

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF
DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

MBAD 881: STRATEGIC MANAGEMENT

STREAMS:

TIME: 2 HOURS

DAY/DATE: TUESDAY 6 /07/ 2021

2.30 PM – 5.30 PM

INSTRUCTIONS:

- Answer ALL Questions.

QUESTION ONE: (40 MARKS)

Read the below case study and answer the questions that follow:

The globalization of world economies has resulted in high environmental volatility coming in unpredictable ways. Environmental changes such as technology and innovation, competition, globalization, regulation and de-regulation and consumer behavior have affected many organizations in that organizations have been forced to enhance their business processes in order to survive the environment, which has become increasingly competitive.

Throughout most of modern business history, corporations have attempted to unlock value by matching their structures to the strategies. Organisations are therefore undertaking strategic changes in order to align their business strategies to the environment thereby matching the resources and activities of an organization to that of the environment.

In order to cope with external and internal pressures, organizations have been forced to become more innovative in ways of doing their things faster to meet customer demands and have more products that cut a profitable market niche.

Organizations have to constantly be alert to anticipate change and implement it to the end. The capacity to anticipate change and manage adaptation to it in a timely and acceptable way is one of the key success factors for competitiveness and wealth creation of organizations and economies

as a whole. For organizations to remain truly competitive over time as the environment changes, they have to learn, adapt and reorient themselves to the changing environment. This process has to be deliberate and coordinated leading to gradual or radical systematic realignments between the environment and a firm's strategic orientation that results in improvement in performance and effectiveness.

A mismatch between the environment and the organization brought about by failure to respond to changes in the environment creates a strategic problem. A strategic problem requires a strategic response, a set of decisions and actions that result into formulation and implementation of plans designed to achieve a firm's objectives.

Questions

- i. "Organisations are therefore undertaking strategic changes in order to align their business strategies to the environment" Explain any five of these strategic changes. [10 Marks]

Marks]

- ii. The author quotes "Environmental changes such as technology and innovation, competition, globalization, regulation and de-regulation and consumer behavior have affected many organizations". Explain five organizational factors affecting strategy formulation by firms in Kenya. [10 Marks]

- iii. "For organizations to remain truly competitive over time as the environment changes, they have to learn, adapt and reorient themselves to the changing environment" Discuss five strategies a firm can implement for competitive advantage. [10 Marks]

- iv. Other than structure, discuss five organizational institutions upon which a strategy must be built to ensure successful implementation of strategy. [10 Marks]

Question Two

- a) Internal environment analysis is critical in strategy formulation. Explain the approaches to internal analysis. [10 Marks]
- b) Discuss five dimensions of strategic management that shape and direct the decisions of managers. [10 Marks]

Question Three

- a) Explain the relationship between 'Strategic Direction' and 'Vision' of a company. [10 Marks]
- b) Discuss five dimensions of strategic management that shape and direct the decisions of managers. [10 Marks]

Question Four

- a) The main aspects of strategic planning are that it precedes all other management functions and that it is pervasive in terms of the detail, the time horizon, and the scale of resources involved. Explain five elements of planning. [10 Marks]
- b) Discuss the challenges facing SME's in Kenya in implementing their laid down plans. [10 Marks]
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