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THE COMMUNICATION DYNAMICS OF CEOs
AS CHANGE LEADERS IN THE CORPORATE WORLD

MASTER THESIS

by
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ABBREVIATIONS

CEO	:	Chief Executive Officer
GM	:	General Manager
OB	:	Organizational Behavior
OD	:	Organizational Developlement
TQM	:	Total Quality Management

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Université	:	**Université de Galatasaray**
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RESUME

LES DYNAMIQUES DE COMMUNICATION DES "CEO" COMME DES "LEADER" DE CHANGEMENT DANS UN CHAMP INSTITUTIONNEL

Saba Gamze Oral

Le monde global du XXIe siècle devient plus agité, complexe et compétitif jours après jours. Il semble que l'avenir deviendra plus difficile et compétitif pour les organisations. Le futur fait le signe que le nouveau type de dirigeants seront besoin d'obtenir les qualifications supérieurs pour pouvoir gérer le changement avec succès. La communication est une des compétences importantes pour gérer le changement organisationnel. L'objectif de cette thèse de la maîtrise est d'étudier les dynamiques communicationnelles des CEO comme les leaders de changement dans le monde d'entreprise, en Turquie, supposant que pendant un processus de changement, CEO utilise une langue exceptionnellement différentes.

Mots - Clés:	CEO (Chief Executive Officer), Leader de changement, Leader de Transformation, Diriger le Changement, Langage du Leader, Communication du Leader

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ABSTRACT

THE COMMUNICATION DYNAMICS OF CEOs AS CHANGE LEADERS IN THE CORPORATE WORLD

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The global world of the twenty-first century is becoming more turbulent, complex and competitive every other day. The future seems more challenging and competitive for organizations. The forthcoming times will require new kind of leaders who will be skilled with superior qualifications to manage change. Communication is one of the most important skills in managing the organizational change. The aim of this master's thesis is to study the communication dynamics of CEOs as change leaders in the corporate world, in Turkey, assuming that during a change process, CEOs use an exceptionally different language.

Key Words: CEO (Chief Executive Officer), Change Leader, Transformational Leader, Change Management, Leadership Language, Leadership Communication

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ÖZET

DEĞİŞİM LİDERİ OLARAK CEO'LARIN KURUMSAL DÜNYADAKİ İLETİŞİM DİNAMİKLERİ

Saba Gamze Oral

21yy'ın küresel dünyası gün geçtikçe daha karmaşık, çalkantılı ve rekabetçi hale gelmektedir. Gelecekte organizasyonlar rekabetin baskısını yoğun olarak hissedeceklerdir. 21yy, gelişen bu dünyanın yeni şartlarına ayak uydurabilen ve değişimi yönetmek için üstün yetenekleri olan liderlere ihtiyaç duymaktadır. İletişim değişim yönetiminde önemli olan yeteneklerin başında gelmektedir. . Bu Yüksek Lisans tezi değişim lideri olan Türk CEO'ların iletişim dinamiklerini ve kurumsal dünyada yer alan yöneticilerin değişim sürecinde her zamankinden farklı bir dil kullandıkları varsayımını incelemektedir.

Anahtar Kelimeler: CEO (Chief Executive Officer), Değişim Lideri, Değişim Yönetimi, Liderlik İletişimi, Liderlik Dili, Liderlik İletişimi

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RESUME

LES DYNAMIQUES DE COMMUNICATION DES "CEO"s COMME DES "LEADER" DE CHANGEMENT DANS UN CHAMP INSTITUTIONNEL

Durant le 21ème siècle, les effets de la mondialisation se sont faits de plus en plus manifestes dans les domaines sociaux, économiques et technologiques. La mondialisation n'est pas en réalité un phénomène tout nouveau. Dans son ouvrage "The World is Flat", Thomas Friedman a analysé la mondialisation en trois phases différentes en commençant par la découverte de l'Amérique jusqu'au millenium et il a défini une force motrice pour chaque phase. Selon lui, la force motrice de la mondialisation 1.0 est la mondialisation des pays, c'est-à-dire, le début de l'histoire des colonisations et les phases pendant lesquelles les pays s'enrichissent en ayant accès aux nouvelles ressources. La force motrice de la mondialisation 2.0 est la mondialisation des sociétés. Il s'agit là de la période d'industrialisation que l'on connait tous; c'est la période pendant laquelle les grandes institutions industrielles se sont apparues. Les ressources ont été utilisées pendant cette période dans la production et des structures industrielles sont apparues. La force motrice du siècle dans lequel l'on se trouve, est la nouvelle force que les individus acquièrent pour une collaboration et une compétitivité au niveau mondial.[1] A partir de l'année 2001, les développements rapides et les innovations dans les domaines sociaux, économiques et technologiques annonçaient le millenium comme un siècle de concurrence intense.

Dans son livre "Les 500 trends les plus efficaces", Patrick Dixon avait prévu que le troisième millénaire serait une ère rapide, où la technologie serait dominante, fondée sur les instincts, spirituelle et sensible à l'environnement. Dixon avançait que le monde allait balancer durant ce siècle entre différentes tendances comme une pendule; que chaque tendance allait avoir sa contre-tendance, que les incertitudes allaient augmenter ainsi que les effets des "èvènements joker", c'est-à-dire des èvènements non prévus ou non pris en compte, quand ils apparaitraient qui seraient également au-delà des prévisions. Selon l'auteur, dans un tel monde, la force motrice

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[1] T.L.Friedman, **Dünya Düzdür**, Boyner Yayınları, Istanbul, 1.Basım 2006, pp.1-55.

du changement serait d'assurer la durabilité, car les tendances existantes n'auraient pas cette caractéristique de durabilité. Les sociétés ayant une identité de "tribu (nation) forte" font plus de chiffre d'affaires avec la mondialisation au niveau international qu'au niveau national. Ainsi, les opérations mondiales seront de plus en plus diversifiées et les sociétés quitteront dans l'avenir leur identité nationale, elles s'interrogeront sur l'identité de ce que l'on appelle "nous" et elles vont s'efforcer d'acquérir l'image du citoyen du monde. Par conséquent, l'apparition de "super sociétés" qui vont former des puissances économiques unies et qui vont ainsi prendre en main les équilibres que seul l'Etat ne peuvent contrôler, est prévue, et il est même prévu que les super sociétés soient les concurrents de l'Etat.[2]

Dans leur livre "The Global Village" écrit en 1989, Marshall McLuhan et Bruce R.Powers expliquent le développement rapide de la mondialisation à travers la technologie; dans l'avenir les grandes nations, si elles existent encore dans des corps différents, vont être douloureusement informées des victoires et des peines des unes des autres, et des hommes technologiques vont apparaitre, la proximité physique sera remplacée par la proximité électronique, tout sera tout le temps en train de changer et menacera l'humanité. Selon les auteurs, "maintenant il n'existe plus de passagers, tout le monde est de l'équipage." [3]

Ce qui est commun à ces trois ordres d'idées, c'est qu'au 21ème siècle, le monde ne sera pas du tout comme avant. Les organisations doivent, pendant ce siècle de changements rapides, rester actuels pour assurer la durabilité et la croissance rentable. Dans ce contexte, la gestion du changement doit être la principale priorité des sociétés de nos jours. Le changement apportera aux organisations l'incertitude, et la résistance comme réaction à l'incertitude. De nombreuses organisations qui ont pour objectif la durabilité vont donner la responsabilité au leader et au dirigeant le plus haut placé dans la hiérarchie : le CEO (Chief Executive Officer) pour surmonter les problèmes rencontrés pendant le processus du changement. Dans le monde institutionnel d'aujourd'hui, nous pouvons dire que la principale qualité des CEO est la gestion du changement.

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[2] P.Dixon, **En Etkin 500 Trend**, Kilim Matbaası, İstanbul, 1.Baskı, 2007, pp. 276-286.
[3] Prof.Dr.Nurdoğan Rigel *et al*, **Kadife Karanlık: 21.yy İletişim Çağını Aydınlatan Kuramcılar**, Su Yayınevi, Istanbul, 2.Baskı, 2005, pp.17-49.

Le monde des affaires du 21ème siècle est poussé au changement par 8 forces motrices; ces dernières sont: la mondialisation et l'économie mondialisée, les technologies informatiques, les changements radicaux dans les milieux universels de travail, la croissance du pouvoir et de la demande des clients, la disponibilité de l'information et le pouvoir de ceux qui détiennent l'information, les nouveaux rôles et les nouvelles attentes des employés, les développements dans le domaine de bio-technologie, et enfin l'accélération du changement – "Le passage du monde de Newton au chaos du monde de quantum." [4]

Les développements rapides du 21ème siècle ont fait apparaitre le besoin de redéfinir le leadership. Les leaders de la nouvelle ère doivent avoir les caractéristiques suivantes: avoir une mentalité et des compétences globales/mondiales, être aussi bien un enseignant, un coach, un mentor et un élève exemplaire, être un intendant serviable, mais qui inspire en même temps la confiance, être capable de réfléchir de façon systématique et d'assurer la coordination dans le chaos, avoir des qualifications spirituelles et sensibilité aux questions éthiques, être capable de travailler de façon technologiquement intense, être innovateur et prendre des risques, avoir une vision et avoir des capacités de développement de vision. [5]

De nos jours, nous pouvons dire que les leaders du monde institutionnel doivent avoir les caractéristiques générales du leadership. Nous avons cependant émis dans ce travail de thèse l'hypothèse selon laquelle la caractéristique principale d'un leader dans le monde institutionnel du 21ème siècle, serait la capacité de pouvoir gérer le changement. Pour une bonne gestion du changement, les qualités de communication du leader le plus haut placé de l'organisation, qui est le CEO, sont primordiales. Une incertitude apparaitra, comme avec tout changement, le CEO devra les gérer comme un chef d'orchestre, et il devra assurer l'union et l'harmonie dans l'organisation. Le langage que le CEO utilise durant le processus du changement est un instrument très important qui maintiendra la motivation et l'énergie des employés à un très haut niveau. De même, le langage et les comportements que le CEO utilise doivent être se correspondre.

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[4] M.J.Marquardt, N.O.Berger, **Global Leaders fort the 21st Century**, State University of New York Press, NY, 2000, pp.1-17.
[5] Ibid

Ce travail de thèse cherche à savoir quelles dynamiques de communication sont développées durant le processus de changement par les CEO du monde organisationnel dont la compétence primordiale est le leadership du changement. Nous prenons l'hypothèse selon laquelle, les CEO utilisent un langage spécial durant le processus de changement. Nous avons réalisé des interviews afin de démontrer cette hypothèse, en face à face avec les CEO de sociétés qui ont vécu des processus de changement positifs et fructueux. Le contenu des interviews consiste en analyse de contenu avec une catégorisation du point de vue. Les variantes qui ressortent de cette analyse ont été comparées à celles qui ressortent de nos recherches bibliographiques. Nous avons voulu savoir à l'issue de ces comparaisons, si les CEO utilisent ou non un langage spécial durant le processus de gestion du changement.

Nous avons veillé à ce que le titre des personnes interviewées soit CEO ou bien Directeur Général; nous avons choisi le dirigeant le plus haut placé de l'organisation. Nous avons interviewé 7 CEO dans le cadre de notre recherche.

Nous avons réalisé des interviews en face à face avec chaque dirigeant. Nous avons pris des notes et nous avons également enregistré les propos durant les interviews. Nous avons par la suite déchiffré ces enregistrements, avant de passer en revue les nouvelles apparues dans la presse sur la personne interviewée, et ses déclarations concernant la gestion du changement et/ou la communication ont été intégrées à l'analyse.

Il faut que les conditions suivantes soient réunies[6] selon nos recherches, pour qu'une gestion du changement ait du succès :

1. Motiver le changement : préparer les employés de l'organisation au changement et minimiser ainsi le niveau de résistance,

2. Créer une vision: CEO doit pouvoir dessiner l'avenir et faire en sorte que cette image de l'avenir soit visible aux yeux de ses employés,

3. Avoir un soutien politique: avoir l'appui non seulement des employés de l'organisation mais aussi des actionnaires, ainsi que des clients,

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[6] T. G. Cummings, C.G. Worley, "**Organization Development and Change**", South-Western College Publishing, Ohio, Seventh Edition, 2001, p. 155.

4.   Gestion du processus de transition: il faut que le planning soit fait correctement dès le départ pour une bonne gestion du changement, et il faut aussi faire en sorte que les employés restent fidèles à ce planning,

5.   La durabilité du changement: pour assurer la durabilité du changement, il faut bien analyser l'équilibre des ressources, il faut informer constamment les Leaders du Projet Changement ("Change Agents") qui doivent agir pendant l'exécution du changement et il faut également bien analyser les compétences des uns et des autres.

Le CEO doit utiliser une stratégie de communication efficace pour réunir toutes ces conditions. Dans ce sens, le langage que le CEO utilise pour inspirer ses employés, assurer la confiance et minimiser le niveau de résistance, et son attitude qui appuie ce langage sont extrêmement importants.

Les CEO ont mis l'accent durant les interviews, sur le fait que les mots utilisés et l'attitude (le comportement) du leader devaient être en harmonie. La transparence, l'explication des raisons du changement et le fait de se figurer la vision sont des points importants selon eux. Ainsi, il conviendrait que les leaders du futur dans le monde institutionnel maitrisent totalement la technologie et qu'ils soient des leaders qui suivent l'avenir de près.

Nous avons remarqué durant les interviews, que les CEO utilisent certains mots en décrivant une bonne gestion du changement et qu'il s'agit souvent des mêmes mots: comme par exemple la transparence, la clarté, la motivation, l'innovation, la nouveauté.

Nous avons finalement, voulu savoir avec ce travail si les CEO appliquent une autre stratégie de communication durant le processus de changement et s'ils utilisent un autre langage ou non. Selon les informations obtenues à l'issue des interviews réalisés, nous avons vu que les CEO qui sont des gestionnaires du changement utilisent un langage évident et commun.

SUMMARY

THE COMMUNICATION DYNAMICS OF CEOs AS CHANGE LEADERS IN THE CORPORATE WORLD

In the 21st century, the impact of globalization has increasingly been felt socially, technologically, and economically. In fact, globalization is not a new phenomenon. Thomas Friedman, in his book, *The World is Flat*, analyzes globalization in three stages, beginning with the discovery of America until the end of a millennium, and assigns one driving force for each stage. Accordingly, globalized countries make up the driving force of Globalization 1.0 with the advent of colonialism as countries grew richer by discovering new resources. Consequently, globalized companies became the impulsive force of Globalization 2.0, a period we call the Industrial Revolution, with many industrial organizations emerging, evolving, and developing through the production of resources, thereupon initiating mass production. As a result, this century's driving force is defined as cooperation on a global scale as various entities competitively seize power juxtaposed against each other. From the year 2001, rapid developments and innovations socially, economically, and technologically indicate a millennium comprising centuries of fierce competition.

In his book, *The Most Effective 500 Trends*, Patrick Dixon predicts that the third millennium will reflect an era of highly advanced technology along with spirituality, possessing strong environmental instincts and awareness. Dixon argues that the world will oscillate between various trends, much like a pendulum, and that for every trend a counter trend and "*joker events*" will emerge. In consequence, when unpredictable or uncharted events arise, their effects will loom much larger than foreseen. He adds that such a world will also bring about uncertainty; therefore, the driving force of change will seek to ensure stability since the current trends lack the requisite characteristics of continuity. Along with globalization, domestic companies identified as "*tribe (nation) strong*" will encounter more turnover in their international operations as opposed to their domestic operations. In fact, as their

global operations diversify even more and more, the companies will forego their national identities and mull over a new identity called "us" as they endeavor to acquire a new image: a citizen of the world.[1]

In their book, *The Global Village*, Marshall McLuhan and Bruce Powers, showing great insight, explain globalization's rapid development by associating it with technology, saying that all nations in the future, if they continue to exist as separate entities, will be cognizant of each other's victories as well as defeats. Accordingly, technological man emerges as the concept of electronic proximity replaces physical proximity with everything undergoing a change process threatening humanity. According to these writers, *"there are no passengers anymore; everybody is from the crew."* [2]

What is common to these three philosophies is apparent: The world will not remain as it was before. In a century with unprecedented rapid developments, organizations must vigilantly keep up to date to ensure durability and sustainable growth. In this context, the main priority of today's companies is arguably change management since change ultimately permeates organizations with uncertainty accompanied by possible reactionary resistance.

There are eight transformations in the work place of the 21st century. These are: Globalization and global economy, Computer technology, Radical changes in universal working environment, Increase in customer's power and demand, Easily reachable and accessible information and people gaining power who holds and controls information, Arising new roles and expectations of employees, Developments in the field of biotechnology and finally, Increase in change speed - "Transition from the world of Newton to the world of quantum's chaos." [3]

Millennium re-defines the definition of leadership. The new leaders are needed to: To have a global mindset and competencies, To be a teacher, coach, mentor and a model student, To be a servant and steward, To be a systems thinker and

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[1] P.Dixon, **En Etkin 500 Trend**, Kilim Matbaası, İstanbul, 1.Baskı, 2007, pp. 276-286.
[2] Prof.Dr.Nurdoğan Rigel *et al*, **Kadife Karanlık: 21.yy İletişim Çağını Aydınlatan Kuramcılar**, Su Yayınevi, Istanbul, 2.Baskı, 2005, pp.17-49.
[3] M.J.Marquardt, N.O.Berger, **Global Leaders fort the 21st Century**, State University of New York Press, NY, 2000, pp.1-17.

polychromic coordination, To be spiritual and concerned for ethics, To be technologist, To be innovator and risk-taker, To be visionary and vision-builder.[4]

Many organizations targeting continuity will look to their leaders who hold the highest positions, namely, Chief Executive Officers (CEOs) or General Managers (GMs), to overcome problems surfacing during change processes. As such, change management in the corporate world, therefore, will be the priority of today's leaders.

Thus, leaders of the corporate world should necessarily hold those leadership competencies as previously mentioned. In so doing, in this thesis, we argue that today's leaders must first be skilful in managing change, whereupon a leader's communication skills must rise to the occasion for a successful organizational change. As every change induces uncertainty and resistance, a CEO should perform not unlike an orchestra leader conducting a symphony with very difficult and fast transitions. In this regard, communication invariably plays an imperative role, whereby language used by a CEO must positively influence and motivate employees.

Specifically, this master's thesis studies the communication dynamics of change leaders in the corporate world. Assuming that, during a change process, CEOs use an exceptionally pinpointed language, aimed at discovering their own communication dynamics and language skills, we conducted face-to-face interviews with CEOs of companies that underwent successful organizational change. As a research methodology, we also completed a content analysis based on the original notes of the interviews.

Along with these leadership criteria, we also incorporated four programs of change. Explicitly, change in this research infers planned changes without considering unplanned changes perceived as crisis management rather than change management. Planned change initiatives may be categorized under four programs:

1. Structural Change: the model targeting higher performance through mergers and acquisitions, consolidations, and the like;

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[4] Ibid

2. Cost Cutting: elimination of nonessential cost items to improve profitability;

3. Process Change: redesign of systems and the way tasks are executed; and

4. Cultural Change: conversion of values, norms, and behavior of an organization.[5]

Based on these criteria, after listing possible candidates, we had in-depth interviews with the following seven CEOs.

Face-to-face interviews were held with each leader; voice recordings of the interviews were transcribed into written form.

According to the literature surveyed, successful change management requires these applications:[6]

1. Motivating change (Creating readiness for change, Overcoming resistance to change),

2. Creating a vision (Describing the core ideology, Constructing the envisioned future),

3. Developing political support (Assessing change agent power, Identifying key stakeholders and Influencing Stakeholders),

4. Managing the transition (Activity planning, Commitment planning, Management Structures),

5. Sustaining Momentum (Providing resources for change, Building a support system for change agents, Developing new competencies and skills, Reinforcing new behaviors)

To achieve these applications, an accurate communication strategy must be implemented; in addition, the leader's communication dynamics must be aligned with the organization's culture and values.

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[5] M. Beer, **op.cit.,** pp. 8-15.

[6] T. G. Cummings, C.G. Worley, "**Organization Development and Change**", South-Western College Publishing, Ohio, Seventh Edition, 2001, p. 155.

During the interviews, the CEOs remarked that language and behavior should complement each other. They also averred that successful leaders must be visionary, technologically adept, open-minded, and transparent.

We observed that the leaders used a common vocabulary to define successful change leadership – words such as transparency, clarity, motivation, and innovation.

Conclusively, we scrutinized the communication dynamics of CEOs and explored whether they used a specific language during the change process. As reflected in our model of CEOs from seven large corporations, our findings indicate that leaders seemingly adopt a specific language in managing change.

ÖZET

DEĞİŞİM LİDERİ OLARAK CEO'LARIN KURUMSAL DÜNYADAKİ İLETİŞİM DİNAMİKLERİ

Küreselleşmenin etkisi 21.yy'da sosyal, teknoklojik ve ekonomik alanlarda hızla etkili olmaya başlamıştır. Aslında küreselleşme yepyeni bir olgu değildir. Thomas Friedman *"The World is Flat"* adlı kitabında küreselleşmeyi Amerika'nın keşfinden başlayarak milenyuma kadar üç evrede incelemiş, herbir evre için bir itici güç belirlemiştir. Buna göre Küreselleşme 1.0'ın itici gücü küreselleşen ülkelerdir, yani sömürgecilik tarihinin başlangıcı ve ülkelerin yeni kaynaklar elde ederek zenginliştikleri dönemdir. Küreselleşme 2.0'ın itici gücü küreselleşen şirketlerdir. Bu bildiğimiz endüstrileşme-sanayileşme dönemidir ve birçok büyük sanayi kuruluşunun ortaya çıktığı dönemdir. Bu dönemde kaynaklar üretime geçirilmiş ve sanayi kuruluşları ortaya çıkmıştır. İçersinde bulunduğumuz yüzyılın itici gücünü ise küresel düzeyde işbirliği yapmak ve rekabete girmek için bireylerin ele geçirdikleri yeni güç olarak tanımlamıştır.[1] 2001 yılından itibaren sosyal, ekonomik ve teknolojik alanlardaki hızlı gelişmeler ve yenilikler Milenyumun rekabetin yoğun yaşanacağı bir yüzyıl olacağı sinyalini vermektedir.

Patrick Dixon "En Etkin 500 Trend" adlı kitabında *"üçüncü binyılın hızlı, teknolojinin baskın olduğu, içgüdülere daha fazla dayanan, ruhani ve çevrenin farkında olan bir çağ olacağını"* öngörmüştür. Dixon bu yüzyılda dünyanın bir sarkaç gibi eğilimler arasında gidip geleceğini savunmuş, her eğilimin bir karşı eğilimi olacağını, belirsizliğin artacağını ve "joker olaylar"ın yani hiç tahmin edilemeyen veya hesaba katılmayan olayların ortaya çıktığı zaman etkilerinin de tahminlerin ötesinde büyük olacağını söylemiştir. Böyle bir dünyada değişimin itici gücünün sürdürebilirlik sağlamak olduğunu, zira mevcut yönelimlerin sürdürülebilme özelliğine sahip olmadığını görüşlerne eklemiştir. *"Küreselleşme ile birlikte, "güçlü kabile (ulus)" kimliği taşıyan şirketlerin yurt dışında yaptıkları*

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[1] T.L.Friedman, **Dünya Düzdür**, Boyner Yayınları, Istanbul, 1.Basım 2006, pp.1-55.

işlerden yurt içindeki işlerinden elde ettiklerinden daha fazla ciro etmeleriyle küresel operasyonları fazlasıyla çeşitlilik göstereceğini, gelecekte ulusal şirketlerin kimliklerini terk edip, "'biz' dediğimiz kimdir?" sorusunu sorup küresel vatandaş imgesi edinmeye çalışacaklarını" iddia etmiştir. Bunun sonucunda *"süper şirketlerin"* ortaya çıkacağını, birleşik ekonomik güçler oluşturup, devletin denetim altında tutamadığı dengeleri ele geçireceklerini öngörmüştür, hatta daha ötesi süper şirketlerin devletin rakipleri olacağını öngörmüşür.[2]

1989 yılında kaleme alınan *"The Global Village"* adlı kitaplarında Marshall McLuhan ve Bruce R.Powers, globalleşmenin hızlı gelişimini teknoloji ile bağdaştararak anlatmış, *"gelecekte bütün ulusların, eğer hala farklı bedenler halinde var oluyorlarsa birbirlerinin zaferlerinden ıstıraplarından acı bir şekilde haberdar olacağını, buna göre teknolojik insanın ortaya çıkacağını, fiziksel yakınlığın yerini elektronik yakınlık kavramının alacağını, herşeyin değişim halinde olacağını ve insanlığı tehdit edeceğini*" savunmuştur. Yazarlara göre *"artık yolcu yoktur, herkes mürettebattır."* [3]

Üç görüşün de ortak yanı dünyanın 21.yy'da artık eskisi gibi olAmayacağı üzerine odaklanmasıdır. Organizasyonlar, hızlı değişimlerin yaşandığı bu yüzyılda, sürdürülebilirlik ve karlı büyümeyi sağlamak amacıyla güncel kalmak zorundadırlar. Bu bağlamda, değişim yönetimi günümüz şirketlerinin en öncelikli konusu olmak durumundadır. Değişim, organizasyonlara belirsizlik ve belirsizliğe tepki olarak direnci de beraberinde getirecektir. Sürdürebilirlik hedefi olan birçok organizasyon, değişim sürecinde karşılaşılan engelleri başarıyla aşmak için kurumsal şirketin en üst pozisyonunda yer alan yöneticisi ve lideri olan CEO yani Chief Executive Officer'larına sorumluluk yükleyecektir. Bugünün kurumsal dünyasında CEO'ların en ilk yetkinliğinin değişimi yönetmesi olduğunu söyleyebiliriz.

21.yy'ın iş dünyasını değişime iten 8 itici güç vardır, bunlar ; Küreselleşme ve küresel ekonomi, Bilgisayar teknolojisi, Evrensel çalışma ortamlarındaki radikal değişiklikler, Müşterinin gücünün ve talebinin artması, Bilginin kolay ulaşılır hale gelmesi ve bilgiyi elinde tutanların güç kazanması, Çalışanların yeni rolleri ve

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[2] P.Dixon, **En Etkin 500 Trend**, Kilim Matbaası, İstanbul, 1.Baskı, 2007, pp. 276-286.
[3] Prof.Dr.Nurdoğan Rigel *et al*, **Kadife Karanlık: 21.yy İletişim Çağını Aydınlatan Kuramcılar**, Su Yayınevi, Istanbul, 2.Baskı, 2005, pp.17-49.

beklentilerinin oluşması, Bio-Teknoloji alanındaki gelişmeler, ve son olarak, Değişim hızının artması – "Newton dünyasından quantum dünyasının kaosuna geçiş." [4]

21.yy'daki hızlı gelişmeler, liderliğin yeniden tanımlanması ihtiyacını yaratmıştır. Yeni çağın liderleri; Global bir düşünce yapısına ve yetkinliklerine sahip, Öğretmen, koç, mentor ve örnek bir öğrenci, Hizmet eden aynı zamanda güven sağlayan bir kahya, Sistemli düşünebilen ve karmaşıklık içersinde koordinasyon sağlayabilen, Ruhani vasıfları olan ve etik konusunda duyarlı, Teknoloji yoğun çalışabilen, Yenilikçi ve risk alabilen, Vizyon sahibi ve vizyon geliştiren özelliklere sahip biri olmalıdır.[5]

Günümüzde kurumsal dünyadaki liderlerin genel liderlik özelliklerine sahip olması gerektiğini söyleyebiliriz. Ancak bu tez araştırmasında, 21.yy'ın kurumsal dünyasındaki liderlerinin en öncelikli özelliğinin, değişimi yönetebilme yeteneğine sahip olması gerektiği öngörülmüştür. Başarılı bir değişim yönetimi için, organizasyonun en üst konumundaki lideri CEO'nun iletişim becerilerine sahip olması ön plana çıkmaktadır. Her değişim ile belirsizlik ortaya çıkacağı için, CEO'nun bu belirsizlik ortamını aynı bir orkestra şefi gibi yönetmesi, organizasyon içersindeki birliği ve uyumu sağlaması gerekecektir. CEO'nun, değişim sürecinde kullandığı dil, çalışanların motivasyonunu ve enerjisini yüksek seviyede tutmak için en önemli araçtır. CEO'nun kullandığı dil ile hareketlerinin de uyumlu olması gerekmektedir.

Bu tez, kurumsal dünyada yer alan, ve öncelikli yetkinliği değişim liderliği olan CEO'ların değişim sürecinde nasıl bir iletişim dinamiği geliştirdiklerini araştırmaktadır. Biz, CEO'ların değişim sürecinde, özel bir dil kullandığını varsayıyoruz. Bu varsayımın doğruluğunu kanıtlamak üzere, başarılı değişim geçirmiş şirketlerin CEO'ları ile yüzyüze görüşmeler yapılmıştır. Görüşemelerin içeriği bakış açısı kategorisinde içerik çözümlemesidir. Bu çözümlemeden ortaya çıkan değişkenler ile literatür taramasında ortaya çıkan değişkenler karşılaştırılmış,

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[4] M.J.Marquardt, N.O.Berger, **Global Leaders for the 21st Century**, State University of New York Press, NY, 2000, pp.1-17.
[5] Ibid

bu karşılaştırma sonuçlarına dayanarak CEO'ların değişim yönetimi sürecinde özel bir dil kullanıp kullanmadıkları araştırılmıştır.

Görüşme yapılan CEO'ların ünvanının CEO ya da GM olmasına dikkat edilmiş, kurumun en üst pozisyonundaki yöneticisi seçilmiştir. Araştırma kapsamında 7 CEO ile görüşme yapılmıştır.

Herbir yönetici ile yüzyüze görüşme yapılmış, görüşme esnasında not ve ses kaydı alınmış ve daha sonra bu kayıtlar çözümlenmiştir. Bir sonraki aşamada ise, görüşme yapılan şahısların basında çıkan haberleri taranmış, değişim yönetimi ve / veya iletişim ile ilgili demeçleri çözümlemeye dahil edilmiştir.

Araştırmalara göre, başarılı bir değişim yönetiminin gerçekleşmesi için aşağıda belirtilen şartların sağlanması gerekmektedir[6] :

1. Değişimi Motive Etmek : organizasyon çalışanlarının değişim sürecine hazırlanmaları ve direncin en alt seviyeye indirilmesi,
2. Vizyon Yaratma : CEO'nun geleceğin resmini çizebilmesi ve çalışanlarına geleceği gösterebilmesi,
3. Politik Destek Sağlanması: organizasyon içersinde yer alan çalışanların yanısıra hissederların ve müşterilerin de desteğinin kazanılması,
4. Geçiş Sürecinin Yönetimi: başarılı bir değişim yönetimi için planlamanın en baştan düzgün yapılması ve bu plana çalışanların sadık kalmasının sağlanması,
5. Değişimin Sürekliliği: değişimin devamlılığını sağlamak için kaynak dengesinin ve değişimin uygulamasında yer alan Değişim Proje Liderlerinin ("Change Agents") sürekli bilgilendirilmesi ve yeteneklerin doğru analizi.

Tüm bu şartların sağlanması için CEO'nun etkin bir iletişim stratejisi kullanması gerekmektedir. Bu bağlamda, çalışanlarına ilham vermek, güveni

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[6] T. G. Cummings, C.G. Worley, "**Organization Development and Change**", South-Western College Publishing, Ohio, Seventh Edition, 2001, p. 155.

sağlamak ve direnci en az seviyeye indirmek için CEO'nun kullandığı dil ve bu dili destekleyen duruş çok önemlidir.

Yapılan görüşmelerde CEO'lar, kullanılan sözcükler ile liderin duruşunun (tavırlarının) uyumlu olması gerekliliğini vurgulamışlardır. Şeffaflık, değişim nedenlerine açıklık getirmek ve vizyonu resmedebilmenin önemine değinilmiş, kurumsal dünyadaki geleceğin liderlerinin teknolojiye hakim ve geleceği takip eden liderler olması gerekliliği belirtilmiştir.

Yapılan görüşmelerde CEO'ların başarılı bir değişim yönetimini tasvir ederken belirgin kelimeler kullandıkları ve bu kelimelerin çoğunlukla aynı olduğu görülmüştür: örneğin şeffaflık, açıklık, motivasyon, innovasyon, yenilikçilik gibi.

Sonuç olarak, bu tez ile CEO'ların değişim sürecinde farklı bir iletişim stratejisi uygulamayıp uygulamadıkları ve özel bir dil kullanıp kullanmadıkları araştırılmıştır. Yapılan görüşmeler sonucunda elde edilen bulgulara göre değişim yöneticisi olan CEO'ların belirgin ve ortak bir dil kullandığı görülmüştür.

INTRODUCTION

> *"What is happening at the present time is that changes are occurring so rapidly that the rearview mirror does not work anymore – at jet speeds, rearview mirrors are not very useful. One must have a way of anticipating the future. Humankind can no longer, through fear of the unknown, expend so much energy translating anything new into something old but must do what the artist does: develop the habit of approaching the present as a task, as an environment to be discussed, analyzed, coped with, so that the future may be seen more clearly."*
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> *Marshall McLuhan, Bruce R.Powers – The Global Village*

After the terrorist attacks on the World Trade Center in New York on September 11th, the prevalent view was that nothing would be as it was before. Even some claimed that this incident was a turning point in the globalization process. That same year, China, having completed 15 years of membership negotiations with the World Trade Organization, stated that it would comply with global trade rules. Since then, China has become the most attractive and profitable hub for international trade. Both developments indicated that the 21st century would be quite different than previous ones. After both of these events, political and economic balances began to change very rapidly throughout the world. Likewise, one of the biggest corporation scandals, the Enron debacle, occurred the same year. Enron, a U.S. company, had been named "America's most innovative company" by *Fortune* magazine for six consecutive years. The company employed 21,000 people with revenues of $111 billion, making it one of the largest energy companies in the world. Enron's CEO and leading man of the scandal, Jeffrey Skilling, earning a salary of $132 million between 1991 and 2001, was sent to prison. The $132 million executive carried out "a systematic, corporate and creative" fraud, by fixing accounting records. All these events were encountered in the U.S., which had positioned itself in capital markets as the center of economic, political and social systems. The Enron scandal, resulting in the collapse of Arthur Andersen, brought about a string of significant incidents in the business world and proved the necessity of reviewing once more automatic control

mechanisms. The shared point in those three incidents signaled the incremental impact of globalization in the 21st century.

In his book, *The World is Flat*, Thomas L. Friedman divides globalization into three stages and argues that each stage has a force. The force of Globalization 1.0 is formed by countries undergoing globalization. This stage is known as imperialism in history beginning with exploration of America. People became wealthy as they found new resources. Utilization of those resources in production in the 1800's led to the industrialization period, and the force behind this new period was globalization of companies. It lasted until the late 1990's. In the meantime, technological developments gained momentum with the advancement of the Internet due to improvement in fiber optic micro-cable as individuals began acquiring knowledge more easily. All these developments brought Globalization 3.0. Friedman defines this force as the new power acquired by individuals and used in cooperation and competition.[1]

In Globalization 3.0, the two key players in the Far East, China and India, have introduced two new concepts to the global economy: *off shoring* and *outsourcing*. By definition, *off shoring* is "off or away from the shore and from your own borders". Technically, it is defined as a company's relocation of certain processes like production and services from one country to another to reduce costs. On the other hand, in *outsourcing*, a company buys products or services from an external provider although having the capacity to produce these products or services itself.[2] These two concepts, whose prevalence has run parallel to both China's and India's wide spread growth and availability of technology, have triggered the intensification of competition in global markets. The East's involvement in international trade exemplified by these two countries has brought about the globalization of today's organizations. Many employees from several cultures have had to adjust and adapt to new structuring as well as to keeping up with competition.

The world economy today is unstable. The repercussions of the 2007 Subprime Mortgage crisis stemming from the United States of America have continued in

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[1] T.L. Friedman, **Dünya Düzdür**, Boyner Yayınları, Istanbul, 1.Basım 2006, pp.1-55.
[2] Prof. Dr.A.Kırım, **Türkiye nasıl zenginleşir?**, Remzi Kitabevi, 1.Basım 2007, pp.24-135.

2008. And markets throughout the world have had to take a series of measures to withstand fluctuations in the crisis. As Lehman Brothers, a 158-year-old financial services firm, filed for bankruptcy, the impacts on the global financial crisis quickly rattled world markets. The financial crisis subsided for a while only because the U.S. drew up a rescue plan. All of this has reminded people of the necessity to question the role, duties and responsibilities and even the astronomic salaries of top officials or Chief Executive Officers – CEOs. The Enron scandal not only inflicted damage on the U.S. economy but also led to the company's closing of foreign offices and rendered many employees jobless. Nevertheless, this most recent crisis in the U.S. has shown that the roles and responsibilities of CEOs are not limited only to the borders of countries.

Today, CEOs themselves are among the factors instigating this crisis aligning CEOs with leaders ruling countries or specifically, their economies. Nevertheless, the profiles and characteristics of leaders in the business world are going through change just like the characteristics of current political leaders are shaped by conditions of globalization. Leaders of the business world in the 21st century are expected to have many characteristics: the capacity to develop visionary thinking reflected by their teams through inspiration and a global mindset; and the ability to be continuously innovative, to take risks, to use technology efficiently, to follow technological developments closely and to learn new things continuously while adhering to the principles of ethics.

In the 21st century business world, where globalization-related chaos and competition is intensifying, we argue that one of the most paramount characteristics of a successful leader is his ability to manage change. In leadership studies, change leaders are also called transformational leaders.

Although we live in a fast-changing world, movements towards organizational change in the corporate world also bring about resistance. While there may be several reasons behind this resistance, uncertainty is one of them. In an environment of uncertainty, the sentiments of employees may dominate their sense of duty. Therefore, in change management, communication should be used in a very careful and effective way to overcome the obstacle of uncertainty. In this context, the CEO,

occupying the top position in a company, has a tremendous responsibility. In this process, we consider it relevant to liken a CEO to an orchestra leader who conducts a symphony with very difficult and fast transitions or to a politician who radically changes a country's political system.

This thesis paper focuses on CEOs, occupying the top positions in companies, and their leadership in managing successful change processes in the corporate world. Our assumption is that CEOs managing a successful change process also use a different communication dynamic than the one applied during normal processes. Accordingly, this study includes the special language CEOs may or may not use and whether this language is compatible with the idea of successful change management. The framework of this research narrows the topic to Turkish CEOs who have managed such change processes in the private sector, both at local and international companies, in Turkey. Among the change management criteria is that the change occurring under competitive market conditions should not harm the company's image, that it should affect only a low rate of employee turnover and that CEOs should not only execute their tasks in the aftermath of change but should also expand their spheres of duties.

Taking into consideration different cultures and applications, the executive titles included in the scope of the research are CEOs. And here, the most important criterion is whether they have the top positions in companies operating in Turkey.

We consider content analysis to be the appropriate model for the research to include face-to-face conversations with CEOs examining their successful change management and their views about change leadership.

In the first part of the thesis, change methods, types, and approaches found in business literature have been touched upon. The research emphasizes that every attempt at change causes resistance within organizations. The reason behind this resistance and what motivates employees to resist is considered at length. The management criteria for reducing resistance to the lowest level and for helping the organization experience a successful change are also examined.

In the second part, leadership and managerial characteristics are studied and leadership theories are touched upon. A study has been conducted on the motivating characteristics of leaders who manage change. Previous research on this topic has been studied as well. The reasons for defining CEOs as leaders of change have been explained.

In the third part, a literature review has been conducted on a successful change leader's communication dynamics. A study has been carried out on how a change leader should use communication and on which words should be put in the foreground.

And in the last chapter, the way top executives define a successful change method has been examined through face-to-face conversations with CEOs whose points of view and language have been analyzed.

1. UNDERSTANDING ORGANIZATIONS AND CHANGE MANAGEMENT

1.1. Organizations, Organizational Behavior and Development

In this study, the corporate world is explored from the standpoint of organizations themselves, defined as "*a collection of people working together in a division of labor to achieve a common purpose*[3] A common purpose embodies a shared vision and mission provided by the top management of an organization. A vision expresses a desired image of the future while a mission encompasses the core target and parameters of the industry where the company wants to operate.

Since organizations are made of people, it can be said that the effectiveness of organizations are dependent on people's performance, therefore, the behavior and action of people are studied within the context of behavioral disciplines. Organizational Behavior (OB) is defined as "*a field of study that investigates the impact that individuals, groups and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization's effectiveness.*"[4] It should be acknowledged that OB is an emerging applied science which is constructed with other behavioral disciplines like psychology, sociology, social psychology, anthropology, and political science.

The understanding of organizations is facilitated with the study of Management that is defined as "*the primary force within organizations that coordinates the human and material resources toward objective accomplishment*".[5] The most common definition to management is given by the theoretician Henri Fayol as "*to manage is*

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[3] J. R. Schermerhorn, Jr., J. G. Hunt, and R.N. Osborn, **Organizational Behavior**, New York, John Wiley & Sons, Inc., 1997, p. 9.
[4] S. P. Robbins, **Organizational Behavior: Concepts, Controversies, and Applications**, New Jersey, Prentice-Hall, 3rd Edition, 1986, pp.5-6.
[5] F.E. Kast, J.E. Rosenzweig, **Organization and Management: A Systems and Contingency Approach**, McGraw-Hill Kogakusha, Ltd., 3rd Edition, 1979, p.7.

to forecast and plan, to organize, to command, to coordinate and to control."[6] According to Cole, the relation of management with organizations is putted on words as "*the function of organizations.*"[7]

The classical approach in organizational studies focuses on the development of workers' performance for the improvement of industrial efficiency[8] wherein F.W. Taylor contributed with his popular work "*Scientific Management*" claiming that higher production will result with greater earnings and investment for workers that will enable greater output per man.[9] According to Henri Fayol who furthered the approach of Taylor to the dimension of hierarchy argued that the managerial actions are ascendant over technical ones in hierarchical environment. The German Sociologist Max Weber contributed to organizational studies with his proposition of bureaucracy. Weber proposed that bureaucracy is essential to regulate and control the relationships and authority boundaries in an organization.[10] Weber illustrated the organization as an "iron cage of bondage,"[11] a machine wherein the approach towards workers is mechanical, the ideas of workers for task are not important for the management, and, hierarchy, rationalism and centralization are the key elements of his bureaucratic model.[12] Weber's view of bureaucracy and mechanic approach is criticized by other sociologists like Merton arguing that every member of an organization is assigned with some specific roles that enable management to control and predict and Selznick demonstrating that delegation rather than control will ameliorate the effectiveness, "*specialization and credentialization*" [13] The Hawthorne experiment on productivity (changing physical conditions of the work) brought the "humanization of work"[14] approach.

On the contrary to the classical and neo-classical approaches in organizational studies, the modern theorists analyzed and interpreted the organizations as a whole but highlighting the importance of humanization of the workplace.

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[6] G.A. Cole, **Management: Theory and Practice**, D.P.Publications, Hants, 1984, p.7.
[7] Ibid.
[8] H. Can, Ö. Aşan, E. M. Aydın, **Örgütsel Davranış**, Arıkan Basım Yayım Dağıtım, Istanbul, 2006, pp. 10-12.
[9] G.A. Cole, op.cit, pp.17-27.
[10] G.A. Cole, op.cit, pp.33-41.
[11] S.R. Clegg, **Modern Organizations: Organization Studies in the Postmodern World**, Sage Publications, London, 1990, p.28.
[12] H. Can, Ö. Aşan, E. M. Aydın, op.cit., pp.10-12.
[13] S.R. Clegg, op.cit., p.44.
[14] G.A.Cole, op.cit., p.52.

Organizations are part of different environments, in other words, "organizations are subsystems of a broader supra-system which is the environment." In the light of this claim, the Open-System view can be explained as "*a system*[15] *that exchanges information, energy, and materials with its environment.*"[16] Being an open system, organizations receive inputs from the environment, transform it and deliver outputs through cycle of events. The information received is called feedback which is a vital tool for transformation. As Niklas Luhmann said that "*the environment is always more complex than the system itself*", the study of organizations through open-system view is more complex than the closed systems since "*every system must maintain itself against the overwhelming complexity of its environment.*"[17]

People in organizations coordinate, cooperate, and communicate; while doing so, they form groups and build relationships not only with each other but with the organization itself. In this respect, the behavior of individuals plays an important role in sustaining the effectiveness, but at the same time, the external and internal environmental conditions create a dilemma between change and stability in organizations. This dilemma is scrutinized in Change Management, "*addressing the effective implementation of planned change and concerning the sequence of activities, processes, and leadership issues that produce organization improvements.*"[18]

Change in organizations is analyzed with the applied process of behavioral science knowledge which is Organization Development (OD). Cummings defined OD accordingly: "*OD is a system-wide process of applying behavioral-science knowledge to the planned change and development of the strategies, design components, and processes that enable organizations to be effective. OD addresses an entire system, such as a team, department, or total organization.*" [19]

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[15] "*A system is an organized, unitary whole composed of two or more interdependent parts, components, or subsystems and delineated by identifiable boundaries from its environmental supra-systems.*"(F.E. Kast, J.E. Rosenzweig, op.cit, pp.98). Every organization is a part of a sub-system or sub-systems. For example, organizations have different divisions, departments, units performing for different activities but aiming to attain a common goal.

[16] F.E. Kast, J.E. Rosenzweig, op.cit, pp.125-127.

[17] N. Luhmann, **Social Systems**, Stanford University Press, California, 1995, pp.182-183.

[18] T. G. Cummings and C.G. Worley, **Organization Development and Change**, South-Western College Publishing, Ohio, 7th Edition, 2001, p. 3.

[19] T.G.Cummings,"Organization Development and Change" in J.J. Boonstra, **Dynamics of Organizational Change and Learning**, John Wiley & Sons, Ltd, West Sussex, 2004, p.25.

1.2. Theories on Change Management

Change Management theory can be classified into three distinct schools of thought: Individual Perspective, Group Dynamics and Open Systems.[20]

Individual Perspective school of thought focuses on the influence of individuals on organizational change and development. Those who follow this school of thought can be further categorized as those who follow the Behaviorist theory and those who support the Gestalt-Field theory. The former claims that behavior is repeated when rewarded; hence, receptive to external stimuli while the latter supports the theory that behavior is shaped by interpreting external stimuli. Regarding organizational change, behaviorists seek to achieve such change by manipulating external factors whereas Gestalt-Field psychologists assist individuals to understand these external factors.

Group Dynamics school of thought suggests that individuals within an organization are members of groups while the dynamics of the group affect the behavior of individuals. As cited by Cummings and Huse, French and Bell, Smith, et al., management should concentrate on changing the norms, roles and values of the group to make certain of individual compliance.[21]

According to W.R. Scott and W. Buckley, in *Open Systems,* organizations comprise systems and sub-systems that connect and interact with each other, 'open' to external and internal environments. Therefore, the performance of the change can be manipulated through remodeling each part of these systems as well as through capturing the synergy between the internal and external impacts on the environment.[22]

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[20] B. Burnes, **Managing Change: a Strategic Approach to Organizational Dynamics**, Prentice Hall/Imprint of Pearson Education, Essex, 3rd Edition, 2000, pp. 258-264.

[21] T. G. Cummings, E. F. Huse, *Organizational Development and Change*, Minnesota, 4th Edition, 1989; W. L. French, C. H. Bell, *Organization Development*, New Jersey, 4th Edition, 1984; M. Smith, et. al, *Introducing Organizational Behavior*, London, Macmillan, 1982 in Ibid.

[22] W. R. Scott, *Organizations: Rational, Natural and Open Systems*, Prentice Hall, New Jersey, 1987; W. Buckley, *Modern Systems and Research for the Behavioral Scientist*, Aldine Publising, Chicago, 1968 in B. Burnes, **op.cit**, pp. 258-264.

1.3. Approaches to Change Management

There are two main approaches to change management: planned and emergent.

The planned approach dominated organizations from the 1940's to the 1980's and consists of three models: the Three-Step, Action Research and Contemporary Adaptations of Action Research.

The Three-Step model, formulated by Kurt Lewin in 1951, proposes that human behavior is the result of two forces conflicting with each other where one force pushes the individual towards a stable environment while the other pushes the individual towards change. When the two forces are in equilibrium there is no change in behavior. To generate change, it then becomes necessary to eradicate those forces responsible for maintaining the current state.[23]

With the Three-Step model, Lewin suggests that organizations should proceed by completing three stages: (1) Unfreezing the present level: at this step, the blockage of an organization's behavior imposed by those forces is lessened by delivering more information from the top down to motivate members, (2) Moving to the new level: this is an exploratory level in which the organization structure and change activities are shaped by the outcomes of the first step, (3) Re-freezing the new level: at this stage, the change activities are balanced and organization structure is stabilized according to the new norms and policies. [24]

The work of Lewin is revisited and developed into eight stages as seen in the Action Research model which proposes that organizational problems are resolved systematically and that experiences at each stage shape the successive action. With this model, the output of each stage is carefully analyzed and diagnosed, so *the change process itself must become a learning situation.*[25] The eight steps of the model are sequenced as follows: Problem identification, Consultation with a behavioral science expert, Data gathering and preliminary diagnosis, Feedback to a

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[23] H. Can, Ö. Aşan, E. M. Aydın, **Örgütsel Davranış**, Arıkan Basım Yayım Dağıtım, Istanbul, 2006, pp. 449-451.

[24] T.G. Cummings and C.G. Worley, **op.cit.**, pp. 22-31.

[25] B. Burnes, **op.cit.**, p. 268.

key client or group, Joint diagnosis of the problem, Joint action planning, Action and Data gathering after action. [26]

Following trends in organizations from small subunits to total systems, widening the cultural dimensions and the emergence of social change projects and innovation, researchers adapted the action research model to contemporary applications into two forms. Contemporary adaptations promote more member involvement unlike traditional approaches which support consultant involvement. Secondly, the model introduces *"appreciative inquiry"* which *"proposes that words and conversations determine what is important and meaningful in organizational life."*[27]

With the influence and expansion of Japanese competition in the Western industry from the late 1970's, organizations realized the necessity to reconsider their structure and management style. During this period, researchers and practitioners questioned the applicability of the planned approach in such a turbulent market environment. The emergent approach came into effect to meet the needs of changing internal practices and organizations to become more responsive to external conditions. The emergent approach suggests that change is a continuous and *"emerging"* process of organizational transformation which generates unpredictable situations.[28]

Those advocates of the emergent approach agree upon these five features deemed important for successful change in organizations:[29]

Organizational Structure: According to C. Snow, et al., specialization and flexibility should be driven from the base or bottom level up and are needed to meet with the chaotic and dynamic environment arisen due to *"globalization, intense competition* and *rapid technological change."*[30] For a bottom-up approach, the organizations going through change should also modify the organizational structure

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[26] T.G. Cummings and C.G. Worley, **op.cit**., pp. 23-27.
[27] **Ibid.**
[28] B.Burnes, **op.cit**., pp. 280-283.
[29] **Ibid.**, pp. 283-294.
[30] C. Snow, et al., "Managing 21st Century Network Organizations," in C.Mabey, B.Mayon-White, **Managing Change**, The Open University/Paul Chapman Publishing, London, 2nd ed., 1993, in B.Burnes, **op.cit.,** pp. 288-289.

from hierarchical to non-hierarchical and need to be more linear to ensure information flow and closer collaboration between divisions.[31]

Organizational Culture: This refers to a *system of shared meaning held by members that distinguishes the organization from other organizations.*[32] Proponents of the emergent approach share a common view that strategic management of change should be sensitive to   organization culture. Johnson suggested that strategic change management is *"essentially a cultural and cognitive phenomenon rather than an analytical, rational exercise."*[33]

Organizational Learning: Learning is key to prepare members of the organization to acknowledge the need for change. Organizational learning provides new visions, values, and systems for the organization from the top down. Just as C. Mabey argued, shared information from the bottom up will help detect and correct errors in transformational change.[34]

Managerial Behavior: The degree of change and effort required for change is closely linked to managerial behavior seen in management's ability to manage a business and lead a team. Mabey and Mayon-White cited that *"managers are expected to operate as leaders, facilitators, and coaches who, through their ability to span hierarchical, functional and organizational boundaries, can bring together and motivate teams and groups to identify the need for, and achieve, change."*[35]

Power and Politics: Power exerted with formal authority creates the potential for controlling behavior as well as for acquiring the obedience of groups. Proponents of the emergent approach recognize the importance of power practiced with political efficiency to gain support at the upper and lower levels.

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[31] M. Beer (Series Adviser), **Managing Change and Transition**, Harvard Business Review Publishing, Boston, 2003, pp. 24-25.

[32] S. P. Robbins, **Organizational Behavior: Concepts, Controversies and Applications**, Prentice-Hall International Editions, New Jersey, 1986, p. 431.

[33] G.Johson, "Processes of managing strategic change," in C.Mabey, B.Mayon-White, **Managing Change**, The Open University/Paul Chapman Publishing, London, Second Edition, 1993 in B.Burnes, **op.cit**., p. 289.

[34] C.Mabey, B.Mayon-White, **Managing Change**, The Open University/Paul Chapman Publishing, London, Second Edition, 1993 in B.Burnes, **op.cit**., p.290.

[35] **Ibid**., p.291.

Although the planned and emergent approaches bear some similarities, especially in matters of learning practice, they differ in these key points:

−   The emergent approach proposes that the environment of change is uncertain and unpredictable as opposed to the planned approach, which assumes a stable and to some extent a predictable environment;

−   As much as the environment is unpredictable using the emergent approach, the control mechanism of a situation change becomes difficult to manage whereas the planned approach suggests that managers have control over the situation since the process moves from one "fixed point" to another; and,

−   The planned approach is a "top-down" method where managers design the process supposing the group attitudes and behaviors are open and in compliance with change. However, in the emergent approach, "bottom-up" involvement expands the responsibility of the process to every level of management and challenges central control.[36]

1.4.   The Nature of Organization Change

1.4.1.   Stimulus to Change

There are external and internal forces which stimulate change upon and within organizations. External forces are environmental circumstances such as customers, competitors, technology, and economic and international developments. Internal forces are internal activities and decisions targeting the growth of business as well as its effectiveness.

Globalization is one of the key external forces affecting today's global economy and business environment. In the 1980's, organizations revised their strategies and structures to comply with or to compete with the emerging Japanese industry. Up until that time, business dynamics had been much more controlled compared with today's environment, which is less stable and experiencing more fluctuation due to the emergence of China and India in global markets. As a result, organizations have had to transform themselves to suit the growing multi-cultural

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[36] B. Burnes, **op.cit.**, pp.311-314.

environment due to movements and diversities in the labor force. Technological developments such as the Internet have generated innovation in trade as well; for example, the fast developments of e-trading and e-learning have clearly affected traditional trading dynamics. With these fast-developing changes, new business ethics have to be understood and applied.

Organizations have to set and meet their targets. Productivity is one of the main goals to be achieved. Any decline in productivity (which is usually the first internal force to feel the impact of economic slowdowns) will generate cost cutting or downsizing in organizations. Crises, such as strikes, increasing demands of employees, and any other negative impact on an organization's morale among its personnel, create internal pressure and influence change.[37]

1.4.2. Types of Change

Change can be either planned or reactive. This study references planned change which is "*designed and implemented orderly in anticipation of future events.*" Reactive change is "*a piecemeal response to circumstances as they develop.*"[38]

The initiative of planned change can be categorized under four programs:
−   Structural Change: the model targeting higher performance through   mergers and acquisitions, consolidations, and the like;
−   Cost Cutting: elimination of nonessential cost items to improve profitability;
−   Process Change: redesign of systems and the way tasks are executed; and,
−   Cultural Change: conversion of values, norms, and behavior of an organization.[39]

D.A. Nadler and M. L. Tushman interpreted the types of change based on the following dimensions:

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[37] H.Can, Ö.Aşan, E.M. Aydın, **Örgütsel Davranış**, pp.448-449. R.W. Griffin, Management, Houghton Mifflin Company, New York, 4th Edition., 1993, p. 310-312.
[38] R.W. Griffin, **Management**, Houghton Mifflin Company, New York, 4th Edition, 1993, p. 311.
[39] M. Beer (Series Adviser), **Managing Change and Transition**, Harvard Business Review Publishing, Boston, 2003, pp. 8-15.

– Strategic and Incremental Changes: Strategic change act on one of the components of strategy, i.e., goals, business portfolio, partnerships, and so forth; incremental changes are initiatives targeting the effectiveness of organizations and are continuous; and,

– Reactive and Anticipatory Changes: Changes happening in reaction to external factors are reactive; anticipatory change such as strategic changes differ in that the anticipated events define the context of change while strategic change focuses on contemporary events. [40]

Nadler and Tushman proposed four types of change action by blending these dimensions:

Figure 1.3.2
Types of Organizational Changes

	Incremental	Strategic
Anticipatory	**Tuning**	**Re-orientation**
Reactive	**Adaptation**	**Re-creation**

Source: D.A. Nadler and M. L. Tushman, "Beyond the Charismatic Leader: Leadership and Organizational Change," California Management Review, Winter 1990.

1.4.3. Areas of Change

Any mode of change is concentrated on one of the four areas as mentioned below:

– Strategic Change: Organizations adjust their strategic base and goals prompted by developments in external forces. The changes in product portfolio, pricing strategy, and increasing or decreasing the budget are all examples of strategy change.

– Organization Structure and Design: Any item related to organizational structure and design. Examples included moving from hierarchical to non-hierarchical design or from a centrally managed style to a decentralized style, changes in reporting formats or internal communication procedures.

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[40] D.A. Nadler, M.L. Tushman, "Beyond the Charismatic Leader: Leadership and Organizational Change", **California Management Review**, 32. 2, 1990, pp. 77-97.

–   Technology and Operations: Technology and speed are parallel as they
    advance;   that is to say, developments in technology ignite the rate of speed;
    therefore, today's business world continuously feels the need to keep up to date
    and adjust its operations in production lines or service systems.

–   Changing People: Organizations are simply composed of human beings,
    which forms the basis of its culture; therefore, it is very clear that any changes
    in human resources will identify the boundaries of its values. Changes in
    working hours and recruitment and performance appraisal policies are good
    examples of this.[41]

1.5. Readiness to Change

1.5.1. Obstacles to Change

Any type of change initiative is certain to meet with resistance; therefore, organizations must assess their readiness for any transformation process. According to Thomas R. Krause, openness to change is directly related to employee perception towards leadership behavior and the environment created by the leader. In this respect, Krause signals the importance of leadership behavior as a situational factor indicating whether the culture is "*change ready*" or not. There are four indicators influenced by leadership behavior contributing to readiness for change:

1. Procedural Justice: Employees need to be confident that ethical and equal
    treatment is carried out;

2. Leader-Member Exchange: Close relation of leaders generates confidence
    and enhances the quality of the information flow during the transition period;

3. Management Credibility: The workers are keen on hearing consistent
    speeches and need to be convinced of the reliability of leaders; and,

4. Perceived Organizational Support: Employees need to believe that the
    organization respects their values and interests and supports them.[42]

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[41] R.W. Griffin, **op.cit**., pp.317-321.
[42] T. R. Krause, "Assessing Readiness for Change", **Occupational Hazards**, Cleveland, March 2008, p.24 (2 pages).

In their conceptual examination paper, B.S.Pawar and K.K.Eastman researched the influence of inner organization contexts such as structure, culture, strategy, and related aspects rather than that of outer contexts such as the socioeconomic environment manipulated by transformational leadership. They suggested that the organization's receptiveness to change is influenced by the context in which the change occurs and that the change could either be constructive or harmful depending on how the change is put into practice. In their study, they "*acknowledged the distinction between concepts of receptivity and emergence of transformational leadership while considering that the transformational leadership processes are associated with organizational contexts with differing levels of receptivity*." According to Pawar and Eastman, the organizational receptivity to transformational leadership is a continuum from a positive polar to a negative context. Moreover, there are four propositions indicating the high or low level of receptivity to transformational leadership:

Proposition 1:   *Organizations will be more receptive to transformational leadership during adaptation orientation than during efficiency orientation.*

Proposition 2:   *Organizations with dominant boundary spanning units will be more receptive to transformational leadership than will be organizations with dominant technical cores.*

Proposition 3:   *Both simple structure and adhocracy forms will be more receptive to transformational leadership than will the machine bureaucracy, professional bureaucracy, or divisional structural forms.*

Proposition 4:   *Organizations with a clan mode of governance will be more receptive to transformational leadership than will organizations with either market or bureaucratic modes of governance.*[43]

C. M. Christensen, et al. offered the supposition that the agreement level at every change initiative has two dimensions: agreement with what the employees want and agreement with the cause and effect of change.[44]

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[43] B.S. Pawar, K.K.Eastman, "The Nature and Implications of Contextual Influences on Transformational Leadership: A Conceptual Examination", **The Academy of Management Review**, Vol.22, No.1, Jan 1997, pp. 80-109.

[44] M.C. Christensen, M.Marx, H.H.Stevenson, "The Tools of Cooperation and Change", Boston, **Harvard Business Review**, Oct 2006, p.72.

J. P. Kotter and L. A. Schlesinger pointed out that the key to successful change starts with diagnosing resistance. Accordingly, an effort towards organizational change has an impact on human emotions; therefore, the manager's task is to understand and be aware of the four most common reasons for resisting change: a desire not to lose something they (personnel) value; misreading the need for change and its implications; the conviction that change is meaningless; and finally, low tolerance for change.[45]

1.5.2. Overcoming Resistance to Change

Overcoming resistance to change is the most critical stage in organizational transformation. The meaning of resistance is "*any attitude or behavior that reflects a person's unwillingness to make or support a desired sense.*"[46] In this sense, the meaning of change is perceived as a negative action, but research in this area states that when the reasons to change are properly analyzed and exploited, transition to change is smoother. H. B. Karp defined resistance based on this positive approach: "the ability to avoid what you don't want from the environment."[47]

Uncertainty is the most recurrent reason for resistance. People feel insecure in a changing environment, and this evokes feelings of anxiety and anger. The threat to self-interest, contrasting interpretations, different perceptions, and feelings of loss are the other common factors blocking change.[48]

Paul R. Lawrence suggested that the participation is one of the popular solution when dealing with change but also emphasized that, participation is an important "*device for solution*" which should be executed naturally rather than artificially and people should be "*customarily treated*" at this stage. Introducing personalized performance targets is one of the ways to customized treatment.[49] Education through

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[45] J.P. Kotter, L.A. Schlesinger, "Choosing strategies for change", Boston, **Harvard Business Review**, Jul.-Aug.'2008, pp. 130-139.

[46] J.R. Schermerhorn, JR., J.G. Hunt, R.N. Osborn, **op.cit**, p.406.

[47] H.B. Karp, **The Change Leader, Using a Gestalt Approach with Work Groups**, CA, Jossey-Bass/Pfeiffer/ A Wiley Imprint, 1996, p.108.

[48] R.W. Griffin, **op.cit.**, 314-317.

[49] P.R. Lawrence, "How to deal with Resistance to Change", Boston, Harvard Business Review, Jan.'69, pp.166-176.

communication, facilitation through emotional support, and manipulation through authoritative power are the other solutions to break resistance.

1.5.3. Conflict Management

Organizations dealing with resistance should also expect to deflect conflict that is derived from resistance to change. Not every member of an organization will protest change however.   Those who support the changes and "change agents", such as visiting consultants can work together with internal personnel who are responsible for instigating change to smooth the process and pre-empt conflict. "*A behavior by organization members which is expended in opposition to other members*" is one of the most common definitions to conflict in literature of organizational development.[50] S. P. Robbins defined conflict acknowledging *awareness* (*perception*), *opposition*, *scarcity*, and *blockage*: "*a process in which an effort is purposely made by A to offset the efforts of B by some form of blocking that will result in frustrating B in attaining his or her goals or furthering his or her interests*"[51].   L. A. Coser's defined conflict in sociological perspectives as "*a struggle over values and claims to scarce status, power, and resources in which the aims of the opponents are to neutralize, injure, or eliminate their rivals.*"[52]   J. L. Hocker and W.W. Wilmot suggested a communication perspective as "conflict is an expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce rewards, and interference from the other party in achieving their goals."[53]   G. Kohlrieser explained conflict as "a difference between two or more persons or groups characterized by tension, disagreement, emotion or polarization, where bonding is broken or lacking."[54]

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[50] J.D. Thompson, "Organizational Management of Conflict", **Administrative Science Quarterly**, March 1960, p. 389.
[51] S.P. Robbins, **op.cit**, pp.293-294.
[52] L.A. Coser, **The Functions of Social Conflict**, New York, The Free Press, 1956, p.8   in D.Borishoff, D.A. Victor, **Conflict Management: A Communication Skills Approach**, MA, Allyn&Bacon, pp.1-5.
[53] J.L. Hocker, W.W. Wilmot, **Interpersonal Conflict**, Dubuque, IA: William C. Brown, 2nd Edition, 1991, p.23 in D.Borishoff, D.A. Victor, **op.cit**, pp.1-5.
[54] G. Kohlrieser, "Six Essential Skills for Managing Conflict", **Perspectives for Managers**, Jun.2007, 149, p.1

Three views on organizational conflict have been argued by researchers:[55]

– The Traditional view perceived the negative connotation of conflict in the 1930's and 1940's, arguing that it was harmful because it "*treats synonymously with terms violence, destruction, and irrationality*"

– The Behavioral view dominated between 1940's and 1970's and argued that conflict is natural and cannot be eliminated.

– The Interactionist view implies that conflict stimulates change when there is particular dissatisfaction with management; hence, it is functional, even constructive to find better ways. According to this view, the role of manager is key in keeping the organization calm and cooperative.

In a survey conducted by the American Management Association in 1976, it was found that managers spend up to 20% of their time dealing with conflict issues. (CEOs ranged 18% out of 116).[56] K. W. Thomas and R. H. Kilmann came up with the proposition that collaboration requires "*effort, effective communication and open-minded attitude*" to enhance a mutual understanding of clashing parties.[57]

Early theory on conflict management proposed that collaboration is the only answer. Today's researchers admit that collaboration may be one of the answers, but not necessarily the most important.[58]

G. Kohlrieser suggested six essential skills to manage conflict: *creating and maintaining a bond, establishing a dialogue and negotiation, raising a difficult issue without being aggressive or hostile, understanding of what caused conflict, using the law of reciprocity (empathy) and finally building a positive relationship*. Kohlrieser also underscored the importance of communication in conflict management stating that the disagreements and the areas where people conflict can be explored by

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[55] S. P. Robbins, **Organization Theory: Structure, Design, and Applications**, New Jersey, Prentice-Hall International Editions, 1987, pp.332-336. **Organizational Behavior: Concepts, Controversies, and Applications**, pp.292-297.

[56] K.W. Thomas, W.H. Schmidt, "A survey of managerial interests with respect to conflict", **Academy of Management Journal**, Jun.'1976, Vol.19, pp.315-318.

[57] K.W. Thomas, R.Kilman, "Developing a forced-choice measure of conflict handling behavior; the 'mode' instrument, **Educational and Psychological Measurement**, Vol.37, 1977 pp.309-325 in D.Borishoff, David A.Victor, **op.cit.**, pp.37-41.
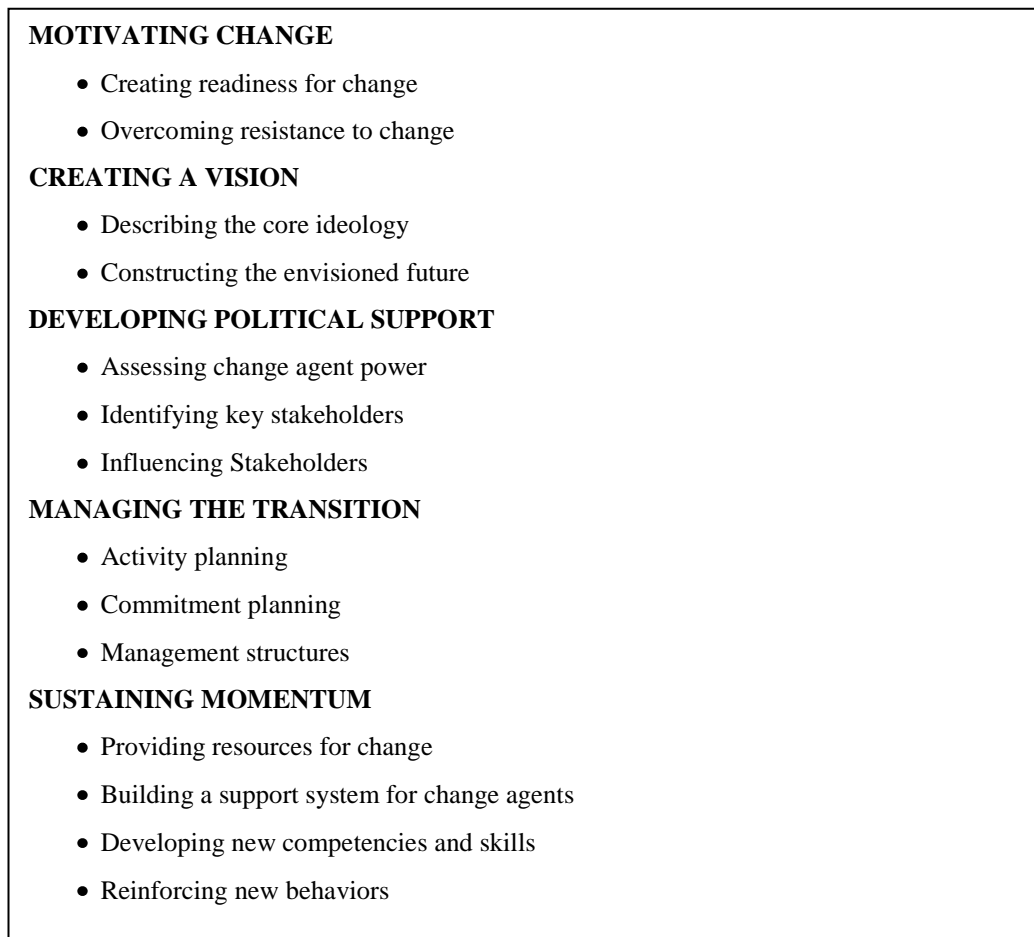
[58] L.D. Brown, "Normative conflict management theories: Past, Present, and Future", **Journal of Organizational Behavior**, May 1992, Vol.13 (3), pp.303-308.

establishing effective communication platforms.[59] This suggestion has already been confirmed according to a survey conducted by the American Management Association, wherein misunderstanding (communication failure) has been rated as the highest scoring factor of sources of conflict.[60]

1.6. Effective Change Management

Cummings and Worley introduced a model for effective change management tapping the key elements of the transformational process. The model contains five key activities which are illustrated in Figure 1.6.

Figure 1.6
Activities Contributing to Effective Change Management

MOTIVATING CHANGE
- Creating readiness for change
- Overcoming resistance to change

CREATING A VISION
- Describing the core ideology
- Constructing the envisioned future

DEVELOPING POLITICAL SUPPORT
- Assessing change agent power
- Identifying key stakeholders
- Influencing Stakeholders

MANAGING THE TRANSITION
- Activity planning
- Commitment planning
- Management structures

SUSTAINING MOMENTUM
- Providing resources for change
- Building a support system for change agents
- Developing new competencies and skills
- Reinforcing new behaviors

Source: T. G. Cummings, C.G. Worley, **Organization Development and Change**, South-Western College Publishing, Ohio, Seventh Edition, 2001, p. 155.

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[59] G.Kohlrieser, **op.cit.**, pp. 1-4.
[60] K.W. Thomas, W.H. Schmidt, **op.cit.**, 317.

K. Doppler pointed out that creating awareness and preparing people emotionally for handling possible problems should be the primary action of a successful change initiative.[61]

Noel Tichy emphasized that the 21st century is an era of constant revolution in organizations wherein the transformational leadership plays a key role in mastering the change. Tichy called this process "*the three-act revolutionary drama*" where there are "*protagonists who attempt to lead*" and "*antagonists who try to resist and hold onto old ways*".[62] The three acts of the drama are performed in this sequence:

- *Awakening*: with the identification of a need for change, people in organizations lose morale. In this act, "*protagonists shake the status quo to release the emotional energy and for the radical change*".

- *Envisioning: This is the act where the future is shaped through a vision developed by the leader. Although emotions still shake, the fear of the unknown is lessened. Internal communication gains importance during this act.*

- *Re-architecting: The organization is redesigned and rebuilt in this act where the change becomes continuous rather than stabilized.*63

Kotter accentuated the importance of communication in successful transformation efforts, claiming that words are powerful and that executive leaders should be consistent with their words.[64]

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[61] K. Doppler, "Managing Change Successfully: Core Questions, Issues, and Strategies" in J.J.Boonstra, Dynamics of Organizational Change and Learning, West Sussex, John Wiley & Sons, Ltd, 2004, pp.115-132.
[62] N. Tichy, "The three-act revolutionary drama", The Healthcare Forum Journal, Vol. 36-4, Jul./Aug.'1993, p.51.
[63] **Ibid**. Doç.Dr. S. Doğan, **Vizyona dayalı Liderlik**, Istanbul, Kare Yayınları, 2007, pp. 77-80.
[64] J.P. Kotter, "Leading Change: Why Transformation Efforts Fail", Boston, Harvard Business Review, Jan.'2007, p.96.

2. LEADERSHIP AND ROLE OF CHANGE LEADERS

2.1. Leadership and Management

Organizations need both managers and leaders in order to drive the business in an orderly direction. In the workplace, managerial and leadership roles interlink so that they do not function in isolation. However, the different parts they play within the organization need to be identified and clarified. Managers and leaders are related to each other, but are not the same. The fundamental difference is that managers take actions to achieve the mission whereas leaders define the vision and inspire followers to achieve that mission. The manager's role is to ensure the stability of the workforce whereas that of leadership is to instigate changes if deemed necessary for improved outcomes.

In his book, *Force for Change: How leaders differ from Management*[65], John P. Kotter defined the key distinctions between managers and leaders based on three key activities. When creating an agenda, managers plan and budget while leaders establish the direction. To achieve a set of goals, managers organize and deliver guidelines to people and monitor the implementation while leaders align people, communicate the direction, and influence the creation of teams that understand the vision and strategies. In the execution of plans, managers control, identify deviations and solve problems when necessary; leaders energize people to overcome barriers, motivating and inspiring them for change.[66]

According to Abraham Zaleznik, business leaders have psyches in common with artists, scientists, and other creative thinkers in the way that they tolerate chaos and excite and inspire people. They are gifted at transmitting their ideas into images and making those images concrete by developing choices and fresh approaches. On

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[65] J.P. Kotter, A Force for Change: How Leadership differs from Management, New York, The Free Press, 1990, pp.3-19.
[66] R.W. Griffin, **Management**, Houghton Mifflin Company, New York, 4th Edition, 1993, p.393.

the other hand, similar to diplomats or mediators, they coordinate and try to find common points when opposite views arise.[67]

Warren Bennis summarized the combined workmanship of management and leadership: *"Management is getting people to do want to do what needs to be done. Managers push. Leaders pull. Managers command. Leaders communicate."*[68]

2.2. Approaches to Leadership

In studies of leadership we can find four comparative approaches. These have been documented according to specific eras and are relevant to understanding the shaping of leadership in today's businesses.

2.2.1. The Trait Approach

The *trait approach* became a popular style of management in the late 1940's. This theory is the first of its type that used studies of personal characteristics and traits of strong leaders. *"This orientation implies a belief that leaders are born rather than made – nature is more important than nurture."*[69]

The 1950's saw an influx of studies, but no common traits or characteristics were identified. Those which were found to be significant in some circumstances were not confirmed by others, and no correlations were found.

Stogdill identified personal characteristics of leaders breaking down into three main categories which are shown in Table 2.2.1.

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[67] A.Zaleznik, "Managers and Leaders: Are They Different?", Journal of Nursing Administration, Vol.11-7, Jul.'1981, pp.25-31

[68] W. Bennis, "On the Leading Edge of Change", Executive Excellence, April 1992, Vol.9-4, p.5

[69] A.Bryman, "Leadership in Organizations", **Handbook of Organization Studies**, Sage Publications, London, 1997, p.277.

Table 2.2.1
Personal Characteristics of Leaders

Physical characteristics: Activity Energy	Personality: Alertness Originality Creativity Personal integrity, Ethical conduct	Social characteristics: Ability to enlist cooperation, Cooperativeness Popularity, Prestige
Social background: Mobility	Self-confidence Work-related Characteristics Achievement drive, Desire to excel	Sociability, interpersonal skills, Social participation, Tact, diplomacy
Intelligence and ability: Judgment, decisiveness Knowledge Fluency of speech	Drive for responsibility Responsible in pursuit of objectives Task orientation	

Source: R. M. Stogdill, Handbook of Leadership, Revised Edition (adapted by Bernard M. Bass) The Free Press, 1981, pp. 75-76. This adaptation appeared in R. Albanese and D. D. Van Fleet, Organizational Behavior: A Managerial Viewpoint. Hinsdale, IL: The Dryden Press, 1983. [70]

2.2.2. The Style Approach

Lack of consistency in the trait approach has led researchers to study the behavior demonstrated by leaders rather than studying their personal characteristics. The hypothesis underlying the *style approach* suggests that behavior is the key variable that can be identified as that which affects differences in leadership strategies and success. The trait approach identifies who has leadership qualities whereas the style approach supports the supposition that leadership behavior can be shaped, developed, and changed through training. [71]

The style approach studies may be expressed in terms of authoritarian versus democratic styles, or people-orientation versus task-orientation.

"An autocratic leader is one who tends to centralize authority and rely on legitimate, reward, and coercive power. A democratic leader delegates authority to others, encourages participation, relies on expert and referent power to influence subordinates." [72]

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[70] R. L. Daft, **Management**, The Dryden Press, Orlando, 1991, Second Edition, p.375.
[71] A.Byrman, p.278.
[72] R.L. Daft, **Management**, The Dryden Press, Orlando, 1991, Second Edition, p.375.

Kurt Lewin and his associates from Iowa State University conducted the first studies on these leadership styles; they compared the performance of two groups with autocratic and democratic type leaders. They found that while both groups achieved high performance, the group members working with autocratic leaders were displeased, and feelings of hostility developed. The group assigned to the democratic leader expressed positive feelings, and, in addition to that, they sustained higher performance levels whereas performance levels declined in the former group working in the same environment.[73]

In the McGregor's Theory X and Theory Y, there are two different sets of assumptions made by managers about their employees: The Theory X manager is authoritarian – *tough, autocratic and supporting tight controls with punishment-reward systems* – needed for a group requiring *"coercion and control, avoiding responsibility and seeking security."* The contrasting style is the Theory Y manager, democratic leader – *benevolent, participative and believing in self-controls* – needed for a group committed to the organization's objectives.[74]

Rensis Likert analyzed the role of leadership in terms of creating a motivational environment and of developing supportive relationships. Likert identified four management systems[75]:

System1: the exploitive-authoritative system where power and direction come from the top downwards, where threats and punishment are employed, where communication is poor and teamwork non-existent.
System2: the benevolent-authoritative system is similar to the above but allows some upward opportunities for consultation and some delegation. Rewards may be available as well as threats.
System3: the consultative system where goals are set or orders issued after discussion with subordinates, where communication is both upwards and downwards and where teamwork is encouraged, at least partially.

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[73] Ibid, pp.375-376.
[74] G.A. Cole, **Management: Theory and Practice**, D.P.Publications, Hants, 1984, pp.55-205.
[75] Ibid.

System4: the participative-group system is the ideal system. Under this system, the keynote is participation., leading to commitment to the organization's goals in a fully cooperative way. Communication is good both upwards, downwards and laterally.

In their leadership studies, Tannenbaum and Schmidt concentrated on a new problem of modern managers which is the challenge of assessing the appropriate management style − democratic or autocratic − in their relations with their subordinates. Researchers analyzed this problem focusing on how leaders' behaviors change in various situations where a decision is required to be taken. They observed that subordinates perceive their bosses as democratic when they are involved in the decision making and autocratic if they are left out. That is to say, the leadership style addressed by the subordinates is related with their involvement as well as the degree of interference of their bosses to the decision making process. Tannenbaum and Schmidt proposed a framework for the modern managers to decide on different patterns of leadership behavior depending on their subordinates' perception to various situations. For example, "*how important is it for managers' subordinates to know what type of leadership they are using in a situation? What factor should they consider in deciding on a leadership pattern? What difference do their long-run objectives make as compared to their immediate objectives?*" [76]

The leadership model of Tannenbaum and Schmidt is a continuum of styles ranging from Boss-Centered to Subordinate-Centered leadership depending on organizational circumstances as well as on the skill level of his or her subordinates. For example, if his or her subordinates are weak in taking decision initiatives, the leader will assume an autocratic style or if the team has already acquired decision-making skills, then the leader uses a participative style.[77]

The drawback of these three styles as cited is that while studying either autocratic or democratic leadership behavior the other variables which influence style are neglected.[78]

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[76] R.Tannenbaum, W.H. Schmidt, "How to Choose a Leadership Pattern", Harvard Business Review, Boston, Jul/Aug.1986, Vol.64, pp.131- 142.
[77] R.L. Daft, op.cit, p.376.
[78] G.A.Cole, op.cit, pp.22-23.

People -Task Orientations have been researched by two universities, namely the University of Michigan and Ohio State University. The Michigan studies were first reported in 1950 where they compared the behavior of effective and non-effective leaders among high and low productivity groups. The study defined two basic classifications following interviews with leaders and their followers (subordinates): job-centered leader behavior and employee-centered leader behavior. *"Employee-centered supervisors are those who place strong emphasis on the welfare of their subordinates. In contrast, production-centered supervisors tend to place a stronger emphasis on getting the work done."*[79] The Michigan studies presumed that these two different orientations are at opposite ends of a continuum:

Figure 2.2.2.a
The Michigan Continuum

High - producing groups   Low – producing groups

Employee - centered   Production - centered
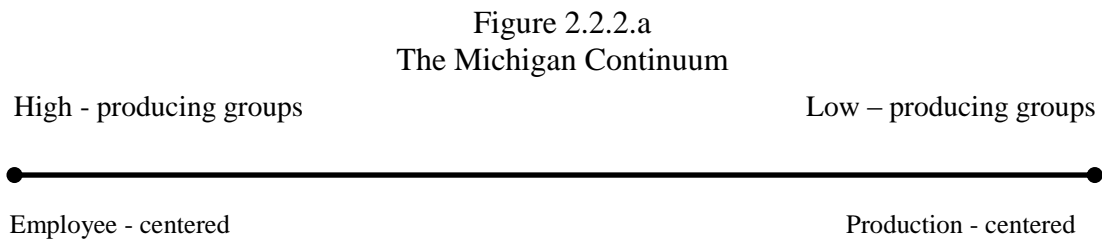
Source: G. A. Cole, **Management: Theory and Practice**, DP Publications, Hants, 1984, p.207.

Around the same time that the Michigan studies were carried out, researchers at Ohio State University began their studies of leadership behavior. The result of these studies suggested that two distinctive leadership behavior styles were identified as *consideration* and *initiating structure*.

"Initiating-structure behavior is when the leader clearly defines the leader – subordinate role so that everyone knows what is expected, establishes formal lines of communication, and determines how tasks will be performed. Consideration behavior show concern for subordinates and attempt to establish a friendly and supportive climate".[80]

According to the Ohio State studies of leadership behavior, these two dimensions are independent of each other, meaning that a leader with a high degree of consideration might exhibit a high or low degree of initiating change. This is one

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[79] J.R. Schermerhorn, JR, J.G. Hunt, James G., R.N. Osborn, **op.cit.,** p.316.
[80] R.W. Griffin, **op.cit**, p.398.

of the elements that has been criticized by other researchers, some of whom tried to prove the dependence of these two dimensions while others claimed the independence of these two dimensions requires a high level of flexibility. One of the critics was noted by Korman saying that these two behavioral types are dependent on situations: *"what works well in some situations may not work well in others"*.[81]

Building on the works of the Ohio State and Michigan studies, Blake and Mouton developed a two-dimensional leadership theory called *Managerial Grid*, a matrix of two major dimensions: concern for production (similar to job-centered and initiating-structure behaviors) and concern for people (similar to employee-centered and consideration behavior). Each axis on the grid is a 9-point scale, where 1 is the lowest score and 9 is the highest. In this grid, the 9.9 scale is the ideal scale of leadership behavior.

Figure 2.2.2.b
The Managerial Grid (adapted from Blake & Mouton, 1964)
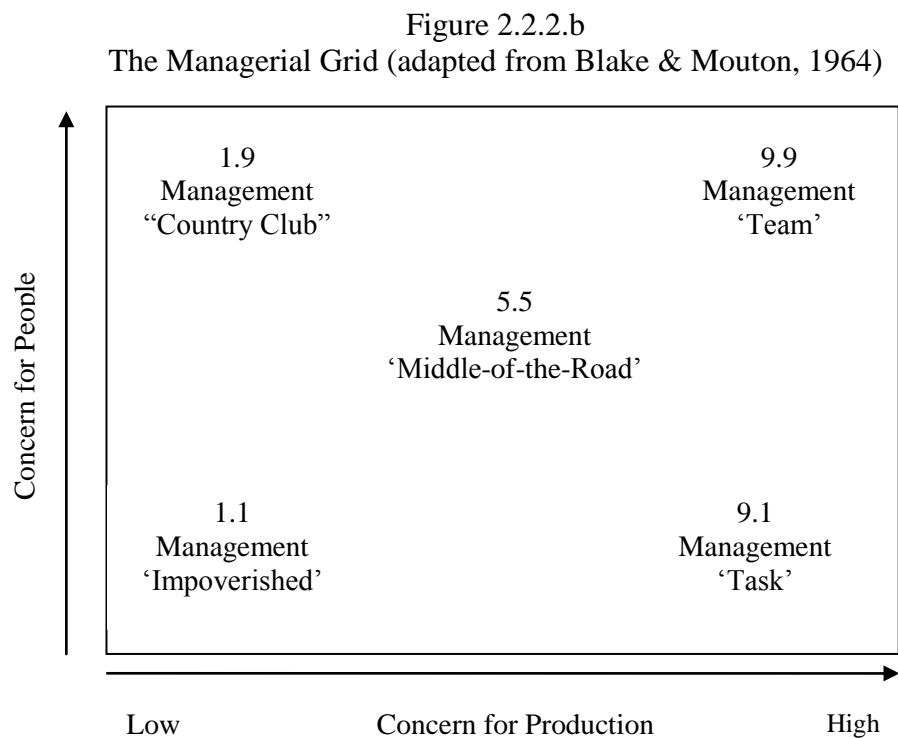
Source: G. A. Cole, **Management: Theory and Practice**, DP Publications, Hants, 1984, p.209.

Although Blake and Mouton claimed that the Grid was a very helpful tool to companies for reference and use to improve managerial and organizational effectiveness, this study meets with criticism due to the supposition that these two

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[81] A.K. Korman, "Consideration, initiating structure, and organizational criteria – a review", Personal Psychology, 19, 1966, pp.349 – 361 in A.Bryman, **op.cit**, p.278.

dimensions are the only significant factors in the leadership equation and that regard for the element of situational components is ignored.[82]

2.2.3. The Contingency Approach

The third approach in the leadership study is called the *contingency approach* styles of management which dominated during the 1960's until 1980's. In this approach, the relationship between leadership styles and specific situations has been emphasized; in other words, the situational variables are the key drivers of effectiveness in leadership and of determining outcomes. One of the best known works of contingency thinking was driven by Fred Fiedler and his associates in the mid-1960's. *"His theory holds that group effectiveness depends on an appropriate match between a leader's style and the demands of the situation. Specifically, Fiedler considers situational control – the extent to which a leader can determine what his or her group is going to do as well as the outcomes of the group's actions and decisions."* [83]

Fiedler links his study to the trait approach by focusing on two main elements, relationship-motivated and task-motivated which are measured in the form of personality attributes. Furthermore, Fiedler recognizes the importance of situational context and emphasizes the relevance of the nature of the situation.

Fiedler's instrument to measure a person's leadership style is called *least preferred coworker or LPC,* a controversial questionnaire. The respondents are asked to define the person with whom he or she has least liked working with, i.e. their least preferred coworker or LPC using a given set of adjectives. If the leader describes the least preferred coworker using positive adjectives, then he or she is considered relationship-oriented whereby he or she cares about the well-being of others. Conversely, negative descriptors indicate that the leader is more focused on tasks rather than fostering good relationships. Hence, Fiedler links his study to the trait approach by focusing on two main choices, relation-motivated and task-motivated, which are measured in the form of personality attributes according to the range of situations.

[82] G.A. Cole, **op.cit**, p.209.
[83] J.R. Schermerhorn, JR, J.G. Hunt, James G., R.N. Osborn, **op.cit,** p.319.

According to Fiedler, the three most significant variables that define the preferred outcome are as follows:

– *Leader - member relations refers to group atmosphere and members' attitude toward and acceptance of the leader.*

– *Task Structure refers to the extent to which tasks performed by the group are defined, involve specific procedures, and have clear, explicit goals.*

– *Position power is the extent to which the leader has formal authority over subordinates.*[84]

These three situational variables are combined to produce eight possible lists of leadership situations. *"The most favorable to the leader is when (1) he has good leader-member relations, (2) the task is highly structured, and (3) he has a powerful position. By comparison, the least favorable conditions are when (1) he is disliked, (2) the task is relatively unstructured and (3) he has little position power."*[85]

As with previous theories, Fiedler's contingency theory has been criticized as lacking validity and as showing signs of inconsistency in its measurement of key variables. Important to note is that this was the first study to offer a situation perspective of leadership.

2.2.4.   The New Leadership Approach

The fourth approach to leadership is known as "The New Leadership." Within this framework, leaders are "depicted as managers of meaning *rather than in terms of an influence process.*"[86]

Charismatic, visionary, and transformational define the main aspects of leadership which were conceptualized in the New Leadership approach.

The concept of charisma was first introduced into the context of organizational behavior by the German political economist and sociologist Max Weber, who

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[84] R.L.Daft, **op.cit**, p.381.
[85] G.A.Cole,**op.cit**, p.213.
[86] A.Bryman, **op.cit**, p.280

defined it as "*the power which acquires its legitimacy not from the situations or regulations but from the extraordinary personal and heroic characteristics.*"[87]

In 1977, Robert House and his associates extended the charismatic theory on leadership by combining trait and behavior approaches. According to Robert House, "*charismatic leaders are those who, by force of their personal abilities, are capable of having a profound and extraordinary effect on followers*"[88] and according to Gary Yukl, the desire for power is the key motive for wanting to influence their followers.[89] Self-confidence, capability to influence, and articulation of goals with moral righteousness are the main traits of this style of leadership. House and his colleagues supported their theory with other works, one of which proposed the "*bright-side*" and "*dark-side*" of the charismatic leader: Adolf Hitler can be cited as another example for the former notion which emphasizes the element of personalized power. Another example is Martin Luther King who belongs to the bright-side, possessing socialized power.

In 1987, Jay Conger together with Rabindra Kanungo proposed that charisma is a phenomenon filled with causality attributing charisma to the behavior through his or her personal characteristics like risk ownership, high dedication to a vision, etc. Based on the importance of behavior, Conger and Kanungo defined charismatic leadership in four-stages: (1) formulating a vision considering the needs but also beyond the status quo; (2) communicating this vision and instilling motivation to go beyond the status quo; (3) building trust through exhibiting his or her strong qualities; and finally, (4) helping others to achieve the vision by means of role models and empowerment.[90]

Visionary leadership studied by writers such as M. Saskin (1988), F. R. Westley and H. Mintzberg (1989), B. Wallace and C. Ridgeway (1996). The common thread among these researchers is the vision that leaders share: the *visionary* leader has the ability to imagine and shape the future. He or she is like an

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[87] H.Can, Ö.Aşan, E.M.Aydın, Örgütsel Davranış, Istanbul, Arıkan Basım Yayım Dağıtım Ltd, p.323.
[88] J.R. Schermerhorn, JR, J.G. Hunt, James G., R.N. Osborn, op.cit.,p.329.
[89] G.Yukl, **Leadership in Organizations**, New Jersey, Prentice-Hall Inc., Third Edition, 1994, p.318 in S.Doğan, **Vizyona Dayalı Liderlik**, Kare Yayınları, İstanbul, 2007, p.87.
[90] J.A.Conger, R.N.Kanungo, "Charismatic Leadership in Organizations: Perceived Behavioral Attributes and Their Measurement", Journal of Organizational Behavior, Vol.15-5, Sept.'1994, pp.439-452.

explorer creating opportunities by analyzing various situations. Simply, they rally the troops with their vision.

Before all these labels emerged in the 1980's, James MacGregor Burns studied leadership in the political perspective and divided those in leadership positions as being transactional and transformational leaders.

According to Burns, the political leaders are either *transactional* or *transformational*. In the case of transactional leadership, there is an exchange of something valued between the leader and the follower in which the former rewards for complying with his or her wishes. In the transformational leadership role, the relationship between the leader and the followers is important: *"the result of transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents"*[91]

In 1985, Bernard Bass carried out an in depth study of Burns and interpreted his work. B. Bass together with B. J. Avolio in 1990 distinguished their work from Burns in two respects: first of all, transactional and transformational leadership were considered as two separate dimensions rather than the two ends of a continuum; and secondly, they defined the components by quantitative indicators similar to the Ohio approach where followers completed questionnaires about their leaders relating to each component.[92]

For Bass, transactional leadership is similar to traditional leadership approaches: the leader focuses on the quality and quantity of performance and is keen on goals and actions and on how to break resistance and to implement decisions.[93] Transactional leadership contains two components which are *contingent rewards* and *management by exception*. With contingent rewards, the performance is rewarded while the goals mutually agreed on are achieved. In the component of management by exception, the leader takes action and intervenes when there is a deviation from the rules and standards. When this occurs, if the boss owns the

[91] K.W. Kuhnert, P. Lewis, "Transactional and Transformational Leadership: A Constructive/Developmental Analysis", Academy of Management Review, Vol.12-4, 1987, pp. 648-657.
[92] A.Bryman, op.cit., p.281.
[93] K.W. Kuhnert, P. Lewis, op.cit.,p.648.

action, this is called *active management by exception*; but, if he or she only warns the follower about the situation, then it is called *passive management by exception*.

In contrast to transactional leadership, "transformational leadership is defined as the leadership that goes beyond ordinary expectations by transmitting a sense of mission, stimulating learning experiences, and inspiring new ways of thinking."[94]

Transformational Leadership is made of four components: charisma, inspiration, individual consideration, and intellectual stimulation. Charisma accommodates a vision bringing out a sense of mission and developing trust and respect of followers. Inspiration expresses high expectations by using symbols to focus efforts. Individualized consideration is the attachment of importance to each follower, giving them respect and responsibility. Intellectual Stimulation is evoking followers to produce new ideas and approaches and encourages problem solving.[95]

Bass concludes by proposing that leaders need to be both transactional and transformational in order to be successful.

2.3. Leading for Change: Transformational Leadership

In today's turbulent business environment, transformational leadership has become a necessity to drive change.

Tannenbaum and Massarik defined leadership in their article "Leadership: A frame of Reference" (1957) as "*interpersonal influence, exercised in situation and directed through the communication process, toward the attainment of a specified goal or goals*"[96] wherein a situation is one of the complementary components. According to Tannenbaum and Massarik, the relation between the leader and the follower is *influence relationship* and the behavior of followers can be manipulated with situational factors such as improving the atmosphere of the workplace or minimizing isolated working environments which will yield higher productivity,

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[94] R.W. Griffin, op.cit., p.409.
[95] A.Bryman, op.cit, p.281. J.R. Schermerhorn, JR, J.G. Hunt, James G., R.N. Osborn, op.cit.,p.331.
[96] R.Tannenbaum, F.Massarik, "Leadership: A Frame of Reference", **Management Science**, Vol.4-1, Oct.,1957, pp.1-19.

motivation, etc. With the emergence of the transformational leadership definition, Bass and Avolio brought a new dimension to the situational factors arguing that the situation is unimportant for transformational leaders because they are capable of changing it for the improvement of subordinate performance. It is clear that both definitions point to the situational factors as one of the critical features of leadership while the key difference is that transformational leaders are forcing the situation to change rather than exercising within a frame.[97]

Transformational leaders build emotional bonds with their followers by concentrating on their needs and beliefs in line with their own goals and objectives, by incorporating intuition and creative insight, persistence, and energy, and by using their visioning, rhetorical and impressionable management skills.[98]

In his research of "*Emotional Balancing of Organizational Continuity and Radical Change*", Quy Huy found out that the level of fear and anger declines in the case when the managerial approach takes into account the emotions of workers. This research also revealed that the emotional balancing is equally beneficial for the organizational development. [99]

Charisma is cited as one of the four components of transformational leadership by Bass which intersects with the charismatic leadership of House (1977). Both transformational and charismatic leaders gain influence by demonstrating strong personal characters. Bass, together with Avolio, described those characteristics as high self-confidence, capability to motivate followers, and strong persuasion of beliefs. Bass also argued that charisma is a necessary attribute but not sufficient in itself. Individualized consideration and intellectual stimulation are keys to leadership factors which differ from charismatic leadership; transformational leaders treat every subordinate as an individual and focus on their needs to develop further and

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[97] B.J.Avolio, B.M.Bass, "Transformational Leadership, charisma and beyond" in A.Bryman, op.cit, pp.280-283.

[98] B.Bass, B.J.Avolio, "Transformational Leadership and Organizational Culture", **Public Administration Quarterly**, Vol.17-1, Spring 1993; pp. 112-120. B.M.Bass, Leadership and performance beyond expectations, Free Press, New York, 1985 in S.A. Masood *et al*.,"Transformational leadership and organizational culture: the situational strength perspective", **Proceedings of the Institution of Mechanical Engineers**, Part B, Feb.'2006, pp.941- 948.

[99] Q.N. Huy, "Emotional Balancing of Organizational Continuity and Radical Change: The Contribution of Middle Managers", Administrative Science Quarterly, Vol.47, 2002, pp.31-69 in T.Ekmen, "Değişim Yönetiminde Duygusal Zeka ve İletişim", in J.M. Poussard, T.Erkmen, **Yönetim-İletişim-Kültür**, Arıkan Basın Yayım Dağıtım Ltd. Şti., Istanbul, 2006, p.135.

intellectually stimulate their ideas and values to tackle problems and generate new ways of thinking.[100] In this sense, it can be said that charismatic leaders are not necessarily transformational leaders, but transformational leaders use charisma as a tool to inspire, motivate, and unite subordinates, especially in crisis management.

Boehnke, et al., indicated five key behaviors related to transformational leadership which are visioning, inspiring, stimulating, coaching, and team-building.[101] Successful transformational leaders build confidence and motivate their followers by creating an image and articulating goals.[102]

Podsakoff, et al., defined six main transformational behaviors: articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, individualized support, and intellectual stimulation.[103]

Transformational leaders generate the desire for change by transmitting energy and inspiration. They upgrade people's values and ideologies; they don't just gather followers but strengthen followers to become leaders.[104]

2.4.   CEO as Change Leader

Change is a team game but should be orchestrated by top executives. A Chief Executive Officer (CEO) is the top manager at the peak position of a business organization.

Albert A. Vicere defined CEOs as the stewards working towards the continuous development of their organizations and executing good performances for their stakeholders.   However, he also argues that over the past 20 years CEOs have become like superstars, inspirational celebrities of the business world. Being at the

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[100] B.Bass, D.A. Waldman, B.J. Avolio, "Transformational Leadership and Falling Dominoes Effect", **Group & Organization Studies**, Vol.12-1, Mar.'1987, pp. 73-75.

[101] K.Boehnke, N.Bontis, J.J.DiStefano, "Transformational leadership: an examination of cross-national differences and similarities", **Leadership & Organization Development Journal**, Vol.24-1/2, 2003, pp. 5-13.

[102] K.W.Kuhnert, P.Lewis, op.cit., pp.648-650.

[103] P.M.Podsakoff, S.B.MacKenzie, R.Fetter, "Transformational leaders behaviours and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviours", **Leadership Quarterly**, Vol. 1(2), 1990, pp.107-142 in S.A.Massod, S.S.Dani, N.D.Burns, C.J.Backhouse, op.cit., p.942.

[104] S.Denning, **The Secret Language of Leadership**, Jossey-Bass – A Wiley Imprint, CA, 2007, p.22.

top is not easy, and the leader is on his or her own in that position; therefore, Vicere suggested that great leaders should manage with love, life, and legacy, not for acquiring more fame but for "*positive contribution to every individual who comes in contact with the organization.*"[105]

According to Peter Senge, et al., CEOs are great leaders and heroic figures, talented with the capability of command and influence.[106]

Being at the top means taking the responsibility for both success and failure. Although CEOs have the ultimate power in the company, this does not mean that they are the final decision makers since they have to bear the pressure emanating from investors, customers, and employees; hence, the role of the CEO requires intuition and fast response.[107]

C. B. Aiken and S. P. Keller claimed that the role of CEOs is directly related to the "*magnitude, urgency and nature*" of the transformation. They have defined four key functions for a successful CEO during transition periods[108]:

– *Making the transition meaningful: CEOs to engage followers openly through a powerful transformation story.*
– *Role-modeling desired mind-sets and behavior: CEOs to lead by examples and encouragement of his/her journey of transformation.*
– *Building a strong and committed top team: CEOs to assess for the team which will carry the transformation actions together with him or her.*
– *Relentlessly pursuing impact: CEOs to keep the energy of the organization high for a strong impact.*

The work of M. L. Tushman and D.A. Nadler suggested that charismatic leadership is the special picture which arises during the organizational change characterized by three key actions: envisioning for a clear vision, energizing for

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[105] A.A.Vicere, "Where have all leaders have gone?", **Employment Relations Today**, Vol.29-3, 2002, pp.1-8

[106] P.Senge et al, The Dance of Change, Doubleday, New York, 1999, pp.10-21

[107] S.Denning, op.cit., pp.70-73.

[108] C.B.Aiken, S.P.Keller, "The CEOs role in leading transformation", Management Quarterly, 2007;48;2, pp.30-39.

personal excitement, and enabling through effective organizational structure and rewarding systems.[109]

In an extensive survey among 160 executive leaders around the world, C. M. Farkas and S. Wetlaufer researched the behaviors, attitudes, and actions of leaders that shape their leadership approach that best suits the needs of the organization and the business situation. In the case of change approach, it has been found that CEOs spend 75% of their time communicating with their team in order to motivate and create readiness for change.[110]

Today's CEOs lead by example and vision rather than by issuing commands. They are much more concerned with the human touch rather than with numbers.[111]

John P. Kotter suggested that the key challenge in change management is to transform people's behaviors. To do so, successful change leaders must build an emotional bond among followers through generating inspiration by telling vivid stories and creating images in people's minds.[112]

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[109] D.A.Nadler, M.L.Tushman, "Beyond The Charismatic Leader: Leadership and Organizational Change", California Management Review, Vol.32-2, 1990, pp.77-97.
[110] C.M.Farkas, S.Wetlaufer, "The Ways Chief Executive Officers Lead", Boston, Harvard Business Review, May/June 1996, pp.110-122.
[111] J.Y.Wind, J.Main, **Driving Change**, The Free Press, NY, 1998, pp. 94-99.
[112] J.P.Kotter, "Change Leadership", **Leadership Excellence**, Vol.22-12, Dec.2005; p.3.

3.   COMMUNICATION DYNAMICS OF A SUCCESSFUL LEADER

3.1.   Communication in Organizational Life

Communication is essential for the flow of information inside and outside organization. The basic definition to *organizational communication* is "*the specific process through which information moves and is exchanged throughout an organization.*"[113]

Figure 3.1
The Five Directions of Management Communication
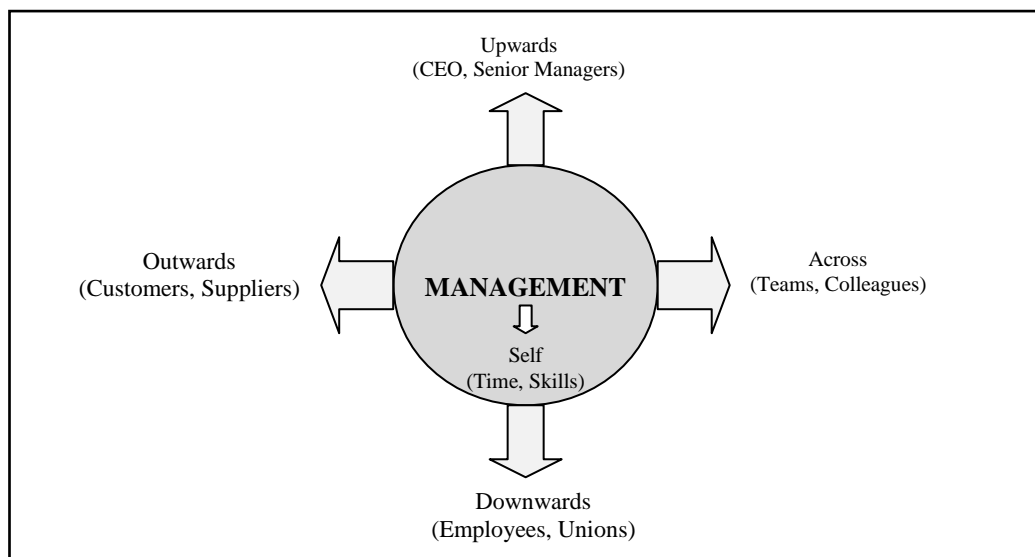
Source: O.Hargie, D.Dickson, D.Tourish, Communication Skills for Effective Management, Palgrave MacMillan, NY, 2004, p.9

The information in an organization flows through both formal and informal channels. "*The formal communication channels are those that flow within the chain of command or task responsibility defined by the organization.*"[114] The formal communication channels are either vertical or horizontal. Vertical communication moves upward and downward where the degree of hierarchy determines the path;

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[113] J.R. Schermerhorn, JR, J.G. Hunt, James G., R.N. Osborn, **op.cit.,**p.349.
[114] R.L.Daft, **op.cit.**, pp.442-455.

that is to say, the vertical communication between superiors and subordinates. Horizontal communication takes place among groups of employees at the same level or between the employees and third parties outside the organization.[115]

The definition of informal communication channels is "*a communication channel that exists outside formally authorized channels without regard for the organization's hierarchy of authority.*" There two types of informal channels: *Management by Wandering Around* and *Grapevine.*

Management by Wandering Around came on board following Tom Peters and Robert Waterman's book, *In Search of Excellence* in 1980's. The writers proposed a new communication style that breaks the hierarchical rules by permitting communication at all levels and by eliminating the layers in organizations, which improves the quality of information and relationships with employees.[116]

In an environment where ambiguity exists, the unofficial network rises in parallel to the intensity of uncertain situations. The grapevine, "*an informal communication network among people in organization, permeating the entire organization while breaking formal communication channels,*"[117] emerges in cases of uncertainty and might provoke anxiety. On the other hand, management might use the grapevine to eliminate negative outcomes of rumors in organizations.[118]

The effectiveness of organizational communication in the transformational period is critical to the success of achieving good results. To this end, the main reason of distortion in communication should be carefully analyzed and minimized by change leaders. Language is one of the critical barriers to effectiveness since "*words mean different things to different people.*" Therefore, words must be carefully chosen considering both the background of people and the intensity of uncertainty.[119]

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[115] R.W. Griffin, op.cit., pp.449-451.
[116] T.Peters, R.H. Waterman Jr, **In Search of Excellence**, Warner Books, 1984 in R.L.Daft, **op.cit.**, pp.442-455.
[117] R.W.Griffin, op.cit., pp. 449-451.
[118] S.P. Robbins, **Organizational Behavior: Concepts, Controversies and Applications**, pp.216-227.
[119] **Ibid**.

3.2. Leadership Communication

The Bass-Valenzi Model classified the leadership styles as directive, negotiator, consultative, participative, and delegative depending on the perception of task. Leaders with directive style entirely focus on tasks rather than human. They are authoritative. Their communication style is one-way. Negotiator leader keeps his authority while building good relations on behalf of his or her interest. They practice authoritarian language displaying father figure. Consultative leader proceeds upon the feedback of his or her subordinates, they build upward and downward communication style and motivate by rewarding. As we can understand from the word itself, delegative style of leader shares his or her responsibility with the team and communicates his or her suggestions. Finally, participative leader involves members of the organization to the decision making process with extensive communication by using friendly tone.[120]

In his book, *Great Communication Secrets of Great Leaders*, John Baldoni describes leadership communications as "*the messages from a leader that are rooted in the values and culture of an organization and are of significant importance to key stakeholders, e.g., employees, customers, strategic partners, shareholders, and the media.*"[121]

Mai and Akerson featured two dimensions of leadership communication: "*relation building*" and an "*instrument of strategy and strategy itself.*" According to them, communication is the key tool of leaders to work on three main agendas: "*building community and trust;*" "*create workforce alignment around mission and tasks;*" and "*engage employees in an ongoing, continuous improvement dynamic that shapes and reshapes the nature of work.*"[122]

Leadership communication is not simply delivering messages. Every organization has goals, and the leader manipulates members to achieve these goals

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[120] H.Gürgen, **Örgütlerde İletişim Kalitesi**, DER Yayınları, Istanbul, 1997, pp.188-189.

[121] J.Baldoni, **Great Communication Secrets of Great Leaders**, McGraw-Hill, NY, 2003, p.5.

[122] R.Mai, A.Akerson, "The Leader as Communicator", American Management Association Books, NY, 2003, pp.14-15.

by using communication as a tool to build trust and to bond with followers, transforming, improving organization skills, motivating, and calling for action.[123]

The correlation between leadership and communication researched by Redding, concerning effectiveness proposes four key features: "(1) *effective supervisors are more communication-oriented than ineffective leaders and enjoy speaking up* (2) *they are more receptive and responsive to subordinate inquiries* (3) *rather than to tell, they ask or persuade and finally* (4) *advance notice of changes and explained the why of things.*"[124]

3.3. Mastering Communication for Change

In one of his interview with Jack Welch, the former CEO of General Electric, Stratford Sherman picked out a striking connotation underpinning the importance of a leader's communication in organizational change: *"How do you bring people into the change process? Start with reality. Get all the facts out. Give people the rationale for change, laying it out in the clearest, most dramatic terms. When everybody gets the same facts, they'll generally come to the same conclusion. Only after everyone agrees on the reality and resistance is lowered can you begin to get buy-in to the needed change."*[125]

The exploratory study of Putti, et al., endorses Welch's speech in the way that the level of satisfaction in an organization is in direct relation to the amount of information delivered to its members.[126] Pavitt, who examined the confidence of followers in an organization, concluded that when the vision is effectively communicated the level of confidence rises accordingly.[127] May and Kettelhut

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[123] J.Baldoni, **op.cit.**, pp.5-12.

[124] W.C. Redding, "Human Communication behavior in complex organizations: Some fallacies revisited in L.E.Penley, B.Hawkins, "Studying Interpersonal Communication in Organizations: A Leadership Application", **The Academy of Management Journal**, Vol.28-2, June.1985, p.311.

[125] S.Sherman, "A Master Class in Radical Change", **Fortune**, Dec.1993, pp.82-90 in T.J. Galpin, M.Herndon, The Complete Guide to Mergers and Acquisitions, CA, Jossey-Bass Inc., Publishers, 2000, p.48.

[126] J.M. Putti, S. Aryee, J. Phua, "Communication relationship satisfaction and organizational commitment", **Group & Organization Studies**, Vol.15-1, Mar.'1990, pp.44-52.

[127] C. Pavitt, "Theorizing about the group communication-leadership relationship: Input-process-output and functional models in P.E.Madlock, "The link between leadership style, communicator competence and employee satisfaction", **Journal of Business Communication**, Vol.45-.1, Jan.'2008, pp.61-78.

highlighted the role of communication and collaboration in reducing the ambiguity during the reengineering process of an organization and claimed that "*open communications clarify expectations.*"[128]

In a case of change where the initiators depend on the resisters' help, a strong communication of ideas must be lodged in the environment, and the education of people should be enhanced through different activities like "*one-on-one discussions,*" presentations, regular meetings, and so on.[129] Gotsill and Natchez confirm the combination of communication with training in change management strategy stating that "*the transition from why to implementing how*" can be realized if the reason for change is clear and well understood by employees. As methods of training, they suggested "*on line self help,*" e-learning, and "local experts" in assisting groups or individuals.[130]

In his book, *Managing Change and Making It Stick*, Roger Plant advises to "*communicate like it has never been communicated before*" and to get constant feedback within the organization, which is "*even more crucial*" than communication in preventing misinformation and minimizing the grapevine.[131] Based on a similar theme with Plant but in reversed order, Roger D'Aprix put trust ahead of communication, arguing that "*without trust in human nature, there can be no communication*" and that people in and outside the organization should be reconnected when change happens.[132]

3.4. The Communication Role of CEO in Change Management

As previously reviewed in the literature survey, communication is the key component in change management, and the top executive in an organization has the primary task to create an atmosphere of transparency by communicating effectively. Because uncertainty multiplies when change occurs, communication should become

[128] D. May, M.C. Kettelhut, "Managing human issues in reengineering projects", **Journal of Systems Management**, Vol.47-1, Jan./Feb.'1996, pp.4-11.
[129] J.P. Kotter, L.A. Schlesinger, "Choosing Strategies for Change", pp. 130-139.
[130] G.Gotsill, M. Natchez, "From Resistance to Acceptance: How to implement Change Management", **T+D**, Vol.61, Nov.'2007, pp.24-27.
[131] R.Plant, **Managing Change and Making it Stick**, Harper Collins Publishers, London, 1995, pp.32-37.
[132] R. D'Aprix, **Communicating for Change**, The Jossey-Bass management Series, CA, 1996, pp.13-27.

intensified and implemented properly; therefore, the company's top executive or CEOs should first consider their own corporate culture and then implement a communication strategy congruous with the change.

During uncertain times, an executive must focus on developing the most appropriate communication strategy to elicit action in the organization. On the whole, a communication strategy is ineffective unless connected to revised goals, having an agenda with clear boundaries, building an organizational memory cognizant of the successes and failures of past events, clearly laying out the identity of the new organization, and then subsequently evolving.[133]

When uncertainty arises, people start losing trust and confidence, thus needing to be reassured that they are not left in the dark. Effective communication at such a time does not only depend on degree of accuracy and intensiveness but also on how it is shaped behaviorally. Face-to-face communication is cited as one of the best ways to help executives build new role models within the organization.[134] In this respect, Mai, Akerson, and Pincus redefined leadership communication as "relationship-building" rather than "information exchange."[135]

Among the ways to alleviate uncertainty is to communicate by using examples, by leading in a direction which makes the change tangible to followers,[136] and by focusing their attention on goals through communicating palpable messages. In a survey among 60 executives, it was found that personal and concise messages from a respected leader arouse emotions, attracting the attention of followers more easily.[137]

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[133] P.G. Clampitt, R.J. DeKoch, T.Cashman, "A Strategy for communicating about uncertainty", **The Academy of Management Executive**, Vol.14-4, Nov.'2000, pp.41-57.

[134] P. Richardson, K. Denton, "Communicating Change", **Human Resources Management**, Vol.35-2, Summer 1996, pp.203-216.

[135] R.Mai, A.Akerson, **op.cit**., pp.14-15. D.J. Pincus, "Top Dog meets Excellence", **Communication World**, Vol.11-5, May 1994, pp.26-29.

[136] D.A. Cingoranelli, "Communicating Change Iniatives", **The Practicing CPA**, Vol.27-8, Oct.'2003, pp.3-4.

[137] T.H. Davenport, J.C. Beck. "Getting attention you need", Boston, **Harvard Business Review**, Sep/Oct.' 2000, p. 118.

According to D'Aprix, a current CEO has four key communication tasks:

1. *Myth Teller, keeping alive the heroic tales of the organization;Story Teller, making something come to life and making it something to which one wants to dedicate one's energies;*

2. *Motivator, being the cheerleader for the organization; and;*

3. *Tone Setter, being very careful about personal behavior and personal ethics.* "[138]

David Pincus developed a communication model called 'CCOS' in his study of CEOs and their communication roles. The first 'C' is *consistency* where a leader's actions and words should be in harmony. The second 'C' stands for *compassion*, meaning that leaders must listen and solicit feedback from their subordinates to help them express their sensitivities about the situation. The 'O' signifies *organization*; CEOs must assess their communication strategy parallel to the dynamics of the evolving business. And finally, the 'S' in the model is *selective*, compelling CEOs to deliver the right amount of communication not to worsen the message.[139]

The meaning of selectivity in Pincus' CCOS model is supported by Charles O. Holliday, Jr., the CEO and Chairman of DuPont:[140] "*Obviously the CEO has to be a good direct communicator. Whether it's internal or external, everything the CEO says has an impact on employees, customers, shareholders and the public. But the CEO has to resist the temptation to over communicate. With today's technology, I can send a note to everybody at anytime. And, it is very tempting to send a message to 80,000 people; on the plus side, I can reach everybody in the line organization with precisely the message I want, in the words I want. But that is not always the best way to communicate, especially if I want to strengthen the effectiveness of other business leaders in the company. The judgment called for is when should the CEO speak directly and when should the CEO trust the organization to cascade the message. Each approach has strengths and weaknesses. I think it is very important to speak as CEO to the entire organization on critical and timely issues. But I think it is more important to make sure good communications are continually flowing*

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[138] R.D'Aprix, **op.cit**.,111-115.

[139] D. Pincus, **Top Dog**, NY, McGraw Hill, 1994 in R. D'Aprix, **op.cit.**, pp.105-110.

[140] P. Sauer, "CEOs speak: Executive Leadership, Chemical Market Reporter, June 3, 2002, Vol. 261-22, p.12.

throughout the organization – rather than me personally always doing it. I did not always think this way, but I have learned a lot in his job, and this has been a very valuable lesson."

3.5. The Language Dynamics of Successful Change Leader

Marshak and Grant argued that the discourse is the key leverage in the application of change. In order to create change in social systems, the change in discourse involving rationales, stories, metaphors, conversations, and contents should be considered as a preliminary action along with strategies. [141]

The words, metaphors and language style used by CEO reflect their inner world and ideology as well as the conditions of the environment they lead.[142] Weick defined CEO discourse as *"a sense-making window on CEOs' innermost selves."*[143]

3.5.1. Importance of the Message

The way the transformational leader communicates the change process is important to reach the desired results. People in organizations scrutinize every word of the leader in a period where ambiguity exists therefore the design of the message is crucial to create awareness for change. Mathis proposed that an effective message must incorporate three elements in order to be noticed by the members of organizations[144]:

−   *Difference*: metaphorically different, since leaders come with a change initiative with the promise of a better environment. Literally different, because leaders' message must be *"fresh"* to get the attention of the audience,

−   *Emotion*: the workplace of today is overloaded with a lot of messages consequently few are picked up by the workers. In an environment where

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[141] R.J.Marshak, D.Grant, "Transforming Talk: The Interplay of Discourse, Power and Change", Organization Development Journal, Fall 2008, Vol.26-3, pp.33-40.
[142] J.H. Amernic, R.J. Craig, "Guidelines for CEO-speak: editing the language of corporate leadership", Strategy & Leadership, 2007, Vo.35-3, pp.25-31.
[143] K.E. Weick, Sensemaking in Organizations, Thousand Oaks, CA: Sage Publications, 1995 in J.Amernic, R.J.Craig, CEO Speak: **The language of Corporate Leadership**, op.cit, p.5.
[144] M. Mathis, Feeding the Media Beast: An Easy Recipe for Great Publicity, West Lafayette, IND: Purdue University Press, 2002, pp.29-87 in John Baldoni, **Great Communication Secrets of Great Leaders**, op.cit., pp.54-58.

change occurs, people gets more sensitive and reactive to the messages delivered by the executives thus, when the leader accommodates emotion in his or her speech, it is easier to build a bond between the top and the followers.

−   *Simplicity*: for a successful communication of change, the leader must keep every stage of the process simple and clear to everybody. Simplicity is the way to make a change action approachable to anyone in the organization.

Garvin and Roberto claimed that "*persuasion is the ultimate tool to create a receptive environment to make change happen.*"[145] Persuasive message is the key component for an effective communication of change and according to Perloff, there are three components for a persuasive message which are: (1) *Message Structure*, (2) *Message Content* and, (3) *Language*.

The structure of a persuasive message can be explained as one-sided or two-sided message. In case of one-sided message, the persuader transmits his or her own views whereas two-sided message creates an environment where the arguments of persuader and his or her opponents meet. Research on this issue concluded that two-sided message "*refutes the opposition arguments.*" Furthermore, the persuader must deliver the message by drawing the conclusion implicitly rather than explicitly - listeners will be convinced that they come to a conclusion with their own initiatives and consequently this will help them to better understand the message.

The content of a persuasive message must contain evidence, fear and framing. If the case or the situation is explained through factual assertions, quantitative information, narrative reports, and so on will be more effective to influence the audience. The impact of using fear is debated by many researchers. Alan Deutschman argued that change is motivated by fear[146] but on the other hand, Perloff claimed that fear is a complicated and may not necessarily cause change in attitudes. The change in dysfunctional behavior can be achieved by reassuring someone after fear.

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[145] D.A. Garvin, M.A. Roberto, "Change through Persuasion", Harvard Business Review, Boston, Feb.'2005, Vol.83-2, pp.104-111.
[146] A.Deutschman, "Making Change", Fast Company, May 2005, Vol.52, pp.52-62.

The language of the persuader must be intense and his or her speech should be powerful to grab the attention of the audience. But these two factors can only appeal the audience if the context of speech also feeds the needs of listeners.[147]

The power of the message is directly related with the way how it is delivered. As previously discussed, face-to-face communication of leader is the strongest way to communicate during a period of change which helps the leader to minimize the resistance as well as to get one-to-one feedback. Baldoni suggested that messages need to be marketed in order to create action, for example a message can be merchandized with some thematic materials using special logos, slogans, and so on in order to build a bond between the message and people. [148]

Some examples of leadership messages for different purposes can be useful to understand the way the leaders communicate: [149]

VISION: Our challenge is to complete this project by year's end. When the project is complete, we will have the exciting new product our customers have been asking for: This product will enable us to grow our business profitability.

TRANSFORMATION: The challenges in the market dictate that we do things differently – internally in the way we operate and externally in the way we serve our customers. The changes we are calling for will not be easy, but they will be necessary. Yet we must learn to embrace change. Instead of viewing change as something to be feared, we must leverage its power and capitalize on the new opportunities to bring us.

CALLS TO ACTION: The days ahead will call for critical thinking and timely action. We need all of us to pull together as a team. I am asking each of you for your support as we go forward together in our quest to create a better future for us and for future generations.

EXPECTATION: I view my leadership role as one of supporting our team. I expect everyone on our team to support our collective objectives and work cooperatively with one another. I expect people on our team to think and problem-solve for themselves. When you encounter obstacles that you cannot resolve, I expect you to bring them to my attention. If you stonewall and hide problems, you will asked to leave the project.

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[147] R.M. Perloff, **The Dynamics of Persuasion: Communication and Attitudes in the 21st Century**, New Jersey, Lawrence Erlbaum Associates, Publishers, 2003, Second Edition, pp.176-211.
[148] J. Baldoni, op.cit., pp. 54-58.
[149] John Baldoni, Great Communication Secrets of Great Leaders, NY, McGraw-Hill Books, 2003, pp.7-8.

COACHING: Your enthusiasm for this job is admirable. I would like to make a few suggestions for ways in which you might improve your performance.

RECOGNITION: You have done an outstanding job on this project. I want you to know how important your contributions are to our team. Bravo. Well done!

3.5.2. Power of Words

Words are influential and the main tools of CEOs to create awareness and readiness for change. According to Stephen Denning, successful leaders follow a hidden pattern of communication starting with getting the attention of the audience, then stimulating the desire and finally reinforcing with reasons.[150] The selection of effective words supported with the most suitable conditions will enable this pattern to flow at the right direction.

Denning defined six principles to get the attention of people in an organization: attract by delivering the unexpected, eliciting emotions, personalize the interests, keeping relevancy to the subject at hand, being proportionate considering the mood of the audience and finally, stimulating by showing the undesirable results or negative options. The author cited "*striking metaphors*" as one the ways to get the attention of audience.[151] Amernic and Craig stated that CEO discourse contains metaphors because "*metaphors help provide the vocabulary and conceptual tools to identify what are considered legitimate problems and acceptable solutions.*"[152]

Wittgenstein illustrated words as "*tools*" and "*navigation devices*" rather than "*pictures*" which correlates the relations between members of a culture. Derrida explained the established meaning of words as "*Words develop meaning in relation to other word. Meaning is never final but always deferred in relation to other terms that themselves are evolving.*"[153]

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[150] S. Denning, **The Secret Language of Leadership**, op.cit., p.27.
[151] Ibid, pp.149 – 163.
[152] J. Amernic, R. Craig, **CEO Speak: The Language of Corporate Leadership**, McGill-Queen's University Press, Canada, 2006, pp.11-15.
[153] F. J. Barrett, G.F. Thomas, S. P. Hocevar, "The central role of discourse in large-scale change: A social construction perspective", **The Journal of Applied Behavioural Science**, Sept., 1995, Vol.31-3, p.358.

4.   RESEARCH FINDINGS

4.1.   The Framework of the Research

4.1.1. The Research Objective

This thesis focuses on discovering whether a specific language is used by top executives of corporations in Turkey during an organizational change process. In this thesis, top executives are defined as managers in the highest positions of the company, i.e., Chief Executive Officers (CEO) or General Managers (GM). In this respect, this study endeavors to ascertain the communication dynamics of CEOs and GMs who have managed change in a corporation, in Turkey and to note whether these CEOs engaged a different communication style to build readiness for change in their organizations.

4.1.2. The Problem Statement

Fast and ever-increasing changes in technology, medicine, social values, demographics, the business world, and international relations intimate that lifestyles and working conditions in the 21st century are more and more unpredictable.

Globalization and emerging markets in the world's economy are the key factors for these fast and ever-increasing changes. Indeed, an organization's progress depends largely on its ability to meet, predict, and prepare for future changes.

With exemplary organization orchestrated by top management, businesses are better equipped and in stronger positions to implement changes necessary for future development and successful growth. A major part of an organization's thriving progress is contingent on its ability to conceptualize future markets and employ strategies coinciding with market demands.

The role of CEOs or GMs is critical to resourcefully inspire and motivate their teams to embrace change. It is imperative, therefore, that CEOs or GMs possess communication skills that reinforce leadership qualities necessary to drive their teams in shifting not only what they think but also what they execute.

4.1.3. The Key Question

What are the communication dynamics of CEOs who have managed an organizational change in private businesses in Turkey? Do they use a specific language to build readiness for change?

4.1.4. Research Methodology

4.1.4.1. Sample Size

We focused on leaders of corporations that went through transformation incorporating four programs of change. Explicitly, change in this research infers planned changes without considering unplanned changes perceived as crisis management rather than change management. Planned change initiatives may be categorized under four programs:

− Structural Change: the model targeting higher performance through mergers and acquisitions, consolidations, and the like;
− Cost Cutting: elimination of nonessential cost items to improve profitability;
− Process Change: redesign of systems and the way tasks are executed; and,
− Cultural Change: conversion of values, norms, and behavior of an organization.[154]

Based on these criteria, we listed possible candidates for the interviews. Considering the fact that contacting these top executives requires networking, we also listed people who might know these candidates. Combining these two lists, we realized that we were limited in the number of CEOs and GMs we could actually contact. Therefore, we decided to focus on a qualitative study, following the

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[154] M. Beer, **op.cit.,** pp. 8-15.

suggestion of Jörgen Sandberg, who claimed that small samples are adequate for qualitative research.[155]

4.1.4.2.   Rationale for Data Collection

Quantitative and qualitative research methods are often debated and evaluated: "*the quantitative approach is objective and relies heavily on statistics and figures while the qualitative approach is subjective and uses language and description.*" [156]

Qualitative data assimilates meaning, not frequency. Morgan and Smircich argued that organizational researchers should not evaluate data as external observers but should diffuse it with what they investigate to better assess the most suitable approach to the study. Accordingly, "*qualitative research is an approach rather than a particular set of techniques, and its appropriateness derives from the nature of social phenomena to be explored,*" whereas the main issue in the quantitative method is the nature of the structure rather than the human element.[157]

Lee reviewed this debate of qualitative versus quantitative research looking at five aspects such as *objectivity versus subjectivit*y, *positivism versus phenomenology*, *universality and particularity*, *outsider versus insider*, *and statistics versus description* and concluded that the dilemma is spurred by the *scientific* or *human* approach in methodology, suggesting that "*no single approach has a total view of reality*" and that developing a more reflective methodology in the social sciences is needed.[158]

Since this research mainly focuses on discovering the communication dynamics of CEOs or GMs and whether they use a specific language, we chose the qualitative approach because of our face-to-face dialogue.

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[155] J. Sandberg, "Understanding human competence at work: An interpretive approach", **Academy of Management Journal**, Vol.43-1, 2000 in P.M. Guzman, "Strategic Leadership: Qualitative Study of Contextual Factors and Transformational Leadership Behaviors of Chief Executive Officers" (unpublished PhD Thesis, University of Phoenix, June 2007), p.84. Retrieved August 17th, 2008 from ProQuest database.

[156] J.Lee S.K., "Quantitative versus Qualitative Research Methods – Two Approaches to Organization Studies", Singapore, **Asia Pacific Journal of Management**, Vol.9-1, 1992, pp.87-95.

[157] G. Morgan, L. Smircich, "The Case for Qualitative Research", **The Academy of Management Review**, Vol.5, Oct.2'1980, pp.491-500.

[158] J. Lee S.K., **op.cit.**, pp. 87-95.

Sandberg interpreted the assumption that "language is a mirror" in the sense that the relationship between language and reality is like correspondence, whereby "*it is treated as a representational system available to researchers in their endeavors to describe reality objectively.*"[159]

4.1.4.3. Rationale for Methodology

As previously concluded, communication is the key element, involving top executives, to effectively accomplish change as "*language is the fundamental component of the leadership process.*"[160] In this regard, we conducted a content analysis to evaluate the actual words CEOs or GMs used during an organizational change process.

The research takes the form of an in-depth study with data gathered through conversation analysis, which was subsequently evaluated. As stated by J. Brown, "*conversation has been a core process for discovering what we care about. It's how we've always shared our knowledge, imagined our futures, and created communities of commitment.*" [161]

David Sudnow defined conversation analysis as "*the technique for analyzing naturally occurring conversations, used by social scientists in the disciplines of psychology, communication and sociology.*"[162]

Kottler and Swartz described it as a "*rigorously empirical approach which avoids premature theory construction and employs inductive methods . . . to tease out and describe the way in which ordinary speakers use and rely on conversational skills and strategies.*" [163]

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[159] J. Sandberg, "How Do We Justify Knowledge Produced Within Interpretive Approaches?", Organizational Research Methods, Vol.8-1, Jan.'2005, pp.41-68.
[160] P.M. Guzman, **op.cit.**, p.85.
[161] J. Brown, "A Resource Guide for Hosting Conversations That Matter at the World Café. Whole Systems Associates", retrieved on July 27th, 2004 from www.solonline.com in B.Grieve, "Leadership Communication: A Key Success Factor in Organizational Readiness for Change" (un-published Master of Arts Thesis, Royal Roads University, March 2005), p.21. Retrieved on Sept.30th, 2008 from Proquest Database.
[162] D. Sudnow, **Studies in Social Interaction**, NY, Free Press, 1972 in K.A. Neuendorf, **The Content Analysis Guidebook**, Sage Publications, 2002, p.7.
[163] A.E. Kottler, S. Swartz, "Conversation Analysis: What is it, can psychologists use it?", **South African Journal of Psychology**, Vol.23-3, pp.103-110 in K.A.Neuendorf, **op.cit**., p.7.

4.2. Research Findings

We conducted in-depth interviews with seven CEOs and/or GMs from various sectors. Participants were asked ten questions which are categorized and analyzed under these eight subjects: The workplace of the 21st century, Change drivers, Globalization, Vision of the future, Definition of successful change management, Resistance to change, Leaders of the future, Language practiced. (see Appendix 1 for the questionnaire).

4.2.1. The Workplace of the 21st Century

Question 1: Do you think there is a difference in the business world of the 21st century as opposed to the 20th? If yes, where are these differences seen? In what areas? What other differences are possible in the upcoming years?

Interviewee 1: "The mindset will be different and be changing in all areas. The new rule of the game will be 'if something goes on the track today this does not mean it will be the same in the future'. At the point when somebody will say that 'I've done it great' then he or she is dead because nothing is secure in this era and nobody can guarantee the future. The new working environment is getting dynamic than ever happened before. In the future, awkward organizations will be having troubles to adopt themselves to this new environment. "

Interviewee 2: "In the future, almost all organizations will be moving from hierarchical to flat structure and the transparency within the organization will be the crucial criteria. The human element will be the most important value consequently there will be a shift from the tangible assets towards intangible ones."

Interviewee 3: "To me, change is not a concept of the 21st century; change is continuous because there is always a producer or a seller and a customer in the business world. The context of these two parts might differ according to the specification of the sector but generally speaking, there is always a part which demands and the other part delivers to this demand. With increasing competition in

the business environment, the demands of customers are developing and constantly changing. Henceforth, the differentiation is continuous."

Interviewee 4: "I would analyze the future of working life by breaking into two categories: physical and culture, in other words, environment and organizational culture. Both will go through dramatic changes in the 21st century. First of all, the working environment will be re-designed to liberate workers from dark cubicles. The young talents of this new generation are less loyal and more demanding and it is getting harder to attract them. The new face of the 21st century office will be hub, home or creative. In past, the big corporations were in distance of this idea. Such designs were associated with advertising companies or small size businesses. But now, the young talents are more selective than the past generation in selecting the atmosphere to be in. In future, there won't be any personal assistant because everybody in working life will be on line and there won't be any need for a person to organize themselves. The hierarchical organization will be history, even CEOs will be history, and there won't be any hierarchy. Everything happens due to the globalization. Globalization changes people that is to say consumers are changing. Ten years ago, it was assumed that consumers should adapt themselves to the brands, namely brand-centric approach was widespread but now, this approach is replaced with consumer-centric view. Now 'the consumer is the king, not the companies.' Now, consumers are looking for revolutionary improvements. They have more options since they can reach those options through internet. Therefore, the future working life will be more demanding in terms of leadership skills and innovation."

Interviewee 5: The dominant emergence of human resources and information technologies will re-build both the future of business world and management styles.

Interviewee 6: "The work environment of the 21st century is becoming more flexible rather than bureaucratic due to the impulse of new generation which is faster, individual and highly competitive. Home office practice is getting wider in parallel to the rising need of working in flexible hours, especially in big cities. The differentiation will continue because nothing can stay static for a long time, everybody is looking 'to get maximum out of it' "

Answering this question, we aimed to discover how CEOs associate the word change with the future business environment.

First of all, the dominant view suggests that change is a continuous fact rather than an act occurring at a point in time. The word *dynamic* expresses the continuity of change. More pointedly, the word *dynamic* exists in Turkish vocabulary in the same context as the English language.

The continuity and dynamism of change is linked to the relationship between producer/seller and customer/buyer. CEOs stated that the *new generation consumers/customers* are becoming *more demanding* and *less loyal* compared to consumers of the 20th century, which creates the primary cause of continuous change in working environments.

Zygmunt Bauman explained the relation between the producer and consumer comparing the societies of the industrial phase and globalization. According to him, the industrial phase was a "*producers' society*" and the engagement of its members was on two roles that were producers and soldiers. But the weight on the producer switched to the consumer at the present society. The difference between the present and predecessor society is surely depends upon the emphasis of society on culture and individual life. In such a consumer society, the expectations for loyalty should not be high according to Bauman; "*the consumer's satisfaction ought to be instant, consumed goods should satisfy immediately requiring no learning of skills and 'in no time', that is in the moment the time needed for their consumption is up. And that time ought to be reduced to the bare minimum.*"[164]

In the perspective of Baudrillard, consumers are not independent and free in choosing what to consume; the industrial ideology imposes the initiative of selection to society, in fact, this initiative is only applicable in a closed environment which is created by the ideology itself. [165]

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[164] Z. Bauman, **Globalization: The Human Consequences**, Polity Press, Cambridge, 1998, pp.79-85.
[165] J. Baudrillard, **Tüketim Toplumu**, Ayrıntı Yayınevi, İstanbul, 2000, pp.78-85.

CEOs, being a part of the industrial ideology and naturally opposing to the point of Baudrillard, they approached the loyalty problem as a consequence of environmental changes appearing due to the globalization.

Words such as *new generation*, *consumers*, *customers*, *buyers*, *producers*, are all reflect the human element. Understandably, CEOs anticipate more focus on people in the workplace of the 21st century. One of the CEOs expressed this view metaphorically: "*. . . there will be a shift from tangible assets towards intangible one.*" In other words, human values or "intangible assets" will become more important than tangible values such as production, profitability, stakeholder shares, and so on.

> *"All words are metaphors[166]. The non-metaphorical word is a feature of primitive tribal[167] thought (about words) only. The native hunter or Eskimo says "Of course 'stone' is stone, otherwise how could I know stone?" If some words, e.g., names, are non-metaphorical, then metaphorical expression is impossible as there can be no balance of ratio or proportion. All that remained would be synecdoche or smile or metonymy. But language always preserves the*

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[166] *"Metaphor (meta-phora) consists in giving the thing a name that belongs to something else"* C.M. Turbayne, **The Myth of Metaphor**, p.11 in M.McLuhan, B.R.Powers, op.cit, p.29. *"...First transportation operates between logical poles. Metaphor occurs in an order already constituted in terms of genus and species, and in a game whose relations rules – subordination, co-ordination, proportionality or equality of relationships – are already given. Second, metaphor consists in a violation of this order and this game. In giving to a genus the name of species, to the fourth term of the proportional relationship the name of the second term, and vice versa, one simultaneously recognizes and transgresses the logical structure of language."* Paul Ricoeur, **Rule of Metaphor**, p.34 in M.McLuhan, B.R.Powers, op.cit, p.31.

[167] The implication of tribe/tribal is interpreted in different ways by writers: According to Bourdain, *"the tribal man of the Global Village was a sort of hippy, at home in a Happening, or a block party, a free concert in a park, living in a mass-mediated, auditory-tactile, village."* According to Genosko, *"The tribal in McLuhan contains a diversity of cultures, things, experiences and lack of sensory biases; so many things, in fact, that it is difficult to describe without lapsing into a simple inventory of its contents..."*, *"...they are 'different'...such societies are already like we are today, and should not strive to become what we were like yesterday..."*, *"The tribal is exotic yet familiar, and it is deployed in the search for a universal truth because to know them is to know the most up-to-date parts of ourselves."* McLuhan clarifies his implication on tribal by differentiating it from the typographic people in the sense that the former belongs to a pre or non-literate world wherein the communication is based on senses (*"audio-tactile"*) and the latter belongs to a world of literate wherein the "*linear thinking*" specialize them on visual and pictorial. "*McLuhan's tribes were supposedly nomadic, and the typographic (wo)men, sedentary, the former existed in a sacred, magical space, and the latter occupied a profane, mechanical and rational world.*" G. Genosko, **McLuhan and Baudrillard: The Masters of Implosion**, Routledge, London, 1999, pp.106-111.

play or figure-ground relation between experience (or perception) and its replay in expression." [168]

Lakoff defined metaphor as a *"word, phrase, or sentence that is the manifestation of a "cross-domain mapping" of everyday abstract concepts like time, states, change, causation, and purpose."*[169] According to Amernic and Craig, CEOs use metaphors to structure their thoughts, influence perceptions and *"in organizations undergoing change, set the thematic-strategic tone for the new organization by helping people to visualize the imagined, but soon-to-be-constructed new entity."*[170]

"Language is metaphor in the sense that it not only stores but translates experience from one mode to another. Money is metaphor in the sense it stores skill and labor and also translates one skill into another. But the principle of exchange and translation, or metaphor, is in our rational power to translate all of our senses into one another… Our private senses are not closed systems but are endlessly translated into each other in that experience which we call con-scousness."[171]

We can see that the mission of metaphor has not changed from the 20th to 21st century. Based on the meaning of *"literate world"* of McLuhan, we would dare to say that our today's society is the extension of the *"typographic man"* who is *"visual and pictorial"*. McLuhan's definition of metaphor meet Amernic and Craig's statement in the point that what is imagined in our private senses are transmitted through metaphoric words that store our experiences and skills.

"Most large corporations have little sense of their social personality. The people at the top who control them only perceive vastness through numbers; the quantitative not the qualitative. The operative language of most corporate organizations in the Western world is articulated in balance-sheet terms and

[168] M. McLuhan, B.R. Powers, op.cit.,, p.30.

[169] G. Lakoff, "The Contemporary Theory of Metaphor", Metaphor and Thought, Cambridge University Press in J. Amernic, R. Craig, **CEO Speak, The Language of Corporate Leadership**, McGill-Queen's University Press, Canada, 2006, p.11.

[170] J. Amernic, R. Craig, **CEO Speak, The Language of Corporate Leadership**, op.cit., pp.11-15.

[171] M. McLuhan, **Gutenberg Galaksisi: Tipografik İnsanın Oluşumu**, Yapı Kredi Yayınları, Istanbul, 2007, p.12-13.

rarely is the human factor considered. But it is a mistake to expect chief executive officers to act solely in humane ways because the stability of the organization is usually expressed in economic counters if it is a profit-making venture. Yet, it is surprising how an analogy of microcosm/macrocosm can be drawn between the single human person and the corporate organization as a whole. The commercial corporate organization is, after all, a broad extension of human mind; it develops controlling structures to organize human behavior to produce an economic benefit." [172]

In the 1980s, 1990s, at the same period when "The Global Village" of Marshall McLuhan was published, the philosophy of Total Quality Management (TQM)[173]was developing in big corporations in America and spreading the rest of the world at high speed. TQM suddenly became the motto of companies and the top goal to be attained. Although there was a human element in the philosophy of TQM, the search for an excellent quality in all processes clashes with the words of McLuhan; we think that TQM might be interpreted as "*extended mechanical abilities of our bodies*" [174] based on McLuhan's view. Nevertheless, as McLuhan expressed in his words "*… the commercial corporate organization is, after all, a broad extension of human mind...*", we can see that the human mind at the 21st Century Corporations tend to be more humanistic unlike his foresight.

The CEOs articulated the words *flexible* and *transparent* to describe both the physical and cultural structure of organizations.

The word *transparency* has nothing to do with the architectural design of the office but with the organizational structure of the future workplace, that is to say, that 21st century organizations will be flat rather than hierarchal. As previously viewed in the literature survey, the direction of communication within the organization moves upward or downward where the degree of hierarchy determines the path.

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[172] M.McLuhan, B.R.Powers, **The Global Village**, Oxford University Press, NY, 1989,pp.120-121.

[173]   The philosophy of Total Quality Management is the development of a business management strategy with the objective of increasing the awareness for quality in all organizational processes while ensuring the maximum customer satisfaction. The main principles of Total Quality Management are external and internal customer focus and satisfaction, employee training, improving leadership at the top level, suppliers quality verification, benchmarking, building statistical base, team building and continuous development. (E.Eren, Yönetim ve Organizasyon: Çağdaş ve Küresel Yaklaşımlar, Beta Basım Yayım Dağıtım A.Ş., İstanbul, 2008, pp.115-131)

[174] M.McLuhan, B.R.Powers, **The Global Village**, Oxford University Press, NY, 1989,p.83.

However, the shift from hierarchical to flat organizations, as foreseen by CEOs, will change the direction of internal communications from vertical to horizontal.

The word *flexibility* is used to explain not only the mindset of people, both as workers and consumers, but also their way of working. Employees in the 21st century will be fast, competitive, and individual. Individualism will stimulate change in work environments as the bureaucracy disappears with the expansion of the Internet and the home office culture.

High formalization, as one of the characteristics of Weber's bureaucracy, which means "*dependence on rules and procedures to ensure uniformity and the behavior of job holders*"[175] is expected to evaporate as a result of this turbulent environment of the 21st century. According to Manuel Castells, "*productivity and competitiveness are the commanding processes of the information/global economy. Productivity essentially stems from innovation, competitiveness from flexibility. Thus, firms, regions, countries, economic units of all kinds, gear their production relationships to maximize innovation and flexibility.*" The fast developments in information technology and cultural diffusion influence the performance of productivity; consequently the organizations and their management need to develop new systems to adapt themselves to an environment of high productivity and competitiveness.[176] We think that CEOs' views on *flexibility* and *less loyalty* intersects at the point where Castells explored through productivity/ competitiveness equation; a "*network society*" is evolving and changing the rules of the game, therefore flexibility is the best strategy to overcome the conflicts of new situations.

One of the CEOs emphasized that it is becoming harder to attract young talent since they are more demanding and less loyal. This view was discovered from a different perspective at IBM's 3rd Biennial Global CEO Survey 2008, a study run among 1,000 CEOs and leaders of institutions across the public and private sectors. The theme of the 3rd Biennial Survey was the future of the enterprise. According to this survey, CEOs view people skills as follows:[177]:

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[175] S.P. Robbins, Organization Theory: Structure, Design, and Applications, op.cit, p.233.
[176] M. Castells, **The Information Age: Economy, Society and Culture. Volume III: End Of Millenium**, Blackwell Publishing, Oxford, 2000, pp.371-382.
[177] IBM Global Survey 2008 – The Enterprise of the Future, IBM Global Business Services, NY, 2008, pp.15-16.

- *People skills are now just as much in focus as market factors, and environmental issues demand twice as much attention as they did in the past,*
- *CEOs are also searching for industry, technical and particularly management skills to support geographic expansion and replace aging baby boomers who are exiting the workforce. They rated insufficient talent as the top barrier to global integration — even higher than regulatory and budgetary.*

4.2.2. Change Drivers

Question 2: Some authorities describe 'millenium' as the 'Age of Change'. Do you agree with   this description? Do you think there is a driving force or forces accelerating the pace of change? If so, would you cite what those forces are?

Interviewee 1: "The emergence of eastern hemisphere, that is to say countries like China, India and Korea, will generate a new challenge to Europe and States. I can say that they are the driving forces for change. The challenge will be more tense in Europe compare to our country because European business was protecting itself from other cultures but in today's world, they will be obliged to work in a new culture that is going to be a mixed one We, Turks are luckier than our European fellows since our culture is in the middle of western and eastern hemispheres, so far we had the chance of building dialogues with both sides. Whereas Europeans are not as open as we are. We are grown up with the ideology of American imperialism, but looking at the current era we are living, imperialism won't belong to one culture, in other words there won't be uniqueness in culture. New comers should accept the idea of working in multiple and diversified cultures and prepare themselves for cultural imperialism. All these factors will surely have an impact on international stock market and companies are now obliged to keep their steadiness while confronting with unstable market conditions and this is also a driving force for change."

Interviewee 2: "The rapid growth in information technologies and the dramatic rise of internet are two strong driving forces for change in today's world of work. Knowledge is easily reachable by everyone and this fact stimulates the emergence of innovation."

Interviewee 3: "There are so many driving forces for change such as stock market, the ever changing demands of customers and consumers, technology, communication, facilitations in transportation, proximity between countries and unification under communities like European Community or similar."

Interviewee 4: Working environment and globalization are two key drivers for change but besides these two factors, we shouldn't forget that the consumer has the power to shape the business. Companies are in competition to deliver innovative products or services in response to creative demands of consumers, there are more choices in market, consequently abundant of offers and easy accessibility can be also cited for driving forces for change. All these driving forces influenced the rate of speed. The new century brought 'speed to win' concept. It is not possible to claim in today's business world that 'we are unique and great' because everything changes very fast and if you do not change, you are out of game."

Interviewee 5: "Old fashioned style of management and status quo collapsed and the appearance of new conditions accelerated for change. The expansion of internet stimulated easy access to information and knowledge as well as speed. Knowledge is now open to everybody, knowledge makes people stronger and finally knowledge is the key driving force to change."

Interviewee 6: "Globalization and depending on globalization, the immigration and the growing consumption are the basics of driving forces. The accessibility in the market place created a culture of consumption."

Interviewee 7: "Simply to say, technological improvements and globalization are the key drivers for change"

Marquardt and Berger defined eight forces that currently influence the 21st century business world. These are: (1) *Globalization and Global Economy*, (2) *Computer Technology*, (3) *Radical transformation of world of work*, (4) *Increased power and demands of the customer*, (5) *Emergence of knowledge and learning as a company's and country's greatest assets*, (6) *New Roles and expectations of workers*, (7) *Biotechnology* and, (8) *Speed of change*. Looking at these eight definitions, we

can see that CEOs in Turkey focused on two main themes regarding the driving forces for change: *globalization* and *information technologies*.

Globalization itself connotes the *emergence of the Eastern hemisphere*, *immigration*, *cultural diversification*, and *cultural imperialism*, interpreted as the main reasons for globalization. (See Figure 4.2.2.a)

Figure 4.2.2.a

Driving force for change: Globalization

The emergence of Eastern hemisphere

Immigration   Globalization   Diversified Cultures

Cultural Imperialism
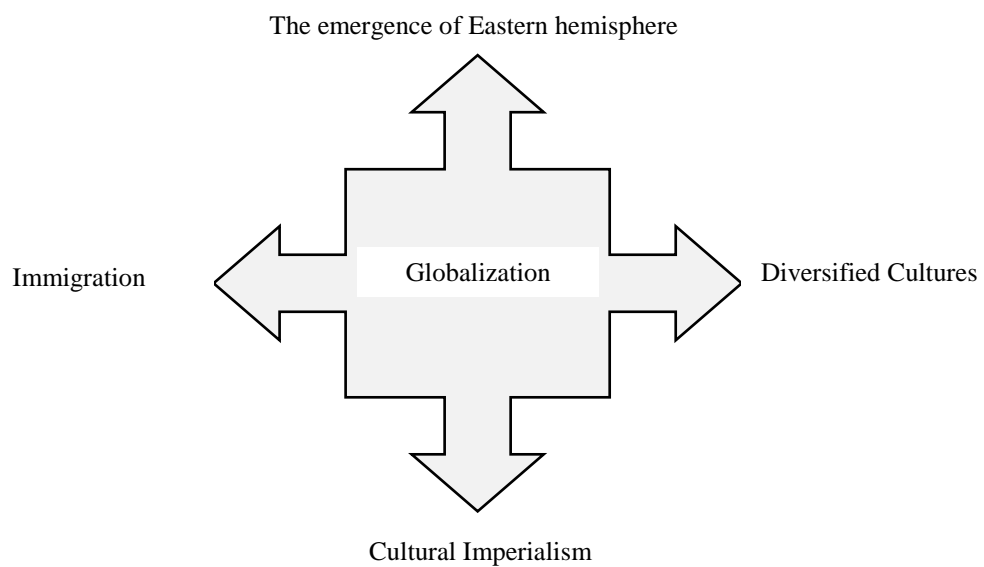
With the "*emergence of Eastern Hemisphere*", CEOs meant the entry of new economies in Asia Pacific region (countries like China, Taiwan, India, Korea, … They stated that the emergence of Eastern hemisphere with Western happens through industrial progress and market expansion which stimulates competition and change in the global economy.

The emergence of these two hemispheres happens not only in the economical form but also in labor force. There are plenty of reasons for people in changing their original locations: displacements due to war and hunger and moving for better conditions are two main reasons for becoming an immigrant. CEOs in Turkey mainly focused on the latter reason, that is to say, immigrant workers. Labor market is

becoming global and especially multinational companies that are in the global network increase their tendency on global labor force.[178]

CEOs cited *information technologies* as the second important force driving change. The word *Internet* is generally used together with *information technologies.* The rapid growth in *information technologies* and the *Internet* has resulted with *easy accessibility to knowledge* and *speed.* (See Figure 4.2.2.b)

"After a generation or two, physical proximity should give way to electronic proximity as the new ethnics intermarry and travel to more remote parts of the country. They will want to keep their parental roots as well as go with the flow of assimilation. Hence, one may expect the construction of special electronic data services to fulfill that need."[179]

McLuhan, the great visionary who foreseen the internet ("*special electronic data services") through* his revolutionary thinking, studied the development of mankind by dividing into four ages which are successively tribal, literate, typographic and electronic. The tribal age, which is "*pre- or non-literate*", "*audio-tactile*", "*involving the interplay of senses*"[180] leaves its oral tradition to the literate age ("spoken tongue to language"[181]) with the invention of the phonetic alphabet, but in fact, the level of literacy increased with the invention of printing press and, people acquired visual rather than oral tradition. Finally, with the innovation of telegraph (and later with television), the typographic man moved forward to the electronic age, wherein the consciousness for society ascended the individualistic habits. According to him, with the diffusion of television, the electronic man went through the challenge of going back to his oral roots in the tribal age. Moreover, he anticipated that the confidentiality will disappear in the electronic age.[182] We can see that the views of CEOs tap the same issue which was foreseen by McLuhan for the "*special*

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[178] M.Castells, **The Information Age, Economy, Society and Culture: Volume I The Rise of the Network Society**, Blackwell Publishers, Massachusetts, 1996, pp.232-240.
[179] Marshall McLuhan & Bruce R.Powers, op.cit., p.85.
[180] G. Genosko, op.cit., p.110.
[181] M.Castells, **The Information Age, Economy, Society and Culture: Volume I The Rise of the Network Society**, op.cit, p.327.
[182] Prof.Dr.Nurdoğan Rigel *et al*, **Kadife Karanlık: 21.yy İletişim Çağını Aydınlatan Kuramcılar**, Su Yayınevi, Istanbul, 2.Baskı, 2005, pp.20-21.

electronic data services" that is called as internet after years: *"the speed of electronic age will ruin the rules of secrecy in the areas of politics, fashion, and license."*[183]

Figure 4.2.2.b
Driving force for change: Information Technologies
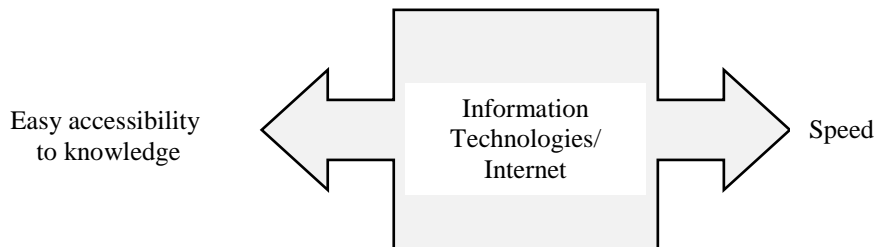
According to Marquardt and Berger, the *four T's* − technology, travel, trade and television − comprise both the *"forces"* and *"ground work"* of globalization and the global economy.[184] Regarding to television as one of the forces for globalization, McLuhan and Castells differ in their views accordingly:

Referring to McLuhan's theory *"medium is the message"*[185], Castells opposed his view with the proposition of *"message is the medium, that is, the characteristics of the message will shape the characteristics of the medium"*, based on the fact that with the diversification of media, the possible audience can be targeted. Castells gave the MTV example to explain his thought: *"For instance, if feeding the musical environment of teenagers is the message (a very explicit one), MTV will be tailored to the rites and language of this audience, not only in the content but in the whole organization of the station and in the technology and design of image production /*

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[183] Ibid.

[184] M.J. Marquardt, N.O. Berger, op.cit, pp. 2-3.

[185] *"... in operational and practical fact, the medium is the message. This is merely to say that the personal and social consequences of any medium – that is, of any extension of ourselves – result from the new scale that is introduced into affairs by extension of ourselves, or by any new technology.* M. McLuhan, Understanding Media: The Extensions of Man, The MIT Press, Massachusetts, 9th Print, 2001, p.7. A medium (media) shape and re-shapes our perceptions. Anything can be our extensions, for example, cars, money, clothes, phones, cinema, radio, etc… The main focus is on the process/format rather than content arguing that medium interferes with the content to change the perceptions, in this sense, the medium is the common information. Briefly, McLuhan argued that it is the medium which creates impact opposing the view that the content shapes the medium. Prof.Dr.Nurdoğan Rigel *et al*, op.cit., p.15

broadcasting". In the future, the TV will be "*decentralized, diversified and customized*" and "*different media will shape for different messages*". [186]

Although CEOs focused on internet as one of the forces to drive change, some of them identified television as a tool for globalization by giving the example of the 9/11 attack to the Word Center in New York. We can link this example to Watergate Scandal which was used by McLuhan to describe how the confidentiality in the electronic age is demolished by the medium.

Arguably, CEOs have used such words as *globalization* and *information technologies* to include social, economic, and cultural factors, all of which have a cause and effect relationship to each other.

The word *immigration* and the definition of the *emergence of the Eastern hemisphere* reflect the social factors of globalization while *cultural diversification* and *imperialism* indicate the cultural aspect. The economic factors of globalization are defined with words such as *stock market*, *unstable market conditions*, *abundant offers*, *creative demands of consumers and customers, unification under communities like the European Community or similar*.

The phrase "*Knowledge is now open to everybody; knowledge makes people stronger*" exemplifies the social factor of information technologies. *Speed to win* and "*the accessibility in the market place created a culture of consumption*" suggest a cultural perspective. And finally, the use of *abundant offers* together with *easy accessibility* might be interpreted as the economic factor of information technologies.

According to the IBM Global Survey 2008, CEOs rated market factors, people skills and technological factors as the top three external forces that will shape enterprises of the future.[187]

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[186] M. Castells, **The Information Age, Economy, Society and Culture: Volume I The Rise of the Network Society**, op.cit, p.340.
[187] IBM Global Survey 2008, op.cit.

4.2.3. Globalization

Question 3: In one of his speeches, Jack Welch, the former CEO of GE, made this comment about globalization:

"Globalization has not solved all the world's problems. It has not cured cancer. It has clearly not reached parts of the subcontinent. It didn't reach Afghanistan. I understand some critics' views of globalization: labor unions in developed countries; the threat of losing jobs. I don't understand the environmentalists' view of it, because every place you go you bring world-class standards, and you put factories in that are better than anything in the country. The neighborhood gets better. Globalization has done better than the UN and a zillion other organizations in improving lives. Go to Prague, Budapest and East Berlin. People are living far better than they ever dreamed, and it's because of globalization."

Do you agree with Mr. Welch's point of view? What is your opinion of globalization? What could be the positive and negative effects of globalizaton to 21st century companies and organizations?

Interviewee 1: "In this era of technology and communication, we must see the world as a whole, therefore the issue is not questioning the good and bad faces of globalization but it is time to think about the reverse equation between globalization and human happiness. The current system deteriorates the humanistic values. We need a new system which has more human touch and will provide us with equality in income."

Interviewee 2: "Globalization is a trend, is a development which is a must, a rationale for an equal allocation of sources. Globalization triggers competition and will be converting the unbalanced environment to an equilibrium. The cost of labor force will decline and it will be harder to find local workers since people will be moving from eastern to western hemisphere."

Interviewee 3: "Globalization is unavoidable. Countries that were in war in the past are now united under one roof; European Community is a good example of this

reality. The absoluteness of globalization is valid for the business world too. Consolidations, mergers and acquisitions are the results of globalization. We have to look to the origins of companies: they are born local but the market conditions push them to become multinational."

Interviewee 4: "Globalization constitutes the base of everything. It has advantages and disadvantages but most of all, globalization brings dilemmas to the world of business: the corporate world is switching from de-centralized to centralized system which opposes with the switch from brand-centric to consumer-centric approach. The main reason behind this change is cost saving exercise. Doing business with emerging markets requires new rules, laws and politics, to this end; we can say that globalization re-formulates the business. The motto of 'Think Global Act Local' is still prevalent but unless it performs within the constraints of globalization."

Interviewee 5: "Globalization might be beneficial for the business world but not for countries. The borders will be removed but on the other side the nationalism will rise. I think the globalization won't be advantageous in the long run. I would call globalization as 'invasion'; the big corporations are like troops and CEOs are the commanders of these troops. In the old times, countries were invading other countries but now big corporations invades the market"

Interviewee 6: "I am not against the globalization, it improves the quality of doing business by questioning the current norms, generated the corporate social responsibility and developed an understanding of ethics between cultures but, on the other side, globalization is one of the causes of high level of unemployment. I think globalization shouldn't go further and damage our local roots."

Interviewee 7: "There is no sharp answer to this question. We have to separate two different issues of globalization: one is the benefit for the happiness of human being and the other is the benefit for the world economy. In terms of economy, globalization is beneficial. Although the current situations in global markets are shaking I would not agree with the view that capitalism is dead. The key issue with

the globalization is making clear predictions therefore I would question the un-regulated grid based economy rather than free market economy."

Globalization is conveyed as a dichotomy between its effects on human happiness and its benefits to the global economy. The dichotomy is expressed with the words *reverse equation* and *dilemma*. The majority of the respondents concluded that the objectives of globalization are primarily materialistic rather than humanistic.

Castells scrutinized the benefits of globalization by asking the question if it means development or under-development. As some CEOs commented, Castells' analysis of globalization manifested that the welfare polarization and living standards inequality collapsed the world economy as developed and underdeveloped; making the poor societies dependent on the developed countries. While there are developments in the economy, technology, society, and politics, the dependence to the rich can be perceived as a step to de-humanization.[188]

Other words and phrases such as *a trend*, *a development which is a must*, *rational*, *it is unavoidable* and *the base of everything* might be interpreted as CEOs perceiving globalization as a reality of the 21st century.

One of the CEOs used a metaphorical definition of globalization and its elements: *invasion* for *globalization, troops* for *big corporations*, *commanders* for *CEOs*. This particular CEO desired to emphasize the importance of globalization by associating it with war, another critical situation. According to Stephen Denning, the use of striking, surprising metaphors is one of the ways to gain the attention of listeners, thereby enlightening their minds.[189]

It should be noted that all CEOs who participated the survey are the local leaders of global companies. In this respect, we need to point that their words seem to be a reflection of their global networks. According to McLuhan, these global companies rule the world; they influence people's life styles, interfere with their thinking structure, dominate the governments on behalf of their strategies, and

[188] M. Castells, **The Information Age: Economy, Society and Culture: Volume III End Of Millenium**, op.cit., pp.73-82.
[189] S.Denning, op.cit., pp.149-163.

naturally, they govern the consumption habits.[190] On the other hand, Mattelart stated that the globalization is the philosophy of the big corporations, a business model for them to increase their profits and market shares.[191] Then, we may argue that where the dichotomy was tense, the language of CEOs oscillated between their two identities: their leadership roles in the corporate world and their roles as human beings.

4.2.4. Vision of the Future

Question 4: How will corporate visions change in the next ten years?

Interviewee 1: "The language of vision is changing; it embraces human side not the material."

Interviewee 2: "In the coming years, the social responsibility and society will be the pioneers of corporate vision. Ethical values and fairness will be incorporated to the vision but the growth as a target will still keep its importance."

Interviewee 3: "The word 'vision' is not properly used by many people: It should be timeless, having stretching objective, involving everybody in the organization and, standing for unity of identity. I think the vision in the future will be incorporating the human element more than it is done today."

Interviewee 4: "The vision statements will survive in the future. A good vision should not be easily reachable, it must be aggressive. But more important than that, it must be supported with an action plan."

Interviewee 5: "In future, the majority of vision statements in corporate world will integrate the word 'profitability' because non-profitability due to the harsh competition will be the key issue of almost every business. 'To sell more' approach will be replaced with 'To be more profitable'."

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[190] Prof.Dr.Nurdoğan Rigel *et al*, op.cit., p.18.
[191] A.Mattelart, op.cit, pp.98-101.

Interviewee 6: "There won't be any radical changes in the principal. It should be simple. We can define a vision statement as 'the direction that we want to go', then the leader should give the directions as well. "

Interviewee 7: "The rising subject of the future will be on 'volatility management', because the future is unpredictable. And also, innovation will keep on existing within the vision statements."

According to Kotter, designing a good vision makes the distinction between the manager and a leader[192]:

"Leadership is about setting the direction, which is not the same as planning or even long-term planning. Planning is a management process, deductive in nature and designed to produce orderly results, not change. Setting a direction is more inductive. Leaders gather a broad range of data and look for patterns, relationships and linkages that help explain things. The direction-setting aspect of leadership does not produce plans; it creates vision and strategies. These describe a business, technology, or corporate culture in terms of what is should become over the long term and articulate a feasible way of achieving this goal."

Responses varied on what the vision in future would be. Some of the CEOs claimed that the *human element* will be the key to the vision while the others focused on *profitability*. It seems that the wording of the vision mostly depends on the nature of the business as well as on the organizational culture, but mainly depends on a leader's understanding of the business itself.

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[192] J. Kotter, Leading Change, Boston, Harvard Business Press, 1996 in M.J. Marquardt, N.O. Berger, op.cit., p.31.

4.2.5. Definition of Successful Change Management

Question 5: What are the criteria necessary to attribute success to change management?

Interviewee 1: "Everything is related with the objective. The working environment must be analyzed carefully prior to setting the objective. And then, the action plan comes. The change process should depend to the objective, if there is no clear objective, the efforts for change will fail. But, we should incorporate flexibility in our plans. As much as we do our plans strictly, we cannot eliminate the need for flexibility which became the rule of today's organizations. Strictness might be harmful for organizations therefore we can say that flexibility is one of the most important rules of organizational change. We must connect people to change. As much as the organization gets silo, as much as it gets harder to implement change"

Interviewee 2: "A change process is successful if you can assure the motivation of your employees, keep the core team loyal to the company during the transition period and you must get the approval and support of your stakeholders."

Interviewee 3: "We must know what to change at the first stage then evaluate the current situation and convince ourselves. A leader should not be like Don Quixote, he or she should get the commitments from every layer of the organization. Change is team game and everybody has roles in this game. We must first show the need for change and assure the acceptance of it from every layer in the organization. But nobody can argue that 100% of acceptance is a must, what we need is to get the acceptance of the majority."

Interviewee 4: "For a successful change model, the leader must first have a plan of communication. Effective communication of the new vision is critical during the change process. The leader should define the vision and make it crystal clear by giving examples. Examples will help followers to connect with the vision. It might be sometimes useful to repeat the message systematically. The leader should be the role modeling of the vision and support the vision with his or her actions, in other words he or she should 'walk the talk' to build credibility and trust of teams. You

might say that 'my door is open to anybody' but if nobody comes in you should ask why. Your actions should support what you say. Another point is that the vision can cascade down if it is supported with a mission and performance criterion."

Interviewee 5: "If there is an increase in the production capacity, sales volumes, profitability, customer and employee satisfaction then I would nominate the process as successful. And on top of all, these success indicators should not be one shot results, they should be continuing even if the process accomplished."

Interviewee 6: "Above of all, the need for change must be embraced by the members of the organization. When change happened in our organization, we tried to be as much as open to them. We said 'Hey guys, there are good things for you too'. We tried to explain them that change is for everyone. We built awareness by organizing workshops involving people in the process."

Interviewee 7: "First of all, the need for change must be identified and to do that, we must assess and analyze the needs of stakeholders. That's how we can draw a picture or a map of change management of which the framework will be both customer and stakeholder driven. In every step of the process, we must communicate the details to get the ownership of the team."

The words "need" and "approval" show the awareness of CEOs on how to start a change process. Creating readiness for change is explained by phrases such as "motivation of your employees," "team game," and "start with a plan." As Lawrence suggests, participation is an important "device for solution." Participation is expressed as "we must connect people to change" wherein the word "connect" signals the importance of language in change management.

We might suggest classifying the views of the respondents on effective change management under four categories as shown in Table 4.2.5:

Table 4.2.5
Definitions to Successful Change Management

Visioning	**Planning**	**Motivating**	**Communicating**
Give clear objectives	Action Plan	Loyalty / Ownership of the team	Connect people to change
Show the need for change	Incorporate flexibility in plans	Acceptance of the majority / Approval / Assure the acceptance	Walk the Talk: build credibility and trust
Openness	Draw a picture or a map	Get the commitments from every layer	Repeat the message

Cummings and Worley suggested four key activities contributing effective management of change. These are: (1) *motivating change*; (2) *creating a vision*; (3) *developing political support*; (4) *managing the transition*; and (5) *sustaining the momentum*.[193]

Looking at the words of CEOs interviewed, we can note that the words "*motivation*", "*visioning*" and "*planning*" are used in the same context of Cummings and Worley's model. As the word "motivation" has been recalled frequently, we can make an assessment that CEOs perceive the motivation as a gate keeper to a successful change management. Unlike their views, Minibaş Poussard argued that motivation is an old style of management for change and inapplicable for today's conditions. According to her, the leader of the 21st century must consider to touch the emotional side of his or her followers while proceeding with the technical tasks of the change.[194] Referring to the point revealed by Minibaş Poussard, we would associate the emotional meaning to the word "connect". CEOs meant that they must create a bond between their employers and the reason for change, herewith, the meaning of bond is in the same context with the emotional bond.

4.2.6. Resistance to Change

Question 6: Although planned in advance, change somehow brings along resistance. What management strategy should be applied to lessen resistance to a minimum?

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[193] T.G. Cummings, C.G. Worley, op.cit., p.155.
[194] J.M. Poussard, "Koçluk ve Yeni Yönetim Kültürü", in J.M. Poussard ,T.Erkmen, **op.cit.,** p.39-41.

Interviewee 1: "Change definitely comes with resistance. Everyone in the organization has his or her 'small turfs', change somehow comes in contact with the borders of these small turfs and people automatically react when they feel interfered with other forces. There are two ways to overcome resistance: try to convince by clarifying the need for change, if they are not convinced, leave them outside. Everyone should be aware of the fact that the time and effort allocated for change are not endless"

Interviewee 2: "To overcome resistance, we need transparency, effective communication from the very first beginning, listening, asking for feedbacks and a good communication program."

Interviewee 3: "From top to down and down to up, an accurate, precise and explanatory communication is crucial. The tone of voice must be carefully adjusted."

Interviewee 4: "Change Agents must be positioned in every layer of the organization and the CEO must know their identity. Examples and stories will help to minimize the degree of resistance."

Interviewee 5: "If people are frustrated then they resist to change and they need more guidance during this period. People follow leaders if they trust his or her guidance. Frequent and face-to-face communications are great tools for creating an atmosphere of trust."

Interviewee 6: "Transparency and communication are two key factors to eliminate the resistance to change. It is vital to inform in detail everybody in the organization. There must be a leader on top. We were involved with the change process at every stage of it. A leader is the captain of the boat and he or she must control the swings of the rudder. The leader must first identify from where the problem comes from and then makes teams to work on the problems but these teams shouldn't be made of 'Yes Man' style view. There should be different views in every team in order to be more constructive."

Interviewee 7: "The CEO role in change management is critical since he or she is the one who orchestrates the process therefore he or she must consistently evaluate

the situation and fine tune it when necessary. CEO must build a 'Feedback Loop' system and organize activities accordingly, like survey based periodical meetings."

CEOs concentrated on two main aspects to explain the ways to overcome resistance: *openness* and *communication*. The openness concept is expressed with the word *transparency* while the communication concept is strengthened with the adjective *effective*.

These two aspects, *transparency* and *effective communication*, are linked to each other through *feedback* to describe the "how to" process. We have come to understand that CEOs associate effective feedback to its continuity by using terms like *feedback loop* and *listening and asking for feedback*. Similarly, effective communication is associated to its *frequency*. Consequently, feedback, as a part of communication, must be uninterrupted to facilitate continual communication.

Borisoff and Victor strongly promoted the importance of feedback in conflict management and stated that how the questions were addressed and the tone of voice used had to be carefully selected to build trust and credibility as well as to eliminate undesired reactions.[195]

Two metaphors are used to refer to the role of the leader in overcoming resistance as shown in the table 4.2.6:

Table 4.2.6
Metaphoric Expression of the Correlation between the Leader and Resistance

Leader	Resistance
Captain of the boat	Swings of the rudder
Orchestrates / Chief of the orchestra	Orchestrates the process / Manage the orchestra

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[195] D. Borishoff, D.A. Victor, op.cit., pp.55-57.

4.2.7. Leaders of the Future

Question 7 & 8: What are the characteristics that make for a successful CEO today? When we're talking about change leadership, what comes to mind first and why?

In looking ahead, what skills and characteristics will be the most important for the company's next generation of leadership?

Interviewee 1: "I think the world is now in shortage of good leaders. I can even say that the management and political sciences are left behind the recent developments in the world. Change happens so fast that the leaders of today can not catch up its speed. If Jack Welch was on board of GE now, I do not think that he would be as successful as in the 1980s, 1990s. The conditions are different now. For that reason, I think the leader of today and the future should possess an 'out of box' and flexible mindset and entrepreneurial skills. Bill Gates of Microsoft, Steve Jobs of Apple and Richard Branson of Virgin Group are good examples for this kind of leadership."

Interviewee 2: "The leader of the future will be visionary leader who listens and esteems his or her team. A good leader must follow the trends and shape the strategy accordingly. He or she must keep a fair allocation of sources. He or she must be working close with his or her team and must be in the field. Speed is important, he or she must take fast but accurate decisions and finally he or she must be adaptive to change. Steve Jobs of Apple and John Chambers of Cisco Systems are good examples of visionary leaders. I see Howard Schulz of Starbucks Coffee as a passionate leader who respects his team."

Interviewee 3: "Foresight is important: the leader should live the future, of course he or she should live the present but the point is he or she must foresee where the business must go and come up with a system. The leader will be visionary, having strategic thinking and a good team player. I would cite for Carlos Ghosn, CEO and President of Renault-Nissan, a leader who has strengths in efficiency and innovation. Bill Gates of Microsoft, he is the guy who shaped the communication

style of today. Jochen Zeitz of CEO and Chairman of Puma AG, he is the guy who rejuvenated Puma brand and made the brand trendy, attractive and cool."

Interviewee 4: "I appreciate leaders who are close to consumers and capable to convert business. For example, Steve Jobs of Apple, Larry Ellison of Oracle."

Interviewee 5: "I would nominate Bülent Eczacıbaşı and Erdal Karamercan of Eczacıbaşı Holding as successful leaders; they respect human and I think they have consciousness about changing environments. In future, leadership and charisma won't be sufficient for success. The future leaders will have strong technological background and will have the power by using knowledge."

Interviewee 6: "Saffet Karpat, CEO of P&G Turkey, I think he has different ways of changing corporate cultures and business results. Muhtar Kent of Coca Cola International. I appreciate him because he is the first guy who became the top of a big international corporation. He is a great visionary leader. The leader must make you feel that he or she is trustworthy, knowledgeable, and humanistic. The leader mustn't be distant. Charisma sounds like a good word but I interpret this word as macho, I think charisma makes leaders distant to his or her teams."

Interviewee 7: "I would first pronounce the name of Jack Welch since I worked in GE. Jack Welch is the change leader but his successor Jeffrey Immelt is innovative leader. Mr.Welch has a great energy, he always gives tough targets and he is highly capable of firing for action.   Carlos Gnosh of Renault-Nissan is another good example, I think he has successfully managed the merger of two different cultures. When I think of innovation, Steve Jobs comes to my mind, he is also 'turnaround leader'. The future leader must be talented to balance the conceptual thinking with execution, in other words he must be formulating strategies but at the same time he or she should be a good facilitator and motivator. Flexibility gains importance at this point. Globalization is becoming constant, when there is no abrupt change expertise works but a successful leader should expand this expertise for non-constant situations as well."

In question seven, our intention was to understand how CEOs define change leadership. Although the question was asked directly, we also requested examples of global leaders who could be nominated as change leaders to better analyze their perceptions of the qualifications of a transformational leader. And the objective of the question eight was to assess whether CEOs differentiate change leadership from the leader of the future.

The required characteristics of change leadership were described by these words and phrases: *out of box mindset, flexible mindset, entrepreneurial, visionary, follow the trends, adaptive, strategic thinker, team player, foresight, convert the business, changing, turnaround leader, knowledgeable*. The salient words depicting change leadership are *visionary* and *flexible*. We suggest classifying the other attributes under these two words as follows:

Table 4.2.7
The Characteristics of Change Leadership

Visionary	**Flexible**
Foresight, Strategic/Strategic thinker, Out of box mindset, Follow the trends, Live in the future.	Convert business, Changing corporate cultures and business results, Turnaround Leader, Talented to balance the conceptual thinking with execution.

We may conclude that CEOs do not differentiate the leader of the future from change leadership because they intimate that the future will be an era of speed where fluctuating situations will be more frequent.

4.2.8. Language Practiced

Question 9 & 10: Do you think CEOs should apply a specific communication strategy during a change process? If so, what should this strategy be?

In 1991, when Stanley Gault came on board of Goodyear as CEO, the company was going through a re-structuring process. He made a series of strategic changes. One of these changes was; in order to connect the organizationto with the change process, he encouraged to use the word '*friends*' instead of '*employees*'. In this way,

he made a big step to strengthen the team spirit by integrating '*we are not working for the others, we are working for each other*' philosophy into the corporate culture. Do you have a specific language to motivate and persuade the employees for change? If yes, what are those special words?

Interviewee 1: "Symbols and gestures are important in the communication of change. You must try to associate people with change through symbols. Rationale is also essential. At the end of the day, people need to believe that the business will be better than before, therefore as a leader you must come up with a solid rationale. And finally, the need for change should be explained to organization members, you must clarify the answer to the question 'why'. I find useful establishing a terminology within the corporation. Our global network recently re-launched our global core values of our company and some of our jargons have changed accordingly. For example, we do not use 'consumer' word anymore; instead, we say 'human'. This change is integrated at all levels in the company aiming to change people's mindset."

Interviewee 2: "The communication strategy should be prepared with the expectation of resistance. I frequently use the connotation 'we are a family'. This is also in line with our Turkish culture since we all give importance to family life her in Turkey. The change that my company went through was always positive therefore it was easy for me to manage it since the motivation level was high. 'We did great job here. They gave us the responsibility to take care of our brands. We must take the flag up to the hill and take care of our brands as we take care of ourselves'. 'We are going through an uncertain period but we are profitable, successful and growing company therefore I do not see any reason for us not to be acquired by the other company.' You must give hope to your followers, it is definitely crucial in mergers and acquisitions. 'We must put aside what will be the decision of the new comers and continue our job. We went through so many challenges in past, I believe we will be able to overcome the challenge once more'.

Interviewee 3: "The communication strategy clear and direct in order to get the commitment. Communication is not a one shot event, it should be continuous that's how you can get people's confidence. You should expect the resistance, if does not occur, it is not a normal situation. 'We are different, and every change attempt is a

risk, is a challenge.' Change is a process therefore you must give the details of the process and make it clear at each step. A good leader must unite his or her team under one team and give the message that 'What we get after all will be our successes.' I think this is a highly motivating message. Once we have used a mascot in a project where we were changing our software system, this was an effective tool to motivate people. I usually use the words 'My friends', 'My team friends', 'our targets', 'team spirit', 'be consumer oriented', 'Quality'."

Interviewee 4: "The incorporation of the 'family' approach is crucial in all communication strategies for change. The role of leader is to establish a bond between the company and the employees. If the change process is about downsizing of the company then you must definitely work on building emotional bonds with the ones who will be staying. Always emphasize that 'we are gang' and 'we are going to do it'. Sometimes you are obliged to say that 'the ones who does not accept the change must go' or 'our mission is important, the ones who resist and against of it, will go'. 'The organization must reach its targets'. You must eliminate the people who say 'I cannot work with these people', your job is to acquire resistance and convince people for change therefore you must continuously run employee surveys. In order to convince every individual in the organization, you must say 'You asked for it and I'm doing for you.' When people perceives the change request as a need for whole organization then they are more open to acceptance. Once we have communicated the change initiative in a very creative way: we have placed a mirror inside a small gift box and distributed hundreds of them to all organization members. The message that we wanted to deliver was 'The change initiates with you', we meant you must be the owner of change. You, as a leader, must find a common interest between unity of identity and corporate identity. Sometimes you need Machiavelli's approach: 'create an enemy', this should be outside the corporation and in today's business world it is the harsh competition."

Interviewee 5: "The communication strategy should be the face-to-face and intense. The leader must be able to touch hearts of followers. The language of change might differ if it is directed to internal or external audiences. As internal examples, I always start my words by saying 'Mt dear fellows', for external 'My dear friends'. My behavior and relations are in consensus with my words. Sometimes I am sharp

and rigid but friendship is always at the front side of my behavior. I mostly use 'I believe in you'. You must always have good wishes for your team, this is highly motivating."

Interviewee 6: "Body language is important in convincing people about what you say. You have to be relaxed and self-confident. The communication strategy in change management should be transparent, continuous and consistent. I mostly use the words 'all together', 'success' and say 'let's keep focus on', 'let's remember our problem'."

Interviewee 7: "Change evokes uncertainty, fear and stress therefore all change initiatives should come with a solid communication strategy. The communication for change must be consistent, open and sincere. During the process of organizational change, the leader must be open, genuine and sincere. You have to be credible and ask for feedback. Sometimes it takes time to build a base for communication but a leader must get advantage of any opportunity for building bonds with his or her subordinates. While you keep focus on your team you must not neglect the stakeholders. I mostly use 'we' and 'our customers'."

A communication strategy for effective change management is expressed by these terms: *Clarify the question of 'why', Explain the need for change, Rationale, Clear, Direct, Establishing a bond, Transparent, Continuous, Consistent, Open, Sincere, Credible, Creative and Adaptive to the local culture.*

And the applications of this communication strategy are explained with these words and phrases: *With Symbol and Gestures, By using special tools, Through face-to-face contacts, Controlling the body language, Use of feedback, Use of special terminology, Establishing bonds between the company and the employee.*

CONCLUSION

The business environment of the 21st century is becoming more and more complex, challenging, and highly competitive. Change has already become the motto of organizations aiming to keep their positions in the market place.

Many organizations targeting continuity will look to their leaders who hold the highest positions, namely, chief executive officers (CEO) or general managers (GM), to overcome problems surfacing during change processes. As such, change management in the corporate world, therefore, will be the priority of today's leaders.

Leaders in the corporate world should necessarily hold a combination of leadership competencies to enable them and their organizations to adapt to the turbulent conditions of today's business world. In so doing, in this master's thesis, we argued that today's leaders must first be skilful in managing change, whereupon a leader's communication skills must rise to the occasion for a successful organizational change. As every change induces uncertainty and resistance, a CEO should perform like an orchestra leader conducting a symphony having fast transitions. In this regard, we assumed that communication invariably plays an imperative role, whereby language used by a CEO or GM must positively influence and motivate employees.

Specifically, this master's thesis aimed to study the communication dynamics of change leaders in the corporate world. We started our research by proposing that, CEOs use an exceptionally pinpointed language during a change process and, we sought to discover if their language conforms to the change management and leadership theories.

In this respect, we asked the following key question: What are the communication dynamics of CEOs who have managed an organizational change in

private businesses, in Turkey? Do they use a specific language to build readiness for change?

We focused on Turkish CEOs and/or GMs who have managed change in a corporation and selected a sample from the private sector.

Along with these leadership criteria, we also incorporated four programs of change. Explicitly, change in this research infers planned changes without considering unplanned changes perceived as crisis management rather than change management.   Planned change initiatives may be categorized under four programs:

− Structural Change: the model targeting higher performance through mergers and acquisitions, consolidations, and the like;
− Cost Cutting: elimination of nonessential cost items to improve profitability;
− Process Change: redesign of systems and the way tasks are executed; and,
− Cultural Change: conversion of values, norms, and behavior of an organization.[196]

Since our research mainly focused on discovering the communication dynamics of CEOs and/or GMs and whether they use a specific language, we chose the qualitative approach mainly because of our limited sample size and face-to-face dialogue method. The research took the form of an in-depth study with data gathered through conversation analysis, which was subsequently evaluated.   We conducted in-depth interviews with seven CEOs and/or GMs from various sectors. (See Appendix 2)

In the first section of the research, we studied change management correlating with organizational studies. "*An organization is a subsystem of the society, must accomplish its goals within constraints that are an integral part of the environmental supra-system.*"[197] Considering that organizations are influenced by the environment, we studied the perspectives of change and how to manage it. Our masters' thesis focused on planned change arguing that un-planned change is the part of crisis management studies. This argument is supported with the view of Niklas Luhmann

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[196] M. Beer, **op.cit.,** pp. 8-15.
[197] F.E. Kast, J.E. Rosenzweig, **Organization and Management: A Systems and Contingency Approach**, op.cit, p.18.

on structural change and environment in his book "*Social Systems*"; "*All structural change, whether adaptation to the environment or not, is self-change. In social systems it is possible only by communication. This does not mean that the structural change must be a theme of communication or even planned in any sophisticated sense. But it requires situations in the system in which a change in expectations can be observed, understood, and believed. Such situations are possible only when the system and its elements are temporalized…. a social system adapts to its environment through structural changes.*"[198]

The contemporary adaptations to traditional approaches to change management came on board with the expansion of Japanese competition in the Western World. With the evolution of "Network Society" and at the same time, the emergence of Eastern hemisphere with the Western part in terms of industrial progress and market expansion changed the dynamics of global economy.[199] As a result of market expansion, the increase of competition in the new market place is one of the key outcomes of the globalization. Globalization is a new business model for corporations with which the information and skills are re-charged with the objective of increasing profitability and sustaining market share. The password for this re-charge can be called as "integration".[200] Integration might appear in different formats in the 21st century workplace (four programs of change as reviewed before).

Change is generally interpreted as uncertain environmental conditions by the members of an organization going through change. Whenever change occurs, resistance to it appears as an emotional reaction. It is obvious that for a successful change, it is compulsory to create readiness for change within the organization. In such turbulent times, the members of organizations will demand the fulfillment of their safety needs[201]. According to Cummings and Worley, motivating change,

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[198] N. Luhmann, **Social Systems**, op.cit, pp.350-351.
[199] M. Castells, **The Information Age: Economy, Society and Culture: Volume III End Of Millenium**, op.cit., pp.366-371.
[200] A.Mattelart, **İletişim Dünyasallaşması**, İletişim Yayınları, Istanbul, 2001, pp.98-101.
[201] Maslow studied human motivation in his framework where the variety of needs that people may experience at work. This framework is called The Hierarchy of Needs which was first introduced in 1943. The starting point in this hierarchy is psychology needs, then when moving up, the needs are scheduled as safety needs, love needs, esteem needs, and finally at the peak point of the hierarchy, self-actualization needs is placed. Safety Needs are "*needs for stable environment relatively free from threats*". Maslow's hierarch concepts has been criticized at the point that "*the hierarchy does not seem to be a consistent form of behavior for many people*" but it is still a useful framework in the

creating a vision, developing political support, managing the transition and finally sustaining momentum are the key activities for an effective change management.[202]

Creating readiness for change is a big challenge for managers. As Tichy said, there are "*protagonists who attempt to lead*" and "*antagonists who try to resist and hold onto old ways*"[203]. In such turbulent times, organizations need leaders who will ease the process of organizational change. Following this direction, we studied the leadership patterns from the early approaches to the modern ones in the second section.

The approaches to leadership dominated the scene starting from 1940s. At the early stages of the leadership study, researchers were focused on the personal characteristics. The lack of consistency at these studies led researchers to study the behavior demonstrated by leaders. Starting from 1960s to 1980s, the relationship between leadership styles and specific situations have has been analyzed. Finally, the new approaches conceptualized and researched leadership in the managerial perspective rather than an influence process.

It was in the 1980s, when the transformational leadership concept came on board with the studies of Burns on political leaders. According to him, political leaders are either transactional or transformational; the former was managing through a reward system while the latter through a "*relationship of mutual stimulation*"[204] Bass interpreted the work of Burns by arguing that these two types of leadership base on different dimensions rather than two ends of continuum. According to Bass, the centre of attention for transactional leaders is to ensure performance for the achievement of goals whereas the transformational leader transmits a sense of mission, stimulating learning experiences, and inspiring new ways of thinking.[205] Stemming from the study of Bass, we reviewed the qualifications of CEOs who are facing with the challenges of the turbulent environment in the 21st century.

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attempt of understanding different needs of people at work. (G.A.Cole, **Management: Theory and Practice**, op.cit., pp.53-55)

[202] T.G. Cummings, C.G. Worley, **Organization Development and Change**, op.cit., p.155.

[203] N.Tichy, "The three-act revolutionary drama", op.cit., p.51.

[204] K.W. Kuhnert, P.Lewis, op.cit., pp.648-657.

[205] R.W. Griffin, op.cit., p.409.

In the 3rd section, we examined the role of communication in organizations and its importance for leaders who manage change. As McLuhan said "*As an extension or uttering (outering) of all our senses at once, language has always been held to be man's richest art form, that which distinguishes him from the animal creation*"[206], language reflects our thoughts and the language used by the leader helps the members of organization to overcome the uncertainty and visualize the future during a process of change.

The last section of the study includes the research methodology and the findings. Due to the limited sample size and our face-to-face dialogue method, we proposed to conduct an analysis of conversation.

Participants were asked ten questions (see Appendix 1) which are categorized and analyzed under the following eight subjects: The workplace of the 21st century, Change drivers, Globalization, Vision of the future, Definition to successful change management, Resistance to change, Leaders of the future, Language practiced.

The future business environment is expressed with the word *dynamic*, where which CEOs evaluate the 21st century as an era of continuous change. The words *flexible* and *transparent* are used to describe the physical and cultural structure of the organizations while *transparency* characterizes a flat organizational structure, but it also signals that, in future organizations, human resources will be more important than they are today. And companies will be redesigned for the satisfaction of workers. CEOs also expressed the importance of the human factor by referring to other components of business. For example, phrases like consumers, customers, and new generation all reflect the human element.

CEOs stated that *globalization* and *information technologies* are the main drivers of the millennium. Globalization is not only perceived as an economic emergence but also as a cultural divergence, a challenge for future organizations to adapt themselves to new ways of leadership and of doing business. The words *cultural imperialism* and knowledge make people more strongly express that CEOs are concerned how change will shape their business in the future.

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[206] M.McLuhan, Understanding Media: The Extensions of Man, op.cit., p.80.

The word *globalization* itself is a dichotomy between its effects on human life and an economic world. CEOs emphasized that globalization has to be analyzed from different perspectives. Noticeably, at this juncture, CEOs were more careful and political in their selections of words.

Regarding to the vision of the future; Even though the human element and profitability were two terms that appeared, we espouse that vision still depends directly on the nature of the business.

CEOs articulated terms such as *approval, connect, be open, walk the talk, get approval*, illustrative of the power of communication in transformational periods.

Openness and *Communication* are two words juxtaposed with resistance. Both *openness* and *transparency* have similar meanings and show how the human element is crucial during organizational change. The use of *feedback loop* purports the meaning of continuity in communication.

The words *visionary* and *flexibility* dominantly emerged to define the leader of the future. The word *flexibility* associated with both change management and CEOs claimed that leadership qualities in the future will necessitate the skill to foresee trends and act accordingly.

The themes of *openness* and *transparency* were inherent with *clear, direct, clarification of 'why'*. We observed that CEOs practiced the language of togetherness, coalition, and unification to convey a good team spirit: "we are family," "my team friends," and "all together" exemplify this approach.

We would like to refresh the words of McLuhan once more: "*What is happening at the present time is that changes are occurring so rapidly that the rearview mirror does not work anymore – at jet speeds, rearview mirrors are not very useful*".[207] From the typographic to the electronic age, literate wo(men) developed language skills dependent on the characteristics of the era (*"audio tactile"*

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[207] M.McLuhan, B.R.Powers, op.cit, p. viii.

to "visual" and "pictorial")[208]. Now, we are living in a world of constant change mainly due to the diffusion of globalization and expansion of competition in the market place. On one hand the global economy stimulates the interdependence of countries, companies and cultures, on the other hand brings a world of uncertainty. In such a world, the big corporations go through dramatic changes while they are challenged to carry on with their business model constructed on profitability as Mattelart stated.[209] Therefore, the role of the 21st Century leader is crucial for preparing their organizations to turbulent environments and transforming successfully. It is not only the leadership qualifications that lead to success; on top of any qualifications and characteristics, we perceived upon our survey that the communication is the only medium to excite members of an organization for change.

In our research, we proposed that transformational leaders use their language as a vehicle to drive successful change management. Thus, the effectiveness is likely to result from a properly designed communication strategy. The present study was a preliminary examination of the relationship between language and change leadership. Our findings indicated that the use of some words have a direct relationship to the components of organizational change. CEOs emphasized that the readiness for change depends on the degree of openness and flexibility within an organization, therefore promoting the importance of the human element. CEOs anticipate that the 21st century will be an era of continuous change where tomorrow's competition will be harder than today's. In such a world, mastering communication and language will be the most crucial characteristic of a successful leader.

Because of its limitations, this master's thesis opens the door to future research in other directions. First of all, the research included only a small sample; therefore, the data collected through conversation analysis was restricted. Secondly, we did not take into consideration the language style; instead, we concentrated on the words themselves as used by CEOs to define the components of change management. A useful addition to the present research would be to compare the language CEOs use in press releases to their language in face-to-face interviews, differentiating two styles of communication. Overall, we hope this study will stimulate the study of language in the field of change leadership.

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[208] G. Genosko, op.cit., 110.
[209] A.Mattelart, op.cit., 98-99.

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Appendix 1: In-depth Interview Questions

Question 1:
Do you think there is a difference in the business world of the 21st century as opposed to the 20th? If yes, where are these differences seen? In what areas? What other differences are possible in the upcoming years?

Question 2:
Some authorities describe 'millenium' as the 'Age of Change'. Do you agree with this description? Do you think there is a driving force or forces   accelerating   the pace of change? If so, would you cite what those forces are?

Question 3:

In one of his speeches, Jack Welch, the former CEO of GE, made this comment about globalization:

"Globalization has not solved all the world's problems. It has not cured cancer. It has clearly not reached parts of the subcontinent. It didn't reach Afghanistan. I understand some critics' views of globalization: labor unions in developed countries; the threat of losing jobs. I don't understand the environmentalists' view of it, because every place you go you bring world-class standards, and you put factories in that are better than anything in the country. The neighborhood gets better. Globalization has done better than the UN and a zillion other organizations in improving lives. Go to Prague, Budapest and East Berlin. People are living far better than they ever dreamed, and it's because of globalization."

Do you agree with Mr. Welch's point of view?   What is your opinion of globalization? What could be the positive and negative effects of globalizaton to 21st century companies and organizations?

Question 4:
How will corporate visions change in the next ten years?

Question 5:
What are the criteria necessary to attribute success to change management?"

Question 6:
Although planned in advance, change somehow brings along resistance.   What management strategy should be applied to lessen resistance to a minimum?

Question 7:
What are the characteristics that make for a successful CEO today? When   we're talking about change leadership, what comes to mind first and why?

Appendix 1 (continued)

Question 8:
In looking ahead, what skills and characteristics will be the most important for the company's next generation of leadership?

Question 9:
Do you think CEOs should apply a specific communication strategy during a change process? If so, what should this strategy be?

Question 10:
In 1991, when Stanley Gault came on board of Goodyear as CEO, the company was going through a re-structuring process. He made a series of strategic changes. One of these changes was; in order to connect the organizationto with the change process, he encouraged to use the word '*friends*' instead of '*employees*'. In this way, he made a big step to strengthen the team spirit by integrating '*we are not working for the others, we are working for each other*' philosophy into the corporate culture.

Do you have a specific language to motivate and persuade the employees for change? If yes, what are those special words?

Appendix 2: List of Interviewees

Interviewee 1: <u>Meral Akyel, Leo Burnett Company</u>

She is the president and CEO of Leo Burnett Company in Turkey. When she was assigned to this position in 1996, she was the first female top executive in European region. She managed a structural change and extended the scope of the business by entering new areas like Public Relations and Marketing Services along their core agency business. Mrs. Akyel successfully handled the new business and promoted o the president position.

Interviewee 2: <u>Selçuk Tümay, Pernod Ricard Turkey</u>

He is the General Manager of Pernod Ricard. He was assigned to this position by Seagrams Company. With the global acquisition of Seagrams by Allied Domecq, he went through with his first structural and cultural change initiative. When the initiative was successfully accomplished, the company declared another acquisition from Pernod Ricard and again, Mr.Tümay was at the top of the company to manage the transition successfully. The low employee turnover at the company during these two acquisitions is the proof for an effective change program.

Interviewee 3: <u>Galip Yorgancıoğlu, MEY Içki</u>

He is the CEO of MEY İçki, previously a public company (TEKEL) privatized by the government. At the time, it was perhaps the most anticipated, most watched and most hyped changing of the guard in Turkish corporate history. The acquisition was discussed heavily in the parliament and media. Mr.Yorgancıoğlu triumphed these difficulties and created a strong and good company image in the market place.

Interviewee 4: <u>Turhan Talu, Philip Morris Turkey</u>

He is the Managing Director of Philip Morris Company in Turkey, the biggest tobacco company in the world and in Turkey. Mr. Talu assigned to this position in 2000 and since then, he managed various cultural change initiatives successfully. He is well known with his effective and creative management style.

Interviewee 5: <u>Kurthan Tarakçıoğlu, Hyundai Company</u>

Kurthan Tarakçıoğlu: He is assigned as General Manager of Hyundai Company in Turkey in 2003 and brought about a smooth transition of cultural integration while improving the company image.

Appendix 2 (continued)

Interviewee 6: Elçin Üner, GFK Türkiye

She is the Managing Partner of GFK Türkiye. In 1993, with her partner they established a market research agency ProCon Research Services. She worked at ProCon as the Founding Partner until 1997. In 1997 ProCon merged with GfK Group, currently the fifth largest marketing research group in the world. Since then Elçin Üner has been working as the Managing Director at GfK Türkiye. GfK Türkiye is currently the market leader in custom research and retail & technology and recently acquired a local research company in Turkey.

Interviewee 7: Mehmet Pekarun, KordSA Turkey

He is the CEO of KordSA Turkey since 2006, a local company which became a global player in the market. Mr.Pekarun successfully managed a re-location project of their production site in which the process was accomplished with low employee turnover.

Curriculum Vitae

Saba Gamze Oral was born in Ankara in 1966. She graduated from Saint-Benoit French High School in 1984. She got Associate Degree of Computer Science from Boğaziçi University in 1989 and Bachelor Degree of Business Administration from Marmara University in 1993. She started her professional career in FMCG sector and worked in the field of Marketing in Marsa Kraft Jacobs Suchard Sabancı Gıda A.Ş., Diageo Plc and Nestlé Turkey successively. She also worked on project basis in non-profit companies like Istanbul Kültür ve Sanat Vakfı and Istanbul Modern Art Museum. Following her step to the academic direction, she started to work as Training Consultant in FED Training Company. She is now working as a freelance instructor and planning to continue her academic career.

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