

**MNG3701 May/June 2025**  
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## PART A

### 1. Question 1

- 1.1. Strategic direction refers to an organisation's long-term vision and the overarching goals that guide its decisions and resource allocation.

Discovery Limited demonstrates strategic direction by embedding wellness and technology in its vision and business practices. Their mission to make people healthier and enhance their lives is supported by integrated digital platforms like the AI-powered Discovery App and their Vitality programme.

- 1.2.

Stakeholder	Expectation	Mission
Customers	Desire for health-focused, affordable, and digital solutions	Discovery delivers personalised digital wellness through apps and rewards-based health initiatives like Vitality
Employees	Opportunities to work in an innovative, ethical, and impactful environment	Discovery fosters innovation via 4IR strategies and aligns employee roles with health-focused goals
Shareholders	Sustainable growth and ethical profitability	Discovery balances market expansion with social and environmental sustainability, e.g., Green Miles and 4IR investments

- 1.3.

Characteristic	Yes/No	Reason
Clear & Concise	Yes	The vision is brief and focused on leadership and impact
Inspirational	Yes	Motivates stakeholders with a socially conscious purpose
Forward-Looking	Yes	Indicates the company's

		global aspirations and long-term impact
Specific	No	Lacks mention of industry differentiation or unique strategic edge
Challenging	Yes	Aspires to global leadership in a competitive field
Value-Oriented	Yes	Focuses on protecting and enhancing life – strong ethical positioning
Distinctive	No	Could apply to many insurers; doesn't clearly highlight Discovery's USP
Stakeholder-Inclusive	Yes	Speaks to customers, communities, and global outreach

## 2. Question 2

### 2.1.

Factor	Analysis of Macro-Environment	Application to Discovery Limited
Political	Government regulations like POPIA affect data use	Discovery applies strict data protection protocols for health, GPS, and behavioural data
Economic	Consumers face inflation and insurance affordability	Discovery leverages digital onboarding to reduce admin costs and expand access
Social	Increasing demand for wellness and disease prevention	Discovery promotes lifestyle changes via incentives like Vitality and Green Miles
Technological	Digital transformation and AI demand in service delivery	Discovery uses AI for real-time wellness tracking and digital-only banking

Environmental	Sustainability and carbon reduction priorities	Discovery promotes cycling/walking rewards and low-carbon practices in banking and insurance
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## 2.2.

### 2.2.1. Digital Infrastructure

- Discovery's fully digitalised bank and AI-powered app enable personalised services.
- Supports the vision to enhance lives by offering seamless digital experiences.

### 2.2.2. Behavioural Incentives

- Vitality programme integrates wellness with financial products.
- Enhances lives through healthy behaviour, aligning with the mission and creating a unique value proposition.

## 2.3. **Strategic Theory Identified:** Resource-Based View (RBV)

**Theory Overview:** RBV argues that a firm gains competitive advantage by leveraging unique internal resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991).

### **Examples from Discovery:**

- Discovery's Vitality programme is a proprietary behavioural platform.
- Its internal talent pool (e.g., actuaries, data scientists) enables innovation across services.
- These capabilities provide Discovery with sustainable differentiation and strategic advantage.

## 3. **Question 3**

Type of Technology	Application
Artificial Intelligence (AI)	Discovery uses AI in their mobile app to monitor health indicators such as sleep, exercise, and claims to personalise wellness engagement.
Telematics	Vehicle telematics in Vitality Drive collects driving data to reward safe drivers with insurance discounts and health benefits.

## PART B

### Introduction

Responsible management is a core component of contemporary strategic planning, especially for firms operating in volatile, highly regulated sectors like financial services. I am exploring what responsible management entails and critically evaluates the extent to which Discovery Limited can be considered a responsible organisation. The discussion draws on Discovery's 2023 strategic initiatives, including its use of Fourth Industrial Revolution (4IR) technologies, stakeholder engagement practices, environmental sustainability efforts, and alignment with social wellness goals.

### Understanding Responsible Management

Responsible management refers to a company's commitment to integrate ethical, sustainable, and socially beneficial practices into its core strategy and operations (Venter, 2022). It goes beyond legal compliance and focuses on creating long-term value for all stakeholders, including employees, customers, shareholders, communities, and the environment.

In line with global trends, responsible firms now measure success not only in terms of profitability, but also in their contributions to health, well-being, and environmental preservation (UN Global Compact, 2020).

### Discovery's Responsible Practices

#### **1. Social Impact through Wellness Incentives**

Discovery Limited has built its strategy around the principle of shared value by linking wellness to financial benefits. The Vitality programme rewards healthy behaviour such as exercising and healthy eating, thereby reducing healthcare costs and improving population wellness (Discovery, 2023). These efforts show that Discovery is not only a service provider, but also a catalyst for public health improvement.

#### **2. Environmental Responsibility**

Through initiatives like Vitality Green Miles, Discovery incentivises low-carbon behaviour, such as walking, cycling, and driving fuel-efficient vehicles. These actions reflect a proactive approach to climate change and align with broader sustainability goals, including the reduction of corporate carbon footprints.

#### **3. Ethical Use of Technology and Data**

Discovery's integration of 4IR technologies such as AI and telematics raises ethical questions about data use. However, the company's strict compliance with the Protection of Personal Information Act (POPIA) demonstrates its commitment to ethical data management and privacy protection.

#### 4. Stakeholder Engagement and Transparency

Discovery frequently reports on sustainability, financial performance, and public wellness. Their stakeholder model aims to create mutual value and is embedded in their communications, products, and long-term goals.

#### Evaluation and Conclusion

Discovery Limited demonstrates many hallmarks of responsible management. Its innovative integration of wellness, sustainability, digital inclusion, and stakeholder value creation reflects a long-term vision rooted in ethical practice. By aligning its mission “to make people healthier and enhance their lives” with tangible environmental and social outcomes, Discovery exemplifies how private-sector companies can be agents of positive change.

In conclusion, Discovery Limited qualifies as a responsible organisation. It strategically balances profitability with impact and positions itself as a forward-looking leader in both the insurance and wellness sectors.

#### References

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