The Open University of Sri Lanka
Master of Business Administration in Human Resource Management
Final Examination 2017 [Semester- II]
MCP2135- Leading and Management Change in Organizations
Duration- 03 Hours

Date: 26th November 2017   Time: 9.30 am to 12.30 pm

Instructions: Answer Question Number One (01) and Two (02) other Questions.

1. The 4 Do's of Change Management

The only thing that is constant is change. Talk to almost anyone about change and it immediately conjures up feelings of stress and uneasiness. We like to get comfortable in our routines. Yes, we stretch, we grow, but at a pace that feels, well, convenient - because we're in control. Thriving when we're out of control is a much tougher prospect; it takes us out of our sweet spot.

Yet, today, "change" is deemed as ordinary and has become almost interchangeable with "transformation". Change is defined as "to substitute or replace something," while "transformation" is defined as "a complete change, usually into something with an improved appearance or usefulness." They certainly overlap, but what's the real difference and why is it important?Companies that change may survive, but companies that transform thrive.

Change brings incremental or small-scale adaptations, while transformation brings great improvements that ripple through the future of an organization.When we refer to "change management" we mean implementing finite initiatives, which may or may not cut across the organization. The focus is on executing a well-defined shift in the way things work.Real transformation addresses multiple dimensions, including but not limited to an organization's processes, technology, and business model.

Companies that transform are always thinking about their organization's vision and long-term trajectory. They see transformation as a journey, consisting of changes, that allows them to stay competitive and continue to grow.

Here are the 4 do's of effectively managing change within an organization:

Build a business case

Set the stage for transformation by explaining why changes are needed now. We recently surveyed 500 business operational executives that the number one business case for improving operational efficiencies was attributed to competitiveness. Whatever may be the key drivers, be

sure to include a mix of internally driven reasons (opportunities) and external factors (threats), and also to include a summary analysis from your business cases as appropriate (e.g., changing regulations, need for leaner operations, new market entrants, opportunity to build internal capability while customer demand is low, etc.). For example, a Fortune 500 company had a number of internal systems which were operating disparately, leading to a fractured system of manual business processes.

By centralizing core operations, the company vastly improved efficiency and significantly reduced operational costs. It also opened new revenue streams. The cost saving of consolidating disparate systems (e.g. infrastructure, IT maintenance, software licenses), makes for a very compelling business case.

Communicate the changes systematically

With all the steps involved in a significant organizational change, one piece that's often overlooked is having a comprehensive and structured communication schedule. You must share the right things with the right people at the right time, or you'll inadvertently rev up the rumor mill. At a high level, articulate what will change and who will be impacted. Conversely, be sure to highlight what will not change, as this provides boundaries and a sense of stability for people. There have been countless examples of big brands – from airlines to tech giants - who handled changes badly and most of those mistakes center around communication. Bottom line, the employees, the stakeholders, the partners and/or customers either weren't told properly or at the right time. In fact, according to a Robert Half study, 65 percent of managers said that communication was the most important aspect of leading a team through a transition.

Mobilize your employees from the onset

Make sure your employees feel involved in a transition plan. When employees feel involved, they're more invested in and supportive of the effort—and less likely to offer resistance. Make it clear that everyone has a role to play in successfully implementing the changes and the overall transformation. Describe how you will implement the proposed changes and the expected timing of the changes. Provide immediate next steps and introduce team members who will lead the effort. For example, if your organization is rolling out a new SaaS solution, employee training should be done per department prior to a corporate-wide rollout. Follow-up training is the perfect time to teach employees shortcuts, tips and tricks that will enhance their productivity. It's also a good time to ask for feedback on the system and experience to ensure that success factors are being realized. When you give your employees the tools they need to do their jobs as best as they can, you are empowering them to help themselves in their careers and also to feel fulfilled and valuable. Platforms that provide easy access to insights and data allow employees to be agile and nimble with their work. They also allow far better recording of knowledge and experience.

2

Roll out in phases and celebrate small wins

Take a moment to recognize small accomplishments to build momentum for your transition. Even small changes can take time so be realistic on how you roll them out. Be sure, when communicating the change, that there is commitment from the top. Each leader should state the explicit commitments that the leadership team has made to the change process. This not only fosters trust but also makes the leaders accountable to their employees. Companies need to question the status quo and turn a new leaf into the digital world to become more efficient and competitive. An easy way for companies to roll out, for example, may be to digitize the data collection process so that remote field workers and inspectors can enter their data through smartphones, and so that all the data can be stored and accessed electronically. Also, executives can view the reports on a dashboard and drill into details when necessary, and managers can pull up information when an OSHA audit or inspection takes place. The reality is that change is happening all around us all the time, leaving us with two choices: embrace it to get ahead of it and manage it proactively, or resist it and let it drag us to our fate.

Almost anything worth doing requires discomfort and pain. Change and transformation are no different. The important thing is to always keep the big picture in mind and to frequently circle back to the core reasons for initiating the change. Most leaders contemplating change know that people matter. It's all too tempting, however, to dwell on the plans and processes, which don't talk back and don't respond emotionally, than to face up to the more difficult and more critical human side of change and transformation.

Source -- Nick Candito , Forbes,15th August 2017

Answer the following questions based on this case study.

1. Explain the difference between transformational change and incremental change with example/s. (15 Marks)
2. Compare and contrast "Kotter's 8 step model" with the "4 do's of effectively managing change" in the given case study. (20 Marks)
3. "Most leaders contemplating change know that people matter" Critically evaluate this statement. (15 Marks)

(Total-50 Marks)

2. "Thus, resistance to change is inevitable, and managers must allow for some resistance when they are planning to implement change. Indeed, some resistance to change may even be positive because it slows down the speed with which innovation might otherwise proceed and allows time for people to adjust to it" (Fine, 1986). Explain this statement with an example. (25 Marks)

3. "Strategic change is defined as "changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy" (Hofer and Schendel 1978). Clarify the concept of "Strategic Change" by using any example in Private Health sector.

(25 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) "Idealized influence encompasses behaviors that instill pride in followers for being associated with the leader—often connoted or synonymous to charisma. It indicates that a leader will go beyond their individual self-interest for the greater good of the group and make personal sacrifices for others' benefit." Justify this statement with an example of your choice. (17 Marks)

(Total-25 Marks)

4