KIBABII UNIVERSITY

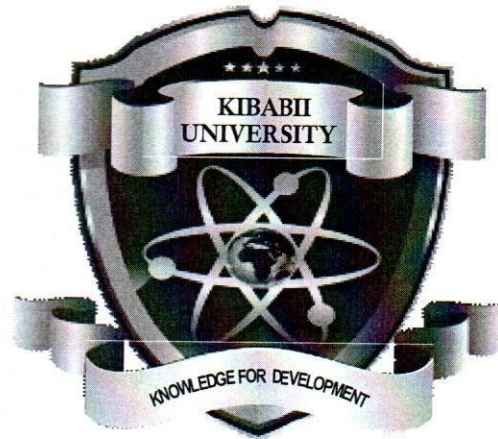## UNIVERSITY EXAMINATIONS

MAIN EXAMS

2020/2021 ACADEMIC YEAR

FIRST YEAR SECOND SEMESTER

FOR THE DEGREE OF MASTER OF SCIENCE IN HUMAN RESOURCE MANAGEMENT

COURSE CODE: HRM 816E

COURSE TITLE: ORGANISATIONAL DEVELOPMENT

DATE: 06/08/2021   **TIME: 2.00PM-5.00PM**

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 **40 marks** while Questions 2-5 carry **20 marks** each
5) Clearly write your **Registration Number** on each answer sheet used

TIME:3 Hours

KIBU observes **ZERO** tolerance to examination cheating

QUESTION ONE

Read the case study provided below and answer the following questions

OD IN PRACTICE: IS IT A KINDLER, GENTLER MICROSOFT?

When a company is as successful as Microsoft, it is hard to understand why those in charge would change its structure so radically that the company will barely resemble its former self. After all, de- spite the information technology slump in the early part of the 2000s, Microsoft grew at more than 20 percent each quarter and posted a 35 percent after- tax profit margin. Its stock is up 34,186 percent since it became publicly listed in 1986. But from 2000 to 2004, the stock lost 50 percent of its value.

CHANGE STARTS AT THE TOP

The changes at Microsoft were initiated at the top and by the top. The change started when chairman of the board Bill Gates, who was also CEO, stepped down as CEO and made his longtime friend Steven

A. Ballmer CEO and president. Then Gates named himself chief software architect. Both men concluded that it was time to reinvent Microsoft. How- ever, Warren Buffett, bridge partner to Gates and fellow billionaire, says, "Even though Steve is re- ally running it all, Bill knows what's going on every- place. No sparrow falls, or even thinks about falling, at Microsoft without him knowing about it."

There were some missteps at first because Gates, somewhat of a control freak, was reluctant to let Ballmer take control and operate as CEO. Now Ballmer is actively moving to put his own stamp on Microsoft. His goal: to create a "great, long-lasting company. To enable people and businesses throughout the world to realize their full potential.

. . . This is not just a fluffy statement of principles, but really a call to action." A second tier of executives has been given the power to run their units with less supervision. The company has restructured itself around seven businesses that will be more responsive to customers.

A KINDER, GENTLER MICROSOFT

CEO Ballmer's decision to empower a second tier of executives to run their businesses with less supervision breaks from Microsoft's heritage of placing every important decision in the hands of Gates and Ballmer. Ballmer is encouraging everyone to rethink every aspect of the way they do their jobs. There are now meetings, reviews, and examinations that force people to do their jobs differently. Every new change is designed to connect to the next so that decisions can be made quickly.

In a company memo, Ballmer says he wants his people to be "respectful" and "accountable" toward outsiders and each other. "People have to be very open, self-critical, almost relentlessly honest, and, at the same time, respectful," he says. He wants man- agers who are willing to work collaboratively. This is an about-face from the highly competitive environment that he and Gates created. The danger of this change is that with so much attention being paid to managerial processes, innovation may suffer. In addition, Ballmer brings a lot of personal baggage to his new job. He is known, or at least was in the past, for tearing apart business plans at annual reviews and humiliating executives. One former Microsoft executive says that he would rather put his arm in a food processor than work for Ballmer again.

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THE CUSTOMER IS KING

Microsoft has never had the reputation of putting the customer first. But Ballmer is out to change this. In response to the frustration of corporate customers, he has ordered his engineers, sales force, and managers to improve the quality of their products and services. At a management retreat, sales chief Ayala said that customers often think Microsoft doesn't care about producing great products, and believe Microsoft feels it can get away with shoddy work because it has a monopoly. He continued, "Some of us should lose our jobs All of us are accountable." He got a standing ovation. When Ballmer announced at the end of the retreat that customer trust would be the focus of a future retreat, he too got a standing ovation.

Bill Gates is aware of Microsoft's poor reputation among customers, and in his role of chief soft-ware architect he is trying to put the customer first. In an interview where he spoke about the new operating system under development, code-named Longhorn, Gates made the analogy that it was like building a really big airplane. "If you are designing a Cessna, you have five or six guys whose offices are next to each other, and at lunch one guy can say, 'Hey, your thing seems a little heavy. I'm not sure my wings can handle this.' You don't have to have a weight review meeting. Longhorn is more like a 747, and the wing group alone is 500 people who don't have lunch with the fuselage guys, who don't know the engine guys, who don't know the customers."

Will the new Microsoft be successful? Will its more independent product divisions begin competing with one another? And will the emphasis on collaboration among managers produce complacency and stifle innovation? "There are going to be some bumps along the way," says a longtime Microsoft board member. Of the prospect for success, Ballmer says, "Let's say this is V-2. We're gonna tune up. We'll have a V-3 if we need to. We'll have a V-4 if we need to. We're just gonna keep working it and working it and working it."

Required:

i   Do you think Gates and Ballmer are right to reorganize a company that has been so successful?   Justify your case.   **[10 Marks]**

ii.   If you owned Microsoft stock, explain why or why not you would support the reorganization.   **[10 Marks]**

iii.   Do you think the attitude that Ballmer and Gates profess to have toward customers will be seen in the marketplace? Explain your reasons.   **[10 Marks]**

iv.   Explain the organizational factors that may inhibit the change.   **[10 Marks]**

QUESTION TWO

a. Practitioners, be they internal or external, have a variety of practitioner styles or approaches. Critically assess the suitability of the styles.   **[10 Marks]**

b. Describe organisation development in terms of its characteristics as a valid tool for bringing about change within the organisation   **[10 Marks]**

QUESTION THREE

a. Discuss team building and show its relevance in the process of organisational development. **[10 Marks]**

b. Organization development has evolved during the past several decades from a narrow viewpoint favoring one specific intervention strategy to a more integrated or systematic approach to change. Describe an integrated approach to change. **[10 Marks]**

QUESTION FOUR

a. There are a number of perspectives regarding organizational development. Critically evaluate the practitioner perspective of organizational Development. **[10 Marks]**

b. Comment on the practice of international organization development. **[10 Marks]**

QUESTION FIVE

a. Discuss the strategies that might be used in gaining acceptance for an organizational development program? **[10 Marks]**

b. "The application of OD technology is growing rapidly. New models, techniques, and approaches are constantly being developed and old techniques discarded. OD itself is facing future shock." In view of this statement, assess the future trends having a bearing on organizational development. **[10 Marks]**