BUS 312

BUSINESS POLICY

&

STRATEGY

ASSIGNMENT II

Submitted

By

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181/sms03/034

Business Administration

 **Question**

1(a) In your own words, explain the concept 'Business Policy'.

  (b) State the major difference between a Policy and a Strategy.

2(a) Business Policy is a Capstone, integrative course. Explain.

  (b) In what direction is Strategic Management likely to move in the future?

3(a) What is the relationship between Objectives, Policies and Strategies?

  (b) State the uses of Policies and explain them.

**Solution**

**1a.** To my own understanding, business policy can be defined as the study of the roles and responsibilities of the top-level management, issues affecting organisational success, and the decisions that affect the organisation in the long run.

**1b.** The major differences between policy and strategy include:

1. Policy deals with routine/daily activities essential for effective and efficient running of an organization. While strategy deals with strategic decisions
2. Policy is concerned with both thought and actions. While strategy is concerned mostly with action.
3. A policy is what is, or what is not done. While a strategy is the methodology used to achieve a target as prescribed by a policy.
4. Policy is a blueprint of the organizational activities which are repetitive/routine in nature. While strategy is concerned with those organizational decisions which have not been dealt/faced before in same form.
5. Policy formulation is responsibility of top level management. While strategy formulation is basically done by middle level management.

**2a. Business policy is a capstone, integrative course.**

Now to answer this question, firstly we must understand what the question is actually asking us to explain, and that is simple. How is business policy a capstone course and how is it integrated.

Now to address the question accordingly, we must also understand what a capstone course is. A capstone course is a course that one can be can considered a scholar of that course, only when a fundamental understanding of other courses have been attained. In the context of management here, to be considered a manager, you must have a basic understanding of other elements that are relevant to business management, I.E Accounting, Economics, Statistics, Finance, Marketing, Human resources, Information technology etc. Once an understanding of all these various courses have been attained, there is one course that unifies or integrates all these other courses, to create one full picture. Business policy is therefore a capstone integrative course, as it attempts to bring together the understanding of the functional areas of management, that were studied individually; combining and assimilating them into one.

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

The Father of strategic management, (**Harry Igor Ansoff**) a Russian applied mathematician and business manager, states that “**The role of the corporate planner is already obsolete, both in theory and practice, and the journal could contribute to the concept of the strategic change manager . . . who combines four disciplinary perspectives:analytic, psychological, sociological and political.”** Which to be quite frank can be a little confusing. However if he was considered to the be the father strategic management, amongst the vast number of renowned scholars of his time, then clearly this guy knew what he was saying and doing, so in attempts to understand his thoughts on the future of strategic management, I concluded that the direction of future strategic management is likely to take, is that of discontinuous change, that considers the psychological, sociological, political and analytical perspectives of organisations.

**3a. What is the relationship between Objectives, Policies and Strategies?**

In order to determine the relationship between objectives, policies and strategies, we have to understand each term individually.

We already know a policy is about the roles and responsibilities of the upper management, significant problems that affect the success of the organisation and the key decisions that determines its direction and shapes its future.

Objectives can then be defined as, a specific result that a person or system aims to achieve within a time frame and with available resources.

Strategies generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute those actions.

Now to answer the question and summarise as swiftly and shortly as possible. Objectives are realistic, specific and measurable and business policies are the blueprints that facilitate the ability of a company or organization to reach those objectives, which are developed by top-level management; Thus the relationship between the two is that policy is the hand that guides the organisation towards it stated overall objective. Strategies are usually long term plans that contain and execute short or long term objectives, they determine the actions and resources necessary to do the stated objectives.

To simplify… An organisation has “**Objectives”**, **“Strategies”** are the methods to execute them, and Policies are rules and regulations that guide in the process of executing them.

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

1. **Policies help to identify and clarify expectations**

 In order to eliminate room for doubt or confusion, on how an employee is expected to behave and conduct themselves at work, as well as their output performance, it is the responsibility of the management to clearly states the dos and don’ts of the working enviroment and expected result. Policies help to define these expectations and the code of conduct of the working enviroment.

1. **Policies help lead to more efficient internal operations**

Polices not only communicates what the organization expects for behaviour but also its approach to dealing with work processes. For instance, a cash handling policy dictates the expectations for how employees are to behave when handling cash,this includes how that cash is safeguarded, stored, and protected from employee fraud, as well as theft.

Health and safety policy of the service department in a grocery, ensures the employees handling fresh food items cover their hair, trim their beards, clip their finger nails and maintain a high standard of hygiene, to avoid contamination of the fresh food items.

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### ****Performance Measures****

### Policies can also be used as a tool to measure an employee’s performance by determining if the process was followed appropriately. For example, a procedure for a receptionist answering the telephone should include tracking how often the receptionist answers the phone using a telephone script.

1. **Policies ensure you comply with the federal, state and local laws**

Polices help the management and owners of the organisation, ensure the actions and decisions made by the staff members, are within the regulations enacted by the law. If policies were not in place to cross-check operations are not in violation of any laws, the organisation could be implicated legally.

1. **Results in time saving**

 The overall aim and purpose of the creation of a policy, is guiding in employee on what to do in the absence of their superiors. When an employee is faced with unforeseen circumstances, that require guidance and authority to respond or decide accordingly, policies are put in place to avoid time wasting in masking such decisions that may reoccur frequently or need immediate attention.

1. **Uniformity**

In a situation whereby an organisation has several branches, policies ensure uniformity in operations and handling of reoccurring issues. Policies help to ensure the organisation possesses one identity. For example, if a customer goes to a grocery store in an Abuja branch, and they had a strict no return policy for perishable items that had left the store upon purchase, but the same customer goes to a branch in Kaduna, and the store allows for perishable items to be returned, it will confuse the customer. Uniformity is necessary to prove to our consumers that we are organised, and it can only be established with the creation of policies.

1. **Assess and mitigate risk**

Policies help the management in deducing the best and safest way for a specific operation to be undertaken. The health and safety of an employee and customers and the general community and environment, ought to be considered by the management, and after careful assessment of the best and safest way to conduct business has been identified, policies ensure that the employees follow these protocols, in order to ensure their safety and that of others. Policies are put in place to ensure that employees do not decided on their own terms how to approach certain tasks and activities, as it may be considered dangerous, and they organisation could be held responsible for the actions of that employee.