

**NATIONAL UNIVERSITY OF LESOTHO  
INSTITUTE OF EXTRAMURAL STUDIES  
DEPARTMENT OF BUSINESS AND MANAGEMENT DEVELOPMENT  
BACHELOR OF ARTS IN BUSINESS AND ENTREPRENEURSHIP  
BBE4304: BUSINESS POLICY AND STRATEGIC MANAGEMENT**

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**JANUARY 2023      MARKS: 100      TIME: 3 HOURS**

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**INSTRUCTIONS:**      Answer **ANY FOUR** Questions

### **QUESTION ONE**

- a) Explain the role of the following Strategists in a Strategic Management process;
- Board of Directors.
  - Chief Executive Officer.
  - Business Unit (SBU) Executives. (15 marks)
- b) What are the requirements of a good policy? List at least 5. (10 marks)

**[25 marks]**

### **QUESTION TWO**

The main agenda item at the meeting of the Executive Board of Mpilo Hospital is to discuss the new pay and reward system. The hospital needs to make changes to the existing pay systems to respond to government requirements to reform reward systems as part of its pay modernisation agenda. The aim is to harmonise the payments systems for different categories of workers in the hospital onto one pay scale. This will mean that there is one pay scale for all employees of the hospital including nurses, physiotherapists, radiographers, technicians and support staff (i.e. cleaners, porters, and kitchen staff). The rationale for the new system is to achieve greater flexibility, to assist in recruitment and retention of staff, and to reward people for their contribution to the achievement of hospital targets. The hospital has 12 months in which to design and implement the new system in order to meet the government target of February 2024. There is a huge amount of work that will need to be undertaken to deliver the new system, and a number of different stakeholders to satisfy. At the meeting of the Board there was some discussion concerning who should be responsible for undertaking all tasks and activities associated with the development of the new system. The Human Resource (HR) director proposed that a project manager should be appointed and a project team set up. Whilst he would expect some members of his HR team to be part of the team, he is adamant that, although his staff are responsible for administering the current payroll system and dealing with staff enquiries about pay and rewards, designing a new pay system should not form part of the 'business as usual' work for the HR department.

#### **Required:**

- (a) Describe the attributes of the proposed project in Mpilo Hospital that distinguish it from 'business as usual' work. Highlight issues that are peculiar to a project making reference to Mpilo Hospital project. (10 marks)
- (b) Produce an outline of the different stages in the project to design and implement a new pay and reward system for Mpilo Hospital. (15 marks)

**[25 marks]**

### **QUESTION THREE**

Radius is a large manufacturing firm that is well known as a ‘good employer’. Over the past few years, Radius has experienced difficult times with reducing sales and mounting losses. In desperation, it employed management consultants to analyse their situation. The consultants have concluded that the down turn in sales is permanent and that Radius needs to reduce its workforce by 50% over the next year in order to survive. Reluctantly, Radius’s board of directors have accepted these findings, including the need to shed staff. They have also agreed to act as honestly and fairly as possible but realised that any changes they propose will be unpopular and may meet with resistance.

#### **Requirements**

- a) Identify the positive initiatives Radius can take to achieve the required job cuts without adversely impacting on the welfare of the employees. (10 marks)
- b) Discuss the potential strategies available in order to overcome resistance to change, and identify those strategies that would be most suitable for Radius. (15 marks)

**[25 marks]**

### **QUESTION FOUR**

You have been employed as the Director of Corporate Services in one of the organisations in Maseru. (Select any organisation you are familiar with and use this as your place of employment.) You are responsible for strategy formulation. In the process of strategic planning process you will analyse the culture of the organisation to ascertain whether there are certain factors that might cause problems when implementing the strategy.

#### **Required:**

Use the cultural web to describe the culture and paradigm/assumptions of your organisation. In doing this you should define each element of the web, giving real examples from your organisation and comment upon the significance of each example for the organisation’s culture.

**[25 marks]**

### **QUESTION FIVE**

Describe the four (4) phases in the strategic management process.

**[25 marks]**

### **QUESTION SIX**

Diamond Holdings, a company based in Lesotho, would like to expand its business of manufacturing car spare parts into South Africa, Eswatini, Namibia and Botswana. The CEO has appointed you as the management consultant to advise the Board on the growth strategy option to adopt between internal growth and joint venture.

**Required:**

Discuss the two growth strategies of internal growth and joint venture that the company could use to expand its business into Southern African countries. In your discussion highlight the benefits and drawbacks of each method and recommend the method that could be appropriate for the company. **[25 marks]**