73.61% of respondents perceive the style practiced by top managers as authoritarian, while 26.39% perceive it as a participative one. We conclude that the dominant leadership style in the Romanian organizations is the authoritarian style.



**Figure 6. The Dominant Leadership Style According to Operational Officers Responses**

*H4: The degree of resistance to change is more pronounced when top managers adopt an authoritarian leadership style.*

The hypothesis is accepted, the research results supporting the hypothesis being the following: Pearson coefficient  $r(112)=0.289$ ,  $p<0.5$  for top managers and  $r(120)=0.277$ ,  $p<0.5$  for operational officers.



At the same time we note that the degree of resistance to change is less pronounced in cases where top managers adopt a participative leadership style, the results being: Pearson coefficient  $r(112)=-0.069$ ,  $p=0.469$  for top managers and  $r(120)=0.079$ ,  $p=0.444$  for operational officers. According to the results, the degree of resistance to change is lower when top managers use a participative leadership style.

*H5: Managers from public organizations apply more frequently an authoritarian leadership style, while managers from private organizations tend to practice a participative style.*

The hypothesis is rejected, the obtained statistical results for both groups of respondents not supporting the original hypothesis. Applying the t test for top managers we obtained a  $t(112)=0.285$ ,  $p=0.776$ , respectively  $t(112)=-1.324$ ,  $p=0.188$ , and for operational officers a  $t(120)=-0.198$ ,  $p=0.843$ , respectively  $t(120)=-1.246$ ,  $p=0.215$ .

Correlations are not significant, which means that the average difference is due to chance for both categories of respondents and therefore we cannot state that the authoritarian leadership style is more frequently found in public organizations respectively, participative leadership style is more frequently found in private organizations.

## 5. Conclusions

Although change is often encouraged by top managers and frequently accepted by operational officers, the degree of resistance to change shown by top managers is lower compared to the one manifested by operational officers. Both categories of employees manifest resistance to change, the phenomenon being more pronounced in the case of the bottom line employees.

These results do not support Smith's (1982) and Spreitzer and Quinn's (in Dent and Galloway, 1999, p. 26) statement that "top managers and all those who have some power in the organization are usually reluctant to new implementations, preferring to maintain the status quo at the expense of more radical changes". But, to some extent, support the statement made by Kanter et al (1992) and Bennebroek Gravenhorst (2003), according to which "all members of the organization manifest resistance to change...", indicating that in this situation the executive managers are included in the category of those who manifest resistance to change.

Resistance to change is lower in private organizations than in public ones. This result confirms my initial expectation, employees from public organizations showing a higher degree of resistance to change. Due to the mechanistic organizational structure adopted by most public institutions and the limited

financial and technological resources that they have at their disposal, the resistance to change phenomenon is more pronounced than in private companies.

The dominant leadership style in the Romanian organizations is the authoritarian one, view shared by both top managers and operational officers. Analyzing the answers of top managers, we found that 68.75% of respondents applied more frequently the authoritarian leadership style, while 31.25% show a preference for applying the participative style. In terms of operational officers, 73.61% of respondents perceive the practiced style by top managers as authoritarian, while 26.39% perceive it as a participative one.

The resistance to change phenomenon is more pronounced in those cases where top managers adopt an authoritarian leadership style and lower when top managers adopt a participative leadership style. In order to benefit of a lower degree of resistance to change from employees, the participative leadership style is recommended to be used.

The leadership style practiced by top managers does not vary by the type of the organization. Although we initially assumed that the authoritarian style is more frequently found in public organizations versus private ones, respectively the participative style is more frequently found in the private organizations versus public ones, the assumptions were not supported, the correlations between the two scales being insignificant.

## 6. Acknowledgments

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