

KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS
MAIN EXAMINATION
2020/2021 ACADEMIC YEAR**

THIRD YEAR FIRST SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCB 360E/BCO 360E

COURSE TITLE: MANAGING ORGANIZATIONAL CHANGE

DATE: 20/07/2021

TIME: 9.00AM-11.00AM

INSTRUCTIONS TO CANDIDATES

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER TWO** Questions
 - 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
 - 3) Credit is given for legibility, clarity and use of relevant examples
 - 4) Question **ONE** is **30 marks** while Questions **2-5** carry **20 marks** each
 - 5) Clearly write your **Registration Number** on each answer sheet used
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TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

SECTION A: Compulsory (30marks)

QUESTION ONE

Read the passage below and use the information to attempt question one.

SHELLS TOUGH LOVE

In 2004 Shell was facing an oil reserves crisis that hammered its share price. The situation was compounded by the abrupt departure of the oil group's chairman, Sir Philip Watts. The new group chairman, Jerom van der Veer, believed that in order to survive, the corporation had to transform its structure and processes.

A series of global, standardized processes were identified. These, if introduced, would impact more than 80 Shell operating units. While the changes were vital to survival, they proved unpopular in the short term as some countries stood to lose market share. The message was a tough one, and many operating units balked.

However, for a change programme of this scale to be successful, everyone had to adhere to the new systems and processes. The leadership of Shell Downstream-One, as the transformation was known, needed unflinching determination and to focus on gaining adoption from everyone involved. Those leading the change had to ensure that the major players in all their markets knew what was required and why. They needed to be aligned with the change requirement. From the start, it was recognized that mandating the changes was the only way for them to drive the transformational growth they aimed for. This wasn't an opt-in situation.

The main message of the change team, led by van der Veer, was that simpler, standard processes across all countries and regions that benefited Shell globally trumped local, individual needs. That meant everything from common invoicing and finance systems to bigger more centralized distribution networks. By identifying and rapidly addressing the many areas of resistance that emerged – such as that some influential stakeholders stood to lose control or market share – adoption was accelerated.

The team of experts – made up of senior leaders, in-house subject matter experts, implementation consultants and external change experts – who delivered the change programme were crucial in this phase. They'd been picked because they had both technical understanding and could provide change leadership. They both modeled and drove the new behaviours needed for the change to succeed. They briefed the people who would be impacted by the change; risks and potential problem areas were discussed and mitigated – before any real change was even delivered.

In all major change programmes, there's always the danger that change management gets delegated; leaders' distance themselves from the challenge of implementing the priorities they once championed. That can cause the initiatives to fail. In Shell's case, however, the change leadership started and finished with Jerom van der Veer, who never drew back from emphasizing how important full implementation of Downstream-One would be.

Shell is in a significantly healthier position than when the transformation started, and by that measure the programme has been deemed a success. And the ramifications of Downstream-One continue to result in ongoing change...

REQUIRED:

- a) The commitment and support of top management is crucial to effective change management. Discuss the role of Shell top organizational leadership in managing change in an organization. (5 marks)
- b) According to Hayes (2007) transformational change 'involves a paradigm shift and completely new behaviours this calls for principles assumptions and values that underpin that guide the implicit and explicit rules that guide behaviour to be revised.' How can a change agent lead transformational change successfully? (8 marks)
- c) Employee participation....is perhaps the most important lever an organization can use to gain acceptance for change. What are the potential barriers to employee participation? How can change agent facilitate employee participation in the change process? (7 marks)
- d) State FIVE reasons why people resist change in an organization. (5 marks)
- e) When it comes to change management, internal communication plays an even more critical role today. What are some of the strategies one can employ in communicating change? (5 marks)

'SECTION B'

QUESTION TWO

- a) Employee training can set a conducive climate for change management. Using relevant examples justify this statement. (7 marks)
- b) Explain the role of Human Resources Management in managing change in an organization. (7 marks)
- c) Discuss the different types or organizational change (6 marks)

QUESTION THREE

- a) Pressure for change originates in the environment, while pressure for stability originates within the organization. Discuss. (10 marks)
- b) In carrying out change in any programme in a company, the management ought to consider the significance of ethics. Why is this the case? (10 marks)

QUESTION FOUR

- a) Discuss the change model developed by Lewin (1951). (10 marks)
- b) Discuss SIX reasons towards rapid changes in organizations in the 21st century. (6 marks)
- c) Discuss how you can deal with individual resistance to change. (4 marks)

QUESTION FIVE

A representative of the DB Company has approached a firm of management consultant for advice on these problems and they have recommended the services of a specialist in organizational development (OD). The CEO of the DB Company has never heard of organizational development and has asked for your advice.

a) Explain the nature of organizational development and describe how it might be use to assist the DB company with the problems indicated in the scenario. (10 marks)

b) Describe the knowledge, skills and attitudes that the OD specialists would require, to take on the task of helping the DB Company with its problems. (10 marks)