

The Open University of Sri Lanka
Master of Business Administration in Human Resource Management
Final Examination 2015 [Semester- II]
MCP2135- Leading and Managing Change in Organizations
Duration- 03 Hours



Date: 27th December 2015

Time: 1.30 pm to 4.30 pm

Instructions: Answer Question One (01) and Three (03) other Questions.

1. How Effective Leaders Keep Change Management Programs on Track

No modern business needs reminding that it is operating in a period of rapid and possibly unprecedented change. (Not that that stops experts of various types from continually repeating the mantra.) However, it is one thing to acknowledge the need for change, quite another to do anything about it, and still another to live with the notion that – as those experts say – “the only constant is change.” Indeed, it is well documented that between half and three-quarters of change initiatives, depending upon complexity, fall short of their targets, or fail outright.

Part of this problem might be down to the fact that, as the Boston Consulting Group points out, determining the changes that need to be made is just “step one.” Most companies, it adds, do not even share a definition of what successful change management looks like. Noting that “most senior leaders say that their organizations struggle to bridge the gap between formulating change programs and successfully executing them,” the firm has set out some best practices for making a better job of bringing about changes. Perry Keenan, senior partner and managing director at BCG, says: “Among the key priorities are setting clear objectives that track success and ensuring that things stay simple. Initiatives that add new bureaucracy are less likely to hit their targets.”

It is also important that companies drive change at the individual level. And to do this they need to work out what their people do, and create the context that will drive the behavior they want. If correctly orchestrated with other initiatives, that individual change will lead to change throughout the organization, says Keenan. Bearing in mind the theme that change is constant, it is additionally worth companies building the infrastructure and institutionalizing the capabilities that

enable change, it's planning and its execution. Companies should not have to start from scratch with each change effort.

However, the role of effective leadership cannot be overestimated. Change starts as a vision at the top of a company, and engagement by the executive team can make or break an implementation effort. People need their leaders to be visible, especially during difficult times, says BCG. The most effective leaders during change initiatives walk around, are accessible and answer questions openly – even if they don't have all the answers. Significantly, they also work with the next tier of leadership – the extended leadership team – upfront to engage them as leaders, solicit their ideas and ensure their active involvement in implementing the various change initiatives.

“Most companies point to executive involvement as the number-one factor leading to the success of a change program, but companies need to find ways to involve leaders meaningfully,” says Keenan. He points out how at one financial services company, the CEO and his entire management team went around to every office, listened to employees' concerns and answered questions honestly. “The fact that the whole team – leadership included – was there boosted employee confidence,” he says.

Given that it is to be expected that rank-and-file employees will have lots of questions at a time of change or uncertainty, leaders need to be prepared to answer them. Keenan explains: “It falls on the organization's leaders to convincingly address these questions – engaging their extended leadership team and workforce in general on the case for change, motivating them as much as possible while reinforcing accountabilities and driving performance to simultaneously run the existing business well while also successfully executing a typically heavy additional load of create the future business initiatives.”

(Roger Trapp, 25th August 2015, Forbes)

a) “People need their leaders to be visible, especially during difficult times”.

Critically evaluate the importance of the concept of transformational leadership in this context by highlighting key components. (20 Marks)

b) "It is well documented that between half and three-quarters of change initiatives, depending upon complexity, fall short of their targets, or fail outright". How does "power and politics" affect the success of a particular change process in an organization? Discuss with examples to justify your arguments.

(20 Marks)

2. As a consultant of a State bank you have been asked to critically evaluate "Kotter's 8-steps process" for leading change related to the given scenario. Explain (20 Marks)

3. "In a study of 3,000 Ford managers, Spreitzer and Quinn (1996) discovered that middle managers blamed executives above them for resisting change efforts. This finding is consistent with Smith's (1982) report that the people in power will work toward maintaining the status quo, not dramatically changing it."

a) Explain the concept of "resistance to change". (5 Marks)

b) Critically evaluate the concept of "deep structure" which act as forces for inertia that work to maintain the status quo. (15 Marks)

4. Distinguish between the concepts of "gradualism" and "punctuated equilibrium" as theories relating to the patterns of change. (20 Marks)

5. Write short notes on any four of the following;

a) Power and Politics

b) Strategic Drift

c) Role of change agent

d) Transactional leadership

e) Three steps in Lewin's change process model

(20 Marks)

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