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**ADVANCED DIPLOMA IN LOGISTICS AND TRANSPORT**

**Leadership and Strategic Management ADpI02**

**February 2022**

**Note to Candidates**

The aim of this paper is to establish your understanding of the general principles and applications involved in Leadership and Strategic Management.Candidates are encouraged to write critically and make use of relevant examples where applicable.

**Answer ALL Questions in Section A and any 3 Questions in Section B**

**3 HOURS**

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**SECTION A: COMPULSORY**

**Corporate Culture at BP**



In 2005, there was a large explosion at the BP oil refinery in Texas. 15 people were killed and 180 more were injured. In 2010, BP’s Deepwater Horizon offshore drilling platform exploded killing 11 people and the huge oil spill devastated the Gulf of Mexico. In 2012 an explosion at BP's natural gas compressor station in Colorado killed one worker and injures two others. A number of enquiries have been launched, including one by the US Congress and another by BP itself.

Part of the blame for these series of accidents was put by the BP enquiry on the company’s global management culture. There was a lack of clear lines of responsibility within most of BP’s core business activities. BP managers routinely ignored standard procedures. Guidance from corporate headquarters was too often interpreted as orders and managers had a ‘lack of respect for audit findings’ that were too often not sent to the appropriate people. Within the group, the corporate culture suffered from a lack of ‘corporate memory’ and ‘broken’ performance management systems at the highest levels. ‘Incompetent’ workers were allowed to remain in their posts and ‘nonconformists’ who ignored standard procedures were tolerated, it added.

The congressional investigation suggested, however, that BP managers may have deliberately underspent on maintenance in an effort to meet corporate cost cutting goals. This followed deep cost cutting ordered by BP headquarters after it had acquired several refining and exploration companies in its objective to expand in the decade preceding this string of disasters***.***

Required:

1. Explain organizational and corporate culture and what may influence it. **[4marks]**
2. BP puts safety before profit. Identify, any reasons why organizational culture might have led to these series of disasters. **[4 marks]**
3. What is the importance of a strong organizational culture within a firm? **[7 marks]**
4. Discuss how BP’s organizational culture needs to change to prevent another major accident. What are the possible obstacles to changing the current culture, and the consequences of possible culture clashes if new objectives are implemented. **[10 marks]**

**SECTION B: Answer any three questions**

**Question 1**

‘*Leadership is one of the most essential ingredients for entrepreneurial success yet it is conceptually elusive*.’ (Wickham, 2000). Discuss  **(25 marks)**

**Question 2**

Identify and explain the risks of collaborating with a competing rail or bus operator to share bus or train capacity following losses when operating independently. Suggest how you would manage the risk. **(25 marks)**

**Question 3**

1. Undertake a stakeholder mapping of your current employer, using a stakeholder responsibility matrix to identify stakeholders in any collaborative partnership your organization currently has. **(10 marks)**
2. Evaluate the power and influence of stakeholders to affect the company’s strategic decisions.

**(8 marks)**

1. Use the power/interest matrix to map the power of stakeholders. **(7marks)**

**Question 4**

Identify business critical information and map how information flows through the supply chain of which your current employer is a part. **(25 marks)**