NWOKEUKWU CHIKODI VICTORY

17/SMS03/011

BUSINESS ADMINISTRATION

BUS312

1. **In your own words, explain the concept Business Policy.**

Business policy is the study of the roles of top level management, the significant issues affecting organizational success and the decisions affecting the organization in the long run. They are guidelines developed by an organization to govern its actions. They define the do’s and donts within which decisions must be made.

1b. **State the major differences between a policy and a strategy**

* A policy is a blueprint of the organizational activities which are routine in nature, while a strategy is concerned with those organizational decisions which have not been faced before in same form.
* Policy formulation is responsibility of top level management, while strategy formulation is basically done by middle level management.
* Policies deal with routine activities essential for efficient and effective running of an organization, while strategy deals with strategic decisions.
* Policy is concerned with both thoughts and actions, while strategy deals with strategic decisions.
1. **Business policy is a capstone integrative course. Explain.**

This is because business policy is an exciting and challenging course that focuses on how firms formulate, implement and evaluate strategies. Strategic management concepts and techniques are studied. Students use all the knowledge acquired from prior business courses, together with new strategic-management techniques learned, to analyze and decide the future direction of different organizations. The major responsibility of students in this course is to make strategic decisions and to justify them through oral and written communication.

2b. **In what direction is Strategic Management likely to move in the future?**

This could be anticipated from what Ansoff calls an emerging comprehensive approach of ‘management of discontinuous change, which takes account of psychological, sociological, political and systemic characteristics of complex organizations’

1. **What is the relationship between objectives, policies and strategies?**

The relationship between Objectives, strategies and policies is that they are all inseparable and interdependent on each other. Objectives are goals set out by an organization to achieve. Policies are general statements specifying how objectives are to be accomplished. Strategies are plans or actions designed to carry out those objectives. In order to attain objectives, you have to know the policy guidelines and in order to determine strategies, you have to have knowledge of the objectives to be pursued and the policies to be followed.

3b. **State the uses of policies and explain them**

-**Used to mould image of the organization**: Policies are used to mould the image of the organization. A policy structure helps to build the reputation of an organization. Good policies lead to positive reputations, while bad policies lead to negative reputations.

-**Used to clarify objectives**: Policies clearly define objectives and goals of an organisation in a comprehensive manner. They further explain how an organization can effectively achieve its goals.

-**Acts as a guide to the organization**: Policies acts as a guide to follow to prevent deviation from the planned course of action. They provide the communication channels between organisational units thus facilitating the delegation process.

-**Gives employees a sense of responsibility**: when employees are fully aware of organizational policies, they’re more likely to take responsibility and carry out actions as they can judge if the action is in line with the organizational policy or not.

 -**Used to define the responsibilities of subordinates**: policies don’t only serve as means of exercising authorities, it also defines the authorities and responsibilities of subordinates as well as state the limits at which they can exercise them.

-**Used to explain how policies are formulated and implemented**: Policies under-guide the planning of a future course of actions. They show the way the future plans and activities of an organisation are formulated and implemented.