



FACULTY OF MANAGEMENT
DEPARTMENT OF BUSINESS MANAGEMENT
SUPPLEMENTARY ASSESSMENT

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

ASSESSOR(S): Mr C Diniso
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MODERATOR: Dr W Van der Linder
NUMBER OF PAGES: 18

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** in the back of the answer book on the answer sheet provided. Indicate the correct answer as per the instructions.
 - 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.

SECTION B**[60 MARKS]****READ THE FOLLOWING CASE STUDY AND ANSWER QUESTIONS 1 AND 3.****THE HLAUDI OF OUR LIVES - THE BIG SABC BOYCOTT**

Controversial former SABC Chief Operations Officer (COO) Hlaudi Motsoeneng has called himself the most powerful person in South Africa, adding that the SABC had been transformed under his direction. In this case study, we look at his leadership style and the decisions Mr Motsoeneng made before he was relieved of his duties as the COO.

In 2013, Motsoeneng pronounced that there would be 70 percent positive news and 30 percent negative news – an announcement editorial staff found "illogical" – the situation in the newsroom had deteriorated. Journalists were being victimised for speaking their minds. Mr Motsoeneng believed that this was the only option available for SABC to improve its broadcasting. Motsoeneng has been in the news recently for his policy not to show violent protests on SABC channels. His view was that being exposed to violent protests leads to more violence. Motsoeneng added that he doesn't need research or a company to confirm this view because research takes long and too much education is dangerous". In May 2016, the SABC's COO, Hlaudi Motsoeneng, took a radical decision to play 90% local music across the 18 radio stations. This forced certain radio stations like Lotus FM to play local music its listeners don't want to hear due to language and culture dynamics. As a result of this decision, SABC is losing advertising money as advertisers are saying that their research shows that their target market no longer listens to certain radio stations such as Lotus FM. Hlaudi Motsoeneng vowed not to stop at 90% local content on SABC radio stations. Instead, he introduced 80% local content on SABC 3 doing away with programmes such as Dr Phil and Days of our Lives. When asked about his decision, his response was: "don't worry about risk because I know this is a good risk. If I fall at least I tried something special". Exacerbating the problem at SABC under the leadership of Mr Motsoeneng is the spending of R323 million on broadcasting equipment that is not suitable for digital terrestrial television (DTT) migration. Due to unskilled staff in digital transmission, this project has not been rolled as planned. As a result, SABC cannot provide viewers access to more High Definition (HD) channels with improved picture and sound quality.

Hlaudi Motsoeneng is often criticised for not having a formal qualification. In response to this criticism, he says education is important but emphasises that he will never go back to school because he beats all those people with degrees. Journalists at the SABC allege that Mr Motsoeneng took a hardline approach to any objections to the SABC's new editorial shift and told them that "If people do not adhere, get rid of them. We cannot have people who question management."

The last controversial deal Hlaudi Motsoeneng was involved in entailed selling SABC archives to Multichoice for a R553 million. Hlaudi picked up the deal, sidelining other executives. No risk assessment was done – even though it was indicated that the deal was not beneficial to the SABC. During his leadership at the SABC, Hlaudi Motsoeneng's annual pay package shot up to R3.78 million a year, while the public broadcaster recorded a loss of R401 million for the 2016 financial year.

Source: <http://www.iol.co.za/news/politics/sabc-losing-millions-while-hlaudi-thrives-1920415>

QUESTION 1**[10 MARKS]**

- 1.1 Describe the management theory concept and its importance. (2)
- 1.2 Describe the following management theories:
- Scientific management (**according to Taylor: 1856-1915**) (1)
 - Quantitative approach (1)
 - Systems approach (1)
 - Contingency approach (1)
- 1.3 In the case study, **identify** statements relevant to management theories discussed in 1.2. (4)

QUESTION 2**[30 MARKS]**

- 2.1 According to Blake and Mouton, there are five prominent leadership styles that managers should subscribe to. **Compare** these leadership styles in terms of concern for people and production. (10)
- 2.2 Span of management is a span of control which informs whether the management of employees by a single manager should be wide or narrow. **Discuss** five factors that influence whether the span of control is wide or narrow. (10)
- 2.3 In the planning process, Step 5 is implementation and managers use policies to implement business plans. **Discuss** five characteristics of effective policies. (10)

QUESTION 3**[8 MARKS]**

- 3.1 Managers are required to have certain competencies to be successful. **Demonstrate** which two main competencies and their dimensions Mr Motsoeneng displayed either correctly or incorrectly. Use the information in the case study to justify your answer. (8)

QUESTION 4**[12 MARKS]****READ THE FOLLOWING CASE STUDY AND ANSWER QUESTION 4.****FORD TOLD TO 'TAKE RESPONSIBILITY' FOR IGNITING SCANDAL IN SOUTH AFRICA**

Johannesburg – In the year since Reshall Jimmy died when his Ford Kuga caught fire, his family have traced about 35 similar cases where the SUV ignited. This is despite Ford's claim of continuous quality improvement to deliver top products and services to delight their customers.

His sister, Renisha, manages a public Facebook group called "**FORD Vehicles Burning**," which has nearly 130 000 members, many of whom post their own horror stories. She encourages those with similar issues to contact her, urging Ford to "stop hiding" and to "take responsibility for the fires caused and lives lost".

But Ford SA says it has no plans to issue a recall and has not agreed to pay repair costs. The investigation won't be concluded until February, and those affected question why the company is waiting so long to decide on a recall.

Dr David Klatzow, a forensic investigator working with the Jimmy family, says he receives calls almost daily from affected drivers. The calls come from owners of other Ford vehicles such as Fiestas, who claim they are catching alight.

Ford SA has provided minimal information to the media, but the company issued a statement saying that the overheating issues are confined to Kugas with the 1.6-litre EcoBoost engine.

If it's missing, Ford has agreed to cover the repair costs. On the same day, Ford announced that about 1300 vehicles in the US and Canada with superchargers were recalled for leaking oil supply tubes. Ford SA to recall more than 4,500 Ford Kugas.

Due to this problem, Ford Kuga owners can expect to sell their vehicle for more than 40% off the car's book price, following the cars reported combustion issues.

Source: <http://www.iol.co.za/motoring/industry-news/ford-told-to-take-responsibility-for-igniting-scandal-7273131>

- 4.1 **Apply** the control process and advise Ford SA on what areas to improve in order to avoid a similar incident from incurring in future. (**NB:** No marks will be awarded for theory only. Answers must be based on the information provided in the case study). (12)

END OF ASSESSMENT