

A Study on Selection and Designing an Appropriate Business Policies and Strategic Management

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Abstract

Every business needs policy and management strategies for proper functioning and brilliant productivity. These are the backbone of any organization which is predefining action for any task and problem. In this report, we'll discuss various aspects of a business effect by policies and management strategies. This will give an insight into policies and management strategies their creation and implementation. A company with well-planned policies and management protocols will thrive over time without facing huge issues.

Keywords

Business policy, management strategy, productivity, business management

1. Introduction

Policy for any organization is rules and regulation which define a scope with those decisions will be taken. It defines how to tackle a problem even for subordinates without taking help from higher management [1]. Business policies define the guideline for an origination; policies are set of rules and principles that help in making decision for lower-level management. Policies are framed by the highest-level management to function a blueprint for operational deciding. It's useful in stressing the rules, values, and principles of the organization. They are designed, by considering opinions and general views of variety of individuals in the organization concerning any scenario. They are made up of the past expertise and elementary understanding. During this means, the organization that come back beneath the vary of such policies can completely agree upon its implementation. Policies facilitate the management of a company to determine what's to be completed, in a very explicit state of affairs. These

have to be compelled to be systematically applied over a long amount of your time to avoid inconsistencies and overlapping [2].

In this paper, a study is conducted on the different important features of policy related to the business. This study states about the possible business policy and the importance of the business policies. This paper reflects the features of the business strategic management and the comparison on the business policies and the strategic management. The paper is structured in the following sections. In the section two, different features of the business policies are studied. Section three reflects the details of the business policy. The importance of the business policies is discussed in the section four. In section five, a detailed study on the business strategic management is explained. Section six is about the key differences in the business policy and business strategy. The last section gives the conclusion of the study.

2. Key Features of Business Policy

To create an effect policy for any organization there must be certain key feature which should be followed so that it can be used in any and all condition a business might face.

- Specific: A policy must be defined in a specific way to void any uncertainty. A definite or specific policy is effective and easy to implement.
- Clear: A policy must be clearing define that means there should not be any ambiguity. Ambiguity can be a big issue for subordinate in the implementation.
- Uniform: It has to be constant throughout in order for others to follow it.
- Appropriate: A policy must be proper in term of defining the goals of a business.
- Simple: A policy must be easily understood and simple to implement by everyone in the company.
- Comprehensive: To have a broad scope, it must be comprehensive.
- Flexible: The policy must be versatile within the operation of applications. Thus, it doesn't mean that policy should be changed always, though, this should be broad in scope to create positive, which can be utilize by managers in regular situations [3].
- Stable: The policy should be stable else it'll guide to uncertainty and irresolute within the minds of staff when they look into it for the assistance [4].

3. Business Policy

A business policy is a collection of guidelines established by the founder of the company or management. Some policies, such as national privacy requirements, are specified by processes, but others are created by the industry's management to achieve those tasks are completed to specific standards. They're usually documented in the procedure's handbook or in the employee reference guide. Despite the fact that many firms have various rules, all policies contain the same seven possibilities. A corporate policy should be detailed, transparent, consistent, agreeable, straightforward, thorough, and consistent. Business policy had first been offered as a distinct subject of the study at Harvard Business School in the early 1900s. The course aimed toward up the absolute management capabilities of students. It had been meant to tie along and provides correct focus to the 1st year courses by showing how the functions of business each internally and as between businesses, were closely interrelated in observe and the way a chief government had to acknowledge and handle those relationships.

All these policies produce a positive work atmosphere. Workers who feel safe at work from injury or discrimination are happier and extra productive. This can be a vital feature of productivity that each business owner should think about. Once workers have specific directions on grooming and dressing, programming and requesting break day, it levels the sector and shields workers as of nepotism. It establishes the tone of the organizational interaction and lays the groundwork for

collaboration. Managing programs alone necessitates working as a team, or at the very least, taking into account the demands of individuals on the team.

4. Business Policy's Importance

As a huge businessman, the policies and execution tactics you choose may have a direct impact on how your employees perform. Several business executives choose to adopt certain procedures at every step of the organizational execution activities, while others wish to provide everything in a very strict style. This is a decision that an entrepreneur must make. Take into account that certain processes and policies are implemented to avoid legal issues, while others are implemented to establish a company's image, competence, and philosophy. A significant entrepreneur should be aware of how rules are affecting his employees. If a code is becoming a nuisance for the majority of employees, a new proposal, such as an off-the-cuff workday policy, may change the organizational atmosphere in a much more good way. If no cellphone law exists but employees are wasting time on incoming calls, messages, and social platforms, a new policy with training should be implemented and monitored to increase efficiency. Management should assess corporate policies on a regular basis to see how successful they are in achieving the firm's goals.

Process of establishing business policies A. Environmental scanning B. policy development C. policy execution D. assessment and control are the four most significant corporate policy processes [2].

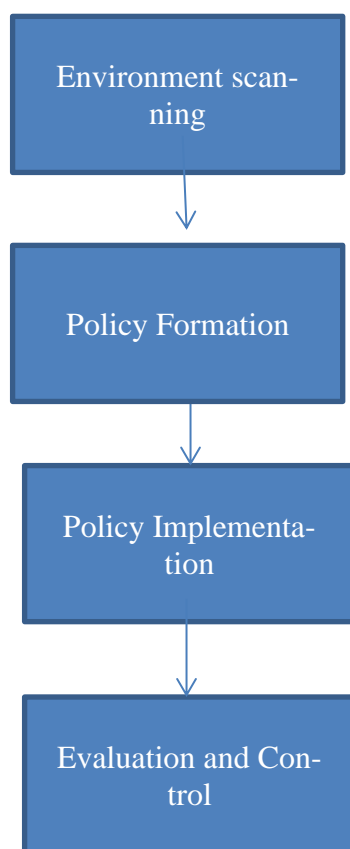


Figure 1. Basic elements of the business policy process

4.1. Environment Scanning

It may be defined as the gathering, disseminating, and assessing of data from both the surrounding environments for important corporate personnel. Its goal is to identify internal strengths and weaknesses that will ensure the company's long-term viability. They frequently employ situational analysis to define the tactical components of the chosen firm's advantages, vulnerabilities, capabilities, and dangers. External surroundings include aspects such as "opportunities and threats" beyond the purview of the company and are not often addressed by top executives in the short term. The setting in which the business exists is influenced by such elements.

The internal environment of a corporation is made up of elements such as "weaknesses and strengths" that are specific to the organization and aren't often measured in the near term. These factors shape the setting wherein work is accomplished, and they are under the command of senior leadership. They value the company's structure, philosophy, and resources. A industry's key assets are a collection of fundamental competencies this will employ to stay ahead of the competition.

4.2. Policy formulation

Policy formulation is that the development of long-term strategies for the effective administration of environmental threats and opportunities, in bright of company strengths and weaknesses. It includes process the company mission, specifying accomplishable objectives, developing methods, and setting policy procedures.

4.2.1. Mission

The purpose or goal of an organization's survival is known as its mission. It encompasses societal services, such as house cleaning, as well as a product. A suitable mission statement describes the breadth of a company's activities in terms of products offered and markets served, and explains the core, distinguishing purpose that distinguishes it from other firms of its sort. It can also include encirclement the firm's philosophy concerning how to do business and to deal with treats. It puts into words not solely what the corporate is currently, however additionally what it desires to become management's strategic vision of the firm's future. A mission statement encourages a way of shared expectations in staff and communicates a public image to big neutral teams within the company's task surroundings. It tells which one we incline to and what we incline to do additionally as what we'd wish to become.

4.2.2. Objective

That seem to be the outcome of previous activities. It explains what has to be done and how it could be done. The achievement of corporate goals must result in the achievement of the organization 's mission. In fact, this is frequently what public returns to the firm if it does an actual job of performing its objective.

4.2.3. Vision

At the start of the strategy-making process, firm executives should wrestle with the question of what way in which organizations should go and what changes to its brand, marketplace, customer, and technological emphasis would improve the industry's current market position and possibilities. Choosing to dedicate the organization to one course is one strategy to try to change the organization's economic makeup and, as a result, the position in the market it should adopt. A vision statement outlines company's goals for the company, presenting a picture of "where we're headed" and a strong argument for why this makes intelligent business decisions. As a result, a tactical notion directs a company along a certain road, sets a strategic course for it to adopt in terms of long-term planning, and shapes the structure's identity. A well-articulated strategic vision communicates management's goals to stakeholders and aids leadership in understanding the motivations of corporate personnel during

a fundamental change in direction. A grand planning is a blueprint for a business's future that includes details on technology and customer focus, the spatial and product segments to be sought, the abilities it aims to create, and the reasonably company that leadership is aiming to build [5].

4.2.4. Strategies

A strategy for any organization is a well-planned scenario based by step instruction to achieve overall goals of a company. It results in increasing the productivity and decreasing overall cost and risk factors. There are few types of business strategies which companies prefer.

4.2.5. Business Strategy

It arises at the product level also known as unit level and it emphasizes enhancement of the products or services in the particular market or industry. They may appropriate within the 2 overall types of cooperative or competitive strategies.

4.2.6. Corporate Strategy

It establishes a company's broad direction in terms of the total growth plan as well as the governance of its many sectors and product lines. Generally, business strategies fall into one of three categories: consistency, expansion plan, and acquiring a comprehensive range of significant consumer electronics by deeding numerous equipment enterprises.

4.2.7. Functional Strategy

A useful space's strategy to achieving corporate and business unit objectives and processes through optimal resource productivity. It is concerned with the development of a certain capacity to provide a comparative benefit for an organizational unit. Technical supporter base and superior technology are effective techniques. As a result, the company was able to keep its pricing below those of its competitors, allowing it to compete on price. in terms of disseminating helpful techniques the practice of spending a large sum of money on advertising in order to generate client demand This is in line with the business strategic strategy of distinguishing its goods from that of its opponents.

4.2.8. Policies

A policy is a comprehensive decision-making framework that connects the development of a plan with its execution. Organizations utilize built-to-form rules to ensure that employees across the board make decisions and perform steps to encourage the company's goal, objectives, and strategies.

4.3. Policy Implementation

It is the process of putting policies and procedures into effect via the use of sequencers, budgets, and processes. This strategy may entail modifications to the whole organizational climate, hierarchy, and/or oversight system. Except when drastic corporate-wide improvement is needed, strategic planning is frequently carried out by lower and middle-level managers, with high-level management reviewing the results. Normally spoken as operational coming up with, strategy implementation usually involves day-after-day choices in resource allocation.

4.4. Evaluation and Control

It is the process during which company performance and activities results square measure monitored so actual performance are frequently matched with desired performance. Managers the least bit levels use the ensuing info to require corrective

action and resolve issues. Although analysis and management is that the final major part of strategic management, it which can also pinpoint weaknesses in antecedent enforced tactical plans and so stimulate the complete method to start once more. Performance is that the outcome of activities. It includes the particular results of the strategic management method. The practise of strategic management is even in terms of its ability to enhance a corporation's performance, generally measured in terms of profits and come back on investment.

5. Business Strategic Management

It is the technique of planning and managing the actions of the corporate at the attainable level in associate structure profit. Within corporate administration regulation, it holds one in all the essential roles for developing a business management strategy and executes the method of business management. Business strategic designing centralizes on creating a solid elementary set-up for corporate management activities by organizing, dominant, and directing business implementation. According to the rule, it is the matter of associate organization's high management to develop a effective plan for business handle and management business execution [6].

It is the systematic topmost level set up of the actions aimed toward designing and dealing the business management method at the foremost economical technique to get the strategic aims and objectives of a corporation. It has been aimed to develop the company's direction for the business and specifying policy and management plans to support the direction [7]. This can be the tool of unbeatable business strategic planning that supports to form high-level choices for the businesses concerning the setting of future goals and handing over resources in direction of accomplishment of policies and achievement of the objectives [8]. The Strategic Management Process are:

5.1. Strategic Objectives and Analysis

In this the mission, vision and values of an organization is defined. This is done by analysis of all the aspect of organization (external analysis of environment (PESTEL) and internal analysis (SWOT)). As the time changes the statements also change/modified according to the requirement.

5.2. Strategic Formulation

The information from both PESTEL and SWOT analyses must be used to set unblemished and convincing objectives supported the strengths and weaknesses of the corporate. Determine if the organization must realize extra resources and the way to get them. Formulate targeted plans to realize the goals. Grade the techniques most significant to achieving the objectives. Still scan the external atmosphere for changes that might have an effect on the probabilities of achieving the strategic goals.

5.3. Strategic Implementation

This also known as strategic execution is the stage at which everything came into action. In which everyone should be aware of their particular responsibilities, assignments and authority.

5.4. Strategic Evaluation and Control

As external and internal situations are each time changing, this stage is very vital. Performance measurements (determined by the character of the goal) can facilitate verify if key milestones area unit being met. If actual results vary from the strategic arrange, corrective actions can have to be compelled to be taken. If necessary, review the goals or the mensuration criteria.

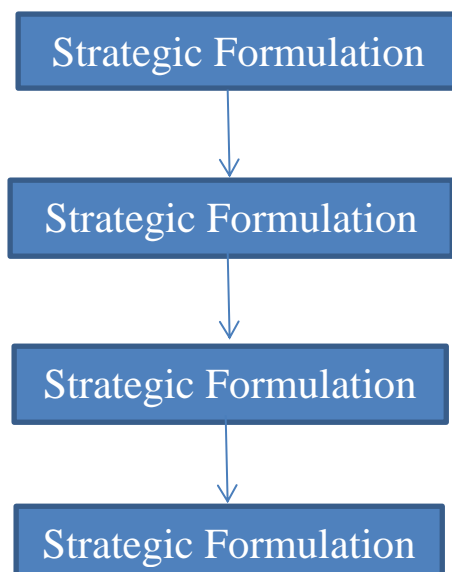


Figure 2. Basic elements of the business strategy process

6. Comparison between policies and strategies

Table 1. The key differences in the business policy and strategy

| | POLICY | STRATEGY |
|---|---|--|
| 1 | Policies are the guidelines that help the business to take valid decisions. | Strategies are a complete plan, made to achieve the organizational goals. |
| 2 | They are action principle | They are action plan. |
| 3 | They are fixed in nature but can be change is certain situation. | They are flexible. |
| 4 | Administrative rules for the actions which are repetitive in nature. | Administrative decisions and moves for the situations which haven't been met previously. |
| 5 | Thought and decision oriented | Action oriented |
| 6 | Create by top level and middle level management. | Only by top level. |
| 7 | Introverted approach | Extroverted approach |

7. Conclusion

Business policies and strategies are essential part to run an organization, its hold the relation with external and internal environment and client. Proper planning and action make any organization productive and employee friendly. Thus, focusing on important factor sustainability and its link to business strategy needed to be in consideration. Also keeping in mind, the relationship between corporate performance and corporate social responsibility

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