



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

..... YEAR SECOND SEMESTER EXAMINATION FOR

MASTER OF BUSINESS ADMINISTRATION

BBA 829: MANAGEMENT OF STRATEGIC CHANGE

DATE:

TIME:

INSTRUCTIONS:

1. ANSWER question ONE and any OTHER **THREE** questions
2. Question one carries 30 marks, while the rest carry 20 marks each
3. Use of suitable real practical examples is encouraged

QUESTION ONE (30 MARKS)

- a) Read the case scenario (Coca-Cola) below and respond to questions at the end of the case.

Coca-Cola

When Asa Griggs Candler founded The Coca-Cola Company in the late 1800s, there was no way he knew his company would one day be valued at upwards of \$180 billion. That's a lot of money for a business that sells soft drinks. But Coca-Cola didn't become the powerful force it is today by sheer chance.

In the 1980s, Coke's biggest rival, Pepsi, was aggressively targeting it. This caused Coca-Cola to reevaluate its offerings. Eventually, the company decided to concoct a new, sweeter soda. They called it simply New Coke.

Unfortunately, the public didn't take too kindly to the new beverage. But Coke's executives didn't let the mishap derail their success. Quickly, management decided to pull New Coke and replace it with the older, established formula. Lo and behold, Coca-Cola Classic was born, and Coke maintained its market dominance.

Just as quickly as Coke changed to accommodate its customers' sweeter palates, it changed direction again when it realized it made the wrong move. But that's not the only instance where Coca-Cola

listened to its customers and enacted change. Again, how is a company primarily known for selling sugary drinks valued at \$180 billion in 2016?

Coke doesn't only sell sweetened carbonated beverages. In fact, the beverage king sells more than 500 brands to customers in over 200 countries. Today, many of its offerings — like DASANI, vitaminwater, and Evian — are even considered healthy drinks. In other words, Coca-Cola has consistently strived to diversify its product portfolio and expand into new markets. By and large, Coke has succeeded in these efforts

- i. With reference to the above case, discuss five possible forces that triggered Coca-Cola to reevaluate its offerings and drive to diversification of the same. (10 marks)
 - ii. The uptake and acceptance of initial offerings such as “New Coke” did not meet the company's expectations. Discuss four possible reasons behind this. (8 marks)
- b) Using real case scenarios discuss the importance of managing change for today's businesses. (12 marks)

QUESTION TWO (20 MARKS)

It has been noted of late that series of changes introduced across many organizations (both profit-making and not-for-profit making) have not seen the light of the day. One of the possible explanations for this is the resistance from the various players in these establishments.

- a) Using suitable examples identify and discuss five possible sources of such resistance to new order of things within institutions. (10 marks)
- b) Citing appropriate case scenarios, discuss five strategies management can employ towards minimizing or overcoming likely resistance to strategic change in organizations. (10 marks)

QUESTION THREE (20 MARKS)

- a) Read the case scenario (GE) below and respond to questions at the end of the case.

General Electric (GE)

When Jack Welch assumed the top position at General Electric in 1981, he inherited a company that had a market value of \$12 billion — certainly a modest number, by today's standards. By the time he left in 1998, GE was worth \$280 billion.

While leading GE, Welch was charged with the task of making the conglomerate better by any means necessary. With his gut telling him that his company was due for a complete overhaul, Welch decided to implement Six Sigma at GE in 1995.

Five years after Welch's decision to implement Six Sigma, GE had saved a mind-blowing \$10 billion. Welch claimed to have spent as much as half of his time working on people issues.

By assembling the right team and ingraining them with the right management philosophies, Welch successfully oversaw the transformation of GE from a relatively strong company to a true international juggernaut.

- i. Using suitable examples, explain your understanding of the concept and practice of Six Sigma (4 marks)
 - ii. With reference to the above case scenario, discuss transformational leadership qualities that Jack Welch would have exhibited in moving the company to the next level. (8 marks)
- b) With reference to the above case scenario and using other appropriate examples, identify three possible member categories of change teams and discuss any two roles of each. (8 marks)

QUESTION FOUR (20 MARKS)

- a) Using suitable examples discuss the systems model of change and how it can be applied in organizations. (10 marks)
- b) Citing good real examples, discuss five possible reasons as to why change management strategies could fail. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Using real case scenarios (organizations) in Kenya, identify and make a brief discussion on five ways that distinguishes adaptive from non-adaptive organizations. (8 marks)
- b) Using suitable examples identify and discuss five ways on how organizational culture renewal can aid organizations towards positive transformation. (10 marks)