



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND
TECHNOLOGY (MMUST)**

MAIN, WEBUYE AND BUNGOMA CAMPUS

UNIVERSITY EXAMINATIONS

2021/2022 ACADEMIC YEAR

**THIRD YEAR FIRST SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATIONS**

FOR THE DEGREE

OF BACHELOR OF COMMERCE

COURSE CODE: BCB 363

COURSE TITLE: MANAGING ORGANIZATIONAL CHANGE

DATE: THURSDAY, 4TH AUGUST 2022 TIME: 11:00 – 1:00PM

INSTRUCTIONS TO CANDIDATES

- 1. ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**
- 2. DO NOT WRITE ANYTHING ON THE QUESTION PAPER**

TIME: 2 HOURS

MMUST observes ZERO tolerance to examination cheating ▶

This Paper Consists of 2 Printed Pages. Please Turn Over.

QUESTION ONE

St. Francis Medical Center based in Nakuru County, tried downsizing. A layoff of 400 people was a horrible experience, both for those who left and for those who stayed. The 1990's brought a change in the health care environment, and the hospital's administration needed to change the structure and culture in order to remain competitive. The management team re-mapped the ideal management structure to run things without regard to the structure that was actually in place. To make such radical change work, they defined specific job titles, but not specific people. They dissolved the old organizational chart and created a new one, unveiling a chart that had all the new titles on it with no names. Those who wanted to be part of the new organisation had to apply for whatever position they felt they were most qualified to fill. The restructuring also meant a rethinking of corporate culture. An examination of culture revealed that making decisions at the hospital become bogged down by management and dictated by policy. Eliminating old policies allowed the team to look at things as possibilities rather than restrictions. Two task forces were formed to look at service lines and functional realignment.

A consulting firm was called in to help the hospital make the transition. The consulting firm helped strategize and create a time line for the changes. At the reorganisation meeting, each employee was given an 80-page bound booklet complete with vision statement, the organisational chart, timetable, reorganisation fact sheet, copies of all position descriptions, and a question and answer section. The result was terror, confusion, upheaval, and little by little, understanding co-operation and success. The task forces highlighted the changes in the new culture and tied the internal changes to the changes in the health care industry. Each week "The Grapevine: Reorganisation Update" was distributed. In the first official day of the new organisation, employees were given flowers and a message stating "Today starts a new beginning focused on you".

The new corporate culture involves management by contract. The new management team walked the hallways and touched base constantly with what went on in the organization. The result of the reorganization was decision making at lower levels, which resulted in faster actions as no more ideas were lost due to red tape. The reorganisation was fluid and went on well with employees and managers incorporating the new management philosophy and corporate culture into their daily work lives.

Required

- a. Discuss the common pitfalls that may face firms when implementing organisational change (10 marks)
- b. Explain the significance of organizational change. (6 marks)
- c. Critically examine two pros and two cons of hiring consultants as change agents. (8 marks)
- d. Elucidate on the benefits of conducting a force field analysis (6 marks)

QUESTION TWO

- a. The System Model of change describes the organisation as six interacting variables that could serve as the focus of planned change. Discuss. (12 Marks)
- b. Describe four types of teams that an organization may have to enhance the change process. (4marks)
- c. With the aid of relevant examples for each distinguish between a prescriptive and emergent change. (4 marks)

QUESTION THREE

- a. Discuss the Leaders' role in shaping and reinforcing a culture that supports change. (10 marks)
- b. Critically analyze the sources of organizational resistance to change (10 marks)

QUESTION FOUR

- a. The six sigma methodology is useful in effecting change management. Discuss. (10 marks)
- b. While attending a Corporate Strategy Workshop, you heard complaints from most of the participants how employee resistance to change is negatively affecting their business, resulting in poor performance. During the plenary session at the workshop, solutions to the problem were sought. As a Strategy Consultant, explain how this can be overcome. (10 Marks)

QUESTION FIVE

a. Corporate Culture is an important ingredient in the Management of any organization change. Discuss the specific dimensions of corporate culture which may enhance effective implementation of change management. (10 marks)

b. The need for change can be identified either through internal factors or through external factors. Once this need is identified, certain general steps can be undertaken. Describe the steps involved in planning for change. (6 marks)

c. Explain the ways in which social factors may drive change in an organization (4 marks)