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**MATRIC NUMBER: 17/SMS03/006**

**DEPARTMENT: BUSINESS ADMINISTRATION**

**COURSE TITLE: BUSINESS POLICY**

**COURSE CODE: BUS 312**

**ASSIGNMENT:**

**1. IN YOUR OWN WORDS, EXPLAIN THE CONCEPT BUSINESS POLICY.**

Business Policies are guidelines developed by an organization to govern its actions. They define the limits within which decisions must be made. It also deals with acquisition of resources with which organizational goals can be achieved.

**b.) STATE THE MAJOR DIFFERENCE BETWEEN A POLICY AND STRATEGY.**

Policy is a set of principles and rules which directs the decisions of the organization. Policies are framed by the top level management of the organization to serve as a guideline for operational decision making. Strategy is the combination of all the decisions taken and actions performed by the business to accomplish business goals and to secure a competitive position in the market. The difference between both include:

- Policy is a blueprint of the organizational activities which are routine in nature while Strategy is concerned with those organizational decisions which have not been dealt or faced before in the same form.
- Policy formulation is the responsibility of top level management. While Strategy formulation is basically done by middle level management.
- Policy deals with routine or daily activities essential for effective and efficient running of an organization while strategy deals with Strategic decisions.
- Policy is concerned with both thought and actions. While Strategy is concerned mostly with action.
- Policies are decision oriented while Strategies are concentrated toward actions.
- Policy is what is, or what is done. While Strategy is the methodology used to achieve a target as prescribed by a policy.

**2. BUSINESS POLICY IS A CAPSTONE, INTEGRATIVE COURSE. EXPLAIN.**

By capstone course is meant a course that comes at an end of the delivery of a curriculum of an educational programme. Business policy course is taught at the end of a management education programme so it is a capstone course. While it is an integrative course because business policy attempts to bring together knowledge gained in various functional areas of management.

**b.) IN WHAT DIRECTION IS STRATEGIC MANAGEMENT LIKELY TO MOVE IN THE FUTURE?**

Pointers to the development of strategic management are:

- 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.

The direction in which strategic management is moving can be anticipated from what (Ansoff, 1984) calls an emerging comprehensive approach of “management of discontinuous change, which takes account of psychological, sociological, political, and systemic characteristics of complex organizations”. With the emergence of futuristic organization, which, in the words of Toffler, are no longer responsible simply for making a profit or producing goods but for simultaneously contributing to the solution of extremely complex ecological, moral, political, racial, sexual, and social problems.” The general managers of tomorrow may be called upon to shoulder a set of entirely new responsibilities necessitating a drastic review of the emerging concept and techniques in business policy. Responding to the need of evolving new approaches to the teaching of business policy, the AACSB no longer insists on the provision of just one course in this area. Now there is an emerging trend to have several courses, such as, the theory of strategic competitive strategy, industry dynamics, hyper-competition, and global strategy in the curriculum.

### **3. WHAT IS THE RELATIONSHIP BETWEEN OBJECTIVES, POLICIES AND STRATEGIES?**

The relationship between policy, objective and strategy is that they are highly independent and inseparable. The three are interlocked and interrelated; and while objective defines standard of what the organization should accomplish, policy directs action towards the attainment of the standard set by the objective, strategy is made to achieve a market position and to reach the organizational goals and objectives.



The diagram above indicates that policies and objectives are related and that one leads to another. Policies serve as guide that provide direction and vision to managers in decision making. With articulated and purposive policies, managers can make decisions with some assurance that the decisions are likely to make the organization's corporate objective realizable within the stipulated time.

**b.) STATE THE USES OF POLICIES AND EXPLAIN THEM.**

- 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.
- Through policies, closer coordination and corporation can be 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 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. As long as managers are conforming to the organization's policies, they can safely proceed and use their own initiatives.
- Employees are more likely to take action and voluntarily assume greater responsibility when they are aware of organizational policies. If the personnel are confident that their actions are consistent with organizational policies, they are more likely to take actions than do nothing.
- Policies define and clarify the objectives and goals of an organization. They give a further definition on how the objectives of the organization can be accomplished.
- 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 are used to mould and project the image of the organization before the interest groups such as shareholders, suppliers, customers, employees and the public in general. The reputation that a company enjoys, whether favorable or otherwise, is frequently linked to people making statement such as "the firm is known to be liberal in its credit policy or the policy dictates positive attitude towards employees".