KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

BBA 829: MANAGEMENT OF STRATEGIC CHANGE

DATE: MONDAY 12TH FEBRUARY 2018 TIME: 5.30 P.M. – 8.30 P.M.

INSTRUCTIONS

Answer Question ONE and any other THREE Questions

Question One

CHANGING HOW NAIROBI CITY COUNTY IS GOVERNED: A CASE STUDY

Background

Its slightly over a hundred years since the inception of Nairobi city by the British (1899) as a simple rail deport along the railway linking Uganda and Mombasa. Since its inception, Nairobi city has grown in leaps and bounds from a railway depot to the Capital of British East Africa in 1907 to its current status as the economic and transport hub of East Africa. However, this growth in most cases was never checked with good governance, adequate planning and enforcement of regulations and by-laws; this has led to a lot of challenges. While developments continued and continue to sprout across the city, certain essential sservices, public utilities and amenities are at a breaking point or continue to be sorely missed.

Introduction

Governor Mike Mbuvi Sonko took over as the city's second governor riding on a wave of promises and disaffection with Evans Kidero's administration. In an ambitious manifesto, the Governor and his former deputy, Polycap Igathe, formulated a seven-point plan that was meant to 'cure' the ailing city. However, six months into the new administration, there has been little change in the fortunes of the County. However, in his defense, the Governor points out that there are a number of things his administration has achieved since taking office, including increasing and streamlining revenue collection, curbing corruption, acquisition of modern pothole patching machines that are already fixing roads within the city and establishment of a state-of-the-art data center to better service delivery in the city. Furthermore, he adds that they have also managed to pay off a bank overdraft of close to sh. 1 billion accrued from the previous administration and are able to pay staff salaries directly, which has seen the end of the constant downing of tools by county staff.

Key Challenges

The newly established County governments are grappling with challenges of embezzlement of public funds, loss of revenue collected and payments to ghost workers, a recent research by the Kenya Anti-Corruption agency has revealed. This has seen massive public resources mismanaged at the expense of the development that they were intended for. Other malpractices included nepotism, failure to comply with laws and regulations related to procurement, financial management, recruitment and project management. In the case of Nairobi, poor governance and lack of planning are blamed for the numerous challenges facing the County. Some of the key challenges that have been identified in various fora include inadequate social services like housing, schools and hospitals, poor garbage disposal service, inadequate clean water supply, poor public transport system, high crime rate due to youth unemployment, HIV and AIDS pandemic, poor drainage and sewerage systems, environmental pollution from industries and traffic jams/congestion.

Survival;

At the moment, the new County Government is experiencing serious financial constraints that have made it difficult for the County to meet its monthly obligations as well as settle debts accrued by its predecessor and particularly settle the sums issued against it. According to reports in the media, Nairobi City County has huge amounts of debt accrued from the previous administration and the said amounts cannot be settled immediately owing to the governing laws on appropriation of public funds before use. Moreover, the infighting within the leadership ranks of the Nairobi County Government has seen the resignation of the Deputy Governor less than six months after taking office.

The Future

Despite the challenges, the County Government remain optimistic about the future, insisting that one cannot effectively rate a cosmopolitan County like Nairobi within 100 days. His biggest priority now is closing in on the city cartels that were inherited from the previous administrations who have messed the city. "Very soon, Nairobians will see the effects of these milestones," he promised. It remains to be seen how the Governor will run the affairs of the County moving forward as all eyes will now be on him.

a) Use Kurt Lewin's Force Field Analysis model, discuss the strategic change management issues in the context of Nairobi County Government (12 marks)

b) Based on your understanding of the case, summarize the main components of Kotter's Eight Steps Model for Change. (10 marks)

c) When it comes to managing strategic change, there are four strategies that both individuals and organizations can employ to ensure success. List and describe these four strategic change options that could be employed by the new Nairobi County Government (8 marks)

Question Two

a) With the help of a diagram, illustrate the four key types of strategic change alternatives that are available for consideration by organization design specialists? (6 marks)

b) Briefly review the various categorization of change interventions (4 marks)

Question Three

a) There are five indicators that can be used to assess the level of institutionalization of an OD intervention. Discuss this statement. (5 marks)

b) When it comes to managing strategic change, there is too often an overemphasis on individuals at the top of an organization. It is useful to think of change agency more broadly by considering all the stakeholders. Identify and describe these stakeholders. (5 marks)

Question Four

a) McKinsey's seven (7) s model is one of the most popular/widely-used organization strategic change management framework. Identify and outline the 7 key internal elements of the 7s model which is effectively aligned to allow organization to achieve its objectives. (7 marks)

b) Outline the three key aspects/traits marking off organizations from other types of social units, such as families and friendship circles. (3 marks)

Question Five

a) In 1980, Edgar Schein, the American management professor developed an Organizational culture model to make culture more visible within an organization. With the help of a diagram, outline its central tenets and how they help to bring about cultural change (6 marks)

b) What are the four R's of Transformational Change that a new CEO should institute so as to avoid the possibility of organizational failure in the near future? (4 marks)