1. Explain following in brief: (Any Five)  
   (1) What is core competence?  
   (2) What is Business Dimension?  
   (3) What is forward Integration?  
   (4) Explain the term "Bench marking".  
   (5) Explain OCP.  
   (6) Difference between Strategy and Policy.  
   (7) What is Grand Strategy?  
   (8) What is Strategic Business Unit?  

2. Explain in detail when and why organisation goes for Retrenchment Strategy?  

OR  

2. Explain Functional approaches of the organisation in detail.  

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Define Strategic Management Process and its Implications in detail with diagram.

OR

Explain nature and impact of environment in Strategic Planning for any business.

Read the Following case carefully and answer the questions given below:

During the last 25 years, the Union Fidelity Trust Company had grown quite rapidly. Technology had caused several job changes and the elimination of others. However, company policy had always dictated that no employee was to be fired because of job changes or eliminations. Normal attrition was believed capable of handling any employee surplus problems that resulted from the job changes.

Two years ago a new president was appointed. He was 39 years old when he assumed the presidency of the bank. At about the same time the cost-price squeeze began to affect the banking industry, and Fidelity Union was no exception. The two largest expense items on the balance sheets of most banks are interest expense and salary and fringe benefit expenses. Since interest expense is a function of the money market and no one bank can control it, the obvious category for expense control lies in salaries.

This fact did not escape the new president in his desire to maintain a reasonably high level of earnings for his bank.
After discussing expense control with other members of senior management, he decided to introduce two new policies. One of these he thought of as a short-term policy subject for new employees. The other, which he wanted to be a permanent policy, was an early retirement program designed "to eliminate obsolete older employees".

While the president realized that both of these policies would be controversial when he made the decision to implement them, he was surprised at the depth of the controversy. The early retirement policy was the most controversial. Each major division head was required to submit the names of those individuals who were considered least competent and candidates for suggested early retirement in the next year. The policy also allowed any employee over age 55 to request early retirement. In both cases, benefits would be less than those that would have been received if the employee stayed until the usual retirement age of 65, unless the retirement took place at age 60 or later. In such instances, the benefits would be the same.

The controversy seemed to center on the need for making the hard decision about who was "obsolete". Though the division heads could refer to all past performance appraisals and discussion with the individual's present supervisor, they resented having to make such a decision. Certainly a significant factor was that most of the potential candidates were long-service employees well known
throughout the bank. The other part of the controversy related to the possibility of losing very capable employees, who under the policy could opt for early retirement if they so desired.

(1) What are the reasons that, the division heads be reluctant to make an early retirement decision regarding obsolete employees?

(2) Could the new president have implemented such a policy differently? If Yes/No then justify your answer.

(3) What are the pros and cons about an early retirement policy?