

11/25

Strategic Management chapter - 2
 CS Professional (Module - 2)

Before moving to the main part of the answer give a brief introduction about the Strategic Management

There are four indispensable phases of every strategic management process. In diverse companies these phases may have altered nomenclatures and different sequences, nevertheless the fundamental substance remains same.

They are :-

- Environmental Scanning.
- Strategy formulation
- Strategy Implementation
- Strategy Evaluation

Given:

Environmental Scanning:- The Board and directors and the top management will have to perceive the current performance of the company. To perceive, the company will have to scan the internal environment for strengths and weaknesses. External Environment for threats and opportunities. The environmental scan helps the organisation to select the strategic focus.

In the given case, XYZ Organisation, The company's leadership team conducted an Environmental scanning and identified that customer preferences are shifting towards electric vehicles due to Environmental concerns.

based on the environmental scanning, the organisation will formulate the strategy

Strategy formulation:- Strategy formulation is the process of deciding about the best course of action for organization to achieve its objectives.

XYZ corporation formulated a new strategy to invest in electric vehicle technology and entered partnership with battery manufacturers.

Strategy Implementation:- Strategy Implementation implies putting the chosen plan strategy into action.

Here, The implementation start of this strategy focused

internal resistance from employees and supply chain disruptions

strategy evaluation :- strategy evaluation is the final step of strategy management process. The key strategic evaluation activities are : appraising internal and external factors, measuring performance, and taking remedial action.

116) Strategic leadership :-

Strategic leadership refers to a manager's potential to articulate the strategic vision for an organisation and to motivate, guide and influence his subordinates to attain the objectives of that vision. Strategic leadership generate organisational strategies, allocate resources and communicate strategic vision.

Strategic leaders instill confidence to the employees in an organisation to follow their own ideas, yet moving in the direction of organisational objectives/goals. By motivating the employees and creating awareness a strategic leader helps overcoming resistance in strategy implementation.

please refer to suggested answer

117) Strategic formulation :- strategy formulation is the process of deciding about the best course of action for an organisation to achieve its objectives.

Internal factors :- strengths and weaknesses of XYZ corporation

External factors :- opportunities and threats of XYZ organisation

detailed explanation required
pls refer to suggested answer

2) Corporate Social Responsibility:- (CSR)

Corporate Social Responsibility in India is governed by Section 135 of the Companies Act 2013 Schedule VII of the Act and Companies (Corporate Social Responsibility Policy) Rules 2014.

Corporate Social Responsibility has many interpretations but can be understood to be a concept imposing a liability on the company to contribute to the society along with the duty to conduct the business in an ethical manner.

Factors to be considered to ensure an effective and ethical CSR strategy:-

⇒ Globalization:- The world has become a global village. Global supply chains is increasing. This is leading to CSR concerns related to human resources, environmental protection, health and safety among other things.

⇒ Government and Intergovernmental bodies:- Various government bodies / organisations like Organisation for Economic Cooperation and Development (OECD), International Labour Organisation (ILO) have developed compact, declarations, guidelines and principles that outline the social norms for acceptable conduct.

⇒ Consumers and Investors:- They show increase in interest in supporting responsible business practices and Environmental issues.

⇒ Numerous serious and high profile breaches of corporate Ethics have contributed to increase in public mistrust.

being ethical and being socially responsible in making positive measurable contribution to society may not be same.

⇒ Social and Environmental standards: Citizens in many countries are making it clear that corporations should meet social and Environmental standards, no matter where they operate.

⇒ Businesses are recognising that adopting an effective approach of Corporate Social Responsibility can ~~revert~~ reduce risk of business disruption, open up new opportunities and enhance brand and reputation.

3) Corporate Governance: Corporate Governance is the broad term used to describe the process, customs, policies and laws. ~~and~~ it works to achieve the goal of the organisation and manages the relationship with stakeholders including the board of directors and shareholders.

Objectives of Corporate Governance:

- Popularly called Board capable of taking independent and objective decisions.
- Board is independent in terms of Non-Executive and Independent Director.
- Board adopts transparent procedures and practices.
- Board has an effective machinery to serve the concern of stakeholders.
- Board to monitor the functions of management team.
- Board remains in effective control of affairs of the companies.

question is asking for points to be considered while expanding internationally