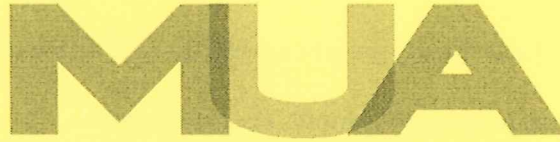


The
Management
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POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF MANAGEMENT AND LEADERSHIP

SMO 508: ORGANIZATIONAL DEVELOPMENT AND CHANGE

DATE: 2ND DECEMBER 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

Global Business Equipment Transformation

One of the rare businesses that was founded in the 19th century and is still in operation is Global Business Machines (GBM). Over the years, the company, which was initially established to manufacture automated equipment for punch card recording and counting, underwent multiple transformations of both its product line and corporate culture. John Chesire, who led GBM from 1914 to 1956, initially defined the corporate culture as one that was heavily focused on sales and fostered a sense of camaraderie among staff members. The book "Who says elephants can't dance" (Gerstner, 2002) served as the inspiration for the GBM case description that follows. The World Wide Web's emergence, a significant milestone in the acceleration of globalization, was one of the disruptive technologies that around 1990 drastically disrupted GBM's operations and contributed to the company's downfall. Jetter et al. (2011) claim that the World Wide Web's data and information interchange brought about whole new business possibilities.

The recently growing consumer and business need for systems packaged with software and services was another shift in the environment. Put differently: interconnected systems. GBM suffered significant losses in the start of the 1990s as a result of their failure to identify such changes in their surroundings at an early enough time. Furthermore, GBM's primary industries were impacted by the emergence of UNIX and, with it, open-source standards. Up until the end of the 1990s, GBM's business appeared promising: sales could be raised gradually, and the company, a top producer of computers, had a well-developed portfolio of supplementary items. As a result, GBM seemed ready for new users and clients. But around the beginning of the 1990s, the company all but vanished. Following losses of \$2.8 billion in 1991 and \$4.97 billion in 1992, GBM's losses in 1993 were \$8.1 billion. However, how did it get this far? Prior to the 1990s, GBM was a sophisticated, well-managed business that focused on stability and risk avoidance. As a pioneer in the field of computer technology, GBM operated in the equilibrium stage and adhered to the "business as usual" approach. Prior to 1990, the environment was stable and predictable, and market power predominated. Abcouwer & Parson (2011) have described this as resulting in a "tunnel vision." At that time, GBM

was a fully vertically integrated business that handled practically all aspect of the supply chain internally, starting with design and continuing through manufacture and commercialization. This included, for example, hardware, operating and application software, sales, and distribution.

In addition, GBM was charging more for its products than its rivals. GBM thus had an expense issue. All things considered, GBM had to adapt to new environmental shifts and new challenges or risk going bankrupt. In terms of the adaptive cycle of change, the company was currently in the middle of a release phase.

A severe crisis at GBM is the result of external factors like the internet's growth and the disruptive technology of networking computers. The company was in a state of uncertainty about what they wanted to achieve and what could be done, as described by the adaptive cycle of change. It was now apparent that a new course was required. In the crisis, the current management was pushed to the breaking point. Changes could be brought about by a new management team, a quest for new markets, new alliances or coalitions, or mergers, according to Abcouwer & Parson. The GBMs' strategy to solving the situation was to look to a new external management for inspiration in order to generate fresh ideas for solutions. The next challenge would be choosing the best option and putting it into practice.

In 1993, Paul Maina became the CEO after being recruited from outside the company. He assumed total accountability for GBM's reconstruction. He "right-sized" the business, shifting its primary line of business from producing goods to providing services. Between 1994 and 2001, or nearly ten years, this happened. As a whole, GBM underwent a cycle of transformation that required adjustments to all business units' management structures and directions.

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to generate fresh ideas for solutions. The next challenge would be choosing the best option and putting it into practice. In 1993, Paul Mainawas became the CEO after being recruited from outside the company. He assumed total accountability for GBM's reconstruction.

Required:

- a) Give a brief overview of the GBM's issues that the incoming CEO needs to resolve. (6 marks)
- b) Describe a program for Organization Development that would be suitable for GBM. (12 marks)
- c) Examine the adjustments you would advise the incoming CEO to make in order to bring GBM into a new state of balance. (12 marks)

QUESTION TWO

- a) Describe organization development and identify three important trends driving organizational transformation today. (5 marks)
- b) Evaluate the general model of planned change. (10 marks)

QUESTION THREE

- a) Discuss the processes involved in developing an Organizational Development relationship. (6 marks)
- b) Examine open systems diagnostic model usually used to understand organizations. (9 marks)

QUESTION FOUR

- a) Assess the four types of interventions that comprise the main approaches to organization change that are now employed in organization development. (8 marks)
- b) Explain five types of actions that change agents must perform when planning and implementing changes. (5 marks)
- c) Outline any two contingencies influencing structural design. (2 marks)