

UNIVERSITY OF ESWATINI
FACULTY OF COMMERCE
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TITLE OF PAPER: Change Management/ Training Management II

DEGREE AND YEAR: Bachelor of Commerce IV

COURSE NUMBER: BUS434/ BA 403/ IDE-BA403/ IDE-BA509

TIME ALLOWED: Three (3) hours

INSTRUCTIONS

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY SECTION (A) IS COMPULSORY
3. ANSWER ANY **THREE** QUESTIONS FROM SECTION B

NOTE: You are reminded that in assessing your work, account will be given of the accuracy of language and the general quality of expression, together with the layout and presentation of your final answer.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.

GOOD LUCK !!!

SECTION A: Compulsory

(Read the case scenario below and answer the questions that follow.)

TransAct Insurance Corporation (TIC)

TransAct Insurance Corporation (TIC) provides automobile insurance throughout the South-Eastern United States. Last year a new president was brought in by TIC'S Board of Directors to improve the company's competitiveness and customer service. After spending several months assessing the situation, the new president introduced a strategic plan to improve TIC'S competitive position. He also replaced three vice presidents. Ram Kumar was hired as Vice President of claims, TIC'S largest division with 1,500 employees, 50 Claims Centre Managers, and 5 Regional Directors.

Ram Kumar immediately met with all Claims Managers and Directors, and visited employees at TIC's 50 Claims' Centres. As an outsider, this was a formidable task, but his strong interpersonal skills and uncanny ability to remember names and ideas helped him through the process. Through these visits and discussions, Ram Kumar discovered that the Claims division had been managed in a relatively authoritarian, top down manner. He could also see that morale was extremely low and employee-management relations were strained. High workloads and isolation (claims adjusters work in tiny cubicles) were two other common complaints. Several managers acknowledged that the high turnover among claims adjusters was partly due to these conditions.

Following discussions with TIC'S president, Ram Kumar decided to make morale and supervisory Leadership his top priority. He initiated a divisional newsletter with a tear-off feedback form for employees to register their comments. He announced an open-door policy in which any claims division employee could speak to him directly and confidentially without going first to the immediate supervisor. Ram Kumar also fought organizational barriers to initiate a flexitime program so that employees could design work schedules around their needs. This program later became a model for other areas of TIC.

One of Ram Kumar's most pronounced symbols of change was the 'Claims Management Credo' outlining the philosophy that every claims manager would follow. At his first meeting with the complete claims management team, Ram Kumar presented a list of what he thought were important philosophies and actions of effective managers. The management group was asked to select and prioritize items from this list. They were told that the resulting list would be the division's management philosophy and all managers would be held accountable for abiding by its principles. Most claims managers were uneasy about this process, but they also understood that the organization was under competitive pressure and that Ram Kumar was using this exercise to demonstrate his Leadership.

The claims managers developed a list of 10 items, such as encouraging teamwork, fostering a trusting work environment, setting clear and reasonable goals, and so on. The list was circulated to senior management in the organization for their comment

and approval and sent back to all claims managers for their endorsement. Once this was done, a copy of the final document was sent to every claims division employee. Jim also announced plans to follow up with an annual survey to evaluate each claims manager's performance. This worried the managers but most of them believed that the credo exercise was a result of Ram Kumar's initial enthusiasm and that he would be too busy to introduce a survey after settling into the job.

One year after the credo had been distributed, Ram Kumar announced that the first annual survey would be conducted. All claims employees were to complete the survey and return it confidentially to the human resources department where the survey results would be compiled for each claims centre manager. The survey asked the extent to which the manager had lived up to each of the 10 items in the credo. Each form also provided a section for Claims Centre managers to complete but were surprised that the survey Ram Kumar had promised a year ago would be conducted. They were even more worried about Ram's statement that the results would be shared with employees. What "results" would employees see? Who would distribute these results? What happens if a manager gets poor ratings from his or her subordinates? "We'll work out the details later," said Ram in response to these questions. "Even if the survey results aren't great, the information will give us a good baseline for next year's survey.

The claims division survey had a high response rate. In some centres, every employee completed and returned a form. Each report showed the claims centre managers average score for each of the 10 items and how many employees rated the manager at each level of the five point Likert-type scale. The reports also included every comment made by employees at that Centre. No one was prepared for the results of the first survey. Most managers received moderate or poor ratings on the 10 items. Very few managers averaged above 3.0 (out of a five-point scale) on more than a couple of items. This suggested that, at best employees were ambivalent about whether their claims centre manager had abided by the 10 management philosophy items. The comments were even more devastating than the ratings. Comments ranged from mildly disappointed to extremely critical of their Claims' manager. Employees also described their long-standing frustration with TIC: high workloads, and isolated working conditions. Several people bluntly stated that they were sceptical about the changes that Ram had promised. "We've heard the promises before, but now we've lost faith," wrote one claims adjuster.

The survey results were sent to each Claims' Manager, the Regional Director, and employees at the Claims Centre. Ram Kumar instructed managers to discuss the survey data and comments with their Regional Manager and directly with employees. The Claims Centre managers, who thought employees only received average scores, were shocked to learn that the reports included individual comments. Some managers went to their Regional Director, complaining that revealing the personal comments would ruin their careers. Many directors sympathized, but the results were already available to employees.

When Ram heard about these concerns, he agreed that the results were lower than expected and that the comments should not have been shown to employees. After

discussing the situation with the Regional Directors, he decided that the discussion meetings between Claims managers and their employees should proceed by as planned. To delay or withdraw the reports would undermine the credibility and trust that Ram was trying to develop with employees.

However, the Regional Director in that area attended the meeting in each Claims Centre to minimize direct conflict between the Claims Centre manager and employees. Although many of these meetings went smoothly, a few created harsh feelings between managers and their employees. The source of some comments was easily identified by their content, and this created a few delicate moments in several sessions. A few months after these meetings, two Claims Centre managers quit and three others asked for transfers back to non-management positions in TIC. Meanwhile, Ram wondered how to manage this process more effectively, particularly since employees expected another survey the following year.

Question 1

- a) Identify the forces for change and the forces restraining the change effort in this case. **(20 marks)**
- b) Was Ram Kumar successful at bringing about change? Why or why not? **(10 marks)**
- c) What Should Ram Kumar do now? **(10 marks)**

Total

40 Marks

SECTION B

(Answer any three (3) questions from this section)

2. Assume that you are appointed as the Change Agent for the Swaziland Aviation Authority (a hypothetical case scenario) where most employees are underperforming due to functional overlaps, poor job design, out-dated work practices, skills' decay and many associated problems. What Human Resource Development and Organisational Development Interventions would you recommend to turn around the situation (please provide a justification for your recommended interventions) **(20 marks)**
3. "The exercise of power is not the same as leadership, but both can promote or deter effective organisational change" Critically evaluate this statement using practical illustrations. **(20 marks)**
4. Similarly to other African Countries, Swaziland is experiencing a boom of service providers in Training and Development. However, the country lacks an effective accreditation framework to safeguard its citizens against unscrupulous suppliers of such services. With your expertise in Human Resource Development and change Management, discuss how and why you will adopt a sequential model that emphasises shared diagnosis and mutual engagement for effective change implementation? **(20 marks)**

5. Identify and explain the major structural challenges and choices faced by organisational leaders in their change efforts; and the behavioural implications of those choices (20 marks)
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