



**FACULTY OF MANAGEMENT**  
**DEPARTMENT OF BUSINESS MANAGEMENT**  
**FINAL SUMMATIVE ASSESSMENT**

**SUBJECT:** BUSINESS MANAGEMENT  
**CODE:** BMA1A01 / BMA11A1  
**DATE:** 02 June 2017  
**TIME ALLOWED:** 120 Minutes  
**TOTAL MARKS:** 100

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**MODERATOR:** Dr W Van der Linde  
**NUMBER OF PAGES:** 15

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**INSTRUCTIONS:**

- This is a closed-book assessment.
  - Question papers must be handed in together with your answer books.
  - Read the questions carefully and answer only what is asked.
  - Answer all the questions:
    - Answer **section A** on the multiple choice answer sheet at the back of your answer book.
    - Answer **section B** in the answer book.
  - Number your answers clearly.
  - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
  - Structure your answers by using appropriate headings and subheadings.
  - The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.
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**SECTION B****[60 MARKS]**

**READ THE FOLLOWING CASE STUDY WHICH IS APPLICABLE TO QUESTION 1 IN SECTION B.**

**Kuga fire issues have damaged Ford badly**

Johannesburg – Ford South Africa (SA) has suffered huge damage to its reputation thanks to its poor handling of a crisis involving some of its Kuga cars.

The global car manufacturer's local operation has been forced to recall more than 4500 Kuga Ecoboost 1.6 litre models manufactured between December 2012 and February 2014. Ford South Africa's chief executive Jeff Nemeth announced the recall after more than 40 cases of engine fires had been reported. Ford said in a statements: *"While we continue to investigate the Kuga 1.6 engine compartment fires, based on the current data we have determined that the fires are due to engine overheating. This is caused by a lack of coolant circulation which can lead to a cracking in the cylinder head and, therefore, an oil leak. If the leaking oil reaches a hot engine surface, it can potentially catch fire. We are not aware of any injuries resulting from the engine compartment fires."*

One death allegedly resulted from a Ford Kuga exploding in December, 2015. There can be little doubt that the Ford Kuga crisis has hurt the company's reputation. Ford South Africa has been attacked viciously in the media and radio stations have been inundated with calls from angry customers, some of whom have resorted to legal action against the company. Ford South Africa has clearly made some elementary mistakes in managing the crisis.

Companies today recognise the importance of a strong corporate reputation as a critical strategic asset, which translates into a source of competitive advantage.

So what did Ford South Africa get wrong? What should it have done to protect both its customers and reputation? Proper crisis management is crucial for a company.

**Once a crisis hits, it is extremely important to act immediately. Three things should be done:** The company must acknowledge the problem immediately, it must engage empathetically with customers and answer questions from the media as honestly as possible. It then needs to plan its next steps in order of priority.

**To acquire a favourable brand reputation, companies should make sure that they pay attention to a range of dimensions.** The most important is that they should try to build a strong emotional bond with their customers and other stakeholders by ensuring that the company is admired, trusted and respected. Looking after the company's more tangible issues also plays a role e.g. companies should pay attention to corporate social responsibility. Being a good employer and making sure that customers have a good service experience – both in physical and online spaces. But given the scale of the anger and mistrust directed at Ford South Africa it's clear that even if it had ticked all these boxes, its management of the Kuga crisis has left a lot to be desired. Its reputation is so badly damaged that even a massive Public Relations campaign won't help it much at this stage.

**Sources:** <http://www.iol.co.za/motoring/industry-news/kuga-fire-issues-have-damaged-ford-badly-7557130>: **INDUSTRY NEWS** / 30 January 2017, 09:04 am,  
**Marietjie Theron-Wepener**  
<https://businesstech.co.za/news/motoring/150785/ford-kuga-set-to-be-recalled-in-south-africa/>

## QUESTION 1

[25 MARKS]

- 1.1 Apply the steps of the planning process to Ford South Africa who is in a crisis involving some of its Kuga cars. Draw up a plan aimed at getting the company out of this situation. (17)
- 1.2 **Apply** the control process to the Ford SA case study. (**NB:** No marks will be awarded for theory only. Answers must be based on the information provided in the case study). (8)

**QUESTION 2****[20 MARKS]**

- 2.1 There are several management trends and issues that are changing the way managers perform their duties. **Describe briefly** the following trends: (*note 1 mark per fact*)
- 2.1.1 Self-awareness, Authenticity and Leadership (2)
  - 2.1.2 Political Savviness in the Work Environment (2)
  - 2.1.3 Building trust (2)
  - 2.1.4 Building creative organisations (2)
  - 2.1.5 Developing Cross-cultural Intelligence (2)
- 2.2 **List and describe** any five (5) of the contemporary Behavioural Leadership Styles. (10)

**QUESTION 3****[15 MARKS]**

- 3.1 **Describe** the meaning of the concept 'management theory'. (1)
- 3.2 **Match** the following four individuals Hugo Munsterberg, Mary Parker, Follet, Robert Owen and Chester Barnard associated with the early advocates of Organisational Behaviour to their views regarding management below:
- 3.2.1 Refused child labour. (1)
  - 3.2.2 A person can only become part of a whole by being a member of the group. (1)
  - 3.2.3 An organisation is an aggregation of units that interact. (1)
  - 3.2.4 Used psychological tests for employee selection. (1)
- 3.3 **State** how the quantitative approach to management can assist business managers and leaders today. (1)
- 3.4 Managers need certain competencies, skills, behaviours and attitudes to be effective in a wide range of managerial jobs. **List** the four (4) dimensions of the *planning and administration competency* of managers. (4)
- 3.5 Explain the key characteristics of the matrix organisational structure. (5)

**END OF ASSESSMENT**