



STRATHMORE BUSINESS SCHOOL

MASTER OF BUSINESS ADMINISTRATION IN HEALTHCARE MANAGEMENT

END OF SEMESTER EXAMINATION

HCM8110: MANAGEMENT COMMUNICATION AND MEDIA RELATIONS

Date: Saturday 15th April 2023

Time: 3 Hours

Instructions

Answer question one (1) in part A, and any two (2) questions in part B

PART A

Compulsory question

Read the attached Redwood Health Systems case and answer the questions below.

Question 1 (Compulsory) (24 Marks)

Redwood Health Systems has announced the appointment of the new CEO Elizabeth Wells at the annual physician leadership retreat. It is stated that this announcement was made without discussion.

- a) The last paragraph of the Redwood Health Systems indicates that there would be many challenges facing the new CEO. What are the communication challenges she is likely to face? Explain at least three challenges and give reasons for your response.
(6 Marks)
- b) From a communication point of view, do you think this announcement was communicated in an effective way. Explain giving at least 3 points for your response.
(6 marks)
- c) The appointment of a new CEO is an important one as there are many stakeholders who are likely to be impacted by that announcement. Explain what three levels of stakeholders Redwood Health Systems should be considering and give at least two examples of who should be in those categories
(12 marks)

PART B

Select any two questions from this section.

Question 2 (18 Marks)

The Perrier Benzene Scare

In February 1990, The Perrier Group of America Inc. issued the following press release:

The Perrier Group of America, Inc. is voluntarily recalling all Perrier Sparkling Water (regular and flavored) in the United States. Testing by the Food and Drug Administration and the State of North Carolina showed the presence of the chemical benzene at levels above proposed federal standards in isolated samples of product produced between June 1989 and January 1990.

This press release marked the beginning of the end of Perrier's reign over the sparkling water industry. In 1989 Perrier, one of the most distinguished names in bottled water, sold one billion bottles of sparkling water, riding high on the wave of 1980s health consciousness. Then in January 1990, a technician in the Mecklenberg County Environmental Protection Department in Charlotte, North Carolina, discovered a minute amount of benzene, 12.3 to 19.9 parts per billion (less than what is contained in a non-freeze-dried cup of coffee), in the water. After receiving confirmation from both the state and federal officials, Mecklenberg briefed Perrier Group of America about the contamination. Two full days after the crisis broke, after recalling over 70 million bottles from North America (but before identifying the source of the contamination), Perrier America president Ronald Davis confidently announced that the problem was limited to North America. Officials had reported a cleaning fluid containing benzene had been mistakenly used on a production line machine. The real cause of the contamination—defective filters at its spring¹³—was discovered less than three days later, and contrary to what Ronald Davis had previously announced, six months' worth of production would be affected, covering Perrier's entire global market. The firm was forced to change its story. Without an official crisis plan of its own, Perrier relied on the media to communicate its story during the crisis, which proved to be a fatal decision. The press only served to expose the lack of internal communication and the lack of global coordination within the company. At a news conference in Paris, when Perrier France announced that it was also issuing a recall due to the presence of benzene, the president of Perrier's international division, Frederik Zimmer, offered the explanation that "Perrier water naturally contains several gases, including benzene." From the contradictory messages released to the press, it was clear that the U.S. operations were not communicating well—if at all—with their European counterparts. Moreover, yet another story emerged to explain the presence of benzene, and it contradicted the previous explanations: According to Perrier officials, "the benzene entered the water because of a dirty pipe filter at an underground spring at Vergeze in southern France." All of this hurt the company's credibility. The cost of the recall and eventual relaunch of the product—ushered in by a pricey advertising campaign—meant that customers found the new 750mL bottles selling at the same

price as the old one-liter bottles. Perrier's pre-crisis 1989 market share of 44.8 percent had plummeted to under 5 percent by 2008.

- a) Evaluate this crisis and highlight the ways in which The Perrier Group responded to the crisis. **(10 marks)**
- b) What are useful ways to communicate and respond during a crisis? Did The Perrier Group use any of these points in their crisis communication? **(8 marks)**

Question 3 (18 Marks)

Communication planning has some key steps that help in ensuring the effectiveness of your communication. One of those key steps is the design of your message which include the element of persuasion that encourages response and action. Identify and discuss three (3) persuasion tactics aimed at different audiences within a healthcare organisation, showing with clear and relevant examples, how those tactics can be used in your organisation.

Question 4 (18 Marks)

Digital and social media has gained a lot of attention in the recent past and has changed the way healthcare organisations communicate. Using the example of your organisation, examine the following.

- a) How digital and social media is used in your organisation and explain, in your opinion, if this is the best way to use digital and social media for your organisation. **(6 Marks)**
- b) Identify the three most common digital and social media tools used by your organisation to communicate with their internal and external audience. Examine the impact of these tool on communication for your organisation highlighting at least two benefits and two challenges of each tool. **(12 marks)**

Question 5 (18 Marks)

Organisations often use the process of public relations (PR) as an important part of their communication plan in proactively engaging with their stakeholders. You have recognised the importance of PR is a proactive approach in management communication. Write to the leadership of your organisation explaining to them the following:

- a) What is PR? Use relevant examples to explain your point and include three (3) key roles PR plays in management communication. **(6 marks)**

b) The process of planning a successful PR campaign. Provide a detailed discussion on how your organisation can plan a PR campaign.

(12 marks)

END
