



**Strathmore**  
UNIVERSITY

**STRATHMORE BUSINESS SCHOOL**

MASTER OF BUSINESS ADMINISTRATION IN HEALTHCARE MANAGEMENT

END OF SEMESTER EXAMINATION

**HCM 8110: MANAGEMENT COMMUNICATION & MEDIA RELATIONS**

**Date:** Friday, 18<sup>th</sup> February 2022

**Time:** 3 Hours

**Instructions**

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

**PART A: Compulsory Question**

**Johnson & Johnson's Tylenol Recall**

Johnson & Johnson's (J&J's) Tylenol recall in the early 1980s is held by many as "the gold standard" of product-recall crisis management. Although many years have passed since the crisis, the lessons to be learned from it are still relevant. Johnson & Johnson's handling of the crisis was characterized by a swift and coordinated response and a demonstration of concern for the public that only strengthened its reputation as "the caring company."

In late September and early October of 1982, seven people died after taking Tylenol capsules that had been laced with cyanide. At the time, Tylenol had close to 40 percent of the over-the-counter market for pain relievers. Within days of the first report of these poisonings, sales had dropped by close to 90 percent.

Certainly, the irony of something that is supposed to relieve pain turning into a killer made this episode one of the most memorable in the history of corporate crises, but many experts on crisis communication, marketing, and psychology have conjectured that it was Johnson & Johnson's swift and caring response that was primarily responsible for turning this disaster into a triumph for the company. Despite losses exceeding \$100 million, Tylenol came back from the crisis stronger

than ever within a matter of years.

Johnson & Johnson do several things. First, it did not simply react to what was happening. Instead, it took the offensive and removed the potentially deadly product from shelves. (In the end, 31 million bottles of Tylenol were recalled.) Second, it leveraged the goodwill it had built up over the years with constituencies ranging from doctors to the media and decided to try to save the brand rather than come out with a new identity for the product. Third, the company reacted in a caring and humane way rather than simply looking at the incident from a purely legal or financial perspective. Thousands of J&J employees made over one million personal visits to hospitals, physicians, and pharmacists around the nation to restore faith in the Tylenol name.

Why did the company go to these lengths? Despite its decentralized structure, Johnson & Johnson's management is bound together by a document known as the "Credo." The Credo is a 308-word companywide code of ethics that was created in 1935 to boost morale during the Depression, and it is carved in stone at company headquarters in New Brunswick, New Jersey, today. It acknowledges: "We believe our first responsibility is to the doctors, nurses, and patients, to mothers and all others who use our products and services." Then-CEO James Burke made sure that the principles of the Credo guided the company's actions during the Tylenol crisis, helping J&J react to tragedy without losing focus on what was most important.

What is most amazing is not that J&J handled this crisis so formidably but that the perception of the company was actually strengthened by what happened. As Burke—who was brought in early as the lead person handling the crisis—explained, "We had to put our money where our mouth was. We'd committed to putting the public first, and everybody in the company was looking to see if we'd live up to our pretensions. J&J management did, and the public rewarded them for it. Within three months of the crisis, the company regained 95 percent of its previous market share. More than two decades later, Johnson & Johnson ranks consistently on Business Week and Interbrand's annual list of the 100 Top Global Brands, with a brand portfolio valued at \$3.04 billion in 2005.

*Adopted from Corporate communication, by P.A. Argenti,*

- a) Evaluate the crisis and highlight the ways in which Johnson & Johnson responded to the crisis. **(14 marks)**
- b) What are useful ways to communicate and respond during a crisis? Did Johnson and Johnson use any of these points in their crisis management? **(10 marks)**

## **PART B**

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**Select ANY TWO questions from this part.**

### **Question 2 (18 Marks)**

Stakeholders are important to an organisation and therefore understanding who they are and what they mean to an organisation is key in understanding how to communicate with them. There are different ways in which to analyse or map your stakeholders.

- a) Models such as the salience model are used to map the stakeholders of an organisations. Other than the salience model, identify and explain two other (2) models used in stakeholder mapping. **(6 Marks)**
- b) Explain how the Salience model works and highlight the key components of the model. Identify four (4) stakeholder classifications of the model using relevant examples to explain them. **(12 marks)**

### **Question 3 (18 Marks)**

As the new communication manager employed by the organisation, you have recognised that this organisation needs to focus on media relations urgently. You need to explain the following to the management of the organisation.

- a) What media relations is, and the role media relations plays in management communication. **(8 Marks)**
- b) What are good media relation practices? Explain four (4) effective ways and in which your organisation can manage the media. **(10 Marks)**

### **Question 4 (18 Marks)**

There are many new ways in which an organisation can use technology to communicate with its audience. Examine the way in which your organisation uses digital and social media by assessing;

- a) The general use of digital and social media in management communication explaining two (2) challenges and two (2) benefits of using digital and social media in communicating in your organisation. **(8 marks)**
- b) Four (4) tools commonly used by your organisation to communicate with their internal and external audience and show the benefits as well as the challenges of each tool within your organisation. **(10 marks)**

**Question 5 (18 Marks)**

Communication takes many different forms which enables the efficient and effective running of an organisation. A key consideration in effective communication is the style that each of us broadly fall into, that can impact the effectiveness of communication.

As a manager in your healthcare organisation, demonstrate, with examples, the different ways in which communication should flow in your organisation to ensure that you have engaged with relevant stakeholders and highlight the different personal styles of communication and discuss how each can impact your message.

**(18 marks)**