



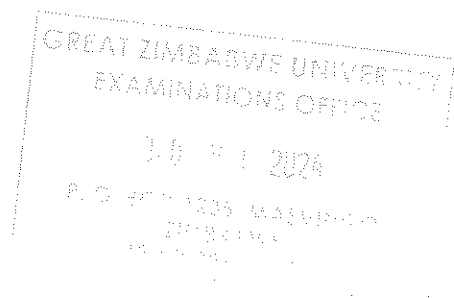
**JULIUS NYERERE SCHOOL OF SOCIAL SCIENCES**  
**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**  
**MASTER OF SCIENCE DEGREE IN HUMAN RESOURCE MANAGEMENT**  
**LEVEL 1 SEMESTER 1**  
**EXAMINATION QUESTION PAPER**

**MODULE CODE**                      **HRMM 514**  
**MODULE NARRATION**            **MANAGING ORGANISATIONAL CHANGE**  
**DATE**  
**DURATION**                         **3 HOURS**

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**INSTRUCTIONS TO CANDIDATES:**

- Answer question **one** in section A and any **two** questions in section B.
- Section A carries **40** marks and each question in section B carries **30** marks.
- Questions may be answered in any order.



## SECTION A

**Read the following case-based extract and answer the questions that follow:**

**Read the following case-based extract on Alan Mulally's Ford Turnaround Story and answer the questions that follow:**

This case describes the corporate turnaround of the Ford Motor Company under the charismatic leadership of Alan Mulally. Ford was in deep trouble in the early 2000s as its prices and debt ratings plummeted and employee morale suffered. In 2006, the company anticipated a loss of \$17 billion. Ford's declining product quality and lackluster designs led to declining sales. Moreover, the company struggled with a dysfunctional, ego-driven corporate culture. External factors like rising oil prices and raw materials costs also posed problems. To address these widespread challenges, Bill Ford, then CEO of Ford and great-grandson of Henry Ford, recruited Alan Mulally from Boeing, who had turned around that company in the wake of the 9/11 attacks. Mulally developed and implemented an ambitious transformation of Ford; his plans included instituting accountability among senior executives using a data-driven approach that eventually trickled down to frontline employees and simplifying Ford's product line, portfolio of brands, and organizational structure. The sweeping restructuring and culture change allowed Ford to once again, become a profitable automaker.

Alan had the courage and the humility to admit openly that he didn't know the answers. Can you guess what would have happened if Alan, instead of admitting that he didn't know, would have postured to know the answers? When the idea comes from the boss, people just jump on the idea. Instead of fixing the real problem, chances are that the team would implement the boss's idea to please him and get on his good side! Alan had the discipline and the courage to say – "I don't know" openly so the people who really know can start working on the problem!

Alan had to make some tough decisions. He had to sell many of Ford's luxury brands like Jaguar, Land Rover, Volvo, and Aston Martin. He had to renegotiate the unreasonable union contracts. Internally, he had to break down the silos and remove the fiefdom mentality through his "One Ford" plan. Alan Mulally had zero tolerance for bad behaviors as well as any deviation from established norms. No sarcasm or jokes at the expense of other team members. There was no gossip and no talking behind the back. Any feedback had to be delivered directly to the person and his/her face. Everyone had to pay attention during the meetings: no cross-talk, no checking on emails, and no phone calls. Alan clearly led by example. He would stop the meeting and ask the person to use the phone or check emails if it was more important than attending the

meeting. Discuss issues and suggest ideas based on merit: no ego pampering, no silo mentality, no individual goals at the expense of team results.

### **Questions**

- 1a. In what ways did Allan Mulally change the culture at Ford Motor Company? **(10 marks)**
- b. With reference to Schein's model, which aspect(s) of organisational culture did Mulally target and why? **(15 marks)**
- c. Discuss how culture does not merely have the potential to eat strategy for breakfast, but may also eat change agility for lunch and innovation for dinner **[15 marks]**

### **SECTION B**

1. 'The interrelationship between structure and change strategy is quite confounding. On one hand, structure follows the change strategy - the common case. On the other hand, strategy follows structure - the rare case'. Discuss
2. Discuss the relevance of any **five** contextual issues in the management of change according to the change kaleidoscope by Hailey & Balogun (2004).
3. Discuss the internal processes that a company of your choice could put in place to; identify the need for change, drive and monitor change interventions.
4. Contrast the following planned change approaches:
  - a. organisational transformation
  - b. organisational development
  - c. business process engineering

**END OF EXAMINATION**