



MANICALAND STATE UNIVERSITY OF APPLIED SCIENCES

FACULTY OF AGRIBUSINESS AND COMMERCE

DEPARTMENT: BUSINESS MANAGEMENT

MODULE: CHANGE MANAGEMENT

CODE: HBM 411

SESSIONAL EXAMINATIONS
NOVEMBER 2022

DURATION: 3 HOURS

EXAMINER: MR. N. MAKIWA

INSTRUCTIONS

- 1. Answer all questions in Section A and any three questions in Section B.*
 - 2. Section A carries 40 marks whilst Section B carries 60 marks.*
 - 3. Total marks 100.*
 - 4. Credit will be given for appropriate use of examples.*
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SECTION A: COMPULSORY

(Answer all questions in this section. Section A carries 40 marks)

Read the following case and answer the questions that follow.

Question 1

Coca Cola is a retailer, marketer and manufacturer of non-alcoholic drinks and is known worldwide for its coca cola beverage. In addition to its coca cola brand, Coca Cola Company offers 500 beverages and non-beverages brands in about two hundred countries. The company was founded by Asa Candler in year 1892. Its headquarter is located in Atlanta, Georgia of United States of America. The company had total net income of approximately 11.8 billion US dollars in year 2010 with total number of employees 139,600 worldwide. Company's brand i.e. Coca Cola stands number one in the list of most well-known brands of the world (Coca Cola company, 2006-2011).

Coca Cola is a type of company that requires making changes in its products and business strategies according to the consumer expectations and external environment. Here in this study we would quote different examples from coca cola Corporation's history and will examine that what were the triggering events for opting the change and what strategies the company developed and implemented in order to successfully going through the transitioning process.

The need for change in an organization is often created by external and internal factors, where external ones encompass governmental laws, labor markets, market conditions, economics scenario etc. and internal factors are the workforce, resources, attitudes of workers and strategy adopted by the organization (Robbins and Coulter,

2008). Coca Cola Corporation is among one of the oldest corporations of the world. It has gone through many internal and external changes since it has been in existence. The company has used techniques of change management in order to survive from the consequences of those events.

The company has faced a lot of external changes, for example in world war II, the company was able to manage its existing position at that time and also entered in many new markets and discovered new niches (Coca Cola company, 2006-2011). The company also provided free drinks to soldiers which were the part of its strategy to become a patriotic symbol for the people of the country. Also it boosted the sales, so the company achieved two objectives by carefully planning to respond to that external environmental change. The plants developed by the company in war era helped its expansion after the war.

Barton et al (2002) reported that Coca Cola Corporation adopted acquisition strategy in time of Asian financial crisis. The company acquired bottling, coffee and tea shop businesses in Korea and Malaysia. Beverage is a type of industry where tastes and preferences of the consumers change on continuous basis. Coca Cola Company also responded to such consumer changing behaviors in an effective way by developing new products like Diet Coke and Coca Cola Zero. The company also committed a marketing blender when a rival company launched a black beverage with comparatively sweet and smooth taste. The product was named as new Coke. But the sales gradually went down and company faced severe consumer critics and protests. The company managed this situation very commendably by restoring the old formula and naming the bottle as diet coke (Kotler and Armstrong, 2010). As people are becoming more health conscious and willing to invest on health based products, coca cola is developing juices and various energy drinks as well. This shows the

company's strategy to responding varying consumer tastes and expectations and changing itself according to it.

The coca cola company used theory of organization change presented by Kotler (1996) which elaborated the procedure to manage change on the people dimension of the organization. In addition to making operational and strategic changes, the company also changed its advertising strategy by targeting various groups of consumers like American consumers, African consumers, Middle and far eastern consumers and European consumers. The company altered the packaging of its coca cola brand and developed more product lines and broadened them globally (The Coca-Cola company case).

The present condition of Coca cola Company worldwide is very good. The company is selling its beverages throughout the world successfully. But in some countries, coca cola stores are not as according to the company's main marketing, inventory and efficiency theme. The company is planning to align its performance standards according to its own corporate culture and strategies with the help of a comprehensive change management plan. These changes will be implemented within the business operations and management of the company.

Required:

- a) Define change management. (5 marks)
- b) Explain any 3 external forces of change in the case study indicating how they can influence change. (15 marks)
- c) Explain how change has benefited Coca Cola over the years. (10 marks)

d) Explain any three mistakes managers can make during change process.

(10 marks)

[Total marks: 40]

SECTION B

*(Answer any **three (3) questions** from this section. Each question carries 20 marks)*

Question 2

Change in any organisation is inevitable. Discuss.

[20 marks]

Question 3

Manicaland State University of Applied Sciences is planning to move entirely online. Advise them on how they can use Kotter's 8 step model to manage the transition.

[20 marks]

Question 4

People react differently to change. Using the grief cycle by Kubler-Ross, explain using practical examples the stages of the model and the support management should give to employees at each stage.

[20 marks]

Question 5

Using practical examples, discuss the strategies managers can use to influence the acceptance of change in any organisation of your choice.

[20 marks]

Question 6

A change agent can be internal or external to the organization. Which one would you prefer? Justify.

[20 marks]

END OF EXAMINATION PAPER