

CEO Statement –

Hello everyone,

I am writing to you all to inform you that due to reasons out of our control Wessex County Council are having to implement a 3% reduction to the payroll active from September 2020. As you know, we are living in a time of uncertainty due to the recent COVID-19 pandemic and as a result of this, funding to the Wessex County Council is being cut. This decision was not made easily however I believe these changes leave us with no choice but to enforce this reduction in pay to every employee, including myself. I understand this will cause concern however I want to reassure you that there will be no forced redundancies at this time.

Though I am hopeful for our future, I recognise that this change will cause anxiety and may cause a decrease to morale and motivation. I hope that we can all bind together and get through these tough and turbulent times together. I encourage you to talk and support each other within your departments like you always do.

If any of you have any questions, big or small, regarding these new changes please call me on 02034789761 or email me at ceo@wessexcountycouncil.com and I hope I can answer any queries and offer reassurance. I will also be placing anonymous question boxes around the office for people to ask questions if they wish to keep themselves private.

I sincerely apologise for this news, though I hope you understand why these precautions have had to be made. I hope that you are all staying well, please don't hesitate to get in contact if there is anything I can do to help you.

Regards,
CEO of Wessex County Council

The theme of leadership has been demonstrated in the CEO statement as the letter is directed towards the company, coming from one persona and proposing a change. According to Mullins leadership is “a relationship through which one person influences the behaviour or actions of other people”. When considering Lewin’s theory of identified styles of leadership, one may determine that the leader is showing an Autocratic style of leadership as they are making key decisions without consulting their employees for their opinions. However, despite the autocratic leadership being shown through the distribution of the message, you can also perceive democratic leadership through the placement of question boxes and inclusion of an email address and phone number. Through inviting the employees to share their thoughts, comments or concerns towards the decision the CEO is showing signs of a democratic leadership style (Martin 2005) (Lewin, 1939).

Furthermore, through the self-inclusion of themselves and managerial staff into the pay cut it could be argued that Lynch’s strategic leadership theory can also be applied. He theorised that “leadership is the art or process of influencing people so that they will strive willingly and enthusiastically towards the achievement of the organisations purpose” (Lynch, 2018). As stated by Lynch, he proposes that the leader must gain trust and establish a sense of community within an organisation to actively lead. I believe that through stating that “all employees, including myself”, in the statement, the CEO has shown that every employee works under the same conditions, thus generating a strong sense of moral and trust. Through this, I believe that this CEO also displays authentic leadership.

In 2018, Sidani and Rowe said that “authentic relationships cannot occur before followers grant their legitimacy to their leaders, to their value systems, and – subsequently – to their actions”. This suggests that leaders must show consistent behaviour in order to gain trust and have the capacity to generate an authentic relationship with their employees. 4 dimensions are included in the authentic leadership model: self-awareness, transparency, balanced processing and internal moral perspective (Walumbwa et al, 2008). The CEO statement clearly shows a high level of transparency, seen through an explanation of why the pay-cut is necessary, and self-awareness, seen through the acknowledgement of the effect that it will have on moral and motivation, and so clearly shows the capacity to be defined as an authentic leader.

Motivation can be defined as ‘the cognitive decision-making process through which goal directed behaviour is initiated, energised, directed and maintained’ (Huczynski & Buchanan 2013). In their statement, the CEO wrote “Though I am hopeful for our future, I recognise that this change will cause anxiety and may cause a decrease to morale and motivation. I hope that we can all bind together and get through these tough and turbulent times together”. Therefore, they acknowledge that the proposed 3% reduction to payroll may have a negative effect on motivation.

Herzberg’s two factor theory (1966) offers an objective view towards the CEO statement as it suggests that salary is seen as a hygiene factor and not a motivator. As seen in his model, there are two subsections: motivators and hygiene factors. When hygiene factors are in place, they result in general satisfaction and when motivator factors are in place, they result in high motivation and a strong commitment. When applied to this scenario, it suggests that employees will not become unmotivated but could become dissatisfied with their workplace

due to the change to salary and possibly future job security issues. However, this theory defines stimulating work as a motivating factor, and due to the “uncertainty due to the recent COVID-19 pandemic” covered by the CEO it can be argued that rather than becoming dissatisfied, the employees will instead become highly motivated and develop a strong sense of commitment. Therefore, not only helping the motivation but also validating the authenticity and reliability of the leadership shown by the CEO.

On the contrary, Adams equity theory (1965) is based on the interaction between variables involved in the motivating process. In the model two branches are seen which determine different scenarios when an individual compares their own output to other’s output (Buchanan and Huczynski, 2013, p.297). It states that when an inequality is perceived, internal tension is created. This tension can only be removed when equity is restored through either a change to these inputs, altered perception of equity or removal of self from the situation. On the contrary, when equity is perceived, current motivation levels are maintained. As the entire Wessex County Council has suffered the same pay cut, employees should perceive equity with others and therefore according to this theory maintain a level of motivation and work effort.

The statement put out by the CEO of Wessex County Council proposes a “3% reduction to the payroll active from September 2020”. The ‘change curve’ was devised by Kubler-Ross in 1960 and displays the process which an individual goes through when experiencing change. It categorises three distinct stages: denial, fear/anger and gradual acceptance. When applying the change curve to the employees of Wessex County Council, it suggests that they will each go through these stages at their own pace and then eventually accept the change to pay roll and continue as normal. This links to Adams equity theory as both theories eventually result in acceptance of the change to payroll and move forward with an acceptance of the change and maintained motivation. However, according to Burnes and Rafferty, most estimates put the failure rate of planned organisational change at 60-70% (Burnes, 2011; Rafferty et al., 2013).

These estimated failure levels could be as a result to resistance to change. This is “an unwillingness, or an inability, to accept or to discuss changes that are perceived to be damaging or threatening to an individual” (Buchanan and Huczynski, 2016, p. 644). Some reasons for the development of this resistance include: a removal from comfort zones, loss of power, personal inconvenience or a disturbance of specialised knowledge and skill. The employees at Wessex County Council may therefore have this resistance due to it being inconvenient to suffer and loss on income. For those higher up in the organisation such as the CEO themselves it may lead to them feeling like they have lost some of their status and security. However, in the statement the CEO clearly explains why the precautions have had to be made through remains positive hoping, “that we can all bind together and get through these tough and turbulent times together”. This vision of a way forward and commitment displayed may cause the employees to experience resistance to change at a smaller scale as they fully understand why it is happening.

Overall, the CEO of Wessex County Council has constructed an excellent statement which clearly lays out the proposed changes and reasons for why. When analysing the statement next to theory it is evident that the language used by the CEO has been chosen to alleviate

anxiety and minimise risk. Moreover, the authoritative but friendly tone adopted by the CEO further helps to minimise anxiety as much as possible and reduce the effects which this news will have on employees.

References

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