



# **MACHAKOS UNIVERSITY**

**University Examinations 2021/2022 Academic Year**

**SCHOOL OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**FIRST YEAR FIRST SEMESTER EXAMINATION FOR**

**DOCTOR OF PHILOSOPHY IN BUSINESS**

**BBA 903: THEORETICAL FOUNDATIONS OF STRATEGIC MANAGEMENT**

**DATE: 15/12/2021**

**TIME: 9.00-12.00 PM**

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## **INSTRUCTIONS**

1. ANSWER question **ONE** and any OTHER **THREE** questions
2. Question ONE and TWO carry 30 marks each, while the rest carry 20 marks each
3. Use of suitable real practical examples and creative thinking is encouraged

## **QUESTION ONE (30 MARKS)**

Read the brief case scenario (**CEO CHALLENGE 2014**) and attend to the questions that follow.

### **CASE: CEO CHALLENGE 2014**

While the economic and business environments remain challenging in most places around the world, the 2014 edition of The CEO Challenge survey finds business leaders across the globe more focused on their business performance than in earlier years. Creating a performance-based management system, developing new skills, and engaging their people across the ranks and across the enterprise are their focus as they strive to reshape workplace culture to improve competitiveness, win new customers, and raise Productivity.

The survey results show CEOs are zeroed in on not only what gets done but more importantly how things get done; they are willing to take a hard look at their own organizational culture to ensure engagement, accountability, customer-centricity, agility, and ultimately outstanding performance. Many are seeking strong business leadership that is able to drive change and are not afraid to boldly innovate in a performance-focused environment. They also see a renewed commitment to customers and the corporate brand as keys to driving enterprise growth even in what promises to be a slow global

growth environment for some time to come. And to accomplish this, they recognize the importance of developing an engaged workforce and a diverse and accountable leadership team.

A report by the Conference Board, the *DNA of Leaders; Leadership Development Secrets* further indicates that organizations known for consistently developing great managers have in common a clarity of vision about what strong leaders need to be and do that is intricately linked to core values; a deeply involved senior management team; holistic, systematic processes and a dedicated leadership who lead the hard work of managing organizations in a turbulent environment. These organizations have a clarity and consistency about the kind of leaders they must develop, they review and continually update their management models to meet changing business needs, and most have “refreshed” their management models within the past three years. They identify, develop, and consistently drive adherence to core behaviors and competencies expected by leaders.

(The conference Board; CEO Challenge 2014)

### **Required**

- a) With reference to the case, discuss the relevance of institutional theory in shaping modern business enterprises (10 marks)
- b) Using the case and citing relevant theoretical postulations, discuss the importance of stakeholder view of a firm for business success (10 marks)
- c) With reference to the case and citing other business scenarios, discuss the perceived theoretical link between leadership and enterprise performance and today’s business leadership as in practices. (10 marks)

### **QUESTION TWO (20 MARKS)**

- a) Corporate governance as concept and practice has become of age across sectors and markets. Make a discussion on why this is being given critical attention across markets and institutions. (10 marks)
- b) Make a synthesis of the views from agency theory, stakeholder theory, behavioral theories in terms of how each of these inform the corporate governance practices. (10 marks)

### **QUESTION THREE (20 MARKS)**

- a) Discuss the relevancy and adequacy of the Michael Porter’s five forces frameworks in aiding managers’ understanding of business environment and making strategic decisions. (10 marks)
- b) The concept of bureaucracy was conceptualized and developed by Max Weber as a formal system of organization and administration designed to ensure efficiency and effectiveness. Make a discussion a discussion of the four dimensions of Max Weber’s bureaucracy concept bringing out its relevancy to modern business managers. (10 marks)

#### **QUESTION FOUR (20 MARKS)**

“Organizations possess a range of resources which are expected to aid in the realization of their respective organizational success”.

- a) With reference to the Resource Based Approach to Strategy Analysis as fronted by Robert Grant, discuss the above statement. (10 marks)
- b) Citing organizations and various real business situations, explain and discuss how various corporations or business enterprises have used such resources to achieve and sustain their competitive advantage. (10 marks)

#### **QUESTION FIVE (20 MARKS)**

- a) “Implementing strategy is tougher and more demanding than crafting strategy”. Using the congruence model by David A Nadler and M L Tushman, discuss the drivers and formula for successful transformation of strategy to expected performance. (10 marks)
- b) Kaplan and Norton describe the innovation of the balanced scorecard as follows:  
"The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation."  
Discuss the business significance of embracement of the concept and practice of the balanced scorecard for modern enterprises/institutions (both public and private). (10 marks)