

Khandelwal Vaish Girls Institute of Technology

Internal Examination 2017 - 18

Leadership Skills and Change Management

MBA Semester III

Question Paper & Answer Key

MM: 30

Time : 02:30 hours

1. Write short note on (any one)- (3)

(i) Leadership versus Management.

(ii) Managerial Grid theory.

Ans. (i) **Leadership versus Management:** Management is defined as: “The act or manner of managing, handling, direction, or control.” On the other hand, leadership is described by the dictionary as: “An act or instance of leading; guidance; direction: They prospered under his strong leadership.”

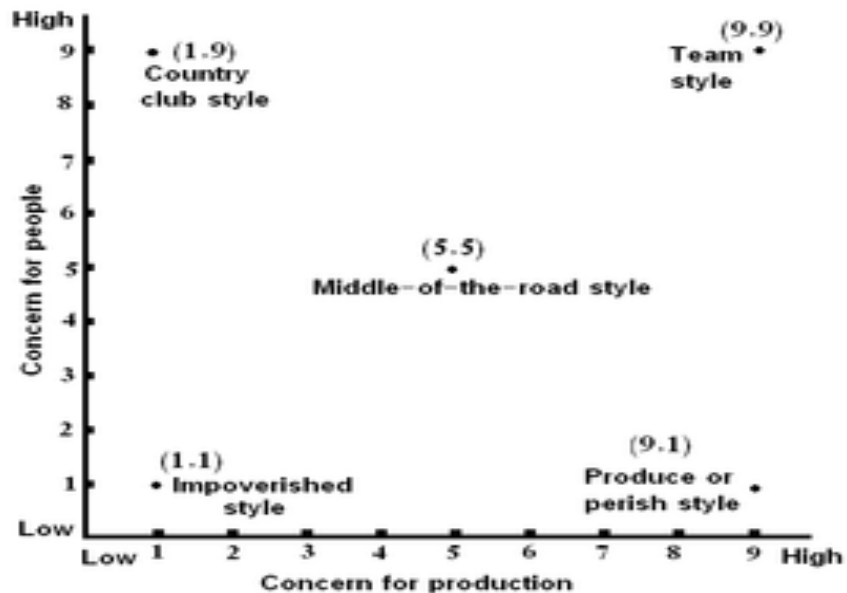
This demonstrates that there are both similarities and differences between the two terms. Of particular note, a similarity is the use of the word “direction” in each. However, as also alluded to by Cooper, one very important difference is the use of control in the management definition, as compared with the use of the word guidance in the leadership definition.

Difference between Leadership and Management-

- The manager administers; the leader innovates.
- The manager is a copy; the leader is an original.
- The manager maintains; the leader develops.
- The manager focuses on systems and structure; the leader focuses on people.
- The manager relies on control; the leader inspires trust.
- The manager has a short-range view; the leader has a long-range perspective.
- The manager asks how and when; the leader asks what and why.
- The manager has his or her eye always on the bottom line; the leader’s eye is on the horizon.
- The manager imitates; the leader originates.
- The manager accepts the status quo; the leader challenges it.
- The manager is the classic good soldier; the leader is his or her own person.
- The manager does things right; the leader does the right thing.

(ii) **Managerial Grid Theory:** The concept of Managerial Grid was created by Blake and Mouton of USA. It is widely accepted as a critical and important analysis of leadership behavior. However, the managerial grid develops these concepts further by quantifying the degree to which the focus is on tasks or “concern for production/results,” and the focus is on the relationship with the subordinate or “concern for people.” Blake and Mouton postulated there were five leadership types:

- **Impoverished Management:** Emphasizes a situation in which there is both low concern for results and low concern about people. The apathetic nature of this leader results in behavior that is withdrawn from subordinates and indifferent to success.
- **Country Club Management:** This combination of low concern for results with high concern for people results in a leader who is more interested in pleasing people than in the performance of tasks. This leader attempts to create an environment that is friendly and welcoming.



Managerial Grid

- **Authority-Compliance Management:** This represents a high concern for results but a low concern for people. This controlling leadership style is characterized by dictating instructions to subordinates in a way that does not show concern or compassion.
- **Middle of the Road Management:** This style of compromise is evident in leaders who balance concern for results with satisfying relationships. The group is functioning; however, there is potential for greater success.
- **Team Management:** Great emphasis is placed on production and on people. This optimal balance of developing human relationships and effective results attainment provides for the most satisfying work environment.

2. **Write short note on Likert Management System.**

(4)

Ans. Rensis Likert and his associates studied the patterns and styles of managers for three decades at the University of Michigan, USA, and identified a four-fold model of management systems. The model was developed on the basis of a questionnaire administered to managers in over 200 organizations and research into the performance characteristics of different types of organizations. The four systems of management system or the four leadership styles identified by Likert are:

- **System 1 - Exploitative Authoritative:** Responsibility lies in the hands of the people at the upper echelons of the hierarchy. The superior has no trust and confidence in subordinates. The decisions are imposed on subordinates and they do not feel free at all to discuss things about the job with their superior. The teamwork or communication is very little and the motivation is based on threats.
- **System 2 - Benevolent Authoritative:** The responsibility lies at the managerial levels but not at the lower levels of the organizational hierarchy. The superior has condescending confidence and trust in subordinates (master-servant relationship). Here again, the subordinates do not feel free to discuss things about the job with their superior. The teamwork or communication is very little and motivation is based on a system of rewards.
- **System 3 - Consultative:** Responsibility is spread widely through the organizational hierarchy. The superior has substantial but not complete confidence in subordinates. Some amount of discussion about job related things takes place between the superior and subordinates. There is a fair amount of teamwork, and communication takes place vertically and horizontally. The motivation is based on rewards and involvement in the job.
- **System 4 - Participative:** Responsibility for achieving the organizational goals is widespread throughout the organizational hierarchy. There is a high level of confidence that the superior has in his subordinates. There is a high level of teamwork, communication, and participation.

RENSYS LIKERT'S MANAGEMENT SYSTEM

	TRUST	MOTIVATION	INTERACTION
System 1	no trust	fear, threats, and punishment	little interaction, always distrust
System 2	master/servant	rewards and punishment	little interaction, always caution
System 3	substantial but incomplete trust	rewards, punishment, some involvement	moderate interaction, some trust
System 4	complete trust	goals based on participation and improvements	extensive interaction. Friendly, high trust.

Diagram courtesy of David J Richards

The nature of these four management systems has been described by Likert through a profile of organizational characteristics. In this profile, the four management systems have been compared with one another on the basis of certain organizational variables which are:

- Leadership processes
- Motivational forces
- Communication process
- Interaction-influence process
- Decision-making process
- Goal-setting or ordering
- Control processes

Conclusion

According to Rensis Likert, the nearer the behavioral characteristics of an organization approach System 4 (Participative), the more likely this will lead to long-term improvement in staff turnover and high productivity, low scrap, low costs, and high earnings. If an organization wants to achieve optimum effectiveness, then the ideal system.

3. Discuss the role of Leaders in Team Effectiveness. What are the Leadership challenges of self-managed teams? (5)

Ans. **Role of Leaders in Team Effectiveness-**

- **Establish shared ownership for the results-** Start with yourself – share your own individual results with the group. Shared responsibility is better achieved if the pay and reward system has a significant element that is dependent on the overall outcome. Keep the team informed how individual members are performing – it is important if Individuals' rewards depended on the performance of the group as a whole.
- **Develop team members to fullest potential-** Bring out the best in your people. Help team members to develop so that all of them could effectively participate on the team.
- **Lead and facilitate constructive communication-** Communicate in a way that is truthful and believable to team members. Provide constructive feedback to the team on where and how it might improve. Encourage open communication among team members and communicate team views to and from other teams. Escalate issues which cannot be resolved by the team and communicate team views to upper management. Serve as a focal point to communicate and resolve interface and integration issues with other teams.
- **Monitor, but don't micromanage-** Avoid close supervision; do not overboss; do not dictate. Help keep the team focused and on track. Communicate team status, task accomplishment, and direction. Intervene when necessary to aid the group in resolving issues.
- **Setting Direction-** The team leader gives the team direction and then institutes rules and policies designed to move the team towards fulfilling its goals. A leader must help his group to understand the specifics of the team's objectives, create a method for reaching them and then work with the team members to complete their obligations. The leader must be prepared to administer punishment to team members that do not follow the rules.

Leadership challenges of self-managed teams-

1. **Delegating the managerial authority and responsibility among the members of the team-** Team members are not eager to take responsibility for the decisions that are previously taken by the managers. As a result of this unwillingness to take the responsibility—which is the foundational aspect of the self-directed teams—is not satisfied. Consequently, self-directed teams could not be formed.
2. **Individual commitment to a common goal of team-** Since the team setup consists of members that are committed to works in which they are specialized; they automatically give higher priority to their own tasks rather than team-level tasks. Another reason for lack of individual commitment is unclear task completion criteria, which causes team members to not completing the task properly. Lastly, meetings are not good environments for discussion and obtaining team commitment, because; after assigning a task to a team member by the team leader, other members of the team think that the discussion is irrelevant for them and they will not listen to the rest of the discussion. Therefore, those problems should be resolved to establish individual commitment within the team.
3. **Change the operating norms and rules -** To remain self-directed as a team, teams must be able to learn how to change the operating norms and rules within the team. Self-directed teams should have the essential level of team autonomy to improve its internal processes and applying the new techniques from their continuous learning. Failure to learn causes self-directed teams to struggle in adapting the operating norms and the environment, and that eventually be a vital challenge for self-directed teams.
4. **Decentralizing the decision-making process-** Since team members are used to centralized decision-making process, they have difficulties aligning decisions on the operational level to team level, and as a result, other team members have no idea about what other team members are doing. Moreover, old habits of team leaders/managers could make them take many decisions and not letting the team take decision by themselves. Also, identifying who should involve the decision-making process is another issue for self-directed teams.
5. **Excessive organization control level-** Unnecessary amounts of organization control level on self-directed teams could be a threat to self-management. To protect the self-directed team and to try keep the support of the management, team members and leader could cover up the problems within the team by applying impression management.
6. **Having each member in the team as specialist on one task-** Absence of a specialized member in the team without a substitute, who can continue his work in his absence, could negatively affect the productivity of the team. Moreover, this specialization problem of self-directed teams could have an impact on shared commitment within the team.

4. How qualities of level 5 leaders can be developed? (3)

Ans. A Level 5 Leader (L5L) is an individual who blends extreme personal humility with intense professional will. The characteristics and success of these leaders were first identified by Jim Collins in 2001 and formed a central plank in his best selling book, From Good to Great. The Level 5 discovery derived from a research project that Collins began in 1996, when he set out to answer one question: Can a good company become a great company and, if so, how? The answer was the concept of a Level 5 Leader.

The L5L sits on top of a hierarchy of capabilities and is, according to Collin's research, a necessary requirement for transforming an organization from good to great. Individuals do not need to proceed sequentially through each of the lower four levels of the hierarchy to reach the top, but to be a full-fledged L5L requires the capabilities of all the lower levels, plus the special characteristics of Level 5. The characteristics are:

- Level 5 Executive: Builds enduring greatness through a paradoxical combination of personal humility plus professional will.
- Level 4 Effective Leader¹ : Catalyses commitment to and vigorous pursuit of a clear and compelling vision; stimulates the group to high performance standards.
- Level 3 Competent Manager² : Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.
- Level 2 Contributing Team Member: Contributes to the achievement of group objectives; works effectively with others in a group setting.
- Level 1 Highly Capable Individual: Makes productive contributions through talent, knowledge, skills, and good work habits.

Guidelines for becoming Level 5 Leaders-

1. **Develop Humility-** Level 5 Leaders are humble people. So, learn why humility is important, and make sure that you understand – at a deep, emotional level – why arrogance is so destructive. Then ensure that you behave in a humble way – for example, whenever your team has success, make sure that credit goes to them for their hard work. Conversely, as a leader, you're responsible for your team's efforts, even when things go wrong.
2. **Ask for Help-** Level 5 Leaders are sometimes mistakenly thought of as "weak," because they ask for help when they need it. However, learning how to ask for help is a genuine strength, because it lets you call upon the expertise of someone stronger in an area than you are. The result? The entire team or organization wins; not just you. Remember the Guy Kawasaki quote that "A players recruit A+ players, while B players recruit C players". If you're recruiting A+ players, why wouldn't you take full advantage of their skills? (The truth is that if you can recruit A+ people successfully and get the best from them, then you've become an A+ manager.)
3. **Take Responsibility-** A top attribute of Level 5 Leaders is taking responsibility for your team's mistakes or failings. So make sure that you take responsibility for your (and your team's) actions.
4. **Develop Discipline-** Level 5 Leaders are incredibly disciplined in their work. When they're sure of a course of action, no matter how difficult it is, they stick to their resolve. If you know in your heart that you're right, then don't let naysayers dissuade you from a course of action. It's always important to listen to differing opinions, of course, but don't let fear be your driving motivator when you make, or change, a decision.
5. **Find the Right People-** Level 5 Leaders depend on the people around them. They spend time finding the right people, and helping them to reach their full potential. If you're a leader or manager already, then you probably know without thinking who your best people are. However, you sometimes have to challenge these assumptions.
6. **Lead with Passion-** Level 5 Leaders are passionate about what they do, and they're not afraid to show it. When you demonstrate to your team members that you love and believe in what you're doing, they will too. If you're having a hard time finding passion in your work, then you need to search for the human element in what you're doing.

5. **Discuss various ways of overcoming leadership challenges.** (4)

Ans. Following are the effective ways to overcoming leadership challenges-

- I. **Developing personal effectiveness-** The challenge of developing the relevant skills – such as time management, prioritization, strategic thinking, decision-making – to be more effective at work. To become an effective leader, you need to discover and leverage the power of following skills:
 - a. **Goal setting** – Goal setting should become your second nature. Be intentional about where you are heading, what your goals are and set timelines and deadlines for their achievement.
 - b. **Prioritization** – Goals are great, but it's easy to end up in overwhelm if you don't prioritize them. I'm a strong believer in 80/20 rule: 20% of your efforts will create 80% of your results and vice versa. Identifying your TOP 20% of efforts that will create 80% of results will transform your productivity!
 - c. **Delegation** – Work on tasks that maximize your unique strengths and delegate the rest. Always look for people who are great at something you dread doing. Leveraging their strengths will make life easier for you.
- II. **Developing employees & leading a team-** The challenge of team building, team development, and team management; how to instill pride in a team or support the team, how to lead a large team and what to do when taking over a new team. Here are the top 3 strategies to help you lead your team well:
 - a. **Set an example** -Best way to lead is still by showing it. You can keep telling your team how important it is to finish projects on time, but if you're the one always behind, they're not going to be very motivated to keep a deadline. Keep in mind that people do what people see.
 - b. **Be intentional about mentoring, coaching and developing others** – Take time to listen, inquire and help people around you. Invest in your people and you will reap the benefits.
 - c. **Manage team effectiveness** – Discover your team's strengths and build a synergistic team that constantly delivers results.
- III. **Guiding Change-** The challenge of managing, mobilizing, understanding and leading change. How to mitigate change consequences, and overcome resistance to change. Change is a new norm in today's society and having a skill to manage it well is considered an asset. Here are some following ways to help you in this area:
 - a. **Start early** – Nobody wants to get behind. Keep in mind that if you have advantage of extra time, you might as well win the race!
 - b. **Involve your team in the decision** – One of the main reasons why people resist change is because they were not involved in the process. You might not implement every idea that comes up, but people will be glad to know that you value their opinion enough to ask.
 - c. **Welcome resistance** – Many leaders feel that resistance is a bad thing. The opposite is true – resistance is wonderful. It shows that you're making

some real progress. Resistance isn't a problem – how we cope with it often is. Make sure that your plan accounts for resistance and think about what you can do about it.

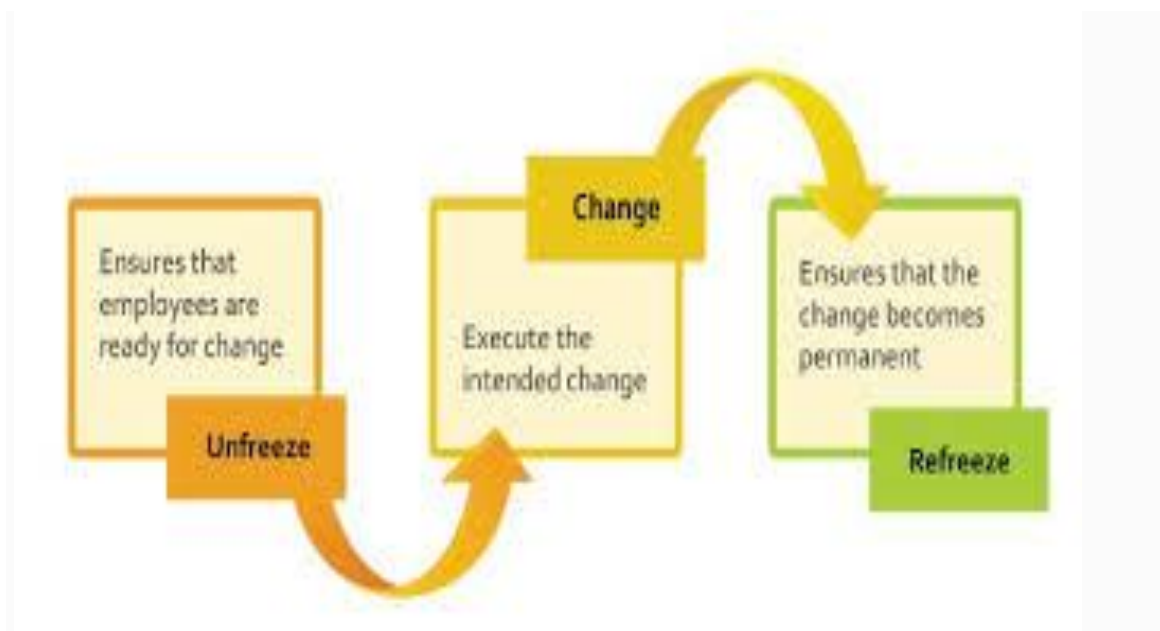
6. Explain Kurt Lewin Change Model.

(4)

Ans. Kurt Lewin Change Model- Kurt Lewin developed a change model involving three steps: unfreezing, changing and refreezing. The model represents a very simple and practical model for understanding the change process. For Lewin, the process of change entails creating the perception that a change is needed, then moving toward the new, desired level of behavior and finally, solidifying that new behavior as the norm. The model is still widely used and serves as the basis for many modern change models.

Kurt Lewin believed that to achieve change effectively, it was necessary to examine all the options for moving from the existing state to the desired future one. His change management model is linked to force field analysis and he classifies resistance into two categories. The first relates to 'social habit' or 'custom' and the second to 'inner resistance'. These classifications are rooted in the link between a group as whole and the individuals within it. He developed a three process of change management designed to break the habits, challenge the self interests and 'unfreeze' the customs of the group:

1. Unfreezing - This first stage of change involves preparing the organization to accept that change is necessary, which involves breaking down the existing status quo before you can build up a new way of operating. This stage involves overcoming any resistance or inertia to change among employees. This is done through discussion groups, meetings, information dissemination or any other process. At this stage, preconceptions, values and beliefs need to be challenged if the change is to be successful.



Kurt Lewin Change Model

2. **Change** - After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction. The shift from unfreeze to change may not happen overnight, but the idea is that people gradually adopt a new mindset and are therefore more open to accepting and implementing change. In order to accept the change and contribute to making it successful, people need to understand how it will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and a pitfall that should be avoided.
3. **Refreezing** - the final stage is to set the change in place. When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time, and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working. This process will institutionalize the change and ensure that it is embedded in the organisation. The new patterns of working can be built into job descriptions and changes in the organisational structure formalized and confirmed. The change is now embedded

Not surprisingly, Lewin used the analogy of a block of ice. He suggested that if you have a block of ice, but want a cone of ice, you will need to unfreeze the ice, mould it to the new shape required and then refreeze it. However, managing the process of changing a block of ice into a cone is probably much easier than change management in many large firms.

7. Define Organizational Learning. Explain the types of Learning. (4)

Ans. **Organizational learning** is the process of creating, retaining, and transferring knowledge within an organization. An organization improves over time as it gains experience. From this experience, it is able to create knowledge. This knowledge is broad, covering any topic that could better an organization. Examples may include ways to increase production efficiency or to develop beneficial investor relations. Knowledge is created at four different units: individual, group, organizational, and inter organizational.

According to Fiol and Lyles “Organisational Learning is the process of improving actions through better knowledge and understanding”.

Types of Learning-

- a. **Single loop learning:** This form of learning aims at solving the increasing changes and the problems that have risen as a consequence of this. However, this ignores the real cause of the problem. Experts assert that most organizations operate according to single-loop learning – members establish rigid strategies, policies and procedures and

then spend their time detecting and correcting deviations from the “rules.” You might exhibit this kind of learning when you notice that your client has not produced a certain deliverable on time during a project, so you get angry at your client and demand that your client produce the deliverable – without ever really exploring why your client did not produce the deliverable in the first place.

- b. **Double loop learning:** This form of learning will go more deeply into the cause of the problem and feedback is used to look at past actions. Double-Loop Learning (Changing the Rules) In double-loop learning, members of the organization are able to reflect on whether the “rules” themselves should be changed, not only on whether deviations have occurred and how to correct them. This kind of learning involves more “thinking outside the box,” creativity and critical thinking. This learning often helps participants understand why a particular solution works better than others to solve a problem or achieve a goal. Experts assert that double-loop learning is critical to the success of an organization, especially during times of rapid change. To continue the above example of your client not producing a deliverable, double-loop learning occurs when you engage your client in discussion about their reasons for the absence of the deliverable, and whether your expectations were realistic or not. Results of the discussion might be, for example, that project timelines are changed or that communications between consultant and client are improved.

- c. **Triple-Loop Learning (Learning About Learning):** Triple-loop learning involves “learning how to learn” by reflecting on how we learn in the first place. In this situation, participants would reflect on how they think about the “rules,” not only on whether the rules should be changed. This form of learning helps us to understand a great deal more about ourselves and others regarding beliefs and perceptions. Triple-loop learning might be explained as double-loop learning about double-loop learning. To continue the above example, triple-loop learning occurs when, after having engaged in discussion with your client, both of you discuss the dynamics of your conversation, including how it was conducted, what learning was produced from the conversation and how that learning was produced.

8. **Enumerate the principles of persuasion to change.** (3)

Ans. **Ciadini** lists six principles of persuasion to change, which are as follows-

- a. **Liking-** It seems obvious but if people like you they are more likely to say yes. People will like you because they sense that you like them or you have things in common.
A change manager needs to have empathy with people affected by a change so that he can see their problems as common problem which they can solve together. It helps to talk to people to find common ground. Being nice to people always helps; seeking to be genuine with effective communication about the change and helps to sent contract for collaboration.

- b. **Reciprocity-** if you help someone, they will help you. People like to return favours. The change manager needs to see what they can do for people going through change, either as a group or as individuals. Setting an environment of cooperative and collaborative work through the change sets the atmosphere of exchange. Benefits for those affected by change should be an important part of reciprocity.
- c. **Social Proof-** People will do things they see other people doing; especially if those people seem similar to them. A change manager can identify one or two key individuals in a group that see the behavior patterns for the group- sometimes called a maven. If you can persuade these individuals to change their behavior then others will follow. This can help to make persuasion more effective.
- d. **Commitment and Consistency-** People want to appear to be consistent in their peer group. If they make a public commitment to the change they will want to follow through- a bit like a contract. When you have reached commitment a change manager should get individuals to publically commit through a place or similar mechanism. The commitment is a part of the communications plan and would represent a significant milestone in development of readiness to change.
- e. **Authority-** people are surprisingly open to persuasion by other people, they consider have authority (such as senior managers) or technical competence. More surprising is that many senior managers are unaware of their role in influencing change. A change manager should include communication from senior managers as part of the communications plan to bring this influence to bear; it can be especially helpful in managing resistance.
- f. **Scarcity-** people value things that appear to be scarce. Hence the emphasis on “last chance” or “offer ends tomorrow” in advertising. The same can be used with benefits from the change; for both those affected by the change and the organization. The benefits are time limited and thus very scarce in the future.