

The Open University of Sri Lanka

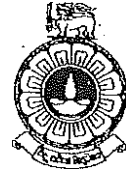
Master of Business Administration in Human Resource Management

Final Examination 2021

HRP9335/ MSP9335/ MCP2135 – Managing Change in Organization

Duration Three (03) Hours: Answering and Organizing Time Three (03) Hours

Uploading Thirty (30) Minutes



Date: 10.10.2021

Time:1.30PM to 4.30PM

Instructions: Answer All questions given in the case study

Post-Pandemic Leadership: How Managing A Business is Changing in Times of Covid-19

What can we learn from listening to more than 50 CEOs who've had to contend with the impact of Covid-19 with no user's manual? What are the lessons we've learned? Dealing with Covid-19 is shining a light on certain salient aspects and key principles. Let's look at them together. Most traditional companies are over-managed and under-led. This premise is based on the assumption that management is about reducing risk and complexity, which can be done by meticulously managing operations and defining processes. Processes which, by their very nature, tend to minimize the margin for randomness and generate economies of scale, scope and learning. Following this line of reasoning, leadership instead has to do with change, with transformation. And it's crucial when the evolutionary stages of current business scenarios give rise to the need for a new vision.

In recent years we've seen a momentous paradigm shift which is often simply defined as 'digital transformation.' This has forced all the companies born in the industrial age to undertake a Darwinian process of adaptation, which has been anything but painless. Clearly, as "legacies" grow (jumbles of intangible and tangible resources, processes, values and customs that are typically embedded in consolidated companies), so does the challenge of changing course when we catch sight of a storm brewing on the horizon.

And even though the sea was already stormy and the wind blowing hard, the digital transformation we mentioned above has given rise to an even bigger storm. Many wouldn't hesitate to call it the perfect storm, in fact. Over the past few decades we've seen precarious periods of recession due to crises in demand (for example with the concentration of consumption we saw after 9/11), crises in supply (just think of times when service prices would periodically skyrocket because of upsurges in the cost of oil), or financial crises (for instance the 2008 crisis triggered by the Lehman Brothers default). But what none of us has ever experienced is a simultaneous shock in all three of these areas. And added to this are all the operational criticalities that countless companies were already contending with to adapt to the new digital paradigm. Like they say, the perfect storm.

The feeling we get is that the magnitude of the event that we've been experiencing over the past year has produced a permanent "climate change," at least in some spheres. So we wanted to take a closer look at this question, with the people who've been called to take the helm of their respective ships, because of their roles and responsibilities, during this complicated transition. We had the privilege of talking to over 50 top managers about this very topic, and what came up in our conversations is truly fascinating. What emerges quite clearly is that this period of crisis demands an ample supply of "leadership," more so than "management." In other words, now is the time when managers need to put into play their ability to give expression to a new vision for their business and for their operational model, which in some ways needs to differ from the previous one. Companies have to be able to go back and put down roots in the "new normal," whatever that may be.

Specifically, at least five recurring themes came up, which we wanted to sum up in five principles. We're proposing them here with the intention of expressing an indication of the route to follow.

BE PHYGITAL

In Italy, in “normal” times, between 800 and 900 thousand people per year made an online purchase for the first time. In the 100 days of the first lockdown (from February to March 2020), over 2.1 million people opted for ecommerce solutions. This shows that Italians overcame a series of psychological barriers which inevitably ripples out into other sectors, bringing changes there as well. These consumers - phygital rookies - are testing the waters with their first experience of digital, both the convenience (in the broadest sense of the word) and the solutions that it can offer. They'll quickly learn how to use the digital wallet function on their smartphones and how to scan barcodes to make smart payments. They'll choose the self-checkout more and more often wherever it's available in stores; they'll start enjoying the on-demand options in the various services they use, and so on.

For some time now many experts and analysts have resorted to the metaphor of the mangrove to describe the hybridization of digital and physical. This tree can thrive in brackish water that flows between rivers and the sea. And we're getting the sense that this process of contamination and hybridization has overflowed to the point of completely “washing away” the dichotomous perception of fresh water and salt water. An enormous number of immigrants of the digital age are trying to make the best of it: they've learned to sink their roots in this brackish water. This is an irreversible process, as the CEO of one of the major players in Italy's large-scale distribution adamantly asserted.

BE AGILE

Smart working is possible, and the benefits are undeniable, but we need to build use cases that strike a balance between going to the office and working from home. The aim here is to mitigate the inevitable side effects linked to the obvious fact that co-workers can't interact in person when working remotely. Most of the managers we talked to stressed that there is no instruction manual; they can't replicate solutions from other companies or reapply previous models. Which means that leaders have to embrace agile, flexible planning. The CEO of a multinational in the service industry told us that you have to take the same approach you would typically use for a startup: you have to be humble, and with determination and perseverance, you follow the right organizational model and carve out your value proposition, day by day, continuously improving. Obviously the main criticality is having to move toward the future while respecting the roots that have empowered the company to grow and thrive in the past. The general manager of a food & beverage multinational pointed out that we'll have to rethink learning processes, relationship dynamics, and hierarchical relations that we were accustomed to finding in the workplace.

BE ANTI-FRAGILE

As Nassim Nicholas Taleb tells us, there are situations in which resilience (the capacity to keep the system up and running when a shock occurs) is not enough. Companies need to strive for anti-fragility (the ability to prosper in the midst of chaos, rising above the fray to create a competitive advantage). Chaos is a Greek word that denotes the resultant of speed and uncertainty. The CEO of a mass market multinational, the President of an automotive industry giant, and the CEO of a utility company all told us that in the midst of the Covid-19 crisis, they set up special task forces to formulate a number of different post-lockdown scenarios. The ambition of these companies was to search for a sort of dynamic inertia with the potential to accelerate the relaunch of their companies as soon as circumstances would allow.

BE EXPONENTIAL

Because of the dizzying speed of change today, fueled by this umpteenth acceleration, companies can't count on their own strengths alone to innovate. The CEO of a mobility services company reminded us how crucial it is at this stage to build eco-systems, resisting the temptation to reduce them to ego-systems. We have to collaborate with third parties (be they universities, research centers, startups, or other companies) to build systems in which the individual parts function as a single entity, in a more or less continual way to provide high-value-added services to final customers. Two leaders in the automotive sector said that in some cases this might mean turning to *co-optation*, i.e. temporary cooperation with one or more competitors, joining forces for the common good. We believe that this has to be a time for construction, and only in part for reconstruction. A time when there is little room and little appreciation for individualism. Companies and institutions have to see themselves as fluid platforms, capable together of providing a value proposition that is exponentially bigger than what they could offer alone.

BE CURIOUS

All of the professionals we interviewed agreed that the capacity to embrace change, the inclination to experience uncertainty, not with anxiety but in a constructive way, and passion for your job: these are all essential ingredients, now more than ever before. Specifically, two CEOs from the world of FMCG underscored that in this case hybridization will be essential. A mix of soft and hard skills. The fusion of intuition, passion, entrepreneurship, creativity, data and technology. Above any other, one word came up with extraordinary regularity in all our conversations: curiosity.

These seismic shifts propel us to rewrite the handbook on leadership models from cover to cover. New leaders will have to act by pursuing what we call the 5C Model: CARE (about people); CAUSE (a purpose that goes beyond short-term financial results); COLLABORATION (with stakeholders inside and outside the company, including management and the workforce, institutions and competitors); CREATIVITY (times like these call for a generous dose of improvisation, applying creativity in the broadest possible sense); COURAGE (take action, questioning everything you know to be true, even if you have no way to calculate all the risks, and you can't know all the variables).

Today's leaders have to act with the ambition of offering those who come after us the prospect of posterity which, at the moment, is sadly reserved for a privileged few. The Pandemic is reminding us that globalization must be experienced holistically, acknowledging the benefits but without ever forgetting the responsibilities that we are called on to shoulder. Pablo Neruda once wrote: "Being born is not enough. It's to be born again that we were born." Now it's up to us. No excuse.

Source : Forbes, Paolo Gallo and Giuseppe Stigliano, March one , 2021

1. "What emerges quite clearly is that this period of crisis demands an ample supply of "leadership," more so than "management." Critically evaluate this statement drawing on the concept of Transformational Leadership .(25 Marks)
2. "These seismic shifts propel us to rewrite the handbook on leadership models from cover to cover. New leaders will have to act by pursuing what we call the 5C Model". Explain the importance of 5C model in Pandemic situation for the business(25 Marks)
3. "All of the professionals we interviewed agreed that the capacity to embrace change, the inclination to experience uncertainty, not with anxiety but in a constructive way, and passion for your job: these are all essential ingredients, now more than ever before".critically evaluate the role of a change agent in this context (25 Marks)
4. "Organisational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness" (Jones, 1995).Explain this statement with examples from the Sri Lankan context(25 Marks)

(Copyrights Reserved)