



POST GRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF BUSINESS ADMINISTRATION

SMO 508 : ORGANIZATIONAL DEVELOPMENT AND CHANGE

DATE: 27TH JULY 2026

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:

MEDICARE HEALTH SERVICES

MediCare Health Services is a rapidly growing private healthcare organization operating several hospitals and outpatient clinics across East Africa. Over the last five years, the organization experienced significant growth due to increased demand for specialized healthcare services, digital health systems, and expanded insurance partnerships. As a result, senior management introduced several organizational changes aimed at improving operational efficiency, patient satisfaction, and service delivery.

The management initiated a major restructuring process that involved introducing electronic medical record systems, redesigning departmental reporting structures, decentralizing decision-making processes, and implementing performance-based evaluation systems for employees. In addition, the organization recruited external consultants to support the implementation of organizational development initiatives across its hospitals and clinics.

Despite these efforts, the organization encountered several challenges during the implementation process. Many employees resisted the proposed changes because they feared job losses, increased workload, and reduced autonomy within departments. Some senior medical practitioners complained that management failed to involve them adequately during the planning and implementation stages of the interventions. Communication gaps also emerged between management and employees, resulting in confusion, mistrust, and declining morale among staff members.

The consultants further observed that different departments responded differently to the interventions. While some units embraced teamwork, innovation, and process improvement, others remained highly

bureaucratic and resistant to change. The Human Resource department also reported increased employee turnover, interpersonal conflicts, and declining employee commitment within some branches of the organization.

In response to these challenges, the Chief Executive Officer requested a comprehensive review of the organization's intervention strategies in order to improve employee involvement, strengthen organizational effectiveness, and ensure successful implementation of change initiatives across the organization.

Required:

- a) Organizational development interventions are designed to improve organizational effectiveness and employee performance. Analyze five organizational development interventions that MediCare Health Services could implement in addressing the challenges experienced during the change process.

(10 marks)

- b) Effective organizational development interventions are influenced by several design considerations and implementation principles. Assess five factors that should be considered when designing effective OD interventions within MediCare Health Services.

(10 marks)

- c) Organizational change initiatives often encounter resistance from employees and other organizational stakeholders. Recommend strategies that management of MediCare Health Services can adopt in order to minimize resistance and institutionalize change successfully.

(10 marks)

QUESTION TWO

- a) Contemporary organizations increasingly rely on organizational development practices to enhance effectiveness and adaptability. Critically appraise the concept of Organization Development (OD) and examine the FIVE stems of OD practice.

(7 marks)

- b) Planned organizational change requires systematic inquiry and continuous feedback in order to achieve effectiveness. Analyze the Action Research Model as applied in organizational development practice. **(8 marks)**

QUESTION THREE

- a) Successful organizational development initiatives require clear agreements between change agents and client organizations. Critique three major issues commonly addressed during the contracting process in OD. **(6 marks)**
- b) Diagnostic frameworks continue to guide organizations in understanding organizational functioning and performance. Evaluate the role of diagnostic models in OD and deconstruct the Open-Systems Model. **(9 marks)**

QUESTION FOUR

- a) Effective diagnosis in organizational development depends on accurate and reliable information gathering processes. Classify the four major techniques used in gathering diagnostic data. **(4 marks)**
- b) Long-term organizational change requires mechanisms that sustain and reinforce new practices. Examine the key elements involved in institutionalizing OD interventions. **(5 marks)**
- c) Transformational change enables organizations to adapt to dynamic internal and external environments. Differentiate the characteristics associated with transformational change. **(6 marks)**