

LEADERSHIP ROLE IN ORGANIZATIONAL CHANGE

A case study developed at WestSEA-Viana Shipyard

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The acronym E.N.V.C. (Estaleiros Navais de Viana do Castelo – *Viana do Castelo Naval Shipyard*) represents a pivotal entity with regional, national, and international significance. However, a combination of socio-economic and socio-political factors led to its closure in 2014. On January 10th of the same year, WestSEA – Viana Shipyard assumed control, marking the beginning of a complex transitional phase. This transition necessitated a shift from public-sector ideologies toward the methodologies of the private sector. Consequently, the new management implemented a leadership strategy aimed at integrating private-sector practices while navigating the existing organizational culture and leading the former ENVC workforce through this transformation. As this is a study that is still under development, at this stage the main aim of this paper is to discuss the theoretical background (leadership's role in organizational change and its models, organizational culture, identity and values), address the discussion and outline the methodology we intend to follow.

To conduct an in-depth analysis of the leadership approach during this transitional process, several leadership styles were considered, evaluating their respective advantages and disadvantages. These included:

- Transformational Leadership – charismatic but potentially exhausting (Nassif et al., 2021);
- Transactional Leadership – effective yet rigid (Young et al., 2021);
- Ethical Leadership – honest but overly protective (Martin et al., 2022);
- Servant Leadership – fosters loyalty and engagement but is too dependent on the leader (Liu, 2019);
- Participative Leadership – promotes respect and power-sharing but may reduce team efficiency (Bhatti et al., 2019; Li et al., 2018);
- Authentic Leadership – transparent but vulnerable (Bakari et al., 2017; Gardner et al., 2021);
- Authoritarian Leadership – enhances identity but limits vision (Wang & Guan, 2018; Siddique et al., 2020);
- Despotic Leadership – effective but unethical (De Clercq et al., 2021; Nauman et al., 2020);
- Destructive Leadership – tyrannical but culturally dependent (Fosse et al., 2019; Thoroughgood et al., 2018).

At the same time, acknowledging that not all processes of change are equal (Galli, 2018), various change models were considered to conduct the analysis. These included:

- Kurt Lewin's model (unfreeze-change-refreeze);
- Nadler and Tushman's framework, which emphasizes aligning work, people, structure, and culture;

- Stace and Dunphy's contingency approach, which tailors change strategies to environmental conditions;
- Kotter's eight-step model for leading organizational change; and
- Van de Ven and Poole's model, which integrates life-cycle, teleological, dialectical, and evolutionary theories.

The interconnection between organizational change and culture is particularly intricate, as culture is one of the most resistant aspects of an organization to transform (Payne et al., 2022). Culture, being a key feature of continuity and identity in companies (Arditi, 2017; Low et al., 2015; Khan, 2016), strongly influences organizational values and identity. Resistance to change (RTC) frequently poses a major obstacle, often leading to failure (Venus et al., 2019; Neves et al., 2021).

Organizational change is inevitable throughout an organization's lifecycle (Neves et al., 2021), requiring ongoing adaptation. Leaders play a critical role in this process, balancing organizational culture and membership while serving as agents of change (Raynard et al., 2020). Despite organizational culture providing structure and meaning (Ehrhart et al., 2014), it may also limit leadership practices. However, leaders may also manipulate culture to facilitate change (Mayfield et al., 2021; Srimulyani & Hermanto, 2022; Vito, 2020), particularly through persuasion and adaptability (Neill et al., 2020). Effective leadership in this context involves unfreezing entrenched ideologies and fostering re-identification within the organization (Hussain et al., 2018; Yanti & Dahlan, 2017).

Through observation, elements of both Kurt Lewin's and Stace and Dunphy's models were evident. The transition began with an "unfreezing" phase, involving the dismantling of the public-sector organizational culture and introducing private-sector practices. The "change" phase created uncertainty and resistance, particularly among former public-sector employees, as they struggled to accept the shift. Finally, in the "refreeze" phase, new processes were solidified, and past practices were abandoned, stabilizing the organization (Galli, 2018). The interaction between leadership and organizational culture is not unidirectional (J. Lee et al., 2018; Y. Wei & Miraglia, 2017). While culture can shape leadership, leaders also have the power to reshape culture, especially during transitional periods. Persuasion, commitment, and consistent communication are crucial for overcoming resistance and achieving successful change (Hussain et al., 2018; Yanti & Dahlan, 2017).

In what concerns the empirical study, a mixed-methods approach will be utilized, employing a concurrent triangulation design where quantitative and qualitative data are gathered independently but within the same timeframe. The research design is exploratory, and an embedded case study will serve as the research strategy. A cross-sectional perspective is adopted to focus on a specific phenomenon at a particular point in time (Saunders et al., 2016).

Quantitative data will be collected via surveys distributed to 600 employees throughout six departments (production, coordination, technical, planning, outfitting and project management). For qualitative data, a Delphi methodology will be used, providing anonymity, iteration, controlled feedback, and group consensus. Six experts from the related departments will participate in three phases of the Delphi process:

1. Defining research goals, the Delphi format, and generating statements and questions;

2. Selecting and programming the necessary software, identifying the expert panel, and collecting their opinions;
3. Analyzing and interpreting consensus across three rounds, with open-ended questions in round one, followed by analysis and consensus-building in rounds two and three (Beiderbeck et al., 2021).

Along with the stages described, three *Delphi* rounds are expected to be applied, whereas round 1 will contain open ended questions while rounds 2 and 3 will be for analysis and consensus.

Keywords

Leadership, Organizational Change, Culture, ENVC, WestSEA