



THE OPEN UNIVERSITY OF SRI LANKA
MASTER OF BUSINESS ADMINISTRATION IN HUMAN RESOURCES
MANAGEMENT
FINAL EXAMINATION 2019 – SEMESTER II
MCP2135/MSP9335 – MANAGING CHANGE IN ORGANIZATIONS
DURATION 3 HOURS

DATE: 17.03.2019

TIME: 9.30am – 12.30pm

Instructions:

Answer **Question 1** and any **TWO** from the others

Question 1 (Compulsory)

Read the following “Change Is Hard: With Agile Dinosaurs Can Try and Dance” and attempt the questions given at the end.

Change is Hard: With Agile Dinosaurs Can Try and Dance

When Fortune 500 companies are not able to change, they could become vulnerable. Of the 500 companies from Fortune's 1955 list, only 60 made the list in 2016. Why does this happen, and how can you prevent it from happening in your company? It's all about applying the techniques, systems and frameworks that can help you adapt to change.

As a project management expert with deep experience in agile frameworks, I know it's a powerful tool to help you move away from inertia, solve problems and perhaps even increase longevity. Resistance to change, in my view, can be related to the size of your company, the number of locations, the complexity, bureaucracy, tendency to maintain the status quo and not being able to think outside the box to react to customer needs. As Albert Einstein once said, "We cannot solve our problems with the same thinking we used when we created them."

You have to think differently to create change.

Companies That Didn't Embrace Change

When you think about companies like Sears, Toys R Us and Bon-Ton, all of which announced bankruptcy or liquidation last year, what comes to mind? A big part of the struggle these brick-and-mortar stores faced stems from e-commerce disruption and their inability to adapt to changing customer demands. On the other hand, companies like Best Buy were more successful with this evolution. These companies were big and, unlike startups, they had resources available to them — ideally, they would have been able to use those resources to adapt. Unfortunately, it doesn't work that way with most large companies. They struggle to embrace change quickly, and it leads to their downfall.

Companies That Are Able To Change Rapidly Survive

When you look at some successful companies, including Walmart, Apple and Microsoft, you see that they are able to thrive and continuously churn out new products and services and reinvent themselves any time there's a hiccup. Walmart grew by understanding its customer base and honoring their desire for "everyday low prices." Apple, meanwhile, morphed from a computer company to a tablet, smartphone, and smartwatch company. Microsoft expanded out of Microsoft Office and into cloud services. Though GE is currently working on another turnaround, it was once transformed under the leadership of former CEO Jack Welch, who deployed the management technique Six Sigma (subscription required) company-wide. Even companies such as Amazon, Netflix, Salesforce and Spotify, despite being relatively young, still display the ability to create changes brought about by increasingly sophisticated technology.

Management Theory That Supports Change

Management theorists have studied this issue for more than half a century, and they've come up with a few solutions. Some of them prefer incremental change and do not like the idea of disruptive change done just for the sake of change. Often, a new leader comes and changes everything, which can be difficult to consume in a large company, and may not be cost-effective.

In the 1940s, the psychologist Kurt Lewin described creating change as a three-step process: unfreeze (find the pain points and establish the need for change); change (communicate with people and empower them); and refreeze (create a new, stable culture).

The ADKAR Model, developed by Prosci founder Jeff Hiatt in 2003, details five things you have to accomplish in order for change to be successful: awareness (need for change), desire (support and participation in the change process), knowledge (how to change), ability (to implement change), and reinforcement (to sustain change).

Another framework for change, created by McKinsey, is comprised of seven elements: strategy, structure, system, shared values, skills, staff and style. Successful change will try to find which S out of seven is not working and then trying to fix that so that all work in harmony to adapt to change successfully.

How To Make Dinosaurs Dance

We recommend that companies apply agile principles to make mammoth enterprises move faster. Incremental and iterative change helps. In my experience, a "big bang" approach does not work. We start small, with a "bottoms up" approach with small teams working on one new product or piece of a solution. We apply small changes and then observe and learn from them. If we fail, we fail fast and then reverse course; if we succeed, we move forward and expand the actions across teams horizontally and vertically. This creates business agility.

Creating Change Agents

Change agents that act as servant leaders can support transformation. Building an army of volunteers and creating centers of excellence (a funded initiative in which you bring in experts to identify and solve problems) or communities of practice (volunteers with a particular specialty who get together to exchange the latest information) can both jumpstart your company's change efforts. You can also establish learning squads (groups of employees from many different parts of the company) to learn and create together, which can help disseminate knowledge throughout your company. If you like, you can have these employee groups facilitated by agile coaches.

It's best not to start with a high-visibility project. Pick up some low-hanging fruit, create success, showcase it and then grow it to big-ticket items. Lots of training and change-management techniques must be applied to reduce friction and conflict and create a smooth agile transformation — even within the dinosaurs.

Source : Forbes, January 24, 2019, Sam Swapn Sinha

- (a) Explain the main argument of this article emphasizing the implication for Change Management in an organization. **(18 Marks)**
- (b) “In the 1940s, the psychologist Kurt Lewin described creating change as a three-step process: unfreeze (find the pain points and establish the need for change); change (communicate with people and empower them); and refreeze (create a new, stable culture)”. Critically evaluate the model of Lewin with some examples. **(18 Marks)**
- (c) “Change agents that act as servant leaders can support transformation”. explain the statement by emphasizing the relationships of given constructs **(14 Marks)**

(Total: 50 Marks)

Question 2

“Changing an organization’s culture is one of the most difficult leadership challenges. That’s because an organization’s culture comprises an interlocking set of goals, roles, processes, values, communications practices, attitudes and assumptions”-Denning,2011

- (a) What is organizational Culture ? Explain. **(08 Marks)**
- (b) Critically evaluate the main argument of the statement using an example in the Sri Lankan context. **(17 Marks)**

(Total: 25 Marks)

Question 3

“Transformational leaders generate the kind of positivity that simply compels others to take action-Allen, 2018”. Explain the concept of Transformational leadership by emphasizing the main dimensions **(25 marks)**

Question 4

Explain **any Five (5)** of the following with suitable examples. **(5 marks each)**

- (a) Types of organizational change
- (b) Kotter's 8-Step Change Model and implications
- (c) Transactional Leadership
- (d) Radical changes Vs. Incremental changes
- (e) Change Management Process
- (f) Creativity and Change Management

(Total: 25 marks)

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