

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

GRADUATE SCHOOL OF BUSINESS

MASTER OF BUSINESS LEADERSHIP

STRATEGIC MANAGEMENT MBL514

EXAMINATION PAPER

DURATION: 3 HOURS 30 MINUTES

JUN 2024

Instructions and Information to Candidates

1. Section A is compulsory and carries 40 marks.
2. Answer 'Question 1' from Section A and any three (3) questions from Section B.
3. The paper carries six questions.
4. All Questions in Section B carry equal marks of 20 each.
5. The use of cell phones is not allowed in the examination.

SECTION A: [COMPULSORY]

QUESTION 1

CASE STUDY: STRATEGIC PLANNING PRACTICES AND PERFORMANCE OF ZIMBABWE STATE CORPORATIONS

The levels and trends of strategic planning practices adopted and embraced by an organization are a major determinant of the achievement of their objectives and the ultimate attainment of superior performance. Strategic planning is a formal process designed to help an organization to maintain an optimal alignment with the environment within which it resides. The strategic planning process involves defining the organization's vision and mission, scanning the environment, setting of objectives, generating strategic options, evaluating and deciding on the most appropriate strategies and monitoring of progress.

In the decade between 1999 and 2009 the economic conditions in Zimbabwe were very challenging. In 2002 the European Union and the United States imposed economic trade restrictions on Zimbabwe after its controversial land reform of 2000. The economic performance of the country declined sharply with acute foreign exchange shortages and severe hyperinflation which peaked at five hundred billion percent at the end of 2008 (World Bank Report, 2012). Parastatals faced serious viability problems, as they operated at controlled non-economic prices. With the advent of the unity government a multicurrency regime was introduced and the government allowed parastatals to charge tariffs that are closer to economic costs.

Despite the fact that the level of uncertainty and turbulence prevailing in the country has subsided since 2009 (World Bank Report, 2012), there is a general belief by the general public that service delivery by a majority of the parastatals has not improved and in most instances has actually deteriorated (Zimbabwe Newsday, 2014). Severe load shedding and power cuts are still rampant and severely curtailing commercial activities in the country. Some residential townships have been without piped water for over a year and there has been some sporadic incidents of cholera outbreaks. If the viability of state corporations does not improve in the immediate future any hopes of an economic turnaround would be severely compromised.

Several studies have been done to establish the relationship between strategic planning practices and organizational performance. Many of the studies were carried out in the developing countries between 1970 and the late 1990s. The initial studies include those done by Thune and House (1970). Thune and House studied 36 companies where they examined the performance of each company both before and after formal strategic planning was initiated. The study covered both informal and formal planners. Results of the study showed that formal planners outperformed the informal planners on all performance measures that were used.

Studies within the African context and in developing countries include one done by Fubara (1986). He did a survey in Nigeria and observed that companies that engage in formal planning experienced growth in profits. Arasa and K'obonyo (2012) carried out a study on the insurance industry in Kenya which confirmed that organizations that embraced strategic planning performed better than those which do not. Aosa et al., (2012) carried out a study on the implications of strategy and resource configurations on the performance of non-governmental organizations in Uganda. Performance in non-profit making state corporations, just like in non-governmental organizations comprise mainly of intangible services and a variety of interests among its many stakeholders. The study findings showed that there are significant positive associations between strategy, resources and performance. Strategy had a much lower association with performance than that of resources.

Arasa et al., (2011) did a study on participatory orientation to the strategic planning process. A survey of firms within the Kenyan insurance sector was done with focus on the strategic planning elements and the impact of leadership participation and involvement as well as worker participation and involvement in various strategic planning tasks. The study revealed that leadership and employee participation and involvement does influence the strength of the relationship between strategic planning and strategic planning outcomes. Participatory decision-making fosters commitment and support from the relevant stakeholders which is critical for the success of strategy implementation.

In Zimbabwe, because of the prevailing socio-economic and political situation, there is a dearth of empirical studies on the relationship between strategic planning practices and organizational performance. Most of the studies, including that of Ndoda and Zvavahera (2014), focus on the impact of corporate governance and ethical behaviour on the performance of Zimbabwe state

corporations without interrogating the influence of the other components of strategic planning practices.

Required:

- a) Examine the extent to which strategic planning practices are associated with performance of state corporations in Zimbabwe. (10 marks)
- b) Assess the effects of economic conditions on strategic plans of parastatals in Zimbabwe. (10 marks)
- c) Identify and explain five reasons why parastatals have good strategic plans but they fall short in the implementation. (10 marks)
- d) Describe what the government should do to improve the implementation of strategic plans in parastatals. (10 marks)

[Total: 40 marks]

SECTION B: Answer any three (3) questions from this Section.

QUESTION 2

Evaluate how the culture that has prevailed in a company of your choice matches with the strategies pursued by the company. [20 marks]

QUESTION 3

As a manager for Chicken Inn, Harare, choose any one business-level strategy that can be pursued by your company and explain how that strategy can be effectively implemented.

[20 marks]

QUESTION 4

Examine the Resources Based View of the firm as a model that can be used by a firm of your choice to gain a competitive advantage. [20 marks]

QUESTION 5

Parastatals in Zimbabwe are well known for crafting excellent strategic plans but fall short in implementation and evaluation, examine the statement in detail giving a practical example.

[20 marks]

QUESTION 6

Strategic management is in crisis in Zimbabwe. Discuss this statement giving practical examples from three organizations of your choice. [20 marks]

END OF EXAMINATION PAPER