

Strategic Management

Lecture Eight: Strategic Leadership and Change Management

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Introduction

- In our last lecture, we explored how organizations analyze and select strategies to achieve competitive advantage.
- However, even the most brilliant strategies fail without effective leadership to drive implementation and change management to navigate resistance.
- In the current lecture, we'll focus on how strategic leaders translate plans into action and steer organizations through transformational change

Learning Outcomes

- Define strategic leadership and its role in strategy execution.
- Analyze the relationship between leadership styles and organizational change.
- Apply change management frameworks to real-world scenarios.
- Evaluate strategies to overcome resistance to change.

Opening Case Summary: “Who Moved My Cheese?” by Spencer Johnson

Setting:

A maze, where four characters search for "cheese"—a metaphor for what they value most (e.g., success, job, power, relationships, or security), the story is told by Johnson (1998).

Main Characters:

- Sniff
- Scurry
- Hem
- Haw

Plot in Brief:

All four discover a large stash of cheese in one part of the maze. Over time, the cheese disappears.

- Sniff and Scurry adapt quickly and go off in search of new cheese.
- Hem and Haw are shocked. Hem refuses to change and waits for the cheese to return.
- Haw, after struggling, overcomes his fear and ventures into the maze. He learns lessons along the way and eventually finds new cheese—and new confidence. He writes messages on the walls to guide others, such as:

“What would you do if you weren’t afraid?”

“The quicker you let go of old cheese, the sooner you find new cheese.”

Reflection Questions for Learners

1. Which character do you most identify with when faced with organizational change, and why?
2. What "old cheese" might your organization (or team) be holding onto?
3. How can strategic leaders help others move beyond fear and embrace change?
4. What would you do if you weren’t afraid of change?
5. How can this story be used to prepare teams for upcoming strategic shifts?

What is Strategic Leadership?

- When we talk about strategic leadership in the context of strategic management, we are referring to the leader’s ability to anticipate, envision, while maintaining flexibility in the face of strategy implementation
- It is, therefore, a critical bridge between strategy choice and execution
- It is important role in empowering others to develop and execute strategies
- It is the strategic leadership that drive innovation and builds resilience in an organization
- It differs from management in that it is more toward the future unlike management which is more on operational

Core Elements of Strategic Leadership

- **Visionary:** As mentioned earlier, strategic leadership is more about the future and aligning that future with the organization’s mission
- **Decision making under uncertainty:** Often strategic leaders will make decisions when options are not clear

- **Emotional Intelligence (EQ):** The need for empathy and self-awareness is becoming more significant for leaders who are to take their organization from one level to the other.
- **Stakeholder awareness:** The leader is able to prioritize different stakeholders depending on their interest and influence while making decisions.

Traits of a Strategic Leader

- **Inspires:** A strategic leader can foster trust that drives change in their organization
- **Empowers:** A strategic leader is huge in empowering others/team, and this become a way of building a lasting culture in their organization
- **Adaptive:** Their style is flexible to context, and this allows them and the organization to go through crisis.

Role of strategic Leadership in Strategy Implementation

So far it is clear that strategic leadership is essential if strategic plans are to be translated into actionable results. Here we briefly look at its role in strategy implementation in an organization.

- **Setting the organization's direction:** it is tasked with communicating a compelling vision and aligning strategy with organization's mission and values.
- **Mobilize resources:** It is the one to do strategic and resource prioritization culminating in efficient resource use
- **Shaping supportive culture:** Culture is huge in strategy implementation; it needs to be aligned with the strategic direction the firm has chosen. It is the responsibility of the strategic leadership to ensure such alignment exists.
- **Maintain employee engagement:** Employees at all levels must remain committed to the direction and strategy of the firm, it is the strategic leadership that is tasked with this responsibility.
- **Continuous communication:** The team must on a continuous basis communicate with stakeholders about strategy and progress being made.
- **Adapt the firm:** They must adjust strategies as internal and external environment shifts
- **Talent development:** Though forgotten by many firms, strategic leadership must be deliberate in developing capabilities and succession plans.
- **Managing resistance:** often than not, strategy implementation may experience some resistance, it is the strategic leadership team that will wade the organization through this face. The last section of this lecture will focus on this.

Organizational Change

- Change is the only constant thing
- Organizations are assured of going through change from time to time
- The success in managing the process is critical, and touches everyone in the organization
- Change management is the process through which a firm plans, deploys and sustains changes that are targeted to attain its strategic goals.
- The objective of change management is to reduce resistance to change as well as disruption that comes with it
- Change management pay much attention to human side of change
- Why strategic leadership drive the vision, change management ensure practical execution of that vision

Why is Change Management critical for strategy implementation

- It aligns people with the strategy, answering the why of change
- Helps in mitigating resistance
- Keep change momentum
- Build team that is agile

Resistance to Change

It may not always be the case that whenever an organization is implementing a change that people will buy in.

Here are some common sources of resistance

1. **Poor or unclear communication:** When employees are not sure what change is all about or why the change is necessary, they may be less supportive. The solution here is open, honest and frequent communication about change.
2. **The fear of the unknown:** This is where the employees wonder how the new strategy may affect their current roles, relationships and jobs. Solution is constant reassurance and clarity of changes
3. **Cultural misalignment:** This is where the held values, norms and traditions are resisting strategic shift. The solution is to manage cultural alignment proactively; good leadership is needed.

4. **Poor/weak leadership:** When there is weak or poor leadership there is lack of commitment to the strategy. The solution is to ensure visible and consistent leadership as we pointed out in earlier section of strategic leadership.
5. **Lack of skills/resources:** Where the employees are unsupported either by the fact that they do not have skills or resources to execute the strategy. The solution here is for the organization to prioritize employees upskilling and training.
6. **Fatigue:** Employees may be experiencing too many changes within a short period of time resulting in burnout. Solution is to prioritize and space changes to allow absorption and rejuvenation

Change Management Models

The following are some common change frameworks used to guide organizations transitions.

1. Lewin's Change Management Model

The model proposes that change requires destabilizing old behaviors, implementing new ones, and solidifying them (Lewin, 1947).

There are three phases of change

- Unfreeze: Prepare the organization to accept change (e.g., challenge existing beliefs).
- Change (Transition): Introduce new processes, behaviors, or structures.
- Refreeze: Stabilize the organization after the change has been implemented.

Easy to understand model

Best for simple and linear change.

The weakness is that it oversimplifies change, and therefore it may not be the best for complex change.

2. Kotter's 8-Step Change Model

The model focuses on mobilizing people and maintaining momentum (Kottler, 1996).

Steps:

- i. Create urgency
- ii. Form a powerful coalition

- iii. Create a vision for change
- iv. Communicate the vision
- v. Empower others to act on the vision
- vi. Create short-term wins
- vii. Build on the change
- viii. Anchor the change in corporate culture

Most applicable for large-scale change management

It has a holistic view of change capturing both human and structures

On the flip side, is that it requires time and requires strong leadership

3. ADKAR Model

The model focuses on individual change process, ensuring that they are ready and able to change (Hiatt, 2006)

Elements of the model:

- Awareness of the need for change
- Desire to participate and support the change
- Knowledge of how to change
- Ability to implement new skills/behaviors
- Reinforcement to sustain the change

Applicable for change requiring behavioral shift for instance in the current world use of AI

The model is practical in dealing with resistance to change at the individual level

It however, pay less attention to organizational systems

4. McKinsey 7-S Model

Proposes that all the 7 elements must align if change is to be successful (Waterman, Peters, Philips, 1980)

Elements of the model

- Strategy, Structure, Systems (hard elements)- embedded in the organization
- Shared Values, Skills, Style, Staff (soft elements)- embedded in employees/leaders

The model emphasizes on interconnectedness of all these elements during change

It is a holistic approach, both hard and soft elements are accounted for

Complex to implement, not a step-by-step guide

Leadership Styles and Organizational Change

Leadership style shapes how change is initiated, managed, and sustained in an organization.

Therefore, there is a link between the two as captured in table 1.

Table 1: Leadership Style versus Change Impact

Leadership style	Focus	Change Impact
Transformative	Inspires innovation and commitment to long-term vision	Effective in drastic change
Transactional	Structure, rewards, and performance metrics	Effective for incremental change
Servant	Trust and empathy	Effective in people-centric and disruptive change such as mergers
Autocratic	Top-down decision making	Useful in crisis
Democratic	Participatory decision-making	Slower but sustainable approach
Laissez-faire	Minimal direction and interference	Ineffective for managing large scale change

Topic Review

- Strategic leaders are essential in bridging strategy formulation and implementation by setting direction, mobilizing resources, aligning culture, and ensuring adaptability in dynamic environments.
- Leadership styles directly influence organizational change outcomes, as emotionally intelligent, visionary, and empowering leaders are more effective at navigating uncertainty and building trust.

- Change management is crucial for strategy execution, focusing on minimizing resistance, sustaining momentum, and addressing the human side of change.
- Resistance to change stems from communication gaps, fear, cultural misalignment, poor leadership, and change fatigue, which leaders must proactively mitigate through consistent engagement, reassurance, and skills development.
- Change models such as Lewin's and Kotter's provide structured frameworks to manage transitions, guide behaviors, and embed strategic shifts into organizational culture.
- Our next lecture we will tackle strategy implementation, having cleared the road in as far as change and its resistance is concerned.

Reference

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