



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

COURSE CODE : MBA523
COURSE TITLE : CHANGE MANAGEMENT
DURATION : 3 Hours
DATE : 09 JUN 2025

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. **Section A** is compulsory
3. Answer any **FOUR (3)** questions from **Section B**
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []

SECTION A: Case Study

QUESTION 1

DIRECT BANKING

A successful Dutch-based telephone and internet bank (referred to here as Direct Banking) serves customers across much of Europe. Over the past 14 years, it has developed an organizational culture that values the customer and focuses everybody's attention on delivering exceptional customer service. Staff working in the service centres are not restricted to narrow 'scripts' when talking to customers and are encouraged to develop relationships with them in order to identify and satisfy their needs. Over 85 per cent of Direct Banking's customers have recommended the bank to their friends and family, and the quality of its communication with customers has been a major factor contributing to its success. Following a 10-year period of rapid growth, costs began to increase and margins were squeezed. A new CEO was appointed to tackle the problem. Soon after taking up his post, he brought in two new managers to replace two existing members of the bank's executive team. One of the displaced managers took early retirement and the other moved into a new role within the bank.

After being in post for just four weeks, the CEO informed the executive team that he wanted to introduce voice automation and routing (VAR). His vision was to drive down costs by using speech recognition-based technology to analyse in-bound calls in order to identify callers, why they are calling and what kind of transaction they required. In those cases where full automation of the transaction was not possible, he argued that partial automation could provide an intermediate solution by collecting routine data (such as account numbers and the service required) and routing the call to a specialized agent who could complete the transaction.

The new CEO was respected for his outstanding past record of using technical innovation to drive down costs and increase margins and, since joining the bank, he made good use of already established internal communication channels to convince others that radical change was required to restore the bank's profitability. However, some senior managers, who had been involved for over a decade in developing the bank's outstanding reputation for customer service, informed the CEO they were worried that the proposed automation would damage the brand and do little to rescue the situation. They were particularly concerned because the new CEO had no previous experience of running a service-oriented brand. The new CEO listened but was not diverted from his chosen way forward.

With the aid of his two new appointees, he managed the internal politics with considerable skill and convinced some of the doubters by suggesting ways in which the new technology could be adapted to increase its appeal to customers. A project team was established and set to work. At an early stage, the team informed the CEO that the third-party vendor who was to provide the VAR technology felt that the plans to modify the system to address possible customer concerns were too ambitious. This feedback did little to modify the CEO's view and he persisted with his plan to implement VAR. It was not until relatively late in the change process that the CEO's assumptions about customer acceptance were tested. The results from focus groups with customers were so negative that it was obvious that implementing VAR would do serious damage to the brand. It was this belated feedback that eventually forced the CEO to revise his position and abandon the project.

QUESTIONS

- a) Discuss the change triggers facing the Dutch-based telephone and internet bank. (10 marks)
- b) Discuss the major causes of resistance faced by the new CEO. (15 marks)
- c) From the context above, discuss the significance of organizational learning in successful change implementation. (15 marks)

(Total 40 marks)

SECTION B: Answer any (3) questions

Question 2

'Success is guaranteed by operationalizing the McKinsey's 7Ss Framework in change implementation.' Examine this statement using examples. (20 marks)

Total marks [20]

Question 3

'When change is being resisted, it becomes prudent to maintain the status quo'. As a change management specialist evaluate this statement in light of examples. (20 marks)

Total marks [20]

Question 4

Making use of examples, examine the significance of the Theory of Planned Behaviour in orchestrating organizational change. (20 marks)

Total marks [20]

Question 5

In light of examples, critically examine the contribution of Kubler-Ross' copying cycle when operationalizing organizational change. (20 marks)

Total marks [20]

.....**END OF THE EXAMINATION**.....

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