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# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS 2021/2022 ACADEMIC YEAR SECOND YEAR FIRST SEMESTER

### MAIN EXAMINATION

FOR THE DEGREE OF MASTER OF SCIENCE IN  
HUMAN RESOURCE MANAGEMENT

COURSE CODE: HRM 823

COURSE TITLE: BUSINESS POLICY AND  
STRATEGY

DATE: 08/06/2022 TIME: 9.00AM – 12.00AM

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#### INSTRUCTIONS TO CANDIDATES

- ANSWER QUESTION **ONE** (COMPULSORY) AND ANY OTHER **THREE** QUESTIONS
- QUESTION **ONE** ATTRACTS **40 MARKS**
- ALL OTHER QUESTIONS ATTRACT EQUAL MARKS **20 MARKS**
- TIME ALLOWED IS **THREE** HOURS

## QUESTION ONE

Organization exists within a given environment which is spontaneously changing keeping pressure on organization to follow suit. Modern day managers therefore face complex challenges as they have to forecast the future, create multiple scenarios of the future and act in a strategic manner and as a result they face either planned or unplanned changes.

Closing or closure of plants, mergers, acquisitions, downsizing, failures etc. signifies the changes taking place in organization. Interest in management of change in organization has developed with time where certain leaders have given people, individual and social identities hence determining their behavior, associations and interactions as a result putting a premium on the need to critically analyze and plan for change in those organizations.

- a) Analyze the possible levels of strategy and their role in a well-developed organization. (10 marks)
- b) Explain the various tools that managers can use to choose strategies during strategy institutionalization process. (10 marks)
- c) The development of competitive strategies must include the assessment of the separate value activities, which the organization undertakes. Discuss the use of value analysis in the assessment of value activities in an organization (10 marks)
- d) According to the SWOT matrix there are four general strategic directions the organisation should take. Discuss them showing when each strategic direction is appropriate (10 marks)

## QUESTION TWO

- a) The strategic management process encompasses three phases-strategy formulation, implementation and evaluation and control. Discuss (10 marks)
- b) Discuss how “gap analysis” might be applied to a product/market situation (10 marks)

## QUESTION THREE

- a) Using porter’s ‘five –forces analysis’ discuss the nature of the competitive structure of an industry of your choice. (10 marks)
- b) For each of the five forces you should assess its relevance for developing competitive strategy in the industry you have selected. (10 marks)

#### **QUESTION FOUR**

- a) Discuss the criteria used for evaluating strategic options. (10 marks)
- b) Implementation of a strategy is critical and it is on this task that strategic planning fails. Discuss the reasons why strategies fail and advise how managers can overcome the identified setbacks. (10 marks)

#### **QUESTION FIVE**

- a) Can cost leadership strategy allow a firm to earn above-average returns despite strong competitive forces? Discuss (10 marks)
- b) Explain the environmental factors that can affect an organization's strategy (6 marks)
- c) Explain the difference between cost leadership and cost reduction (4 marks)