

Approaches to corporate management

[Business](#), [Management](#)



Approaches to Corporate Management

Introduction

Corporate management is the process where managers establish organizations long-term directions, set specific performance objectives and develop strategies to achieve these objectives in light of all the relevant internal and external circumstances and undertake to execute the chosen action plans. Modern businesses are faced with many challenges in their current business undertakings and there is a need for them to fight for their survival that results from global events and competition which affects them either positively or negatively. Business environment keeps on changing as businesses strive to maintain their market share and at the same time provide quality services to their customers. Business environment refers to both internal and external factors that may impact upon the growth and overall performance of the organization. Modern businesses are forced to build economic and political connections that usually take the form of transfer of funds, goods, and people across state boundaries. This aspect of connection has also seen collective sharing of ideas and principles which have resulted to increase in the speed of change, vagueness, doubt, and unpredictability in business undertakings. With such dimension the aspect of corporate management is very important with particular regard to application of innovative approaches to business undertakings. The approaches to corporate management include the following: (Cullen, 2005)

Effective Approaches

The first approach is that of corporate planning which it refers to the overall integrated planning system within an organization which incorporates both

strategic and corporate planning. An organization is a consciously co-ordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals. Therefore corporate planning can only be achieved through management functions; planning, which encompasses defining organization goals establishing an overall strategy for achieving those goals and developing a comprehensive hierarchy of plans to integrate and coordinate activities, organizing, which is the determination of what tasks have to be done, who does them how the tasks are to be grouped? Who reports to whom and where decisions are to be made. Controlling, this involves monitoring the organizations performance, leading, which involves managers motivating subordinates, directing the activities to be done, selecting the most appropriate channels of communication and resolving any conflicts among the employees. (Maund, 2001)

Another approach to corporate management is that of strategic planning which refers to the process of determining an organizational mission and basic objectives and defining the strategies which will govern in acquisition and utilization of resources to achieve these objectives and accomplish the mission. In order to enhance this approach much attention need to be directed to formulation of workable strategies. A strategy may be defined as the calculated means by which the enterprise deploys its resources to accomplish its purpose and basic objectives under the most advantageous circumstances.

This implies that a strategy defines the direction in which the organization intends to move and establish the framework of action through which it

intends to get there. Strategy therefore provides a framework for guiding any business thinking and actions. In strategic planning the organization's mission is defined, corporate objectives established, and strategies developed following a thorough process of environmental and situational analysis. Strategic planning guides the organization's behavior and set the directions of an organization and how this business enterprise can constantly adapt to its environment. Strategic planning ensures that there is a good fit between the firm or organization and its environment within which it interacts. A firm that fits well to its environment increases the chance of survival and prosperity as compared to that does not fit to its environment. It is therefore prudent for any firm to establish and maintain a positive relationship with its environment. (Dale, 2001)

Another approach to corporate management is that of operational planning which addresses the activities and resources required to implement set strategic plans. This approach is mainly dedicated to the allocation of resources, scheduling of actual working activities rather than selection and formulation of strategies as in the case of strategic planning. In essence this approach deals with implementation and execution of the organization chosen plan that involves putting organization's resources in to place and assigning responsibilities to individuals and organizations units for example strategic business units (SBUs). Under this approach the organization must ensure that the specific performance targets in all functional areas within the firm are attained without jeopardizing the survival and continued growth for the business. (Sparrow, 1994)

The low level managers for example the supervisors have the responsibility of ensuring activities are carried out within a set specific time, using the required resources, and meeting the set targets without much difficulty. Short-term operational plans for small or elementary units of the organization such as individual departments and at times individual managers are implemented to ensure the success of the organization. Key functional strategies for example HR, marketing, financial strategies should be adhered to avoid any risk of losses associated with poor performance. Also read about " Contemporary theory of management"

However, certain variables that stress achievement of goals and center on output are normally used to facilitate operational planning approach and this may include, quality in production and efficiency in the work done. Under this case the management of any firm needs to improve on managerial activities by building people skills through friendly management and also motivation of employees. The management also needs to put in place enough machinations to cope with the ever changing environment through continuous improvements of operations and continued update of knowledge and skills by the workers through training. Also the organization has to emphasize the importance of work groups in achieving results. It is a challenge to the entire management to be effective in the activities and much need to be done including training of managers in order to cope with change that may be brought about by globalization.

Conclusion:

Innovative corporate management approaches leads to organizational effectiveness for any organization. Organizational effectiveness involves <https://assignbuster.com/approaches-to-corporate-management/>

number of activities including; recruiting competent, motivated and qualified employees, good communication system in the organization, unambiguous policies, decisions and regulations, a conducive environment for working, good management, ability to adapt to any changes, an efficient board of directors and building a viable and strong culture and mission among others in order to achieve good results. (Dale, 2001)

International Business management practice is the greatest concept that must be incorporated in corporate management. It is the process of applying management concepts and techniques in multinational environment so that firms can become and remain international in scope. This process is influenced by new technologies, improved communication, and transportation systems. It involves identifying the suitable approaches to going global and understanding all the merits and demerits of each approach before going global. (Cullen, 2005)

References

Cullen, J. B & Parboteeah, K. (2005). Multinational management: A strategic approach,

3rd Edition, Mason; Thomson South-Western,

Dale, M. (2001): The Art of HRD: Developing Management Skills , Vol. 3, New Delhi

Crest Publishing House,

Maund, L. (2001): An Introduction to Human Resource Management: Theory And Practice: Palgrave, Macmillan,

Sparrow, P. and Hilltop, J. (1994): European Human Resource Management in Transition: New York, Prentice Hall