



Leadership in Transformational Change: Proactively Creating a Branding Effect to Overcome External Resistance

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Abstract. When facing an unexpected external crisis, leaders of organizations and companies are supposed to make transformational changes, seeking other possible development models to overcome those resistances. In particular, the outbreak of Covid-19 has threatened many corporations' survival, which is of necessity for those leaders to find practical ways to go through the grinding period. In the existing theories, cooperating with others, gaining support and trust from policymakers, and taking on the ability to utilize foresight are common strategies to deal with external drags. In this research, a supplement will be added to the theories above, which is leaders may proactively create a branding effect to overcome external resistance. The research method is processed tracking in the case study, and David Stern will be used as an example of transformational leaders to illustrate the whole theory. The passage will first begin with the introduction of the basis of the research, including the research background, framework, and significance. Then it will go to the theoretical review and have a detailed description of the research question. The following paragraphs will mainly focus on the case analysis and explorations of the inner logic. In the final part comes a conclusion of the whole research, consisting of the results and the shortage of the research. This passage will inspire leaders when they get stuck in an unexpected crisis and offer them suggestions on how to take advantage of the branding affect and put their products on a higher platform.

Keywords: Transformational change · David Stern · Branding effect

1 Introduction

To survive and sustain in a turbulent and unexpected environment, leaders of enterprises and organizations are supposed to make transformational changes if necessary. Leaders who possess the quality of transformational change are always able to predict and eradicate the potential crisis, both internally and externally. Conflict may be easy to handle

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when it takes place within the company because leaders can solve them by coaching or having effective communications with their subordinates. However, without a leader able to predict the 2020 coronavirus outbreak, many companies were simply caught off guard.

Furthermore, 2021 will be a difficult year for all extracurricular tutoring institutions in China, due to abrupt government documents regarding the ban on student tuition, making it impossible for them to operate according to their previous model. Financial Times sources also revealed yesterday that due to the depreciation of the Ruble and the impact of sanctions by Western countries, Chinese mobile phone manufacturers such as Xiaomi, Huawei, OPPO, and other mobile phone manufacturers have halted shipments to Russia. These Russian mobile phone dealers must find a way to solve the dilemma.

Owing to the external environment and internal resources will affect the survival and development of the enterprise and organization. When these factors change, new demands are imposed on the company's original strategy, allowing it to achieve a new balance and improve its adaptability to the environment through strategic transformation. There may also be constraints and other hindrances from the outside environment while taking on this change. So external impact is throughout the whole process when a transformational change is successfully achieved.

Thus, Leadership is an important element in implementing change, but minimizing external resistance to change is also an integral part of a leader's success. Should these two factors be considered together? There are many ways that effective leaders use to overcome external resistance, but in this article, a new approach to overcoming external resistance is proposed: How do transformational leaders proactively build branding to overcome external resistance, especially during transformational change? Previous research has pointed out that to build strong brands, companies must deliver innovation that is strategically aligned with their brand promise and strategic strategy [1]. Generated through partnerships, joint Ventures, alliances with suppliers, customers, and other organizations, as well as partners in international value chains. Access to the necessary external resources and competencies in their network of relationships, from which the external branding capabilities gained is essential to stimulate brand value components that are beneficial to all parties.

So far, the typical ways in which transformational leaders overcome externalities are: uniting organizations/companies in the same sector, gaining the trust and support of political decision-makers, being forward-looking enough, and so on. Indeed, would this new way of overcoming external resistance be more effective for leaders to benefit from? This paper will focus on leaders taking the initiative to build branding to overcome external resistance and will illustrate this in the context of events during David Stern's tenure in the NBA. Firstly, common solutions to external resistance are examined. Next, by examining David Stern's tenure at the NBA, he gradually pushed the game of basketball step by step by implementing a star-making campaign to put it on an international stage. Finally, through an analysis of the proliferation of the NBA's brand image to increase its appeal and broaden its revenue, a brand pilot was formed.

In addition, the findings of this paper should help transformational leaders to expand how they can overcome external resistance and drive the organization/enterprise to a

broader platform by building branding, promoting corporate awareness, and building a stronger corporate culture that can lead to better revenue performance.

2 Theoretical Framework and Hypotheses

2.1 Theoretical Review

Transformational leadership has an influence on creativity at both individual and organizational levels. Leaders often need to overcome external resistance on the way to change. Solidarity with peer organizations/businesses in the same sector to respond together is one of them. Organizations in transformational change not only need to unite with their teams toward a common goal but in an organizational enterprise, peers may be maintained all the time. The influence of common team orientations can be extended to the real team and diverse cultures [2]. Meanwhile, Unity has been in from the awareness and recognition of the interdependence between organizations. Especially at this point, during the COVID-19 epidemic, where many organizations are uniting with each other from their territories and looking at the broader perspective. The status of this is as though, every organization is in the same boat, staring at similar dilemmas and conundrums in an uncertain world, all searching for the ideal, viable and feasible option, even if commerciality may not always win out when a winning outcome is desirable but becomes controversial [3]. In addition, gaining the confidence and support of political decision-makers.

In a transformational change in organizations, the success of leaders is influenced to a large extent by resources, access, and strategy. Value Levels and resource constraints determine how leaders develop strategies to bring about change. More specially, resources are always limited and perfectly acceptable values are rare. In such cases, the leadership qualities of the leader are important. When resources are not scarce, then the leader may have no problem following a transactional style in which he can declare attractive packages. But, where resources are less available, which is more obvious, the leader may adopt a transformational motivational style [4]. Moreover, When the power and formal authority of the policymaker and the enormity of the support system in which he/she plays a role will enable him/her to adopt a realistic agenda and successfully implement reforms [5].

Moreover, having enough forward-looking is also momentous. This talent is similar to other leadership skills such as social awareness and empathy [6]. The emphasis, however, is on the fact that this ability is frequently highlighted in terms of recognizing the needs and challenges of particular people in the organization [6]. The term “social perceptiveness” is used here to refer to a combination of awareness of managerial and group requirements and goals, as well as sensitivity to opportunities embedded in the environment. Sensitivity to opportunities in the embedded environment can help developers accomplish and sustain their viability [7]. Furthermore, the implementation of a transformational leadership development program could be critical. Several team training and performance analysts have emphasized the need of developing collaborative procedures early in the team’s life cycle [8]. As both a corollary, transformational leadership training may be advocated early in a team’s term, as this type of leadership conduct can help to increase teamwork and cement team goals and strategies [9].

2.2 Analysis of the Theoretical Connotation

In terms of the research above, the traits of leaders and corporations with others are crucial factors to deal with outside resistance. However, when the novel coronavirus swept the whole world in 2020, no one was well prepared and it seemed that leaders, especially those in market-oriented enterprises, could do nothing but find a way by themselves. How can they respond to the crisis and what other action can they take? In answer to the question, this paper will make supplement the theories above: leaders may proactively create a branding effect to overcome external resistance.

Proactively building brand effects to overcome external resistance is not uncommon. When this type of transformational change occurs, it can change the entire culture, product mix, and market, and the outcome may be unknown. Leaders improve the alliance climate by constantly innovating and gradually and slowly using different means of diffusion. Seizing any promising opportunities that they may stumble upon while trying to meet untapped market needs and in line with the development framework of the business [10]. Thus, some scholars argue that the integration of branding and innovation is the key to building strong brands [1]. Leaders are subject to novel ideas, focused on exploring areas unfamiliar to the firm, reaping dividends beyond their current experience and pre-existing knowledge base, allowing the firm to overcome external resistance.

3 How David Stern Overcame External Resistance: A Typical Case

The National Basketball Association, known as the NBA, is the most prevalent men's professional basketball league in the world. It was founded in 1946 in New York with few franchises and low attendance. After 75 years of development, the NBA now is composed of thirty teams and its players are the world's best-paid athletes on average annually. It has opened thirteen offices in cities outside the United States and is broadcast to over two hundred territories in over forty languages. The conspicuous achievement cannot become effective without the transformational change led by David Stern, the former commissioner of the NBA from 1984 to 2014.

In the 1980s, there were tremendous problems in NBA. The league had fallen into an era of cocaine abuse, poor imaging, and non-televised games. Los Angeles Times in 1980 reported that 40–75% of NBA players used cocaine. Besides, most franchises were losing money and some of them were on the cusp of folding since audiences were unwilling to buy tickets. And when games were broadcast on television, nobody was watching either. In addition, the NBA Finals of 1978 and 1979 were even on tape delay.

When David Stern came to power in 1984, he took immediate action: building a salary cap and implementing a drug testing policy. Both measures have helped the league regain the trust of the mass media. However, there was still a long way from making profits and further initiatives must be taken. Stern's tenure came at the height of the Magic Johnson-Larry Bird era, but at the time, the league was struggling to market its two biggest stars. Stern realized that only through making the stars known to more people can the league acquire more profit, which is also building brand effect. He ultimately helped change that, turning the NBA from a team-driven league to a star-driven one.

Bird and Johnson played in each NBA Finals of the decade and had a combined 13 NBA Finals appearances during the 80s, which is known as the "Celtics-Lakers rivalry".

Soon after, Michael Jordan's arrival ushered in a new era of commercial bounty for the NBA. In his rookie year, Nike offered him a five-year big contract, which helped to give the league more national attention. And the two triple championships proved that Jordan was the well-deserved "Goat".

After rekindling a wave of enthusiasm for the NBA domestically, David Stern put up his mind to develop the oversea market. The first opportunity was the 1992 Barcelona Olympics. Before 1992, NBA players were not allowed to compete in the Olympics. Stern helped build the Dream Team, consisting of 11 NBA All-Stars, and astonished the entire world. Not only did Team USA storm its way to a gold medal, but the Dream Team aroused worldwide interest in basketball.

In addition, David Stern also pushed to develop basketball in China. The appearance of Yao Ming made everything easy. The Houston Rockets made Yao Ming the No. 1 pick in the 2002 NBA Draft, and enormous attention was then attracted from China. By 2004–2005, the NBA China plus Yao Ming had begun to occupy a unique media position between the US and China. Western brands discovered they could reach millions of Chinese through the NBA and Chinese companies found they could advertise at NBA games as well. Even domestically focused Chinese companies found that they could reach Chinese consumers by advertising at games in the US. For example, Yanjing Beer began making advertisements at NBA games in Houston, even though their products were not available in the US. The NBA became a unique US-China advertising platform. A large number of corporations became deeply invested in the success of the NBA in China.

In Stern's view, "player quality" and "media promotion" are the key to success. The requirement for "player quality" is to select players with the highest level of skills and the most national influence in the world. On this basis, the NBA conducts a full set of public relations courses for players to learn how to face the media, thus players can gain more positive exposure and establish a good interactive relationship with the society. The result of multiplying "player quality" and "media publicity" is the birth of a "superstar". Therefore, in each era after Jordan, superstars have been created, such as Kobe Bryant, LeBron James, Stephen Curry, and so on. These superstars have contributed a lot to the large sales of tickets, jerseys, and other industries.

4 Internal Logic of Brand Effect Dissolving External Resistance

When faced with unexpected external resistance, organizers and leaders need to adopt strategies to change the way the company works. The most common types of resistance are market competition, price wars, rules, and regulations. Branding is a reliable way of dealing with external resistance by piloting numerous anchors into the market that work together to deal with external resistance. This panel will share three branding initiatives and illustrate the importance of branding for companies based on facts. Creating a hot spot is a concrete example of a company's branding effect, as exemplified by David Stern's star-making campaign, which led to an overall change in the NBA through superstars. Expanding markets and expanding to overseas markets in the absence of opportunities in existing markets is also a manifestation of the brand effect. The brand effect is an important factor in the longevity of a company's operations and is an effective measure for transformational change today.

In the face of external resistance, companies need to explore timely ways to reform and broaden their markets to expand their revenues to effectively compensate for some of the economic losses. As a business leader, you need to look for ways to broaden the path, such as David Stern, who took the initiative to explore overseas markets when the domestic ball league market was in recession, moving into the Chinese market and also paving the way for the future development of the Asian market. This successfully saved the NBA league from an increasingly depressed economy and is the main reason why the league is still alive and well today. With a larger market, there is more commonality of interest, and the many commonalities of interest interact to soften external corporate resistance to successful change. Especially when the benefits within the original market are very scarce, expanding the market in search of new opportunities is a very smart move. Leaders need to be bold and resourceful, as market expansion is also risky and involves facing pressure and rejection from external markets. Those companies that have successfully reformed and softened external resistance by expanding their markets are the survivors and successful players in this market game.

When faced with external resistance, companies can suffer from a poor environment that can lead to damage to their reputation or influence, which can be fatal to their operations and growth. By improving its image and attracting a lot of attention, the company's reputation can be improved and, together with increased media attention and exposure, a good interactive relationship with the media can significantly improve the company's image and thus make it easier to gain public recognition. In the case of the NBA, for example, the entire American ball game league was suffering from drug and doping abuse, and Stern's efforts to package and improve the quality of players and enact anti-drug laws helped to improve the overall atmosphere within the league and redeem its image. There are also specific ways in which business leaders can enhance their corporate image, such as by being charitable. A corporate focus on charity, as well as community activities, can be effective in promoting the business, attracting stockholders to the business, and constantly getting public figures from various companies into various campuses and communities to serve the public. This enhances the company's image and reputation, while also attracting a large number of shareholders who are interested in the company's products and culture. All of this makes it easier for companies to gain public recognition, and raising a company's image is the basis for a profitable and viable business. This leads to a butterfly effect, which increases the number of new shareholders and strengthens the original ones, and has a great positive impact on the company's profitability, especially when combined with media coverage, which quickly and widely spreads the company's image and builds a good reputation.

The brand effect can largely determine the longevity of a company, and once a good brand effect is formed, it will have a chain reaction similar to the butterfly effect. For the NBA, the brand effect is specifically reflected in the chain reaction brought about by many superstars, who are distributed among various teams, increasing the rivalry between teams and the ratings of media broadcasts, making fans from different regions very loyal to their teams, and when the team they are passionate about launches popular merchandise such as peripherals, the benefits naturally arise. The equivalent of many pilots, eventually gathered in one strong pilot, creates diffusion to the surrounding area, and these teams provide the basis for diffusion. Companies need a means of diffusion

when they innovate, planting several anchors in the market. A single anchor may have little effect on the market, but when anchors are combined, each one interacts with the other to have an impact on the market landscape. The resulting brand effect can sustain a business and greatly influence future markets. For example, the current popular sneaker culture is due in large part to the success of Stern's reforms to increase competition between teams, making basketball an internationally popular and popular sport, and the NBA's unassailable dominance in the international basketball league.

5 Conclusion

How leaders overcome external resistance before and after transformational change remains a complex topic. However, our study of David Stern's time as an NBA coach provides a good way of thinking about how transformational change leaders can overcome external resistance. Our research suggests that businesses/organizations can reap more common ground of interest by expanding the benefits and spreading the scope of their involvement. More specifically, leaders are constantly improving their image, attracting external attention, and reaping more recognition. The core elements of corporate branding through corporate image include products, services, and corporate social responsibility programs. A close relationship is achieved between employees and the organization/company, and the linking of the brand to the employees who refract the brand culture is achieved. As a result, the relationship between the brand and the employee achieves mutual composition, whereby a bilateral nature is created and the impact of the brand effect is shaped into a powerful pilot, which paves the way for the diffusion of the brand through innovative means.

The broader significance of this study is that transformational leaders can help spread to a broader platform when transforming a business/organization because they have the innovative power that other types of leaders do not have. As Kosiarek points out, 21st-century leaders have to tackle the difficulties of the journey of change and motivate their employees by combining their creativity, leadership, and effective change [11]. By taking the initiative to brand their business/organization, this type of leader can extend the value of their business and bring benefits and impact to their organization, thus softening the external resistance to change.

The generalizability of these results is subject to certain limitations. For instance, the sample size of the study is not sufficiently large and reliable, which can lead to a certain degree of limitation. Moreover, most research is more based on self-reports, which are sometimes associated with biases, such as social expectations. Although we examined the means of overcoming external resistance during David Stern's tenure in the NBA, we found no indication of a single factor or general factor that would explain most of the methods used to overcome external resistance, but we are aware of the limitations of this analysis. It is appropriate that this study be repeated, including the use of commonly used methodological variance controls, to obtain more robust results. Based on the promising findings presented in this paper, work on the remaining issue is counting and will be presented in future papers.

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