

UNIVERSITY OF KWAZULU-NATAL

**THE READINESS OF MASTERS OF BUSINESS
ADMINISTRATION (MBA) GRADUATES' IN SOUTH
AFRICA TO MANAGE ORGANISATIONS PROFITABILITY
DURING ECONOMIC DOWNTURNS**

By

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Date: 30 January 2015

DECLARATION

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ABSTRACT

“A manager needs to plan for a recession as they don’t just occur suddenly” (Respondent 22)

The capabilities and readiness of MBA graduates were brought into question for the lack of management and responsiveness to the 2008 “Great Recession”. Current recession management strategies and models are not suited to the South African context and do not take into account variables within the South African context. In 2008 the “Great Recession” was only identified once the economy was in a recession. Businesses were taken off-guard and were unable to strategically defend themselves during a recession, resulting in business failure’s due to weak management and implementation of unrealistic recession management models. A majority of MBA graduates were in management positions during this time.

The objectives of this study were to were linked to the Managerial Optimistic Model which provided five strategies to assist in managing a recession which was linked to each of the research objectives, which were to: identify MBA graduates readiness to encourage the need for diversification during a recession; to determine MBA graduates readiness to explore the scope for new opportunities during a recession; to ascertain MBA graduates readiness to employ corporate governance during a recession; to understand MBA graduates readiness to use paradigm shift during a recession; to ascertain MBA graduates readiness to employ appropriate space creation during a recession and, to understand MBA graduates readiness to use economic recovery strategies during a recession..

The quantitative method of investigation was adopted for this research, and the research instrument for this study was an online questionnaire. The online questionnaire was placed on MBAconnect.net website which is an online community for MBA graduates. The target population also included the MBA alumni body of the University of KwaZulu–Natal (UKZN), the Graduate School of Business and Leadership (GSB&L). The target population comprised of 25000 members from MBAconnect and 700 members from the UKZN MBA alumni body. The sample size, after several challenges were experienced, was 111 participants from MBAconnect and the UKZN MBA alumni body. The sampling technique for this study was convenience sampling. The data for this study was analysed with SPSS version 21. Validity for this study was ensured by the use of face validity and reliability was ensured by the use of Cronbach’s Alpha.

The research identified that the readiness of MBA graduates to deal with a recession is at a lower level than expected which is a cause of concern. It has further been identified that there is a gap between the curriculum offered by business schools and the requirements of the business environment, as well as the application of the MBA curriculum in the South African business context. It was identified that the Managerial Optimistic Model proved to be supported by the respondents.

The findings further suggest that corporate governance, need for diversification and scope for new opportunities, were viewed as the most important strategies of the Managerial Optimistic Model in managing a recession. The model identified that corporate governance was seen as the most important strategy, yet only 9% of respondents had completed corporate governance during their MBA, highlighting the need for corporate governance to be included into the curriculum. It was identified that respondents supported the concept looking for new opportunities, yet when these opportunities arise through networking events these the opportunities are not taken.

It is recommended that business schools focus on developing MBA graduates who are ready to manage a recession. The need to focus on incorporating practical hands on training, role playing and simulations into the MBA curriculum is critical. It is also recommended that development and further testing of the Managerial Optimistic Model is necessary to allow for it to be included in the MBA curriculum to assist MBA graduates to manage a recession.

The MBA curriculum has come under great scrutiny and the findings of this study also suggest shortcomings in the MBA curriculum. It is proposed that future research should assess the MBA curriculum and the incorporation of contemporary business examples, cases and simulations as an effort to improve the readiness of MBA graduates to manage any business cycle successfully and profitably.

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LIST OF ACRONYMS

BPR	Business Process Reengineering
GDP	Gross Domestic Product
GMAT	Graduate Management Admission Test
GSB&L	Human Development Index
HDI	Human Development Index
ICT	Information and Communications Technology
IMF	International Monetary Fund
MBA	Master of Business Administration
MOM	Managerial Optimistic Model
SPSS	Statistical Package for the Social Science
TBL	Triple Bottom Line
TQM	Total Quality Management
UKZN	University of KwaZulu-Natal
VCA	Value Chain Analysis

CHAPTER 1

INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

The economic instability and unpredictability that accompanies a recession can be extremely damaging to global markets and economies. Many organisations find themselves in economically unstable environments during a recession. Past experience has shown that there is very little time to react and prepare for a recession (Pearce & Michael, 2006: 204). The drastic impact of a recession can create many challenges for organisations; therefore, they need to realign their roles and functions and implement strategies and models to deal with a recession.

Masters of Business Administration (MBA) graduates in senior business positions were highly criticized during and after the 2008 recession for their lack of responsiveness, readiness and foresight (Podolny, 2009: 1). Underperformance on the part of what were considered elite graduates from the best business schools in the world was blamed on many factors, including the lack of practical training in academic programmes and major disconnects between academia and reality (Bisoux, 2005).

While this topic is an important area of investigation, minimal research has been conducted within the South African context. The 2008 global recession and the aftershocks that were felt across many organisations at the global level highlighted the interconnectedness of global economies and the negative impact that a recession can have in today's business world. Many organisations were caught off-guard and were unable to take important decisions, from determining if a country is in recession based on Gross Domestic Product (GDP) performance and business trends, to the application of a model or strategy to deal effectively with a recession. It is vital that organisations adopt strategies to minimise the effects of a recession and maintain profitability (Pearce & Michael, 2006: 203). Management, specifically MBA graduates in management positions, should be well-equipped to implement and adapt managerial models and strategies to successfully deal with a recession or any other business challenge. Therefore, it is of great concern that academics and industry professionals' understanding of how to prepare and react to the challenges of a recession or economic downturn remains extremely limited (Pearce & Michael, 2006: 201).

This study focused on management of a recession. While it is acknowledged that financial management and other factors are important, for the purpose of this study the focus is on management. As such, the study does not examine recession from an economic point of view, but a managerial perspective.

This chapter presents the introduction to the study, conceptual definitions, the background to the problem and the motivation for the study, leading to the problem statement. Six research questions were set with six corresponding research objectives. The chapter also discusses the scope of the study and its limitations and provides a brief introduction to the research methodology employed. The study's contribution to knowledge is highlighted and the chapter concludes with the structure of the thesis.

1.2 CONCEPTUAL DEFINITIONS

The major concepts used in this study are briefly defined in this section.

Recession

“A recession is a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales” (National Bureau of Economic Research, 2014: 1).

MBA

The Masters of Business Administration (MBA) is a postgraduate degree achieved at a university or college that usually requires the completion of an undergraduate bachelor's degree. The degree is based on theoretical and practical training, and aims to provide graduates with an enhanced understanding of management functions in business. In order to gain admission to an MBA programme, an applicant needs to take the Graduate Management Admission Test (GMAT) and meet the selection criteria. Most business schools require students to have some work experience. The programme runs for approximately two years (Investopedia, 2014: 1).

Management

"Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently and accomplish selected aims" (Koontz & Wehrich, 1990).

“Management can be defined as the process of planning, organising, leading and controlling the resources of the organisation to predetermined stated organisational goals as productively as possible” (Smit, Cronje, Brevis & Vrba 2009: 9).

“Management is the field of human behaviour in which managers plan, organise staff, direct and control human, financial resources in an organised group effort in order to achieve desired individual and group objectives with optimum efficiency and effectiveness” (Subedi, 2013: 1).

1.3 BACKGROUND TO THE PROBLEM AND MOTIVATION FOR THE STUDY

There have been 10 recessions since World War II, making this an area which requires attention (Jayaraman, Ibrahim & Guatc, 2011a: 33). The 2008 recession had a major impact on the global economy and is considered to be the most dramatic financial crisis since the Great Depression (Bali, 2012: 227). This recession began with pressure on the mortgage market, which spread to financial markets and finally the entire economy. The nature and intensity of the 2008 recession made it difficult for countries to recover (Ehrmann, Fratzscher & Mehl, 2009: 2). The rapid increase in globalization meant that financial decisions and stresses in the United States' economy were felt across the globe almost instantly, sending financial markets into turmoil and resulting in a global recession (Bali, 2012: 227). During this period, the unemployment rate in the United States doubled from 5% in 2008 before the recession to 10% by the end of 2009 (Louis, 2014: 1). This resulted in a 35% decrease in median household net worth in the United States between 2005 and 2011 (Louis, 2014: 1). The intensity, speed and dramatic impact of the 2008 recession highlight the need for management to play an active and supportive role to prevent or minimize these negative effects. The following extract describes the impact of the 2008 economic recession and the need to react and be proactive:

“Recently, the world is facing the global financial issues, namely economic recession which have been bringing a lot of problems to the Business world. The international global economy is hit to the core by the recent economy crisis. The stock market index to mention some NASDAQ and Dow dropped dramatically over the last 9 months and the GDP of most countries has also gone down. Hence, drastic and comprehensive strategic steps should be planned and taken in order to deal and respond to the challenges of the severe economic recession” (Jayaraman et al., 2011a: 34).

There was much criticism of the response of companies' leadership and management to the 2008 recession and it was found that the majority had MBA degrees (Brooks, 2009: 1). The focus then shifted to the education received by MBA graduates and their lack of skills and knowledge on recessions (Russell, 2009: 1). Businesses schools and their curricula were highly criticised and it was claimed that the programmes were too scientific as well as disconnected (Cornuel & Howard, 2014: 1). The 2008 recession thus brought to light the shortcomings of the MBA programme and the devastating effect this can have when combined with financial instability.

It is clear that a recession is both highly complex and damaging; therefore this study examines MBA graduates' readiness and ability to deal with a recession. It is difficult to maintain profitability during a recession; hence the study also examines what can be done to remain profitable. Readiness is a key area of this study that examines whether MBA graduates are

ready to cope with a recession and if they have the necessary skills to do so. The study seeks to determine MBA graduates' readiness to implement each of the five elements of the Managerial Optimistic Model (MOM), as well as their readiness to use economic recovery models. It is vitally important to investigate if South African MBA graduates and students are ready to manage and adapt to a recession as this enables an understanding of what needs to be added to the MBA curriculum to avoid a recession and financial instability. The need for a stable economy in a developing country such as South Africa cannot be overemphasized; an economy which is able to grow and provide a steady stream of jobs while reducing unemployment is critical.

MBA graduates play a critical role during an economic downturn. These graduates therefore need to be aware of the exact role they are expected to play, what is required of them and the skills they need to effectively deal with a recession (Rahim, 2013: 1).

The ability to respond and the manner in which a response is prepared is based on an organisation's location. The unique location characteristics and culture of organisations impacts on how managers deal with a recession. For example, business is done differently in South Africa in comparison with European or other countries (Van Rensburg, 2007: 51) and the ways South African companies create and use strategies and models to manage a recession could differ. Therefore, model or strategies should be adaptable within the South African context. There are currently very few African or South African recession management models. This study explores the adaptability of the MOM in the South African context. The model is assessed on the basis of South African MBA graduates' readiness to implement its various elements. The findings of this study will increase our knowledge of the value of implementation and use of international models in the South African context. The study will also examine MBA graduates' readiness to deal with a recession in the South African context while maintaining profitability.

1.4 PROBLEM STATEMENT

The lack of responsiveness, as well as macro environmental awareness of the early indicators of the onset of the 2008 "Great Recession" placed a spotlight on MBA graduates (Brooks, 2009: 1). These graduates were only able to identify a recession once it was already in place (Pearce & Michael, 2006: 204). As a result of a lack of management and capability to deal with a recession, many businesses failed (Podolny, 2009: 1).

The adoption of international economic recovery strategies and models in South Africa is difficult as there are fundamental differences in social and economic contexts. This study seeks

to determine if an international model and strategies on recession management which can be implemented in the South African context. It identifies the activities that are necessary to manage a recession, which will increase the chances of businesses surviving future recessions.

The capabilities and readiness of MBA graduates were brought into question as a result of the lack of management responsiveness to the 2008 “Great Recession”. Current recession management strategies and models are not suited to the South African context and do not take the variables within the South African context into account.

1.5 RESEARCH QUESTIONS

This quantitative research study posed the following research questions in order to narrow the research in line with the problem statement:

1. How ready are MBA graduates to encourage the need for diversification during a recession as a strategy to manage the downturn?
2. To what extent are MBA graduates ready to explore scope for new opportunities during a recession as a strategy to manage the downturn?
3. How ready are MBA graduates to employ corporate governance during a recession as a strategy to manage the downturn?
4. How ready are MBA graduates to employ a paradigm shift during a recession as a strategy to manage the downturn?
5. How ready are MBA graduates to employ appropriate space creation during a recession as a strategy to manage the downturn?
6. To what extent are MBA graduates ready to use economic recovery strategies during a recession to manage the downturn?

1.6 OBJECTIVES OF THE STUDY

The primary objective of this study is to determine:

The readiness of Masters of Business Administration (MBA) graduates in South Africa to manage organisations' profitability during an economic downturn.

To meet the primary objective, six secondary objectives were identified:

1. Identify MBA graduates' readiness to encourage the need for diversification during a recession as a strategy to manage the downturn;
2. Determine MBA graduates' readiness to explore the scope for new opportunities during a recession as a strategy to manage the downturn;
3. Ascertain MBA graduates' readiness to employ corporate governance during a recession as a strategy to manage the downturn;
4. Understand MBA graduates' readiness to use a paradigm shift during a recession as a strategy to manage the downturn;
5. Ascertain MBA graduates' readiness to employ appropriate space creation during a recession as a strategy to manage the downturn; and
6. Understand MBA graduates' readiness to use economic recovery strategies during a recession to manage the downturn.

1.7 RESEARCH METHODOLOGY

The research paradigm for this study was Social Constructivism. The research design was descriptive and as such a quantitative approach was adopted. The identified target population for this study was MBA graduates and students who were members of MBAconnect.net, an online MBA community with a membership of 25 000, allowing for a sample size of 378, as well as the MBA alumni body of the University of KwaZulu-Natal (UKZN), specifically the Graduate School of Business and Leadership (GSB&L), which was made up of 700 members, allowing for a sample size of 169. However the number of responses was 111, due to poor response rates over a long period of time, despite multiple attempts to increase the response rate. The convenience sampling technique was used for this study as it allowed easy access to selected individuals (MBA graduates) in order to gather the required data. An online questionnaire was used to collect data. The questionnaire was divided into four parts. Section A gathered demographic information, section B covered strategic models, and section C evaluated the Managerial Optimistic Model. Both sections B and C made use of questions answered by means of a five-point Likert scale. Section D consisted of open-ended questions which allowed the researcher to gain an in-depth understanding of previous responses. The online questionnaire proved challenging with technical glitches at the beginning. It was also difficult to gain

respondents' attention, as unlike with conventional questionnaires, the researcher had limited or no direct contact with the respondents, making both participation and completion challenging. Furthermore, a large number of respondents did not complete the questionnaires online and these questionnaires had to be discarded. The data was analysed with the assistance of a professional statistician using the Statistical Package for the Social Science (SPSS Version 22, 2013). Validity was ensured by the use of face validity, which ensured that the research instrument presented itself correctly and was suited to the target population. Reliability was ensured by the use of Cronbach's Alpha coefficient. The researcher complied with the ethical requirements set out by UKZN's Ethics Committee, which include ensuring confidentiality. Participants were also required to sign an informed consent document prior to any participation in data collection for this study.

1.8 LIMITATIONS

The study was originally limited to MBA graduates who were members of MBAconnect.net. It proved challenging to find alternate platforms to engage with MBA graduates. As such platforms would be universities, business schools, and alumni bodies, this would require permission. This process is extremely cumbersome and the researcher was bound by time constraints. However, due to exceptionally poor response rates, the researcher added the MBA alumni body at UKZN's GSB&L, which proved challenging and time consuming as gaining permission to access this body required that policies and procedures be followed. Since this was done at a late stage, it was an additional challenge.

MBA graduates' roles and functions differ across organisations; this makes it difficult to draw generalisations. Furthermore, culture is very influential in the manner in which a person performs his or her duties. This study did not specifically examine culture, which could be considered a limitation. However, it offers possibilities for future studies. The different managerial positions held by the respondents could, in some cases, limit their ability to implement strategies and models; furthermore, strategies and models to respond to a recession may be decided on by more senior management and leadership.

The online survey employed to collect data collection was also a limiting factor. The lack of personal contact between the researcher and the participants made it very difficult to motivate participants to participate in the study and complete the questionnaire. Respondents' queries on aspects of the questionnaire could also not be answered in person. Contact was based on emails or website postings on MBA platforms. This proved to be a further limitation as this could be associated with spam or easily ignored.

The limited time frame of this masters study meant that a smaller sample was drawn as opposed to a study carried out over a longer period. This could limit the results. Not all the respondents had experienced managing a company during a recession as they may not have held an MBA at the time. In some cases, responses were based on what participants thought they would do in the case of a recession as opposed to what they would do based on their experience of a recession.

A further limitation was the participants' understanding of profit. Profit can be seen from a social point of view, such as Triple Bottom Line (TBL) reporting or Corporate Social Responsibility. Profit can also be seen, as in the case of this study, from a financial point of view.

Finally, MBA graduates and students have very busy work schedules, making it difficult to access them via an electronic platform. The process of identifying participants was also challenging as they were spread across South Africa as well as many industries, thus making a study in this field logistical and statistically challenging.

Despite the above mentioned limitations, the researcher tried to overcome the challenges and to make a scholarly contribution to existing knowledge.

1.9 SCHOLARLY CONTRIBUTION TO KNOWLEDGE

The study contributes to a better understanding of how international models and strategies to manage recessions could be implemented by MBA graduates in the South African context. It sheds light on the skills and activities necessary to manage a recession which will increase the chances of businesses surviving future recessions. Furthermore, the study examines the adaptability of models and strategies to manage recessions in the South African context. This could enable businesses to better handle economic recessions and avoid business failures. Job creation is crucial in South Africa and the study offers insight into how businesses could remain profitable or grow during a recession.

1.10 STRUCTURE OF THE DISSERTATION

Chapter 1 – Introduction and overview of the study

This chapter serves as an introduction to the study. It introduces the topic and provides definitions of the concepts used. The chapter also presents the background to the problem, motivation for the study and the problem statement. The six research questions and corresponding six research objectives are introduced. The research methodology employed is

briefly explained. The limitations of this study and its scholarly contribution to knowledge are highlighted. The chapter concludes with the structure of the thesis.

Chapter 2 - Literature review

This chapter presents a literature review on contemporary and modern approaches to management, styles of management, management roles, management functions and a brief discussion on African leadership as this study focuses on the South African context. It then presents a discussion on recessions, including the business cycle, an historical overview of global recessions, criticism of MBA graduates during the economic collapse in the US, and the MBA curriculum at South African business schools. The macro environmental effects of a recession are examined, as well as strategies to manage a recession successfully, including the MOM which is the theoretical framework for this study. So-called grand strategies, which include turnaround, divestiture, liquidation and bankruptcy, are discussed, as well as sustaining and maintaining profits during a recession and managing a recession in a business environment.

Chapter 3 – Research Methodology

This chapter explains the research methodology used for this study. This allows for a clear understanding of the methods on which the results are based. The objectives of the study, including the research objectives and questions and the research paradigm are presented. The chapter also discusses the research design, including the target population, sample size and sampling technique. The data collection and data analysis methods are explained, as well as how validity and reliability were ensured. The ethical considerations taken into account are highlighted.

Chapter 4 - Data analysis and findings

This chapter focuses on the data analysis and findings of this study. It presents demographic information, including the respondents' age, managerial level and position, sector, the number of years since the respondents graduated with an MBA and the modules covered in their MBA curriculum. The responses are divided into those respondents that were managers during the 2008 recession and those that were not, which allows for more in-depth analysis. The study set six research objectives. For objectives one to five, the findings are set out in a table based on the questions relating to each research objective. This is followed by a table showing the responses of those who held managerial positions during the 2008 recession and those that did not for each objective, following this each question related to a objective will have a table that displays the results related to that question as well as a table displaying results between respondents who

held a managerial positions during the recession and those that did not hold not. The MOM is discussed as well as its importance. The findings based on objective six are also displayed and tests for reliability are presented.

Chapter 5 – Discussions, Recommendations and Conclusion

This chapter concludes the study. It commences with a discussion on the findings from the data analysis. Recommendations and conclusions are made for each of the six objectives as well as general recommendations and suggestions for future research. The chapter concludes by discussing the study's contribution to knowledge and presenting an overall conclusion.

1.11 CONCLUSION

This study focuses on MBA graduates' ability to maintain profits during a recession. It is unique as it examines recession management by MBA graduates from a South African perspective and the adaptability of international models. This chapter outlined the background of this study, the problem statement, the study's focus and its objectives, research questions, and limitations.

The following chapter reviews the relevant literature relating to this study.

CHAPTER 2

APPROACHES AND STRATEGIES TO MANAGEMENT

2.1 INTRODUCTION

Managers confront many challenges in the contemporary business environment. Subedi (2013: 3) notes that these include globalisation, technology, a greater focus on quality, social responsibility, human resources, diversity, and constant change. Globalisation is forcing managers to think from a global perspective while taking the local business environment into consideration. Constant technological advances impact the management of staff and the organisations' operations. There is increased focus on quality, cost saving and competition. Managers are required to be more socially responsible in the pursuit of profits and to enhance the sustainability of the organisation. Leadership approaches are required that can deal with diverse work forces and be more culturally sensitive. Management must also be able to quickly and effectively adapt their organisations in response to change.

Management in today's business world is therefore complex due to the diverse functions, levels and roles of managers. Knowledgeable and skilled managers are not easy to find and management is considered one of the main scarce skills in South Africa (Nzimande, 2014: 15). Olum (2004: 8) identifies four main skills required by managers: technical skills, human skills, conceptual skills, and design skills. Technical skills refer to a manager being proficient in the technical aspects required to run the organisation (Olum, 2004: 8). Human skills are managers' ability to work with people; this includes team work and cooperation, as well as a secure open, environment where opinions can be freely expressed. Conceptual skills refer to the ability to understand the big picture and important elements within certain situations and potential relationships. Design skills can be understood as the capability to solve a problem in a manner that will benefit the company. Managers need to not only identify the problem, but come up with a solution that is easily adaptable in the current environment. The importance and use of the abovementioned skills is based on the level of management (Olum, 2004: 8).

Based on the above discussion, Subedi (2013: 3) proposes that managers should be trained and educated to deal with challenges and to gain the necessary skills to manage organisations effectively and profitably.

The Masters of Business Administration (MBA) is regarded as the key to a manager's advancement in an organisation (Monash, 2014: 1). The MBA was introduced to create exclusivity around business degrees and credibility (Monash, 2014: 1). It has been in existence for roughly the past hundred years. The origins of the MBA can be traced to Harvard University

that accepted 59 students for this degree in 1908 (Herrington, 2010: 63). Since then there has been a wide array of curricula. According to Herrington (2010: 74), the following subjects have become almost universal in MBA programmes: accounting, marketing, finance, economics, management and strategy. However, course duration varies widely.

In order for a business to be efficient and profitable it requires managers who are equipped to perform their task. It is therefore essential that managers are well educated in their respective specialities. Employees and managers with MBAs play a vital role in the management and strategic operations of businesses (Monash, 2014: 1). It is therefore imperative that they are equipped with the correct skills and knowledge to manage an organisation from a macro and micro environmental perspective.

MBA graduates came under great criticism during the financial crises of 2008 for their lack of responsiveness and management of the situation (Amann, Pirson, Dierksmeier, Von Kimakowitz & Spitzeck, 2011: 163). There is thus a need to explore the readiness of MBA graduates to effectively manage organisations during various business cycles. This chapter explores the development of management in general, a recession and MBA graduates in order to understand the role of such graduates in managing a recession.

The literature review focuses on three core areas. The first is management which covers contemporary and modern approaches to management, styles of management, management roles, management functions and African leadership. The second focus area is recession, including the business cycle, a historical overview of global recessions; criticism of MBA graduates during the economic collapse in the US, the MBA curriculum at business schools and the macro environmental effects of a recession. The third area deals with strategies, including strategies to manage a recession successfully, grand strategies, maintaining and sustaining profits during a recession, managing a recession in a business environment, and ensuring business success during a recession.

2.2 CONTEMPORARY AND MODERN APPROACHES TO MANAGEMENT

There are many approaches to management. The scientific school paved the way for the management process school originated by Henri Fayol in his identification of the six functions of a business (Edu Articles, 2013: 1). This included the human relations or behavioural school as well as the quantitative school (Du Toit, 2008: 142). Previous approaches to management do not impact as much on MBA graduates and as such the focus is on contemporary and modern approaches to management. Management is continually adapting and changing to meet the requirements of a complex environment.

Contemporary approaches to management

2.2.1 Strategic management

This approach evolved from the turbulent environments of the 1960s and 1970s. The pace of technological change, the emergence of the Japanese and other new post-World War II economies and demographic change, as well as other political and social trends, forced management to align the goals and objectives of their organisations with trends in the business environment (Du Toit, 2008: 143). By focusing on the threats and opportunities in this environment and evaluating their strengths and weaknesses in order to overcome the threats and exploit the opportunities, organisations build distinct competencies in particular markets (Du Toit, 2008: 143). This approach can assist MBA graduates to evaluate their organisations. It enables continuous scanning of the environment, allowing MBA graduates to refine the company's strengths in order to adapt to change. Strategic management's basic principle "is that an organisation should build its strengths around its resources in ways to help it proactively adapt to change, to be able to influence its environment, and so over a long period be able to control its own destiny" (Chau & Witcher, 2014: 4). From this definition, it is clear that strategic management can enhance MBA graduates' management capabilities by providing a clear approach to monitor the environment and to enable them to foresee change, as well as efficiently utilising organisational resources.

2.2.2 Total quality management (TQM)

This approach was developed during the 1980s and the 1990s and revolves around the issue of quality. The theory is based on the observation that Japanese and German organisations were successful due to their emphasis on quality (Du Toit, 2008: 143). Furthermore, Japanese and German managers not only delivered top quality products and services, but did so at a higher rate of productivity (Du Toit, 2008: 143). Chau and Witcher (2014: 278) note that, TQM has been described as a philosophy within an organisation and management principles that aim to constantly improve quality to meet customers' needs for products and services. In TQM, quality refers to the quality which the customer expects. 'Total' refers to the need for this philosophy to apply at all levels of the business, meaning that total quality is to be applied at all organisational levels and functions (Chau & Witcher, 2014: 278). Quality is the core focus at every step and function of the business (Chau & Witcher, 2014: 278). The process of TQM can assist MBA graduates to better manage their workforce, processes, products and services. TQM could allow MBA graduates to ensure the best possible results in all aspects of the company. The quality of a product can be a key factor in determining the success of a business. MBA graduates could find it helpful to be equipped with the skills to create a work environment that is optimal for

TQM, focusing on current processes, employees and final products (Sikkim Manipal University, 2014: 1).

2.3 THE LEARNING ORGANISATION AND THE RE-ENGINEERING OF BUSINESS

The learning organisation is a management approach that suggests that learning individuals/employees are a source of success and that developing human capital can promote competitive advantage (Du Toit, 2008: 144). The focus in a learning organisation is to educate and improve employee performance through learning which helps achieve the organisation's goals (Abdollahi, Katuli & Ma'atoofti, 2011: 213). Characteristics of a learning organisation include learning at three levels: individual, group and the organisation (Abdollahi et al., 2011: 214). Another characteristic is knowledge management which involves the control and transfer of knowledge, as well as enhancing the power of employees and customers through knowledge (Abdollahi et al., 2011: 214). In order for an organisation to become a learning organisation, it would be imperative for MBA graduates to support the implementation of learning at the three organisational levels. Abdollahi et al. (2011: 215) note that the following are important for MBA managers: personal learning and commitment; sharing their vision of learning with fellow employees; team building that is key in instilling a learning mentality in an organisation; and viewing learning from a systems approach in order to facilitate implementation and understanding.

Re-engineering is a management approach that enables an organisation to focus on its core business and to outsource activities that do not relate to the core business (Du Toit, 2008: 144). Thus re-engineering calls for the core business processes to be significantly altered to the point that the new processes lead to vast improvements in productivity, time and quality. During re-engineering, the focus is on meeting customer needs as well as reducing organisational layers in order to become more productive (Rigby, 2013: 18). The following extract summarises the re-engineering process:

“When processes become old and inefficient and can't deliver results that they were originally designed to, they can't cope up the business dynamics in the environment in which they operate, and they must be redesigned or replaced. Business Process Reengineering (BPR) is a process-based management tool that can deliver, redesign or replace inefficient processes, as required, with a breakthrough results” (Setegn, Ensermu & Krishna Moorthy, 2013: 115).

Responsibility for identifying processes that need to be changed or updated will fall on MBA managers as they have the necessary skills, vision and plan to design and implement a new process. Business process reengineering can assist MBA graduates to improve key processes

which affect customers, firstly, by reducing costs and cycle time and secondly, by improving quality (Rigby, 2013: 18). The key role of MBA graduates will be delivering better value to customers (Rigby, 2013: 18).

Modern approaches to management

The systems theory

The systems theory was developed by management scholars during the 1950s. This theory views the organisation as a group of interrelated parts with a single purpose, where the actions of one part influence the other parts (Du Toit, 2008: 142).

A system can be described as “a collection of part unified to accomplish an overall goal”. If a piece of the system is taken away, the manner in which the system operates will change. Olum (2004: 17) identifies four elements in the system: inputs (resources in the form of people (technology and raw materials), processes (e.g., planning controls and organising), outputs (services or products) and outcomes (improved quality of life or productivity for customers or clients). The system shares feedback within each of the four elements (Olum, 2004: 18). Olum (2004: 18) observes that the systems theory has only been given serious attention in recent times as a result of drastic changes in organisations. The systems theory allows managers, including MBA graduates, to have a better overview of the organisation (Subedi, 2013: 2). It allows managers (MBA graduates) to identify patterns and occurrences in the organisation and to see the inter-relationships of the different parts in the organisation.

Contingency theory

Contingency theory attempts to adapt the techniques and principles provided by the various management approaches to a given situation (Du Toit, 2008: 143). Olum (2004: 18) suggests that managers should be mindful of all the factors that contribute to a situation and act on those which are critical or of most importance. This theory essentially depends on the situation at hand, which will result in the most suitable management approach for MBA graduates (Subedi, 2013: 2).

Chaos Theory

The chaos in the world we live in also exists in organisations. However, managers seem to believe that events within an organisation can be controlled. The chaos theory acknowledges events that are not controllable (Altindag, Cengiz & Ongel, 2014: 18). Olum (2004: 18) suggests:

“that systems naturally go to more complexity, and as they do so, they become more volatile and must, therefore, expend more energy to maintain that complexity. As they expend more energy, they seek more structure to maintain stability. This trend continues until the system splits, combines with another complex system or falls apart entirely”.

Murphy (1996: 96) suggests that, although something might be perceived and viewed as chaos, there are actually visible patterns and structures. However, predicting the future of chaos patterns is difficult (Ali Farazmand, 2014: 115). The chaos theory examines the behaviours of systems which do not follow the norm or a linear process (Murphy, 1996: 96; Akmansoy & Kartal, 2014: 511). Thus, MBA graduates and managers will need to continuously monitor the system and be ready for any situation. It will be important for MBA graduates to understand these structures within organisations and be able to support them during a recession when the structure can be affected.

The individual as manager plays a key role. Each manager has a unique management style and this can be dependent on many factors. The following section analyses management styles.

2.4 STYLES OF MANAGEMENT

The various management styles are summarised in Table 2.1.

TABLE 2.1: MANAGEMENT STYLES

Management style	Management behaviour
Autocratic	Usually makes decisions promptly, communicates them clearly and firmly, and expects other staff members to carry out decisions loyally and without training difficulties.
Decisive	Usually makes decisions promptly, but before going ahead, explains them fully to other staff members, e.g., gives reasons for the decisions and answers any questions.
Consultative	Usually consults with other staff members, listens and considers their advice before reaching decisions, then expects them to carry out decisions loyally even when their advice has not been followed.

Democratic	Calls a meeting of other staff members when there are important decisions to be made, discusses the problem and accepts the majority viewpoint as the decision.
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Source: Deery and Jago (2001: 328); Linski III (2014: 18)

Table 2.1 identifies four main styles, namely, autocratic, decisive, consultative and democratic. The descriptions of each of these styles in the table suggest that in a time of recession, a specific style or certain styles will be more relevant than others. During a recession, a company experiences significant strain and a manager should lead with a certain style to ensure that it survives the recession. The autocratic style of management stands out as a style which could be adopted, as during turbulent times, tough decisions have to be made in order to survive. An autocratic manager will be able to lead the organisation in a situation where clear and precise decisions and actions are necessary as opposed to a more relaxed style (Kocher, Pogrebna & Sutter, 2013: 31). The need for clear and firm measures and responses to combat and address a recession immediately, further support the need for an autocratic manager that is capable of leading the organisation successfully (Kocher et al., 2013: 31). A decisive style will be less effective as decisions and leadership are required immediately and there is no time to reason decisions (Brousseau, Driver, Hourihan & Larsson, 2006: 1). The consultative management style can prove helpful in coming up with various ways to lead the company in a recession; however, since managers are responsible for the welfare of the organisation, employees' ideas are valued, but decisions are made by the manager and might not accord with employees' views (Gurbutt, 2011: 73). The democratic management style can take time as decisions are made by the majority. This style might not be very effective during times of recession (Kocher et al., 2013: 30). During such times, organisations require leaders that are willing to make tough decisions which could include job cuts and downsizing; this does not fit well with a democratic style.

2.5 MANAGEMENT ROLES

Mintzberg (1975) identified ten management roles and grouped them into three categories. Managers often perform several of these roles simultaneously, and have to assume each role in order to influence the behaviour of individuals and teams or groups, both inside and outside the organisation, in order to be efficient and effective (Nieman & Bennett, 2005: 101). Management skills must therefore be continuously developed in order for managers to conduct these various roles effectively. Table 2.2 shows the management roles identified by Mintzberg (Nieman & Bennett, 2005: 101).

TABLE 2.2: MINTZBERG’S MANAGEMENT ROLES

Managerial role	Specific role	Example
Interpersonal	Figurehead	Set ethical guidelines for teams, departments or the organisation.
	Leader	Motivate employees to perform and work toward reaching objectives.
	Liaison	Establish alliances between work teams internally and externally.
Informational	Monitor	Analyse internal and/or external environmental factors.
	Disseminator	Inform employees and give them feedback.
	Spokesperson	Inform stakeholders on performance of organisation or department or product.
Decisional	Entrepreneur	Innovation of products; services and processes.
	Disturbance handler	Take corrective action to deal with unexpected problems.
	Resource allocator	Allocate organisational resources for effective use.
	Negotiator	Handle diversity in the work place and business environment.

Source: (Nieman and Bennett (2005: 101); Chell (2012: 180))

Not all of the roles shown in the above table will be required during the management of a recession. Rather, they will be used in different proportions; thus management should determine which roles work best during a recession. Each managerial role is of great importance as each allows the manager to manage the organisation, employees and stakeholders during a recession on an interpersonal, informational and decisional level. The importance of each role will be determined by the type of organisation, strategic goals and efforts to remain stable during a recession.

2.6 MANAGEMENT FUNCTIONS

There are four primary management functions, namely, planning, leading, organising and control (Du Toit, 2008: 129; Smit et al., 2009: 9; Chell, 2012: 175).

Planning is the first primary task undertaken by managers (Van Aardt, Hewitt, Bezuidenhout, van Aardt & Bendeman, 2011: 166). Strategic planning is the process of developing a mission and long term objectives for the organisation as a whole (Chau & Witcher, 2014: 332). On the other hand, functional planning focuses on medium term objectives and is conducted by middle management. Operational planning is the process of setting short-term objectives and determining in advance how they will be accomplished. The primary difference between strategic, functional and operational planning is the time frame and the management level involved (Nieman & Bennett, 2005: 103).

Planning is a key element in managing through a recession, because it can help a manager to create a strategy and action plan to move forward and maintain success. From a strategic point of view, it allows future planning which includes the possibility of a recession. Functional planning enables adjustment of goals and objectives if necessary to manage the impact of a recession.

After goals and plans have been determined, the manager has to allocate the human, financial and physical resources of the business to the relevant departments or persons. Duties must be defined, and procedures fixed to enable the business to achieve its goals. Organising includes the development of a framework or organisational structure to indicate how people, equipment and material should be employed to achieve the predetermined goals (Van Aardt et al., 2011: 168). Because the goals and resources of businesses differ greatly, it makes sense that each should have an organisational structure suited to its own particular needs (Du Toit, 2008: 130).

The need to organise efficiently during a recession cannot be over emphasised. It is critical that the manager adapts employees' duties and responsibilities as well as adapting how people, equipment and material are deployed to achieve predetermined goals as these goals may have changed due to the recession.

“Leading refers to directing the human resources of the organisation and motivating them in such a way that their actions are aligned with predetermined goals and plans.” (Smit et al., 2009: 10). A manager's duty is to get people to do things in the desired manner; this is achieved through the co-ordinated efforts of executive and lower management as well as subordinates, individual and groups (DalGLISH, du Plessis, Liezal. & Pietersen, 2012: 251). This leads to goal attainment. Being the leader of an organisation involves using influence and power to motivate employees to achieve predetermined goals. Leading can sometimes refer to change, which can

be vital during a recession to ensure that an organisation manages the risk effectively (Smit et al., 2009: 10).

During a recession, a leader plays a critical role in making important decisions. Such decisions need to be made without hesitation and be based on experience. In order to manage through a recession, it is beneficial to have a leader that can guide the organisation.

Control can be defined as the management task that ensures the coordination and effective functioning of all the organisation's activities, so that organisational objectives are implemented and pursued according to plan (Hellriegel, Jackson, Slocum, Staude, Amos, Klopper, Louw & Oosthuizen, 2010: 403). Control involves ensuring that the organisation is on the right course to meet its goals; however, it also involves monitoring performance and the path to the attainment of goals. Feedback on results is vital to control.

This element allows managers to ensure that the company's functions and activities are controlled during a recession to ensure continuity. By having control, it is possible to continuously monitor and evaluate the economic situation, make adjustments and ensure that the company is on the right path.

2.7 AFRICAN LEADERSHIP

Luiz (2006: 105) posits that, "any company doing business on the continent must take into consideration the complexity of leading in such a diverse context. The leadership style is often determined by the leader and follower characteristics within a particular internal and external context. Understanding leadership within Africa requires an appreciation of its unique historical, political, social and economic context".

Leadership in Africa is unique and requires a clear understanding of the dynamic and complex environment (Van Rensburg, 2007: 21). In order to more clearly define leadership and enable a better understanding of African leadership, the concepts of leadership and management are defined.

Leadership

- Leadership is about conceiving a vision and strategy; this is followed by engaging with people to make them want to achieve this vision (Gaunt, 2006: 1; Nayar, 2013: 1).
- Leadership is centred on the ability to influence resources and people in a way that leads to the achievement of identified goals (Shonhiwa, 2006: 16; Nayar, 2013: 1; Amit, Popper, Gal, Mamane-Levy & Lisak, 2009: 312) . "With leadership comes vision, intelligence, ability to command the respect of others, effective communication skills and the capacity to influence people" (Dalglish et al., 2012: 26).

- Leadership identifies the best direction for a group to take (Gaunt, 2006: 1).

Management

- According to Gaunt (2006: 1), the focus of management is the execution of a defined strategy by achieving objectives.
- According to (Shonhiwa (2006: 16); Kotter (2013: 1)), management is a process whereby managers use available resources such as technology, finance or people in order to achieve organisational objectives. Planning, monitoring, controlling and organising, are the key in management for the achievement of goals.
- Management assigns resources in a group using previously established principles and values (Gaunt, 2006: 1).

To grasp the African context, one needs to be mindful that people and their dignity are considered most important. The concept of *Ubuntu* basically means ‘I am because we are; I can only be a person through others’. This highlights the need for the community or group’s needs to take preference over individual needs; thus one can say the individual comes second. The African view differs from the Western-American view that, “if the individual firstly takes care of society and stakeholders to the best of his or her ability, then the automatic realisation of personal goals will follow” (Mbigi, 2005; Dalglish et al., 2012: 33). The concept of *Ubuntu* is based on solidarity and interdependence which are the foundation of communities in Africa (Dalglish et al., 2012: 192).

As noted previously, the Western-American and European viewpoint is based on the individual and personal independence is of critical importance (Van Rensburg, 2007: 50). The European management style is considered formal. Dalglish et al. (2012: 33) note that, in terms of this style, managers are part of an organisation which displays its power and control through hierarchical structures (Van Rensburg, 2007: 51). The structure determines who employees and managers report to and employees are supervised based on strict rules of communication (Van Rensburg, 2007: 52). The manager will have specific deliverables and targets to meet according to an employment contract. Targets will be measurable, attainable, clearly explained and time-controlled (Dalglish et al., 2012: 33).

In contrast the African management style aims to build agreement within a group, which results in a less structured and formal style than the European management style (Van Rensburg, 2007: 51; Dalglish et al., 2012: 34). African managers are advocates of group trust and value individual worth (Dalglish et al., 2012: 34). African management involves all members of the group in consultation and in reaching consensus on issues (Van Rensburg, 2007: 51). While African management goals often lack clarity in comparison with European goals, they are more

flexible. Discipline and control are more self-induced by African management than by European managers (Dalglish et al., 2012: 34).

African leadership highlights that a leader must stimulate togetherness and maintain it through unity. A significant difference between African leaders and European leaders is that in the African context, leadership is given to the individual by a group/community in recognition of their participation and commitment to achieving the growth of others (Dalglish et al., 2012: 33). This follows on the principal of *Ubuntu*. Van Rensburg (2007: 49) notes, that, an individual is first a member of a community. The common good and consideration for others are key elements of the African identity based on mutual reciprocity (Dalglish et al., 2012: 49).

A study conducted by Mapunda (2007) in Tanzania found that the following key factors are importance to entrepreneurial leadership in African businesses:

- Developing communities, or making a difference, is more important than maximising profit (Mapunda, 2007: 14).
- “Entrepreneurial leaders that possess leadership qualities and confidence are held in high regard by communities that are caught up in poverty and have little confidence” (Dalglish et al., 2012: 251).
- “Business success is directly related to the quality of entrepreneurial leadership of the owners” (Dalglish et al., 2012: 251).
- When communities and staff participate in decision-making on new business developments, this encourages the identification of new entrepreneurial leaders who have skills and capabilities that can be developed. It also increases the chances of success as community members feel a sense of commitment and identification with the project (Mapunda, 2007: 15).

The literature is clear that leadership in Africa is based on the principle of *Ubuntu* (Dalglish et al., 2012; Hogan & O'Flaherty, 2012; Littrell, Wu, Nkomo, Wanasika, Howell & Dorfman, 2012; Van Rensburg, 2007). There are clear differences between African and Western styles of leadership. The ability to implement African leadership, while at the same time including positive aspects of Western leadership can be a challenge for MBA graduates in Africa and South Africa specifically. MBA graduates will have to be aware of the principle of *Ubuntu* and ensure that they are able to honour this principle, while at the same time successfully dealing with issues such as a recession.

Thus far, the focus of this chapter has been the various approaches to management; management functions, roles and styles; and a brief discussion on African leadership. The following section

focuses on recession as a business cycle. It is important to understand the impact and nature of a recession as this will inform the study.

2.8 BUSINESS CYCLE

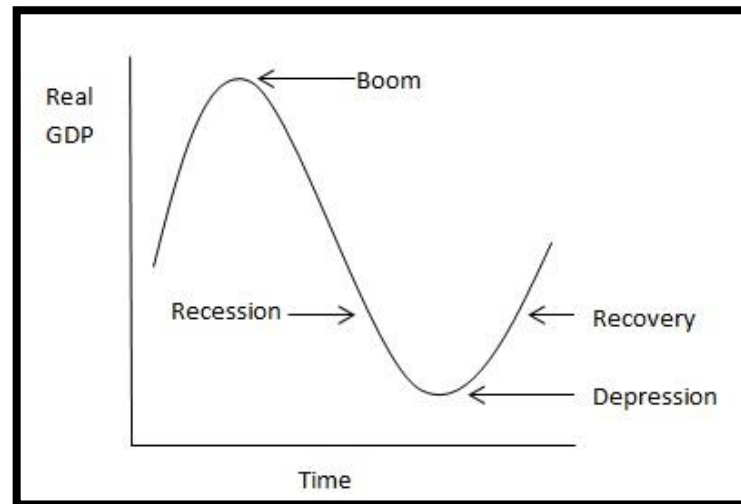
The business cycle can be defined as a cycle of economic activity consisting of four economic stages: recession, recovery, growth and decline (Merriam Webster, 2013: 1). In other words, a recession is part of a bigger economic cycle. An alternate definition suggests that the business cycle is “the cyclical but irregular up-and-down movements in economic activity which are measured by fluctuations in real Gross Domestic Product (GDP), as well as other macroeconomic variables” (Van Aardt et al., 2011: 326). For the purpose of this study, both definitions apply as they share common standpoints expressed, firstly, by Merriam Webster (2013: 1) in the stages of the economic cycle and secondly, by Van Aardt et al. (2011: 326) who define the business cycle from a purely economic standpoint.

A business cycle is the routine movement of economic activity and can be understood by assessing employment, price and production levels. Raicu, Stanca and Raicu (2012: 295) suggest that there could be eight to ten-year cycles in markets, resulting in periods of boom followed by recession. The key influential factors in the economy which could affect economic activity are investment and consumption (Raicu et al., 2012: 297). An increase in investment results in an increase in consumption as there is more spending capability. New factories are built to meet this demand and “eventually the economy reaches its full capacity, and, with little free capital and no new demand, the process reverses itself and contraction ensues”(Merriam Webster, 2013: 1).

Figure 2.1 depicts the business cycle in the following four stages:

- Depression (Decline/ trough)
- Recovery (Expansion)
- Boom (Peak)
- Recession

FIGURE 2.1: BUSINESS CYCLE



Source: Adapted from Janse van Rensburg, C R McConnell and S L Brue (2011: 388)

This study focuses on the decline and recession phases. The reason is that a recession starts with a decline that leads to a recession as there is continuous decline and no positive growth. These phases provide information relating to the impact of a recession and the role which management can play. The focus in the business cycle is the point where the curve goes from positive to stationary, and then downwards. The recession can be seen in the diagram and is the point where no growth is occurring. There comes a time when the decline causes a recession as there is a continuous downward trend (Moffatt, 2013: 1).

2.9 HISTORICAL OVERVIEW OF GLOBAL RECESSIONS

There have been numerous recessions over the past 100 years, each with its own unique causes and effects. The Great Depression, the most devastating and longest economic crisis the world has faced Bali (2012: 224), showed the world how far the economy can decline. The Great Depression was triggered by influences such as the failure of bank processes and the crash of the American stock market on Black Tuesday, 29th October 1929. It made people around the world aware of the devastating effects of a recession, as well the social and economic effects of such a downturn in the economy (EyeWitness to History, 2000: 1).

Table 2.3 summarises the five most prominent recessions in the last century in terms of when they occurred, their duration and the reasons for these recessions.

TABLE 2.3: PROMINENT RECESSIONS IN THE LAST CENTURY

Recession Name	Years	Duration	Reasons
Great Depression 1929	August 1929 – March 1933	43 Months	Global stock market crash on 29 th October 1929. Failure of banking systems and processes (Bali, 2012: 36). International trade decreased drastically. Large decrease in demand for goods and services. Affected those in primary sector jobs the most severely (Encyclopaedia Britannica, 2014: 1).
Recession of 1973 - 1975	November 1973 – March 1975	16 Months	Extreme increases in the oil price (quadruple increase), high expenditure on the Vietnam War resulting in stagflation. The global economy was highly unstable (Elliott, 2004: 1).
Recession of 1980	July 1981 – November 1982	16 Months	The Iranian Revolution resulted in drastic increases in oil prices globally in the 1970s. The Iranian regime was highly inconsistent in exporting and volume was decreased in an attempt to control the market (Time.com, 1979: 1). Interest rates were raised exponentially to fight the inflation of the 1970s in the United States, but this was unsuccessful and led to another recession (Rattner, 1981: 1).
The 9/11 recession/ early 2000s	March 2001 – November 2001	8 Months	Collapse of the dotcom bubble, as well as major accounting fraud in the USA

recession			and terrorism attacks. This caused a small contraction in the economy for a few months (Barufaldi, 2014: 1).
Great recession 2008 -2009	December 2007 – June 2009	18 Months	Collapse of the United States housing bubble, the collapse of major financial institutions, leading to a global financial crisis. Considered the most damaging financial crisis since the Great Depression of 1929 (Jayaraman et al., 2011a: 34).

While, there have been many recessions throughout history, the Great Depression and Great Recession have had the most significant impact on people in this century. In 2008, the Global Financial Crisis or the Credit Crunch occurred; this is considered to be the most dramatic economic crisis since the Great Depression. According to Labaton (2008) cited in Bali (2012:227), “this crisis was triggered by perceived deflation risk occasioning a rapid reduction in interest rates. This was followed by easy credit; increased debt burden; sub-prime lending; incorrect risk pricing and reduced liquidity in the banking system in the USA”.

The failure of banking institutions triggered the Global Financial Crisis (Howarth & Becker, 2009: 1). Pressure on the mortgage market spread to financial markets and to the wider economy. The nature and intensity of the 2008 recession made it difficult for a country to grow out of (Ehrmann et al., 2009: 2). The recession was on a global scale as opposed to country specific which meant that decisions made in the United States, mainly on Wall Street, had global financial ramifications. This can be attributed to globalisation (Ehrmann et al., 2009: 2). Global financial markets were in turmoil which caused the global recession (Bali, 2012: 227). An interesting aspect that explains why the financial crises was so severe is that people stopped saving as interest rates were low and opted to borrow money in the form of credit. Thus, households and firms’ leverage ratio (amount of credit) increased. When the values of assets decreased due to the “bust”, people were overleveraged and had no or insufficient savings (Allen & Carletti, 2009: 6). Spending ground to a halt as people had to save to pay their debt. In simple terms, it was cheaper for people to buy assets on credit rather than save to buy them. This was because the price of assets increased but the savings interest rate did not; saving was not viable. When the bubble burst, people stopped spending and growth came to an end (Allen & Carletti, 2009: 9).

The financially risky and unregulated activities taking place on Wall Street before and during the 2008 financial crises which led to the recession, had a great impact on the people of America and the world. Millions of people lost their jobs, homes and businesses. The unemployment rate in the United States before the 2008 recession was 5%. By the end of 2009 it had risen to 10% (Louis, 2014: 1). The number of unemployed people in the United States before the 2008 recession began was 7 million which rose to 15 million by the end of 2009 (Louis, 2014: 1). In the United States, median household net worth decreased between 2005 and 2011 from \$106,591 to \$68,839, a decrease of 35% (Vornovitsky, Gottschalck & Smith, 2011: 2). This had devastating effects on families (Levin, 2010: 1). While a certain level of risk is expected in the banking sector, banking regulations are critical in ensuring a continuously safe environment that enables a functional economy to operate and grow (Allen & Carletti, 2009: 14). While such regulations place limits on bank loans and other financial support, which negatively impacts growth, not adopting these regulations can lead to damaging crises such as the 2008 financial crisis. Thus, it is necessary to find a balanced solution (Allen & Carletti, 2009: 14).

The literature notes the damaging effects a recession has on a country's economy and society as a whole. Businesses' ability to manage a recession and have effective control mechanisms in place are a key to successfully detecting and managing a recession. A common trend in the history of recessions is the lack of control or management of systems and functions. This highlights the importance of the training and education provided to business leaders to ensure that they are capable of managing a recession and that theoretical knowledge is aligned with practical application. This issue is explored below.

2.10 CRITICISM OF MBA GRADUATES DURING THE ECONOMIC COLLAPSE IN THE US

After the 2008 great recession, there were many questions and few answers as to what caused the recession and how this could be prevented in future. The focus shifted to the people who controlled and managed Wall Street and other major companies, like banks. It seemed that a large majority of managers in leadership positions had obtained MBA degrees from the most renowned and respected business schools in the world (Brooks, 2009: 1). Despite this knowledge and education, they were unable to deal with and manage the recession and they were unable to prevent the causes of the economic crisis. Attention and criticism then shifted to the education which these MBA graduates had received (Russell, 2009: 1; Goko, 2013: 1). It was claimed that they lacked skills and knowledge in relation to a recession (Podolny, 2009: 1; Daley, 2012: 1). The blame also shifted to the business schools that these graduates attended and their curricula (Cornuel & Howard, 2014: 1). It was suggested that the manner in which the

curriculum was taught was inefficient and too scientific and that business is hands on and requires real life experience (Topuniversities, 2009: 1; Goko, 2013: 1).

While some blame can be placed on business schools for the underperformance of their MBA graduates during the 2008 recession, Stephen Kaplan, cited in Brooks (2009) suggests that blaming the crises on business schools is wrong. One simply needs to look at the growth and success achieved by MBA graduates prior to the recession. He further suggests that the crises cannot be solely blamed on business schools (Brooks, 2009: 1; Cornuel, 2014: 1). Critics have suggested that business schools have shifted from the core focus of what should be instilled in an MBA graduate (Cornuel & Howard, 2014: 1). Business schools were criticised for drifting away from their original mission, which is to create a true management professional for the benefit of society (Brooks, 2009: 1). These graduates need to have a different mind-set when they leave business schools which focuses on being a management professional focused on social aspects and the wider impact of their decisions (Brooks, 2009: 1; Cornuel, 2014: 1).

Holland (2009: 1) supports Kaplan's views and suggests that with the economy in severe stress and free-fall during the 2008 recession, the way in which MBA students were taught could have led to the economic collapse through their application of skills, thus suggesting that they were not able to apply their skills in an effective manner.

According to Holland (2009), the following have been suggested regarding MBA graduates' role during the 2008 recession:

- Businesses have become too scientific and too detached from the real world.
- Students are taught to come up with quick solutions to complicated problems.
- MBA students have a narrow view of their role and come out of business school only focusing on increasing shareholder value, while neglecting ethics and leadership with a limited understanding of the role they play in it.

It has been noted that businesses have now included education on leadership for their employees. This education has extended to business schools and includes a focus on dealing with an economic crisis, because it was realised that being knowledgeable in these areas can improve the management of an organisation (Holland, 2009: 1).

Mintzberg in Holland (2009: 1) supports the view that MBA students developed rushed solutions to complicated problems, which only focus on certain elements, thus making for a packaged business solution which is unrealistic. He further suggests that students need to focus and spend more time learning about real world experiences (Holland, 2009: 1). The theme of simplifying a complicated issue recurs in the literature reviewed and points to an issue which needs to be addressed. It is vital that business schools continue developing managers and

leaders, but at the same they need to develop graduates that examine complex problems holistically, with an open mind and unbiased mind-set (Holland, 2009: 1).

Hansen (2011: 1) supports the view that management has become a science rather than a profession. He suggests three major disconnects that prevent business schools from developing true future leaders:

- Leaders understand people, but MBA graduates boil everything down to numbers.
- Leaders see the big picture, but MBA graduates unfortunately learn about business in discrete parts.
- Leaders execute, but MBA graduates focus on strategy, divorcing it from implementation.

It is clear that amongst all the different views of what caused the 2008 recession in relation to MBA graduates, the common denominator seems to be the way in which the programme is delivered and the lack of real life experience.

2.11 THE MBA CURRICULUM AT BUSINESS SCHOOLS

According to (Investopedia (2014: 1); Wits Business School (2015: 1)), an MBA is a degree that is attained through a university as well as a college. It is based on theoretical and practical training, with the aim of producing graduates with improved understanding of management functions in business. The degree can focus on a particular area of study such as finance, management, accounting or marketing, to name but a few. The MBA is a postgraduate degree that, in general, positions its holder above undergraduate business students. It is offered by most universities and is usually spread over two years, depending on whether it is full-time, or part-time and institutional requirements. In order to obtain admission to an MBA programme, applicants need to complete the Graduate Management Admission Test (GMAT), as well as meet other selection criteria prescribed by the programme (Graham, 1991: 1; Investopedia, 2014: 1; Pruonto, 2014: 1).

The makeup and structure of an MBA programme is essential to its quality. The curriculum differs and focuses on different aspects across business schools. In 2009, the Dean and Vice President of Apple University in Cupertino, California, Joel M. Podolny (2009) stated that, “Business schools provide students with many technical skills, but they appear to do little, or nothing, to foster responsibility and accountability. Society implicitly trusted MBAs to do no harm when it allowed financial markets to operate in a relatively unregulated fashion – but its faith has been betrayed. As a result, there is an active distrust of business schools and their graduates.” He suggested three main reasons for this state of affairs:

- 1) The traditional MBA curriculum has divided the challenges of management and leadership in a dysfunctional way.
- 2) Business schools communicate the idea that would-be applicants should measure the MBA degree's value in terms of the additional salary they can earn.
- 3) There has been little contribution on the part of those involved in MBA education after the crisis.

Major American organisations have suggested that the MBA programme has become too focused on research, and that there is a need for on the job practical training which has value (Cornuel & Howard, 2014: 1; Daley, 2012: 1). “They claim the programs have failed to create the types of leaders who can deal with globalization; some say they don't develop leaders at all, just functionaries. Other critics think a focus on profit and share value, rather than on ethics and sustainability, fostered the type of narrow-minded thinking that led to the fall of Enron and the last recession” (Daley, 2012: 1).

The differences in the curricula of four South African business schools are shown in Table 2.4.

TABLE 2.4: BREAKDOWN OF MBA CURRICULA OF SOUTH AFRICAN BUSINESS SCHOOLS

University of Cape Town (Core curriculum) (University of Cape Town, 2014: 1)	Wits Business School (Core curriculum) (Wits Business School, 2014: 1)
<ul style="list-style-type: none"> • Accounting • Business, Government and Society • Evidence-Based Practice • Leadership • Economics • Marketing • Finance • Manufacturing and Operations • Innovation and Entrepreneurship • Organisational Behaviour and People Management • Strategy • Company Analysis Project • Research Report 	<ul style="list-style-type: none"> • Micro- & Macro-economics • Accounting • Organisational Behaviour & Human Resources • Marketing • Corporate Finance and Statement Analysis • Operations & Decision Science • Ethics & Governance • Strategy • Information & Systems Management • Leading in a Complex Environment
University of KwaZulu-Natal (Univeristy of	University of Stellenbosch Business School

KwaZulu-Natal, 2014: 1)	(University of Stellenbosch Business School, 2014: 1)
<p>Year 1</p> <ul style="list-style-type: none"> • Management • Financial Accounting • Human & Organisation Behaviour • Marketing Management • Economics for Management • Human Resources & Industrial Relations • Management Information Systems • Operations Research <p>Year 2</p> <ul style="list-style-type: none"> • Supply Chain Management • Business Law • Corporate Finance • Statistics • Management Accounting • Strategy • Research Methodology • Elective 1 <p>Year 3</p> <ul style="list-style-type: none"> • Research Dissertation • Elective 2 	<p>Phase 1: Management Fundamentals</p> <ul style="list-style-type: none"> • Business Fundamentals • Decision Analysis • Economics for Managers • Leadership: Orientation and Context • Management Accounting • Personal Skills Development • Research Methodology <p>Phase 2: Management in Context</p> <ul style="list-style-type: none"> • Business Finance • Business in Society • International Management • Leadership • Marketing Management • Operations and Information Management • Strategic Management <p>Phase 3: Management Enhancement</p> <ul style="list-style-type: none"> • Compulsory MBA International Study Module • Electives • Exchange Studies • Research assignment

While business educators agree that the MBA curriculum still holds value, it does not suit the needs of today’s businesses and employers. The MBA and the way business schools teach business need a makeover (Bisoux, 2005: 27).

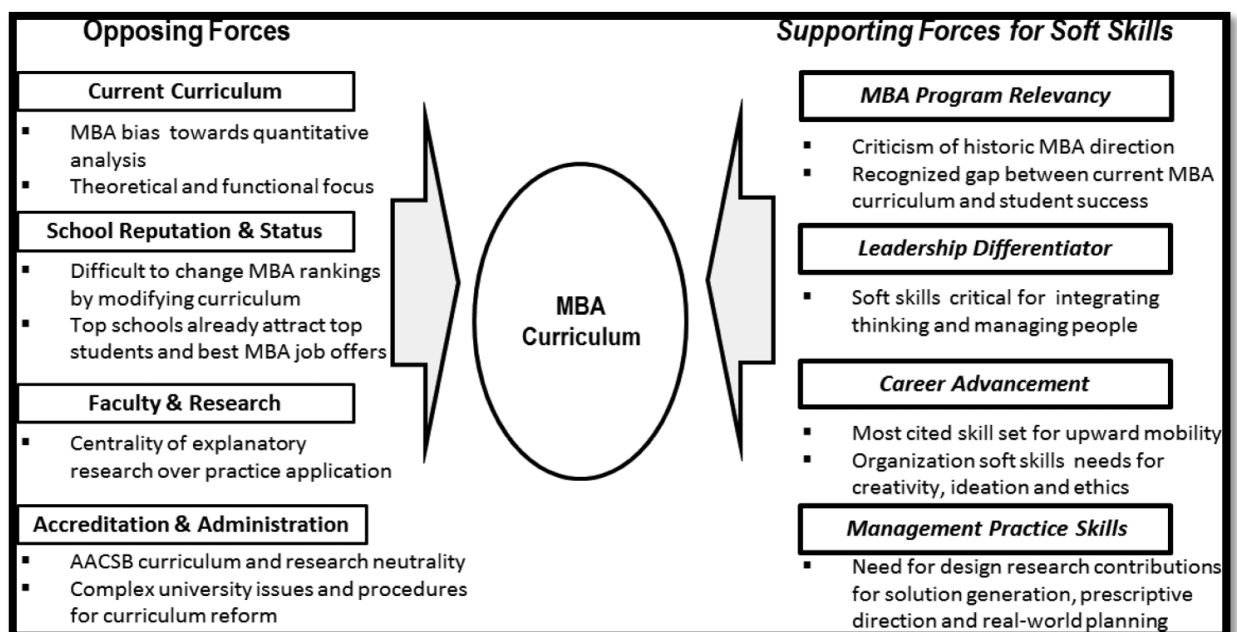
An interesting quote from an article titled “The extreme MBA makeover” by Bisoux (2005) shows the early warning signs of an issue with the MBA degree and curriculum. Bisoux (2005: 27) posits that “many business schools are taking a new look at the old MBA. The conventional MBA curriculum may need to be reconsidered and revamped to supply 21st-century business with graduates trained to solve its 21st-century problems.” The article focuses on the need to change the MBA to better fit the modern day and age. It highlights issues like globalisation, advances in technology, long distance relationships, ethical dilemmas and security. Not all

MBA curriculums seem to be in line with these trends. This issue was picked up in 2005 and shows that there were people who realised that the MBA curriculum needed to be changed. It took the great recession to bring serious attention to this issue (Bisoux, 2005: 27).

Navarro (2008) in Laud and Johnson (2013: 24) suggests that MBA curriculum redesign should include the following areas: multidisciplinary education, experiential learning, soft skills development, globalisation and information technology, and ethics and social responsibility. A major element of curriculum redesign is understanding the disconnect between business management, the curriculum and the way in which curriculum is taught academically (Laud & Johnson, 2013: 25). The curriculum does not effectively allow for “learning by doing”, but focuses on the academic, scientific approach. The need to be able to practice what is learnt is critical (Laud & Johnson, 2013: 25).

While many researchers and business school researchers have pointed to the need for urgent curriculum reform for the MBA degree, change is slow in coming. Laud and Johnson (2013: 32) suggest several “areas of institutional resistance to soft-skill curricula change” which are highlighted in Figure 2.2.

FIGURE 2.2 FORCES IMPACTING INCLUSION OF SOFT SKILLS IN THE MBA CURRICULUM



Source: Laud and Johnson (2013: 31)

Figure 2.2 highlights opposing and supporting forces for soft skills development. It also shows that change involves many different stakeholders which can make for a slow process. The different viewpoints depict a situation which is complicated and surrounded by many obstacles and challenges.

The following section examines the macro-environmental effects of a recession.

2.12 THE MACRO-ENVIRONMENTAL EFFECTS OF RECESSION

An organisation does not operate in isolation and is affected by its micro- and macro environments, as well as the actions taken in these environments. In particular, actions in the macro environment have an effect on the micro business environment. For the purpose of this study, the focus is the macro environment only. The systems theory supports the view that a business and its functions do not operate in isolation but as interrelated parts (Olum, 2004: 17). As such, a recession's impact would be felt across the entire environment.

2.12.1 Political effects

The political effects of a recession can be determined by the government's involvement in the economy and the role the government played, either in stopping the recession or the degree to which it ignored the signs of a recession and thus turned a blind eye. Simpson (2010: 1) suggests that governments will be blamed for the recession due to the power they hold. However, a government can also be blamed for interfering too much during a recession or the opposite of not playing a big enough role in combatting the recession. Simpson (2010: 1) adds that politicians use the recession as a political tool to promote their career and increase their political standing by blaming the current government for either too much or too little involvement.

2.12.2 Economic effects

Market activity decreases during a recession as a result of a decrease in sales and profits; this is due to the decrease in purchasing power, resulting in cost cutting (Davis, 2009: 1). Stock prices decrease as investors avoid investing. Unemployment rates increase as companies are forced to lay off employees in order to survive. Credit impairment, bankruptcy and the debt of a nation will increase (Davis, 2009: 1). South Africa's economy is considered one of the most developed in Africa (Marketline, 2013: 19). This was reflected in the country's ability to manage the 2008 global economic crises by means of strict regulation of the banking sector (Marketline, 2013:

19). South Africa's banking system is regarded as world class due to its strong regulation and supervision, as well as capital resources, infrastructure and ground-breaking technology. However, the country suffers slow economic growth, partially as a result of an increase in household debt (Marketline, 2013: 19).

2.12.3 Social effects

The social effects of a recession include low morale, anxiety, depression, job dissatisfaction, domestic violence, physical illness, and alcohol and drug abuse (Banerjee, 2011: 58). Unemployment is the most common social effect of a recession, potentially resulting in the abuse of drugs and alcohol. According to Levin (2010: 1), severe financial strain can have a negative impact on families and households and can lead to crime and substance abuse. In South Africa a number of social challenges could be worsened by a recession. The education system is not performing efficiently and a recession could strain the education budget. Furthermore, the Human Development Index (HDI) that measures a country's progress in health, education and income to determine its level of social development will decrease (Marketline, 2013: 30).

2.12.4 Technological effects

Technology development and research decrease during a recession as companies focus on survival and maintaining a stable financial future (Platt, 2009: 1). This can impact negatively on a company's competitive advantage. However, Platt (2009: 2) suggests that investing in research and development, as well as technology, during a recession is key as most competitors would be cutting back on such investment. Investing in technology enables the company to come out of the recession stronger and more successful with a product to offer the market. This view is supported by Aregbeshola (2011: 40), who suggests that technology is critical in economic development.

2.12.5 Legal effects

The legal effects of a recession include ensuring organisations' actions do not infringe the law. People's and organisations' ethical value systems can be put under strain in order to meet financial goals during a recession (Luit-Drummond, 2012: 1). The South African legal system promotes strict corporate governance in the best interests of internal and external shareholders (Marketline, 2013: 80).

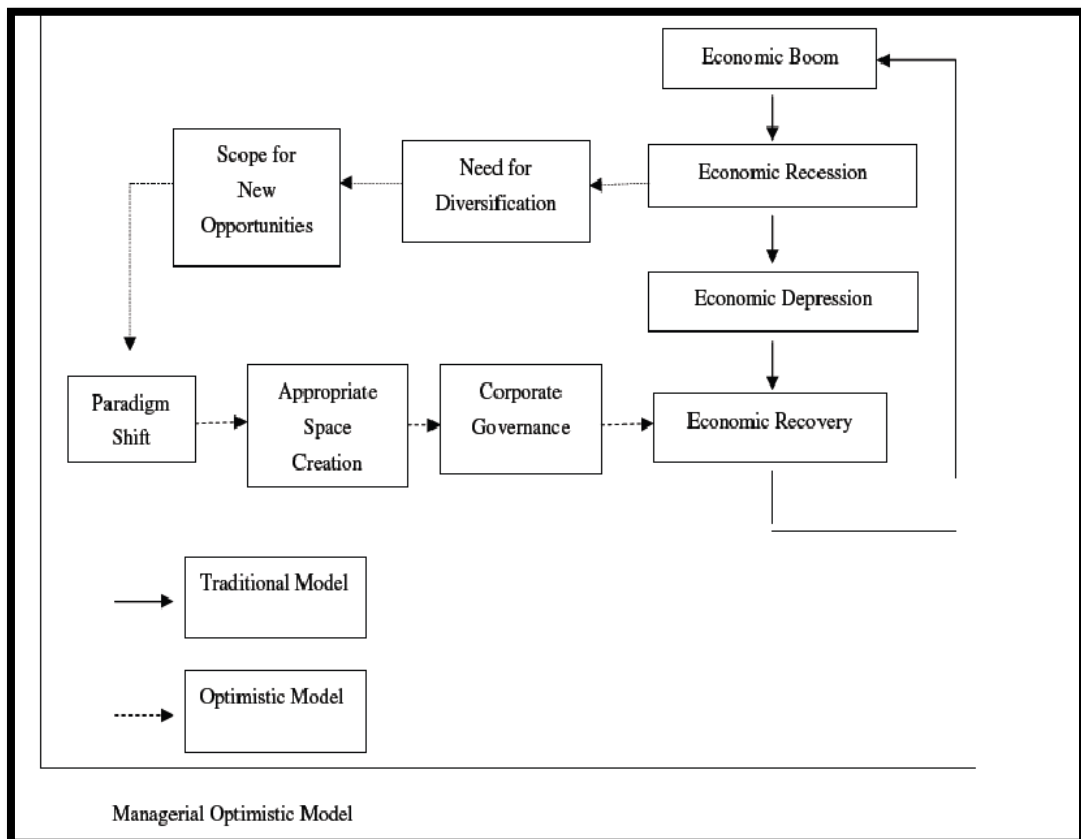
This section examined the possible effects of a recession on different elements of the macro environment. The following section focuses on managing a recession within the business

environment and the various activities that can be undertaken during a recession to alleviate the situation.

2.13 STRATEGIES TO MANAGE A RECESSION SUCCESSFULLY

Strategies to manage a recession are vital in ensuring long term business success. Jayaraman et al. (2011a: 33) suggest certain “managerial strategic plans which may be used to bypass economic depression into economic recovery in a fast and scientific manner”. In order for economic recession to not lead to an economic depression but rather to economic recovery, the following managerial strategies can be used: diversification, scope for new opportunities, a paradigm shift, appropriate space creation and corporate governance (Jayaraman et al., 2011a: 36). The MOM consists of five managerial strategies. The model forms the theoretical framework for this study and informed the research objectives. However, there is a paucity of literature that explains the model from different perspectives or examines these five strategies in much detail. Nonetheless, the researcher felt that this was an appropriate model for this study as the main objective is to determine the readiness of MBA graduates to manage a recession.

FIGURE 2.3: MANAGERIAL OPTIMISTIC MODEL



Source: Jayaraman et al. (2011a: 38)

Need for diversification

Jayaraman, Ibrahim and Guatc (2011b: 38) point to the importance of optimal wastage reduction that increases savings and recycling, thus stimulating the economy. Organisations should seek opportunities to save money while reducing risk. An example of diversification is that as a result of a recession there can be a large decrease in waste. It is vital that waste is recycled to save money and resources. Encouraging tourism could also lead to new opportunities and diversification. Tourism should be included in government's rescue packages. Furthermore, it is important to remain competitive during and after a recession; this can be achieved by investment in infrastructure and renovations (Jayaraman et al., 2011a: 39). A key element of diversification is interest concessions to housing loan defaulters in the form of reduced mortgage rates, which will increase spending, as consumers will have more money at hand. Survival strategies relating to corporate real estate address the lack of regulation in the real estate industry and financial markets and suggest various mechanisms, including more accurate data (Jayaraman et al., 2011a: 39). Diversification during a recession will allow a company to spread its risk across different industries and locations, thereby decreasing the recession's impact on certain business units. For example, an organisation could have business units in a cyclical, counter-cyclical, or non-cyclical industry (Pearce & Michael, 2006: 203).

Scope for new opportunities

Overcoming the food crisis due to a decline in agriculture is key in terms of new opportunities as innovation to overcome this problem will generate revenue and stimulate the economy (Jayaraman et al., 2011a: 40). It is also suggested that new technology, alternative resources and breakthroughs are key in restoring economic growth in agriculture. New markets and products should be sought to increase demand and previous negotiations should be reassessed in order to obtain better deals. Countries should collaborate and coordinate their economic policies (Jayaraman et al., 2011a: 40).

Open markets are vital during a recession in order to ensure stability and cooperation between small firms and increase their chance of success. Co-operation amongst such firms can bring about an increase in social benefits, job performance and job creation, as well as improve social welfare. This would enable small firms to maintain employment levels and avoid the impacts of a recession, while creating a supportive climate (Jayaraman et al., 2011a: 40).

Paradigm shift

The paradigm shift focuses on knowledge sharing and the need to share technology which will lead to innovation and creativity, resulting in new ideas (Jayaraman et al., 2011a: 41). These ideas can generate income and help stabilise the economy (Jayaraman et al., 2011a: 41). Accurate predictions of economic indicators are vital as this enables better preparedness and reveals the early signs of economic downturn. It is therefore vital to monitor macro-economic indicators. Globalisation is a key aspect of a paradigm shift as it promotes open borders and encourages economic growth and activities. Full utilisation can decrease costs and increase available production capacity, as can innovations to increase competitive advantage in terms of resources (Jayaraman et al., 2011a: 41).

Branson (2011: 1) observes that, in creating a paradigm shift, it is important that society motivates and supports new business opportunities. Such support is the foundation for creating a successful business that is able to investigate new markets.

Furthermore, Jayaraman et al. (2011a: 36) note that, in responding to a recession, it is important to change the mind-set that layoffs and retrenchments are the best way to reduce spending and manage a recession. Rather, layoffs should be done in a manner that looks at long term business sustainability. It might be better to completely change the function of a department to support other business units rather than laying off staff.

Kitching, Blackburn, Smallbone and Dixon (2009: 41) posit that during the unstable conditions of a recession it is necessary to critically rethink and drastically change or explore the organisation's strategy. Entire departments may need to be re-aligned or moved in order to remain sustainable and in some cases it may be necessary to consider alternative ways to perform a business function.

Appropriate space creation

It should be noted that this element of the MOM is not explored in much detail in the literature.

The International Monetary Fund (IMF) plays a vital role in monitoring global financial matters, as well as playing a key role in international trade. It can also help countries financially during a recession (IMF, 2011: 1).

Sport and cultural activities are vital in maintaining the health and wealth of a country as they create unity and a healthy atmosphere. Safety for these events is also key (Jayaraman et al., 2011a: 45). Pearce and Michael (2006: 207) suggest that one way to manage a recession is by entering new markets. This creates an element of risk management by diversification as some industries are not as affected by the recession as others. The idea of creating a market supports the concept of Appropriate Space Creation. It is further suggested that during a desperate time

like a recession when the chances of survival are unknown, unique methods of competition and gaining market share need to be examined (Pearce & Michael, 2006: 207).

Corporate governance

Voluntary disclosure of assets demonstrates transparency, the company's true position in the market, and its competitive advantage and future direction. A body that monitors corporate governance and transparency is crucial in doing business during a recession, as investors are able to make better judgements and decisions as well as be aware of the company's current situation (Jayaraman et al., 2011b: 45). Voluntary disclosure of assets should be used as tool to communicate with stakeholders in order to show trust.

Jayaraman et al. (2011a: 45) also speak about an upper ceiling for land and wealth, which refers to fair distribution of wealth. According to Kirkbride and Dujuan (2009: 140), one of the many causes of the 2008 great recession was a lack of corporate governance and monitoring. Good governance is imperative in a recession and involves an organisation clearly mapping out the processes by which objectives are set, as well as the manner in these will be achieved and performance monitored.

Corporate governance should provide reasonable incentives for directors and management to strive towards objectives that are in the best interests of the organisation and shareholders, while producing an effective monitoring platform (Kirkbride & Dujuan, 2009: 140). Ethical behaviour should be followed at all times in staying on the path to recession recovery and should be encouraged by management as this improves performance outcomes (Kirkbride & Dujuan, 2009: 141; Trong Tuan, 2012: 547).

With the MOM in mind, other strategies which could be used during a recession are reviewed below.

2.14 GRAND STRATEGIES

Grand strategies refer to many different strategies, but for the purpose of this study, the focus is on retrenchment/defend strategies.

2.14.1 Turnaround – retrenchment

A turnaround is an attempt to recover the company's position while facing severe threats to its existence (O'Kane & Cunningham, 2012: 55). There are many reasons why a company can suffer declining profits, including inefficient production and ground-breaking innovation by competitors (Pearce & Robinson, 2011: 199). Simply put, a turnaround strategy is "a grand strategy of cost and asset reduction by a company to survive and recover from declining profits"

(Pearce & Robinson, 2011: 199). This viewpoint is supported by (Petro, 2012: 1) and Van Aardt et al. (2011: 383). Examples of cost reduction include decreasing the workforce through employee attrition, purchasing equipment, over-using machinery, stopping promotions, laying off staff and halting production of slow sellers or dead stock. Asset reduction includes removing anything not essential to the running of business.

Almost all turnaround strategies involved a change in top management and bringing in new managers with fresh ideas and perspectives (Pearce & Robinson, 2011: 201).

Two stages of strategic activity are normally used in a turnaround response: retrenchment and recovery response (Van Aardt et al., 2011: 381). The first phase comprises of asset reducing activities and cost cutting. The primary function of this phase is to balance the financial situation of the firm and make it stable. Depending on the severity of the situation, either cost or asset reduction can be used. If the situation is severe, both will be employed. However, if it is not so severe, cost retrenchment is usually used. “The key to effective turnaround rests in the effective and efficient management of the retrenchment process” (Pearce & Robinson, 2011: 201).

The second phase is the recovery response. Firms that decline due to external issues can best achieve turnaround through “creative new entrepreneurial strategies” (Pearce & Robinson, 2011: 201), while those that decline due to internal issues can best achieve turnaround “through efficiency strategies” (Pearce & Robinson, 2011: 201). Recovery is achieved when the company reaches its level of economic performance prior to the downturn (Pearce & Robinson, 2011: 201).

2.14.2 Divestiture

According to Pearce and Robinson (2011: 204), this “involves the sale of a firm or a major unit of a firm as a going concern”. In some cases, retrenchment might not achieve the required turnaround results or a business activity may achieve high market value, but is not related to the firm’s core focus, resulting in the business unit being sold. It is vital to find a buyer that is willing to pay an above market value price and as such it is important to make the buyer believe that by buying this business, profits can be made and that it can add value to their existing operations (Pearce & Robinson, 2011: 201). A divestiture can also be seen as an exit strategy to leave a market; there are multiple reasons why an exit strategy is used (Petro, 2012: 1).

2.14.3 Liquidation – compulsory/voluntary

This is a decline strategy, involving the sale of a company’s assets at book value in order to raise capital to pay debts (Petro, 2012: 1). Owners and managers of a business that choose

liquidation accept failure and understand that this will cause many challenges for all involved. This strategy decreases stakeholders' losses. A liquidating firm usually tries to obtain the highest possible return on and cash value of its assets (Pearce & Robinson, 2011: 203). Liquidation can be seen as selling the company's assets in parts and generally not as a whole, in order to gain higher returns (Petro, 2012: 1).

2.14.4 Bankruptcy

The final element of failure is bankruptcy. In this situation, a company is not in a position to pay its debts when they are due, or the debts outweigh the value of assets (Pearce & Robinson, 2011: 203). There are two forms of bankruptcy, liquidation and reorganisation bankruptcy (Petro, 2012: 54). Liquidation bankruptcy occurs when a business acknowledges that it cannot pay its debts and chooses to sell its assets to pay creditors. However, creditors only receive a small amount of what they are owed. Reorganisation bankruptcy takes place when a business refuses to surrender. It tries to convince creditors to halt their claims while the business reorganises and rebuilds in order to become profitable (Pearce & Robinson, 2011: 204). In other words, it asks for more time to get its affairs in order in order to make full payment to creditors and become profitable in the future (Pearce & Robinson, 2011: 204).

The MOM and the four grand strategies are current options in dealing with a recession. While each provides a unique solution to a specific problem, it is important to note that they are not perfect solutions. A combination of these strategies can be adapted to the operational environment (Petro, 2012: 54). Thus, this study investigates the role of MBA graduates and the link to the management of a recession. A South African method of dealing with a recession is necessary to ensure the sustainability of companies operating in the country.

2.15 SUSTAIN AND MAINTAIN PROFITS DURING A RECESSION

Pearce and Michael (2006) suggest that managers need to play a very active role during a recession. Firstly, they need to actually believe that a recession exists. A vital element of a manager's role is equipping him or herself with as much knowledge about the recession as possible. Pearce and Michael (2006: 204) note that the reason for this suggestion is that economists are weak in identifying, realising and predicting recessions.

The main area to focus on during a recession is profits. Rajewski (2010: 21) suggests that a manager should focus on the "four M's of profit" which are management, money merchandise and marketing. Management refers to managers following their plans and performing their roles and functions as it is imperative to stay focused and maintain the correct path for the company. Money refers to the need to audit company costs, monitor the financial situation and keep employees informed so they are able to help achieve the company's goals. Marketing is seen as

an important factor as a recession should not be a time to stop marketing, but rather one to make consumers aware of the company's product. Furthermore, it is a good time to show consumers that their needs can be met in a recession through advertising. This view is supported by Donkin (2011: 1), who suggests that marketing the advantages of a good or service as opposed to a lower price will have greater long-term benefits. The business markets the value it is offering the customer in terms of having the right product/service at the best price (Donkin, 2011: 1). The last element suggests re-assessing the available product range and offering products that suit the economic situation and consumers' needs (Rajecki, 2010: 21).

Leadership is a key element in the growth and future of an organisation as it steers the organisation towards maintaining profit. During a recession, leadership is vital in order to maintain normal operations, as well as to maintain profits, which can be achieved by allocating resources in a specific manner, which requires leadership skills. A company is extremely vulnerable during a recession and the future is at stake; the manager's leadership skills enable it to move forward and past the recession (Nithiyandanan, 2013: 1). Leadership skills and qualities include communication, problem-solving, ethics, decision-making, commitment, creativity, innovation and risk-taking (Clark, 2009: 48; Nithiyandanan, 2013: 2).

There are numerous ways in which management can sustain profits during a recession and the most appropriate depends on the environment and is unique to each situation (Doane & MacGillivray, 2001: 20). However, it is clear that managers and MBA graduates need to maintain the basic functions of planning, leading, organising and control (Subedi, 2013: 2; Olum, 2004: 7). As noted in previous sections, factors such as sustainability, innovation and the triple bottom line also play a vital role in maintaining profitability.

2.16 MANAGING A RECESSION IN A BUSINESS ENVIRONMENT

Managing a recession is a very complicated task due to the fact that each recession is different as are the environments in which each recession occurs (Battisti & Deakins, 2011: 7). In the business environment, various models can be used during a recession. Pearce and Michael (2006: 208) suggest "prescriptions for managing through an economic recession" as a guideline to manage a recession. They identify four prescriptions that can guide strategies to prevent business failure due to an economic recession.

The first prescription is the positioning of the company in multiple markets and locations. This view is supported by Reeves and Deimler (2009: 13). It is suggested that by placing the company in multiple markets and locations, it will be less exposed to the risk of a recession, as the recession may be more severe in one location as opposed to another. It is also suggested that a business should be involved in numerous industries in order to avoid the negative effects

which a recession may have on one industry and not on another (Battisti & Deakins, 2011: 29). Spreading the risk across markets and industries allows the company to fall into three industry categories, a cyclical industry, a counter-cyclical industry and a non-cyclical industry. A cyclical industry refers to organisational performance which matches the business cycle stage. In a recession, the industry would be characterised by falling prices, and a decrease in company spending, decline in profit, over-production and high unemployment. Counter-cyclical industries experience an increase in sales during a recession. On the other hand, non-cyclical industries' performance is not related to the state of the economy; during a recession consumers will continue to buy necessities, including food and health care. Thus, by placing the company and its products in multiple markets, it is part of various industries and should a recession occur its performance will not be affected by the state of the economy. Geographic location is a major element. It is important to be present in multiple locations as the effects of a recession differ from one location to another and geographical spread decreases risk (Pearce & Michael, 2006: 203).

Pearce and Michael (2006: 204) second prescription is that managers need to confront declining sales. It is essential that they learn as much as possible about economics and markets, analyses sales in various environments and locations, and put plans such as turnaround in place to address declining sales; this includes both retrenchment and recovery (Pearce & Michael, 2006: 205). It is important for managers to determine which approach they will use to confront declining sales as this will determine the path forward (Kambil, 2008: 51). Reeves and Deimler (2009: 10) note that confronting a decline in sales is crucial as this is the basis on which the business survives. This does not necessarily mean decreasing the cost of a product, but rather adding a sustainable competitive advantage and value to the customer as this is more likely to increase survivability (Reeves & Deimler, 2009: 11).

The third prescription is promoting the firm's products and services. It is important to maintain marketing during a recession and to avoid the temptation to reduce spending on promotions (Pearce & Michael, 2006: 205). A manager should rather maintain advertising, introduce new products, find alternatives to price cuts; and attract new customers. Focusing on building market share and not stopping advertising, the introduction of new products during a recession, or adjusting products to appeal to value orientated customers, could increase revenue and market share (Kambil, 2008: 51).

The fourth prescription suggests that managers 'prepare for economic recovery' by focusing on maintaining the business' position and using the business opportunities created by the recession, such as bargain buying and cheap marketing. Managers need to align all areas towards recovery and take advantage of the different opportunities in all spheres (Pearce & Michael, 2006: 206).

Branson (2011: 1) suggests that managers take advantage of a recession as the costs of starting a businesses are drastically lower and highly skilled staff are available that can boost a business on the path to recovery. The above views are supported by Reeves and Deimler (2009: 13) who also suggest attracting customers as well as scarce assets from rivals who are weakened by the recession.

Pearce and Michael (2006: 208) state that these four prescriptions should be seen as the four key areas of focus in managing a recession and avoiding business failure during a recession.

2.17 CONCLUSION

This literature review focused on recession, management and MBA graduates. Contemporary and modern approaches to management were examined, including strategic management, total quality management, the learning organisation and re-engineering. Traditional management functions, roles and styles were also explored. The African leadership style was discussed, highlighting the difference between African and Western leadership. The focus then shifted to recessions. The business cycle and its different stages were explored. This was followed by a historical overview of global recessions.

This set the scene for an examination of the criticism levelled at MBA graduates during the economic collapse in the US This section critically analysed the role of MBA graduates during the 2008 recession. It also presented the MBA curriculum at major business schools in South Africa.

Strategies to deal with a recession were explored. The MOM which was the theoretical framework for this study was presented, as well as grand strategies. Finally ideas on managing a recession in a business environment were explored.

The following chapter presents the research methodology adopted for this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Sekaran and Bougie (2011: 3) describe research as “an organized, systematic, critical, scientific inquiry or investigation into a specific problem, undertaken with the objective of finding answers or solutions thereto. Research encompasses the process of inquiry, investigation, examination, and experimentation. These processes have to be carried out systematically, diligently, critically, objectively, and logically”.

Thus research is the process of gaining information which is used to solve a particular problem. The research methodology describes how the research was conducted, including all the specific and related details as well as the research method selected (Quinlan, 2011: 9). The research methodology “signals to the reader how the research was conducted, and what philosophical assumptions underpin the research”(Quinlan, 2011: 41). This chapter discusses the research methods used to achieve this study’s primary and secondary objectives. It covers the research objectives, the research design, target population, sample size, sampling techniques, data collection method, data analysis, the role of validity and reliability and ethical considerations. This provides a clear view of the research methods employed and promotes transparency.

3.2 OBJECTIVES OF THE STUDY

The primary objective of this study is to determine:

The readiness of Masters of Business Administration (MBA) graduates in South Africa to manage organisations’ profitability during an economic downturn.

To meet the primary objectives, six secondary objectives were identified to:

1. Identify MBA graduates’ readiness to encourage the need for diversification during a recession as a strategy to manage the downturn.
2. Determine MBA graduates readiness’ to explore scope for new opportunities during a recession as a strategy to manage the downturn;
3. Ascertain MBA graduates readiness’ to employ corporate governance during a recession as a strategy to manage the downturn;
4. Understand MBA graduates readiness’ to use a paradigm shift during a recession as a strategy to manage the downturn;

5. Ascertain MBA graduates readiness' to employ appropriate space creation during a recession as a strategy to manage the downturn; and
6. Understand MBA graduates readiness' to use economic recovery strategies during a recession to manage the downturn.

3.3 RESEARCH PARADIGM

Paradigms play a role in how research is carried out and the decisions made. It is important for a researcher to know where a paradigm belongs. It is also necessary to understand that there are many ways to view the world and approach knowledge (Southampton, 2013: 1). The method or paradigm chosen is based on a researchers "assumptions about reality" (Quinlan, 2011: 95). *Ontology* is related to social research as it examines the nature of reality and "relates to the study of being, the nature of being and our ways of being in the world" (Quinlan, 2011: 95). This focuses on asking what exists in the world and how it exists. *Epistemology* can be described as how knowledge is acquired, what can be considered knowledge, and the way in which knowledge is generated (Quinlan, 2011: 96). In a simpler form, epistemology is related to how people know things. There are three epistemological positions which relate to social research, *Positivism*, *Social Constructionism* and *Interpretivism*.

Social Constructivism was selected as the framework for this study. Social Constructivism "holds that social phenomena develop in social contexts and that individuals and groups create in part their own realities." (Quinlan, 2011: 99). A slightly different view is suggested by Bryman (2012: 33): "constructivism is an ontological position that asserts that social phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision". This approach was appropriate for this study as it allowed the researcher to view the results as a whole and not in isolation. This is necessary when dealing with research that involves a recession which is widespread and requires a specific target population, which is difficult to access. Furthermore, this framework enabled the researcher to better understand the context within which a recession occurred, allowing for a deeper understanding of a recession.

3.4 RESEARCH DESIGN

A research design can be defined as the structural approach that is taken in order to create a framework to approach a research problem and the process by which answers are obtained. It also involves arranging the data so that the required results are achieved (Sekaran & Bougie, 2011: 102). A research design can also be defined as the testing of hypotheses under predetermined, controlled conditions (Bless, Higson-Smith & Kagee, 2006: 71). Bryman (2012:

46) explains that “a research design provides a framework for the collection and analysis of data”.

There are various research designs. California (2015: 1) identifies the following research designs: action research design, case study design, causal design, cohort design, cross-sectional design, descriptive design, experimental design, exploratory design, historical design, longitudinal design, meta-analysis design, observational design, philosophical design, and sequential design.

This study used both descriptive and exploratory research designs. The descriptive research design was suitable for the close-ended questions while the exploratory design was suitable for open-ended questions. According to Sekaran and Bougie (2011: 103), an exploratory study is undertaken when there is limited knowledge about a situation or no clear information with regard to how research on similar problems has been dealt with in the past. The major purpose of exploratory research is to gain a broad understanding of a situation, phenomenon, community or person. Such studies are required due to a lack of information in a new area of study (Bless et al., 2006: 47). Du Plooy (2006:48) in Du Plooy-Cilliers, Davis and Bezuidenhout (2014) suggests that research can be considered exploratory if it is based on becoming knowledgeable about “unknown situations, conditions, policies and behaviours”. Therefore, a preliminary investigation is undertaken to expand the knowledge available and create a better understanding, thus further developing the situation (Sekaran & Bougie, 2011). The purpose of exploratory studies is to gain a better understanding of areas of research which may not have received much attention. With the above in mind, there is a paucity of research on the relationship between a recession and MBA graduates. Interviews with people in this field could be helpful in understanding the current situation. However, interviews were not used in this study as it took the form of quantitative research.

Sekaran and Bougie (2011: 105) describe a descriptive study as “a study undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation”. Du Plooy-Cilliers et al. (2014) provide a similar explanation and explain that, descriptive research identifies “the characteristics of phenomena, relations between variables or relationships between phenomena as accurately as possible”. Descriptive studies are pursued in organisations as they provide a clear set of characteristics related to different work groups. The main aim of a descriptive study is “to offer to the researcher a profile or to describe relevant aspects of the phenomenon of interest from an individual, organisational, industry-orientated, or other perspective” (Sekaran & Bougie, 2011: 106; Du Plooy-Cilliers et al., 2014: 76). A descriptive study enables the researcher to gain information about a phenomenon within a

research field (Bless et al., 2006: 43), such as the phenomenon of a recession and the impact it had on MBA graduates' management thereof.

Qualitative research refers to information or research gathered in a narrative manner via interviews or observations (Sekaran & Bougie, 2011: 444), usually in the form of words. This data can come from an array of sources both primary and secondary, for example focus groups and interviews. "The analysis of qualitative data is aimed at making valid inferences from the often overwhelming amount of collected data" (Sekaran & Bougie, 2011: 370). Bryman (2012: 380) notes that "qualitative research is a research strategy that usually emphasizes words rather than quantification in the collection and analysis of data." Analysing qualitative data can be challenging as there are very few commonly agreed upon rules and guidelines for assessing such data (Sekaran & Bougie, 2011: 370). This study did not focus on qualitative research.

Quantitative research can be defined in its most simplistic form as research which generates data which is numeric in nature or can be readily coded numerically (Quinlan, 2011: 54). This definition is supported by Bryman and Bell (2011: 717) who state that quantitative research focuses on quantification in the gathering and processing of data. A third definition is put forward by Bless, Higson-Smith and Sithole (2013: 394). They state that quantitative research is conducted using a variety of "methods which use measurement to record and investigate aspects of social reality". For this study, the above three definitions were all taken into consideration with the common theme of mathematical value or quantification as the key focus. Hoe and Hoare (2012: 55) note that quantitative techniques can test hypotheses and determine whether a relationship exists between variables. Hoe and Hoare (2012: 55) concur that quantitative data can be counted and measured and suggest methods such as surveys, clinical trials and questionnaires. For the purpose of this research, the quantitative method was adopted as it provided for clear values and enumeration. It also enabled the measurement of a potential relationship. Thus, the questionnaire formed a crucial element of the research design which allowed the researcher to gain information that could be coded and used to analyse the data.

3.4.1 Target population

The target population is a subset of a population which represents the entire population (Sekaran & Bougie, 2011: 262). It is important that the target population be specific with regard to geographic boundaries and time. It is vital that a researcher is able to precisely identify the target population as they form the core respondents. The more precise the requirements for constructing the sample of the target population, the more valid the data will be (Sekaran & Bougie, 2011: 262). An alternative definition of a target population is that it is the collective set of people or objects that is at the centre of a research study and the focus of what the researcher wants to determine due to certain characteristics (Bless et al., 2013: 162). The target population

for this study was individuals who had received the Masters of Business Administration (MBA) degree, were working in a business environment and could possibly have experienced dealing with issues relating to a recession and the management of a recession.

It was thus necessary to use a platform that screened participants to ensure that they had obtained a MBA degree. This was done by ensuring that all participants were members of the website, MBAconnect.net. MBAconnect verifies the qualifications of all members with business schools and other institutions. This clearly defined the target population for the study and only members of this website participated in the online survey. MBAconnect.net has a membership of approximately 25 000, and this was thus the target population for this study. However, due to challenges with the MBAconnect.net population, it was decided to include the MBA alumni body of UKZN’s GSB&L which has a population of 700 members. The total target population was thus 25 700 people.

3.4.1.1 Sample size

It is vital that a researcher assesses the sample frame prior to the sample being selected as this allows the researcher to compute the total population. This enables coverage errors to be detected, i.e., a discrepancy between the sampling frame and population (Sekaran & Bougie, 2011: 267). Simon and Burstein (1985) note that there are many rational ways of determining a sample size, and that “most sample sizes in most studies are fixed simply (and irrationally) by the amount of money that is available or by the sample size that similar pieces of research have used in the past” (Simon & Burstein, 1985: 412). Sekaran and Bougie (2011) summarise the factors impacting the sample size decision as (1) the research objectives; (2) confidence interval; (3) the level of confidence required or acceptable; (4) variability in the population; (5) financial and time factors; and in some instances (6) population size. The sample size required for a population of 25 000 participants from MBAconnect.net and 700 members of the MBA alumni body of UKZN’s GSB&L was determined in a table suggested by Sekaran and Bougie (2011: 295). The table below depicts the population and sample size recommended for this study.

TABLE 3.1: SAMPLE SIZE BASED ON POPULATION

	Population	Recommended sample size
MBAconnect.net	25000	378
Alumni body (UKZN) of (GSB&L)	700	169
Total	25700	547

The suggested sample size of 547 participants was not achieved due to the poor response rate, even with continuous follow-up, reminders and communication in the form of group emails and blog posts with the participants. The researcher was able to achieve a sample size of 111 participants, which can be regarded as sufficient for a Masters study, but the results cannot be generalised to the population as a whole. However, they add value to the existing body of knowledge.

3.4.1.2 Sampling Techniques

Sampling techniques can be divided into two main categories, namely, probability sampling techniques and non-probability sampling techniques (Sekaran & Bougie, 2011: 267).

In non-probability sampling, participants are not selected randomly as in the probability approach. Non-probability sampling is used when it is difficult to establish who the whole population is or in situations where access to the whole population is limited (Du Plooy-Cilliers et al., 2014: 137). Singleton and Straits (1999: 157) identify the weaknesses of non-probability sampling. Firstly, it does not “control for investigator bias in the selection of units” and secondly, “their pattern of variability cannot be predicted from probability sampling theory, thereby making it impossible to calculate sampling errors or to estimate sample precision” (Singleton & Straits, 1999: 157). Probability sampling has a greater level of scientific accuracy but is not considered very feasible or economic. Its defining point is that all elements within a population are selected at random and have a known chance of being selected for the sample (Singleton & Straits, 1999: 141).

For the purpose of this study, the convenience sampling technique was used which is also known as accidental sampling. Convenience sampling is a non-probability sampling technique. It requires minimum effort and is suitable for many studies (Bouma & Ling, 2004: 116). This view is supported by Singleton and Straits (1999: 159) who note that, “such methods of case selection are easy, quick, and inexpensive”. This sampling method allowed for easy access to selected individuals in order to obtain the necessary data for this study. While the possibility of potential bias is a significant shortfall of convenience sampling, the technique’s strengths normally outweigh this shortfall.

The sampling for this study worked in the following manner: first the target population was identified, which was MBA graduates. It was decided to use the MBAconnect.net member base due to the fact that each member’s degree is verified before they can join. The researcher applied for permission from the owners of MBAconnect.net to use their data base and site to conduct the study and gather data. Once permission was received, the online survey was sent via email and weekly news letters. After multiple attempts to increase the response rate, the

researcher realised that another data source would be required and a decision was made to include the MBA alumni body of UKZN's GSB&L. This required a gatekeeper's letter from UKZN. Once permission was obtained, the researcher contacted the Alumni Relations Department at UKZN who identified the MBA alumni body and assisted the researcher in sending out the online survey. A follow-up email was sent via the Alumni Relations Department to help increase the response rate.

3.4.2 Data collection

Data collection refers to the gathering of data to analyse and test hypotheses and ultimately respond to the primary objective of a study. The origins of the information gathered and the manner in which this is done can affect “the rigor and effectiveness of the research project” (Sekaran & Bougie, 2011: 180). Sekaran and Bougie (2011: 184) add that data that is collected in an appropriate manner can significantly increase the value of the research. This study used online questionnaires as its primary data collection method. This method was suitable for this study as most MBA graduates are working individuals with busy time schedules and have little time to meet face-to-face. Furthermore, the survey was only administered to MBA graduates; therefore, it was necessary to administer the survey in a manner that allowed the researcher to ensure that the correct sample was participating. Thus, the survey was placed online on the MBAconnect.net website, in a private log-in area as well as emailed to members. This ensured that only MBA graduates participated, as their degree is verified by the website administrator as a prerequisite for joining the group. The data collected through the MBA alumni body at UKZN's GSB&L was gathered in the following manner: the University's Alumni Relations Department identified members who had obtained a MBA degree through their database and records and the members were directly emailed a link to the online survey with the relevant information; this ensured that only MBA graduates received the email. The online survey fulfilled two key purposes; firstly, it ensured that the correct sample participated in the research study and secondly, it was convenient for participants as they could do it in their own time.

3.4.2.1 Questionnaire design

Good questionnaire design is crucial as this is the basis for gathering information (Du Plooy-Cilliers et al., 2014: 15). The questionnaire provides a platform to measure and analyse data. Questionnaires have the unique ability to gather information on personal opinions, attitudes and behaviours (Du Plooy-Cilliers et al., 2014: 149). This form of data collection allowed the researcher to obtain information which was relevant in achieving the research objectives and answering the research questions. A structured questionnaire was designed with different sections that organised the required information. This allowed for accurate interpretation of the results, as well as for testing specific elements of the MOM.

Questionnaires offer a number of advantages. They can be easily standardised and are efficient in terms of both time and cost which is critical when conducting research as it can be both lengthy and costly (Blumberg, Cooper & Schindler, 2005: 282). Blumberg et al. (2005: 282) add that questionnaires allow for contact with respondents who may be extremely busy. They allow a researcher to cover vast geographical areas and offer a high level of anonymity. Web-based questionnaires also offer rapid data collection (Cooper & Schindler, 2006: 255).

The disadvantages of a questionnaire include that, due to its nature, it can be difficult to fully understand a subject's responses, and it can be challenging to determine whether the subject fully understands the information which the questions require. Low response rates and the potential for response bias are also potential disadvantages (Bless & Higson-Smith, 1995: 114; Blumberg et al., 2005: 283; Bless et al., 2013: 216). This study focused on designing a questionnaire that took these potential disadvantages into account and devised ways to avoid them. This was achieved by crafting clearly-defined, direct questions. The questions were worded in a way that was easily understood by the participants. Low response rates were addressed by ensuring that the target population was large. A pilot study was performed to test the questions and identify any flaws. The pilot study involved 10 participants, five MBA graduates and five lecturers at UKZN who did not participate in the actual study. Only small grammatical errors and technical aspects (for example the system did not allow respondents to skip the section where they were asked to indicate if they were managers in 2008) were identified and corrected prior to sending out the online questionnaire.

The questionnaire was divided into four sections.

Section A solicited demographic information in order to determine the level of employment, department/industry and duration of employment. This enabled the information to be separated based on demographics which allowed for better interpretation of data.

Section B (Strategic models) and Section C (the MOM) consisted of questions answered by means of a five-point Likert-scale. This scale allows for various degrees in measuring behaviours and attitudes in organisational research (Sekaran & Bougie, 2011: 155). The Likert-scale enabled the researcher to gain the necessary understanding of the respondents' views on statements. An example of a question which was asked in section B or C is as follows:

1) I believe that I can easily adapt the managerial models covered in my MBA curriculum to the South African context.

- 1- Strongly agree
- 2- Agree
- 3- Undecided or uncertain

- 4- Disagree
- 5- Strongly disagree

Clear instructions were provided at the beginning of the questionnaire on how to answer the questions. In the above example, respondents answered the question by placing an “X” in the box which best described their response to the question.

Section D consisted of open-ended questions which allowed the researcher to gain greater insight into the relevant information. An open-ended question can be described as a question which allows the respondent to deliver his or her answer as they please; this can be detailed or not, or as short or as long as they feel necessary (Bless et al., 2006: 130). An added advantage of open-ended questions is that they allow participants to give detailed feedback on their views and interpretation (Bless & Higson-Smith, 1995: 120). This view is supported by May (2001: 102). An example of an open-ended question would be, ‘describe the management approach you or your company is using to deal with a recession’.

3.4.2.2 Online questionnaire

In order to understand online questionnaires, a researcher needs to know the difference between collecting data online versus collecting data offline. Online data collection is based on data collected through the use of an internet-based programme which operates through the World Wide Web (Bryman & Bell, 2011: 662). Offline data is collected in the traditional manner and respondents fill out a hard copy. This is done by handing the questionnaire to each respondent, collecting the completed questionnaire and manually sorting the data (Bryman, 2012: 670). The researcher also requires a clear understanding of the advantages and disadvantages of online questions before using this data collection method. Table 3.2 summarises the advantages and disadvantages of online questionnaires.

TABLE 3.2 ADVANTAGES AND DISADVANTAGES OF WEB-BASED SURVEYS

Advantages	Disadvantages
<ul style="list-style-type: none"> • Results are achieved quickly and calculated as soon as the survey is complete. 	<ul style="list-style-type: none"> • Finding the right sample is difficult, costly and time consuming.
<ul style="list-style-type: none"> • The opportunity to include visual depictions and images. 	<ul style="list-style-type: none"> • It is expensive to convert a traditional survey into a web-based survey.
<ul style="list-style-type: none"> • A large volume of information can be obtained over a short time frame. 	<ul style="list-style-type: none"> • Researcher needs both technical and research skills to start up a web-survey.
<ul style="list-style-type: none"> • Attracts participants who normal would not participate in research; the ability to include international 	<ul style="list-style-type: none"> • Lack of compatibility with internet browsers (this issue has now been mostly resolved).

participants.	
<ul style="list-style-type: none"> • Participants feel a greater level of anonymity. 	
<ul style="list-style-type: none"> • Quick turnaround rate for development and execution of survey. 	
<ul style="list-style-type: none"> • Unique experience. 	

Source: (Cooper & Schindler, 2006: 255)

McCabe 2004 in Bryman (2012: 672) suggests that offline (paper-based) and online (web-based) questionnaires produce similar results. A study conducted by Denscombe (2006) reported in Bryman (2012: 672) compared virtually identical paper-based and web-based questionnaires administered to youth at a school. It found that there was minimal to virtually no evidence that the mode of administration makes a noticeable difference to the results. Furthermore, online questionnaires also allowed for the collection of quality data.

One issue relating to online surveys is low or non-response rates; this forms part of sampling and sampling-related errors (Sheehan, 2001: 1). The following reasons have been identified for low response rates: the novelty of online questionnaires has worn off; a large number of surveys conducted in the environment can cause a lack of interest; and the possibility of harm, unwanted spam and viruses (Sheehan, 2001: 1). It is suggested that, in order to increase response rates online, it is necessary to have an affiliation to a university, as this enhances the researcher's level of commitment and the trustworthiness of the survey. Response rates can be improved by contacting respondents prior to sending them the questionnaire, as well as follow-up with non-respondents on at least one occasion (Sheehan, 2001: 1). In this study this was achieved by first posting a "blurb" containing the study's details and aims on MBAconnect.net and sending this "blurb" to members' email accounts. A blog posting was then used to encourage greater participation and the link to the blog was emailed to all members. Following this, a link to the questionnaire was emailed to the members and they were able to respond.

A similar process was followed with the MBA alumni body at UKZN's GSB&L. Alumni were notified about the study via email, the details and aims of the study were explained and the online link to the survey was provided. This was followed by reminder emails to increase participation. As noted previously, it is important to be affiliated to a university; the respondents were provided with proof of UKZN's approval of the study as well as proof of ethical clearance. A final email was sent out as a reminder and final follow-up was done to help increase the response rate.

Fricker, Galesic, Tourangeau and Yan (2005: 385) found that online respondents took more time to answer questions, but were more prone to give valid answers than telephone interviewees. Smyth, Dillman, Christian and McBride (2009: 336) found that web-based replies were of better quality than a previous paper-based study. They observed that the high cost of administering open-ended questions and the daunting task of transcribing people’s handwriting in some cases has led to less usage of paper-based surveys. The authors note that:

“open-ended questions may re-emerge in web self-administered surveys as an effective format for collecting thick, rich, descriptive information from respondents. The web mode by itself seems to have a higher capacity for collecting quality open-ended responses than other self-administered modes.” (Smyth et al., 2009: 336).

With this in mind, the researcher decided to include a small number of open-ended questions. This allowed the researcher to gain greater understanding of the responses to the questions asked at the beginning of the questionnaire by means of a five-point Likert scale. The open-ended questions enabled the respondents to add more detail and explain their responses. This allowed the researcher to gain greater insight into the responses and become aware of elements not previously taken into consideration, which enriched the results.

3.4.3 Data analysis

The data collected through the online survey was analysed with the assistance of a professional statistician to ensure accurate analysis, using the Statistical Package for the Social Science (SPSS Version 21, 2013).

Descriptive statistics were used to summarise the large amount of data gathered from the sample in order to draw conclusions (Huysamen, 1998: 4). Descriptive statistics are considered the base point for almost every quantitative study and analysis. Table 3.3 below provides a summary of the descriptive statistics used.

TABLE 3.3: SUMMARY OF THE STATISTICAL METHODS USED IN THIS STUDY

Statistical method	Definition
Mean	“The mean is a measure of central tendency that offers a general picture of the data without unnecessarily inundating one with each of the observations in a data set” (Sekaran & Bougie, 2011: 316). To “obtain the mean of a variable, you add together all the values of the variable from each case, and then divide this by the

	<p>number of cases in the set” (Yates, 2004: 106).</p> <p>“The arithmetic average of a data distribution” (Cooper & Schindler, 2006: 712).</p>
Median	<p>“The median is the central item in a group of observations when they are arrayed in either an ascending or a descending order” (Sekaran & Bougie, 2011: 316).</p> <p>“The mid-point in a distribution of values” (Bryman, 2012: 713).</p>
Mode	<p>“The mode is the value or category with the highest frequency” (Singleton & Straits, 1999: 468).</p> <p>“The mode is the value that appears most often in the data set” (Du Plooy-Cilliers et al., 2014: 212).</p>
Range	<p>“A univariate measure of variability or dispersion indicating the difference between the lowest and highest values, which is usually reported by identifying these two extreme values” (Singleton & Straits, 1999: 565).</p> <p>“The difference between the highest and the lowest score in a distribution” (Bless et al., 2013: 261).</p>
Standard deviation	<p>“...another measure of dispersion for interval and ratio scaled data, of an index of the spread of a distribution or the variability in the data” (Sekaran & Bougie, 2011: 318).</p>
Variance	<p>“Indicates the dispersion of a variable in the data set, and is obtained by subtracting the mean from each of the observations, squaring the results, summing them, and dividing the total by the number of observations” (Sekaran & Bougie, 2011: 447).</p>

The statistical methods outlined in the above table enabled the results from the various data collected to be organised in a way that displayed the information in a useful and organised

manner. The use of various methods allowed for greater degree of accuracy and the option to view information from various points and positions.

TABLE 3.4: SUMMARY OF THE INFERENTIAL STATISTICAL METHODS USED IN THIS STUDY

Statistical method	Definition
T-test	“A parametric test to determine the statistical significance between a sample distribution mean and a population parameter” (Cooper & Schindler, 2006: 719).
Cronbach’s Alpha	A way to measure internal consistency of a test or scale: it can be expressed in the form of a number between 0 and 1 (Tavakol & Dennick, 2011: 53). “It calculates the average of all possible split-half reliability coefficients” (Bryman, 2012: 170).

3.5 VALIDITY

Validity can be defined as “evidence that the instruments, techniques, or processes used to measure a concept does indeed measure the intended concept” (Sekaran & Bougie, 2011: 447). Validity can be measured in two dimensions, internal and external validity, which are slightly different but are related. “Internal validity examines the extent to which a particular research design has excluded all other possible hypotheses which could explain the variation of the dependent variable” (Bless & Higson-Smith, 1995: 82). Thus the need for extensive research and testing cannot be over emphasised. “External validity examines the extent to which the results of the study can be generalized to the real world” (Bless & Higson-Smith, 1995: 82). It is critical that a high level of validity be maintained, as the results of the study are of no use if they are not based on the reality of the situation and environment (Bouma & Ling, 2004: 83).

This study used face validity to ensure that a high level of validity was maintained. This is described by Bless and Higson-Smith (1995: 139) as examining how the instrument presents itself. It allows for a high level of validity by ensuring that the instrument is checked and analysed in comparison with the participants who complete it and that it measures the concept concerned (Bryman, 2012: 171). This was achieved by the questionnaire being assessed by three

MBA lecturers as well as two commerce lecturers. It ensured that the survey measured what was intended and that the questions were academically appropriate for MBA participants and would create interest and genuine responses. The questionnaire was also assessed by a statistician who ensured that it met the statistical requirements. These processes ensured that validity was of a high standard.

3.6 RELIABILITY

Reliability can be defined as:

“the accuracy or precision of a measurement instrument. That is, scores must be reliable before they can be valid. It is important to note that tests themselves are not reliable, the resulting scores are. It is possible for a given test to yield highly reliable scores in some circumstances but not others” (Alasuutari, Bickman & Brannen, 2008: 278).

It is expected that the results of a study can be replicated time and time again, while situational factors may change the results slightly (Du Plooy-Cilliers et al., 2014: 254). Bryman (2012: 168) suggests that reliability essentially deals with the issue of the consistency of internal measures.

For the purpose of this study, the Cronbach’s Alpha coefficient (α) was used to test reliability. Cronbach’s Alpha is defined by Tavakol and Dennick (2011: 53) as a way to measure the internal consistency of a test or scale: it is expressed in the form of a number between 0 and 1. Cronbach’s Alpha is a popular test used to determine internal reliability. “It calculates the average of all possible split-half reliability coefficients” (Bryman, 2012: 170). A Cronbach’s Alpha coefficient of 0.80 is described as an acceptable level of internal reliability, although many researchers accept a lower alpha of 0.70 (Bryman & Bell, 2011: 159). The different relationships which can be found are:

- A Cronbach alpha coefficient of +1 is a perfect positive correlation.
- A Cronbach alpha coefficient of 0 has no relationship.
- A Cronbach alpha coefficient of -1 has a perfect negative correlation.

It is important to balance validity and reliability; it is of no use if an instrument has high validity but is not reliable. It is common for an increase in validity to result in a decrease in reliability. For social research, it is necessary to use a well-built instrument that balances validity and reliability (Bless & Higson-Smith, 1995: 140).

3.7 ETHICAL CONSIDERATIONS

Ethics is defined as “moral principles governing the conduct of an individual, a group, or an organisation” (Quinlan, 2011: 480). It is of the utmost importance to respect participants and act in an ethical manner when conducting research that involves human participation as this often involves sensitive information (Bless & Higson-Smith, 1995: 102). The researcher received permission from UKZN’s Ethics Committee to conduct this study. Ethical clearance was granted (Protocol reference number: HSS/0815/014M). Confidentiality is an important ethical consideration; this was achieved by storing all the information obtained from the respondents in an isolated and private environment that only the researcher and supervisor had access to. If it became necessary to dispose of confidential documents or surveys, this would be done by the researcher or supervisor using a shredder. As this was an online survey, access to the data was strictly controlled. After the data was gathered online, the necessary information was transferred to memory sticks and stored for safe keeping. The participants were provided with an information sheet that explained the study, its aims and objectives, and other necessary details. Participants were informed that their participation was voluntary and only once an informed consent form was signed and all its elements acknowledged could the participants take part in the research.

3.7.1 Informed consent

Informed consent is an agreement between a researcher and participant, that the participant will participate in a research study based on their acknowledgement of the possible outcomes or consequences of doing so, after they have received information about the study (Quinlan, 2011: 70). A researcher is ethically obliged to inform a potential participant of the following, when performing research (Quinlan, 2011: 79).

1. The nature of the research.
2. What the participant will be doing in the research and to what extent the participant needs to understand his or her level of involvement.
3. Inform the participant of any consequences that might result from their participation.
4. Participants are free to withdraw at any stage without giving reasons for their withdrawal.
5. Participant’s should fill out and sign an informed consent form.

All the participants were made aware of the above points prior to giving informed consent. Only once informed consent was granted could they participate. The researcher also understood that under no circumstances could participants be required to perform an act that would diminish their

self respect. Participants did not experience regret or embarrassment. They were not exposed to questions that were deceptive. This ensured a high level of ethical values.

3.8 CONCLUSION

This chapter presented the research methodology employed by this study. The Constructivism (Social Constructivism) research paradigm (research philosophy) was adopted as the framework for the study. This paradigm allowed the researcher to view the results as a whole and not in isolation which is necessary in dealing with a recession. A quantitative research design was used and the research was primarily descriptive (closed-ended questions) and exploratory (open-ended questions). The target population for this study was described, as well as the sampling technique employed, which was convenience sampling, a non-probability sampling technique. Data were collected using a questionnaire made up of four sections of questions answered by means of a five-point Likert-scale. Section D consisted of open-ended questions which allowed the researcher to gain greater insight. The data was analysed using both inferential and descriptive statistics. Validity was ensured by the use of face validity, while reliability was tested using Cronbach's Alpha coefficient. The chapter concluded by outlining the ethical considerations taken into account by the researcher.

The following chapter presents the data analysis and the study's findings.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

This chapter presents the findings of this study in line with the six research objectives. The statistical analysis for this study was done with the assistance of a professional statistician, using the Statistical Package for the Social Sciences (SPSS Version 22, 2013). This study also included open-ended questions, which were analysed and are used in chapter 5 to make recommendations.

4.2 DEMOGRAPHIC INFORMATION

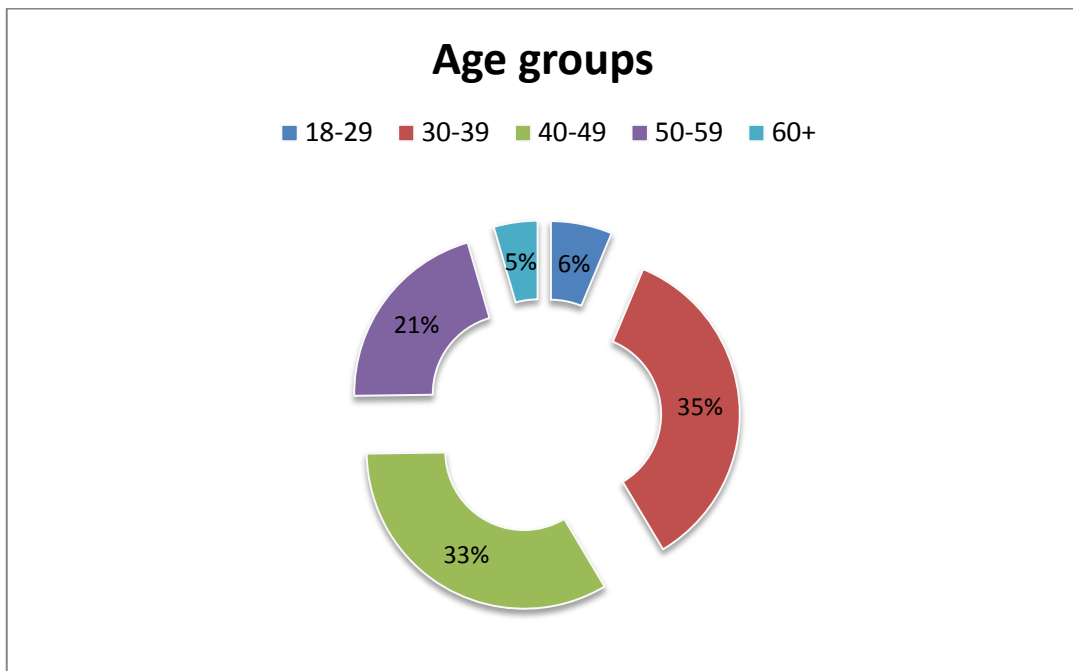
The demographic information for this study included the respondents' age, managerial level, number of years in the managerial level, current sector, the number of years a respondent had held an MBA and modules covered in the MBA programme.

The majority of the respondents 35% were aged from 30-39. The majority (24.8%) worked in middle management, while 22% held senior management positions. Twenty per cent of the respondents had been in their managerial positions for 2-4 years, 19.1% for 8-10 years, and 15.5% for 10 years or more. The majority of the respondents worked in the wholesale and retail trade, or finance and business services. Finally, the majority of respondents received their MBA in the past 9 years. All the respondents had done a module on Management, followed by Strategic Management (94.54%). The least common subjects were International Management (58.18% of the respondents) and Business Ethics and Governance (9%).

4.2.1 Age of respondents

Figure 4.1 shows that 6% of the respondents were between the ages of 18 and 29, 35% were 30-39 years old, 33% were between the ages of 40 and 49 years, 21 % were 50-59 years old and only 5% were aged 60 and more.

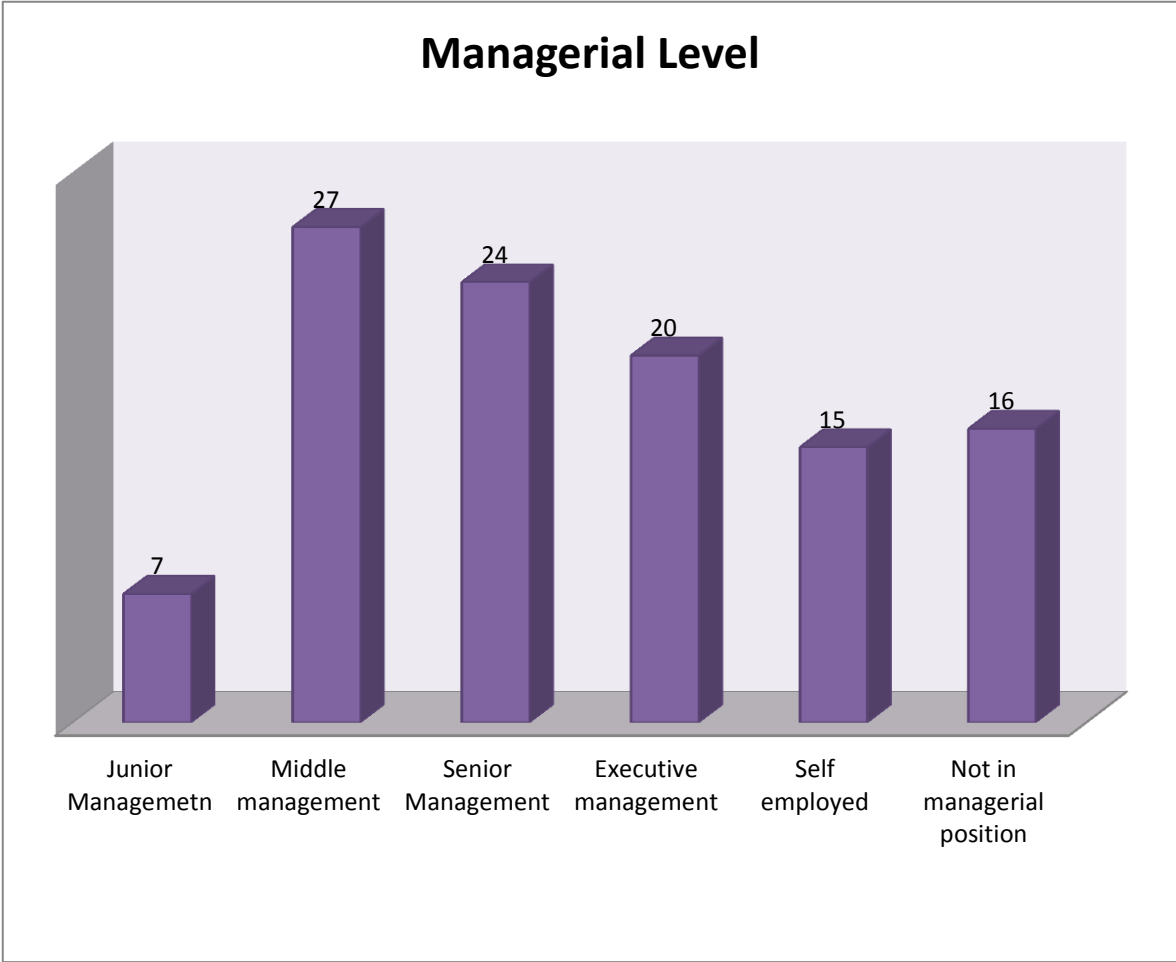
FIGURE 4.1: AGE OF RESPONDENTS



4.2.2 Managerial level

Figure 4.2 shows the managerial level held by the respondents. A total of 6.4% were at junior management level, 24.8% at middle management level, 22% at senior management level, and 18.3% at executive management level, while 13.8% were self-employed. A total of 14.7% of the respondents were not in managerial positions.

FIGURE: 4.2: FREQUENCY OF RESPONSES FOR MANAGERIAL LEVEL OF RESPONDENTS



4.2.3 Number of years in managerial position

Figure 4.3 shows duration in a managerial position. A total of 12.7% of respondents (14) had been in their position for a year or less, 7.3% (8) for 1-2 years, 20.0% (22) for 2-4 years, 10.9% (12) for 4-6 years, 14.5% (16) for 6-8 years, and 19.1 (21) for 8-10 years, while 15.5% of the respondents (17 respondents) had held their position for 10 years or more.

FIGURE 4.3: YEARS IN MANAGERIAL POSITION



4.2.4 Current sector

Table 4.1 shows the breakdown of the sectors the respondents were working in. A total of 11.8% of respondents worked in the manufacturing sector, 5.5% in the mining and energy sector, 7.3% in the agricultural sector, 8.2% in the communication and ICT sector, 2.7% in the tourism sector, 15.5% in the wholesale and retail sector, 19.1% in the finance and business services sector, 4% in the services sector, 8.2% in the education sector, and 12.7% in the government and health sector which includes public and private health care.

TABLE 4.1: CURRENT SECTOR

Q6 What sector are you currently working in		
	Frequency	Valid Percent
Manufacturing	13	11.8
Mining and Energy	6	5.5
Agriculture	8	7.3
Communication and ICT	9	8.2
Tourism	3	2.7
Wholesale and Retail trade	17	15.5
Finance and business services	21	19.1
Investment incentives	6	5.5
Services	4	3.6

Education	9	8.2
Government and health	14	12.7
Total	110	100.0

4.2.5 Number of years respondent had had an MBA

Table 4.2 shows that 33.6% of respondents had had their MBA for 0-2 years, 33.5% for 3-9 years, 24.5% for 10-15years, 2.7% for 16-22 years, and 3.6% had had a MBA for 23 years or more.

TABLE 4.2: YEARS WITH MBA

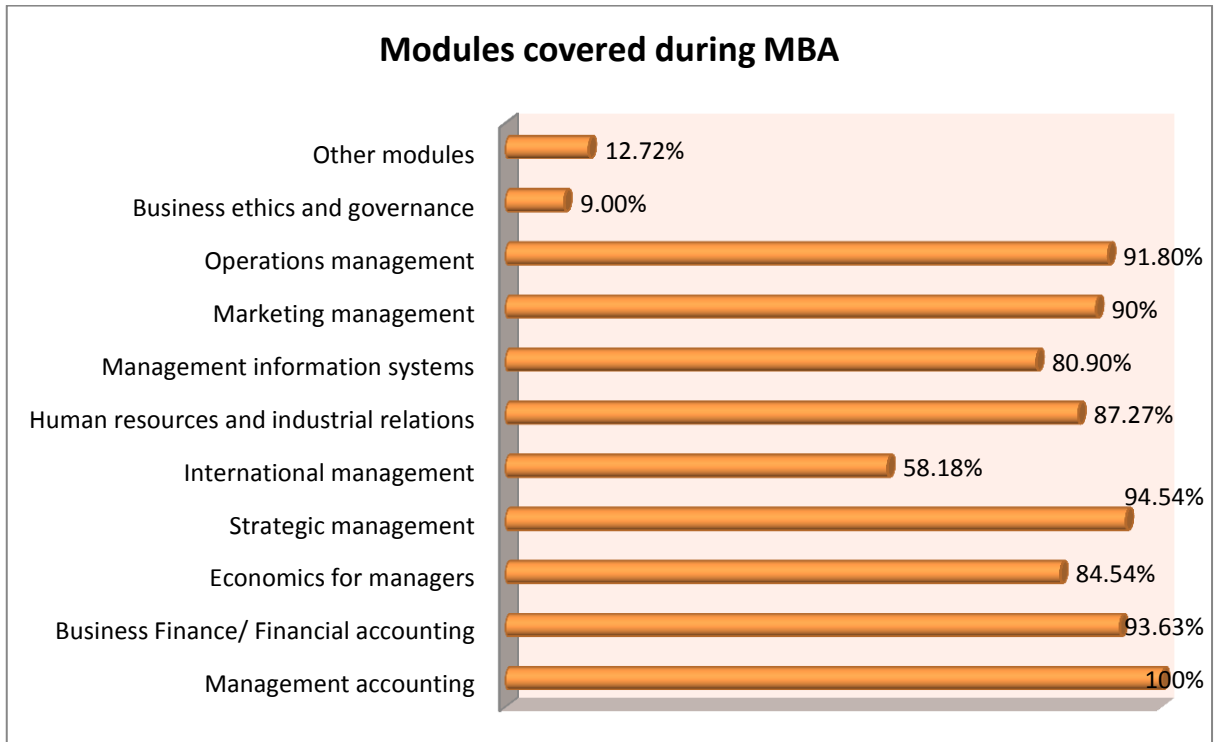
Q2 Year of MBA		
	Frequency	Percent
<= 2	37	33.6
3 – 9	39	35.5
10 – 15	27	24.5
16 – 22	3	2.7
23+	4	3.6
Total	110	100.0

4.2.6 Modules covered in the MBA curriculum

In Figure 4.4 the “percentage” represents the percentage of respondents who did the specific module. For example, all the respondents (100%) (110 respondents) studied Management Accounting, whereas only 9% (10) covered Business Ethics and Governance. Business Finance/Business Accounting was studied by 93.63% of the respondents (103), Economics for Managers by 84.54% (93) Strategic Management by 94.54% (104), International Management by 58.18% (64), Human Resources and Industrial Relations by 87.27% (96), Management Information Systems by 80.90% (89), Marketing Management by 90% (99) and Operations Management was studied by 91.8% of the respondents(101 respondents).

Other modules that made up 12.72 % of responses (14 responses) included Tax and Estates, Managerial Statistics, Law, Entrepreneurship, Project Management, E-Commerce and Advanced Business Methods.

FIGURE 4.4: MODULES COVERED IN MBA CURRICULUM



4.3 SPLIT OF RESPONDENTS WHO WERE MANAGERS AND THOSE THAT WERE NOT

The split between the respondents who were managers in 2008 and those who were not is highlighted in this section.

The t-test was used to compare the mean score of the five MOM strategies between the two groups. The aim was to determine if the participants who were managers in 2008 implemented the MOM strategies differently from those who were not managers in 2008.

Firstly, the items of each strategy were computed into one variable in order to perform the t-test.

TABLE 4.3: T-TEST FOR EQUILITY OF MEANS

	t-test for Equality of Means			
	t	df	Sig. (2-tailed)	Mean Difference
Diversification	-.226	108	.822	-.09848
Opportunities	.529	107	.598	.15699
Paradigm	-.384	109	.702	-.17130
Appropriate	-.543	102	.589	-.28959
Governance	.456	103	.649	.32540

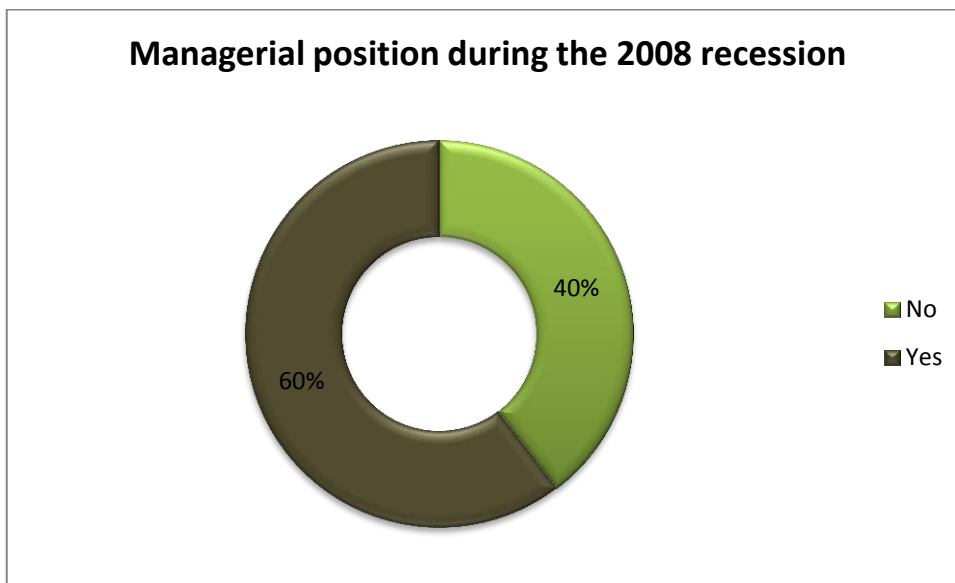
The t-test indicates that there is no statistically significant difference in the mean scores of the five elements of the MOM because all the values in the column Sig. (2-tailed) are largely superior to the threshold 0.05.

Moreover, the column *Mean Difference* shows very small difference between the mean score of the two groups. Hence the fact that a participant was a manager in 2008 did not affect the way he/she rated the five elements of the MOM. This simply means that the participants who were managers in 2008 implemented or intended to implement the five elements of the MOM in the same way as those who were not managers in 2008.

Managerial position in 2008

Figure 4.5 shows that 60% of the respondents were in managerial positions during the 2008 recession, while 40% were not. This is helpful for this study as the majority were managers during the 2008 recession.

FIGURE 4.5: NUMBER OF PARTICIPANTS IN A MANAGERIAL POSITION IN 2008



4.4 LINKING THE RESEARCH OBJECTIVES TO THE RESEARCH INSTRUMENT

The research objectives and research instrument are linked in Table 4.4. The Table identifies the six research objectives and the questions linked to these objectives in the questionnaire.

TABLE 4.4: THE LINK BETWEEN THE RESEARCH OBJECTIVES AND RESEARCH INSTRUMENTS

Research Objectives (ROS)	Questions in questionnaire
<p style="text-align: center;">RO 1</p> <p>Identify MBA graduates' readiness to encourage the need for diversification during a recession as a strategy to manage the downturn.</p>	<p>16) I encourage diversification to manage risk by minimizing the harm to the business during economic downturns.</p> <p>17) I support the idea to expand into a business activity that doesn't negatively react to the same economic downturns as my current business activity.</p> <p>18) I support the investment in a variety of assets to reduce risk.</p> <p>19) I avoid diversification during an economic downturn to ensure the staff is not retrenched.</p>
<p style="text-align: center;">RO 2</p> <p>Determine MBA graduates' readiness to explore scope for new opportunities during a recession as a strategy to manage the downturn.</p>	<p>20) I always create a climate where staff can be creative and innovative irrespective of the state of the economy.</p> <p>21) I encourage the identification of new opportunities during an economic downturn from my staff.</p> <p>22) At networking events I always look for opportunities to build relationships that will lead to new business with potential prospects.</p> <p>23) I do not encourage staff to look for business opportunities during a recession because it is too costly and time consuming.</p>
<p style="text-align: center;">RO 3</p> <p>Ascertain MBA graduates' readiness to employ corporate governance during a recession as a strategy to manage the downturn.</p>	<p>32) I encourage ethical behaviour at all times for myself and staff.</p> <p>33) I ensure ethical, legal and regulatory standards are upheld in the company.</p> <p>34) I act in a manner which is in the best interest of the owners and other stakeholders.</p> <p>35) I promote the understanding of purpose</p>

	and policies of my organisation.
<p style="text-align: center;">RO 4</p> <p>Understand MBA graduates' readiness to use a paradigm shift during a recession as a strategy to manage the downturn.</p>	<p>24) I constantly encourage myself and others to look for different ways of doing things during a recession.</p> <p>25) I share technology and knowledge easily.</p> <p>26) I support the need if entire departments are eliminated to make place for more relevant departments.</p> <p>27) I encourage the introduction of new technology that radically alters the production process of a good.</p>
<p style="text-align: center;">RO 5</p> <p>Ascertain MBA graduates' readiness to employ appropriate space creation during a recession as a strategy to manage the downturn.</p>	<p>28) I look for ways to create new market space as a strategy to manage a recession.</p> <p>29) I look across accepted boundaries that define how my organisation compete to identify unoccupied territory.</p> <p>30) I support national cultural and sporting activities to network with other businesses.</p> <p>31) I believe in the importance of a balanced social and work environment to create space for diverse groups to work together.</p>
<p style="text-align: center;">RO 6</p> <p>Understand MBA graduates' readiness to use economic recovery strategies during a recession to manage the downturn.</p>	<p>8) Were you in a managerial position during the 2008 recession? (Tested in other ROS)</p> <p>9) I use managerial models covered in my MBA curriculum to help me to manage my department or company during times of economic downturn and a recession.</p> <p>10) I believe that I can easily adapt the managerial models covered in my MBA curriculum to the South African context.</p> <p>11) I believe that my MBA qualification has equipped me to manage my department or company during an economic downturn and a</p>

	<p>recession.</p> <p>12) I will make use of managerial models covered in my MBA curriculum to manage my department or company during times of economic downturn and a recession.</p> <p>13) I think that I will be able to easily adapt the managerial models covered in my MBA curriculum to the South African context.</p> <p>14) I believe that my MBA qualification has equipped me to manage my department or company during an economic downturn and a recession.</p> <p>15) Are you aware of the Managerial optimistic model?</p>
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The following section presents the responses and findings of this study.

RO 1: IDENTIFY MBA GRADUATES' READINESS TO ENCOURAGE THE NEED FOR DIVERSIFICATION DURING A RECESSION AS A STRATEGY TO MANAGE THE DOWNTURN.

The findings in this section are reported by firstly, displaying a table with a summary of the descriptive statistics for that objective (e.g., Table 4.5). This is followed by a table with a summary of the descriptive statistics, showing the difference between managers and non-managers (e.g., Table 4.6). The information is further broken down into the individual questions showing the results of Likert-scale answers (e.g., Table 4.7), with a corresponding table showing the split between managers and non-managers responses (e.g., Table 4.8). This format is followed throughout section 4.4.

TABLE 4.5: SUMMARY OF DESCRIPTIVE STATISTICS (16-19Q)

	Q16	Q17	Q18	Q19
Mean	3.95	3.93	3.83	2.52
Std. Deviation	1.017	.864	1.061	1.060
Minimum	1	1	1	1
Maximum	5	5	5	5

Table 4.5 shows that Q16, Q17 and Q18 have a mean superior to 3; in other words, the majority of respondents agreed or strongly agreed with these statements. Only Q19 had a mean inferior to 3, indicating that the respondents tended to disagree with this statement.

TABLE 4.6: SUMMARY OF DESCRIPTIVE STATISTICS, SHOWING THE DIFFERENCE BETWEEN MANAGERS AND NON-MANAGERS (16-19Q)

Managerial position during 2008 recession		Q16	Q17	Q18	Q19
No	Mean	4.02	3.86	3.86	2.59
	Median	4.00	4.00	4.00	2.00
	Std. Deviation	.927	.852	1.002	.948
Yes	Mean	3.90	3.97	3.81	2.48
	Median	4.00	4.00	4.00	2.00
	Std. Deviation	1.075	.877	1.104	1.133

This table provides the general tendency, and outlines how the respondents who were managers in 2008 perceived this strategy, as opposed to those who were not. The “No” row highlights the perceptions of the 44 respondents who were not managers in 2008, while the “Yes” row presents the responses of those who were managers in 2008. The table shows minor differences in the means between the two groups as indicated in the t-test in the previous section.

RQ 16: I encourage diversification to manage risk by minimizing the harm to the business during economic downturns

Table 4.7 depicts that the majority of respondents agreed and strongly agreed that they encourage diversification to manage risk by minimizing the harm to the business during economic downturns.

TABLE: 4.7: RESULT OF LIKERT-SCALE ANSWERS (Q16)

Q16		
	Frequency	Percent
Strongly disagree	5	4.5
Disagree	7	6.3
Undecided or uncertain	9	8.1
Agree	58	52.3
Strongly Agree	32	28.8
Total	111	100.0

Table 4.8 depicts the split between managers who were in a managerial position and those who

were not during the 2008 recession. It shows that both groups agreed and strongly agreed with the statement.

TABLE: 4.8: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q16

Q16			
Managerial position during 2008 recession		Frequency	Percent
No	Strongly disagree	2	4.5
	Disagree	1	2.3
	Undecided or uncertain	3	6.8
	Agree	26	59.1
	Strongly Agree	12	27.3
	Total	44	100.0
Yes	Strongly disagree	3	4.5
	Disagree	6	9.0
	Undecided or uncertain	6	9.0
	Agree	32	47.8
	Strongly Agree	20	29.9
	Total	67	100.0

RQ17: I support the idea to expand into a business activity that doesn't negatively react to the same economic downturns as my current business activity.

Table 4.9 indicates that respondents agreed and strongly agreed with this statement by a large majority.

TABLE 4.9: RESULT OF LIKERT-SCALE ANSWERS (Q17)

Q17		
	Frequency	Percent
Strongly disagree	4	3.6
Disagree	4	3.6
Undecided or uncertain	9	8.2
Agree	72	65.5
Strongly Agree	21	19.1
Total	110	100.0

The respondents who were not managers during the 2008 recession that agreed with the statement made up 70.5% of the responses, while respondents who were managers also agreed

with the statement, making up 62.1% of responses. This suggests that respondents who were not managers were more likely to encourage diversification.

TABLE 4.10: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q17

Q17			
Managerial position during 2008 recession		Frequency	Percent
No	Strongly disagree	2	4.5
	Disagree	1	2.3
	Undecided or uncertain	4	9.1
	Agree	31	70.5
	Strongly Agree	6	13.6
	Total	44	100.0
Yes	Strongly disagree	2	3.0
	Disagree	3	4.5
	Undecided or uncertain	5	7.6
	Agree	41	62.1
	Strongly Agree	15	22.7
	Total	66	100.0

RQ 18: I support the investment in a variety of assets to reduce risk.

Table 4.11 depicts that the majority of respondents (52.%) agreed with the statement while 25.2% strongly agreed.

TABLE 4.11: RESULT OF LIKERT-SCALE ANSWERS (Q18)

Q18		
	Frequency	Percent
Strongly disagree	4	3.6
Disagree	14	12.6
Undecided or uncertain	7	6.3
Agree	58	52.3
Strongly Agree	28	25.2
Total	111	100.0

It is noted that a higher percentage of respondents who were not in a managerial position agreed with the statement, while a larger percentage of those who were in a managerial position in 2008 strongly agreed.

TABLE 4.12: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q18

Q18			
Managerial position during 2008 recession		Frequency	Valid Percent
No	Strongly disagree	2	4.5
	Disagree	3	6.8
	Undecided or uncertain	4	9.1
	Agree	25	56.8
	Strongly Agree	10	22.7
	Total	44	100.0
Yes	Strongly disagree	2	3.0
	Disagree	11	16.4
	Undecided or uncertain	3	4.5
	Agree	33	49.3
	Strongly Agree	18	26.9
	Total	67	100.0

RQ 19: I avoid diversification during an economic downturn to ensure the staff is not retrenched.

The results in Table 4.13 highlight that 48.6% of respondents disagreed that they avoid diversification to ensure that staff is not retrenched.

TABLE: 4.13: RESULT OF LIKERT-SCALE ANSWERS (Q19)

Q19		
	Frequency	Percent
Strongly disagree	14	12.6
Disagree	54	48.6
Undecided or uncertain	19	17.1
Agree	19	17.1
Strongly Agree	5	4.5
Total	111	100.0

Table 4.14 shows that the majority of respondents disagreed with the statement. However, many respondents that were not in managerial positions were uncertain or undecided (29.5%)

whereas, among those in a managerial position in 2008, only 9% were uncertain or undecided and 20.9% of these respondents agreed with the statement.

TABLE 4.14: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q19

Q19				
Managerial position during 2008 recession		Frequency	Percent	
No		Strongly disagree	3	6.8
		Disagree	21	47.7
		Undecided or uncertain	13	29.5
		Agree	5	11.4
		Strongly Agree	2	4.5
		Total	44	100.0
Yes		Strongly disagree	11	16.4
		Disagree	33	49.3
		Undecided or uncertain	6	9.0
		Agree	14	20.9
		Strongly Agree	3	4.5
		Total	67	100.0

RO 2: DETERMINE MBA GRADUATES' READINESS TO EXPLORE SCOPE FOR NEW OPPORTUNITIES DURING A RECESSION AS A STRATEGY TO MANAGE THE DOWNTURN.

Scope for new opportunities

Table 4.15 summarises the data gathered while investigating scope for new opportunities

TABLE 4.15: SUMMARY OF DESCRIPTIVE STATISTICS (20- 23Q)

	Q20	Q21	Q22	Q23
Mean	4.24	4.11	4.08	4.35
Median	4.00	4.00	4.00	4.00
Std. Deviation	.576	.623	.640	.683

Table 4.16 shows how the respondents rated each question. Note that for some questions like Q20 some options (such as false and completely false) are not available simply because no respondents ticked these options.

TABLE 4.16: SUMMARY OF DESCRIPTIVE STATISTICS, SHOWING THE DIFFERENCE BETWEEN MANAGERS AND NON-MANAGERS (20- 23Q)

Managerial position during 2008 recession		Q20	Q21	Q22	Q23
No	Mean	4.18	4.07	4.09	4.36
	Median	4.00	4.00	4.00	5.00
	Std. Deviation	.582	.625	.676	.780
Yes	Mean	4.28	4.13	4.08	4.34
	Median	4.00	4.00	4.00	4.00
	Std. Deviation	.572	.625	.620	.617

The mean and median are superior to 3, indicating that these statements were true for the majority of respondents. It is also clear from table 4.16 above that the median and mean are above 4, strengthening the value of these statements. There is almost no difference in the mean scores between the two groups.

RQ 20: I always create a climate where staff can be creative and innovative irrespective of the state of the economy.

Table 4.17, show that the majority of respondents, 61.3%, believed the statement to be true.

TABLE 4.17: RESULT OF LIKERT-SCALE ANSWERS (Q20)

Q20			
		Frequency	Percent
	Uncertain	8	7.2
	True	68	61.3
	Completely true	35	31.5
	Total	111	100.0

The results in table 4.18 depict that 90.9% of participants who were not in managerial positions in 2008 believe the statement to be true or completely true, while 94% of respondents in managerial positions believe it to be true or completely true.

TABLE 4.18: THE SPLIT BETWEEN MANAGERS AND NON MANAGERS Q20

Q20				
Managerial position during 2008 recession			Frequency	Percent
No		Uncertain	4	9.1
		True	28	63.6
		Completely true	12	27.3
		Total	44	100.0
Yes		Uncertain	4	6.0
		True	40	59.7
		Completely true	23	34.3
		Total	67	100.0

RQ 21: I encourage the identification of new opportunities during an economic downturn from my staff.

In Table 4.19, 60.4% of respondents encouraged the identification of new opportunities during a recession by their staff, by acknowledging the statement as true.

TABLE 4.19: RESULT OF LIKERT-SCALE ANSWERS (Q21)

Q21			
		Frequency	Percent
	Uncertain	16	14.4
	True	67	60.4
	Completely true	28	25.2
	Total	111	100.0

Table 4.20 shows that respondents who were managers in 2008 have a greater number of completely true responses.

TABLE 4.20: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q21

Q21				
Managerial position during 2008 recession		Frequency	Percent	
No		Uncertain	7	15.9
		True	27	61.4
		Completely true	10	22.7
		Total	44	100.0
Yes		Uncertain	9	13.4
		True	40	59.7
		Completely true	18	26.9
		Total	67	100.0

RQ 22: At networking events I always look for opportunities to build relationships that will lead to new business with potential prospects.

Table 4.21 shows that the majority of respondents (58.7%) supported this statement as true, while 24.7% stated that it was completely true.

TABLE 4.21: RESULT OF LIKERT-SCALE ANSWERS (Q22)

Q22			
		Frequency	Percent
	Uncertain	18	16.5
	True	64	58.7
	Completely true	27	24.8
	Total	109	100.0

The split of the results in Table 4.22 reflects a similar situation to the overall results in Table 4.21. However, respondents who were in a managerial position in 2008 had a 7% higher true response rate.

TABLE 4.22: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q22

Q22			
Managerial position during 2008 recession		Frequency	Valid Percent
No	Uncertain	8	18.2
	True	24	54.5
	Completely true	12	27.3
	Total	44	100.0
Yes	Uncertain	10	15.4
	True	40	61.5
	Completely true	15	23.1
	Total	65	100.0

RQ 23: I do not encourage staff to look for business opportunities during a recession because it is too costly and time consuming.

The majority of respondents believed the statement to be true or completely true as shown in Table 4.23.

TABLE 4.23: RESULT OF LIKERT-SCALE ANSWERS (Q23)

Q23			
		Frequency	Valid Percent
Valid	Uncertain	13	11.7
	True	46	41.4
	Completely true	52	46.8
	Total	111	100.0

Table 4.24 shows that, among respondents that were not in managerial positions in 2008, a total of 27.3% felt that the statement was true, and 54.5% opted for completely true, together making up 81.8% of the responses. Of those respondents who were in a managerial position in 2008, 50.7% said that statement was true, while 41.8% saw the statement as completely true, which together make up a total response of 92.5%; this is higher than the responses from participants that were not in a managerial position.

TABLE 4.24: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q23

Q23				
Managerial position during 2008 recession			Frequency	Percent
No		Uncertain	8	18.2
		True	12	27.3
		Completely true	24	54.5
		Total	44	100.0
Yes		Uncertain	5	7.5
		True	34	50.7
		Completely true	28	41.8
		Total	67	100.0

RO 3: ASCERTAIN MBA GRADUATES' READINESS TO EMPLOY CORPORATE GOVERNANCE DURING A RECESSION AS A STRATEGY TO MANAGE THE DOWNTURN.

Corporate Governance

Table 4.25 indicates that questions 32, 33, 34 and 35 have a mean and median greater than 4, suggesting that respondents agreed and strongly agreed with the statements put forward.

TABLE 4.25: SUMMARY OF DESCRIPTIVE STATISTICS (32- 35Q)

	Q32	Q33	Q34	Q35
Mean	4.37	4.37	4.33	4.21
Median	5.00	5.00	5.00	4.00
Std. Deviation	1.019	.874	.943	.977

Table 4.26 shows the breakdown of the responses, split between respondents who were in managerial positions and those who were not during the 2008 recession. It is identified that both respondents in a managerial position and those that were not, show a strong response based on a high mean and median superior to 4, indicating agreement with the statement. There is almost no difference in the mean scores of the two groups.

TABLE 4.26: SUMMARY OF DESCRIPTIVE STATISTICS, SHOWING THE DIFFERENCE BETWEEN MANAGERS AND NON-MANAGERS (32- 35Q)

Managerial position during 2008 recession		Q32	Q33	Q34	Q35
No	Mean	4.30	4.31	4.26	4.21
	Median	5.00	5.00	4.00	4.00
	Std. Deviation	1.186	1.000	.978	.965
Yes	Mean	4.42	4.42	4.38	4.22
	Median	5.00	5.00	5.00	4.00
	Std. Deviation	.900	.788	.924	.992

RQ 32: I encourage ethical behaviour at all times for myself and staff

Table 4.27 shows that 57.4% of the respondents strongly agreed with the statement and 35.2% agreed.

TABLE 4.27: RESULT OF LIKERT-SCALE ANSWERS (Q32)

Q32		
	Frequency	Percent
Strongly disagree	7	6.5
Undecided or uncertain	1	.9
Agree	38	35.2
Strongly Agree	62	57.4
Total	108	100.0

The split results of this question are displayed below based on whether respondents were in a managerial position during the 2008 recession. The results are similar and the support for ethical behaviour is clear; however, it is noted that 60.5% of the respondents not in a managerial position in 2008 strongly agreed whereas only 55.4% of the respondents in a managerial position in 2008 strongly agreed. This shows a slightly higher commitment to ethical behaviour by respondents not in a managerial position during the 2008 recession.

TABLE 4.28: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q32

Q32				
Managerial position during 2008 recession			Frequency	Percent
No		Strongly disagree	4	9.3
		Undecided or uncertain	1	2.3
		Agree	12	27.9
		Strongly Agree	26	60.5
		Total	43	100.0
Yes		Strongly disagree	3	4.6
		Agree	26	40.0
		Strongly Agree	36	55.4
		Total	65	100.0

RQ 33: I ensure ethical, legal and regulatory standards are upheld in the company

Table 4.29 shows that respondents agreed (41.1%) and strongly agreed (52.3%) with this statement.

TABLE 4.29: RESULT OF LIKERT-SCALE ANSWERS (Q33)

Q33			
		Frequency	Valid Percent
	Strongly disagree	3	2.8
	Disagree	3	2.8
	Undecided or uncertain	1	.9
	Agree	44	41.1
	Strongly Agree	56	52.3
	Total	107	100.0

There is little or no difference in the responses to the statement in table 4.30 by respondents in managerial positions and those not in managerial positions. The only noticeable difference is that 7.2% of respondents not in a managerial position disagreed or strongly disagreed, compared with 4.6% for respondents in a managerial position. This suggests that a minority of respondents that were not in a managerial position did not ensure that ethical, legal and regulatory standards were upheld in their companies.

TABLE 4.30: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q33

Q33			
Managerial position during 2008 recession		Frequency	Percent
No	Strongly disagree	2	4.8
	Disagree	1	2.4
	Undecided or uncertain	1	2.4
	Agree	16	38.1
	Strongly Agree	22	52.4
	Total	42	100.0
Yes	Strongly disagree	1	1.5
	Disagree	2	3.1
	Agree	28	43.1
	Strongly Agree	34	52.3
	Total	65	100.0

RQ 34: I act in a manner which is in the best interest of the owners and other stakeholders.

Table 4.31 shows an overall response of a 51.4% in favour of strongly agree, followed by 40.4% in favour of agree.

TABLE 4.31: RESULT OF LIKERT-SCALE ANSWERS (Q34)

Q34			
		Frequency	Percent
	Strongly disagree	5	4.6
	Disagree	1	.9
	Undecided or uncertain	3	2.8
	Agree	44	40.4
	Strongly Agree	56	51.4
	Total	109	100.0

Table 4.32 shows that the majority of all the respondents agreed that they act in the best interests of owners and shareholders.

TABLE 4.32: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q34

Q34			
Managerial position during 2008 recession		Frequency	Percent
No	Strongly disagree	2	4.7
	Disagree	1	2.3
	Undecided or uncertain	1	2.3
	Agree	19	44.2
	Strongly Agree	20	46.5
	Total	43	100.0
Yes	Strongly disagree	3	4.5
	Undecided or uncertain	2	3.0
	Agree	25	37.9
	Strongly Agree	36	54.5
	Total	66	100.0

RQ 35: I promote the understanding of purpose and policies of my organisation.

Table 4.33 reflects respondents' understanding of the purpose and policies of their organisations. It shows that 45.4% of respondents strongly agreed that they promote an understanding of the purpose and policies of their organisation, while 41.7% agreed.

TABLE 4.33: RESULT OF LIKERT-SCALE ANSWERS (Q35)

Q35		
	Frequency	Percent
Strongly disagree	4	3.7
Disagree	4	3.7
Undecided or uncertain	6	5.6
Agree	45	41.7
Strongly Agree	49	45.4
Total	108	100.0

The respondents in managerial positions in 2008 showed a stronger position in relation to this statement as opposed to those not in a managerial position. In total, 47.7% of the respondents in a managerial position in 2008 strongly agreed with the statement compared with 41.9% of the respondents not in a managerial position.

TABLE 4.34: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q35

Q35				
Managerial position during 2008 recession			Frequency	Percent
No		Strongly disagree	2	4.7
		Disagree	1	2.3
		Undecided or uncertain	1	2.3
		Agree	21	48.8
		Strongly Agree	18	41.9
		Total	43	100.0
Yes		Strongly disagree	2	3.1
		Disagree	3	4.6
		Undecided or uncertain	5	7.7
		Agree	24	36.9
		Strongly Agree	31	47.7
		Total	65	100.0

RO 4: UNDERSTAND MBA GRADUATES' READINESS TO USE A PARADIGM SHIFT DURING A RECESSION AS A STRATEGY TO MANAGE THE DOWNTURN.

Paradigm Shift

Table 4.35 indicates that Q24, Q25, Q26 and Q27 show mean and medians above 3. These strong values show that respondents tended to agree and strongly agree with the statements.

TABLE 4.35: SUMMARY OF DESCRIPTIVE STATISTICS (24 – 27Q)

	Q24	Q25	Q26	Q27
Mean	4.05	4.08	3.82	3.92
Median	4.00	4.00	4.00	4.00
Standard Deviation	.761	.728	.936	.916

The mean and median are greater than 3, indicating that the majority of the respondents agreed or strongly agreed with these statements. Table 4.36 also shows that the median and mean are close to 4, strengthening the value of these statements. There is almost no difference in the mean scores of the two groups.

TABLE 4.36: SUMMARY OF DESCRIPTIVE STATISTICS, SHOWING THE DIFFERENCE BETWEEN MANAGERS AND NON-MANAGERS (24 - 27Q)

Managerial position during 2008 recession		Q24	Q25	Q26	Q27
No	Mean	4.07	4.23	3.84	3.84
	Median	4.00	4.00	4.00	4.00
	Std. Deviation	.545	.642	.914	.939
Yes	Mean	4.04	3.99	3.81	3.97
	Median	4.00	4.00	4.00	4.00
	Std. Deviation	.878	.769	.957	.904

RQ 24: I constantly encourage myself and others to look for different ways of doing things during a recession.

Table 4.37 indicates that 67% of the respondents strongly agreed that they look for different ways to do things during a recession, while only 3.6% disagreed with the statement.

TABLE 4.37: RESULT OF LIKERT-SCALE ANSWERS (Q24)

Q24			
		Frequency	Percent
	Strongly disagree	2	1.8
	Disagree	4	3.6
	Undecided or uncertain	5	4.5
	Agree	75	67.6
	Strongly Agree	25	22.5
	Total	111	100.0

The split of responses in Table 4.38 shows that more participants (26.9%) a managerial position strongly agreed with this statement, than those who were not in a managerial position (15.9%).

TABLE 4.38: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q24

Q24				
Managerial position during 2008 recession			Frequency	Percent
No		Disagree	1	2.3
		Undecided or uncertain	2	4.5
		Agree	34	77.3
		Strongly Agree	7	15.9
		Total	44	100.0
Yes		Strongly disagree	2	3.0
		Disagree	3	4.5
		Undecided or uncertain	3	4.5
		Agree	41	61.2
		Strongly Agree	18	26.9
		Total	67	100.0

RQ 25: I share technology and knowledge easily.

Table 4.39 shows that the majority of the respondents (60.4%) agreed that they shared technology and knowledge easily.

TABLE 4.39: RESULT OF LIKERT-SCALE ANSWERS (Q25)

Q25			
		Frequency	Percent
	Disagree	5	4.5
	Undecided or uncertain	10	9.0
	Agree	67	60.4
	Strongly Agree	29	26.1
	Total	111	100.0

Table 4.40 indicates that a larger majority of respondents not in a managerial position in 2008 agreed or strongly agreed with the statement than those in a managerial position

TABLE 4.40: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q25

Q25			
Managerial position during 2008 recession		Frequency	Valid Percent
No	Disagree	1	2.3
	Undecided or uncertain	2	4.5
	Agree	27	61.4
	Strongly Agree	14	31.8
	Total	44	100.0
Yes	Disagree	4	6.0
	Undecided or uncertain	8	11.9
	Agree	40	59.7
	Strongly Agree	15	22.4
	Total	67	100.0

RQ 26: I support the need if entire departments are eliminated to make place for more relevant departments.

Table 4.41 shows that 52.3% of the respondents agreed with this statement.

TABLE 4.41: RESULT OF LIKERT-SCALE ANSWERS (Q26)

Q26			
		Frequency	Valid Percent
	Strongly disagree	1	.9
	Disagree	13	11.7
	Undecided or uncertain	15	13.5
	Agree	58	52.3
	Strongly Agree	24	21.6
	Total	111	100.0

The information in table 4.42 shows stronger agreement with this statement by participants not in a managerial position in 2008.

TABLE 4.42: THE SPLIT BETWEEN MANAGERS AND NON- MANAGERS Q26

Q26			
Managerial position during 2008 recession		Frequency	Percent
No	Strongly disagree	1	2.3
	Disagree	4	9.1
	Undecided or uncertain	4	9.1
	Agree	27	61.4
	Strongly Agree	8	18.2
	Total	44	100.0
Yes	Disagree	9	13.4
	Undecided or uncertain	11	16.4
	Agree	31	46.3
	Strongly Agree	16	23.9
	Total	67	100.0

RQ 27: I encourage the introduction of new technology that radically alters the production process of a good.

The majority of the respondents (45%) agreed with the statement that they encourage the introduction of technology as shown in Table 4.43.

TABLE 4.43: RESULT OF LIKERT-SCALE ANSWERS (Q27)

Q27			
		Frequency	Percent
	Strongly disagree	1	.9
	Disagree	8	7.2
	Undecided or uncertain	21	18.9
	Agree	50	45.0
	Strongly Agree	31	27.9
	Total	111	100.0

Table 4.44 identifies that more respondents in a managerial position strongly agreed with the statement (31.3%) than those not in a managerial position (22.7%). Identifying respondents in a managerial position are more supportive of the statement than those respondents not in a managerial position. However, the overall response to the statement is favourable among both groups.

TABLE 4.44: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q27

Q27				
Managerial position during 2008 recession			Frequency	Percent
No	Valid	Strongly disagree	1	2.3
		Disagree	3	6.8
		Undecided or uncertain	8	18.2
		Agree	22	50.0
		Strongly Agree	10	22.7
		Total	44	100.0
Yes	Valid	Disagree	5	7.5
		Undecided or uncertain	13	19.4
		Agree	28	41.8
		Strongly Agree	21	31.3
		Total	67	100.0

RO 5: ASCERTAIN MBA GRADUATES' READINESS TO EMPLOY APPROPRIATE SPACE CREATION DURING A RECESSION AS A STRATEGY TO MANAGE THE DOWNTURN.

Appropriate space creation

Table 4.45 represents questions 28, 29, 30 and 31. It shows that a mean and median of above 3 are noted in all questions. This suggests that the general tendency is that the respondents agreed with the statements, meaning that they applied this strategy.

TABLE 4.45: SUMMARY OF DESCRIPTIVE STATISTICS (28 – 30Q)

	Q28	Q29	Q30	Q31
Mean	3.91	3.91	3.21	3.62
Median	4.00	4.00	3.00	4.00
Std. Deviation	.923	.774	1.062	1.158

Table 4.46 highlights how respondents who were managers in 2008 perceived this strategy as opposed to those who were not. The means and medians are all superior to 3, indicating that the respondents agreed with the statements and they are valid.

TABLE 4.46: SUMMARY OF DESCRIPTIVE STATISTICS, SHOWING THE DIFFERENCE BETWEEN MANAGERS AND NON-MANAGERS (28 - 31Q)

Managerial position during 2008 recession		Q28	Q29	Q30	Q31
No	Mean	3.88	3.98	3.26	3.64
	Median	4.00	4.00	4.00	4.00
	Std. Deviation	.889	.790	1.014	1.100
Yes	Mean	3.92	3.88	3.17	3.61
	Median	4.00	4.00	3.00	4.00
	Std. Deviation	.950	.766	1.098	1.203

RQ 28: I look for ways to create new market space as a strategy to manage a recession.

Table 4.47 below shows that the respondents agreed that they looked for ways to create new market space as a strategy to manage a recession.

TABLE 4.47: RESULT OF LIKERT-SCALE ANSWERS (Q28)

Q28			
		Frequency	Percent
	Strongly disagree	2	1.9
	Disagree	9	8.3
	Undecided or uncertain	12	11.1
	Agree	59	54.6
	Strongly Agree	26	24.1
	Total	108	100.0

Table 4.48 depicts very minor differences between the responses of the respondents in a managerial position in 2008 (agree or strongly agree = 81.8%), and those not in a managerial position (agree or strongly agree = 73.8%). An 8% higher response rate is visible by respondents in a managerial position, showing slightly higher support for the statement. Overall, there was a high tendency to agree with the statement.

TABLE 4.48: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q28

Q28			
Managerial position during 2008 recession		Frequency	Percent
No	Disagree	4	9.5
	Undecided or uncertain	7	16.7
	Agree	21	50.0
	Strongly Agree	10	23.8
	Total	42	100.0
Yes	Strongly disagree	2	3.0
	Disagree	5	7.6
	Undecided or uncertain	5	7.6
	Agree	38	57.6
	Strongly Agree	16	24.2
	Total	66	100.0

RQ 29: I look across accepted boundaries that define how my organisation compete to identify unoccupied territory.

The responses in Table 4.49 indicate that the majority of the respondents (57.1%) agreed with the statement that they look across accepted boundaries to identify unoccupied territory.

TABLE 4.49: RESULT OF LIKERT-SCALE ANSWERS (Q29)

Q29			
		Frequency	Percent
	Disagree	6	5.7
	Undecided or uncertain	18	17.1
	Agree	60	57.1
	Strongly Agree	21	20.0
	Total	105	100.0

Table 4.50 shows a very slight difference between those in a managerial position in 2008 and those who were not. A total of 76.6% of the respondents in managerial positions chose strongly agree or agree, compared with 78.1% of those not in a managerial position. It is also identifies that 23.5% of respondents in a managerial position chose disagree or strongly disagree compared with 22% of those not in a managerial position, also a very minor difference.

TABLE 4.50: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q28

Q29			
Managerial position during 2008 recession		Frequency	Percent
No	Disagree	2	4.9
	Undecided or uncertain	7	17.1
	Agree	22	53.7
	Strongly Agree	10	24.4
	Total	41	100.0
Yes	Disagree	4	6.3
	Undecided or uncertain	11	17.2
	Agree	38	59.4
	Strongly Agree	11	17.2
	Total	64	100.0

RQ 30: I support national cultural and sporting activities to network with other businesses.

Table 4.51 shows that 39.3% of the respondents agreed and 28% disagreed with this statement.

TABLE 4.51: RESULT OF LIKERT-SCALE ANSWERS (Q30)

Q30			
		Frequency	Percent
	Strongly disagree	4	3.7
	Disagree	30	28.0
	Undecided or uncertain	22	20.6
	Agree	42	39.3
	Strongly Agree	9	8.4
	Total	107	100.0

Table 4.52 shows that 35.4% of the respondents in a managerial position agreed with this statement, compared with 45.2% of those not in a managerial position. The table also shows that 49.6% of the respondents in a managerial position “disagreed” or were “undecided or uncertain”, compared with 47.6% of the respondents not in managerial positions.

TABLE 4.52: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q30

Q30				
Managerial position during 2008 recession		Frequency	Percent	
No		Disagree	14	33.3
		Undecided or uncertain	6	14.3
		Agree	19	45.2
		Strongly Agree	3	7.1
		Total	42	100.0
Yes		Strongly disagree	4	6.2
		Disagree	16	24.6
		Undecided or uncertain	16	24.6
		Agree	23	35.4
		Strongly Agree	6	9.2
		Total	65	100.0

RQ 31: I believe in the importance of a balanced social and work environment to create space for diverse groups to work together.

Table 4.53 below shows that 36.8% of the respondents agreed and 25.5% strongly agreed that they believe in the importance of a balanced social and work environment to create space for diverse groups to work together, while 17.9% disagreed and 3.8% strongly disagreed.

TABLE 4.53: RESULT OF LIKERT-SCALE ANSWERS (Q31)

Q31			
		Frequency	Percent
	Strongly disagree	4	3.8
	Disagree	19	17.9
	Undecided or uncertain	17	16.0
	Agree	39	36.8
	Strongly Agree	27	25.5
	Total	106	100.0

Table 4.54 shows the responses based on participants' managerial position during the 2008 recession. It shows that 61% of the respondents in a managerial position agreed or strongly agreed with the statement, compared with 64.3% of respondents in non-managerial positions, representing a minimal difference.

TABLE 4.54: THE SPLIT BETWEEN MANAGERS AND NON-MANAGERS Q31

Q31			
Managerial position during 2008 recession		Frequency	Percent
No	Disagree	10	23.8
	Undecided or uncertain	5	11.9
	Agree	17	40.5
	Strongly Agree	10	23.8
	Total	42	100.0
Yes	Strongly disagree	4	6.3
	Disagree	9	14.1
	Undecided or uncertain	12	18.8
	Agree	22	34.4
	Strongly Agree	17	26.6
	Total	64	100.0

4.5 MODEL DISCUSSION AND MEETING OBJECTIVES

To identify whether people are using elements of the model even though they may not understand them.

A t-test was performed to identify whether the respondents were using elements of the MOM even though they might not understand them. The independent samples T-test enabled the researcher to verify if there was a statistically significant difference in the mean scores for implementation and intention to implement the five MOM components between those that affirmed that they knew about MOM (Q15) and those who did not.

Table 4.55 below provides the frequency for each element of the MOM.

TABLE 4.55: FREQUENCY FOR EACH ELEMENT OF THE MOM

	Q15 Are you aware of the Managerial optimistic model	Frequency
Need For Diversification	No	74
	Yes	32
Scope For New Opportunities	No	74
	Yes	31
Paradigm Shift	No	75
	Yes	32
Appropriate Space Creation	No	70
	Yes	31
Corporate Governance	No	71
	Yes	30

Table 4.56 below shows the T-test for equality of means.

TABLE 4.56: T-TEST FOR EQUALITY OF MEANS

Five elements of the MOM	t-test for Equality of Means		
	T	Df	Sig. (2-tailed)
Need For Diversification	1.183	40.135	.244
Scope For New Opportunities	-.686	103	.494
Paradigm Shift	-1.678	105	.096
Appropriate Space Creation	-.655	99	.514
Corporate Governance	-.109	99	.913

The independent samples T-test shows that there is no significant difference in the five MOM element scores for people who were aware of the MOM and those who were not. All the *p-values* (see column sig. 2-tailed) were largely superior to the threshold of 0.05. In other words, the respondents who were not aware of the MOM could not implement the MOM strategies and vice-versa.

Correlation between MOM components

Table 4.57 shows the inter-correlations between the five components of the MOM to determine if the implementation of one strategy implies the implementation of others.

TABLE 4.57: CORRELATION BETWEEN MOM COMPONENTS

		Correlations				
		Need for Diversification	Scope For New Opportunities	Paradigm Shift	Appropriate Space Creation	Corporate Governance
Need for Diversification	Pearson Correlation	1	.156	.089	.180	.093
	Sig. (2-tailed)		.106	.357	.069	.348
	N	110	108	110	103	104
Scope For New Opportunities	Pearson Correlation	.156	1	.193*	.204*	.152
	Sig. (2-tailed)	.106		.044	.040	.126
	N	108	109	109	102	103
Paradigm Shift	Pearson Correlation	.089	.193*	1	.256**	.058
	Sig. (2-tailed)	.357	.044		.009	.555
	N	110	109	111	104	105
Appropriate Space Creation	Pearson Correlation	.180	.204*	.256**	1	.237*
	Sig. (2-tailed)	.069	.040	.009		.018
	N	103	102	104	104	99
Governance	Pearson Correlation	.093	.152	.058	.237*	1
	Sig. (2-tailed)	.348	.126	.555	.018	
	N	104	103	105	99	105

The numbers with stars () indicate statistically significant correlations.*

The correlation table below indicates very low and positive correlations between the MOM components. The *Need For Diversification* is not significantly correlated to any of the four other MOM components. In other words, the application of the Diversification Strategy is not related to the application of other MOM strategies. *For New Opportunities* is weakly correlated to *Paradigm* ($r = .193$, $p = .044 < .05$) and *Appropriate Space Creation* ($r = .204$; $p = .040$). The *Paradigm* is correlated to *Scope for New Opportunities* and *Appropriate Space Creation*; and *Governance* is related to *Appropriate Space Creation*.

IMPORTANCE OF THE MOM COMPONENTS (Q36)

On a 5-point scale (from *Not at all important* [1] to *Very important* [5]) the respondents ranked the five components of the MOM (Table 4.58)

Table 4.58 indicates that the majority of the respondents perceived each of these strategies as important. However it is essential to note that the strategy *Appropriate Space Creation* has a mean close to 3 and a high Std deviation of 1.233, which indicates a disparity in the responses.

TABLE 4.58: RESPONDENTS' VIEWS ON EACH COMPONENT OF THE MOM

	Need For Diversification	Scope For New Opportunities	Paradigm shift	Appropriate space creation	Corporate Governance
Mean	4.31	4.11	3.36	3.12	4.56
Median	5.00	4.00	3.00	3.00	5.00
Std. Deviation	.888	.811	1.140	1.233	.820

Table 4.59 shows the importance of the five MOM strategies according to the managerial position held or not during the 2008 recession.

TABLE 4.59: SUMMARY OF DESCRIPTIVE STATISTICS EXAMINING THE FIVE ELEMENTS OF THE MOM

Statistics						
Managerial position during 2008 recession		Need For Diversification	Scope For New Opportunities	Paradigm Shift	Appropriate Space Creation	Corporate Governance
No	Mean	4.21	4.07	3.42	3.10	4.37
	Median	5.00	4.00	4.00	3.00	5.00
	Std. Deviation	1.036	.828	1.029	1.246	1.024
Yes	Mean	4.38	4.14	3.31	3.13	4.69
	Median	5.00	4.00	3.00	3.00	5.00
	Std. Deviation	.771	.805	1.218	1.235	.616

Table 4.59 indicates that the majority of respondents felt that the five MOM strategies were important. There is no significant difference between the mean score of those who were in a managerial position and those that were not, indicating that the responses for both groups are true.

Tables 4.60 to Table 4.69 provide more details on how the respondents perceived the importance of each strategy.

NEED FOR DIVERSIFICATION

Table 4.60 indicates that the majority of participants found the strategy of *diversification* very important (N= 56; 52.8%).

TABLE 4.60: NEED FOR DIVERSIFICATION AS A STRATEGY

Need For Diversification		
	Frequency	Percent
Not at all important	1	.9
Somewhat important	4	3.8
Moderately important	12	11.3
Important	33	31.1
Very important	56	52.8
Total	106	100.0

Table 4.61 identifies that 88.9% of the respondents in a managerial position viewed *diversification* as being very important or important compared with 76.8% of those in non-managerial positions, suggesting that respondents in a managerial position viewed the need for diversification as more important.

TABLE 4.61: NEED FOR DIVERSIFICATION AS A STRATEGY BASED ON MANAGERIAL POSITION IN 2008

Need For Diversification			
Managerial position during 2008 recession		Frequency	Percent
No	Not at all important	1	2.3
	Somewhat important	2	4.7
	Moderately important	7	16.3
	Important	10	23.3
	Very important	23	53.5
	Total		43
Yes	Somewhat important	2	3.2
	Moderately important	5	7.9
	Important	23	36.5
	Very important	33	52.4
	Total		63

SCOPE FOR NEW OPPORTUNITIES

Table 4.62 below indicates, that majority of the participants found the strategy, *Scope for new opportunities* important (N= 46; 45.5%).

TABLE 4.62: SCOPE FOR NEW OPPORTUNITIES

Scope For New Opportunities			
		Frequency	Percent
	Somewhat important	4	4.0
	Moderately important	16	15.8
	Important	46	45.5
	Very important	35	34.7
	Total	101	100.0

The table shows that 36.2% and 44.8% of the respondents in a managerial position felt that the *Scope for New Opportunities* strategy was very important and important, respectively, while 32.6% 46.5% of those in non-managerial positions found this strategy very important and important, respectively. There is very little difference in the responses, suggesting that both groups of participants felt that this was an important strategy.

TABLE 4.63: SCOPE FOR NEW OPPORTUNITIES AS A STRATEGY BASED ON MANAGERIAL POSITION IN 2008

Scope For New Opportunities				
Managerial position during 2008 recession		Frequency	Percent	
No		Somewhat important	2	4.7
		Moderately important	7	16.3
		Important	20	46.5
		Very important	14	32.6
		Total	43	100.0
Yes		Somewhat important	2	3.4
		Moderately important	9	15.5
		Important	26	44.8
		Very important	21	36.2
		Total	58	100.0

PARADIGM SHIFT

Table 4.64 below shows that the majority of participants felt that the strategy, *Paradigm shift* was moderately important (N= 32; 30.8%).

TABLE 4.64: PARADIGM SHIFT AS A STRATEGY

Paradigm Shift			
		Frequency	Percent
	Not at all important	7	6.7
	Somewhat important	16	15.4
	Moderately important	32	30.8
	Important	31	29.8
	Very important	18	17.3
	Total	104	100.0

In total, 32.8% of the respondents who were in a managerial position in 2008 regarded *Paradigm shift* as moderately important; this is higher than the number of respondents that were not in a managerial position (27.9%). However, 37.2% of those not occupying managerial positions regarded *Paradigm shift* as important compared with 24.6% of those in management positions. These results support the overall responses as there is very little difference between moderately important and important. Exploring the results in more depth, it is identified that the responses from both groups of respondents lie in the not at all important field to the moderately important field, showing that this strategy is not viewed as important as the other MOM strategies.

TABLE 4.65: PARADIGM SHIFT AS A STRATEGY BASED ON MANAGERIAL POSITION IN 2008

Paradigm Shift				
Managerial position during 2008 recession		Frequency	Percent	
No		Not at all important	1	2.3
		Somewhat important	8	18.6
		Moderately important	12	27.9
		Important	16	37.2
		Very important	6	14.0
		Total	43	100.0
Yes		Not at all important	6	9.8
		Somewhat important	8	13.1
		Moderately important	20	32.8
		Important	15	24.6

		Very important	12	19.7
		Total	61	100.0

APPROPRIATE SPACE CREATION

Table 4.66 shows that the *Appropriate space creation* strategy was seen as important (N=32, 30.8%).

TABLE 4.66: APPROPRIATE SPACE CREATION AS A STRATEGY

Appropriate Space Creation			
		Frequency	Percent
Valid	Not at all important	11	10.6
	Somewhat important	26	25.0
	Moderately important	21	20.2
	Important	32	30.8
	Very important	14	13.5
	Total	104	100.0

The breakdown of responses shows that 29% of the respondents in managerial positions regarded *Appropriate Space Creation* as important compared with 33.3% of those in non-managerial positions, a minimal difference. Exploring the results further, it is identified that the responses from both groups of respondents lie in the not at all important field to the moderately important field, showing that this strategy is not regarded as, as important as the other MOM strategies.

TABLE 4.67: APPROPRIATE SPACE CREATION AS A STRATEGY BASED ON MANAGERIAL POSITION IN 2008

Appropriate Space Creation			
Managerial position during 2008 recession		Frequency	Percent
No	Not at all important	5	11.9
	Somewhat important	10	23.8
	Moderately important	8	19.0
	Important	14	33.3
	Very important	5	11.9
	Total	42	100.0
Yes	Not at all important	6	9.7
	Somewhat important	16	25.8
	Moderately important	13	21.0
	Important	18	29.0
	Very important	9	14.5
	Total	62	100.0

CORPORATE GOVERNANCE

Table 4.68 shows that the *corporate governance* strategy was regarded as very important (N=73, 69.5%).

TABLE 4.68: CORPORATE GOVERNANCE AS A STRATEGY

Corporate Governance			
		Frequency	Percent
	Not at all important	2	1.9
	Somewhat important	2	1.9
	Moderately important	4	3.8
	Important	24	22.9
	Very important	73	69.5
	Total	105	100.0

The table 4.69 shows that (that 75.0% and 19.4% of) the respondents in managerial positions during the 2008 recession regarded *Corporate Governance* as being very important and important, respectively, (while 60.5% and 27.9%) of the respondents not in management positions regarded *Corporate Governance* as being very important and important, respectively. These results highlight that respondents in managerial positions in 2008 regarded *Corporate Governance* as more important than the respondents that did not occupy management positions at the time. This supports the overall result that *Corporate Governance* is the most important element of the MOM.

TABLE 4.69: CORPORATE GOVERNANCE AS A STRATEGY BASED ON MANAGERIAL POSITION IN 2008

Corporate Governance				
Managerial position during 2008 recession		Frequency	Percent	
No		Not at all important	2	4.7
		Somewhat important	1	2.3
		Moderately important	2	4.7
		Important	12	27.9
		Very important	26	60.5
		Total	43	100.0
Yes		Somewhat important	1	1.6
		Moderately important	2	3.2
		Important	12	19.4
		Very important	47	75.8
		Total	67	100.0

RO 6: UNDERSTAND MBA GRADUATES' READINESS TO USE ECONOMIC RECOVERY STRATEGIES DURING A RECESSION TO MANAGE THE DOWNTURN.

Responses of managers who were in a managerial position during the 2008 recession

This section explores how the 67 (see question 8 above) managers confronted the 2008 recession. The respondents were required to rate how strongly they agreed with these statements using a 5-point Likert scale.

TABLE 4.70: SUMMARY OF DESCRIPTIVE RESULTS OF RESPONDENTS WHO WERE IN A MANAGERIAL POSITION IN 2008

	Q9	Q10	Q11
Mean	3.47	3.59	3.86
Std. Deviation	1.153	1.228	.991
Minimum	1	1	1
Maximum	5	5	5

Table 4.70 shows that the means are above the value of 3 (undecided or uncertain); this shows that the majority of respondents agreed with the statements. However, the standard deviation (Std. Deviation) shows that there are disparities in the responses.

To take the analysis further, the researcher explored how the respondents rated each item.

TABLE 4.71: BREAKDOWN OF THE ANSWERS OF RESPONDENTS WHO WERE IN MANAGERIAL POSITIONS

	Q9		Q10		Q11	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Strongly disagree	4	6.1	3	4.5	2	3.0
Disagree	14	21.2	15	22.7	4	6.1
Undecided or uncertain	4	6.1	5	7.6	13	19.7
Agree	35	53.0	26	39.4	29	43.9
Strongly Agree	9	13.6	17	25.8	18	27.3
Total	66	100.0	66	100.0	66	100.0

Table 4.71 shows that, in response to Q9, 53% agreed and 13.6% strongly agreed, but only 21.2% disagreed.

Responses of managers who were not in a managerial position during the 2008 recession

Table 4.72 indicates that the mean of Q12 and Q13 shows that the majority of respondents perceived this statement are likely, whereas Q14 presents a mean of 3. The standard deviations are all above 1.

TABLE 4.72: SUMMARY OF DESCRIPTIVE RESULTS OF RESPONDENTS WHO WERE NOT IN A MANAGERIAL POSITION IN 2008

	Q12	Q13	Q14
Mean	3.78	3.83	3.00
Std. Deviation	1.050	1.010	1.396
Minimum	2	1	1
Maximum	5	5	5

Table 4.73 presents how the respondents perceived each item.

TABLE 4.73: BREAKDOWN OF ANSWERS OF RESPONDENTS WHO WERE NOT IN MANAGERIAL POSITIONS

		Q12		Q13		Q14	
Managerial position during 2008 recession		Frequency	Percent	Frequency	Percent	Frequency	Percent
	Very unlikely	0	0	1	2.5	10	25.0
	Unlikely	8	20.0	5	12.5	5	12.5
	Undecided	3	7.5	3	7.5	3	7.5
	Likely	19	47.5	22	55.0	19	47.5
	Very likely	10	25.0	9	22.5	3	7.5
	Total	40	100.0	40	100.0	40	100.0

PARTICIPANTS' AWARENESS OF THE MANAGERIAL OPTIMISTIC MODEL

Figure 4.6 and Table 4.74 identify the number of respondents who were aware of the MOM. It became evident that 70% of the respondents were not aware of this model.

FIGURE 4.6: NUMBER OF PARTICIPANTS WHO WERE AWARE OF THE MANAGERIAL OPTIMISTIC MODEL

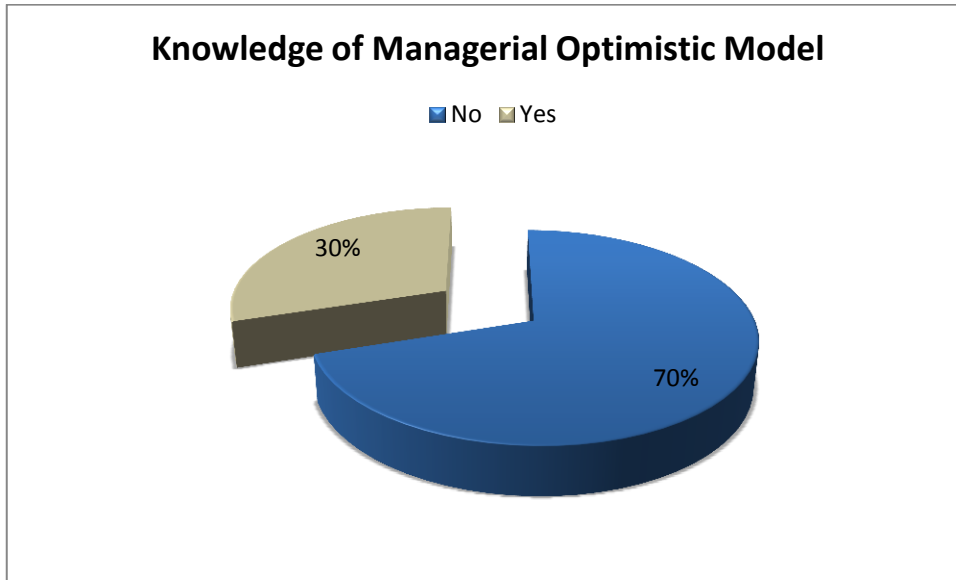


TABLE 4.74: AWARENESS OF MANAGERIAL OPTIMISTIC MODEL

Q15			
		Frequency	Percent
	No	75	70.1
	Yes	32	29.9
	Total	107	100.0

To extend the analysis, the Chi-square test for independence was performed to check whether knowledge of the MOM differed according to age group, number of years since being awarded the MBA, managerial position, years of experience in the managerial position and sector. The table 4.75 indicates that knowledge of the MOM did not vary significantly according to these demographical variables. All the p-values are largely > .005.

TABLE 4.75: DEMOGRAPHIC INFORMATION

Demographic information	Chi-Square	Phi	P-value
Age group	2.918	.165	.572
Years of MBA	.953	.095	.917
Managerial position	5.128	.220	.401
Year of experience in the managerial position	4.753	.212	.576
Sector	13.160	.352	.215

4.6 RELIABILITY TEST

Table 4.76 summarises the reliability test for the internal consistency in the scales that measure the MOM. The Coefficient Cronbach's alphas were used to check the reliability and are displayed below.

TABLE 4.76: CRONBACH'S ALPHA

Scales	Cronbach's Alpha
Need for diversification	.622
Scope for new opportunities	.411
Paradigm shift	.613
Appropriate space creation	.616
Corporate governance	.945*

According to Schmitt (1996: 350), the Cronbach's Alpha coefficient should be above 0.70. In Table 4.76, only the scale *Corporate Governance* has good reliability above 0.70. However, according to Field (2007: 666), an acceptable level of low reliability (e.g., 0.50) does not significantly reduce reliability as it is dependent on the use of the test and interpretation.

4.7 CONCLUSION

This chapter presented and explained the demographic data, the split between respondents in managerial positions in 2008 and those not in a managerial position, the link between the questions in the questionnaire and the research objectives and the MOM. The reliability of the MOM was also explained and supported.

The following chapter presents a discussion of the results, recommendations and conclusions.

CHAPTER 5

DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION

This study aimed to determine South African MBA graduates' readiness to manage organisations' profitability during an economic downturn. It did so by assessing the respondent's readiness to utilise the five elements of the MOM, as well as economic recovery strategies during the downturn to better manage the recession. The literature review highlighted criticism of MBA graduates and business schools and their curriculums as well as other aspects relating to the study. The general readiness of MBA graduates to face a recession was also examined in the South African business environment.

This chapter presents the study's recommendations and conclusions. The objectives are reiterated and recommendations and conclusions are set out based on each objective. The chapter also makes suggestions for future research, discusses the study's contribution to the existing body of knowledge and provides an overall conclusion.

5.2 DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS ON THE RESEARCH OBJECTIVES FOR THIS STUDY

5.2.1 Research Objective 1

The first objective of this study was to:

Identify MBA graduates' readiness to encourage the need for diversification during a recession as a strategy to manage the downturn

The corresponding research question was:

How ready are MBA graduates to encourage the need for diversification during a recession as a strategy to manage the downturn?

This objective aimed to assess whether MBA graduates were ready to encourage the need for diversification as set out in the MOM. The research instrument for this study was a questionnaire. Four questions were asked relating to the need for diversification. The responses to these questions were analysed with the assistance of a professional statistician.

The study ascertained that 81.1% of the respondents "agreed" or "strongly agreed" that they encourage diversification to manage risk by minimising the harm to the business during economic downturns. When these results were split between the respondents in managerial

positions during the 2008 recession and those that were not in managerial positions, it was noted that more respondents that were not in managerial positions supported this strategy.

In terms of expanding into a business activity that does not negatively react to the same economic downturns as their current business activity, the mean of 3.93 indicated strong support for the statement. Furthermore, there was no difference between the responses from respondents in a managerial position in 2008 and those that were not in a managerial position. This suggests that expanding into a different business activity during a recession could be a feasible option.

It was ascertained that 77.5% of the respondents agreed or strongly agreed that they support investment in a variety of assets to reduce risk. The responses had a mean of 3.83, indicating agreement with the statement. There was no noticeable difference in the results based on years of experience in a managerial position. The data analysis revealed that the respondents would pursue diversification even if it meant that staff would be retrenched. Respondents in a managerial position in 2008, were more supportive of this idea than those that were not in a managerial position in 2008.

Overall the data analysis showed that the respondents were supportive of the need for diversification. When ranked in comparison to the other elements of the model, the need for diversification achieved a mean of 4.31 which was the second highest mean and a median of 5, showing overall agreement on the need for diversification as a strategy to manage a recession. The idea of spreading the risk and diversification is supported by Pearce and Michael (2006: 205) who suggest spreading risk across locations and markets, as well as finding alternative options during a recession to adapt to the new environment. Nithiyanandan (2013: 2) supports the idea of being open and flexible to new radical and creative ideas which are part of diversification. It is further suggested that creativity is needed as solutions are never easy during a recession and out of the box ideas and solutions are required.

5.2.1.1 Recommendations for objective 1

Businesses schools should focus on equipping MBA graduates with skills that will enable them to implement diversification, while there is strong support for this strategy, implementation is based purely on experience and not on academic training.

Practical hands on application of the process of diversification should be incorporated into academic programmes through simulations which would allow MBA graduates to become confident in dealing with change and looking for alternative options.

5.2.1.2 Conclusion for objective 1

The majority of the respondents supported the need for diversification as a strategy to manage a recession. This shows their readiness to encourage the need for diversification. This strategy was regarded as the second most important component of the MOM. The research objective was therefore achieved and the research question answered.

5.2.2 Research Objective 2

The second objective of this study was to:

Determine MBA graduates' readiness to explore the scope for new opportunities during a recession as a strategy to manage the downturn

The corresponding research question was:

To what extent are MBA graduates ready to explore the scope for new opportunities during a recession as a strategy to manage the downturn?

This objective aimed to assess whether MBA graduates were ready to explore the scope for new opportunities as set out in the MOM. Four questions relating to objective two were included in the questionnaire and analysed with the assistance of a professional statistician.

The data analysis showed that the respondents supported and encouraged the scope for new opportunities; this is supported by a mean greater than 4 in questions relating to this objective. The strong support of 92.8% for the creation of a climate where staff can be creative and innovative irrespective of the state of the economy shows the importance of this factor in managing a recession. Furthermore, there was minimal to no difference in the responses from respondents who were in a managerial position in 2008 and those who were not.

It was ascertained that 60.4% of respondents found the following statement true, while 25.2% found it completely true: I encourage the identification of new opportunities during an economic downturn from my staff. The mean of 4.11 indicated strong support of this statement. The respondents who were in managerial positions and those who were not had similar responses to the statement.

Furthermore, 58.7% of the respondents stated that it was true that at networking events, they would always look for opportunities to build relationships that will lead to new business prospects, while 24.8% found the statement to be completely true. The mean of 4.08 indicated strong support, which suggests that MBA graduates understand the importance of networking.

It was evident that 46.8% of respondents chose completely true and 41.4% of respondents chose true for the following statement: I do not encourage staff to look for business opportunities

during a recession because it is too costly and time-consuming. This highlights a potential issue as the responses to the previous questions indicate support for scope for new opportunities, yet the large majority of the respondents stated that they do not encourage their staff to look for business opportunities during a recession. Moreover, 50.7% of the respondents in managerial positions found this statement true, and 41.8% found it completely true. However, 27.3% of the respondents that did not occupy managerial positions found the statement true, while 54.5% found it completely true. This shows that the larger majority of managers who were in a managerial positions in 2008 supported the statement, and thus indirectly do not allow staff to look for new opportunities.

Overall the data analysis showed that the respondents supported the need to explore the scope for new opportunities. When ranked in comparison with the other elements of the model, scope for new opportunities achieved a mean of 4.11, which was the third highest mean and a median of 4, showing overall agreement and the positive standing of the scope for new opportunities as a strategy to manage a recession. Clark (2009: 48) supports this strategy and suggests involving employees as this boosts employee morale and commitment and unearths new solutions and opportunities. Being able to inspire employees who have to do more with less is an important element of finding new opportunities during a recession. Nithiyandandan (2013: 2) notes the need to be being flexible and creative during a recession and to be open to new ideas even during tough situations such as downsizing and layoffs. He posits that managers can be flexible by proactively looking at new ideas and market needs that could be extremely profitable in the future although they were not part of the organisation's business focus in the past. Pearce and Michael (2006: 206) suggest prescriptions to manage a recession including preparing for economic recovery by focusing on maintaining the business position and utilising business opportunities created by the recession, such as bargain buying and cheap markets, thus looking for new opportunities, which is in line with this research objective. Branson (2011: 1) supports the above views and further suggests that during a recession, managers should look for opportunities and use them such as the low costs of starting a business and the high availability of highly skilled staff, which are invaluable in achieving recovery. Reeves and Deimler (2009: 13) suggest taking customers as well as property or assets which could become available from weakened rivals.

5.2.2.1 Recommendations for objective 2

MBA graduates show strong support for looking for new opportunities yet they do not take up opportunities during networking events. Business schools need to offer networking skills and opportunities to MBA students and graduates. This can be done through guest lectures,

consulting firms, national and international conferences/seminars and business breakfast sessions.

Furthermore, there is a contradiction in that the respondents supported the scope for new opportunities, yet stated that they do not encourage their staff to look for new opportunities due to costs and time. MBA graduates need to consider the long term value of opportunities against short term cost implications. Business schools need to give their graduates the ability to be able see the long term benefits of time consuming and costly activities during a recession, which can improve the current situation as well as have long term benefits. MBA graduates need to be proactive rather than reactive to the environment. Business schools need to place greater focus on corporate entrepreneurship, creative problem-solving, innovation and quick change management strategies to meet the demands of a changing business environment and economy.

5.2.2.2 Conclusion for objective 2

While the majority of the respondents seemed to be ready to explore the scope for new opportunities during a recession as a strategy, to some extent, they did not see the bigger picture and the long term impact of decisions. They focused on cost saving in the immediate term rather than looking for new opportunities to spread the impact of the financial risk of a recession. However, the objective was achieved as the majority of the respondents chose completely true and true for the statements which identified their readiness to explore scope for new opportunities as a strategy during a recession.

5.2.3 Objective 3

The third objective of this study was to:

Ascertain MBA graduates' readiness to employ corporate governance during a recession as a strategy to manage the downturn

The corresponding research question was:

How ready are MBA graduates to employ corporate governance during a recession as a strategy to manage the downturn?

This research objective aimed to ascertain MBA graduates' readiness to employ corporate governance during a recession as a strategy to manage the downturn, as set out in the MOM. Through the research instrument four questions directly relating to corporate governance, were asked. The responses to these questions were analysed with the assistance of a professional statistician.

Corporate governance was the most accepted and highest ranked element of the MOM with a mean of 4.56, median of 5 and standard deviation of 0.820. It was found that 57.4% of the respondents strongly agreed that they encourage ethical behaviour at all times for themselves and staff, while 35.2 agreed with the statement. These results show strong support for ethical behaviour which is very positive for the South African environment, especially since only 9% of respondents covered Business Ethics/Corporate Governance in their MBA curriculum. It would be useful to explore this issue further as, while respondents might think that they behave ethically, they might not, because ethics are influenced by various elements like culture and religion.

Furthermore, 52.3% of the respondents “strongly agreed” and 41.1% “agreed” that they ensure that ethical, legal and regulatory standards are upheld in their company, whether in a managerial position in 2008 or not. This is also positive in the South African context. How these standards are upheld could offer some valuable insight and recommended for future study.

The study found that 40.4% of the respondents “agreed” and 51.4% “strongly agreed” that they act in a manner that is in the best interests of the owners and other stakeholders, whether the respondents were in a managerial position in 2008 or not. There was a high level of agreement with this statement with a mean of 4.33.

Finally, 45.4% of the respondents “strongly agreed” that they promote understanding of their organisation’s purpose and policies, while 41.7% agreed with the statement.

Overall the data analysis showed strong support for corporate governance as a strategy to manage a recession. The results highlight the importance of ethical behaviour. Kirkbride and Dujuan (2009: 141) and Trong Tuan (2012: 547) maintain that ethical behaviour should be followed at all times when on the path to recession recovery. It should be encouraged by management as it enhances organisational performance outcomes.

5.2.3.1 Recommendations for objective 3

Although the results show that the respondents strongly supported corporate governance, business schools need to incorporate Business Ethics and Corporate Governance as core modules in their curricula in order to increase ethical behaviour amongst MBA graduates, especially due to the ethical dilemmas South African businesses and managers are facing.

5.2.3.2 Conclusion for objective 3

The aim of this objective was achieved and it was ascertained that MBA graduates are ready to employ corporate governance during a recession as a strategy to manage the downturn.

Corporate governance was chosen by the respondents as the most important element of the MOM; the overall mean of 4.56 strengthens the value of these statements.

5.2.4 Objective 4

The fourth objective of this study was to:

Understand MBA graduates' readiness to use a paradigm shift during a recession as a strategy to manage the downturn

The corresponding research question was:

How ready are MBA graduates to employ a paradigm shift during a recession as a strategy to manage the downturn?

This objective aimed to assess whether MBA graduates were ready to use a paradigm shift as a strategy as set out in the MOM. Four questions directly relating to a paradigm shift were asked. The responses to these questions were analysed with the assistance of a professional statistician.

The data analysis brought to light that 67.6% of the respondents "agreed" and, 22.5% "strongly agreed" that they encouraged themselves and others to look for different ways of doing things during a recession. This statement has a mean of 4.05 which indicates the value in this statement. There was stronger agreement with this statement on the part of respondents who were not in managerial positions during the 2008 recession. This suggests that the respondents who were in a managerial position in 2008 did not encourage themselves and others to look for different ways to do things as much as the respondents who were not in a managerial position. This could be due to time pressure to get things done and not having time look for better ways of doing things, the focus on costs and profits and not realising that a paradigm shift can improve a business and its performance over time.

Overall, it was ascertained that respondents shared technology and knowledge easily. A total of 60.4% agreed and 26.1% strongly agreed with this statement. This can be expected considering the integration of technology in the workplace. Interestingly, when the results were assessed in terms of managerial position, it was noted that respondents who were not in a managerial position during the 2008 recession were more likely to share technology and knowledge than those occupying managerial positions during the 2008 recession. Managers need to compete with other managers and knowledge and technology are tools that make them more competitive. This could explain the fact that respondents in managerial positions were more reluctant to share than those that were not in managerial positions.

More than half of the respondents (52.3%) agreed that they supported the need if some departments are eliminated to make place for more relevant departments. Respondents who were not in a managerial position in 2008 agreed more with this statement (a total of 46.3%). Managers are often more aware of the impact of eliminating departments than people not in managerial positions, because of the human resources and industrial relations implications.

It was identified that only 45% of the respondents agreed that they encourage the introduction of new technology that radically alters the production process, while 27.9% strongly agreed. This suggests that half of the respondents encouraged the introduction of technology. Similar results were identified when assessing responses based on managerial position in 2008. It was noted that 41.8% of the respondents in a managerial position agreed and 31.3% strongly agreed with this statement, while 50.0% of the respondents that were not in a managerial position agreed and 22.7% strongly agreed. This suggests that respondents who were in a managerial position in 2008 were more supportive of this statement.

A paradigm shift as a strategy to manage a recession did not receive as strong a response as the other elements of the MOM. It was seen as important by 29.8% of the respondents and moderately important by 30.8%. The literature supports the finding that during a recession it may be necessary to seriously rethink and drastically change or explore an organisation's strategy. The agreement amongst respondents that an organisation may need to realign and move entire departments in order to remain sustainable and in some cases look at completely alternative measures is supported by Kitching et al. (2009: 41) and Trong Tuan (2012: 547) . The findings highlight that sharing knowledge and technology are important. This is supported by Clark (2009: 48) who further suggests that positive communication is vital during a recession to enable employees to fully understand its impact.

5.2.4.1 Recommendations for objective 4

Business schools need to encourage graduates to look at alternative options when seeking solutions. Case studies and real life examples could be used to incorporate the aspects of a paradigm shift strategy; this would empower graduates to implement such a strategy. Techniques to explore alternative solutions should also be encouraged such as brain storming, debating for and against a paradigm shift and exposure to different styles of thinking. Encouraging and challenging students to think outside their comfort zones and to take risks can also lead to interesting paradigm shifts. Knowledge and technology management should also form part of the MBA curriculum.

5.2.4.1 Conclusion for objective 4

The aim of this objective was to understand MBA graduates' readiness to use a paradigm shift during a recession as a strategy to manage the downturn. This strategy was not as strongly supported by the respondents as the other elements of the MOM, as shown by the overall mean of 3.36, despite the fact that the respondents showed support for the statements and indicated signs of readiness.

5.2.5 Objective 5

The fifth research objective was to:

Ascertain MBA graduates' readiness to employ appropriate space creation during a recession as a strategy to manage the downturn

The corresponding research question was:

How ready are MBA graduates to employ appropriate space creation during a recession as a strategy to manage the downturn?

This objective aimed to assess whether MBA graduates were ready to employ appropriate space creation as a strategy as set out in the MOM. Four questions directly relating to appropriate space creation were asked. The responses to these questions were analysed with the assistance of a professional statistician.

Overall support for appropriate space creation was weak in comparison with the other elements of the MOM. It was found that 24.1% of the respondents "strongly agreed" and 54.6% "agreed" that they looked for ways to create new market space as a strategy to manage a recession. This statement had a mean superior to 3. The strong support for this statement suggests that this strategy could assist during a recession. Respondents who were in a managerial position in 2008 showed more support for this statement than those who were not, possibly due to their previous experience.

The majority of the respondents (57.1%) "agreed" that they would look across accepted boundaries that define how their organisation competes to identify unoccupied territory. This suggests that respondents would seek new markets which could boost their performance and increase their market reach. While 20% of the respondents "strongly agreed" with this statement, 17.1% were undecided or uncertain. There was little difference between the responses from respondents in managerial positions in 2008 and those that were not.

Furthermore, 39.3% of the respondents agreed that national cultural and sporting activities could be used to network with other businesses. Only 35.4% of those in managerial positions in 2008 "agreed", while 24.6% were undecided or uncertain and 24.6% disagreed. In contrast,

45.2% of the respondents that were not in a managerial position in 2008 agreed and 33.3% disagreed with this statement. The results were therefore mixed.

It was identified that 36.8% of the respondents agreed that a balanced social and work environment is important to create space for diverse groups to work together. The split of the results revealed that 23.8% of the respondents not in a managerial position during the 2008 recession disagreed with the statement, while 6.3% those that were in a managerial position disagreed.

While the respondents agreed that appropriate space creation is an important strategy, this strategy had the lowest mean of all the elements of the MOM at 3.12. While a mean superior to 3 is still valid, it was rated as the least important element of the model. However, this does not discount its value as a strategy.

5.2.5.1 Recommendation for objective 5

The literature is short on detail relating to this strategy. More research needs to be done in this area and MBA students could be encouraged to explore this strategy in the dissertations which form part of most MBA curricula.

5.2.5.2 Conclusion for objective 5

The aim of this objective was to ascertain MBA graduates' readiness to employ appropriate space creation during a recession as a strategy to manage the downturn. Appropriate space creation was the least supported element of the MOM, with an overall mean of 3.12. Although the respondents showed support for the statements and indicated signs of readiness, they did not see the strategy as important.

5.2.6 Objective 6

The sixth objective was to:

Understand MBA graduates' readiness to use economic recovery strategies during a recession to manage the downturn

The corresponding research question was:

To what extent are MBA graduates ready to use economic recovery strategies during a recession to manage the downturn?

This objective aimed to understand MBA graduates' readiness to use economic recovery strategies during a recession to manage the downturn. The layout of this objective is different

from the above objectives, as it covered a wider array of questions and was not specifically part of the MOM.

The study ascertained that only 30% of the respondents were aware of the MOM, while 70% were not aware of the model. This is to be expected as the model is only presented in academic journals.

It was also emerged that 60% of the respondents were in a managerial position during the 2008 recession while 40% were not. In order to gain greater depth and insight the data collected for this study was split between these two groups.

The questionnaire contained questions specifically aimed at respondents who were in a managerial position during the 2008 recession; these are addressed first.

Fifty-three per cent of the respondents agreed that they would use the managerial models covered in their MBA curriculum to help them to manage their department or company during times of economic downturn and a recession. Only 13.6% strongly agreed, 6.1% were uncertain, 6.1% strongly disagreed and 21.2% disagreed. This suggests that the models taught in the MBA curriculum might not be effective or practical in the real world. However, it could also indicate that MBA graduates do not know how to use the models effectively.

It was further found that only 39.4% of respondents agreed that they can easily adapt the managerial models covered in their MBA curriculum to the South African context, while 25.8% agreed with the statement. It is worrying to note that 22.7% of the respondents disagreed, 4.5% strongly disagreed and 7.7% were uncertain. This finding highlights a problem with the MBA curriculum in relation to the adaptation of models to the South African business context.

Only 27.3% of the respondents strongly agreed and 43.9% agreed that their MBA qualification equipped them to manage their department or company during an economic downturn and a recession. A total of 19.1% of respondents were undecided, 6.1% disagreed that their MBA helped them and 3.1% strongly disagreed. This finding highlights that the MBA qualification has not adequately equipped graduates, bringing into question the MBA curriculum and business schools.

The questions asked of respondents who were not in managerial positions during the 2008 recession are addressed below.

It was ascertained that 47.5% of respondents felt that it was likely that they would use the managerial models covered in their MBA curriculum to manage their department or company during times of economic downturn and recession, while only 7.5% felt that was very likely and 20% said it was unlikely. This suggests that the models taught in the MBA curriculum could be

impractical. There is thus a potential disconnect between the MBA curriculum and business application based on the above results.

It was further evident that only 55% of respondents thought that it would be easy to adapt the managerial models covered in their MBA curriculum to the South African context, while 22.5% thought it was very likely, 12.5% found it unlikely and 2.5% found it very unlikely. This suggests that there might be problems in adapting the models covered in the MBA curriculum to the South African business environment.

It was identified that 47.5% of respondents thought it likely, while only 7.5% thought it was very likely that their MBA qualification equipped them to manage their department or company during an economic downturn and a recession. Of concern is the fact that 25% of the respondents found it very unlikely and 12.5% found it unlikely that their MBA qualification equipped them to manage their department or company during an economic downturn and a recession. Thus suggests that MBA graduates do not feel that they are equipped to deal with a recession. This once again highlights issues within the MBA curriculum and business schools.

The findings thus identified possible shortcomings in the MBA curriculum. The findings suggest that a fair number of graduates were not using the managerial models covered in their MBA curriculum during a recession; this represents a disconnect between the MBA curriculum and business application. This is supported by Laud and Johnson (2013: 25) who argue that the MBA curriculum does not allow for “learning by doing”, but focuses on the academic and scientific approach rather than the ability to learn by practise, which is critical. This view is also supported by Bisoux (2005: 27) who notes that the MBA curriculum is not in line with the current day and age and needs to be adapted to the 21st century. Staying with application, the study found that a number of MBA graduates felt that they were not able to adapt the management content in their curriculum to the South African environment. Holland (2009: 1) notes that there is a gap between the curriculum and real life management application. This study ascertained that a significant percentage of MBA graduates felt that the MBA qualification did not equipped them to manage their department or company during a recession. While both respondents in a managerial position in 2008 and those not in a managerial position felt that they were equipped to deal with a recession, it is necessary to assess the minority response as this can highlight issues not visible at first sight. According to Cornuel and Howard (2014: 1), the root of the problem is that business schools are drifting away from the core focus of what they should be instilling in an MBA graduate, namely being a management professional. Holland (2009: 1) notes that MBA students are taught to come up with quick solutions to complicated problems. Hansen (2011: 1) suggests three major disconnects which prevent MBA graduates from becoming leaders: (1) MBA graduates boil everything down to

numbers; (2) they are taught business in discrete parts; and (3) there is a disconnect between strategy and implementation. This identifies issues within the curriculum. Bisoux (2005) states that the MBA curriculum does not meet the needs of today's graduates and businesses and as such current MBA graduates are not capable of dealing with modern businesses challenges and concepts as they are not integrated into the curriculum.

5.2.6.1 Recommendations for objective 6

The MBA curriculum needs to be reassessed to better meet the needs of the current business environment.

The MBA curriculum in South Africa needs to be aligned with the local environment while better equipping graduates with the skills, knowledge and capabilities required to respond to the country's business environment. For example, the managerial models covered in the curriculum should be based on and applied in the South African context. MBA students should also use models practically to resolve challenges and in case studies.

Business schools need to incorporate simulation activities into the curriculum to allow graduates to gain confidence and knowledge in real life application.

Business schools should also focus on better incorporating recession management skills throughout the curriculum in a manner which does not isolate them, but rather integrates them across the curriculum with practical forms of application in the South African context.

5.2.6.2 Conclusion for objective 6

MBA graduates' readiness to use economic recovery strategies during a recession to manage the downturn was assessed and weaknesses in the curriculum were identified. The objective was achieved by asking respondents in managerial positions during the 2008 recession and those that were not in managerial positions the same set of questions. MBA graduates' readiness to deal with a recession was identified and the objective was achieved. A large number of respondents did not feel equipped to deal with a recession. The overall readiness was lower than expected and the gap between the MBA curriculum and practical application should be addressed.

5.3 GENERAL RECOMMENDATIONS

The general recommendations cover the following areas which were not included under the specific research objectives: communication, marketing and customer service, the Triple Bottom Line perspective (TBL), optimising the supply chain, corporate entrepreneurship

(intrapreneurship), technology, value chain analysis and maintaining continuous profit streams, as well as the findings from the open-ended questions in the research instrument.

Communication

The MBA curriculum needs to equip graduates to be able to communicate with internal and external stakeholders during normal economic conditions and more importantly during tough economic times like a recession. This can be achieved through role plays that allow students to play different roles and build their confidence in the practical application of communication.

Marketing and customer service

Business schools should get students to run a marketing campaign during a recession, in a constrained environment and with a limited budget. Different groups can compete with one another to determine the best campaign at the lowest cost.

Role plays can be used to teach students how to provide efficient and effective customer service in a recession and then test if the theory of good customer service was included in the practical assessment.

Triple Bottom Line (TBL) perspective

Sustainability needs to be included as part of the MBA curriculum and should not be an isolated module, but rather be integrated into each MBA module from a theoretical perspective. This would look at the value of TBL and its role in helping to deal with a recession as well as practical application through role playing and case studies.

Optimising the supply chain

Business schools need to run simulations which allow MBA students to understand what is critical in a supply chain and what can be cut out in order to make it more efficient and cost-effective.

Corporate entrepreneurship

It is necessary for business schools to instil a culture which enhances creativity, innovation and opportunity identification in MBA students. This can be done by running brainstorming sessions and getting students involved in innovation projects. Corporate entrepreneurship should also be included in the curriculum and highlighted as a strategy to identify new opportunities, diversification and innovation. MBA graduates should encourage the identification of new ideas and support risk taking when they manage businesses which can lead to opportunities and innovations.

Technology

Business schools need to integrate technology into their curriculum from a managerial and user perspective. They need to teach MBA students how to incorporate technology into their work environment to create an optimal, efficient and financially successful environment. This can be achieved by running simulations where different scenarios are put forward to incorporate technology. Students need to learn how to integrate technology in the most efficient and effective manner that will allow the business to remain profitable. The simulation should be accompanied by theoretical knowledge and industry experience. MBA graduates need to be able to identify and use technology in order to remain competitive during a recession.

Value Chain Analysis (VCA)

Business schools need to incorporate VCA into the curriculum and simulate this process, by showing students how success is achieved by creating customer value through the contribution of primary and secondary activities within the business. Through simulations and role plays, MBA students need to understand that during a recession, adding value at primary and secondary activities is vital as it increase value for customers and leads to a competitive advantage.

Maintain continuous profit stream

Business schools need to include business models which suit varying economic conditions in the curriculum. MBA students need to be equipped with the skills to adapt these models to suit their environment. They need to ensure they have chosen the correct business model through simulations and role play of different scenarios.

Open-ended questions

Five practical skills have been highlighted in this section. However, it is not sufficient to understand these skills from a theoretical perspective; they must also be applied in real life situations. The skills identified are communication, financial knowledge and expertise, creative problem-solving, networking and managing change

The managerial models suggested by respondents to manage a recession were:

Forecasting method, SWOT analysis, ABC costing, Porter's managerial model and the Keynesian model. The following responses indicated that models are explained from a theoretical perspective in the MBA curriculum and that models should be guides; real success is achieved by practical hands on experience.

Respondent one:

“I found most models purely providing a BASIC guideline from an academic perspective. Creative, flexible, out-the-box thinking comes from interaction and practice!”

In response to the question on whether they thought the five elements of the MOM could assist in managing a recession, the majority of the respondents answered in the affirmative. Thus the MOM should be included in the MBA curriculum to assist MBA graduates to manage a recession. However, further testing would ensure better integration into the curriculum with stronger support and understanding of each element. The respondents made the following comments in support of the model.

Respondent two:

“Look beyond doing the same as in the past. Looking at new avenues helps one to stumble upon opportunities.”

Respondent five:

“A recession is a tough situation and this model will provide tools to help alleviate the pressure undergone to keep afloat.”

Respondent eight:

“Yes, these factors will aid in the management of the recession through the many benefits they provide.”

Respondent sixteen:

“They are imperative for handling with a recession, especially when the company needs to cut costs and look for better opportunities.”

The respondents were also asked if they thought the MOM could help a manager to successfully manage a business through a recession, and the following responses were received:

Respondent four: “The model provides a manager with tools to manage his company through a recession.”

Respondent nine: “provides a clear step by step approach in clearly defined areas.”

Respondent eleven: “The model allows for adaptability and flexibility to external and internal changes within an organisation. The model can be used to devise a strategy to counter an economic recession. The strategy implemented, will be custom to the organisation.”

Respondent fourteen: “By making one think outside the existing constraints and paradigms.”

Respondent twenty: “providers a clear step by step approach in clearly defined areas.”

Respondent twenty-two: “providers a clear step by step approach in clearly defined areas.”

From the responses it is evident that there is significant support for the MOM; therefore the model should be studied further and incorporated it into the MBA curriculum to assist graduates to manage through a recession.

5.4 FUTURE RESEARCH

The curriculum of the MBA programme has come under much scrutiny. The findings of this study suggest shortcomings in the MBA curriculum. It is proposed that further research should be undertaken to assess the curriculum in order to determine how to better incorporate modern business concepts as well as recession management. Future research could also examine recession management from the point of view of the workforce, focusing on the management of manpower and resources in a constrained environment. This research study focused on the managerial side of a recession; however the inclusion of financial aspects in examining the readiness of MBA graduates to manage through a recession could provide a better picture of the current situation. It was noted that the responses to the open-ended questions contained very few references to South African-based recession management models; thus future research could investigate the development of a recession management model for the South African context that incorporates elements of the MOM.

5.5 CONTRIBUTION OF THIS STUDY

This study assessed MBA graduates’ readiness to manage a recession in South Africa. There have been few studies on these graduates’ readiness to manage a business and specifically their readiness to manage a recession. This study therefore adds to the existing body of knowledge and opens opportunities for future research.

The study assessed the readiness of the respondents to implement the five elements of the MOM to manage organisations during a recession in South Africa. Of the five MOM elements, the study found that, need for diversification, scope for new opportunities and corporate governance were ranked highest by the respondents. It was also ascertained that MBA graduates in South Africa do not feel confident that they are equipped to deal with a recession. These findings are important for business schools and management to consider and to find solutions to ensure that future graduates are better prepared.

5.6 OVERALL CONCLUSION

This study found that all the five elements of the MOM are valid and sound; however, three stood out. MBA graduates showed greater interest and readiness for these three elements which are: need for diversification, scope for new opportunities and corporate governance. In the researcher's opinion the support for the model noted in the research findings suggests that MBA graduates need recession management models as guidelines for what to do during a recession. Importantly, such models need to be suited to the South African business environment in order to be effective. Thus, in the researcher's opinion, once further tested and developed, the MOM should be included in the MBA curriculum to assist MBA graduates to manage a recession.

It should be noted that, while corporate governance was identified as the most important element of the MOM, only 9% of the respondents took this module during their MBA. In the researcher's opinion, this suggests that the importance of corporate governance is known by MBA graduates and this is positive; however, Business Ethics and Corporate Governance should be core MBA modules rather than being electives.

In the researcher's opinion, there are weaknesses in the MBA curriculum. A significant percentage of MBA graduates do not feel that their MBA programme has prepared them for a recession. This is of great concern, as a large majority of MBA graduates are in leadership and management positions and are expected to be able to deal with a recession. Thus, it is important for business schools to focus on developing the readiness of MBA graduates to manage a recession. They need to incorporate practical hands-on training, role playing, case studies, and simulations in the MBA curriculum. This suggestion is supported by the literature. It is through practise that lessons are learnt and confidence is built.

The overall readiness of MBA graduates to deal with a recession is at a lower level than expected which is cause for concern. A gap was identified between the curriculum offered by business schools and the requirements of the business environment as well as the application of the MBA curriculum during a recession in the South African context. The weaknesses identified need to be addressed to ensure that future MBA graduates are ready to manage a recession.

Finally, although the overall readiness of MBA graduates is at a lower level than expected, this does not discount the MBA qualification. What is needed is constant curriculum adaptation to the business environment through practical cases, simulations, role plays and application to enhance the readiness of MBA graduates to successfully manage any business in any business environment.

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APPENDIX LIST

APPENDIX A – EDITOR’S REPORT

**62 Ferguson Road
Glenwood
DURBAN 4001**

Tel: 072 442 7896

Email: deanne.collins30@gmail.com

Income tax number: 0526066204

29 January 2015

This is to confirm that I have edited the thesis, “The Readiness of Masters of Business Administration (MBA) Graduates in South Africa to manage Organisations’ Profitability during Economic Downturns”, by Jeff Louis Rosen, student number 212561979.

Yours sincerely,



(Ms) Deanne Collins (MA)

Professional Editor

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89 Archer Crescent, Durban 4000, South-Africa/ SARS registration number:

3852715154

Paul Issock

Statistician/ Research Advisor

26 January 2015

To whom it may concern

Please be advised that I have assisted Jeff Rosen (student number 212561979), who is presently studying for a Master of Commerce at the University of KwaZulu-Natal, with the statistical analysis using SPSS 21 for his study.

Yours sincerely

Paul Issock (Mcom, Mss).

APPENDIX C – ETHICAL CLEARANCE LETTER



06 August 2014

Mr Jeff Louis Rosen (212561979)
School of Management, IT & Governance
Westville Campus

Protocol reference number: HSS/0815/014M

New project title: The readiness of Masters of Business Administration (MBA) graduates in South Africa to manage organisations profitability during economic downturns

Dear Mr Rosen,

Approval Notification – Amendment

This letter serves to notify you that your application for an amendment dated 28 July 2014 has now been approved as follows:

- Change in title

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

Best wishes for the successful completion of your research protocol.

Yours faithfully

Dr Shenuka Singh (Chair)

fms

Cc Supervisor: Dr Ziska Fields
Cc Academic Leader Research: Professor Brian McArthur
Cc School Administrator: Ms Angela Pearce

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

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APPENDIX D – GATEKEEPER’S LETTER



22 October 2014

Mr Jeff Louis Rosen
School of Management, IT and Governance
College of Law and Management Studies
Westville Campus
UKZN
Email: 212561979@stu.ukzn.ac.za
fields@ukzn.ac.za

Dear Mr Rosen

RE: PERMISSION TO CONDUCT RESEARCH

Gatekeeper’s permission is hereby granted for you to conduct research at the University of KwaZulu-Natal (UKZN) towards your postgraduate studies, provided Ethical clearance has been obtained. We note the title of your research project is:

“The readiness of Masters of Business Administration (MBA) graduates in South Africa to manage organisations profitability during economic downturns”.

It is noted that you will be constituting your sample by randomly handing out questionnaires to MBA students on the Westville Campus as well as requesting MBA graduates, to be administered by the School of Management, IT and Governance, to complete an online survey.

Data collected must be treated with due confidentiality and anonymity.

Yours sincerely

MR M. BALOYI
REGISTRAR

Office of the Registrar

Postal Address: Private Bag X54001, Durban, South Africa

Telephone: +27 (0) 31 260 8005/2208 Facsimile: +27 (0) 31 260 7824/2204 Email: registrar@ukzn.ac.za

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Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

APPENDIX E – QUESTIONNAIRE



ANNEXURE A

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

Dear Respondent,

Master's Research Project

Researcher: Mr. Jeff Rosen (083 995 3865)

Supervisor: Dr. Ziska Fields (031 260 8103)

Research Office: Ms P Ximba (031 260 3587)

I, **Jeff Louis Rosen (212561979)**, am a Masters student in the School of Management, IT and Governance, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled: **Master of Business Administration (MBA) graduates' readiness to manage organisations during economic downturns profitably.**

The aim of this study is to better understand the readiness of MBA graduates to implement and adopt various recession management strategies, with specific reference to the Managerial Optimistic Model.

Through your participation I hope to better understand if international models and strategies on recession management can be implemented in a South African context by MBA graduates. This study will identify the skills which are necessary to manage a recession, which will increase the chances of businesses surviving any future recessions. The results of this survey are intended to contribute to knowledge on MBA graduates readiness to manage a recession to ensure profitability, rather than decline in businesses.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management, IT and Governance, UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

It should take you about 15 minutes/s to complete the online questionnaire. I hope you will take the time to complete the questionnaire as your input is very valuable as MBA graduate.

Sincerely

Dr. Ziska Fields

Supervisor

School of Management, IT and Governance

College of Law and Management Studies

Investigator's signature _____ Date _____

CONSENT

I _____ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Signature of Participant

Date

Masters Questionnaire

SECTION A: DEMOGRAPHICAL INFORMATION

Answer the following demographical questions by marking the correct option with an X in the block provided or selecting your response from the dropdown box.

1) What age group do you fall in?

- 18 - 29
- 30 - 39
- 40 - 49
- 50 – 59
- 60 and over

2) How many years have you had your MBA?

3) What modules did you cover in your MBA curriculum?

4) Which managerial level do you work in?

- Junior management
- Middle management
- Senior Management
- Executive Management
- Self employed
- Not in managerial position

5) How long have you worked in this managerial position?

- 0-1 year
- 2-3 years
- 4-5 years
- 6-7 years
- 8-9 years
- 10 + years

6) What sector are you currently working in?

- Manufacturing
- Mining
- Agriculture
- Communications

- Tourism
- Wholesale and retail trade
- Finance and business services
- Investment incentives
- Other (Please specify _____)

7) How long have you been working in this sector?

- 0 - 2
- 3 - 4
- 5 - 6
- 7 - 9
- 10+

SECTION B: STRATEGIC MODELS

Answer the following by marking the correct option with a X in the block provided

8) Were you in a managerial position during the 2008 recession?

- Yes
- No

If you answered YES in question 8, please answer questions 9-11 by marking the correct option with an X in the block provided. If you answered NO, only answer questions 12-14.

		1	2	3	4	5
	Answer only if answered Q8 YES	Strongly Agree	Agree	Undecided or uncertain	Disagree	Strongly Disagree
9	I use managerial models covered in my MBA curriculum to help me to manage my department or company during times of economic downturn and a recession.					
10	I believe that I can easily adapt the managerial models covered in my MBA curriculum to the South African context.					
11	I believe that my MBA qualification has equipped me to manage my department or company during an economic downturn and a recession.					

If you answered NO in question 8, please answer questions 12-14 by marking the correct option with an X in the block provided. If you answered YES, only answer questions 9-11.

Please express how likely you are to do the following

		1	2	3	4	5
	Answer only if answered Q8 NO	Very unlikely	Unlikely	Undecided	Likely	Very likely
12	I will make use of managerial models covered in my MBA curriculum to manage my department or company during times of economic downturn and a recession.					
13	I think that I will be able to easily adapt the managerial models covered in my MBA curriculum to the South African context.					
14	I believe that my MBA qualification has equipped me to manage my department or company during an economic downturn and a recession.					

SECTION C: THE MANGERIAL OPTIMISTIC MODEL

Answer the following by marking the correct option with a X in the block provided

15) Are you aware of the Managerial optimistic model?

- Yes
 No

Rate how strongly you feel about the following five elements in terms of its ability to help manage a recession.

		1	2	3	4	5
	Element 1: Need for diversification - occurs for a business when it develops a new product or expands into a new market	Strongly Disagree	Disagree	Undecided	Agree	Strongly agree
16	I encourage diversification to manage risk by minimizing the harm to the business during economic downturns					
17	I support the idea to expand into a business activity that doesn't negatively react to the same economic downturns as my current business activity.					
18	I support the investment in a variety of assets to reduce risk.					
19	I avoid diversification during an economic downturn to ensure the staff is not retrenched					

Tell us how true these statements are for you

		1	2	3	4	5
	Element 2: Scope for new opportunities - looking for new opportunities no matter the situation	Completely false	False	Uncertain	True	Completely true
20	I always create a climate where staff can be creative and innovative irrespective of the state of the economy.					
21	I encourage the identification of new opportunities during an economic downturn from my staff.					
22	At networking events I always look for opportunities to build relationships that will lead to new business with potential prospects.					
23	I do not encourage staff to look for business opportunities during a recession because it is too costly and time consuming.					

		1	2	3	4	5
	Element 3: Paradigm shift - a major change in how some process is accomplished and can happen when new technology is introduced	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
24	I constantly encourage myself and others to look for different ways of doing things during a recession.					
25	I share technology and knowledge easily.					
26	I support the need if entire departments are eliminated to make place for more relevant departments.					
27	I encourage the introduction of new technology that radically					

	alters the production process of a good.					
--	--	--	--	--	--	--

		1	2	3	4	5
	Element 4: Appropriate space creation – the way companies create new markets and recreate existing ones	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
28	I look for ways to create new market space as a strategy to manage a recession.					
29	I look across accepted boundaries that define how my organisation compete to identify unoccupied territory.					
30	I support national cultural and sporting activities to network with other businesses.					
31	I believe in the importance of a balanced social and work environment to create space for diverse groups to work together.					

		1	2	3	4	5
	Element 5: Corporate governance - the structure and regulations in which organisations do business	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
32	I encourage ethical behaviour at all times for myself and staff.					
33	I ensure ethical, legal and regulatory standards are upheld in the company.					
34	I act in a manner which is in the best interest of the owners and other stakeholders.					
35	I promote the understanding of purpose and policies of my organisation.					

36) Rank these above mentioned five elements of the Managerial Optimistic Model in terms of importance (5 being the most important and 1 the least important)

	5	4	3	2	1
	Very important	Important	Moderately important	Somewhat important	Not at all important
Need for					

diversification					
Scope for new opportunities					
Paradigm shift					
Appropriate space creation					
Corporate governance					

SECTION D: PLEASE ELABORATE ON THE ANSWERS GIVEN IN SECTION B AND C

37) What practical skills would you consider as important in being able to manage a recession?

38) If you have used managerial models covered in the MBA curriculum to assist in managing with a recession, identify these models below. If not, what do you use to manage a recession?

39) Do you think that the five elements of the Managerial Optimistic Model: Need for diversification, Scope for new opportunities, Paradigm shift, Appropriate space creation and Corporate governance could assist in managing a recession? Explain your answer.

40) In your view, express if you think the Managerial Optimistic Model could help a manager to successfully manage a business through a recession.

THANK YOU FOR TAKING THE TIME TO COMPLETE THIS SURVEY

