

The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

SMO 508: ORGANIZATIONAL DEVELOPMENT AND CHANGE

DATE: 7TH DECEMBER 2016

DURATION: 3 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:

Although the previous Chief Executive had led the Association of Esther Group out of local authority control to being a stable housing association in its own right, he had done this with a rather autocratic management style. Richard Kitson was determined to move the organization away from that. A rather coercive style – useful in some situations – can lead to a risk-averse culture and create dependency upon its leader. Creativity and innovation can also be stifled. There were elements of all of these in the previous culture. Richard managed this transition carefully. On the one hand he relied on voices from outside to feed back to staff and managers inside what sort of leader he was; and on the other hand he engaged in regular and open conversations with staff and all managers. Naturally they were apprehensive at first but, through staff briefings, conferences, small group and individual discussions, they saw that here was a man they could trust and follow, and who was open to ways in which they could contribute to the future. His initial style can be described as pace setting – knowing where he wants to go, having the intellectual firepower to argue his corner, encouraging people around him to participate in creating the future, leading from the front and by example and taking people with him. What was interesting was how the culture as a result shifted from one of, 'We don't normally do this' or, 'I'm not sure we can do that' to one of, 'Let's try' and, 'I think we can win this contract.' In the longer term Richard is aware that he needs to spread the leadership across the senior management more and down into the organization. His challenge is to sustain the success by becoming a leader who is primarily a facilitator or enabler and also to continue to build the leadership capacity throughout all parts of the Group. The relationship between CEO and Chairman has been a critical success factor. They share similar viewpoints and both operate on the basis of no surprises for each other. Once convinced of the other's arguments they are both willing to promote the arguments. The board seeks to challenge and test the ideas and suggestion from the management team and once satisfied that the thinking has been rigorous enough they tend to be happy for the managers to proceed. The Aster Board mirrors the Aster GMT in that they are focused on longer term strategic issues rather than this year's bottom line. And as such the operating businesses have considerable autonomy in terms of day-to-day operations.

James Park has been hired as the new CEO by the board of directors of GoSports Inc., a large national sporting goods retailer, which has been battling economic and

internal issues over the previous years. Despite Park's experience at the helm of large companies in need of profound strategic and structural change, in his new position at GoSports he has been "butting heads" with a powerful collective of executives unhappy with the hire and threatened by the new CEO's accolades. To complicate matters, rumor has it that the decision to hire Park was far from unanimous, with various factions vying for control in the company, waiting for a chance to fill the power vacuum a quick departure by Park would leave behind. After two weeks with the company, Park is called before the board of directors to report on the progress made and how he plans to return GoSports to its former glory.

Required:

- a) Discuss the leadership styles portrayed in the case of Esther Group. (8 marks).
- b) With reference to theories X, Y and Z, examine the management style portrayed in Esther Group (8 marks).
- c) Referring to GoSports Inc, discuss the dominating types of politics (6 marks).
- d) If you were James Park, how would you manage your stakeholders? (8 marks).

QUESTION TWO

- (a) It is believed that among the common factors/elements in any organisation, the people component is the most critical. Discuss (9 marks)
- (b) There are three (3) main approaches to measuring organizational effectiveness. Discuss the approaches as you compare effectiveness and efficiency (6 marks)

QUESTION THREE

- a) A high level of stress is accompanied by high blood pressure, high cholesterol and can result in heart diseases. Assess strategies for coping with stress in an organization (9 marks)

- b) Is organizational conflict good or bad? Analyze this question with reference to types of organizational conflict (6 marks)

QUESTION FOUR

- a) Group structure is a critical component in group formation. Examine four (4) aspects that a group structure should ensure. (8marks)
- b) Establishing a sense of urgency is the most important John Kotter's Eight-Stage Process for Creating Major Change. Discuss the three main aspects it contends with. (7marks)

$$\begin{array}{r} 25 \\ \times 10 \\ \hline 250 \end{array}$$

$$\begin{array}{r} 25 \\ \times 7 \\ \hline 175 \\ \hline 175 \end{array}$$