**NAME:ARIYO OLAYEMI MARY**

 **MATRIC NUMBER: 17/SMS03/005**

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**DEFINITION OF THE CONCEPT OF BUSINESS POLICY**

**INTRODUCTION**

 First we need to know what policy and a business is before going further to explain what business policy is.

A policy is defined as the general guideline for decision-making. In the year **1998** a business policy theorist named **KALEJAYE** defined policy as the objectives, mode of thoughts, body of principles guiding the underlying activities of an organization.

A business is also known as an enterprise which deals with the sale of both goods and services for consumption by end users i.e final consumers.

 Now that we know and understand what policy and a business is we can then define what business policy means.

 **WHAT IS BUSINESS POLICY?**

Business policy defines the scope an sphere within which decisions can be taken by the subordinate in an organization. It can also be defined as the study of rules and regulations of top level management.

 Another definition of business policy is that, they are sets of rules followed by a store or group of stores that define processes, industry practices and the scope and characteristics of a group of stores offerings.

 **MAJOR DIFFERENCES BETWEEN A POLICY AND A STRATEGY.**

* Policy is a blueprint of the organizational activities which are repetive/routine in nature. while strategy is concerned with those organizational decisions which have not been dealt /faced before in the same form.
* Policy is the responsibility of top level management while strategy formulation is basically done by middle level management.
* Policy is concerned with both thoughts actions while strategy is concerned mostly with action.
* A policy is what is or what is not done while strategy is the methodology used to achieve a target as prescribed by a policy.

 **EXPLANATION OF BUSINESS POLICY AS A CAPSTONE INTEGRATIVE COURSE.**

Business policy as a capstone integrative course. by capstone it means a course that comes at the end of the delivery of a curriculum of an educational programme. as an integrative course, business policy attempts to bring together knowledge gained in various functional area of management.

 **THE DIRECTION STRATEGIC MANAGEMENT IS LIKELY TO MOVE IN FUTURE.**

First and foremost it is important to know what strategic management is. Strategic Management is a field of study that deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving utilization of resources, to enhance the performance of firms in their external environment. It has to do with specifying the organizations Mission, Vision and Objectives, developing policies and plans often in terms of projects and programs for the purpose of achieving the objectives, then allocating resources to implement the policies and plans, projects and programs. The following are the directions Strategic Management is likely to move in future.

* Refinement of general principles underlying strategic thinking.
* Continual review of the model of strategic management
* Emergence of a comprehensive approach to strategic management.
* Development of several courses in the repertoire of specialization in business policy.
* Growth of research methodologies aimed at synthesis.

 **RELATIONSHIP BETWEEN OBJECTIVES, POLICY AND STRATEGY**

* They create a form of guide in the day-to-day operation of an organization.
* They are the tools that every organization uses to meet the set targets.
* They are for future purpose .
* They aim at achieving the mission and vision of an organization.
* They are the tools that is required in other to make informed decisions.
* They are put in place give a sense of direction to employees to ensure corporate success.

**USES OF POLICIES AND THEIR EXPLANATIONS**

Policies are of great importance to every organization as they are used to establish stable institution, create identity, shape planning and boos the organization’ image and acceptability by the public.

* **Policies are used in preventing deviation from planned course of action by providing definite guide to follow**. They provide the communication channels between organizational units thus facilitating the delegation process.
* **Policies ensures that closer coordination and cooperation is promoted among the organization elements**. Closer coordination and easier delegation will permit a greater degree of decentralization within the organization.
* **Policies provide a conceptual framework within which other plans can be established to form a balanced and coordinated structure of plans**. Since they serve as a guide to further action, the existing policies relieve managers of the necessity to ask superiors for permission to do or not to do certain things.
* **Policies under-guide the planning of a future course of actions.**  They show the way the future plans and activities of an organization are formulated and implemented.
* **Policies define and clarify the objectives and goals of an organization.** They give further definition on how the objectives of the organization can be accomplished.
* **Policies are particularly necessary at lower levels where relationship between actions and objectives are most of the time vaguely articulated.** Policies are used to bridge the gap ensuring that staff actions are consistent with the board policies and actions of others in the organization.