**STRATEGIC MANAGEMENT – NOV 2012 SUGGESTED SOLUTIONS**

1 (a) An emergent strategy is a pattern of action that develops over time `in an organization in the absence of a specific mission and goals, or despite mission and goals. Emergent strategy is sometimes called realized strategy. An emergent strategy or realized strategy differs from an intended strategy. Mintzberg argues that strategy emerges over time as intentions collide with and accommodate a changing reality. Emergent strategy is a set of actions, or behavior, consistent over time. It is a realized pattern that was not expressly intended in the original planning of strategy. When a deliberate strategy is realized, the result matches the intended course of action. An emergent strategy develops when an organization takes a series of actions that with time turn into a consistent pattern of behavior, regardless of specific intentions.

Deliberate strategies provide the organization with a sense of purposeful direction. Emergent strategy implies that an organization is learning what works in practice. Mixing the deliberate and the emergent strategies in some way will help the organization to control its course while encouraging the learning process.

(b) Organisational goals explain how an organisation intends to go about achieving its mission. For example, a car manufacturer might identify its mission as increasing market share and making a profit. Establishing goals of introducing a new model of car each year and providing the highest-quality spare parts to customers will enable it to achieve that mission.

(C) Strategic objectives are broadly defined objectives that an [organization](http://www.businessdictionary.com/definition/organization.html) must [achieve](http://www.businessdictionary.com/definition/achieve.html) to make its [strategy](http://www.businessdictionary.com/definition/strategy.html) succeed. Strategic objectives are areas of organisational performance that are critical to the achievement of its mission. They are areas that describe the strategic direction of the organisation. They directly influence the outcomes of the organisation.

Strategic [objectives](http://www.businessdictionary.com/definition/objective.html) are, in [general](http://www.businessdictionary.com/definition/general.html), externally focused and (according to [Peter Drucker](http://www.businessdictionary.com/definition/Peter-Drucker.html), they fall into eight major [classifications](http://www.businessdictionary.com/definition/classification.html): (1) [Market standing](http://www.businessdictionary.com/definition/market-standing.html): desired [share](http://www.businessdictionary.com/definition/share.html) of the present and new [markets](http://www.businessdictionary.com/definition/market.html); (2) [Innovation](http://www.businessdictionary.com/definition/innovation.html): [development](http://www.businessdictionary.com/definition/development.html) of new [goods and services](http://www.businessdictionary.com/definition/goods-and-services.html), and of [skills](http://www.businessdictionary.com/definition/skill.html) and [methods](http://www.businessdictionary.com/definition/method.html) [required](http://www.businessdictionary.com/definition/required.html) to [supply](http://www.businessdictionary.com/definition/supply.html) them; (3) [Human resources](http://www.businessdictionary.com/definition/human-resources.html): [selection](http://www.businessdictionary.com/definition/selection.html) and development of [employees](http://www.businessdictionary.com/definition/employee.html); (4) [Financial resources](http://www.businessdictionary.com/definition/financial-resources.html): identification of the [sources](http://www.businessdictionary.com/definition/source.html) of [capital](http://www.businessdictionary.com/definition/capital.html) and their use; (5) Physical [resources](http://www.businessdictionary.com/definition/resource.html): [equipment](http://www.businessdictionary.com/definition/equipment.html) and [facilities](http://www.businessdictionary.com/definition/facility.html) and their use; (6) [Productivity](http://www.businessdictionary.com/definition/productivity.html): efficient use of the resources relative to the [output](http://www.businessdictionary.com/definition/output.html); (7) [Social responsibility](http://www.businessdictionary.com/definition/social-responsibility.html): [awareness](http://www.businessdictionary.com/definition/awareness.html) and responsiveness to the effects on the wider [community](http://www.businessdictionary.com/definition/community.html) of the [stakeholders](http://www.businessdictionary.com/definition/stakeholder.html); (8) [Profit](http://www.businessdictionary.com/definition/profit.html) [requirements](http://www.businessdictionary.com/definition/requirements.html): achievement of measurable [financial](http://www.businessdictionary.com/definition/financial.html) well-being and growth.

1. (a) Vision statements and mission statements are very different.

A vision statement of a new firm spells out goals at a high level and should coincide with the founder's goals for the business. Simply put, the vision should state what the founder ultimately envisions the business to be, in terms of growth, values, employees, contributions to society, and the like; therefore, self-reflection by the founder is a vital activity if a meaningful vision is to be developed. As a founder, once you have defined your vision, you can begin to develop strategies for moving the organization toward that vision. Part of this includes the development of a company mission.

The mission statement is a concise statement of business strategy and developed from the customer's perspective and it should fit with the vision for the business. The mission should answer three questions:

1. What do we do?
2. How do we do it?
3. For whom do we do it?
4. There are many benefits for the organization.
5. They help to channel employees throughout the organization toward common goals. This helps to concentrate and conserve valuable resources in the organization and to work collectively in a more timely manner.
6. Challenging objectives can help to motivate and inspire employees throughout the organization to higher levels of commitment and effort. A great deal of research has supported the notion that individuals work harder when they are striving toward specific goals instead of being asked simply to “do their best.”
7. There is always the potential for different parts of an organization to pursue their own goals rather than overall company goals. Although well intentioned, these may work at cross-purposes to the organization as a whole. Meaningful objectives thus help to resolve conflicts when they arise.
8. Proper objectives provide a yardstick for rewards and incentives. Not only will they lead to higher levels of motivation by employees but also they will help to ensure a greater sense of equity or fairness when regards are allocated.
9. Organizational culture consists of shared beliefs and values established by the organization’s leaders and then communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviors and understanding. Simply speaking, a company’s structure and design can be viewed as its body, and its culture as its soul. Because industries and situations vary significantly, it would be difficult and risky to propose there is a “one size fits all” culture template that meets the needs of all organizations. Nonetheless, research does propose that if an organization’s culture is to improve its overall performance and effectiveness, its culture must be strong and provide a strategic competitive advantage and its beliefs and values must be widely share and firmly upheld.

Arguably, an organization that develops and maintains a strong organizational culture can certainly realize many benefits such as:

1. Enhanced mutual trust and cooperation.
2. Fewer disagreements and more efficient decision-making processes.
3. An informal control mechanism.
4. Facilitation of open communication.
5. A strong sense of identification.
6. A shared understanding.
7. Assisting employees in making sense of their behaviors by providing justification for behaviors.

In closing, it is worth mentioning that regardless of whether or not significant research and supporting evidence exist to establish a definitive link between culture and effectiveness, valuing different viewpoints and styles as well as developing concrete ways to facilitate organizational learning from differences can still prove to be highly beneficial in maximizing organizational structure, procedures and processes.

4(a) Limitations of rational model:

(i) It is limited by the cognitive abilities of the person making the decision; how good is their memory and how good is their imagination.

(ii) These models require a great deal of time and a great deal of information. And, of course, a rational decision making model attempts to negate the role of emotions in decision making.

1. The model also presupposes that it is possible to consider every option and also to know the future consequences of each. While many would like to think they know what will happen, the environment is very unpredictable.

(b) Steps in a rational decision making model

1. Identify decision criteria

Once a decision maker has defined the problem, he or she needs to identify the decision criteria that will be important in solving the problem. In this step, the decision maker is determining what’s relevant in making the decision. This step brings the decision maker’s interests, values, and personal preferences into the process. Identifying criteria is important because what one person thinks is relevant, another may not. Also keep in mind that any factors not identified in this step are considered as irrelevant to the decision maker.

1. Weight the criteria

The decision-maker weights the previously identified criteria in order to give them correct priority in the decision.

1. Generate alternatives

The decision maker generates possible alternatives that could succeed in resolving the problem. No attempt is made in this step to appraise these alternatives, only to list them.

1. Rate each alternative on each criterion

The decision maker must critically analyze and evaluate each one. The strengths and weakness of each alternative become evident as they compared with the criteria and weights established in second and third steps.

1. Calculate the consequences of these solutions versus the likelihood of satisfying the criteria.
2. Choose the best option.

**SECTION B**

1. Roles of employees in the innovation process:
2. Idea generator role

Employees should aim at satisfying the market needs by thinking of new ideas, developing solutions to problems, and identifying opportunities. Idea generators are often experts in one or two fields and are therefore able to recognize niche opportunities. They often enjoy working alone and are able to think abstractly and conceptually.

1. Champions role

Sell the ideas to others in the organization and secure resources to execute ideas. Individuals who play this role sometimes are referred to as entrepreneurs. In contrast to idea generators, champions are more apt to possess a wide range of interests, have general knowledge about several areas of a company or industry, and like to work with and influence other people. They are also more likely to be very energetic and to take risks.

1. Project leaders role

They coordinate activities such as leading teams, planning and organizing projects, and balancing project goals with available resources and organizational needs. Effective project leaders are good at working with other people and fostering group cooperation. They are also adept at company politics and have a broad knowledge of company functions, such as finance, production, and marketing.

1. Gatekeepers role

Take charge of tracking influences outside of the organization through conferences, journals, friends at other companies, and similar sources. Gate-keepers pass the information on to others and serve as an information source, and sometimes critic, to idea generators, champions, and leaders. They facilitate group communication and project coordination. Good gatekeepers typically enjoy working with other people, are personable, and have a relatively high degree of technical competence. The gatekeeper role is one in which a non-innovative personality may still function to the benefit of the group.

(v) Coaching role

Encouraging and assisting team members, protecting the team from destructive outside forces (e.g., undertakers in other departments or groups), and securing the support of top-level management. Employees who fill the coaching role in the innovative process are usually good listeners. In addition, they tend to be less opinionated than their coworkers, a characteristic not ascribed to the stereotypic creative personality. Effective coaches are also proficient at politicking and have proven experience sponsoring new ideas.

1. Despite the experience of many organizations, it is possible to turn strategies and plans into individual actions, necessary to produce a great business performance. Many companies repeatedly fail to truly motivate their people to work with enthusiasm, all together, towards the corporate aims.

Real leadership is required to compete effectively and deliver growth. People look to leaders to bring meaning, to make sense of the seemingly unquenchable demand for results and the need for individuals to find purpose and value. Leadership is the common thread which runs through the entire process of translating strategy into results and is the key to engaging the hearts and minds of your people.

To ensure that effective implementation of the strategies, the organization needs to be engaged to take action, which means:

1. Communicating the strategic intent, thrusts and action plans.
2. Using rigorous project management principles to deliver the change agenda.
3. Setting individual targets and work plans aligned to the strategic priorities.
4. Consistently measuring progress, assessing and giving feedback about performance.

Leadership, motivation and Performance management are key factors in getting the whole organisation aligned and mobilised to reach higher and work collaboratively together to deliver results.

1. CSR benefits the Bank in the following ways:
2. Human resources

A CSR program can be an aid to [recruitment](http://en.wikipedia.org/wiki/Recruitment) and [retention](http://en.wikipedia.org/wiki/Retention), particularly within the competitive labour market. Potential recruits often ask about a firm's CSR policy during an interview, and having a comprehensive policy can give an advantage. CSR can also help improve the perception of a company among its staff, particularly when staff can become involved through [payroll giving](http://en.wikipedia.org/wiki/Payroll_giving), [fundraising](http://en.wikipedia.org/wiki/Fundraising) activities or community volunteering. CSR has been found to encourage customer orientation among frontline employees.

1. Risk management

Managing [risk](http://en.wikipedia.org/wiki/Risk) is a central part of many corporate strategies. Reputations that take decades to build up can be ruined in hours through incidents such as corruption scandals or environmental accidents. These can also draw unwanted attention from regulators, courts, governments and media. Building a genuine culture of 'doing the right thing' within a corporation can offset these risks.

1. Brand differentiation

In crowded marketplaces, companies strive for a [unique selling proposition](http://en.wikipedia.org/wiki/Unique_selling_proposition) that can separate them from the competition in the minds of consumers. CSR can play a role in building customer loyalty based on distinctive ethical values. Business service organizations can benefit too from building a reputation for integrity and best practice.

1. License to operate

Corporations are keen to avoid interference in their business through [taxation](http://en.wikipedia.org/wiki/Taxation) or [regulations](http://en.wikipedia.org/wiki/Regulations). By taking substantive voluntary steps, they can persuade governments and the wider public that they are taking issues such as [health and safety](http://en.wikipedia.org/wiki/Health_and_safety), diversity, or the environment seriously as good corporate citizens with respect to labour standards and impacts on the environment.