





**SECTION A: MULTIPLE-CHOICE QUESTIONS****[40 MARKS]**

Answer the following multiple-choice questions on the mark-reading sheet provided  
Copy your answers to these questions into the table on page 15 to ensure that there is a record of your answers should the mark-reading sheet get lost

- 1 Which one of the following statements regarding the **roles and expectations of workers** in the **Knowledge Era** is **false**?
- 1 Jobs require workers to have a much higher level of technical skill
  - 2 Workers need to depend on facts and focus on procedures
  - 3 Permanent workers are replaced with temporary workers
  - 4 Workers actually own the means of production

**Questions 2 and 3**

Match the appropriate **feature of a "new" organisation** in **Column B** to the **management challenge** described in **Column A**

<b>Column A</b> <b>Management challenge</b>	<b>Column B</b> <b>Feature of a "new" organisation</b>
2 Fewer opportunities for promotion	1 Flexibility
3 Multitasking	2 Networked
	3 Flatter and leaner
	4 Workforce diversity

- 4 During **step five** in **Kotter's eight-step process** for successful change, managers should \_\_\_\_\_
- 1 plan and create visible performance improvements
  - 2 develop strategies to make the vision a reality
  - 3 empower those who want to embrace change
  - 4 stress the need for change

[TURN OVER]

**MNG2602**

( 475445)

May/June 2017

**Contemporary Management Issues**

Duration 2 Hours

70 Marks

**EXAMINERS**  
FIRST  
SECONDMRS L CRONJE  
MS I VAN WYK**Closed book examination**

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue

The use of a calculator is **not permissible**

This fill-in examination paper consists of **24 pages**, including two "additional space" pages (pp 21–22), two pages for rough work (pp 23–24), and instructions for the completion of a mark-reading sheet

**This is a fill-in examination paper. The completed paper as well as the mark-reading sheet must be submitted at the end of the examination session.**

**INSTRUCTIONS**

This examination paper consists of **two sections**

**Section A: 40 multiple-choice questions**, worth **1 mark each**, which you must answer on the **mark-reading sheet**

**Section B: Five written questions** worth **30 marks in total**, which you must answer in the space provided in this fill-in examination paper

Please ensure that you have filled in the following information on the mark-reading sheet:

- your student number
- the module code **MNG2602**
- the unique number of the examination paper **475445**

**Important: Copy your answers for Section A into the table provided on page 15 of this examination paper to ensure that there is a record of your answers should the mark-reading sheet get lost.**

[TURN OVER]

**Questions 5 and 6**

Consider the following methods managers can use to overcome **resistance to change**, and answer questions 5 and 6

- a manipulation and co-optation
- b education and communication
- c negotiation and agreement
- d facilitation and support
- e participation and involvement
- f explicit and implicit coercion

5 When resistance to change is caused by fear and anxiety, \_\_\_\_\_ can be an effective way to **overcome this resistance**

- 1 b
- 2 d
- 3 e
- 4 f

6 The **method** that involves giving an individual or leader a role in the implementation of a change initiative, not to obtain the participation of the individual but to secure his/her endorsement of the initiative, is \_\_\_\_\_

- 1 a
- 2 c
- 3 d
- 4 f

7 The "new broom" effect refers to \_\_\_\_\_ which is an \_\_\_\_\_ **force of change**

- 1 social forces, external
- 2 power and politics, internal
- 3 changes in top management, internal
- 4 pressure from stakeholders to grow, external

- 8 Managers initiate and implement \_\_\_\_\_ **change** when **preparing** for changes in the organisation's environment
- 1 planned
  - 2 punctuated
  - 3 incremental
  - 4 revolutionary
- 9 Quinn and McGrath (1985) identify four **types of culture**, namely the \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and hierarchy culture
- 1 power, process, logic
  - 2 market, adhocracy, clan
  - 3 person, authority, passive
  - 4 role, aggressive, constructive
- 10 The \_\_\_\_\_ **culture**, as categorised by Trompenaars and Prud'homme (2004), is typified by low risk and slow feedback on actions and decisions
- 1 role
  - 2 person
  - 3 market
  - 4 process
- 11 A(n) \_\_\_\_\_ **strategy** will be appropriate to **manage organisational conflict** in a situation where a high level of willingness to focus on others, and a low degree of assertiveness are present
- 1 avoidance
  - 2 collaboration
  - 3 compromise
  - 4 accommodation

- 12 The \_\_\_\_\_ **influence tactic** is applied when an individual uses friendliness, humour or flattery before making a request to another individual
- 1 ingratiation
  - 2 exchange
  - 3 pressure
  - 4 coalition
- 13 Which one of the following **influence tactics** involves the agent using the support of others as an argument to convince the recipient to agree?
- 1 Inspirational appeals
  - 2 Rational persuasion
  - 3 Ingratiation
  - 4 Coalition
- 14 **Max Weber** identified three **types of authority**, namely charismatic, traditional and \_\_\_\_\_
- 1 bureaucratic
  - 2 legitimate
  - 3 informal
  - 4 referent
- 15 Which one of the following options indicates sources (or causes) of **intergroup conflict**?
- 1 Communication breakdowns and role incompatibility
  - 2 Environmental stressors and jurisdictional ambiguity
  - 3 Task interdependence and power and status differences
  - 4 Competition for scarce resources and personal differences

**Question 16**

Consider the following steps that occur in the second and **final phase** of the **negotiation process** and answer question 16

- a Allow the other party to make the first offer
- b Focus on the issues, not the individuals
- c Do not rush into the agreement
- d Make sense of the other party's needs

16 Place the steps in the negotiation phase listed above in the **correct sequential order**

- 1 b, a, d, c
- 2 a, c, b, d
- 3 b, c, a, d
- 4 a, b, d, c

17 The **strategic analysis phase** of the strategic management process has three steps \_\_\_\_\_ requires managers to think about ways to carry their organisation into the future

- 1 Developing a vision
- 2 Analysing the environment
- 3 Formulating a mission statement
- 4 Identifying key performance areas

18 \_\_\_\_\_ is an **integration model** of how the organisation conducts its business

- 1 Strategic leadership
- 2 The mission statement
- 3 An environmental analysis
- 4 Organisational architecture



**Questions 19 to 20**

Match the appropriate description in **Column B** to a quadrant of the **Boston Consulting Group growth/share matrix** in **Column A**

<b>Column A</b> <b>Quadrant of the matrix</b>	<b>Column B</b> <b>Description of quadrant</b>
19 Stars	1 Strategic business units with a high market share and a low market growth rate
20 Cash cows	2 Strategic business units with a high market share and a high market growth rate
	3 Strategic business units with a low relative market share and a high relative market growth rate
	4 Strategic business units with a low market share and a low market growth rate

21 In the \_\_\_\_\_ stage of group and team development members become more assertive and opinionated

- 1 forming
- 2 norming
- 3 storming
- 4 performing

22 The **group behaviour model** depicts five variables that \_\_\_\_\_

- 1 influence the development and effectiveness of work groups in organisations
- 2 group members need to overcome in order to function as a cohesive unit
- 3 represent the stages of the development of groups
- 4 predict the performance of individuals in groups

[TURN OVER]

- 23 A variable that defines **group structure** is \_\_\_\_\_
- 1 performance management
  - 2 group decision-making
  - 3 personnel selection
  - 4 leadership
- 24 Which one of the following is **not** a condition for an **effective team**?
- 1 Widespread acceptance and commitment are critical to the successful implementation of a response to a situation
  - 2 The problem is relatively complex, uncertain and holds the potential for conflict
  - 3 The problem and its solution have important organisational consequences
  - 4 There are tight and immediate deadlines

### Questions 25 to 40

Read the following Shoprite Holdings Ltd case study and answer questions to 25 to 40

### SHOPRITE HOLDINGS LTD

---

#### Milestones between 1984 and 2010

Shoprite Holdings was established in the Western Cape, in 1979, with the purchase of eight supermarkets. In 1984, Shoprite sped up its growth tremendously by buying another six supermarkets from Ackermans. In 1986, Shoprite Holdings was listed on the Johannesburg Stock Exchange (JSE) with a market capitalisation of R29 million. It then owned 33 outlets.

In 1990, Shoprite opened in Namibia. Within the four years of listing on the JSE, Shoprite increased its outlets four-fold by acquiring Grand Bazaars. In 1991, it grew almost six-fold when purchasing the national Checkers chain of fast-moving consumer goods retailers. By March 1995, the Group was able to open its first store in Central Africa – Shoprite in Lusaka, Zambia. In August of the same year, Shoprite utilised a golden opportunity to increase its distribution substantially by acquiring their central buying and distributing organisation, then known as Sentra.

[TURN OVER]

In 1997, Shoprite acquired the ailing OK Bazaars Group from SAB. This strategic expansion move added 157 super- and hyper-sized supermarkets and 146 furniture stores to the Group. The Group also invested in a development in Mozambique and opened its first store in Maputo. All the OK stores in Swaziland were converted into Shoprite stores and a year later the same process was followed in Botswana.

In 2001, the first of seven supermarkets opened in Egypt, taking Shoprite into the North African market. The Group also started operating in Malawi and Lesotho. Then, in 2002, the Markinor-Sunday Times Top Brands Survey scored the Checkers brand 1st place on a brand relationship score in the Grocery Store Sector. Shoprite was ranked 2nd, Shoprite Checkers 3rd and the OK brand took 4th place.

In 2003, the Group also opened its first stores in Ghana and Angola and made a start with the rollout of the highly successful new Usave chains. Usave removed the cost of packing and pricing out of the value chain. Through bulk buying directly from the manufacturers, Shoprite managed to drop their prices even more. The Usave chain's focus is the lower income groups who would always buy only from the best priced retailers. This chain made customers aware that at Shoprite, they could get the best quality, best price and service.

During 2006, the Group withdrew from Egypt due to ongoing restrictions on retailing. Its seven stores were sold, resulting in a loss of R19,9 million. Then, in 2009, the Group acquired Transpharm, a pharmaceutical wholesale company.

In 2010, Shoprite made the decision to withdraw from India owing to the financial crisis in the United States of America and elsewhere in the world. Its five stores were sold, resulting in a loss of R13,9 million. In 2012, the Group's Shoprite brand was rated as the most valuable retail brand in South Africa by Brand Finance with an estimated value of R8,9 billion.

### **Shoprite's top management: a dynamic team**

Shoprite's headquarters are located in the Western Cape Province of South Africa. The top management team consists of the CEO, Dr JW Basson, the Deputy Managing Director, Mr CG Goosen, the Chief Financial Officer, Mr M Bosman, and the Chairman of the Board, Dr CH Wiese. This team is a dynamic group of people, each bringing their own strengths to Shoprite's top management. As a team, they interact to share information and make decisions that will help each member perform within his own area of responsibility. Dr Basson presides over the team and is a very disciplined and focused person. Since he takes the time to get to know all his colleagues personally, he is well liked and respected by everyone. Mr Goosen, while introverted, is very imaginative and intelligent. In contrast, Mr Bosman is extroverted and sociable and liked by all his subordinates, and Dr Wiese is supportive and understanding. Mr Goosen is an avid rummy player and when all of the team

[TURN OVER]

members are having a quiet day, they would sit and play cards during their lunch hour

### **Mobile Soup Kitchen project: providing a meal of hope**

The Shoprite Mobile Soup Kitchen project aims to distribute daily meals of nutritious soup and bread to the poorest communities in South Africa to alleviate the plight of especially children and senior citizens, as well as the thousands of families affected by unemployment. At present, Shoprite deploys a total of 22 roaming soup kitchens that distribute over 600 000 cups of nutritious soup and bread per month. In times when natural disasters, such as fires or floods, affect a community, they deploy mobile units to offer relief in the affected areas. Shoprite counts on a number of partners for support of this project, namely Royco, Albany, Mercedes, Toyota, Volkswagen, UD Trucks and Fuso.

The managerial team of the Mobile Soup Kitchen project analyses the environment to determine where help is needed in South Africa, and each soup kitchen works on a different project. Ms Estelle Morena is responsible for overseeing all the projects. She appointed Mr Etienne Botha to be responsible for one of the soup kitchens located near Brits, in the North West province, where a residential fire recently caused great destruction. Mr Botha's responsibilities include the planning, execution and control of this soup kitchen. His goal is to provide people who have lost their homes with a warm meal until they are able to cook for themselves again. His team consists of five other individuals, who help to prepare the soup and distribute it to the local Brits community, as well as cleaning up afterwards.

#### **Adapted from**

Shoprite Holdings Ltd 2016 Feeding Programme Available online <http://www.shopriteholdings.co.za/Sustainability/CommunityEngagement/Pages/Feeding-Programme.aspx> Accessed June 2016

Shoprite Holdings Ltd 2016 History Available online <http://www.shopriteholdings.co.za/OurGroup/Pages/History.aspx> Accessed June 2016

Shoprite nd Mobile Soup Kitchen Available online <http://web.shoprite.co.za/shoprite-community-initiatives/shoprite-mobile-soup-kitchens.html> Accessed June 2016

Shoprite Holdings Ltd 2016 Usave Available online <http://www.shopriteholdings.co.za/OurBrands/Pages/Usave.aspx> Accessed June 2016

#### *Disclaimer*

*We try our best to include real-world information and facts in the case studies we use. However, in order to assess your knowledge on a variety of topics covered in the syllabus, fictional information has been included. Access the company's website and download their integrated reports for a true reflection and background of the company, its milestones and how it operates.*

[TURN OVER]

- 25 The **variable** in Shoprite's environment that caused them to open the Usave chain in 2003, is **most likely** the \_\_\_\_\_
- 1 increased power and demands of the customer
  - 2 radical transformation of the world of work
  - 3 growing importance of intellectual capital
  - 4 new roles and expectations of workers
- 26 When considering the answer to question 25 above, it can be said that the \_\_\_\_\_ **feature of the "new" organisation** was evident when Shoprite opened the Usave chains
- 1 flexibility
  - 2 networked
  - 3 flatter and leaner
  - 4 workforce diversity
- 27 The **variable** that was most evident in 2001, and that influenced Shoprite to change was \_\_\_\_\_
- 1 increased power and demands of the customer
  - 2 the growing importance of intellectual capital
  - 3 the transformation of the world of work
  - 4 globalisation and the global economy
- 28 The variable that influenced Shoprite to change, as identified in question 27, comes with various **management challenges** such as \_\_\_\_\_
- 1 understanding the diverse cultures of the individuals involved
  - 2 the fact that there are fewer opportunities for promotion
  - 3 developing the skills of managers as team members
  - 4 developing systems for conflict resolution

- 29 The reason for divesting from India in 2010 is an \_\_\_\_\_, \_\_\_\_\_ **force of change**
- 1 external, economic
  - 2 internal, power and politics
  - 3 internal, change in strategy
  - 4 external, international/global
- 30 During which year did Shoprite follow a **market development strategy**?
- 1 1984
  - 2 1990
  - 3 1991
  - 4 2009
- 31 The **corporate combination strategy** Shoprite followed when enlisting partners to work with in their Mobile Soup Kitchen project is a/n \_\_\_\_\_
- 1 strategic alliance
  - 2 joint venture
  - 3 acquisition
  - 4 merger
- 32 When acquiring the OK Bazaars Group in 1997, and Transpharm in 2009, Shoprite implemented a/n \_\_\_\_\_ **growth strategy**
- 1 unrelated diversification
  - 2 concentric integration
  - 3 forward integration
  - 4 concentration
- 33 Shoprite implemented a \_\_\_\_\_ **corporate decline strategy** in 2006
- 1 turnaround
  - 2 harvesting
  - 3 divestiture
  - 4 liquidation

- 34 *"The 2002 Markinor-Sunday Times Top Brands Survey scored the Checkers brand 1st place on a brand relationship score in the Grocery Store Sector"*

In this extract, **the Checkers brand** is an example of a/n \_\_\_\_\_ when **analysing Shoprite's environment**

- 1 threat
- 2 strength
- 3 weakness
- 4 opportunity

- 35 Mr Botha and his team who run the Brits Mobile Soup Kitchen can be seen as a \_\_\_\_\_ **group**

- 1 task
- 2 interest
- 3 informal
- 4 command

### Questions 36 to 40

Read the section titled "Shoprite's top management a dynamic team" and answer the following questions

- 36 Mr Bosman has \_\_\_\_\_ **power** because of his position at Shoprite, which allows him to \_\_\_\_\_

- 1 legitimate, make decisions about resource allocation
- 2 personal, gain respect because of his personality
- 3 reward, offer or restrict employee benefits
- 4 formal, instil fear into subordinates

- 37 The power that Dr Basson possesses because of his charisma can be classified as being \_\_\_\_\_ **power**

- 1 expert
- 2 referent
- 3 coercive
- 4 rational-legal

[TURN OVER]

38 In their organisational capacity, the top management team is a/n \_\_\_\_\_,  
\_\_\_\_\_ **type of group**

- 1 informal, friendship
- 2 informal, interest
- 3 formal, work
- 4 formal, task

**Questions 39 to 40**

The following questions are based on **Belbin's classification of team members**.

39 Dr Basson fulfils the **team member role** of the \_\_\_\_\_

- 1 plant
- 2 chairperson
- 3 monitor-evaluator
- 4 resource-investigator

40 Mr Goosen fulfils the **team member role** of the \_\_\_\_\_

- 1 plant
- 2 team worker
- 3 company worker
- 4 monitor-evaluator

**SUB-TOTAL SECTION A: 40 MARKS**

[TURN OVER]



Copy your answers from the mark-reading sheet into the table below so that we can mark it if the mark-reading sheet is lost

Write down **ONLY** the number in the answer column

For example

Question	Answer
1	3

**IMPORTANT:** You must still fill in the mark-reading sheet, as the table will only be considered in the event that the mark-reading sheet is lost.

Question	Answer		Question	Answer
1			21	
2			22	
3			23	
4			24	
5			25	
6			26	
7			27	
8			28	
9			29	
10			30	
11			31	
12			32	
13			33	
14			34	
15			35	
16			36	
17			37	
18			38	
19			39	
20			40	

[TURN OVER]



















