

ZIMBABWE EZEKIEL GUTI UNIVERSITY



DEPARTMENT OF BUSINESS STUDIES

COURSE: CHANGE MANAGEMENT

COURSE CODE: CMA405

DURATION: 3 HOURS

15 JUNE 2018

INSTRUCTIONS TO CANDIDATES

1. No cell phones are allowed in the examination venue.
2. Answer ALL questions in Section A and any THREE questions in Section B
3. Begin each question on a new page.
4. The number of marks allocated to each question or part question is shown in brackets
5. All questions carry twenty five marks

SECTION A

Answer all questions from this section

QUESTION 1

Case study

UK Coal

The state-owned coal industry in the UK was privatized in 1994–95. At that time, UK Coal operated about 20 deep mines and the same number of opencast mines. By 2004, turnover was down by half and the number of mines had reduced by more than 50 per cent. The main reason for the closure of many of UK Coal's deep mines was the exhaustion of economically viable reserves. New mines were not developed to replace those that had been closed because the continuing downward trend in world coal prices had undermined the business case for new investment.

The exhaustion of economically viable reserves was not the only problem. Other problems included environmental opposition to the burning of coal with high sulphur content. Imported coal was more attractive to major customers (the power generators) on this count as well as on price. Another factor was the considerable capital investment required to develop a new deep mine.

The change strategy

The reduction in the number of deep and opencast mines encouraged UK Coal to begin looking for ways of improving the company's operating efficiency. One way of achieving this was to reduce the overhead cost of its central corporate headquarters by making each mine more autonomous and delegating to each unit a wider range of activities than used to be the case. Alongside this restructuring, UK Coal introduced a continuous improvement programme across all the remaining deep mines in order to make them more efficient and ensure their long-term survival.

Confronted with ever diminishing opportunities to grow the mining business, UK Coal also began to reappraise its assets and consider how it might revise its theory of business. It decided to explore the possibility of redefining the company as a land and property management and mining company. This reorientation involved many changes, including bringing new senior managers into the organization with competences in the area of land and property management.

QUESTIONS

- a) Identify the change drivers facing UK Coal and discuss their impact on company performance. (12 marks)
 - b) Evaluate the change strategy being pursued by UK Coal. (13 marks)
- (Total 25 marks)**

SECTION B

Answer any three questions from this section

QUESTION 2

- a) Using examples distinguish between the following
 - i) Organizational Learning and Learning Organization (3 marks)
 - ii) Evolutionary change and Revolutionary change (3 marks)
 - b) 'The Zimbabwean business environment is so drastic that coming up with a change management plan is not a prerequisite for organizational success.' Discuss this proposition in light of examples. (19 marks)
- (Total 25 marks)**

QUESTION 3

'Paying attention to employee grievances and resistance to change is an outdated change management style. Employees are meant to follow what is their leaders want.' Evaluate the rationality of that statement in light of Zimbabwean examples. (25 marks)

(Total 25 marks)

QUESTION 4

Your CEO believes that employees will never be satisfied, accordingly there is no need to waste time motivating them. However, your CEO is open to hear from you as a marketing manager. Write a memo to the CEO of your organization evaluating his point of view with the purpose of enhancing organizational performance.

(Total 25 marks)

QUESTION 5

Making use of examples critique the communication styles which can be adopted when influencing subordinates and recommend the best one according to your own judgment. (25 marks)

(Total 25 marks)

*****END OF PAPER*****