



KIBABII UNIVERSITY COLLEGE (KIBUCO)

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2014 /2015 ACADEMIC YEAR**

FIRST YEAR FIRST SEMESTER EXAMINATIONS

MAIN EXAMINATION

MASTERS DEGREE

IN

BUSINESS ADMINISTRATION

COURSE CODE: MBA 881

COURSE TITLE: STRATEGIC MANAGEMENT OF CHANGE

DATE: 16th DECEMBER, 2014

TIME: 5.00-9.00 P.M

INSTRUCTIONS TO CANDIDATES:

Answer Question ONE and any other Two Questions

TIME: 2 Hours

SECTION A COMPULSORY (30 MARKS)

Read the following case study and answer the questions that follow

Companies Try to change Employee's Behaviour Toward using Car Pooling, Mass Transit, Shuttles and Buses

For years in-house transportation gurus at companies across the country have been obsessing about how to cajole employees out of their cars. They have handed out massive transit passes, ordered fleets of luxury coaches, reserved premium parking spots for van pools, and filled locker rooms with toiletries and towels for those who bike to work. They have educated workers about evils of not only SUV but the SOV (Single Occupancy Vehicle). And they have appealed to the cooperate drudge's quest for happiness, brandishing research showing that those who travel to work alone in cars are the most miserable commuters of all.

Nothing however, has done as much for their cause as today's record prices for petrol. Employees who once sneered at the "bus people" or "bike freaks" are clamouring to sign up for all manner of company subsidized transportation programmes. "Every time gas prices rise, I get more and more employees who are taking our car pools or van pools or shuttle buses", says Schering – Plough's transportation chief Sheila Gist. This new golden age has Gist in overdrive, scheduling new routes for what has become Schering's own in-house transit system. In the past 1 year alone, Gist says, ridership is up by as much as 40%. Companies are big on breaking the car addiction because doing so raises productivity, amps morale, and delivers must lusted-after green cred.

The surge in oil prices has accelerated the trend. So have new corporate tax deductions for employer-subsidized transportation. Consider what is happening in Safeco. When the company moved to Seattle last year, it installed commuting concierges to help employees figure out how best to use the company's vouchers for mass transit, shuttles, car pools and ferries. Free rentals from Zipcar await those who need to run errands during the day. Safeco also encourages its staff to skip the commute altogether by offering free phone and broadband service for their home offices, as well as furniture stipend with which to decorate, today (in 2008), 90% of employees are not of their cars, up from 50% in 2006. The company is aiming for zero – car status. Says Safeco transportation analyst Brad Clark: "We are still working on that 10%"

Some companies can't meet the demand fast enough. After Microsoft rolled out new shuttle-bus service last fall, employees immediately howled for more routes. The plush wi-fi equipped coaches have become so widely popular –Strategy Chief Craig Mundie is a big fan-that when word leaked recently the Microsoft was doing the service; a group of Micro serfs hacked into the reservation system and filled up the new routes before they were even announced. Employee Bryan Keller used to commute alone in his 20-mpg Honda Pilot. "I have regained two hours of my day," he says. Using Microsoft's online "carbon calculator", Keller estimates he has saved 150 pounds on gas and dropped 1000 pounds of Carbon dioxide from his carbon footprint since he began using the service in October (2007).

- a) Which forces of change are causing organizations such as SAFECO and MICROSOFT to try and change employees' views about driving to work? Explain (5 marks)
- b) Thinking more broadly, will the price of gasoline create incremental or radical innovation for organizations? List and explain the type of industries that will be mostly affected. (5 marks)
- c) Discuss the methods that Safeco and Microsoft used to reduce employees' resistance to their work travel programs. (10 marks)
- d) To what extent would Safeco and Microsoft's travel programmes increase productivity? (10 marks)

SECTION B Answer any two questions (40 marks)

QUESTION 2

Explain Kurt Lewin's three step change process and the types of constraints in each of these stages. (20 marks)

QUESTION 3

State and discuss the techniques that an organization can use to overcome resistance to change in a hierarchical order citing relevant examples. (20 marks)

QUESTION 4

Discuss the major sources of power in an organization and how power can be used to influence members. (20 marks)

QUESTION 5

Explain the Path-goal model of leadership style and the effect of the two intervening variables in choosing the appropriate styles of leadership. (20 marks)