



MNG2602
(477356)
MAY/JUNE 2018
MEI/JUNIE 2018

CONTEMPORARY MANAGEMENT ISSUES
HEDENDAAGSE BESTUURSKWESSIES

STUDENT NUMBER / STUDENTENOMMER									

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MNG2602 (477356)

May/June 2018

Contemporary Management Issues

Duration 2 Hours

70 Marks

EXAMINERSFIRST
SECONDMRS L CRONJE
MS I VAN WYK

Closed book examination

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This fill-in examination paper consists of **23 pages**, excluding the cover page, and includes one "additional space" page (p 22), and one page for rough work (p 23)

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: Four 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 **477356**

Important: Copy your answers for Section A into the table provided on page 16 of this examination paper to ensure that there is a record of your answers should the mark-reading sheet be lost.

[TURN OVER]

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 16 to ensure that there is
a record of your answers should the mark-reading sheet be lost

- 1 The nature of the **pace of change** varies from _____ to _____
 - 1 planned, reactive
 - 2 top down, bottom up
 - 3 punctuated, continuous
 - 4 revolutionary, incremental

- 2 The **method to overcome resistance** 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 called _____
 - 1 manipulation and co-optation
 - 2 explicit and implicit coercion
 - 3 negotiation and agreement
 - 4 facilitation and support

- 3 _____ is the **third** step in **Lewin's** change model
 - 1 Change
 - 2 Unfreeze
 - 3 Refreeze
 - 4 Communicate

- 4 _____ define(s) **organisational culture** as "the aggregate of beliefs, norms, attitudes, assumptions and ways of doing things that members of an organisation share and teach to new members"
 - 1 G Morgan
 - 2 Edgar H Schein
 - 3 Achua and Lussier
 - 4 Webster's Third New International Dictionary

[TURN OVER]

QUESTIONS 5 TO 6

Match an **example** in **Column B** to the correct **level of culture** in **Column A**

Column A Level of culture	Column B Examples
5 Artefacts	1 Working in a way that stood the test of time
6 Values	2 Integrity, innovation and good corporate citizenship
	3 Employees are members of a "big family"
	4 An open office policy and a lack of status symbols

- 7 A country's national culture indicates a preference for a society with a tightly-knit framework in which individuals can expect their relatives or members of a particular group to look after them in exchange for unquestioning loyalty. This **national culture** indicates the _____ **dimension**

- 1 masculinity
- 2 collectivism
- 3 power distance
- 4 long-term orientation

- 8 Which one of the following is **not** a guideline, as specified by Cummings and Worley (2009), when attempting to **change the culture** of an organisation?

- 1 Formulating a new vision that guides the purpose of the culture change
- 2 Terminating the service of people who do not fit into the culture
- 3 Socialising newcomers to fit into the new culture
- 4 Modifying the organisation's mission statement

- 9 Three pertinent issues can be identified with regards to the **need for diversity management in South Africa**, namely affirmative action, economic empowerment and _____

- 1 a multicultural movement
- 2 the "value of differences" approach
- 3 managerial commitment to diversity training
- 4 the quest for a new management philosophy

[TURN OVER]

QUESTIONS 10 TO 12

Ross Enterprises have compiled a list of benefits that have resulted from their strategy and policies **governing the management of diversity**. Analyse the list of benefits below and then answer questions 10 to 12

- a The development and implementation of the Ross Enterprises diversity principles not only affected their turnover and market share, but also the overall reputation of the organisation
- b Greater adaptability – Ross Enterprises' reactions are faster and at a lower cost
- c Ross Enterprises believes that diversity creates a competitive advantage by attracting, developing and leveraging diverse talent inside the organisation
- d Insight into and cultural sensitivity towards a diverse workforce lead to receiving the benefits of a diverse market and thus a greater market share
- e Decision-making is improved because of the wider range of perspectives

10 Statement _____ reflects the **marketing** argument for managing diversity

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

11 The **resource acquisition** argument for managing diversity is reflected in statements _____ and _____

- 1 c, d
- 2 a; c
- 3 d, e
- 4 e, a

12 Statement "e" reflects the _____ **argument** for managing diversity

- 1 cost
- 2 creativity
- 3 system flexibility
- 4 problem-solving

[TURN OVER]

- 13 Thomas and Ely (1996) developed a paradigm of three different perspectives on how organisations perceive the task of **managing diversity**

The _____ **strategy** in the _____ **paradigm** involves _____

- 1 focus, learning – effectiveness, incorporating diversity into the heart and fabric of the mission, work and culture of the organisation
- 2 human resource practices, access – legitimacy, the recruitment of women and previously disadvantaged groups
- 3 *effectiveness, discrimination – fairness, all employees feeling respected, valued and included*
- 4 weaknesses-strengths, learning – effectiveness, matching internal employee demographics to the customers served

- 14 Which one of the following statements regarding **diversity training** is **false**?

Diversity training _____

- 1 should focus on raising consciousness and awareness about “differentness” and should design programmes to develop new skills and competencies
- 2 is the right thing to do and is required in an organisation in order to retain top talent
- 3 requires management support through activities such as peer support and recognition for employee contributions to enhancing diversity goals
- 4 will lead to little to no resistance of employees when implementing a diverse culture change

- 15 The project _____ is responsible for project management policies, processes and procedures

- 1 management office
- 2 manager
- 3 sponsor
- 4 team

16 During the **planning phase** of a project, the **PERT tool** _____

- 1 is used as a means to deconstruct the contracted work, whether strategy or product related
- 2 provides the means to determine schedule constraints by identifying the critical path
- 3 is used to identify all inclusions as well as exclusions of the project
- 4 serves to allocate activity priorities as focus areas

17 A student was asked the following question “**Briefly list and explain the first five steps of the project management process**”

As an answer, this student wrote the following

“The first step of the project management process is identifying the need for the project. This can be done through either formal or informal methods. The second step – choosing the project team and appointing a project manager – involves choosing individuals who are knowledgeable in specialised areas, depending on the nature of the project. The third step is to develop a tactical project plan. This plan contracts the policies and procedures for the project. The fourth step is to develop a total quality management plan. This involves designing quality into the project management process. The fifth step is to develop a change management plan – this procedure should allow for screening and approval of changes by a change control committee.”

How would you judge this student’s answer?

- 1 Excellent (all steps are correctly named with clear and correct explanations)
- 2 Good (all steps are correctly named BUT not all the explanations are correct)
- 3 Mediocre (one or two steps are incorrectly named, OR the steps are in the wrong order, OR the explanations are incorrect)
- 4 Unacceptable (two or more steps are incorrectly named AND the order is incorrect AND the explanations are incorrect)

18 The _____ is responsible for overall project quality in the organisation

- 1 programme manager
- 2 project management office
- 3 strategic manager
- 4 project sponsor

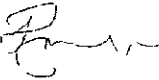
[TURN OVER]

19 When developing the **stakeholder plan**, stakeholders with a **high interest but low influence** in the project should _____

- 1 receive two-weekly status reports
- 2 receive minimal effort
- 3 be kept informed
- 4 be kept satisfied

QUESTIONS 20 TO 22

Consider the following document that was developed at an organisation during **step 8** of the project management process, and then answer questions 20 to 22

Project overview							
Project name	Mandela Day 2017						
Project manager	Eloise Praino						
Project requestor	Daniel Rapatsa						
Project sponsor	Tamara Wilson						
Proposed starting date	1 June 2017						
Proposed completion date	19 July 2017						
Project details							
Project purpose and objectives	The project aims to improve the premises of a nearby school, Sunshine Kids Kindergarten and Day Care Centre, by painting their playground. Lunch packs will be handed out and employees will enjoy lunch with the kids and teachers.						
Resources available	Employees willing to participate						
Resources required	Paint and painting accessories need to be bought Lunch pack ingredients need to be bought and packaged						
Estimated costs	<table border="1" style="width: 100%;"> <tr> <td>Transport of employees</td> <td>R700</td> </tr> <tr> <td>Paint</td> <td>R4000</td> </tr> <tr> <td>Lunch packs (food and packaging)</td> <td>R2000</td> </tr> </table>	Transport of employees	R700	Paint	R4000	Lunch packs (food and packaging)	R2000
Transport of employees	R700						
Paint	R4000						
Lunch packs (food and packaging)	R2000						
Identified risks	n/a						
Approved by							
							
Programme manager Lesego Matseke	Date 22/05/2017						

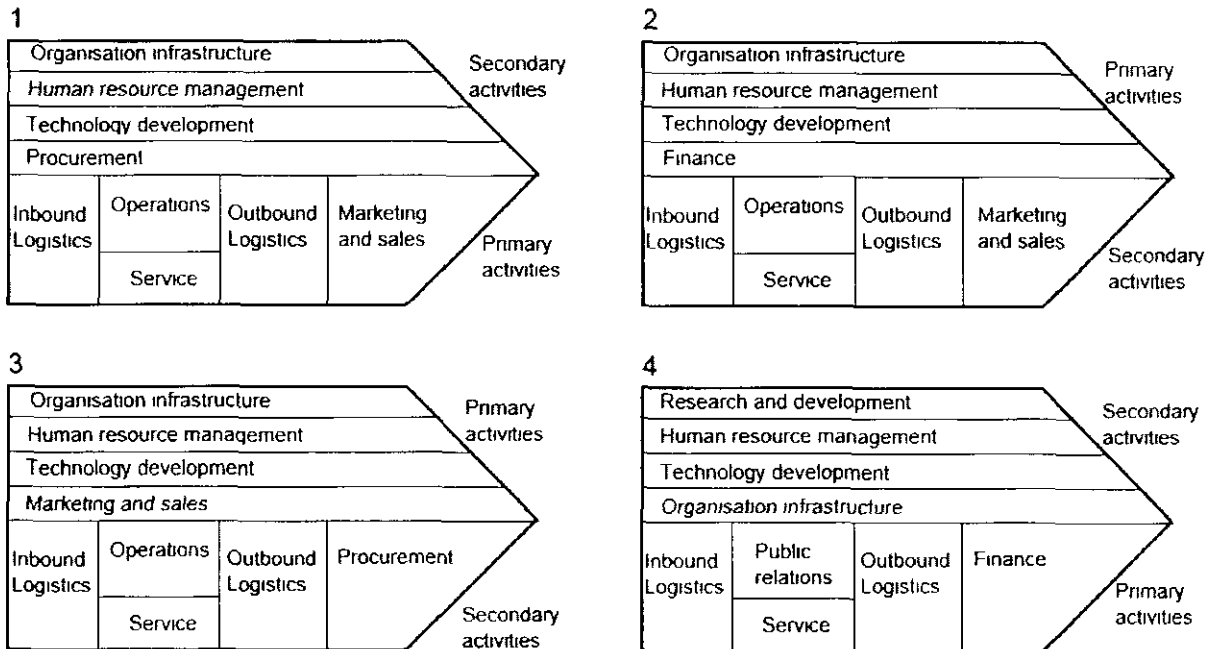
[TURN OVER]

- 20 The document is an example of a project _____.
- 1 plan
 - 2 scope
 - 3 charter
 - 4 schedule
- 21 This project has a(n) _____ **perspective**.
- 1 external
 - 2 internal
 - 3 quality
 - 4 profit
- 22 Eloise Praino is responsible for _____.
- 1 ensuring that systems, methods, processes and resources are available and in place
 - 2 ensuring the project objectives are met within the project constraints
 - 3 mediating at the strategic level on behalf of the project team
 - 4 the administration of the project
- 23 Which one of the following statements best describes a **subscription-based** e-business revenue-generating model?
- 1 An amount is charged for intermediary services. It adds value by providing expertise and/or access to a wide network of alternatives
 - 2 This model entails selling marked-up merchandise. It adds value through selection and distribution efficiencies
 - 3 Fees are charged for unlimited use of the service or content. It adds value by leveraging a strong brand name
 - 4 Fees are charged for metered services. It adds value by providing service efficiencies, expertise and practical outsourcing solutions

[TURN OVER]

QUESTION 24

Consider the following four depictions of the **internal value chain** and indicate which is correct



25 Which one of the following statements demonstrates an example of a **portal e-business shopping model**?

- 1 The popular website Google.com is a search engine providing internet search results in ranked format
- 2 A seller posts goods at a minimum price on a website such as ebay.com Bidders then place a bid on the goods and if successful, purchase the items
- 3 Takealot.com is a website with a catalogue of products that provides for order taking, payment and shipping
- 4 News24.com is a website that provides immediate access to online news content

[TURN OVER]

26 _____ involves two or more businesses collaborating in buying, selling, trading and distributing products and services over the internet

- 1 E-business
- 2 Online trading
- 3 B2B exchanges
- 4 B2C e-commerce

27 **Neural networks** have proven to be effective in _____

- 1 approving fast moving commodity orders in the service industry and managing the risk of fraud
- 2 organisations with well documented policies, procedures, work instructions and business systems
- 3 managing personalised marketing and by learning consumer patterns and behaviour
- 4 accommodating the storage, management, updating and retrieval of business documents

28 **Decision support systems (DSS)** have proven to be effective in _____

- 1 approving fast moving commodity orders in the service industry and managing the risk of fraud
- 2 organisations with well documented policies, procedures, work instructions and business systems
- 3 managing personalised marketing, by learning consumer patterns and behaviour
- 4 accommodating the storage, management, updating and retrieval of business documents

QUESTIONS 29 TO 40

Read the Ross Enterprises case study on the next page and then answer questions 29 to 40

[TURN OVER]

ROSS ENTERPRISES

Introduction

Ross Enterprises initially started out as a retail clothing store called Rossario in 1946. The name was changed to Ross Enterprises in 1966. Highlights in the organisation's history, ranging from 1946 and 2016, are provided in the paragraphs below.

The history of Ross Enterprises

1946 to 1979

In 1946, Rossario was listed on the Johannesburg Stock Exchange (JSE), trading then under the name of Rossario Stores Limited, with Alis Fourie, Sydney Davis, Lucien Ross and Alan Steele as directors. In 1966, Rossario expanded into Africa, and opened stores in Swaziland, Lesotho and Botswana. With the aim of expanding and penetrating different markets, it registered the Ross Enterprises Group, and positioned Rossario as the group's clothing division.

After conducting an intensive market analysis, Lucien Ross concluded that a need existed amongst middle- to lower-income groups in South Africa for more affordable clothing products. Taking advantage of this opportunity, Ross Enterprises opened its first Navy brand store in 1976. The new market segment aligned with Ross Enterprises' existing products and technologies, and it proved to be very successful. In 1979, Ross Enterprises celebrated their 50-year anniversary and achieved a turnover of R216 million.

1980 to 2007

The year 1994 announced a new democracy for South Africa, with a new government led by President Nelson Mandela. This year also announced a new era of change for Ross Enterprises, as it introduced its first speciality store – Blue Dot – with a range of national beauty, fragrance, cosmetic and skincare brands. In 1998, Lucien Ross' oldest son, Christian Ross, was appointed as Ross Enterprises' new CEO.

In 2000, Ross Enterprises and the SA Commercial, Catering & Allied Workers Union reached an agreement to implement a 9 am to 5 pm working-hour arrangement for their labour force. Before, employees worked the entire day, from the time of opening until closing – usually 8 am to 6 pm – and employees were paid per hour. The change came about when employees started complaining that they were overworked. The decision to decrease the working hours resulted in an increase in staff expenses for Ross Enterprises, and the labour union was not prepared to be more flexible. Ross Enterprises had to employ additional workers so that they could work in shifts for fewer hours as per the agreement. The change was communicated down from the managing director at the time, Alan Steele, to regional and branch managers, and finally to all employees. Newly appointed CEO, Christian Ross, was positive about the change and said "We are merely complying with the law and are certain that this change will not affect organisational performance".

In 2002, under the leadership of Christian Ross, Ross Enterprises acquired TNC Stationery (adding stationery, CDs, books and games to their existing product lines), while in the same year the company showed a turnover of R7.4 billion. By now, Ross Enterprises had 449 stores.

[TURN OVER]

In 2004, Ross Enterprises acquired Home Living, introducing bathroom, bedroom and kitchen solutions and products

2008 to 2016

The year 2011 marked the introduction of Rossario Active, a speciality store focusing on youthful lifestyle and brand conscious customers. However, this period was characterised by major challenges for the retailer. Ross Enterprises' market share and profits declined significantly. The financial crisis of 2008 and the resultant economic recession curbed growth plans and raised concerns. Ross Enterprises was scrimping (neglecting and saving) on store upkeep and stock as it serviced its buyout debt.

In an attempt to regain market share, Christian Ross launched a loyalty programme in 2011. In the same year, Christian Ross retired and Michael Jurgen, the former CEO of Shopper Mart (an Australian Clicks-type retailer), took over. During 2013, Ross Enterprises managed to increase its turnaround and cash. In the same year, Ross Enterprises sold its credit book to Absa for R10 billion. It also launched a shoe gallery and opened its first mono-branded store (Suit&Tie).

Ross Enterprises' people

Ross Enterprises owes its success to its top-quality people and its commitment to a progressive talent management strategy, which focuses on attracting, developing, rewarding and recognising people who possess the required capabilities and competencies to drive a high performance organisation. This strategy sets out to foster individual improvement in the workplace.

Ross Enterprises' culture encourages and values innovation. The research and development (R&D) department is an example of how the culture manifests in the workspace. The R&D team is a dynamic group of people, each bringing their own strengths to the department. Mrs Kenaka is the department's director and Mr Zekile is the experienced and dynamic departmental manager who is passionate about research. Mr Zekile's department comprises 30 full-time employees, managed by three line managers, Ms Scholtz, Mr Moruwe and Ms Patel. While Ms Scholtz is very intelligent, her subordinates perceive her as rather introverted. On the other hand, Mr Moruwe is extroverted and very popular amongst his colleagues. Ms Patel is always focused on due dates and is very detail oriented.

The line managers hold weekly meetings to discuss ways to improve their efficiency and their work environment. Once a month, they meet with Mrs Kenaka to make improvement suggestions. During one of their recent meetings, two of the managers had personal differences about the timeliness of employees in their respective sections of the R&D department. Their differences were discussed with Mr Zekile and in the end, they both agreed to stick to the policy set by Ross Enterprises' top management. Mr Zekile drives productivity in the R&D department, but never at the expense of his employees. His department is renowned for excellent outputs and a positive team spirit.

Source Lecturer's own work

[TURN OVER]

- 29 The _____ **feature of a “new” organisation** was evident when Ross Enterprises opened the Navy chain
- 1 flexibility
 - 2 networked
 - 3 flatter and leaner
 - 4 workforce diversity
- 30 The feature as identified in question 29 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 in multi-tasking
 - 4 developing systems for conflict resolution
- 31 During the year 2000 the **anticipated strength of resistance** from the employees is _____, therefore the **pace of the change process** should be _____
- 1 strong, slow
 - 2 weak, rapid
 - 3 strong, rapid
 - 4 weak, slow
- 32 During the year 2000 the **position of the change initiator** is _____, therefore they _____ (extent to which the change is planned)
- 1 strong, should have had a clear plan
 - 2 weak, did not need a clear plan
 - 3 strong, did not need a clear plan
 - 4 weak, should have had a clear plan
- 33 During the year 2000 the **change initiator’s need for information and commitment from others** is _____, therefore the **involvement of others** should be _____
- 1 great, great
 - 2 great, low
 - 3 low, great
 - 4 low, low

[TURN OVER]

- 34 During the year 2000 the **potential for risks to short-term organisational performance and survival** is _____, therefore they should **deal with resistance** by _____
- 1 great, reducing resistance to a minimum
 - 2 great, attempting to overcome any resistance
 - 3 little, reducing resistance to a minimum
 - 4 little, attempting to overcome any resistance
- 35 Consider the conflict that occurred between two managers at a recent monthly meeting. Which one of the following **conflict management strategies** did Mr Zekile follow?
- 1 Competition
 - 2 Compromise
 - 3 Collaboration
 - 4 Accommodation
- 36 In 2004, Ross Enterprises implemented a _____ **strategy**
- 1 focused
 - 2 concentration
 - 3 diversification
 - 4 forward integration
- 37 In 1966, Ross Enterprises implemented a _____ **strategy**.
- 1 differentiation
 - 2 diversification
 - 3 market development
 - 4 product development
- 38 Ross Enterprises implemented a _____ **decline strategy** when scrimping on store upkeep and stock
- 1 turnaround
 - 2 divestiture
 - 3 liquidation
 - 4 harvesting

[TURN OVER]

39 Ms Scholtz fulfils the _____ team role

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

40 Mr Moruwe fulfils the _____ team role

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

SUB-TOTAL SECTION A: 40 MARKS

[TURN OVER]

Copy your answers from the mark-reading sheet into the table below so that it can be marked 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	
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14		34	
15		35	
16		36	
17		37	
18		38	
19		39	
20		40	

[TURN OVER]

SECTION B: WRITTEN QUESTIONS

[30 MARKS]

- Answer the written questions in the space provided in this question paper
- Plan your answers carefully, while considering the allocated space for your answer
- Write legibly
- No marks will be awarded for the listing of facts (theory) only, as the questions require you to apply the theory

QUESTION 1

Discuss three (3) **variables that influenced Ross Enterprises (as a contemporary organisation) to change** and cite examples from the case study to substantiate your answer

In your answer, name each variable, describe it theoretically and provide a quote or shortened quote from the case study to substantiate your answer. No marks will be allocated for listing the variables without applying them to the case study

(9 marks)

QUESTION 2

Classify and explain the different types of **authority** Christian Ross acquired in 1998
(5 marks)

[TURN OVER]

QUESTION 3

Strategic leadership is the key driver of strategy implementation **Define** the concept and indicate any five (5) **tasks** that effective strategic leadership involves **(6 marks)**

QUESTION 4

Discuss the **five (5) stages of development** that **groups** typically undergo during their life cycles

(10 marks)

[TURN OVER]

SUB-TOTAL SECTION B: 30 MARKS
GRAND TOTAL: 70 MARKS

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[TURN OVER]

