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CHUKA



UNIVERSITY

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**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE  
OF BACHELOR OF COMMERCE**

**BCOM 456: MANAGEMENT OF CHANGE**

**STREAMS: BCOM (Y4S2)**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 07/12/2018**

**11.30 A.M. – 1.30 P.M.**

**INSTRUCTIONS: Answer question ONE and any other TWO. Don't write anything on this question paper**

**QUESTION ONE (COMPULSORY – CASE STUDY)**

**TRAVEL & TOUR COMPANY LTD**

You are the recently appointed general Manager of Travel & Tour Company Ltd (T & TC), which is located in a large town. The company specialized in travel and tour operations and is made up of various operating units. These operating units are Finance Division, Marketing Division, Operations Division and Recreation Division. All these divisions are headed by general managers who are served by several officers under them.

The organization has been quite successful in the past, given that for a period of about three years it has earned profits amounting to ksh 2.5 billion. However, with the changing times, it has been realized that the company sales has been going down, and last year this greatly affected the earnings per share.

## BCOM 456

The Board of Directors has ordered a probe into the affairs of the company to find out the causes of decline in performance. One of the revelations after the probe was that the decline was due to poor quality of goods and services.

It also revealed that the country's states of economy had reduced the purchasing power of the people. Further it was also noted that the production cost for the company was very high; this was due to use of old machines, which needed constant repairs and expensive labor force that has never been retrained.

The probe committee was also informed that since the company started talking of rationalization and streamlining of activities, many workers morale had been affected and this was evident in various ways. There have been a bigger number of people attending the Health clinic than before, while a number of workers have been reported absent for various reasons. Many workers have also been arriving at work late while others are resigning despite the efforts made to replace them. In general the working morale has been very low.

A chief executive officer of the company you realize that there are a number of things that need to be changed if the company will survive in this difficult economy.

### **Required:**

- (a) Discuss the major challenges facing T & TC and possible solutions thereof [12 marks]
- (b) Highlight the conditions and attitudes necessary to consider when introducing organizational change at T&TC [8 marks]
- (c) Describe how you could apply John Kotter's leadership model to lead organizational change and management successfully at T & TC [10 marks]

### **QUESTION TWO**

The management of a public organization, where you work as Line manager, intends to introduce new changes in its policies and operations

- (a) Explain the reasons why the employees might resist the intended changes [10 marks]
- (b) Discuss the techniques you could apply to deal with possible employee resistance to the intended changes [10 marks]

**QUESTION THREE**

At the County Stakeholders meeting you attended recently, a participant remarked that “organizations by their very nature are conservative. They actively resist change”. Discuss this statement with relevant examples. [20 marks]

**QUESTION FOUR**

- (a) Highlight the possible reasons why the Managing Director of a company may request an outside consultant to help her in the reorganization plan [10 marks]
- (b) Discuss any FIVE organizational Development (OD) interventions you can make to an organization seeking to improve its effectiveness and employee well-being [10 marks]

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