

**MNG2602 – EXAM PAPERS & SOLUTIONS**

**MAY/JUN 2015**

**Section A: Multiple Choice Questions**

1. *Mr Chris O'Reilly, the CEO of MoneyMax Micofinancing Solutions, is looking for a new manager to operate and lead the first international branch of his business in Australia. While doing research, he comes across a profile for effective global leaders and uses this profile as an aid to compile the job requirements for the position.*

**Which one of the following is not an ability that the new global manager of MoneyMax would need?**

- 1. He/she must be able to work independently.
- 2. He/she should be able to transfer knowledge effectively.
- 3. He/she must be able to manage the change process.
- 4. He/she should have excellent communication skills

2. **Which one of the following is not a variable that influences a contemporary organisation to change?**

- 1. Technological advances
- 2. Higher expectations of workers
- 3. Intellectual capital as a critical resource
- 4. Flatter organisational structures

**Questions 3 to 4**

**Match the feature of the new organisation in column A with the managerial challenge inherent to that feature in column B**

<b>COLUMN A – FEATURE</b>	<b>COLUMN B – MANAGERIAL CHALLENGE</b>
3. Networked (3)	1. Negotiating with win-win situations
4. Global (4)	2. Working productively at several tasks
	3. Forming alliances with suppliers
	4. Managing culturally diverse individuals

Consider the following list of job requirements of workers and answer question 5.

- a) Repetitive skills
- b) Risk avoidance
- c) Dependence on memory
- d) Being creative
- e) Collaborating with people

5. **Which 2 of the above requirements are relevant to the knowledge era?**

- 1. d; c
- 2. b; a
- 3. d; e
- 4. a; r

**Questions 6 to 13**

**Read the following case study and answer questions 6 to 13**

## ORGANIX FOOD STORE

Organix Food Store is an independent retailer selling healthy, organic food and groceries. Their first branch opened in Cape Town in 2008, and it successfully stocked and sold products such as gluten-free grains and flours, natural sugar alternatives and dairy alternatives. In 2012, a Pretoria branch was opened in answer to an increase in the demand for healthy and organic food products in the region. Consumers in Pretoria and elsewhere were becoming increasingly health conscious.

One of the products in high demand is quinoa, a high-protein, gluten-free grain sourced from South America. Quinoa has been the staple of poor communities in Peru and Bolivia for centuries. While exports of quinoa seeds earned vast amounts of cash for South American countries, they could not produce enough of these ancient grains. A strong worldwide demand led to quinoa shortages.

Organix Food Store's customers followed the healthy food trend. Both the Cape Town and the Pretoria branches of Organix Food Store experienced a growing demand for all organic foods, especially quinoa. After implementing a new point-of-sale system at the main branch in Cape Town, the founder of Organix, Mr Hudson, decided that his Pretoria branch also had to be upgraded in order to deal with its ever-increasing sales and consumers' demands. Mr Hudson decided to send one of his trusted managers, Mrs Scott, and two other employees to Pretoria to upgrade the sales system and expand the product range. He also instructed Mrs Scott to find a new quinoa supplier for the store, because the current supplier was out of stock.

Mrs Scott was accompanied to Pretoria by a personal assistant and a sales clerk employed at the main branch in Cape Town. A new point-of-sale system had been implemented successfully there and would now be implemented in Pretoria. The employees at the Pretoria branch felt threatened by the new technology and their colleagues from Cape Town. They were worried that they would be required to work shorter hours and that they would not be able to operate the new point-of-sale system effectively. Mrs Scott arranged training for the sales clerks at the Pretoria store and had a meeting with them. She assured them that the new sales clerk would only help out with certain key customers and their deliveries. She also informed them that from then on they would have a get-together every Friday morning to discuss the weekly sales. Snacks would be served at the get-together.

Shortly after the successful implementation of the new point-of-sale system at the Pretoria branch of Organix, Mr Hudson was informed by a contact that one of their competitors, Fresh Eating, a health food store in Sandton, Johannesburg, was struggling financially. Mr Hudson decided to acquire Fresh Eating and immediately started arranging discussions with his financial manager, Ms Ntombi.

Source: <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/07/11/quinoa-should-be-taking-over-the-world-this-is-why-it-isnt/>

6. The consumer trend where customers increasingly choose healthier and more organic food products refers to an \_\_\_\_\_ change, caused by a \_\_\_\_\_ force.
  1. External; social
  2. External; technological
  3. Internal; stakeholder
  4. Internal; technological
7. The implementation of the new point-of-sales system at Organix refers to an \_\_\_\_\_ change, caused by a \_\_\_\_\_ force.
  1. External, technological
  2. Internal; power and politics
  3. Internal; new technology
  4. External; pressure to grow

8. The decision that Mrs. Scott should find a new supplier would deliver quinoa more frequently, is an example of \_\_\_\_\_ change.
1. Revolutionary
  2. Punctuated
  3. Reactive
  4. Planned
9. The new manager, Mrs. Scott, used the \_\_\_\_\_ method to overcome resistance to change.
1. Education
  2. Participation
  3. Facilitation
  4. Negotiation
10. When Organix expanded and opened a branch in Pretoria, it followed a \_\_\_\_\_ growth strategy.
1. Integration
  2. Market development
  3. Diversification
  4. Product development
11. Should Organix successfully acquire Fresh Eating, they would be implementing a(n) \_\_\_\_\_ strategy.
1. Concentric diversification
  2. Unrelated diversification
  3. Horizontal integration
  4. Backward integration
12. The new tradition that will be taking place on Fridays, forms part of creating a \_\_\_\_\_, which is step \_\_\_\_\_ in Kotter's successful change process.
1. Culture, eight
  2. Vision, five
  3. Sense of urgency, five
  4. Guiding team, eight
13. There are a number of situational factors that could have influenced the choices Mr. Hudson faced when he decided to design and implement a change effort. When the anticipated strength of resistance is \_\_\_\_\_, the involvement of others will be \_\_\_\_\_.
1. Strong, lots
  2. Weak, lots
  3. Great, little
  4. Little, lots
14. \_\_\_\_\_ is an integration model of how the organisation conducts its business.
1. The mission statement
  2. Strategic leadership
  3. An environmental analysis
  4. Organisational architecture
15. The \_\_\_\_\_ perspective of the balanced scorecard is measured by \_\_\_\_\_.
1. Financial, growth
  2. Customer, quality
  3. Learning, growth
  4. Internal, quality

**Question 16 to 17**

Match each quadrant of the Boston Consulting Group Growth-share Matrix in Column A with an appropriate description in column B.

COLUMN A – QUADRANT OF THE MATRIX	COLUMN B – DESCRIPTION OF QUADRANT
16. Question marks (3)	1. Strategic business units with a high market share and low market growth rate
17. Cash cows (1)	2. Strategic business units with a high market share and high market growth rate
	3. Strategic business units with a low relative market share and a high relative market growth rate
	4. Strategic business unit with low market share and a low market growth rate

18. Mustard Seed Communications (MSC) believes in diversity and employing people, regardless of their ethnicity, in positions that match their skills and experience. MSC is hosting a diversity week to show that they promote the diverse nation within which they operate. They will have an informational programme every day on all the different ethnic groups in SA. What misconception regarding diversity is illustrated in the above scenario? Diversity is not \_\_\_\_\_?
1. A culture
  2. Affirmative action
  3. Equal employment
  4. An absence of standards
19. Which one of the following is a reason for an increased focus on managing workforce diversity?
1. The industrialisation of countries globally

- 2. An increase in productivity and profitability
  - 3. Globalisation of businesses and the use of information and communication technologies (ICTs)
  - 4. The increasing number of ethnic groups in countries.
20. The \_\_\_\_\_ approach is not an approach used to manage diversity.
- 1. Golden rule
  - 2. "Right the wrongs"
  - 3. Platinum rule
  - 4. "Value of differences"
21. When applying the learning-effectiveness diversity paradigm as a strategy for diversity management, the organisation focuses on \_\_\_\_\_.
- 1. Making all employees feel valued and respected
  - 2. Creating equal opportunities and ensuring fair treatment
  - 3. Matching employee demographics to the customers and marketplace
  - 4. Incorporating diversity into the heart of the mission, work and culture

**Questions 22 to 23**

Consider the following perspectives on project management and answer the questions

- a) Control is exercised over all the activities of the project, which leads to higher overall productivity
- b) The different beliefs and values of the project team can be transmitted and aligned
- c) Transparency in a project can be improved when all the role-players are involved
- d) A viewpoint taken on the efficiency of systems, methods and procedures employed by the organisation to deliver quality products and/or services
- e) A view taken to determine the effectiveness of the organisation's products and/or services in the marketplace
- f) The project manager needs to allocate resources, tasks and responsibilities to an individual group in order to complete the task within a certain time
- g) Projects are undertaken in a competitive environment where work is acquired through tenders
- h) Different government departments invariably have to collaborate to ensure the success of these projects

22. Which 2 of the above-listed variables form part of the internal perspective of project management?
- 1. a; h
  - 2. c; e
  - 3. b; g
  - 4. d; f
23. Which 3 of the above-listed variables form part of the external perspective of project management?
- 1. a; d; f
  - 2. e; g; h
  - 3. d; e; f
  - 4. b; e; h

**Questions 24 to 26**

Consider the table below on the key-role players in project management and their corresponding responsibility, and answer questions 24 to 26.

KEY ROLE PLAYER	CORRESPONDING RESPONSIBILITY
a) _____	Mediates at strategic level on behalf of the project management / team
Tactical manager	b) _____
c) _____	A cohesive group of professionals working together to achieve contracted project deliverables

24. Identify the key role-player for option (a)
- 1. Project sponsor
  - 2. The project team
  - 3. Operational manager
  - 4. Project management office
25. Identify the main responsibility of a tactical manager in option (b)
- 1. Identify the internal and external environments of the organisation, and defines the strategies direction and priorities of the organisation
  - 2. Manages at lower management level, and ensures that system, methods, processes and resources are optimally used
  - 3. Manages at middle management level, and ensures that systems, methods, processes and resources are in place.
  - 4. Responsible for the management and administration of project-specific systems, processes, procedures, methods, tools and techniques
26. Identify the key role-player for option (c)
- 1. Project sponsor
  - 2. The project team
  - 3. Operational manager
  - 4. Project management office

**Questions 27 to 33**

Read the following case study and answer questions 27 to 33

## MICROSOFT

Founded in April 1975, Microsoft Corporation (Microsoft) is a leading multinational computer technology corporation. It develops, licenses and supports a wide range of software products for computing devices. The popular products developed by Microsoft include MS-DOS (Microsoft Disk Operating System), the Microsoft Windows operating system and the Microsoft Office suite of productivity software. The company also markets home entertainment products such as the Xbox 360 and Xbox One.

Microsoft has been considered to be a "great place to work for" right from the early years of its inception. This is due to a number of reasons, including the fact that the "mentors" are erudite but never short on passion, and the "pupils" are diligent and willing to take risks. Obstacles are seen as challenges that will result in personal and organisational growth. Even though obstacles may induce change, Microsoft encourages change. They state that "working within a culture that encourages change is nothing short of an adventure". The compensation and benefits provided by the company are among the best in the industry. At Microsoft, employees are seen as invaluable. Microsoft provides professional training to employees and offers several programmes to develop their skills. Microsoft encourages work/life balance and has introduced several programmes to support employees in this regard.

Although Microsoft employees share common company goals and visions, they hail from all walks of life and speak a variety of languages, reflecting the global audience that they serve. Microsoft strives to maintain an open culture in which everyone is a hands-on contributor and feels comfortable sharing ideas and opinions. This culture is evident in all their international branches, including the one based in Johannesburg, South Africa.

Mr Nyati is the managing director of Microsoft South Africa, and he strongly believes in the open door policy and informal communication with all employees based at the head office in Johannesburg. While there is no set rule regarding the dress code at Microsoft South Africa, it is generally accepted that employees should dress professionally during the week. On Fridays, employees may dress more informally, because they can socialise between 15:00 and 16:00. Mr Nyati attends most of the social meetings and encourages employees to get to know one another better.

The sales manager for Microsoft South Africa is Mr Spector, who works closely with Mr Ross, the financial manager. During one of the Friday socials, Mr Spector and Mr Ross discussed sustainable social and environmental initiatives launched by other local corporations. Mr Ross mentioned that Microsoft topped the ratings in this regard in the United States of America (USA) by ensuring that their present actions would not hamper the ability of future generations to satisfy their needs, thereby creating a cycle of sustainability. Mr Spector suggested that South Africa should also follow this approach and become part of the Microsoft Unlimited Potential (UP) programme. The ultimate goal of the programme is to help individuals around the world to access affordable technologies to transform education, to foster local innovation and to create job opportunities. The two colleagues decided they would submit this idea to Mr Nyati after they had done more research and had recruited some of the other employees to support the cause.

Adapted from:

<http://www.icmnia.org/casestudies/catalogue/Human%20Resource%20and%20Organization%20Behaviour/HROB127.htm>

<http://www.slideshare.net/JNathan/corporate-social-responsibility-308175>

<https://www.microsoft.com/about/corporatecitizenship/us/communityinvestment/communitytechskills/upcurriculum.aspx>

[http://research.microsoft.com/en-us/news/asia/features/ciw\\_mscoopculture.aspx](http://research.microsoft.com/en-us/news/asia/features/ciw_mscoopculture.aspx)

27. The element of culture that is illustrated by the open door policy and informal communication between top management and the employees at Microsoft South Africa is a(n) \_\_\_\_\_.
1. Assumption
  2. Symbol
  3. Artefact
  4. Value
28. The fact that employees dress professionally during the week, but wear informal outfits on Fridays, is an example of a(n) \_\_\_\_\_, which is part of the \_\_\_\_\_ level of culture.
1. Norm; second

2. Assumption; third

3. Symbol; first

4. Ritual; fourth

#### Questions 29-31

Consider the following list of influence tactics and answer the questions.

a) Rational persuasion

b) Inspirational appeal

c) Pressure

d) Coalition

e) Ingratiating

f) Exchange

29. When Mr. Spector speaks to his subordinates in the sales department about their failure to reach their midyear targets, he could influence them by using tactics such as \_\_\_\_\_ and \_\_\_\_\_.

1. b; c

2. a; e

3. b; d

4. c; e

30. Mr. Spector consults his colleague, Mr. Ross, about an internal organisational matter. In this situation the most effective influence tactics that Mr. Spector could use, are \_\_\_\_\_ and \_\_\_\_\_.

1. c; e

2. b; d

3. d; e

4. b; c

31. The best tactic Mr. Spector could use to provide Mr. Nyati with arguments and evidence concerning the changes he wishes to introduce to achieve the sales department's goals more efficiently, would be \_\_\_\_\_.

1. e

2. d

3. b

4. a

32. Microsoft topped the ratings in this regard in the USA by ensuring that their present actions would not hamper the ability of future generations to satisfy their needs, thereby creating a cycle of sustainability.

The 3 pillars of the triple bottom line of sustainability that Microsoft should focus on are \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.

1. Profit, communities, ethics

2. Morality, people, planet

3. Environment, economy, ethics

4. Economy, society, environment

33. The Microsoft Unlimited Potential (UP) programme is an example of \_\_\_\_\_.

1. Business ethics

2. Promissory relations

3. Corporate governance

4. Corporate social responsibility

#### Questions 34 to 35

Match the type of group in Column A with its corresponding example in Column B to answer the questions

COLUMN A – QUADRANT OF THE MATRIX	COLUMN B – DESCRIPTION OF QUADRANT
34. Interest Group (1)	1. Colleagues as Microsoft who share a love for mountain biking and ride together every Sunday
35. Task Group (4)	2. A committee in the Microsoft human resources department that organises social events for all the members of that department
	3. The general manager; and the marketing manager report to the regional director
	4. Individuals in a standing committee form a group that are tasked with identifying new research areas for Microsoft SA

36. According to Edgar H Schein, culture is a pattern of assumptions that is developed by an organisation to deal with problems of external adaptation and internal integration.

External adaption tasks do not include the development of consensus on the \_\_\_\_\_.

1. Goals of the organisation

2. Group boundaries and criteria for inclusion

3. Criteria that are used to measure the results

4. Resources the organisation uses to accomplish its goals

37. The \_\_\_\_\_ culture, as categorised by \_\_\_\_\_, is typified in terms of norms, values and beliefs.

1. Person, Jones et al (2006)

2. Role, Charles Handy (1993)

3. Process, Deal and Kennedy (2000)

4. Market, Trompenaars and Prud'homme (2004)

38. Quinn and McGrath (1985) identify 4 types of culture, namely the \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and hierarchy culture.

1. Power, process, logic

- 2. Role, aggressive, constructive
  - 3. Person, authority, passive
  - 4. Market, adhocracy, clan
39. The relationship between power and \_\_\_\_\_ is based on the idea that a member of a group that has formed because the members work in the same geographical area, will use his/her power to protect the group.
- 1. Politics
  - 2. Interests
  - 3. Influence
  - 4. Conflict
40. A(n) \_\_\_\_\_ strategy will be appropriate to manage organisational conflict in a situation where a high level of willingness to consider the apprehensions of others and a high degree of assertiveness are present. This strategy involves \_\_\_\_\_.
- 1. Avoidance, on or both parties choosing to avoid or suppress the conflict
  - 2. Collaboration, addressing all differences and creating a win-win situation for all parties
  - 3. Compromise, both parties giving something up and the parties reaching a consensus decision
  - 4. Accommodation, one party choosing to focus on the other party's needs to suppress or resolve the conflict

Consider the following steps in the second and final phase of the negotiation process and answer question 41.

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

41. 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
42. Groups represent \_\_\_\_\_, because group action can achieve what individuals often cannot achieve by themselves.
- 1. Power
  - 2. Status
  - 3. Authority
  - 4. Achievement
43. 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 and its solution have important organisational sequences
  - 3. The problem is relatively complex, uncertain and holds the potential for conflict
  - 4. There are tight and immediate deadlines
44. In the \_\_\_\_\_ stage of group and team development \_\_\_\_\_.
- 1. Forming, individuals attempt to influence the group
  - 2. Storming, members become more assertive and opinionated
  - 3. Norming, there is a sensitive balancing of forces between members
  - 4. Performing, the group can complete complex tasks
45. Which one of the following statements regarding an organisation's value system is incorrect?
- 1. The value chain and value system allow managers to focus on their internal activities and are linkages with the activities taking place in their industry
  - 2. Michael Porter developed both the value chain and the value system
  - 3. The value chain is an interdependent system of activities connected by various linkages
  - 4. Quality initiatives such as total quality management (TQM) and just-in-time (JIT) principles focus on the value chain rather than the value system
46. The secondary activities of the value chain do not include \_\_\_\_\_.
- 1. Human resources
  - 2. Technologies
  - 3. General management
  - 4. Marketing
47. A(n) \_\_\_\_\_-based business model adds value through selection, distribution efficiencies and the leveraging of brand image and reputation.
- 1. Mark-up
  - 2. Subscription
  - 3. Advertising
  - 4. Commission
48. \_\_\_\_\_ systems can act as an early warning system and allow managers to take preventative steps in good time.
- 1. Expert
  - 2. Workflow management
  - 3. Decision support
  - 4. Management information



Read the following mini case study and answer the questions.

## TAKEALOT.COM

In June 2011, the Hedge Fund, Tiger Global Management and Kim Reid officially launched takealot.com. They had a simple vision in mind: to be the largest, simplest, most customer-centric online shopping destination in Africa. The business has expanded and has warehouses in both Johannesburg and Cape Town. It is one of the fastest growing, most innovative e-commerce retailers on the African continent.

The customer is at the core of the takealot.com experience, beginning with the moment someone visits the website, throughout the payment and shipping processes, until the product ordered is safely in the customer's hands

Adapted from <http://www.takealot.com/about/our-journey>

49. takealot.com is an example of a(n) \_\_\_\_\_ e-business shopping model.
1. Storefront
  2. Online trading
  3. Click-and-mortar
  4. Online service provision
50. When doing an internet search on Google using the words "shop online South Africa", one finds the takealot.com link in the right-hand margin of the first results page. Google reserves this section and the top margin on the page for \_\_\_\_\_ search results.
1. Ranked
  2. Organic
  3. Pay per click
  4. Online trading

### Section B

#### Question 1

Read the following case study and answer the question that follows.

### THE DYING PASSENGER

Mike Nolan knew there was a problem even before the flight attendant knocked on the cockpit door. After 18 years of piloting 747s across the country and around the world, Mike had developed a keen sense of the atmosphere aboard his planes. So when the knock came on the cockpit door, Mike was not entirely unprepared

At the door was Maggie Cho, a flight attendant Mike had worked with a few times before. Maggie wasted no time in telling Mike and the rest of the cockpit crew that there was trouble in the back: a passenger had suffered a severe heart attack and needed immediate medical attention. While a doctor aboard the plane had been able to help, a hospital was needed quickly – or the patient would likely die.

Mike knew his options were few and his time short. His night flight, now 20 minutes from Denver, was in the middle of a big storm. The storm covered America's middle states with a wide swath of snow, sleet and strong winds.

Transferring control to his co-pilot, Mike took to the radio and called the Denver tower to seek clearance for an emergency landing. However, permission was denied. The Denver controller explained that weather conditions were worsening, making a landing unadvisable and unsafe for Mike's crew and passengers. With extreme regret, the Denver tower told Mike to provide what medical care he could – but to continue his flight as advised.

Adapted from "The Dying Passenger", Institute for Global Ethics [http://www.globalethics.org/resources/dilemmas/dying\\_passenger.htm](http://www.globalethics.org/resources/dilemmas/dying_passenger.htm)



Mike, Maggie and the rest of the cockpit crew looked at each other with pained expressions on their faces. After talking quietly for a few minutes, Mike summarised their options: They could follow Denver's orders and stay aloft, or they could demand a landing for a medical evaluation. What should Mike do?

Approach this ethical dilemma from a utilitarian perspective and apply the rational, ethical decision-making process to assist you in deciding what to do. Use the 8 steps as headings to structure your answer. Conclude whether you would land the plane or stay aloft.

Utilitarianism – a consequentialist approach. However, unlike egoism, the morally appropriate action under utilitarianism is the one that holds the most positive long-term consequences for the majority of people affected by a specific action. Using Utilitarianism, the manager may reason that the benefits arising from the company's passive compliance with a corrupt regime are greater than the benefits that will result from ceasing operations, since a number of primary stakeholders such as employees, suppliers and consumers are directly dependent on the company for their livelihoods, and will suffer greatly if the company closes office.

Therefore, according to utilitarianism, the moral course of action in this specific instance may well be to continue with operations, even though the rights of a number of people may be indirectly harmed by this decision.

Utilitarianism approach refers to morality of where interests of everyone is involved.

When the utilitarian approach is adopted, the effects of a particular action on those directly involved is judged in terms of what provides the greatest good for the greatest number of people.

Utilitarianism is consequential where the morality of an action is judged according to the positive long-term consequences that the action holds.

**OCT/NOV 2015**

**Section A: Multiple Choice Questions**

Read the following case study about Woolworths and answer questions 1 to 9.

**WOOLWORTHS: DOING GOOD BUSINESS**

**Introduction to the company**

Woolworths was founded by Max Sonnenberg in 1931, who officially opened the doors of the first store in Adderley Street, Cape Town on 31 October. His belief that success lay in providing customers with superior quality merchandise at reasonable prices has been instrumental in establishing Woolworths as one of South Africa's leading retail chains. Today, Woolworths is a South African retail chain with more than 400 stores that extends, through franchise partnerships, throughout Africa, the Middle East and most recently Australasia.

**The Good Food and Good Business Journey**

At the heart of Woolworths' food business is the "Good Food Journey". This is the name they have given to their ongoing quest to offer food that is better for consumers, better for the environment and better for the people who produce it. The Good Food Journey forms part of the "Good Business Journey", which is now in its seventh year of existence as a formalised, integrated programme. Caring for their communities and the environment has always been part of the ethos of Woolworths. The Good Business Journey still has the same two overarching objectives:

- To measure and manage the direct and indirect impact on the community and the planet around Woolworths, right across their value chain, and
- To educate and influence all Woolworths' employees, customers and suppliers regarding responsible production and consumption.

During 2014 almost R518 million was directed to a range of charity organisations as part of Woolworths' commitment to food security and education – mostly through their store-based donations to local charities of past sell-by-date, but still fresh, food.

**Good Egg Award**

The Good Egg Award recognises organisations that have a written policy to source only cage-free, free-range whole eggs to sell in their stores. Woolworths was South Africa's, and Africa's, first retailer to make the switch to selling exclusively free-range

eggs in cartons, and still remains the only retailer with this policy after nearly a decade. The award was presented to Woolworths in 2014 by a major animal welfare charity organisation, Compassion in World Farming (CIWF). CIWF is an organisation that campaigns peacefully to end all factory farming practices. Almost three million animals are said to benefit from their work, which positions farm animal welfare at the heart of the food industry.

In 2004, Zyda Rylands, the Woolworths Executive Director of Food, was faced with the decision of whether to switch to only selling free-range whole eggs, as opposed to battery-cage eggs, or a combination of the two. The need for this decision was brought about by concerns raised by Woolworths' customers. For these customers, who are concerned about the welfare of farm animals, it was an ethical issue that their favourite retailer sells eggs that are produced by hens kept in crowded, too small cages on farms or in factories.

Ms Rylands conducted a cost-benefit analysis on the option of selling only free-range whole eggs to determine the greatest balance of benefits for all stakeholders. Woolworths is proud to stand for sustainability and quality products. Therefore, Ms Rylands concluded that converting their range to include only free-range whole eggs would not only benefit Woolworths in terms of profits and in promoting their sustainable brand and image, but it would also hold benefits for the concerned customers as well as the farm animals producing the eggs. They decided to take it a step further – in 2014, more than 75% of their egg-based products are being made with free-range eggs and they are aiming for 100% in the future.

After receiving the Good Egg Award, Ms Rylands said, "We are very proud because this award recognises our commitment to animal welfare and ethical sourcing. Our work with free range eggs, informed by ongoing consultation and engagement with animal welfare organisations, is only one aspect of the Woolworths Good Business Journey. Animal welfare remains a key area of concern for both Woolworths and our customers and we are committed to constantly improving all aspects of animal health and welfare, including livestock management and husbandry, housing, animal feed, farm hygiene, environment and transport. For instance, Woolworths is also actively working on wildlife-friendly farming and more humane pig farming." Ms Rylands, is also the Managing Director of Food at Woolworths, and is very knowledgeable in the National Society for the Prevention of Cruelty to Animals' (NSPCA) approved Animal Welfare Code of Practice as well as in the field of sustainability.

### **Sustainability**

Woolworths is committed to growth through responsible retail. They devote a significant amount of energy and resources to ensure sustainable development within the context of the changing social and environmental needs of South Africa. They produce a yearly sustainability report separate to their annual report and

launched the Good Business Journey in 2007. They aim to be the most sustainable retailer in the southern hemisphere, and the structures they have set up and the progress made up to 2014 are creating a strong foundation for achieving this vision.

In order to uphold sustainability, a committee was formed with the main purpose of ensuring that the sustainability strategy positions the company as a leader in retail and the objectives are effectively integrated into the business. The committee meets four times a year and the committee chairman reports back to the board on the activities of the committee. The minutes of the committee meetings are circulated to all directors. The members of the committee include the chairman, Mr Simon Susman, as well as other members, namely Tom Boardman, Zyda Rylands, Chris Nissen and Stuart Rose.

Adapted from

<http://www.rol.co.za/business/opinion/woolworths-helps-business-culture-evolve-1-1765680#VNiZMthO6po>

[http://www.woolworthsholdings.co.za/corporate/profile\\_overview.asp](http://www.woolworthsholdings.co.za/corporate/profile_overview.asp)

[http://www.woolworthsholdings.co.za/investor/annual\\_reports/ar2014/whl\\_2014\\_gbj1.pdf](http://www.woolworthsholdings.co.za/investor/annual_reports/ar2014/whl_2014_gbj1.pdf)

<http://www.ciwf.org.uk/about-us/>

1. When considering the objectives of the Good Business Journey programme, Woolworths is applying the \_\_\_\_\_ corporate social responsibility.

1. Broad view

2. Virtue approach

3. Statutory approach

4. Shareholder model

2. The measures taken to receive the Good Egg Award indicate that Woolworths is concerned about \_\_\_\_\_.
  1. Social sustainability
  2. Ethical leadership
  3. Corporate governance
  4. Environmental sustainability
3. The normative ethical theory approach used by Zyda Rylands, when deciding that Woolworths will only sell free-range whole eggs in their stores, is the \_\_\_\_\_ approach.
  1. Altruism
  2. Morality
  3. Deontology
  4. Utilitarianism
4. The normative ethical theory approach used by Woolworths when deciding to sell only free-range eggs is not virtue ethics, because the morality of the action is not only based on the \_\_\_\_\_.
  1. Action's adherence to a set of rules
  2. Self-interest of an individual
  3. Character of a good person
  4. Interest of other individuals
5. Mr. Susman is a \_\_\_\_\_ stakeholder of Woolworths, which forms part of one of the pillars of the triple bottom line, an accounting measure for \_\_\_\_\_.
  1. Primary, governance
  2. Primary, sustainability
  3. Secondary, ethical business
  4. Secondary, ethical leadership
6. Mr. Susman's position in the sustainability committee gives him \_\_\_\_\_ power.
  1. Reward
  2. Coercive
  3. Referent
  4. Legitimate
7. Ms. Rylands possesses \_\_\_\_\_ power that stems from her knowledge of sustainability and the NSPCA's Animal Welfare Code of Practice.
  1. Formal
  2. Expert
  3. Referent
  4. Coercive
8. If Mr. Nissan (a member of the sustainability committee) uses a coalition influence tactic, he will \_\_\_\_\_ in order to convince the chairman to add a specific sustainability target to the committee's activity list for the upcoming year.
  1. Arouse enthusiasm through an emotional request
  2. Seek the support of the other committee members
  3. Use logical arguments and factual evidence
  4. Use humour and friendliness
9. If Mr. Nissan decides to speak to a journalist shortly after a committee meeting, disclosing the sustainability performance of Woolworths before the final sustainability report has been compiled, it will be \_\_\_\_\_, a(n) \_\_\_\_\_ and \_\_\_\_\_ form of political behaviour.
  1. Sabotage, legitimate, internal
  2. Retaliation, legitimate, external
  3. Disloyalty, illegitimate, internal
  4. Whistle-blowing, illegitimate, external

Read the following additional information on Woolworths and answer questions 10 to 18

## **WOOLWORTHS: GOING GLOBAL**

Woolworths state that as passionate, committed retailers, they understand and lead their customers through excellence and a deep knowledge of their products and services and the world they live in. They aim to be a world leader in retail brands that appeal to people who care about quality, innovation and sustainability.

This formed the basis of Woolworths' plan to expand its global presence when, early in 2014, Woolworths acquired David Jones, an Australian department store, for R23.3 billion in cash and new debt. David Jones is an iconic upmarket department store that sells gourmet food, wine, clothing and high-end beauty products and operates in 38 stores across Australia. The chain has struggled in recent years amid stiff competition from global fashion groups including H&M, Zara and Top Shop. Thanks to this takeover, Woolworths' overall sales rose by 55.2% in the first 26 weeks of the 2015 financial year. It has also made Woolworths one of the 10 largest department store operators in the world. David Jones' chief executive officer, Paul Zahra, resigned immediately from the retailer following the takeover by Woolworths South Africa. Mr Ian Nairn was appointed as the new chief executive officer of David Jones. Mr Nairn was the former CEO of the well-known Country Road brand, which was also swallowed up by Woolworths in 2014 as part of its takeover of David Jones.

Woolworths is planning to sell more private label fashion in the stores, as well as introducing a loyalty programme and other operational changes to squeeze out more than R1.43 billion in extra profits over the next few years. They are planning to open 18 new Country Road stores in South Africa over the next three years. Country Road already contributes 16% to the Woolworths group profit, indicating a rapidly increasing growth rate.

### **Going online**

Currently, few local retailers are making an effort in online shopping offerings. According to a study done by the South African Council of Shopping Centres, the websites that online shoppers used the most in 2014 were Woolworths, Exclusive Books, Pick n Pay, Incredible Connection, Cape Union Mart, Mr Price, Edgars and Makro. Favourite online stores also included Kalahan.com, Takealot.com and Amazon.

The Woolworths online shopping site ([www.woolworths.co.za/store/](http://www.woolworths.co.za/store/)) now offers the full range of Woolworths products. "It features almost everything our customers

would find in-store," said Nikki Cockcroft, online specialist and head of online at Woolworths. "From groceries to clothing, home, beauty and financial services, we've integrated all our services into one easy-to-navigate destination. We've listened to thousands of Woolworths customers who wanted a simpler, more seamless integration between online and in-store shopping, with the added convenience of being able to access all their Woolies favourites no matter the time, place or device." Woolworths believes that South Africans will become more enthusiastic online shoppers as bandwidth connections become cheaper and faster and customers become more comfortable with online and mobile shopping.

The group report that their numbers of online shoppers have doubled year on year. Traffic from smartphones has increased by 38%, with 8% of the traffic coming from tablets.

Woolworths is seeing more customers using their website for pre-purchase research. Customers want to see what is in-store or are searching for a particular something or downloading a recipe, which is an important part of the multi-channel experience. Woolworths is trying to create it's not only about getting customers to buy online rather than in-store – it's about letting the customers shop how, where and when they want – in-store or online.

When ordering on the online Woolworths store, delivery is free for all first-time customers in order to encourage customers to try the service. According to the group's website, all food items are available for next-day delivery. Clothing, homeware, fashion brands and beauty items are delivered in three to five days. If the order includes food and non-food items, the customer can choose to have their order delivered all together or have the food items delivered earlier. Woolworths offers many of the specials you see in store, online. However, from time to time they do feature specials that are exclusive to the online shopping portal.

Adapted from

- <http://www.bdlive.co.za/business/retail/2015/01/16/australian-deal-props-up-woolworths-sales>
- <http://www.smh.com.au/business/retail/david-jones-boss-paul-zahra-resigns-after-woolworths-sa-takeover-2014/08/12-10307m.html#ixzz3RFXHx2CH>
- <http://www.idl.co.za/business/news/sa-retail-halla-short-of-online-demands-1-1814824#VNipq3hO6po>
- <http://www.ventures-afrika.com/2015/01/woolworths-see-55-2-sales-revenue-explosion-in-last-six-months/>
- <http://www.bdlive.co.za/business/retail/2015/08/29/woolworths-to-open-18-new-country-road-treasury-stores>
- <http://www.destinyconnect.com/2015/01/16/woolworths-first-half-sales-rocket/>
- <http://businessstech.co.za/news/retail/42868/woolworths-targets-more-online-shoppers/>
- <http://businessstech.co.za/news/retail/21125/woolworths-targets-online-retail-growth/>

Match each example in Column B to the correct strategic management concept in Column A.

COLUMN A – STRATEGIC MANAGEMENT CONCEPT	COLUMN B – EXAMPLE
10. Vision Statement (4)	1. "Woolworths is planning to sell more private label fashion in the stores, as well as introducing a loyalty programme and other operational changes"
11. Mission statement (3)	2. "it's about letting our customers shop how, where and when they want"
	3. "as passionate, committed retailers, they understand and lead their customers through excellence and a deep knowledge of their products and services and the world we live in"
	4. "they aim to be a world leader in retail brands that appeal to people who care about quality, innovation and sustainability"

12. When purchasing David Jones, Woolworths followed a \_\_\_\_\_ and \_\_\_\_\_ strategy.
1. Backward integration, related diversification
  2. Market development, corporate combination
  3. Concentration growth, product development
  4. Forward integration, cost leadership
13. According to the Boston Consulting Group growth-share matrix, Country Road can be classified as a \_\_\_\_\_.
1. Star
  2. Dog
  3. Cash cow
  4. Question mark
14. Woolworths is following a(n) \_\_\_\_\_ e-business shopping model.
1. Storefront
  2. Online trading
  3. Click-and-mortar
  4. Business-to-consumer
15. Woolworths implemented a(n) \_\_\_\_\_-based revenue generating business model.
1. Referral
  2. Mark-up
  3. Advertising
  4. Commission

16. The advanced e-business technology that was recommended for Woolworths to use when they wanted to prevent the loss of the acquired intellectual capital built up by Nikki Cockcroft can be classified as a(n) \_\_\_\_\_.
1. Expert system
  2. Neural network
  3. Workflow management system
  4. Management information system
17. Which one of the following statements is incorrect regarding groups at Woolworths?
1. A group that forms at a Woolworths branch will involve 2 or more interdependent individuals, who work together to achieve specific goals
  2. Individuals may join a group at their Woolworths branch in order to satisfy their social and affiliation needs
  3. If a group of individuals from Woolworths decide to form a book club that meets weekly during lunch, they are classified as an interest group
  4. A group formed at a Woolworths branch in Pretoria that has a very clear line of authority can be classified as a command group
18. Which one of the following statements demonstrates an example of a self-managed work team at Woolworths?
1. Managers from all the functional areas of Woolworths have a meeting where they use their collective expertise to solve complex problems
  2. Employees from the marketing department at the Woolworths H/O in Cape Town meet every Friday to discuss ways of improving their efficiency as well as new marketing opportunities
  3. Individuals employed by various Woolworths branches country-wide form a team where members are task-orientated and use technology to complete their designated tasks
  4. Multi-skilled individuals who functional autonomously and meet with their leader every day to decide on issues such as improvements in design and the hiring of new team members
19. Knowledge management in a systematic approach to manage the \_\_\_\_\_ assets of the organisation, and an example of these assets includes \_\_\_\_\_.
1. Information, policies
  2. People, skills
  3. Information, culture
  4. People, experience
20. Structural capital is the \_\_\_\_\_.
1. New technologies that allow customers to compare prices
  2. Accumulated knowledge and expertise of the organisation
  3. Combined skills and knowledge of the employees
  4. Value of established relationships with suppliers
21. Bureaucracy is widely used in many organisations, except where \_\_\_\_\_.
1. The technology is routine
  2. Consumer needs are relatively stable
  3. Efficient processing methods are in operation
  4. Customised products and services are delivered

Consider the following list of variables and answer questions 22 to 24

- a) forges close relationships with suppliers
- b) builds alliances with other organisations
- c) uses a vertical flow of information
- d) has an ethnocentric mindset
- e) presents fewer chances for promotion
- f) has a compliant culture
- g) requires multitasking
- h) exhibits heterogeneous employees

22. The new organisation \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.
1. a, b, e, g
  2. b, c, d, h
  3. a, c, d, f
  4. b, e, f, g
23. One of the challenges for the new organisation, when becoming flatter and leaner, is that the organisation \_\_\_\_\_.
1. e
  2. c
  3. d
  4. g
24. The traditional organisation \_\_\_\_\_ and \_\_\_\_\_.
1. a and h
  2. b and e
  3. c and d
  4. f and g
25. \_\_\_\_\_ is an internal force of change that could involve implementing a plan to regain market share that the organisation has lost to competitors.
1. Balance of power



- 2. Pressure to grow
- 3. New technology
- 4. Demographic trends

Consider the following table and match the type of change in Column B with the correct dimension of change in Column A.

COLUMN A – STRATEGIC MANAGEMENT CONCEPT	COLUMN B – EXAMPLE
26. Scope (1)	1. Revolutionary change, which involves radical changes such as downsizing and restructuring
27. Process (3)	2. Punctuated change, which involves a set of uninterrupted adjustments in work processes
	3. Reactive change, which involves responding to forces outside the organisation's control
	4. Continuous change, which involves dealing with one problem at a time after long periods of stability

28. \_\_\_\_\_ is a barrier to change that occurs because the forces for and against change are equally strong
- 1. Volatility
  - 2. Eustress
  - 3. Inertia
  - 4. Incongruity
29. \_\_\_\_\_ is the third step in Lewins' change model.
- 1. Unfreeze
  - 2. Refreeze
  - 3. Change
  - 4. Communicate
30. A change in \_\_\_\_\_ may involve departmentalisation and the alignment of processes.
- 1. Strategy
  - 2. Structure
  - 3. Resources
  - 4. Technology
31. Which one of the following is incorrect regarding the artefacts level of organisation culture?
- Artefacts** \_\_\_\_\_
- 1. Are found on the first level of organisational culture
  - 2. Include visible aspects of the organisation
  - 3. Are always visible and understandable
  - 4. Include the archives of the organisation
32. According to Edgar H Schein, culture is a pattern of assumptions that is developed by an organisation to deal with problem of external adaption and internal integration.
- Internal integration tasks do not include the development of consensus on the criteria for \_\_\_\_\_.
- 1. Allocating power
  - 2. Measuring results
  - 3. Allocating rewards
  - 4. Developing friendships
33. \_\_\_\_\_ reinforce the culture of an organisation and relate to the success and failures of an organisation.
- 1. Symbols
  - 2. Artefacts
  - 3. Stories
  - 4. Rituals
34. \_\_\_\_\_ culture, as categorized by \_\_\_\_\_, is typified by members being encouraged to interact with each other.
- 1. Constructive, Jones, Dunphy, Fishman, Larne and Canter (2006)
  - 2. Process, Deal and Kennedy (2000)
  - 3. Adhocracy, Quim and McGrath (1985)
  - 4. Person, Trompenaars and Purd;homme (2004)
35. Charles Handy (1993) identify 4 types of culture, namely \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and power culture.
- 1. Task, role, person
  - 2. Process, logic, role
  - 3. Person, market, clan
  - 4. Defensive, authority, passive
36. Cummings and Worley's (2009) guidelines for cultural change does not include the \_\_\_\_\_.
- 1. Demonstration of commitment by top management
  - 2. Modification of current authority structures
  - 3. Selection of people who fit in the culture
  - 4. Formulation of a new strategic version
37. Diversity is \_\_\_\_\_ while employment equity is \_\_\_\_\_ focused.
- 1. Proactive, qualitatively

2. Legally drive, problem-  
 3. Internally focused, externally  
 4. Productivity focused, reactively
38. The quest for a new management philosophy is a management issue in the South African business world which has been activated by the \_\_\_\_\_ and \_\_\_\_\_ movements.
1. Multinational, transformation
  2. New management, multicultural
  3. Empowerment, affirmative
  4. Transformation, empowerment
39. The \_\_\_\_\_ argument for diversity states that the reactions of the organisation will be faster and at a lower cost.
1. System flexibility
  2. Creativity
  3. Resource acquisition
  4. Marketing
40. Woolworths uses a uniform performance appraisal policy to rate all its employees on all levels of the organisation. The \_\_\_\_\_ approach to managing diversity can be suitable to remedy the above situation.
1. "Value of difference"
  2. "Right the wrongs"
  3. Compensation
  4. Golden rule
41. A secondary dimension of diversity is \_\_\_\_\_.
1. Geographic location
  2. Ethnicity
  3. Physical ability
  4. Sexual orientation
42. The \_\_\_\_\_ paradigm of diversity will enable organisations to benefit adequately from the management of diversity.
1. Discrimination-fairness
  2. Learning-effectiveness
  3. Access-legitimacy
  4. Flexibility-individual
43. The \_\_\_\_\_ perspective of the balanced scorecard is measured by \_\_\_\_\_.
1. Financial, growth
  2. Customer, quality
  3. Learning, growth
  4. Internal, quality
44. Strategic management is not \_\_\_\_\_.
1. Establishing a clear direction for the organisation
  2. A creative and innovative process
  3. About effecting strategic change
  4. A linear four-step process
45. \_\_\_\_\_ stems from the ability of successful organisations to provide greater worth to customers, which competitors try to emulate. An important contributor to the creation of worth is an organisation's \_\_\_\_\_, a term developed by Michael Porter to describe the interconnectedness and interrelatedness of these internal functions and activities.
1. Price advantage, value system
  2. Fairness of exchange, value chain
  3. Competitive advantage, value system
  4. Sustainable competitive advantage, value chain
46. Which one of the following did Michael Porter classify as a secondary support activity?
1. Procurement
  2. Operations
  3. Logistics
  4. Service

Match the examples in Column B with the stages in group and team development in Column A.

COLUMN A – STAGES IN GROUP AND TEAM DEVELOPMENT	COLUMN B – EXAMPLE
47. Storming (3)	1. Group members are supportive and can tackle even complex tasks without compromising quality
48. Performing (1)	2. Members of a group work according to rules and procedures that they have set
	3. Members of a group do not want to accept restrictions imposed on them as each member feels that his opinion is the best
	4.

Match each appropriate characteristic in Column B with the team role, as defined by Belbin, in Column A.

COLUMN A – ROLES	COLUMN B – CHARACTERISTICS
49. The company worker (2)	1. Introverted, but intellectually dominant
50. The plant (1)	2. Turns ideas into manageable tasks

	3. Glue that keeps the team together
	4. Worries about due dates

### Section B

Read the following case study and answer questions 51 and 52.

#### WOOLWORTHS: FROM MUD TO MARKET

Deep in the rolling farmlands of Elukwatini, Mpumalanga, lie several small plots of land that bring renewed hope to an impoverished community of former subsistence farmers. Although Elukwatini's red soil produces healthy vegetable crops, the distance to the market had effectively destroyed any attempts by small-scale farmers to make a profit, forcing them to remain subsistence farmers.

Woolworths, in partnership with Technoserve (an enterprise development partner) and Qutom (Woolworths' tomato supplier), stepped in to provide training, mentoring, technical assistance and to establish essential links to both finance and retail markets. The farmers were also assisted with a grant and have since used "top-up" and production loans. Woolworths has given a production loan for R350 000 to the farmers.

The pilot project started in 2011, with 13 one-hectare crops of tomatoes. The project formed part of Woolworths' Good Business Journey and was directed by Mr Sihle Mathaba, who organised regular meetings with his team. The focus of these meetings was on analysing both the external and internal environment of Woolworths, with an emphasis on the potential sources of risk. After determining the risks for the Elukwatini, the project was started.

A key member of the team is Mr Tim Boardman, who is also a member of the sustainability committee. Mr Boardman had open lines of communication to the top management level of Woolworths through his colleague and a fellow committee member, Ms Zyda Rynalds. This allowed him access to a greater number of contacts and networks in Woolworths' environment. Mr Boardman facilitated the Elukwatini project at the strategic level on behalf of Mr Chris Nissen, who was responsible for the execution and control of the project. Mr Nissen compiled a plan that stated which

member of the team was responsible for which specific task. On the team were Ms Zainab Cassiram, Mr Lucky Malebane, Mr Kamal Patel and Mrs Tanya Stricker, responsible for training, communication with the farmers, local community involvement and resource allocation respectively. Mr Nissen was being helped by Mrs Thabile Bhata, who assisted with any issues that occurred during the implementation of the project. The project administration hub was located at the Woolworths regional office in Mpumalanga, close to Elukwatini. The leader of this hub, also responsible for setting the standards for the project, was Mrs Jane Claassen.

The first crops were harvested on the Elukwatini farms in April 2012. Farmers harvested 570 tons of round tomatoes, of which 202 tons went to Qutom (with 80% of those being packed for Woolworths) and 268 tons went to local traders and some were exported, with an estimated additional 100 tons sold by the farmers locally. With an increase in yield in 2013, the top farmers generated net profits of more than R75 000 from 1.5 hectares. The farmers are creating employment for 80 to 90 local people during the nine-month tomato production period.

One of the farmers said the Woolworths Enterprise Development programme and the training received helped her become a more successful farmer. She has been able to build a house with the money she has earned and she is able to support her four children. She has five permanent employees and she also hires seasonal workers during harvest time, which means she supports about 30 people in her local community.

Adapted from

[http://caowatermandate.org/files/endorsingWOOLWORTH\\_2013.pdf](http://caowatermandate.org/files/endorsingWOOLWORTH_2013.pdf)

<http://dev-technoserve.seattlewebgroup.com/our-work/projects/from-mud-to-market>

### Question 51

Name all the key role players in project management and identify these key role players in the Elukwatini project from the above case study.

- a) Strategic manager (Programme Director) was Mr. Sihle Mathaba, he organised regular meetings and analysed both the external and internal environment of Woolworths. He also considered all sources of potential risk.
- b) Project sponsor is Mr. Tim Boardman. He had opened lines of communication to the top management level of Woolworths through his colleagues. He has access to a greater number of contacts and networks in the Woolworths environment.
- c) Operational manager (Project manager) is Mr. Chris Nissen. He is responsible for the execution and control of the project. He compiled a plan that stated which member of the team was responsible for which task.
- d) Project team consisted of Ms. Cassiram, Mr. Malebane, Mr. Karnal and Mrs. Sticker, who is responsible for training, communication with local farmers, local community involvement and resource allocation.
- e) Project management team office was the project administration hub located at the Woolworths regional office in Mpumalanga close to Elukwatini.
- f) The client is the farmers of Elukwatini, Mpumalanga.

### Question 52

Categorise the farmer improvement project under one of the perspectives of project management and use relevant theory as well as examples from the case study to substantiate your answer.

The farmer improvement project can be categorised under the external perspective of project management. External perspective is an outward perspective taken to determine the effectiveness of the organisation's products & services in the market place. Given the inequalities of between communities in a developing society such as SA, upliftment and development programmes are needed. Woolworths partnered up with Technoserve and Qutom and provided training, mentoring and technical assistance to small scale farmers with the impoverished community of Elukwatini, Mpumalanga. Woolworths further assisted the farmers with a grant and production loan of R350 000. The pilot project started in 2011 and it formed part of the Woolworths Good Business Journey.

### MAY/JUN 2016

#### Section A: Multiple Choice Questions

1. Which one of the following is false regarding the roles and expectations of workers in the Knowledge Era?
  1. Workers actually own the means of production
  2. Jobs require a much higher level of technical skill
  3. Workers need to depend on facts and focus on procedures
  4. Permanent employees are replaced with temporary employees
2. The characteristics of the new organisational model differ substantially from those embodied in the traditional, bureaucracy model. The new organisation's \_\_\_\_\_ is/are participative whereas a traditional organisation's will be \_\_\_\_\_.
  1. Culture, unhealthy
  2. Discussions, non-engaging
  3. Decision-making, top-down
  4. Management style, autocratic
3. An example of a management challenge for a networked organisation is \_\_\_\_\_.
  1. Developing the skills as team members and team leaders
  2. Actively encouraging initiatives for innovation and change
  3. Understanding the diverse cultures of the individuals involved
  4. Developing negotiation skills that enable them to negotiate win-win situations
4. During step 6 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

Consider the following methods manager can use to deal with 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 the cause of resistance to change is a lack of information or wrong information, \_\_\_\_\_ can be an effective way to overcome the resistance.
  1. b
  2. d
  3. e
  4. f
6. 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 \_\_\_\_\_.
  1. a
  2. c

3. d  
4. f
7. An example of a taken-for-granted assumption is \_\_\_\_\_. This is the tendency of organisations to develop strategies incrementally based on historical and cultural influences, but failing to keep pace with changes in the environment.  
1. Strategic drift  
2. Strategy deployment  
3. Organisational learning  
4. Organisational architecture
8. National and regional cultures differ in terms of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.  
1. Synergy, equality, assumptions  
2. Assumptions, authority, synergy  
3. Attitudes toward work, authority, equality  
4. Power distance, restraint, attitudes toward work
9. Which one of the following national culture dimension deals with society's search for virtue?  
1. Power distance  
2. Uncertainty avoidance  
3. Individualism versus collectivism  
4. Long-term versus short-term orientation
10. Which one of the following is not a guideline, as identified by Cummings and Worley (2009) in attempting to change the culture of an organisation?  
1. Formulating a new vision that guides the purpose of the culture change  
2. Terminating the services of people who do not fit into the culture  
3. Socialising newcomers to fit into the new culture  
4. Leaving elements of the culture unchanged

Match the actions of the person with the power in Column B to the influence tactics in Column A.

COLUMN A – INFLUENCE TACTICS	COLUMN B – ACTIONS OF THE PERSON WITH THE POWER
11. Ingratiating (3)	1. Coaxing the target through logical arguments and factual evidence that a proposal or request is viable
12. Rational persuasion (1)	2. Promising that the target will receive rewards or benefits if he/she complies
	3. using friendliness, humour or flattery before making a request to the target
	4. Arousing enthusiasm by making an emotional request to the target

13. Governance of ethics concerns the \_\_\_\_\_, while the ethics of governance concerns the \_\_\_\_\_.  
1. Direction of ethical culture, directing of an organisation's relationships  
2. Organisation's social responsibilities, evaluation of the ethical standards employed  
3. Management of stakeholders, development of the organisation's ethical culture  
4. Control of an organisation's operations, promotion of the organisation's ethical culture
14. The \_\_\_\_\_ dimension of ethical analysis is defined by the tacit and explicit norms and rules that characterise an organisation's culture.  
1. Normative  
2. Organisational  
3. Macro-ethical  
4. Consequentialism
15. According to the \_\_\_\_\_ approach to normative ethics, the morality of an action is judged according to the \_\_\_\_\_.  
1. Deontology, action's adherence to a set of rules  
2. Virtue ethics, interests of everyone involved  
3. Consequentialism, outcome of the moral agent's virtuous nature  
4. Deontology, positive long-term consequences that the action holds
16. The main advocate of the narrow view of corporate social responsibility is \_\_\_\_\_, and he argues that \_\_\_\_\_.  
1. Milton Friedman, organisations should contribute to the welfare of society  
2. Edward Freeman, social responsibility arises from social power  
3. Edward Freeman, corporate social responsibility is unethical  
4. Milton Friedman, the business of a business is profit making.
17. Which one of the following is not one of the four pillars on which corporate governance should be based, as stipulated by the World Bank?  
1. Accountability  
2. Transparency  
3. Responsibility  
4. Honesty
18. Corporate citizenship, ethical leadership and sustainability are dimensions of \_\_\_\_\_.  
1. The comply or else model  
2. Normative ethical theory  
3. The King III Report  
4. Business ethics

19. The \_\_\_\_\_ is/are the cornerstone(s) of diversity behaviour.
1. Organisation's strategic values
  2. Right the wrongs approach
  3. Melting pot assumption
  4. Platinum rule
20. Which one of the following categories of management problems relating to diversity in a South African workplace is based on the premise that the environment of organisations in developing countries is different from that of First World countries?
1. The question of affirmative action
  2. The question of economic empowerment
  3. The quest for a new management philosophy
  4. The quest to create a balanced management environment

Consider the table below about the arguments for managing diversity and their corresponding reasoning, and answer questions 21 & 22.

ARGUMENT	REASONING
a) _____	Organisations with the best reputations for managing diversity will win the competition for the best personnel
Creativity	b) _____

21. Identify the argument for option a)
1. Resource acquisition
  2. System flexibility
  3. Problem-solving
  4. Cost
22. Identify the reasoning for option b) that relates to the creativity argument.
1. The diversity of perspectives and the modernizing of diversity management will improve the use of imagination
  2. Heterogeneity in decision-making groups produces better decisions through a wider range of perspectives
  3. The system will become less standardised and therefore more fluid; creating a greater flexibility to react creatively
  4. Members with roots in other countries bring new insight and cultural sensitivities to operations

Consider the following list of diversity efforts and answer questions 2 and 24.

- a) effective implementation of affirmative action policies
- b) inconsistent enforcement of diversity policies
- c) believing in a monoculture organisation
- d) little is being done in the area of economic empowerment
- e) ongoing diversity education and training initiatives
- f) believing a culture of enabling employees
- g) managerial commitment not tied to organisational rewards

23. Broad-based diversity efforts on the organisational diversity continuum include \_\_\_\_\_ and \_\_\_\_\_.
1. a, b
  2. b, e
  3. e, f
  4. f, g
24. In the middle of the diversity continuum, diversity efforts are based on \_\_\_\_\_ and \_\_\_\_\_.
1. a, c
  2. b, d
  3. c, e
  4. e, g
25. Which one of the following is the second step in the implementation of the diverse workforce development strategy?
1. Formulating a vision for a diverse workplace
  2. Building a corporate culture that values diversity
  3. Changing structures, policies and systems to support diversity
  4. Providing diversity awareness and cultural competency training
26. Identify the role player in project management that is responsible for ensuring that the projects produce the expected organisational benefits.
1. Operational manager
  2. Tactical manager
  3. Programme director
  4. Project sponsor

Consider the following list of steps in the project management process:

- a) develop a stakeholder plan
  - b) develop the quality manager plan
  - c) define change control procedures
  - d) define the scope of the project
  - e) develop a tactical project plan
  - f) develop a communication plan
27. Rearrange these 6 steps in the correct sequential order.
1. e, f, d, b, c, a
  2. b, f, d, c, a, e



3. e, b, c, a, f, d

4. b, a, d, c, e, f

28. Which one of the following is not a responsibility of the project management office, but rather that of the project manager?

1. Ensuring that the skills of the project team meet project-specific quality requirements

2. Acquiring and utilising project management systems and tools

3. Handling all the administration for project-related activities such as monitoring, controlling and reporting

4. Developing, documenting and maintaining the organisation's project management policies processes and procedures

29. In a stakeholder matrix, the most appropriate strategy to manage stakeholders with a high interest in, but low influence on, the project is to \_\_\_\_\_.

1. Put in minimal effort

2. Keep them satisfied

3. Keep them informed

4. Build a strong relationship with them

30. Compiling a resource management plan, is an activity that forms part of step \_\_\_\_\_ of the project management process, namely \_\_\_\_\_.

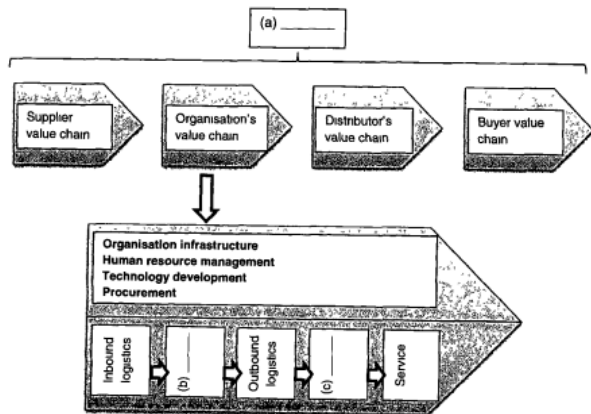
1. Fourteen, monitoring and controlling project objectives

2. Seven, developing key performance indicators

3. Ten, conducting the risk management plan

4. Nine, developing the project schedule

Consider the following figure and complete it by answering questions 31 to 33



31. Complete option (a) in the figure above

1. Value system

2. Primary activities

3. Expert system

4. Secondary activities

32. Complete option (b) in the figure above

1. Marketing

2. Accounting

3. Operations

4. Human resources

33. \_\_\_\_\_ works closely with the \_\_\_\_\_ function, represented by option (c)

1. Research and development, marketing

2. Supply management, supplier logistics

3. Marketing, information technology

4. Top management, operations

Read the following case study and answer questions 34-40

## **ARLA FOODS IN LATIN AMERICA AND CHINA**

On a rainy day in September 2014, Janus Skøt, Senior Director of Arla Foods Latin America and the Caribbean (LATAM), looked out of the window of his office in Mexico City. He was attempting to determine how Arla Foods could build a competitive advantage in Latin America countries given their shortage of milk products and growing middle class. Arla Foods has a diverse portfolio of high-quality dairy products, and over the course of several years, it had developed a strategy for LATAM based on cooperation with local partners, such as dealers and distributors, aimed at integrating its products into local retail chains (supermarkets). End consumers in the 20 LATAM countries had different levels of purchasing power that affected their purchasing decisions. Therefore, Janus carefully considered how Arla Foods could develop a strategy to reach consumers across all income segments.

### **Arla Foods**

In the 1880s, Danish and Swedish milk farmers joined together to create a cooperative to invest in common dairy production facilities. This allowed them to make efficient use of their milk and ensure higher quality products. Over the years the cooperative idea proved increasingly attractive. Small farmer cooperatives merged and grew stronger. They expanded from local to regional cooperatives. Arla Foods was created in 2000 as a result of the merger of MD Foods of Denmark and Arla of Sweden. Thereafter, Arla Foods expanded through several acquisitions and mergers with other cooperatives. In 2014, the Arla Foods cooperative was owned by 13 500 farmers located in seven countries: Belgium, Denmark, Germany, Luxembourg, the Netherlands, the UK and Sweden.

Arla Foods has three major brands that cover several product lines. (1) Arla, which produces a wide range of dairy products, (2) Lurpak, which produces high-quality butter and spreads, and (3) Castello, which produces high-quality speciality cheeses. Arla Foods' dairy products are sold in more than 100 countries, including South Africa.

### **Meet the Arla people**

At Arla Foods, apart from milk, people are the most important resource. They continuously focus on making the work day even better and on creating a good working environment for everyone – both physically and mentally. Every individual is appreciated and they strive to achieve a healthy work-life balance. Individuals are given a high degree of freedom and responsibility, and the business is built on openness and employee influence. It's at the heart of everyone at Arla Foods that the business is grown in a positive way. The products, activities and growth should not only create value for the farmers who own Arla, but it should also improve the lives of people, help customers to grow, bring exciting opportunities to colleagues working at Arla and contribute positively to society. Arla Foods aims to secure the highest value for its farmers' milk while creating opportunities for their growth.

### **Reaching the LATAM market**

Growth in the LATAM market required cooperation with local partners, which was one of Arla Foods' main goals for conducting business around the world. The distribution network was fragmented, with mostly small, family-owned firms. While Western firms might be familiar with supermarket chains, some LATAM countries only have large kiosk convenience stores. The consumers in the region are also heterogeneous in their shopping habits, and have different characteristics from European consumers.

In the summer of 2013, Janus began to build the LATAM team that would function under his leadership. He hired professionals with work experience in Latin America and the Caribbean who were fluent in Spanish. There were also three other Danes working in the office in Mexico City. Firstly, there was Berit Jeanette Haven Andersen, who was appointed business development manager. She assessed new markets and projects for Arla Foods' product portfolio and brought new contracts and ideas to the group. Secondly, Lars Tang Mikkelsen, was the country manager for Mexico. He started out as a sales representative for Arla Foods back in 2001, and because of his drive and passion for the company, he worked himself up to country manager in 2013. Finally, there was Christoffer Skjoldlev Madsen, the export manager for Central America. His main responsibilities included maintaining and developing relationships with distributors. In addition, the office was staffed with one Mexican, Guillermo Batiz Molina, who was appointed as the export manager. This LATAM team was responsible for developing a strategic plan to gain a larger market share in the countries in which Arla Foods was already present and to develop, and execute, an overall strategy for the LATAM region.

Janus and his team came to the conclusion that the most convincing strategy was cooperation with a local partner, which would involve selecting a distribution partner and building a long-term strategy together. Time was of the essence, especially in terms of competition. France's Lactalis purchased assets from LBR (Lácteos do Brasil) as well as the dairy division of BRF (Brazil's second largest food company in terms of revenue). Lactalis' acquisitions in Brazil showed that the French company had an aggressive strategy for the Brazilian market. Janus knew that they had to quickly react to the rapid consolidation of the dairy industry in the LATAM region. An urgent meeting was arranged for brainstorming and after an agreement was reached, the team committed to a specific response to the situation.

### **Arla in China**

Arla Foods entered into a joint venture with Mengniu Dairy in China in 2005, forming Mengniu Arla. This project was designed to allow Arla to easily tap into the Chinese market through a local expert. The local expert was the key player in providing Arla Foods with access to local contacts and knowledge, which were essential for moving the business forward.

### **Mengniu Arla scandal**

In 2008, Arla Foods was part of a scandal over the melamine contamination of baby milk in China, after Mengniu Dairy was named as one of the companies whose products had tested positive for the substance. Melamine is a chemical that can cause kidney stones and other health problems when consumed. Although it is banned in food production in China, it is thought that the chemical was deliberately added to the milk to boost its protein content.

The products were all recalled and the production at Mengniu Arla's milk powder factory was temporarily suspended, even though Mengniu did not receive any complaints from its consumers. Arla Foods CEO Peder Tuborgh said: "The situation is extremely distressing for all the families who need milk of the highest quality to feed their children. It is extremely important that we get to the bottom of the problem so that consumers' safety can be guaranteed and confidence in the Chinese dairy industry be maintained. Together with Mengniu and the authorities, we're doing everything we can to safeguard quality."

Analysis equipment that can test milk for traces of melamine was ordered and sent to China. All products up to the temporary halt in production were also tested before being distributed to stores.

#### **Sources**

Arla Foods 2008. Crisis in China's dairy industry also hits Arla [online]. Available from <http://www.arla.com/about-us/news-and-press/2008/pressrelease/crisis-in-china-s-dairy-industry-also-hits-arla-760491/> [Accessed 9 September 2015].  
Arla Foods 2015. About us – Organisation [online]. Available from <http://www.arla.com/about-us/organisation/> [Accessed 9 September 2015].  
Arla Foods 2015. Meet Arla – Our culture [online]. Available from <http://www.arla.com/job-and-career/meet-arla/our-culture/> [Accessed 9 September 2015].  
Flexnews 2008. Arla Hit by China Baby Milk Contamination Crisis [online]. Available from <http://www.flex-news-food.com/console/PageViewer.aspx?page=19159> [Accessed 9 September 2015].  
Ramirez, J. and Modrow, S. 2015. Building a 'milky way' from Denmark to Latin America and the Caribbean [online]. Available from <http://www.thecasecentre.org/programmeAdmin/products/view?id=127241> [Accessed 7 September 2015].

34. The process of the changes at Mengniu Arla, resulting from the 2008 Mengniu crisis, can be categorised as \_\_\_\_\_.
1. Reactive
  2. Top-down
  3. Punctuated
  4. Revolutionary
35. According to Jones, Dunphy, Fishman, Larne and Canter, Arla Foods's culture can be classified as a \_\_\_\_\_ culture.
1. Clan
  2. Person
  3. Defensive
  4. Constructive
36. Arla Foods' strategic partnership with Mengniu Dairy represents a(n) \_\_\_\_\_ for the company.
1. Threat
  2. Strength
  3. Weakness
  4. Opportunity
37. In 2005, Arla Foods employed a \_\_\_\_\_ corporate growth strategy.
1. Product development
  2. Market development
  3. Backward integration
  4. Forward integration
38. According to the Belbin method, the resource-investigator of the LATAM team is \_\_\_\_\_.
1. Berit Jeanette Have Andersen
  2. Christoffer Skjolddelev Madsen
  3. Lars Tang Mikkelsen
  4. Janus Skot
39. According to the Belbin method, Lars Tang Mikkelsen fulfils the \_\_\_\_\_ team role.
1. Plant
  2. Shaper
  3. Company worker
  4. Monitor-evaluator
40. The LATAM team is a \_\_\_\_\_ type of team.
1. Virtual
  2. Self-managed
  3. Problem-solving
  4. Cross-functional

## Section B

Refer back to the case study on Arla Foods, and complete the following sentences by filling in the missing words.

1. Arla Foods' brands, Lurpak and Castello, represents its (intellectual) structural capital.
2. Arla Foods' decision to increase its competitive advantage in LATAM reflects the internal force of change, change in strategy.
3. The demographic trends in the LATM market act as external forces for Arla Foods to change.
4. The variable which influence organisations to change that is most evident in the case study is social forces stemming from economic, technological and cultural environments (demographic trends).
5. Arla Foods is following a focus generic strategy.
6. Freedom and openness at Arla Foods is an example of the artefacts level of organisational culture.

Complete the following sentences by filling in the missing word(s).

7. In project management, a programme (tactical manager) manages at the tactical level (middle management), which is in contrast to a project manager whose sole responsibility is planning, execution, control & finalization of the projects.
8. A PERT diagram will typically be developed during the 9<sup>th</sup> phase of project management. (Develop the project schedule).
9. He internet business model that is production-based business model-based adds value by capturing customer preference and by improving customer service.
10. Management information system is an e-business advanced technology that is used for monitoring, control and reporting on an organisational performance at tactical and strategic level.

## Section C

### Question 1

Name the conditions that should ideally exist for the Arla Foods LATAM team to be effective. Indicate which of these conditions currently exist by providing evidence from the case study.

Chairperson: presides over the team, coordinates its efforts and is disciplined, balanced and focused. From the case study this is Janus Skot, Senior Director of Arla Foods who set up the team in 2013.

Shaper: highly-strung, outgoing and dominant person with a drive and passion for the task. From the case study this is Lars Tang Mikkelsen, who started as a sales representative for Arla Foods back in 2001 and because of his drive and passion for the company he worked himself up to country manager in 2013.

Plant: introverted but intellectually dominant, the source of original ideas and proposals.

Monitor-evaluator: is an analytical rather than a creative intelligent.

Resource-investigator: is the popular member of the teams extroverted. From the case study, this person is Berit Jeanette Haven Anderson, who was appointed business development manager. She assessed new markets and brought new contract and ideas to the group.

Company worker: is the practical organiser who turns ideas into manageable tasks.

Teamworker: holds the team together by being supportive of others, listening, encouraging, harmonizing and understanding. From the case study this could be Christoffer Skjolddelev Madsen.

Finisher: checks the details, worries about schedules and due dates and brings to the team a sense of urgency.

### Question 2

#### 2.1 Identify the mission statement of Arla Foods as stated in the case study.

The mission statement for Arla Foods is "At the heart of everyone at Arla Foods that the business is grown in a positive way. The products, activities and growth should not only create value for the farmers who own Arla, but it should improve the lives of people, help customers to grow, bring exciting opportunities to colleagues working at Arla and contribute positively to society."

#### 2.2.1 According to the answer in Q2 above, identify which components of the mission statement are present.

- "business is grown in a positive way" – the values, ethics and beliefs of the organisation
- "the products, activities and growth should not only create value for the farmers who own Arla, but it should improve the lives of people, help customers to grow, bring exciting opportunities to colleagues working at Arla" – the organisation's concerns for all stakeholders
- "contribute positively to society" – the social responsibility of the organisation.

#### 2.2.2 State whether Arla Foods has a good mission statement and justify your answer.

Yes, Arla Foods does have a good mission statement, because it reflects an organisation's reason for being in its products, market and consideration for its stakeholders.

### Question 3

#### 3.1 Name and describe any 2 conflict management strategies.

- Avoidance – one party chooses to focus on the other party's needs to suppress or resolve the conflict or to seek some form of conflict
- Accommodation – one party chooses to focus on the other party's needs to suppress or resolve the conflict or seek some form of maintaining the status quo
- Compromise – both parties give up something and the parties reach a consensus decision
- Competition – the focus of one or both parties is on their own interests, resulting in dysfunctional conflict and win-lose results
- Collaboration – differences are met and addressed, resulting in a win-win solution for the parties

#### 3.2 Explain where each of the strategies identified in question 3.1 falls within the model of Thomas

- Avoidance – assertive and uncooperative
- Accommodation – highly cooperative, but unassertive
- Compromise – middle-ground / neutral on assertiveness and cooperation
- Competition – highly assertive, but uncooperative
- Collaboration – highly assertive and highly cooperative

### OCT/NOV 2016

#### Section A: Multiple Choice Questions

Read the following background information on Le Creuset and answer question 1.

Le Creuset is a well-known French cookware manufacturer, whose brand is best known for its colourful, enamelled cast-iron cookware. Le Creuset's brand has gone from strength to strength following World War II, seeing an unprecedented period of growth and innovation with an increased variety of colours and styles for enamelled cast-iron cookware. Modernisations at the factory continued to enlarge its capacity and the organisation started to export its products to other European countries and the United States. As a spin-off of its expansion, Le Creuset launched its first wok, inspired by the growing trend in Asian cooking in the new markets in 1992. The Spanish Pueblo range in sun baked colours was added to the range in 1995.

Adapted from: Le Creuset (2016) History [Online] Available from <http://www.lecreuset.co.za/history> (Accessed 10 February 2016)

1. Evaluate the change Le Creuset underwent and select the variables influencing change in contemporary organisations, which are most likely to be a reason for the described changes.
  - a) New roles of workers
  - b) Technological advances
  - c) Globalisation and the global economy
  - d) Radical transformation of the world of work
  - e) The growing importance of intellectual capital
  - f) Increased power and demands of the customer
  1. a, c and f
  2. b, d and e
  3. b, c and f
  4. a, d and e

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

COLUMN A – MANAGEMENT CHALLENGES	COLUMN B – FEATURE OF A "NEW" ORGANISATION
2. An over-reliance on teams (2)	1. Flexibility
3. Multi-tasking (1)	2. Networked
	3. Flatter and leaner

4. Which one of the following options is incorrect regarding the artefacts level of organisational culture? Artefacts \_\_\_\_\_.
1. Are found on the first level of organisational culture
  2. Include visible aspects of the organisation
  3. Include the archives of the organisation
  4. Can always be understood
5. If employees have to dress professionally during the week, but are allowed to wear informal outfits on Fridays, it is an example of a norm, which is part of the \_\_\_\_\_ level of culture.
1. Second
  2. Fourth
  3. Third
  4. First
6. According to Edgar H Schein, culture is a pattern of assumptions developed by an organisation to deal with problems of external adaption and internal integration. External adaption tasks do not include the development of consensus on the \_\_\_\_\_.
1. Goals of the organisation
  2. Group boundaries and criteria for inclusion
  3. Criteria that are used to measure the results
  4. Resources the organisation uses to accomplish its goals
7. The \_\_\_\_\_ culture, as categorised by Charles Handy (1993), is typified in terms of work by logic and rationality.
1. Role
  2. Person
  3. Market
  4. Process
8. In which one of the following national culture dimensions does society have a preference for achievement, heroism and assertiveness?
1. Uncertainty avoidance
  2. Power distance
  3. Collectivism
  4. Masculinity
9. Which one of the following is not a guideline, as identified by Cummings and Worley (2009), in attempting to change the culture of an organisation?
1. Formulating a new vision that guides the purpose of the culture change
  2. Terminating the services of people who do not fit into the culture
  3. Socialising newcomers to fit into the new culture
  4. Leaving elements of the culture unchanged
10. Consider the question, "What is formal power?"  
Now suppose the following answer is given: "formal power includes legitimate power which allows an individual, who possesses the power, to make decisions on information flows and resource allocation. It also includes reward power, which rests with an individual who can offer or restrict employee benefits."  
What is wrong with the answer?
1. Reward power is incorrectly described
  2. Formal power does not include reward power
  3. Formal power does not include legitimate power
  4. Legitimate power does not allow an individual to make decisions

Match the description in Column B to the correct phase of the negotiation process in column A

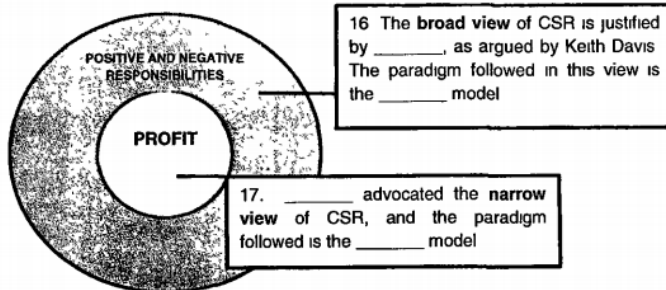
COLUMN A – PHASE OF THE NEGOTIATING PROCESS	COLUMN B – DESCRIPTION
11. The planning phase (3)	1. Involves 4 steps that include setting objectives, researching the other party, developing options, anticipating issues that the other party might raise, and allowing the other party to make the first offer
12. The negotiation phase (2)	2. Involves 4 steps that include focusing on the issues, not the individual, allowing the other party to make the first offer, making sense of the other party's needs, and not rushing into an agreement
	3. Involves setting objectives with regard to an opening, a fair and achievable target, and an exit target
	4. Involves both parties giving up something in order to reach a consensus

13. According to Morgan (1997), power stems from all of the following sources, except \_\_\_\_\_.
1. Informal interpersonal alliances
  2. Control of technology
  3. Formal authority
  4. Social networks
14. If an individual informs the media about unethical internal organisational activities it is a(n) \_\_\_\_\_, \_\_\_\_\_ form of political behaviour.
1. Internal, legitimate



2. External, legitimate
  3. Internal, illegitimate
  4. External, illegitimate
15. Which one of the following options is an example of a secondary stakeholder?
1. Community
  2. Suppliers
  3. Investors
  4. Creditors

Consider the following figure that illustrates the 2 views of corporate social responsibility (CSR), and answer questions 1 and 17.



16. Complete the figure by choosing the correct option for question 16 (outer circle in the figure provided).
1. Social power, stakeholder
  2. A social contract, shareholder
  3. A promissory relation, shareholder
  4. Stakeholder value creation, stakeholder
17. Complete the figure by choosing the correct option for question 17 (inner circle in the figure provided).
1. Melvin Anschen, stakeholder
  2. Milton Friedman, shareholder
  3. Edward Freeman, shareholder
  4. Thomas Donaldson, stakeholder
18. If the organisation has been using a uniform performance appraisal policy to rate all employees on all levels of the organisation, the \_\_\_\_\_ approach to managing diversity can be used to remedy the above situation.
1. "Value of differences"
  2. "Right the wrongs"
  3. Compensation
  4. Golden rule
19. \_\_\_\_\_ is a primary dimension of diversity.
1. Ethnicity
  2. Education
  3. Marital status
  4. Religious beliefs
20. The \_\_\_\_\_ diversity paradigm increases the organisation's effectiveness in capturing niche markets.
1. Discrimination-fairness
  2. Learning-effectiveness
  3. Access-legitimacy
  4. Growth-efficiency

Consider the following list of variables and answer questions 21 and 22

- a) proactive
- b) qualitative
- c) legally driven
- d) problem focused
- e) assumed integration
- f) government initiated
- g) only externally focused

21. Which of the above variables are characteristics of diversity?
1. a, b and e
  2. a, c and g
  3. b, d and e
  4. c, f and g
22. Which of the above variables are characteristics of employment equity?
1. a, b and e
  2. a, c and f
  3. b, d and g
  4. c, d and f

Read the following scenario and answer questions 23 to 28

## Project Pop-up

"Pop-up" stores are the new trend in the retail industry, which allows retailers to open short-term stores. The trend involves "popping up" one day and then disappearing from one day to several weeks later. These shops, while small and temporary, can build up interest by exposing their merchandise to the consumer. Pop-up retail allows a company to create a unique environment, in which it can engage its customers and that generates a feeling of relevance and interactivity.

On 1 October 2013, Le Creuset opened pop-up shops with a range of its bestsellers – both new and classic designs in all the bright and bold colours for which the brand is known. Ben Paine, managing director of the stylish cookware range, said, "Le Creuset is excited to partner with Le Quartier Français (LQF) in Franschhoek, it's our first pop-up store in South Africa!"

Sipho Makgopa, the Le Creuset manager who planned and executed the project, gave the following insights: The inaugural shop offered Moreson Méthode Cap Classique (sparkling wine), and a range of specially created LQF merchandise designed to complement the Le Creuset products, such as aprons, recipe cards, notebooks and a bespoke range of knives, as well as Tina Jewell's famous fudge. Both these organisations (Moreson and LQF) were very excited about being exposed to the Franschhoek market, and their market share increased due to them being associated with the prestigious Le Creuset brand.

"We're thrilled to be hosting a Le Creuset shop," said Susan Huxter, owner of LQF. "The synergy between the two brands is fantastic!" "Le Creuset and LQF are wonderful complements to each other, and the brands live well together. We love using Le Creuset as part of our everyday service – from the tea cups used for breakfast to the pans in the kitchen. We believe our guests like to live the same way at home as when they are with us."

"The pop-up shop suits the character of Franschhoek and gives something special to the locals who now don't have to leave the village in search of the perfect gift." Employees at Le Creuset are excited about the project, as it requires a temporary assignment of some of the Cape Town staff to the beautiful wine town, Franschhoek.

**Source:** Le Quartier Français 2013. Press release. Le Creuset pop-up store set to open at Le Quartier Français! Available [online] from <http://cdn1.buuteeq.com/upload/416/pr-sep-2013-le-creuset-pr.pdf>. Accessed April 2016.

Use the information on the stakeholders in Project Pop-up to conduct a stakeholder analysis. Use your analysis to answer questions 23 to 25.

23. Based on a stakeholder analysis, which stakeholder/s should the project team keep satisfied?
1. Le Creuset employees
  2. Franschhoek locals
  3. Ben Paine
  4. Moreson
24. Based on a stakeholder analysis, with which of the stakeholder/s should the project team build strong relationships?
1. LQF
  2. Moreson
  3. Franschhoek locals
  4. Le Creuset employees
25. The stakeholder tactical plan for \_\_\_\_\_ would require that the project team communicate project progress by using a Facebook page.
1. Le Creuset employees
  2. Tina Jewell
  3. Ben Paine
  4. Moreson

Consider the role players in the project management and answer questions 26 to 28.

26. Ben Paine is the \_\_\_\_\_ of Project Pop-up.
1. Public face
  2. Project sponsor
  3. Operational manager
  4. Programme manager
27. Sipho Makgopa is the \_\_\_\_\_ of Project Pop-up.
1. Public face
  2. Project sponsor

3. Operational manager

4. Programme manager

28. Project Pop-up has an \_\_\_\_\_ perspective and it is pitched at the \_\_\_\_\_ level.

1. Internal, operational

2. Internal, marketing

3. External, strategic

4. External, tactical

29. Read the following paragraph regarding an organisational value chain and correct it by choosing the correct option. "To optimise the value chain, organisations must shift their focus to internal efficiencies of the secondary activities. Efficiency is achieved by minimising operational inputs and optimising operational outputs, with little or no investment or expansion being undertaken."

1. The word "internal" should be replaced by "external"

2. The word "secondary" should be replaced by "primary"

3. The word "efficiency" should be replaced by "effectiveness"

4. The word "little or no" should be replaced by some"

30. Which one of the following characteristics best describes a commission-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.

Determine whether the following statements are true or false.

31. A click-and-mortar e-business shopping platform showcases products by giving customers access to an inventory of stock. It provides for order taking and management of customer data.

1. True

2. False

32. The e-business advanced technology, management information systems, may serve the organisation well by acting as an early warning system and enabling management to take preventative steps in good time.

1. True

2. False

33. Important consideration for e-business web management are the control, development and management of a website.

1. True

2. False

34. Select the correctly constructed sentence regarding groups and teams from the statements below:

1. A task group is a unit of two or more people who interact primarily to share information and to make decisions that will help each group member perform within his/her own area of responsibility.

2. Self-managed work teams have the ability to reduce costs because they can make and implement decisions quickly, and take full responsibility for the outcomes.

3. The reason for the existence of interest groups is that the members have things in common, such as similar hobbies, to share with colleagues.

4. Belbin listed 8 roles that teams need in order to be effective, and stated that the optimum size of a team is 7-10 members

35. The group behaviour model depicts 5 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

36. \_\_\_\_\_ and \_\_\_\_\_ define a group's structure.

1. Cohesiveness, leadership

2. Leadership, power and politics

3. Authority structures, group decision making

4. Group decision-making, performance management

37. \_\_\_\_\_ form(s) part of the organisational context that influences the functioning of a group.

1. Group decision making

2. Authority structures

3. Power and politics

4. Leadership

38. An example of a group process is \_\_\_\_\_.

1. Performance management

2. Group decision-making

3. Personnel selection

4. Leadership

Consider the following conversation between two colleagues and answer question 39.



I'm so glad it's lunch time, Sarah. Do you know that this (i) \_\_\_\_\_ group that is being formed to investigate an appropriate reward system for the University includes staff members from academic and administrative departments? They are constantly in conflict with one another, and neither department is supportive of the other!

That must be frustrating, John. This is happening because they are only in the (ii) \_\_\_\_\_ stage of group development. Soon the group will start to function as a cohesive unit.

39. Complete the conversation by choosing the correct option provided below.
1. (i) interest; (ii) norming
  2. (i) interest; (ii) forming
  3. (i) task; (ii) storming
  4. (i) task; (ii) forming
40. There are various options available to organisations wishing to develop individuals into team members. If they have already changed their selection procedures for hiring new employees and have altered their reward systems, what option are they left with?
1. Implementing a turnaround strategy to reduce staff with unwanted personality traits.
  2. Providing incentives to recognize employee performance
  3. Using the Belbin method to improve the diversity of skills
  4. Using teambuilding interventions

#### Section B

1. **Strategic management** encompasses the process of strategic analysis, formulation, implementation and control.
2. The real challenge of any winning strategy is the creation of a **competitive** advantage, which can be defined as the ability to create value that rivals cannot duplicate.
3. Corporate citizenship, ethical leadership and sustainability are dimensions of the **King III Report**.
4. An important contributing factor to the **value chain** of an organisation is the value that the organisation is creating for its customers.
5. **Workforce diversity** reinforces the culture of an organisation and relate to the successes and failures of an organisation.
6. **Constructive** culture, as categorised by Jones et al. (2006), is typified by members being encouraged to interact with each other.
7. According to the deontology approach to normative ethics, the morality of an action is judged according to the **actions adherence to a rule or set of rules**.
8. The King III Report on Governance is an example of the **voluntary** approach to corporate governance.
9. Governance ethics concerns the **managing of both the company's impact on stakeholders and society** while the ethics of governance concerns the development of the organisation's ethical culture.

#### Section C

Read the following Le Creuset scenario and answer questions 1 to 3.

Le Creuset is recognised the world over for market-leading, distinguishable, premium-quality ranges of enamelled cast-iron cookware, multi-ply stainless steel, toughened, non-stick stoneware and ceramics, along with its outstanding range of wine accessories

Established in 1925, Le Creuset has been making world-class cookware for almost 100 years, and innovation remains at the forefront of Le Creuset's success. Used by grannies, uncles, leading chefs, and keen cooks around the globe, Le Creuset cookware offers outstanding performance, time after time. Le Creuset has continued to use the hand-crafted techniques and the original process of forging and casting in the manufacturing of its cookware. This attention to its heritage is also characteristic of the design. The Cocotte, or French Oven, was one of the first cast-iron items produced by Le Creuset and it is still the most popular item sold in a range of bright retro colours, with Volcanic (orange) being the company's trademark.

After the Second World War, contrary to its competitors, Le Creuset concentrated on its range of enamelled cast-iron cookware and was a major innovator of the time with new and exciting styles and pieces. Originality was shown in the creation of enamel colours.

In 1952, export to other countries had really begun, with ever-greater volumes of products destined to other European countries and the United States. Subsequently, in 1957, Le Creuset bought its major competitor, les Hauts Fourneaux of Cousances, the designer of the popular *Doufeu* (a Cocotte with a water lid). In 1958, Le Creuset launched the *Coquelle* designed by Raymond Loewy, a famous Franco-American designer, justly named "the Father of Industrial Design". In 1962, Le Creuset launched its first fondue set, inspired by the growing trend in winter sports and skiing holidays. In 1963, Le Creuset launched its first barbecue set.

In 1966, Le Creuset modernised the factory production equipment and replaced the manual casting workshop with semi-automatic machines. Le Creuset took over the Godin company, specialists in furnaces and firing equipment for foundries, used in the production of its products, in 1970. In 1972, the celebrated Italian designer Enzo Mari completely redesigned the traditional cocotte to create the "Mama" range with its distinctly different handle shape. Total production exceeded 6,000 tons! In 1974, Le Creuset took a leap forward into the USA with the formation of its own subsidiary in South Carolina, "Le Creuset of America Inc."

Source: Le Creuset (2016) History [Online]. Available from <http://www.lecreuset.co.za/history> (Accessed 11/02/2016)

#### QUESTION 1

Evaluate the summary of the scenario below by identifying which statements about change are omitted in the summary, which are correct and which are incorrect.

*In the scenario, Le Creuset experienced numerous changes. These changes happened because of various internal and external forces of change. The internal force of change evident in the scenario is the change in strategy and pressure to grow, while the macro-economic factors, such as the economy, development of new technology and change in customer preference, can be identified.*

The internal force/s correctly identified in the summary is/are:

Change in strategy

Pressure to grow

The internal force/s incorrectly identified in the summary is/are:

?????

The internal force/s evident in the scenario, but omitted in the summary is/are:

Implementation in new technology

The macro environmental force/s correctly identified in the summary is/are:

Economy

New technology

The macro environmental force/s incorrectly identified in the summary is/are:

Change of customer preference

The macro environmental force/s evident in the scenario, but omitted in the summary is/are:

Social forces

The macro environmental force/s listed in the summary but that is not evident in the scenario is/are:

Events that occur in one country may affect and lead to change in the organisation operating in other countries because of the integration and interdependence of world markets.

#### QUESTION 2

Interpret how change is dealt with at Le Creuset using the dimensions of change.

First list the 4 dimensions of change, and then select where the changes at Le Creuset fall on each of the dimension's continuums.

1. Planned change – When Le Creuset launched its first fondue set, inspired by the growing trend in winter sports and skiing holidays
2. Reactive change
3. Revolutionary change
4. Incremental change

5. Punctuated change
6. Continuous change – 1966 – Modernised the factory production equipment; 1970 – Took over the Godin company; 1972 – Enzo Mari redesigned the traditional cocotte to create the “mama” range; 1974 – Took a leap forward into the USA

### QUESTION 3

Identify the generic strategy of Le Creuset. Motivate your answer by correctly defining the strategy and then providing evidence from the scenario to support your answer.

Differentiation strategy – “Le Creuset has continued to use the handcrafted techniques and the original process of forging and casting in the manufacturing of its cookware.”

“Le Creuset concentrated on its range of enameled cast-iron cookware and was a major innovator of the time with new and exciting styles and pieces. Originality was shown in the creation of enamel colours.”

### MAY/JUN 2017 – PAPER 1

#### Section A: Multiple Choice Questions

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

Match the appropriate feature of “new” organisation in Column B to the management challenge described in Column A.

COLUMN A – MANAGEMENT CHALLENGE	COLUMN B – FEATURE OF A “NEW” ORGANISATION
2. Fewer opportunities for promotion (3)	1. Flexibility
3. Multitasking (1)	2. Networked
	3. Flatter and leaner
	4. Workforce diversity

4. During step 5 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

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 4 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. Integration
  4. Coalition
14. Max Weber identified 3 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

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 3 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

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

COLUMN A – QUADRANT OF THE MATRIX	COLUMN B – DESCRIPTION OF THE QUADRANT
19. Stars (2)	1. Strategic business units with a high market share and low market growth rate
20. Cash Cows (1)	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
	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 5 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
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

Read the following Shoprite Holdings Ltd case study and answer questions 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.

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

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.*

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 Q25, 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 Q27, 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. 2984
  2. 1990
  3. 1991
  4. 2009
31. **The corporate combination strategy Shoprite followed when enlisting partners to work with 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 \_\_\_\_\_ 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 1<sup>st</sup> 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

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, instill 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
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

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

### Section B

Review the “Mobile Soup Kitchen project providing a meal of hope” section of the case study and answer questions 1 and 2.

#### QUESTION 1

Categorise the Mobile Soup Kitchen project under one of the perspectives of project management and use the relevant theory as well as examples from the case study to substantiate your answer.

External perspectives of management – an outward perspective taken to determine the effectiveness of the organisation’s products and/or services in the market place.

Example – The feeding program aims to distribute meals like nutritional 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 – distribution of warm, healthy food to those in need.

#### QUESTION 2

Mr. Neo Mogalobe is the strategic manager of the Mobile Soup Kitchen programme.

Identify 4 additional key role players in project management that are evident in the case study.

Name the key role players and state who this role player is in the context of the Mobile Soup Kitchen project.

- The client – children, senior citizens and families affected by unemployment
- Operational Manager – Ms. Estelle Morena
- Tactical Manager – Mr. Etienne Botha
- Project Team – Shoprite, Royco, Albany, Mercedes, Toyota and UD Trucks

#### QUESTION 3

There are 3 different perspectives on how organisations perceive the task of managing diversity.

- a) Differentiate between the 3 perspectives by discussing the focus and effectiveness measures of each perspective.

##### Discrimination-Fairness

Focus – creating equal opportunity, assuring fair treatment and compliance with equal opportunity laws

Effectiveness – recruitment numbers, retention rates of women and PDG’s

##### Access-Legitimacy

Focus – match internal employee demographics to customer and marketplace served

Effectiveness – Niche markets captured, degree of diversity among employees

##### Learning-Effectiveness

Focus – incorporate diversity into the heart and fabric of the mission work and culture of the organisation

Effectiveness – all employees feel respected, valued and included

- b) Indicate which one of the perspectives will enable an organisation to benefit adequately from managing diversity.

##### Learning-Effectiveness

#### QUESTION 4

Consider the following incorrect explanations of the levels of culture that needs to be corrected.

1. Level one – Always understandable but not always visible. The annual report of the organisation is an example.
2. Typical behaviours – This second level of culture involves mostly rules for how to behave. These rules are stated in organisational policies.
3. Core level – unconscious and unspoken thoughts and values.

Rewrite each level of culture so that all of them are correctly named and explained.

Level 1 – Artefacts – valuable aspects of the organisation (tip of the iceberg) – what someone feels and deserves when entering an organisation – the visible but not always understandable aspects of the organisation (visual aspects)

Level 2 – Values and beliefs (just below the water) – the goals and ideas, norms, standards, moral principles and other premises which an organisation chooses to promote – most employees are able to identify with work norms after some time – “on Friday afternoons we don’t have to work hard”

Level 3 – Taken for granted assumptions – from the core of an organisation’s culture and often have historical roots – the core of the culture can only be distinguished by observing behaviour carefully, noting differences, contradictions that remain unexplained – taken for granted

#### QUESTION 5

In order to generate revenue, an organisation can implement one of 7 basic internet business modules.

- a) Differentiate between the 7 business revenue-generating models.

- Commission-based model – based on commission that are charged for brokerage/intermediary services

- Advertising-based pay model – advertisers pay for web content

- Mark-up based model – selling marked-up merchandise

- Production-based model – selling manufactured goods and customer services

- Referral-based model – fees are charged by referring customers

- Subscription-based model – charges for unlimited use of service or content

- Fee-for-service-based model – charges fees for metered services

- b) Classify YouTube’s revenue-generating model based on the following information.

YouTube allows billions of people to discover, watch and share originally-created videos on the [www.youtube.com](http://www.youtube.com) website.

Organisations looking to use this forum as a marketing tool can specify their target market. The organisation’s advertisement starts playing automatically when a video is selected and they will be charged once customers (anyone

*forming part of the target market watching a video on the website) watch seconds or more of the advertisement.*  
**Advertising-based model**

**MAY/JUN 2017 – PAPER 2**

**Section A: Multiple Choice Questions**

1. Which one of the following is not a stimulant for change in organisations?
  1. Diversity
  2. Globalisation
  3. New roles and expectations of the worker
  4. Increased power and demands of customers
2. \_\_\_\_\_ capital is represented by copyrights, trademarks and patents.
  1. Shareholder
  2. Structural
  3. Customer
  4. Human
3. Which one of the following is a weakness of the traditional organisational model?
  1. Impartiality
  2. Rigid rules
  3. Predictability
  4. Clear lines of control
4. When examining the differences on the dimensions of traditional and “new” organisations, the “traditional” organisation’s workforce can be described as \_\_\_\_\_ while the “new” organisation’s workforce is \_\_\_\_\_.
  1. Homogenous, diverse
  2. Compliant, committed
  3. Efficient, innovative
  4. Inflexible, flexible
5. Which one of the following is a trait of the workers in the industrial era? Workers \_\_\_\_\_.
  1. Avoid risk
  2. Focus on collaboration
  3. Can deal with the unexpected
  4. Are spontaneous and creative
6. \_\_\_\_\_ is/are an example of social force for change, while \_\_\_\_\_ is a physical force for change.
  1. Health issues, the internet
  2. Business ethics, global competition
  3. Demographic trends, climate change
  4. Trade union activities, gender and race issues

Match the appropriate statement in column B to the reason for resisting change in Column A.

COLUMN A – REASON FOR RESISTING CHANGE	COLUMN B – STATEMENT
7. Lack of trust (4)	1. Employees fear that they will not be able to learn a new skill
8. Organisational inertia (2)	2. Employees do nothing as they do not want to change the status quo
	3. Employees live in a comfort zone and do not wish to change due to the perceived sacrifices involved
	4. Employees may not understand the full consequences of change

10. Given the changes taking place in the organisation, the manager Mrs. Mbiko, in an attempt to decrease her employees’ resistance to the proposed changes, decides to give a thorough presentation on the proposed changes to all her staff members, and to offer them 2 days’ additional leave. This is an example of \_\_\_\_\_.
  1. Facilitation and support
  2. Negotiation and rewards
  3. Participation and involvement
  4. Education and communication
11. The process of change that will take place in an organisation when reorganising themselves for improved performance after bankruptcy can be categorised as \_\_\_\_\_.
  1. Incremental
  2. Continuous
  3. Top-down
  4. Planned
12. Which statement regarding the levels of culture is incorrect?
  1. Every organisation’s basic assumptions are the same
  2. Shared values and beliefs influence the actions and activities in an organisation
  3. Every organisation has its own personality, which is known as the corporate culture
  4. “Basic assumptions” refer to beliefs about the world and how it works

Read the scenario on Green Lantern and answers questions 12-15

## GREEN LANTERN

Green Lantern is an events management company based in Cape Town. The company is managed by four managers:

- Anthea, the sales manager, who threatens the sales team with replacement should they not meet their goals
- Jabu, the marketing manager, who is so pleased with his team because they exceeded the objectives he had set for the Going Green project for Jing-Jang Bank that he gives the entire team a day off
- Waldo, the project manager, who is an expert at solving problems and ensures that all projects stay on track
- Kuda, the human resource manager, who ensures that the company treats its employees fairly, and assists those who are treated unfairly

Match the type of power used in Column B with the specific behaviour displayed by the various managers in the scenario in Column A.

COLUMN A – MANAGER	COLUMN B – TYPE OF POWER
12. Anthea (4)	1. Expert
13. Javu (3)	2. Legitimate
	3. Reward
	4. Coercive

14. In the scenario, Waldo is displaying \_\_\_\_\_ power.
1. Reward
  2. Expert
  3. Personal
  4. Legitimate
15. In the scenario, Kuda is displaying \_\_\_\_\_ power.
1. Expert
  2. Referent
  3. Coercive
  4. Legitimate
16. The theorist(s) \_\_\_\_\_ emphasises the importance of social networks as a source of power.
1. French Raven
  2. Morgan
  3. Ancona
  4. Pfeffer
17. Which one of the following factors is not a source of power as listed by Morgan (1997)?
1. Control of the decision-making process
  2. Restriction of benefits
  3. Control over knowledge
  4. Usage of symbolism
18. Which one of the following is not a step in developing a truly diverse workplace?
1. Providing change structures, policies and systems to support diversity
  2. Having open communication channels between subordinates and managers about diversity issues
  3. Providing diversity awareness and cultural competency training
  4. Building a corporate culture that values diversity
19. Diversity is not \_\_\_\_\_.
1. About values
  2. About culture
  3. About behaviour
  4. A long-term process
20. The platinum rule relating to diversity suggests one treats others, \_\_\_\_\_.
1. As they want to be treated
  2. As you want to be treated
  3. With respect
  4. Equally
21. Which one of the following is the 3<sup>rd</sup> step in implementing a diversity strategy in an organisation?
1. Changing structures to support diversity
  2. Providing diversity awareness training
  3. Identifying departments with a lack of diversity
  4. Ensuring there is open communication channels about diversity issues



22. The \_\_\_\_\_ argument for managing cultural diversity, suggests that poor job integration will decrease the price of the workforce.
1. Cost
  2. Resource acquisition
  3. Systems flexibility
  4. Problem solving
23. Which one of the following statements is not true regarding a mission statement? The mission statement \_\_\_\_\_.
1. Can be used as a guide when making decisions on resource allocation
  2. Reflects the organisation's corporate social responsibility activities
  3. Describes the organisation's product, market and technology
  4. Addresses the values, beliefs and ethics of the organisation
24. Before a project manager assists an organisation on a project, the organisation needs to answer which of the following questions.
- a) Is the organisation flexible enough to implement project management?
  - b) Will the organisation be able to handle the level of complexity of the project?
  - c) Can the project be completed in the required time?
  - d) What are the client's requirements?
1. a b d
  2. b c d
  3. a b c
  4. Only b
25. The tactical manager of a project has to \_\_\_\_\_.
1. Analyse the internal and external environments of the organisation
  2. Compile a project plan which states how, when, where and by whom the various tasks will be done
  3. Translate the strategic priorities and goals of the organisation into potential programmes
  4. Approve project plans and receive project process reports
26. When identifying a need for a project, several methods can be used. \_\_\_\_\_ are an example of a formal method, while \_\_\_\_\_ are an example of an informal method.
1. Questionnaires, scientific surveys
  2. Scientific surveys, discussions
  3. Observations, opinion polls
  4. Debates, observations
27. Which one of the following statements is false regarding an organisation's internal value chain?
1. Competitive advantage is the ability to create value that your competitors cannot
  2. Competitive advantage grows out of the ability of an organisation to perform discrete activities
  3. Sustainable competitive advantage occurs when organisations have tried unsuccessfully to duplicate an organisation's competitive advantage
  4. Competitive advantage ensures the survival of the organisation over the short term
28. An organisation's \_\_\_\_\_ is an interdependent system or network of activities, connected by various linkages.
1. Sustainable advantage
  2. Competitive advantage
  3. Value system
  4. Value chain
29. Which statement is incorrect regarding E-business?
1. Electronic business can be defined as a business using the internet for greater efficiency in every aspect of its operations
  2. B2B e-commerce stands for 'Business-to-Buyer' e-commerce
  3. Consumer-to-Consumer e-commerce is made possible when an internet-based business acts as an intermediary between consumers
  4. Electronic business contributes to a greater competitive advantage for the organisation
30. The \_\_\_\_\_-based business model adds value to the organisation by leveraging a strong brand name and providing high quality information to specialised markets.
1. Subscription
  2. Commission
  3. Fee-for-service
  4. Advertising
31. Which statement is incorrect regarding teams?
1. In a team, the team members are involved in setting the team's goals
  2. The individual efforts of team members result in a level of performance that is greater than the sum of their individual inputs
  3. Team members should all have similar skills in order to work together effectively
  4. The best teams are those in which everyone suppresses their individual ego for the good of the team

Match the appropriate statement in column B to the group structure in column A.

COLUMN A – REASON FOR RESISTING CHANGE	COLUMN B – STATEMENT
32. Cohesiveness (3)	1. Diverse groups with a variety of skills and knowledge tend to be more effective
33. Norms (2)	2. As a group, we all eat lunch together on a Friday afternoon
	3. Group members feel close to one another as they are a

	small group that stands together as a unit
	4. The reason why the Springbok rugby captain gets his own room while the other squad members have to share accommodation

34. Betty joined a group at work because it made her feel stronger and less threatened. Jim joined the group because he could achieve more than what he could achieve on his own. Betty joined the group for \_\_\_\_\_, whereas Jim joined for \_\_\_\_\_.

1. Self-esteem, status
2. Status, security
3. Power, self-esteem
4. Security, power

Read the following case study and answer questions 35 to 40

## PROCTER & GAMBLE

### Overview

Three billion times a day, Procter & Gamble (P&G) brands touch the lives of people around the world. The company has one of the strongest portfolios of trusted, quality, leadership brands, including Pampers, Ariel, Always, Pantene, Iams, Oral-B, Duracell, Olay, Head & Shoulders, Wella, Gillette, and Braun. The P&G community consists of almost 140,000 employees working in over 80 countries worldwide. With a portfolio of 22 billion-dollar brands and a market capitalisation of nearly \$200 billion, P&G established itself as one of the ten most valuable companies in the world by respecting the consumer and fulfilling its purpose. "We will provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come. As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders and the communities in which we live and work to prosper."

### Company history highlights

P&G rolled out new products one after another from 1837. P&G literally invented the disposable diaper category with the introduction of Pampers in 1961. As P&G approached their 150th anniversary in 1987, they were poised for the most dramatic period of growth in P&G history. The company that began as a small Midwestern partnership had grown into one of America's largest multinational corporations. In 1988 P&G entered China by forming a separate new business, called P&G China, together with Hutchison Whampoa, a Hong Kong company. Between 1989 and 1999 they also entered the cosmetics and fragrances categories in a number of countries. In 1992, their product, Pantene, became the fastest selling shampoo in the world, and in 1994, P&G re-entered South Africa, doubling its overall business within the first year.

### Restructuring at P&G: Unloading of over 100 brands – 2014

After years of expansion into areas like pet food and beauty products, P&G announced in August 2014 that it would cut as many as 100 brands from its arsenal to focus on others that made the company a powerhouse over the decades. According to A.G. Lafley, who re-joined the company and took over as CEO from Bob McDonald in 2013, the move is part of a strategy to improve the company's financial performance by doubling down on about 80 brands that generate 95% of the profits and 90% of sales. The company, and the industry at large, have faced pressure as consumers continue to spend less than they did before the financial crisis of 2008. After selling the brands, P&G would have about 70 to 80 more lucrative products remaining. Consumers are still spending less, five years after the financial crisis, and P&G, like other manufacturers, have been under pressure to improve sales and cut costs.

### **People at P&G: A culture of innovation**

P&G energises people to use their expertise, integrity, drive and hunger to contribute to new product development and to serve consumers better. This often involves using their creativity and powers of innovation to go beyond accepted ideas to generate new ways of getting better results.

People are at the sharp end of innovation, not companies. P&G's human resource department has the responsibility for the development and growth of people towards higher levels of skill, competency, creativity and fulfilment, in a way that supports each individual. It sets out to foster individual improvement in the workplace, with the opportunity for enhanced work satisfaction as each employee is able to make fuller use of his or her skills and abilities. P&G values diversity as part of building a strong brand and a dedicated workforce, welcoming diversity as a part of creating a strong and innovative corporate culture.

Within P&G the focus is on involving people across the business either to develop their ideas or become involved in working together to make ideas happen. The different perspectives produce better decisions and allow for a more thorough critical analysis. Newcomers are told inspirational tales about the founders and how they built up P&G to the company it is today. These newcomers also embark on an induction programme, which involves teaching them the terminology and vocabulary used at P&G, informing them about the professional company dress code, and taking them on a tour around the offices.

### **P&G South Africa head office**

The following employees work at the head office of P&G South Africa in Johannesburg.

- Ms Jane Richardson is the sales manager. She is a highly analytical individual who is excellent with checking the quality of her team's work, but can come across as insensitive. When the sales team do not meet their goals, she threatens them with replacement.
- Mr Jabu Khathini is the marketing manager. He is an outgoing person who enjoys socialising and who has a passion for marketing and customer relationships. Jabu is in charge of a team whose objective is to create awareness of the Future Friendly Products at a Going Green conference in Sandton, Johannesburg. He and his team did all the planning for the event, implementing their decisions and taking full responsibility for the outcomes. All of the outcomes were achieved and the promotion was such a success that Jabu gave the entire team a day off.
- Mr Kenneth Sullivan, a project manager, who is extremely skilled in managing large projects and solving problems, ensures that all projects stay on track. While Kenneth

has excellent administrative skills, he sometimes needs to be motivated more than other employees as he is quite an introvert

- Ms Lerato Bophela is the human resources manager, who ensures that the company treats its employees fairly, and assists those who are treated unfairly. Lerato is a good listener and is liked by all of her colleagues

### Conclusion

Today, P&G brands serve about 4.2 billion of the 6.5 billion people in more than 180 countries around the world. Even while they are such a large organisation, P&G keeps building an organisation with an innovative culture. Everybody can contribute to new product development either through research and development or through their focus, energy and commitment to their role. In a fast-changing world an innovative culture helps an organisation constantly move forward. This culture has actively helped P&G develop and transfer technologies and bring new products to the market. Creating innovations that give people products, which make their lives easier and better, is what creates a competitive advantage for P&G. This is what has helped P&G become the successful global business it is today.

Adapted from

Abrams, R. 2014. *Procter & Gamble to streamline offerings, dropping up to 100 brands*. Available online from [http://www.nytimes.com/2014/08/02/business/procter-gamble-to-drop-up-to-100-brands.html?\\_r=0](http://www.nytimes.com/2014/08/02/business/procter-gamble-to-drop-up-to-100-brands.html?_r=0) [Accessed 5 June 2015].  
Business Case Studies. Not dated. *Procter & Gamble Promoting sustainable development*. Available online from <http://bizcas.es/6vAUJ0> [Accessed on 5 June 2015].  
Goldman, D. 2010. *P&G stock drops 37% -- not really*. Available online from [http://money.cnn.com/2010/05/06/markets/procter\\_and\\_gamble\\_stock/](http://money.cnn.com/2010/05/06/markets/procter_and_gamble_stock/) [Accessed 5 June 2015].  
GreenBiz staff. 2010. *P&G launches U.S. campaign to highlight 'Future Friendly' products*. Available online from <http://www.greenbiz.com/news/2010/03/15/pg-launches-us-campaign-highlight-future-friendly-products> [Accessed 5 June 2015].  
Makower, J. 2010. *Behind Procter & Gamble's sustainability vision*. Available online from <http://www.greenbiz.com/blog/2010/09/27/behind-procter-gambles-sustainability-vision> [Accessed 5 June 2015].  
P&G. 2006. *A company history*. Available online from [http://www.pg.com/translations/history\\_pdf/english\\_history.pdf](http://www.pg.com/translations/history_pdf/english_history.pdf) [Accessed on 5 June 2015].  
P&G. 2015. *The power of purpose*. Available online from [http://www.pg.com/en\\_balkans/company/purpose\\_people/index.shtml](http://www.pg.com/en_balkans/company/purpose_people/index.shtml) [Accessed on 5 June 2015].

35. \_\_\_\_\_ is the level of organisational culture that is evident in the case study when considering the \_\_\_\_\_.
1. Beliefs, individuals that are seen as the source of innovation
  2. Artefacts, formal dress code of the company
  3. Stories, inspirational tales told about the founders
  4. Assumptions, terminology used in the company
36. \_\_\_\_\_ is/are an element of organisational culture that is evident in the case study when newcomers are told about William Procter and James Gamble.
1. Language
  2. Symbols
  3. Rituals
  4. Stories
37. P & G's decision to cut almost 100 brands from their arsenal can be classified as a(n) \_\_\_\_\_ strategy.
1. Divestiture
  2. Harvesting
  3. Integration
  4. Focus
38. The growth strategy P & G implemented in 1961 is a(n) \_\_\_\_\_ strategy.
1. Product development
  2. Concentration growth
  3. Innovation
  4. Integration
39. The corporate combination strategy P & G implemented in 1988 can be classified as a(n) \_\_\_\_\_.
1. Merger
  2. Acquisition
  3. Joint-venture
  4. Strategic alliance
40. Jabu Khathini's team can be classified as a \_\_\_\_\_ team.
1. Self-managed
  2. Cross-functional
  3. Formal
  4. Work

### Section B

#### QUESTION 1

Discuss all the organisational culture typologies as categorised by Jones, Dunphy, Fishman, Larne and Canter (2006), then identify the category most evident in the case study and justify your answer.

Attempts to group types of culture by how they impact on the behaviour of individuals and groups in an organisation.

- Constructive cultures: members are encouraged to interact with others and approach tasks in ways that will help them meet their higher-order satisfaction needs.
- Passive/defensive cultures: members believe that they must interact with others in ways that will not threaten their own security
- Aggressive/defensive cultures: members are expected to approach tasks in vigorous ways in order to protect their own status & security

Case Study – Constructive culture as P & G energises people to use their expertise, integrity, drive and hunger to contribute to new product development and to serve consumers better.

## QUESTION 2

Consider the following conversation between two friends and answer question 2.

Hi, Ryan I'm busy with my MNG2602 assignment and after I read through the textbook and the P&G case study, I can conclude that in effective teams, the members have complementary competencies. Looking at the managers at P&G South Africa head office, which characteristics would you say Lerato is displaying?

Hi, Sandra! I would say Lerato can fulfil the (a) \_\_\_\_\_ role in a team when looking at her characteristics. What about Jane, the sales manager?

I think Jane's characteristics indicate that she will fulfil a (b) \_\_\_\_\_ role in a team

I agree! Good luck with the rest of the assignment, Sandra!

2.1 Complete the above conversation by filling in the blanks

- a) Legitimate power
- b) coercive power

## QUESTION 3

3.1 Identify the mission statement of P & G.

"We will provide branded products and services of superior quality and value that will improve the lives of the world's consumers, now and for generations to come. As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders and the communities in which we live and work to prosper."

3.2 According to your answer in Q2.1 above, identify which components of the mission statement are present.

- A mission statement defines the organisation for key stakeholders in terms of its product/services, market and technology
- Outcomes how the vision is to be accomplished
- It generates enthusiasm
- Empowers present and future members of the organisation to believe that every individual is the key to success

## QUESTION 4

Name and discuss all the key role players in project management

- Strategic manager – A.G. Lafley – by taking over as CEO, it is part of a strategy to improve the company's financial performance by doubling down on about 80 brands that generate 95% of the products and 90% of sales
- Project Management Office – HR Department – has the responsibility for development and growth of people towards higher level of skill, competency, creativity and fulfilment, in a way that supports each individual
- Tactical manager – Jane Richardson – a highly analytical individual who is excellent with checking the quality of her team's work. When the sales team do not meet their goals, she threatens them with replacement
- Project team – Mr Jabu Khathini – Jabu is in charge of the team whose objective is to create awareness of the product. He and his team did all the planning for the event, implementing their decisions and taking full responsibility for the outcomes
- Operational manager – Kenneth Sullivan – extremely skilled in managing large projects and solving problems, ensures that all projects stay on track.

## QUESTION 5

In order to generate revenue, an organisation can implement one of 7 basic internet business modules.

- a) Differentiate between the 7 business revenue-generating models.
  - Commission-based model – based on commission that are charged for brokerage/intermediary services
  - Advertising-based model – advertisers pay for web content
  - Mark-up based model – selling marked-up merchandise
  - Production-based model – selling manufactured goods and customer services

- Referral-based model – fees are charged by referring customers
- Subscription-based model – charges for unlimited use of service or content
- Fee-for-service-based model – charges fees for metered services

- b) Classify YouTube’s revenue-generating model based on the following information.  
*YouTube allows billions of people to discover, watch and share originally-created videos on the [www.youtube.com](http://www.youtube.com) website. Organisations looking to use this forum as a marketing tool can specify their target market. The organisation’s advertisement starts playing automatically when a video is selected and they will be charged once customers (anyone forming part of the target market watching a video on the website) watch seconds or more of the advertisement.*  
 Advertising-based model

In order to generate revenue, an organisation can implement one of 7 basic internet business modules.

- a) Differentiate between the 7 business revenue-generating models.
- Commission-based model – based on commission that are charged for brokerage/intermediary services
  - Advertising-based model – advertisers pay for web content
  - Mark-up based model – selling marked-up merchandise
  - Production-based model – selling manufactured goods and customer services
  - Referral-based model – fees are charged by referring customers
  - Subscription-based model – charges for unlimited use of service or content
  - Fee-for-service-based model – charges fees for metered services
- b) Classify YouTube’s revenue-generating model based on the following information.  
*YouTube allows billions of people to discover, watch and share originally-created videos on the [www.youtube.com](http://www.youtube.com) website. Organisations looking to use this forum as a marketing tool can specify their target market. The organisation’s advertisement starts playing automatically when a video is selected and they will be charged once customers (anyone forming part of the target market watching a video on the website) watch seconds or more of the advertisement.*  
 Advertising-based model

**OCT/NOV 2017**

**Section A: Multiple Choice Questions**

Consider the following statement then answer Q1.

*As the demand for generic medicines grew from customers in the rest of Africa, Aspen, a pharmaceutical company, could gradually export its products to the rest Africa.*

1. The external force of change is in \_\_\_\_\_ scope.
  1. Continuous
  2. Punctuated
  3. Incremental
  4. Revolutionary
2. Organisations such as Aspen, operating in a highly competitive market, should have the ability to change often and rapidly, effecting \_\_\_\_\_ change. This type of change entails a pattern of uninterrupted adjustments in work processes and social practices driven by organisational instability and cumulative reactions to daily events.
  1. Revolutionary
  2. Punctuated
  3. Continuous
  4. Planned

Consider the following scenario.

*Pharm Manufacturing is a pharmaceutical manufacturing organisation, situated in Riversdale in the Southern Cape. Aspen has successfully entered into the final stages of buying the organisation.*

Next, consider the following table and answer questions 3 and 4.

COLUMN A – OPTIONS TO IMPLEMENT CHANGE	COLUMN B – METHODS TO DEAL WITH RESISTANCE TO CHANGE
a. at a slow pace	e. manipulation and co-optation
b. with a clear plan	f. negotiation and agreement
c. by encouraging substantial involvement from others	g. participation and involvement
d. by attempting to overcome it	h. facilitation and support

3. *Aspen plans to appoint Pharm Manufacturing middle-level managers in positions at its head office in Durban, but it is facing strong resistance from the managers who do not want to relocate to Durban.*  
 Aspen should implement the \_\_\_\_\_ change and use the \_\_\_\_\_ method to deal with the change.
  1. a, h
  2. c, f
  3. d, e
  4. b, g
4. *Aspen has provided all the workers with the necessary information on how an acquisition might affect them, but despite this, the factory workers at Pharm Manufacturing still fear that they may lose their jobs.*  
 Aspen should implement any changes involving the factory workers \_\_\_\_\_ and use the \_\_\_\_\_ method to deal with the change.
  1. a, h
  2. c, f



3. d, e  
4. b, g
5. *Aspen's change team realises how vital it is to create and communicate a clear picture of the envisaged future state of the organisation to all the members of the organisation.*  
This is the \_\_\_\_\_ step in \_\_\_\_\_ change model.
1. Fourth, Malsow's
  2. Second, Lewin's
  3. Third, Kotter's
  4. Fifth, Porter's

Read the following case study and answer questions 6 to 15.

### Aspen South Africa Group Operations' 2015 Mandela Day activities

Aspen's team in Port Elizabeth (PE) consists of team members from various departments and hierarchical levels. Mandela Day activities are usually led by a senior manager of the company who motivates the team members to achieve the goals of the projects. In 2015, Aspen identified four projects for its Mandela Day activities. These included Masilakhe Day Care Centre, BASA Homes, Buhle beNkosi Playschool and the local Children's Haematology Oncology Clinic (CHOC).

- Masilakhe cares for about 50 children and is run out of a shack in Veeplaas on the outskirts of PE. They also run a soup kitchen, which feeds some 150 local residents. Aspen improved their facility and also supplied 12 months' electricity and grocery vouchers.
- BASA cares for 487 elderly and disabled residents. This NGO benefited from improvements to the communal areas, and donations of groceries and gift packs for the elderly folk. Aspen's staff also prepared soup and bread for the residents.
- Buhle beNkosi is a playschool with 17 children who are fed three meals a day. They have meagre facilities, but Aspen supplied them with a Wendy house, 20 mattresses and a vast range of donations to assist with the management of the facility.
- A range of donations was made to CHOC to further assist cancer-affected children and help parents with their needs.

Aspen head office has reported that the Aspen Mandela Day team in Port Elizabeth is one of their most effective and efficient teams. It is an autonomous, organised and well-functioning group of individuals who can complete complex tasks and solve

disagreements among themselves. Mr William Beetge is the team leader for all the Mandela Day projects in Port Elizabeth. Together with his managerial team, he analyses the environment to determine where help is needed in the city of Port Elizabeth.

They have also developed a guide, called 'AGMD guidelines', which indicates all Aspen Group policies that must be adhered to, and addresses the leadership and management principles of the Port Elizabeth Mandela Day projects. Each beneficiary is seen as a different project. Ms Lerato Motsei is responsible for overseeing all the projects. She appointed Mr Nikes Naidoo to be responsible for the Buhle beNkosi Playschool project. He was considered perfect for this role as he is an outgoing person with a drive and passion for kids and for the Mandela Day initiative. Mr Naidoo's responsibilities include the planning, execution and control of this Mandela Day project.

Adapted from

Aspen Mandela Day 2015 2015 Touching 1000 Available online from  
[https://issuu.com/aspenaustralia/docs/mandela\\_day\\_2015?e=7395941/15264438](https://issuu.com/aspenaustralia/docs/mandela_day_2015?e=7395941/15264438) [Accessed 24/10/2016]

6. The Mandela Day project has a/n \_\_\_\_\_ perspective.
1. Profit
  2. Quality
  3. Internal
  4. External
7. Ms. Lerato Motsei is the \_\_\_\_\_ of the Mandela Day activities in Port Elizabeth.
1. Programme manager
  2. Operational manager
  3. Programme director
  4. Project sponsor
8. Mr. Nikes Naidoo is the \_\_\_\_\_ manager of the Buhle beNkosi Playschool Project.
1. Project



2. Tactical
  3. Strategic
  4. Programme
9. **Masilakhe Day Care Centre, BASA Homes, Buhle beNkosi Playschool and CHOC are \_\_\_\_\_ of Aspen's Mandela Day project.**
1. Low-interest stakeholders
  2. Supporting role players
  3. Sponsors
  4. Clients
10. \_\_\_\_\_ conducted step \_\_\_\_\_ of the project management process when \_\_\_\_\_.
1. Mr. Beetge, three, he developed the AGMD guidelines
  2. Aspen, four, they appointed Mr. Naidoo
  3. Ms. Motsei, six, she appointed Mr. Botha
  4. Mr. Naidoo, one, he planned the project
11. **Aspen's Mandela Day team can be classified as a/n \_\_\_\_\_ group.**
1. Informal interest
  2. Formal interest
  3. Command
  4. Task
12. **At what stage in group development is Aspen's Mandela Day team?**
1. Norming
  2. Storming
  3. Adjourning
  4. Performing
13. **Consider the way in which Aspen's Mandela Day projects are led. What variable that influence group and team behaviour was most likely impacted by this fact?**
1. Group member resources
  2. Group processes
  3. Group structure
  4. Group task
14. **When considering the Belbin method for complementary team competencies, it is evident that Mr. Naidoo fulfils the \_\_\_\_\_ team role.**
1. Shaper
  2. Chairperson
  3. Team worker
  4. Resource-investigator
15. **The Aspen Mandela Day team can be classified as a \_\_\_\_\_ team.**
1. Problem-solving
  2. Cross-functional
  3. Self-managed
  4. Command
16. \_\_\_\_\_ is the tendency of organisations to develop strategies incrementally based on historical and cultural differences, but failing to keep pace with changes in the environment.
1. Strategic drift
  2. Strategy deployment
  3. Organisational learning
  4. Organisational architecture
17. **Which one of the following national culture dimensions involves the degree to which members of a society feel uncomfortable with ambiguity?**
1. Power distance
  2. Uncertainty avoidance
  3. Individualism vs collectivism
  4. Long-term vs short-term orientation
18. \_\_\_\_\_ is the element of culture that represents an idea, process or physical entity with the purpose of communicating meaning.
1. Symbols
  2. Artefacts
  3. Stories
  4. Rituals
19. \_\_\_\_\_ culture, as categorised by Deal & Kennedy (2000), is typified by low risk and slow feedback on actions and decisions.
1. Person
  2. Process
  3. Adhocracy
  4. Constructive

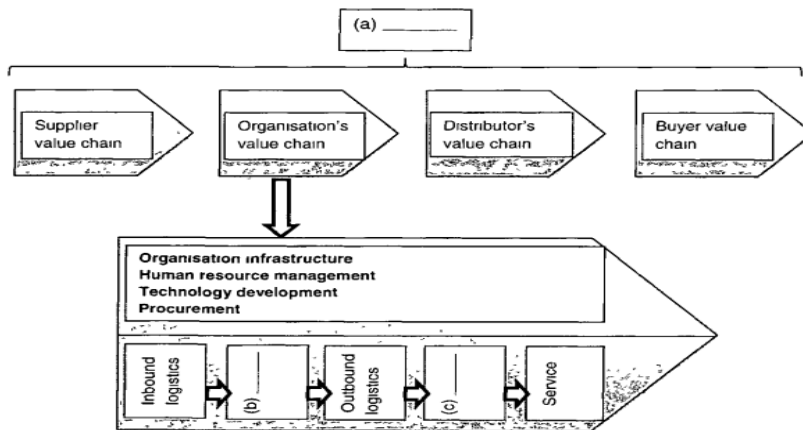
20. Jones et al (2006) identified 3 types of culture, namely \_\_\_\_\_, \_\_\_\_\_ and passive/defensive.
1. Constructive, aggressive/defensive
  2. Adhocracy, work hard/play hard
  3. Defensive/aggressive, authority
  4. Assertive/aggressive, logic
21. \_\_\_\_\_ is a primary dimension of diversity.
1. Geographic location
  2. Work background
  3. Physical ability
  4. Marital status
22. The \_\_\_\_\_ is/are the cornerstone(s) of diversity behaviour.
1. Organisation's strategic values
  2. Right the wrongs approach
  3. Melting pot assumption
  4. Platinum rule
23. Which of the following is the second step when implementing a strategy to develop a diverse workforce?
1. Formulating a vision for a diverse workplace
  2. Building a corporate culture that values diversity
  3. Changing structures, policies and systems to support diversity
  4. Providing diversity awareness and cultural competency training

Consider the table below about the arguments for managing diversity and their corresponding reasoning, and answer questions 24 and 25.

ARGUMENT	REASONING
a) _____	Heterogeneity in decision-making groups potentially produces better decisions through a wider range of perspectives and more thorough critical analysis of issues
Marketing	b) _____

24. Identify the argument for option (a).
1. Resource acquisition
  2. System flexibility
  3. Problem solving
  4. Cost
25. Identify the reasoning for option (b) that relates to the marketing argument.
1. The diversity of perspectives and the modernizing of diversity management will improve the use of imagination
  2. Organisations with the best reputations for managing diversity will win the competition for the best personnel
  3. The system will become less standardised and therefore more fluid, creating greater flexibility to react creatively
  4. Members with roots in other countries bring new insight and cultural sensitivities to operations
26. The \_\_\_\_\_ diversity paradigm is focused on incorporating diversity into the mission, work and culture of the organisation.
1. Growth-efficiency
  2. Access-legitimacy
  3. Learning-effectiveness
  4. Discrimination-fairness
27. In which situation can project management not be used?
1. To effect improvement and change
  2. For a unique once-off task
  3. In situations with an undefined start and finish
  4. When more resources are needed than are available
28. Compiling a resource management plan is an activity that forms part of step \_\_\_\_\_ of the project management process, namely \_\_\_\_\_.
1. Fourteen, monitoring and controlling project activities
  2. Seven, developing key performance indicators
  3. Ten, conducting the risk management plan
  4. Nine, developing the project schedule
29. Which one of the following is not an advantage of project management?
1. Control is exercised over all activities of the project, which leads to higher overall productivity
  2. The different beliefs and values of the project team can be communicated and aligned
  3. Effective project management can improve the quality of the product/service
  4. Transparency in a project can be improved when all the role players are involved

Consider the following figure and complete it by answering questions 30 to 32.



30. Which of the following best completes option (a) in the figure above?
1. Secondary activities
  2. Primary activities
  3. Value system
  4. Value chain
31. Which of the following best completes option (b) in the figure above?
1. Marketing
  2. Accounting
  3. Operations
  4. Human resources
32. Option (c) in the figure refers to \_\_\_\_\_ that works closely with the \_\_\_\_\_ function.
1. Research and development, marketing
  2. Supply management, supplier logistics
  3. Marketing, information technology
  4. Top management, operations

Consider the following table and answer question 33.

COLUMN A – Type of shopping model	COLUMN B – METHODS TO DEAL WITH RESISTANCE TO CHANGE
a. Portal	e. The trading of intellectual capital on a per project basis
b. Storefront	f. Provides access to information stored either in a horizontal or vertical nature
c. Click-and-mortar	g. An offline offering is successfully integrated with an online offering
d. Online service provision	h. Provides for online shopping, payment, shipping and management of customer data

33. Match the e-business type of shopping model in Column A with the relevant description in column B.
1. a-h, b-g, c-e, d-f
  2. a-f, b-h, c-g, d-e
  3. a-e, b-f, c-h, d-g
  4. a-g, b-e, c-f, d-h
34. The \_\_\_\_\_-based internet business model often uses entertainment to enhance sales, and adds value through selection, distribution efficiencies and the leveraging of brand image and reputation.
1. Subscription
  2. Advertising
  3. Mark-up
  4. Referral

Determine if the following statements are true or false.

35. A storefront e-business shopping platform showcases by giving customers access to an inventory of stock. It provides for order taking and management of customer data
1. True
  2. False
36. The e-business advanced technology, management information system has evolved from expert systems, and it able to function in a designated non-linear environment, is able to learn and make correlations.
1. True
  2. False
37. Important considerations for e-business marketing are the control, development and management of a website.
1. True
  2. False

Match the appropriate characteristic of the team in column B to the type of team in column A.

COLUMN A – TYPE OF TEAM	COLUMN B – CHARACTERISTICS
38. Cross-functional (3)	1. Focuses on the improvement of quality, efficiency and the work environment
39. Problem-solving (1)	2. Functions autonomously

	3. Members are usually from the same organisation, but can include members from another organisation
	4. Communicates and accomplishes tasks by mostly using telecommunications and information technology

41. Which one of the following is not an example of a reason why an employee, Ms. Jane Riley, would join the group?
1. Belonging to the top management group of an organisation would provide Jane with recognition and status.
  2. Jane can reduce the insecurity of standing alone since being part of a group will ensure she feels less threatened
  3. Jane wants to work towards a common purpose – a specific project that will contribute to achieving the organisation's goals
  4. In order to satisfy social needs, as groups are social systems with opportunities for interpersonal relations.

## Section B

Read the following Aspen case study and answer questions 1 and 2.

### ASPEN

On a recent holiday to Disney World with his family, Aspen Pharmacare CEO, Stephen Saad wandered into a pharmacy while his children enjoyed the rides. On a shelf, he found Munné Clear Eyes, the eye drops made at Aspen's Port Elizabeth plant in South Africa "About 2–3 million packs a month are sold around the world but it was good seeing them at Disney World (in the US)," says Saad "On the box it says 'Made in Port Elizabeth' I wondered how many customers there knew where Port Elizabeth was, they probably thought it was in England " Aspen has enjoyed phenomenal growth in less than two decades, from a converted garage in Durban to a multinational group. It is now the largest pharmaceutical company in the southern hemisphere and the ninth-largest generics company in the world. Its biggest local rival, Adcock Ingram, has been around for 120 years but is lagging behind.

Five years ago, Aspen and Adcock Ingram were directly comparable, at least as far as shares on the JSE were concerned. However, Aspen has since left Adcock Ingram far behind, mainly through the deals it has executed, but also because of Aspen's effective advertising campaign focused on educating consumers about the value of their products. This advertising campaign has successfully shifted the mindset of consumers towards generic medicine and has increased the demand for Aspen's products.

Aspen's acquisitions have been well timed and well thought out "Aspen's growth is judiciously acquired, which means it mixes wisdom, common sense, discretion and a bit of luck with the intention of building on what has been proven to work and avoiding unnecessary trouble or wastefulness," says independent investment analyst Mark Ingham in a report "The surge of internationalisation in group earnings is not a product of acquisitive intent but a by-product of preparation meeting opportunity " The acquisitions were often structured around obtaining operating licences and patents, but also enabled Aspen to build a superior supply chain.

In Africa, it is the largest pharmaceuticals firm by sales, market share, presence in different countries, turnover, market capitalisation and production, and the biggest supplier of antiretroviral drugs. However, as Aspen CEO Stephen Saad says, Aspen's growth is not just about acquisitions – more of it has been organic. Aspen is committed to sustaining life and promoting healthcare through increasing access to high-quality, effective and affordable medicines and products. This is evident in its customer service policy which has enabled the firm to improve the public perception of generic medicine.

Aspen prides itself on employing teams that are able to deal with the unexpected by being spontaneous and creative. Saad attributes much of the group's success to the teams working for him in South Africa and the rest of the world. "There's a basic value system we drive in the business. We give ownership and trust to our people and let them make lots of the decisions. That's probably the biggest aspect to Aspen's success " Saad is well liked and respected by his colleagues.

Adapted from Harris, S. 2014. Aspen: Strong but not on Steroids. *The Financial Mail* [Online]. Available from <http://www.financialmail.co.za/coverstory/2014/01/16/aspen-strong-but-not-on-steroids> [Accessed 17 January 2014].

### QUESTION 1

Organisations worldwide have to deal with a number of variables in their environment that emerged during the last decade or so, forcing them to become flatter, and more flexible, networked, global and diverse.

Identify 3 variables applicable to Aspen that forced them to change and cite examples from the above study case to substantiate your answer.

(Name each variable, describe it and provide a quote or shortened quote from the case study to substantiate your answer. No marks will be given for listing the variables without applying them to the case study).

1. Globalisation – In Africa, it is the largest pharmaceuticals firm by sales, market share, presence in different countries, turnover, market capitalisation and production and the biggest supplier of anti-retroviral drugs.
2. Increase power and demands of the customer – This advertising campaign has successfully shifted the mindset of consumers towards generic medicine and has increased the demand for Aspen's product.
3. New roles and expectations of workers – Aspen prides itself on employing teams that are able to deal with the unexpected by being spontaneous and creative. We give ownership and trust people and let them make lots of decisions

#### QUESTION 2

Discuss all the types of formal and informal power. Stephen Saad may possess as CEO, and identify which types of power are evident in the case study.

(Name the 5 types of power, describe each and state which 2 are evident in the case study).

Formal power

- Legitimate power – people gain legitimate power because of their formal positions in organisations, which allow them to make decisions pertaining to resource allocation, information flows, performance evaluations, task alignment and conflict resolution
- Reward power – rests with an individual, such as a manager in an organisation who has the ability to give rewards or reinforce desirable behaviour, ie salary increases, promotion, feedback and praise
- Coercive power – an individual who can offer/restrict benefits or inflict punishment or control the behaviour of another person has coercive power. Fear is the basis of coercive power because the person with power has the ability to inflict punishment or take action with adverse consequences for the other person.

Personal power

- Referent power – refers to the power of an individual because of his personal characteristics/charisma. People will follow and obey such an individual because they like and respect him and they accept that the person has power.
- Expert power – refers to an individual's power that stems from the possession of scarce and valued expertise. Expertise is a source of power if it is the perception in the organisation that the individual possesses knowledge and understanding pertaining to a specific defined area.

Case study

- Referent power
- Legitimate power

#### QUESTION 3

Compare the 4 phases of the strategic management process by completing the table below.

Name the phases (in the top row of the table), state what question each stage answers (in the second row) and indicate one activity each stage involves (in the third row).

Phase	Strategic analysis	Strategy implementation	Strategic control
Question	What is the current position of the organisation?	How can the organisation get where it wants to be?	How will the organisation know when it has arrived?
Activity	Develop a vision and mission statement and analysis of the management environment	Formulating functional strategies & institutionalising them	Analysis of results, comparison with the objectives and goals of the organisation and corrective action

#### QUESTION 4

Shortly discuss any 2 misconceptions regarding diversity.

1. Diversity is not culture – this approach reinforces an “us against them” mentality. It focuses on the ways we are different, without including the ways in which we are alike.
2. Diversity is neither equal employment opportunities nor affirmative action – both EEO and AA are laws that are imposed on people and create an adversarial environment. Also, there is the belief that these 2 concepts mean that less qualified people should be given jobs, instead of more qualified “traditional” employees. The insinuation is that we have to help the designated classes of people because they are not really qualified enough to succeed on their own merits.
3. Diversity is not an absence of standards – because we are removing our preconceived ideas about who is qualified for a job, we must create better definitions of actual job requirements. For true equality to happen, there needs to be less emphasis on race, gender and other differences, and increased focus on a person's capabilities, and system adjustments that support diversity
4. Diversity is not a vendetta against white males – to some, diversity symbolizes a more enlightened society, a reflection of our future as global citizens. To others, it breeds resentment. These 2 extreme views are at the heart of diversity and are the reasons why efforts to promote diversity so often fail. Although well intentioned, a focus on only culture, race and gender, which ignores ability and competence and which blames the white male for past injustices only intensifies the division between groups, instead of bringing them together to create a more productive workplace.

## **Milestones**

### **1979-1999**

In 1979, the Shoprite Group of Companies started from small beginnings with the purchase of a chain of eight Cape-based supermarkets for R1 million. In 1983, the Group opened its first branch outside the Western Cape – in the Northern Cape. At the end of that year, Shoprite celebrated an almost 600% increase in turnover over the four years of its existence. A year later, in 1984, Shoprite sped up its growth by buying six food stores from Ackermans. In 1986, the Group was listed on the Johannesburg Stock Exchange (JSE) with a market capitalisation of R29 million. It owned 33 outlets at the time. In 1988, Shoprite decided to venture over the Vaal River and opened two stores, the first of which was situated in Polokwane.

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 it purchased the national Checkers chain of supermarkets. By 1995, the Group was able to open its first store in Central Africa, Shoprite Lusaka in Zambia. In August of the same year, Shoprite utilised a golden opportunity to increase its distribution substantially by acquiring the central buying and distributing organisation, then known as Sentra.

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 in 1998, the same process was followed in Botswana.

### **2000-2015**

In 2000, the Group opened its first supermarkets in Zimbabwe and Uganda. A year later, 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 first place on a brand-relationship score in the Grocery Store Sector. Shoprite was ranked second, Shoprite Checkers third and the OK brand took fourth place. The November 2002 opening of the Group's first outlet in Mauritius - the first Shoprite Hyper beyond South African borders - made Group history by achieving the highest turnover ever recorded for a single opening day of trade.

In 2003, the Group also opened its first stores in Ghana and Angola and started with the roll-out 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. Not only was the Usave chain innovative, it was an ideal vehicle for the Group's expansion into Africa, and it also allowed far greater penetration of the lower end of the market within the borders of South Africa.

In 2004, Shoprite started trading as a wholesale operation in India and franchised its first Shoprite Hyper in a modern shopping centre in Mumbai. The year 2005 saw the Group acquiring both Foodworld, with 13 stores, and Computicket, as well as opening the first Shoprite Liquor Shop. The liquor shop proved to be very successful, achieving high market growth and a high market share during its first year. However, during 2006, the Group withdrew from Egypt due to ongoing restrictions on retailing. Its seven stores were closed, resulting in a loss of R19,9 million. Then in 2009, the Group acquired Transpharm, a pharmaceutical wholesale company in South Africa.

In 2010, Shoprite decided to withdraw from India due to the financial crisis in the USA and elsewhere in the world. The stores were sold to a local investor. This year also saw Shoprite Holdings Ltd receive top honours in the retail category of the 2010 Top 500 Companies Awards. In April 2012, Shoprite became the first South African retailer to enter the Democratic Republic of Congo (DRC) by opening the doors of a new world-class supermarket in Gombe, Kinshasa to an eagerly awaiting public. Also 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.

Deloitte's Global Powers of Retailing 2014 ranked The Shoprite Group as the 94th largest retailer in the world. As at December 2015, some 72% of South Africa's total adult population shopped at one of the Shoprite Group's stores. The Group employs more than 136 000 people of whom nearly 20 000 work outside South Africa. The Shoprite Group of Companies currently operates 1 825 corporate and 363 franchise outlets in 15 countries across Africa and the Indian Ocean islands, bringing the total number of stores in the Group to 2 188.

#### **Shoprite: A place to be more**

Shoprite is more than just a group that provides food and household items. By selling these food and household items in a first-world shopping environment, at the lowest possible prices, they are also contributing to the nurturing of stable economies and the social upliftment of people. When it comes to their employees, Shoprite is looking for people who also demand more. People with intelligence, energy, loyalty and a fearless nature, who refuse to settle for the status quo. People who want more for themselves, their families, their communities and their country. Within Shoprite, the focus is on



involving people across the business, either to develop their ideas, or to become involved in working together to make ideas happen. Shoprite values diversity as part of building a strong brand and a dedicated workforce; welcoming diversity as a part of creating a strong and innovative corporate culture. The different perspectives produce better decisions and allow for a more thorough critical analysis of issues.

Newcomers are told inspirational tales about the founders and how they built Shoprite to the company it is today. These newcomers also embark on an induction programme, which involves teaching them the terminology and vocabulary used at Shoprite and being told about the cafeteria on the premises, and the yearly functions that are organised by SOSCOM, the social committee.

#### **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, while Dr Wiese is supportive and understanding. Mr Goosen is an avid rummy player and when all the team members are having a quiet day, they often meet to play cards during their lunch hour.

As an extroverted, sociable person, Mr Bosman, the CFO, uses friendliness and humour when making requests to his departmental managers. Together with Mr Bosman, these departmental managers form the financial team at Shoprite's head office. The departmental managers hold weekly meetings to discuss ways to improve their efficiency and their work environment. Once a month, they meet with Mr Bosman 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 finance department. Their differences were discussed by the financial team and in the end, they both agreed to stick to the policy set by the Shoprite Group.

#### **Mobile Soup Kitchen Feeding Programme: providing a meal of hope**

The Shoprite feeding programme aims to distribute meals of nutritional 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. Their mobile soup kitchens allow them to reach the poorest areas in South Africa and

to distribute warm, hearty food to those in need. In February 2007 there were only two mobile soup kitchen units serving Gauteng and the North West Province. At present, Shoprite deploys a total of 22 roaming soup kitchens. The mobile soup kitchens distribute over 600 000 cups of nutritional soup with bread per month, and in times of disaster such as floods or fires, they deploy mobile units to offer relief in the most affected areas.

Mr Neo Mogalobe is the strategic manager for the Mobile Soup Kitchen programme. Together with his managerial team, he analyses the environment to determine where help is needed in South Africa. They have also developed a guide, called 'MSK guidelines', which indicates all the Shoprite policies that must be adhered to, and addresses the leadership and management principles of all Mobile Soup Kitchen projects. Each soup kitchen is seen as 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 occurred. Mr Botha's responsibilities include the planning, execution and control of this soup kitchen. His goal is to provide people that lost their homes with a warm meal until they are able to cook for themselves again. His team consists of five other individuals, who assist with making and distributing the soup to the local Brits community, as well as cleaning up afterwards. Shoprite has partnered with Royco, Albany, Mercedes, Toyota, Volkswagen, and UD Trucks through an agreement to assist in the Mobile Soup Kitchen project.

Shoprite is committed to making the best use of its resources in order to assist in uplifting and alleviating the suffering of communities in need. The Shoprite Group takes its social responsibility to heart and wishes to provide South Africans with more than just high-quality goods at affordable prices.

Adapted from:

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

Shoprite Group. nd. Available online: <http://www.shopritebemore.com/shoprite-group-as-an-employer>. Accessed June 2016.

Shoprite Group. nd. Available online: <http://www.shopritebemore.com/what-we-re-looking-for>. Accessed June 2016.

Shoprite Holdings Ltd. 2016. History. Available online:

<http://www.shopriteholdings.co.za/OurGroup/Pages/History.aspx>. Accessed June 2016.

Shoprite Holdings Ltd. 2016. Introduction. Available online:

<http://www.shopriteholdings.co.za/Sustainability/CorporateGovernance/Pages/Introduction.aspx>. Accessed June 2016.

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. 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.*

Read the Shoprite case study and answer questions 1 to 6.

**QUESTION 1**

Identify the variables that forced Shoprite to change in 2001 and 2003 respectively and explain your answer.

**2001 – Globalisation and the global economy**

Description:

Globalisation refers to the worldwide integration of markets cultures, the removal of legal and political trade and the “death of distance”.

Globalisation is the economic and social interaction process whereby different countries work together to create a global economy.

Justification:

Shoprite expanded to the North African market (Egypt) – this indicates operating in another country, a new market.

**2003- Increased power and demands of the customer**

Description:

There has been an increase in the customers' awareness of possible products and services. They are now able to choose products according to the criteria they set in terms of cost, quality, time, service, innovation and customisation.

Justification:

Lower-income groups would buy only from the best-priced retailers. Shoprite dropped their prices even more so that the lower-income consumers would also buy from them at the Usave chains.

**QUESTION 2**

When considering the answer for question 1, certain features of the 'new' organisation are evident (both in 2001 and 2003). Identify the features that are evident in 2001 and 2003 respectively, and discuss the management challenges inherent in each feature.

**2001 – Global**

Shoprite, as a “new” organisation, is operating in an increasingly global economy.

Management challenges

- Managers of organisations competing in the global environment require global leadership skills
- Managers of organisations must understand and appreciate the diverse cultures of the individuals involved

- Managers or organisations must be able to think and operate globally

### 2003 – Flexibility

Flexibility is a key feature because Shoprite had to respond to changes in customer needs

#### Management challenges

- Managers need to be able to work on more than one project simultaneously as they might be members of various teams at any given time
- Multitasking skills must be developed
- Flexible organisations must have flexible labour practices
- Employees (current and prospective) need to have certain characteristics
- Leadership, people skills, a positive attitude and maturity are critical for managers' personal progress

### QUESTION 3

Consider the reason why Shoprite divested from India. Classify and explain the force of the change.

"... due to the financial crisis worldwide"

The force of change is external as it stems from the macro-environment of the organisation, more specifically the global/international sub-environment. This environment includes events that occur in one country that lead to change in other countries because of the integration and interdependence of world markets. The financial crisis worldwide had a direct impact on most countries' economies, and therefore on many large organisations.

### QUESTION 4

Discuss the organisational culture typologies as categorised by Jones, Dunphy, Fishman, Larne and Canter (2006), then identify the category most evident in the case study and justify your answer.

#### Constructive culture

Members are encouraged to interact with others and approach tasks in ways that will help them meet their higher-order needs.

#### Passive/defensive culture

Members believe that they must interact with others in ways that will not threaten their own security.

#### Aggressive/defensive culture

Members are expected to approach tasks in vigorous ways in order to protect their own status and security.

Shoprite has a constructive culture. The focus is on involving people across the business, either to develop their ideas or to become involved in working together to make ideas happen.

### QUESTION 5

Consider the conflict that occurred between 2 managers at one of the monthly meeting and do the following:

#### 5.1 Identify and discuss the cause of conflict.

The cause of the conflict is interpersonal.

Interpersonal conflict refers to the relationship or communication between individuals.

Interpersonal conflict can occur due to the following:

- **Personal differences** between individuals stem from different demographical factors
- **Communication breakdown** – Poor communication and misinformation result in individuals or groups having the wrong perceptions of other individuals or groups in the organisation
- **Role incompatibility** – Manager have different functions and roles that are interdependent. This interdependency may lead to conflict
- **Competing for the same positions** – Individuals may compete for the same scarce positions in the organisation

#### 5.2 Discuss all the possible conflict management strategies then identify the one that was used to resolve the conflict.

The 5 conflict management strategies resulting from the 2 management style dimensions are the following:

1. **Avoidance** – on or both parties choose to avoid or suppress the conflict
2. **Accommodation** – one party chooses to focus on the other party's needs to suppress or resolve the conflict or to seek some form of maintaining the status quo
3. **Compromise** – both parties give up something and the parties reach a consensus decision
4. **Competition** – the focus of one or both parties is on their own interests, resulting in dysfunctional conflict and a win-lose result
5. **Collaboration** – differences are met and addressed, resulting in a win-win solution for the parties.

Collaboration was used to resolve the conflict

### QUESTION 6

Identify any 3 strategies for managing diversity. Discuss these 3 strategies in terms of the diversity paradigm that Shoprite subscribes to.

Shoprite subscribes to the learning-effectiveness paradigm.

"... the focus is on involving people across the business..."

"Shoprite values diversity as part of creating a strong and innovative corporate culture."

The **focus** strategy in this paradigm involves diversity being incorporated into the heart and fabric of the mission, work, and culture of the organisation. Their focus should be on diversity.

The **HR practice** strategy involves HR practices being redesigned and transformed to enhance the performance of all employees.

The **effectiveness** strategy involves all employees feeling respected, valued and included. There is a considerable degree of diversity among employees.

The **weakness/strengths** strategy involves the organisation capitalising on the diversity of all employees, and making all employees feel respected, valued and included.

### MNG2601 – SEMESTER 1 – ASSIGNMENT 2

Read the Shoprite case study and answer questions 1 to 16.

1. During which year did Shoprite follow a market development strategy?

1. 1984
2. 1990
3. 1991
4. 2009

2. **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
3. **When acquiring the Checkers chain in 1991, Shoprite implemented a \_\_\_\_\_ growth strategy.**
  1. Forward integration
  2. Horizontal integration
  3. Product development
  4. Conglomerate diversification
4. **Which growth strategy did Shoprite implement in August of 1995?**
  1. Market development
  2. Backward integration
  3. Concentration growth
  4. Related diversification
5. **Shoprite implemented a \_\_\_\_\_ corporate decline strategy in 2010.**
  1. Turnaround
  2. Divestiture
  3. Harvesting
  4. Liquidation
6. ***"The 2002 Markinor-Sunday Times Top Brands Survey scored the Checkers brand first place on a brand relationship score in the Grocery Store Sector"***  
**In this extract, The Checkers brand is an example of a/an \_\_\_\_\_ when analysing Shoprite's environment.**
  1. Threat
  2. Strength
  3. Weakness
  4. Opportunity
7. **According to the Boston Consulting Group growth-share matrix, Shoprite Holdings can classify their new Liquor Shops in 2005 as a \_\_\_\_\_.**
  1. Dog
  2. Star
  3. Cash cow
  4. Question mark
8. **The Mobile Soup Kitchen project has a/an \_\_\_\_\_ perspective.**
  1. Profit
  2. Quality
  3. Internal
  4. External
9. **Ms. Estelle Morena is the \_\_\_\_\_ of the Mobile Soup Kitchen project.**
  1. Programme manager
  2. Operational manager
  3. Programme director
  4. Project sponsor
10. **\_\_\_\_\_ conducted step \_\_\_\_\_ of the project management process when \_\_\_\_\_.**
  1. Mr Mogalobe, 12, he developed the MSK guidelines
  2. Shoprite, 4, they appointed Mr. Mogalobe
  3. Ms. Morena, 2, she appointed Mr. Botha
  4. Mr. Botha, 1, he planned the project
11. **When conducting a stakeholder analysis and plotting a stakeholder matrix, which stakeholder should the project team keep satisfied?**
  1. Mr. Neo Mogalobe
  2. Ms. Estelle Morena
  3. Shoprite employees
  4. The local Brits community
12. **The MSK guidelines documented can be classified as the \_\_\_\_\_ project plan of the Mobile Soup Kitchen programme.**
  1. Tactical
  2. Operational
  3. Communication
  4. Quality management
13. **Dr. Basson fulfils the \_\_\_\_\_ team role.**
  1. Plant
  2. Chairperson
  3. Monitor-evaluator
  4. Resource-Investigator

14. Mr. Bosman fulfils the \_\_\_\_\_ team role.
1. Shaper
  2. Chairperson
  3. Team worker
  4. Resource investigator
15. When the top management team plays cards together on a quiet day, they can be seen as a/an \_\_\_\_\_, \_\_\_\_\_ type of group.
1. Informal, friendship
  2. Informal, interest
  3. Formal, work
  4. Formal, task
16. The financial team at Shoprite's head office is a \_\_\_\_\_ type of team.
1. Virtual
  2. Self-managed
  3. Problem-solving
  4. Cross-functional
17. According to \_\_\_\_\_, the main reason why change efforts associated with re-engineering fail is \_\_\_\_\_.
1. Kotter, time and costs overruns
  2. Porter, costs that are out of control
  3. Senge, a failure to communicate clearly
  4. Lewin, that change cannot be effected in allocated time frames
18. As an ear of change, \_\_\_\_\_ is concerned with the activators or other resources.
1. Changes in structure and design
  2. Technological change
  3. Strategic change
  4. Changing people
19. \_\_\_\_\_ is a barrier to change that occurs because the forces for and against change are equally strong.
1. Inertia
  2. Volatility
  3. Eustress
  4. Incongruity
20. Consider the question, "What is organisational culture?"  
 Now suppose the following answer is given: "According to Morgan (1997), organisational culture is 'the pattern of basic assumptions that a group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration...'. External adaption tasks involve developing consensus on a number of things, including the mission and goals. The internal integration tasks involve developing consensus on a number of things, including common language and criteria for status and power. Organisational culture has 3 levels, namely artefacts, values and assumptions."  
 Which one of the following option identifies a mistake in the answer given above?
1. The external adaption tasks are incorrectly listed
  2. The internal integration tasks are incorrectly listed
  3. This definition was not by Morgan (1997)
  4. Culture does not have 3 levels
21. Mr. Bosman has legitimate power because of his position at Shoprite, which allows him to \_\_\_\_\_.
1. Make decisions about resource allocation
  2. Gain respect because of his personality
  3. Offer or restrict employee benefits
  4. Instill fear into subordinates
22. The \_\_\_\_\_ strategy is a \_\_\_\_\_ strategy employed by organisations to minimise the price of their inputs while targeting a segmented market.
1. Differentiation, grand
  2. Cost leadership, grand
  3. Focus differentiation, generic
  4. Focus cost leadership, generic
23. A \_\_\_\_\_ strategy involves the sale of a business or a component thereof and is implemented with the intention to focus on the more efficient divisions or business units of the organisation.
1. Turnaround
  2. Divestiture
  3. Harvesting
  4. Liquidation
24. The project sponsor is the person who \_\_\_\_\_ of the project.
1. Controls the finances
  2. Translates the strategic goals
  3. Is in control of the maintenance
  4. Removes obstacles encountered during the lifetime
25. Read the following paragraph regarding an organisational value chain and correct it by choosing the correct option:  
*To optimise the value chain after vertical integration has been exhausted, organisations must shift their focus to internal*

*efficiencies of the secondary activities. Efficiency is achieved by minimising operational inputs and optimising operational outputs, with little or no investment or expansion being undertaken.*

1. The words "little or no" should be replaced by "some"
2. The word "internal" should be replaced by "external"
3. The word "secondary" should be replaced by "primary"
4. The word "efficiency" should be replaced by "effectiveness"

26. \_\_\_\_\_ stems from the ability of successful organisations to provide greater worth to customers, something which competitors try to emulate. An important contributor to the creation of worth is an organisation's \_\_\_\_\_, a term developed by Michael Porter to describe the interconnectedness and interrelatedness of these internal functions and activities.

1. Price advantage, value system
2. Fairness of exchange, value chain
3. Competitive advantage, value system
4. Sustainable competitive advantage, value chain

27. Visit PnP's website (shop.pnp.co.za). PnP uses a/an \_\_\_\_\_ revenue model and a/an \_\_\_\_\_ selling model.

1. B2C, storefront
2. Markup, click-and-mortar
3. Fee-for-service, online trading
4. Advertising-based, online product vision

28. Which one of the following characteristics best describes a commission-based 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

Consider the following list of variables that influence behaviour in a group:

- a) group processes
- b) communication
- c) authority structure
- d) organisational culture
- e) member skills
- f) leadership
- g) group task
- h) member status
- i) member power
- j) group decision-making
- k) group structure
- l) group member resources
- m) organisational context
- n) task interdependence

Classify (organise) the variables that influence the functioning of a group under the correct factors of the group behaviour model.

Firstly, identify the factors of the model from the list above, then classify the corresponding variables under each factor. For example: a factor of the group behaviour model is (g) group task, and a variable this factor includes is (n) task interdependence.

29. \_\_\_\_\_ include(s) \_\_\_\_\_.

1. l, c and d
2. k, f and h
3. j, c, e and f
4. d, e, h and i

30. \_\_\_\_\_ include(s) \_\_\_\_\_.

1. m, c and d
2. a, c and f
3. e, l
4. j, h