

UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration Honours in Accounting (Semester - VI) Examination –
December, 2021

ACT 3216 – Change Management

Two (02) Hours

This is an Open Book Examination

Answer All Questions

This Paper Consists of Four (04) Questions Printed in Three (03) Pages

1. i. "Drivers or forces that create pressure for change could be external and/or internal to the organisation".

Explain external and internal drivers that create pressure for change with examples.

(10 Marks)

ii. Nestum Company (Pvt) Ltd. (Nestum) has been operating in the food and beverage sector in Sri Lanka for over two decades. Mr. Travis Perera, Chief Executive Officer (CEO) of the company, has decided to change the company's structure following a benchmark activity carried out recently. Further, he intends to implement tighter cost controls to maintain competitiveness. In the last board meeting, he presented his new proposal to the board members and appointed Mr. Rajiv Fernando, Head of Human Resources, to lead the change program. Mr. Fernando joined the Nestum group recently and is new to the food and beverage sector. Nestum currently has a functional structure and plans to move towards a more flexible, flatter structure. After the board meeting, Mr. Perera communicated these new initiatives and the appointment of Mr. Fernando to lead the change program to the functional heads of the Nestum via an e-mail.

a. Describe the key mistakes made by Mr. Perera at the initial stage of the change process.

(06 Marks)

b. Evaluate the existing situation at Nestum and advise Mr. Perera on how he can improve the quality of communication to minimise resistance to change.

(09 Marks)

(Total 25 marks)

2. i. "Group dynamics theory stresses that the main focus of change should be groups than individuals of the organisation".

Discuss the importance of group dynamics and aspects of group dynamics management need to concentrate on during change.

(10 Marks)

ii. "Organisational development is about people and organisations, and people in organisations".

a. Explain the meaning of organisational development.

(05 Marks)

b. Compare and contrast organisational development and change management.

(10 Marks)

(Total 25 marks)

3. Express Company (Pvt) Ltd. (Express) has been in the confectionery market for over 15 years and has operations worldwide. The company is operating in 10 geographic markets and is headed by managers and are reporting to one of three regional managers (Europe, America and Asia), and the regional managers are reporting to Group CEO. The company owned 100 products and 20 factories, and the significant burden of the company was overheads. The head office is currently planning to implement an Enterprise Resource Planning (ERP) system. The group CEO has stated that their main objective is to create shared business processes, common IT infrastructure and standardised data throughout the company. One of the regional managers, Mr. Ajay, has been appointed as the ERP implementation program leader who has performed well during the last five years and has ground-level experience within the company. Express is devoted to creating value for its shareholders and valuing its people rather than the systems. Express has decentralised as much as possible while recognising the

need for group-wide coordination. The company is looking for continuous development to sustain its competitive advantage in the long term.

Assume yourself as Mr. Ajay, the leader of the change management initiative of Express and write a report to the Board of Directors detailing out following aspects related to the change initiative (ERP implementation).

- The positive and negative outcomes of the ERP implementation to the company.
- A detailed plan for the ERP implementation, focusing on the change management process.

(25 marks)

4. i. "Change does not occur in isolation; organisations will have to face multiple changes at a given point of time, some changes are small, some are large, some are predictable, and some are unpredictable".

Discuss the change situations of an organisation referring to the framework for change. Provide examples for those change situations.

(12 Marks)

- ii. "Lack of trust, low tolerance for change, difference perceptions are some of the reasons of resistance for change".

Explain strategies that change agents can use to minimise resistance and increase motivation for change.

(13 Marks)

(Total 25 marks)