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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

MAIN EXAMINATION

2021/2022 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCO 360E

COURSE TITLE: MANAGING ORGANIZATIONAL CHANGE

DATE: 25/01/2022

TIME: 9.00AM – 11.00AM

INSTRUCTIONS TO CANDIDATES

- Answer question **ONE** (compulsory) and any other **TWO** questions
- Question **ONE** attracts **40 marks**
- Time allowed is **THREE** hours
- All other questions attract equal marks (**20 marks**)
- This paper consists of five printed pages

QUESTION ONE

Read the case study provided below and answer the following questions

Case Study: Domino's Pizza

Domino's Pizza suddenly faced a communications crisis when two bored employees posted videos of deliberately contaminated food on YouTube on Easter Sunday, April 2009. An estimated one million people viewed these videos before they were pulled two days later. During the first twenty-four hours, Tim McIntyre, vice president of corporate communications, examined the situation and determined that the videos were not a hoax. He then began to consult with the company's social media experts, head of security and senior management team.

By Tuesday, according to McIntyre, the company was responding to customers' queries on Twitter about whether the company knew about the situation, what the company was doing, and why the company had not issued an official statement. By Wednesday, Patrick Doyle, president of Domino's Pizza, recorded an apology that was then uploaded onto YouTube.

McIntyre wanted to convey the message that this incident was "a rogue act of two individuals who thought they were being funny. That they do not represent this brand. That they do not represent the 100,000 people who work every day at Domino's Pizza all over the world." Doyle wanted to express an apology: "We didn't do this. We're sorry. And we want to earn your trust back."

However, in wanting to be truthful and taking responsibility, the company was exposing itself to potential lawsuits and other legal vulnerabilities. So to mitigate the consequences of being truthful and minimize the damage to the organization's reputation, the company collaborated and coordinated with credible sources (the watchdog organizations and local authorities) and partnered with the public to observe and interpret the events, so as to not "act too hastily and alert more consumers to the situation it was attempting to contain." Unfortunately, these deliberations caused a lag in communications.

Because Domino's hesitated, customers began tweeting about whether the company actually knew what was happening and questioning what it was going to do about the videos. Ironically, meanwhile the company was attempting to implement a social media crisis plan that it had previously created. McIntyre: "We didn't want to just jump in without a strategy. We wanted to do it right. So the irony for us was that we have a plan and we were going to implement it only a week later."

However, because of the public online chatter Domino's decided to speed up the implementation of the social media plan. The company president apologized. He thanked the online community for bringing the issue to his attention. He separated the company from wrongdoers and announced their prosecution. And he outlined steps that Domino's was taking to deal with the issue to make sure it never happened again.

This strategy and decision to fight the crisis' viral nature using YouTube was the tipping point in the crisis. According to communications expert Richard Levick, "Domino's not only demonstrated concern for its customers, but also an understanding of the critical importance of reaching out to a target audience on its own terms and in its own preferred space." The crisis happened online and had to be dealt with online.

If Domino's had followed its original communications plan, the crisis may not have been averted, and permanent damage to its reputation may have resulted. Even if there is not an immediate crisis, in a change situation people are talking and forming opinions. For example, at a recent industrial relations seminar in Alberta, one participant revealed during the break that she had just received a text message announcing the identity of her new deputy minister. She then proceeded to look up this individual on the internet, found a photo and declared: "He looks pretty grouchy!" Before even meeting her new boss, her first impression of him was negative. In today's climate of instant communications, you cannot keep things secret for long. If you do not

get in front of change communications, you cannot influence employee and other stakeholder opinions. So communicate as early as possible.

Effective communications depend partly on knowing who the stakeholders are and how they should be included in communications initiatives. Most of the research shows that organizations should err on the side of more involvement and two-way communications rather than less. To make these important decisions, I recommend a structured approach that involves several steps:

Questions:

- i. Identifying the stakeholders with whom you need to communicate about the change **(10 Marks)**
- ii. Mapping the degree of influence and impact for each stakeholder **(10 Marks)**
- iii. Defining what their interests in the change initiative are likely to be **(10 Marks)**

QUESTION TWO

- a. No matter how successfully or administratively perfect a proposed change may be, individuals in an organization implement or break the change due to representing a form of influence. Even though resistance to change can take many forms, it is possible to identify the reasons for the resistance. You are required to analyze the causes of resistance to change in organizations. **[10 Marks]**
- b. There are numerous models for managing a change process. One of the models particularly well-known and useful in understanding strategic change management is Kurt Lewin's Change Model. Provide a full account of Kurt Lewin's model of change. **[10 Marks]**

QUESTION THREE

- a. Although change can institute fear and confusion to organizations, it has also positive impacts both to the employees and the organization as a whole provided that the management has carefully taken due consideration. Explain the effects brought by change [10 Marks]
- b. Discuss five forces of change stemming from external environment [10 Marks]

QUESTION FOUR

- a. Managing change effectively provide benefits that help organizations sustain competitive advantage in the ever changing world. Discuss the benefits of effective change management to an organisation [10 Marks]
- b. Critically assess the major impediments to the implementation of well thought out change [10 Marks]

QUESTION FIVE

- a. Discuss the role that communication plays in an organisation undergoing change [10 Marks]
- b. Elaborate the basic assumptions required to begin Organizational Development program in organization? [10 Marks]