

THE OPEN UNIVERSITY OF SRI LANKA
MASTER OF BUSINESS ADMINISTRATION IN HUMAN RESOURCE MANAGEMENT
FINAL EXAMINATION 2016 [SEMESTER - II]
MCP2135 - LEADING AND MANAGING CHANGE IN ORGANIZATIONS
DURATION - 03 HOURS



DATE: 21ST DECEMBER 2016

TIME: 9.30 AM TO 12.30 PM

Instructions: answer questions one (01) and three (03) other questions.

1. Change Management vs. Change Leadership -- What's the Difference?

I am often asked about the difference between “change management” and “change leadership,” and whether it’s just a matter of semantics. These terms are not interchangeable. The distinction between the two is actually quite significant. Change management, which is the term almost everyone uses, refers to a set of basic tools or structures intended to keep any change effort under control. The goal is often to minimize the distractions and impacts of the change. Change leadership on the other hand, concerns the driving forces, visions and processes that fuel large-scale transformation. In this text, I delve a little deeper into the differences between the two concepts, and highlight why we need more change leadership today.

There is a difference that is very fundamental, and it's very big, between what is known today as "change management" and what we have been calling for some time "change leadership." The world basically uses change management, which is a set of processes, tools and mechanisms that are designed to make sure that when you do try to make some changes, (a) it doesn't get out of control, and (b) the number of problems associated with it—you know, rebellion among the ranks, bleeding of cash that you can't afford—don't happen. So it is a way of making a big change and keeping it, in a sense, under control. Change leadership is much more associated with putting an engine on the whole change process, and making it go faster, smarter and more efficiently. It's more associated, therefore, with large scale changes. Change management tends to be more associated—at least, when it works well—with smaller changes.

If you look around the world right now and just talk to people, it's not just semantics. Everybody talks about managing change and change management, because that's what they do. If you look at all of the tools, they're trying to push things along, but it's trying to minimize disruptions, i.e., keep things under control. It's trying to make sure that change is done efficiently so that you don't go over budget—another control piece. It's done with little change management groups inside corporations, sometimes external consultants who are good at that, training in change management. It's done with task forces that are basically given the whole goal of pushing this thing along while keeping it under control. It's done with various kinds of relationships that are given names like "executive sponsors," where the executive sponsor watches over this thing to make sure that it proceeds in an orderly way.

And change leadership is just fundamentally different—it's an engine. It's more about urgency. It's more about masses of people who want to make something happen. It's more about big visions. It's more about empowering lots and lots of people. Change leadership has the potential to get things a little bit out of control. You don't have the same degree of control in

ensuring that everything happens in a way you want at a time you want when you have the 1,000 horsepower engine. What you want to do, of course, is have a highly skilled driver and a heck of a car, which will make sure your risks are minimum. But it is fundamentally different.

The world, as we all know right now, talks about, thinks about, and does change management. The world, as we all know, doesn't do much change leadership. Since change leadership is associated with bigger and fast approaching hazards and bullets as well as those windows of opportunity that are opening and closing swiftly, you really have to take a larger leap at a faster speed. Change leadership is going to be the big challenge in the future, and the fact that almost nobody is very good at it is—well, it's obviously a big deal.

-Forbes, JUL 12, 2011 by Kotter International

- A) What is the difference between Change management and Change leadership ?
Explain. (14 Marks)
- B) Critically evaluate Kotter's 8 step model as a tool for “Change leadership”.
(26 Marks)
(Total-40 Marks)
2. “Change management is the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers” (Moran and Brightman 2000). Explain this statement with an example of your choice. (20 Marks)
3. “Management can get things done through others by the traditional activities of planning, organizing, monitoring and controlling. Leadership, by contrast, is vitally concerned with what people are thinking and feeling and how they are to be linked to the environment, to the entity and to the job” (Nicholls, 1987). Do you agree with the above statement? Explain your views using suitable examples. (20 Marks)
4. “Burns’s (1978) comprehensive theory formed the foundation for Bass’s (1985) transformational-transactional differentiation which has become highly important in the study of leadership in organizations”
- A) What is the Difference between Transactional Leadership and Transformational Leadership? Explain (8 Marks)
- B) “Intellectual stimulation (as one attribute of Transformational leadership) describes leadership behaviour which encourages followers to use their imagination and to re-think old ways of doing things.” justify this statement with an example you prefer. (12 Marks)
(Total-20 Marks)
5. Distinguish the concepts of “gradualism” and “punctuated equilibrium” as theories relating to the patterns of change. (20 Marks)

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