



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN PUBLIC
ADMINISTRATION**

STRATEGIC MANAGEMENT

HPAD 402

PART 4 SEMESTER 1 EXAMINATION

TOTAL MARKS [100]

DATE: June 2023

Time: 3 Hours

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any other three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

1. E is a multinational organisation and is one of the largest global producers of chocolate, coffee and other foodstuffs. E categorises the countries in which it operates as follows:

Less developed countries, from which E sources raw materials, but where there is no established local market for the finished products.

Fully developed countries, into which E imports raw materials, manufactures, and serves the local and export markets.

In every country in which E operates, it follows the OECD (Organisation for Economic Cooperation and Development) guidelines for multinationals.

In the particular case of country F, a less developed country, E has helped the local farmers to organise themselves into cooperatives to produce their crops. E has also funded schooling for the children of both the farmers and their workers, built and staffed a hospital and has provided other welfare benefits. E considers itself to be a good 'corporate citizen' and is used as an example of good practice on the OECD website.

Although the farmers' cooperatives are free to sell to E's two main competitors, they tend not to do so because of the close and friendly working relationship that they have with E. Both of E's main competitors are multinationals, but both are smaller than E. E has recently been receiving some bad publicity in country F. The management of E feels that this is being organised by the government and the national labour union of country F.

The government of F is reasonably supportive of business, but won the last election with a narrow majority. The government is now under pressure to raise the standard of living of the population. An election is due within the next fifteen months. The national labour union, which is increasingly being supported by the main opposition party in country F, is extremely anti-business. It would like to see all foreign companies removed from country F and all foreign-owned assets, and cooperatives nationalised.

The government of country F has stated that the prices paid for cocoa beans are too low, and that country F is not gaining sufficient tax revenue from the exports. The government of country F has threatened to impose an export tariff on cocoa beans, unless prices are increased, and unless E opens a manufacturing facility in the country F. The management of E feels that it has been targeted by the government because it is the largest of the three multinationals operating in the country.

The national labour union of country F has argued that the farm workers are being victimised by the farmers, who have become too powerful because of the cooperatives. It states that the government of F should not allow the farmers to operate in this way.

The management of E does not want to build a factory because the transport costs from such a factory to the nearest market for finished products would force the company to operate the factory at a loss.

The Chief Executive of E is due to meet with government ministers from country F to discuss E's future operations and involvement in the country.

Required

- (a) Explain the advantages to E of conducting a stakeholder analysis of its operations in country F. (7 marks)
- (b) Produce a stakeholder analysis for E's operations in country F. (18 marks)
- 2). Explain the strategies a firm could overcome the resistance to change which would arise if a particular solution is to be adopted. (25 marks)
3. Discuss the Environmental factors that can affect an organization's Strategy. (25 marks)
4. "The BCG (Growth –Share) Matrix is old but has stood the test of time" Evaluate this assertion. (25 marks)
5. 'Corporate Social Responsibility as a business imperative must not be accepted grudgingly or halfheartedly. Instead, it must be practiced with full vigor and straight from the heart passion and this certainly helps the companies in the long run' – Critically analyze the statement with Zimbabwean examples. (25 marks)
6. Explain the meaning of 'the world is flat' in the context of globalization. (25 marks)

End of paper