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(*University of Choice*)

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

UNIVERSITY EXAMINATIONS

2023/2024 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER
MAIN EXAMINATIONS

FOR THE DEGREE

OF
BACHELOR OF COMMERCE

COURSE CODE: BCB 363

COURSE TITLE: MANAGING ORGANIZATIONAL CHANGE

DATE: WEDNESDAY, 20TH /12/2023 **TIME: 12:00 – 2:00PM**

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

QUESTION ONE

Reorganisation as Rebirth

Like many organisations in the 1980's, St. Francis Regional Medical Center of Wichita, Kansas, 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. Imagine having to apply for whatever position they felt they were qualified to fill. Imagine having to apply to a company you'd been with for fifteen years! 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. Instead of approaching the reorganisation as a shameful secret, 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 VPs walk the hallways and touch base constantly with what's going on. The result of the reorganization is decision making at lower levels, which results in faster actions. No more ideas die because of red tape. The reorganisation is fluid and ongoing with employees and managers still incorporating the new management philosophy and corporate culture into their daily work lives. ***Source:*** M.S. Egan, "Reorganisation as Rebirth," *HR Magazine* (January 1995) Page 84-88.

Questions

a.Discuss the reasons why you think such massive changes may be necessary for organizations (10 marks)

b. There are a number of factors both internal and external which affect organisational functioning. Any change in these factors necessitates changes in an organization. Discuss the internal drivers of change (10 marks)

c.Describe the objectives of a planned change. (4 marks)

d.Explain the benefits of using Field Force Analysis. (6 marks)

QUESTION TWO

a.Many scholars have cited benefits when organizations adopt Total Quality Management. Discuss steps that can be undertaken by organizations to make the TQM system work.

(10 marks)

b. Change agents normally manage change efforts in an organization. Describe in detail the role of change agents. (10 marks)

QUESTION THREE

a.Examine the organisational prerequisites, which must exist before transformational change can be achieved in an organisation. (10 marks)

b.Discuss the significance of six sigma as an approach embraced by organizations in change management. (10 marks)

QUESTION FOUR

a.Change in organisation structure is required because old relationships and interactions no longer remain valid and useful in the changed circumstances. Explain how this feat may be achieved by focusing on how organizational structure may be altered (10 marks)

b.Explain how leaders may ensure an emergent change is successful. (10 marks)

QUESTION FIVE

a.There are a number of barriers to change at the organizational and individual level that need to be addressed to allow change to be implemented with the least amount of resistance. Examine five organizational level barriers. (10 marks)

b. With the aid of suitable examples explain the factors that can make teams effective in pursuing organizational change (10 marks)