

Human resource management in context reports examples

[Business](#), [Company](#)



Introduction

The major objective of every organization is to increase profit and create a competitive edge into the market. Cenlow Limited being an instant coffee company and considering launching of a new product through an improved pack lighter and cheaper to produce than their current glass jars avails a unique entity that can enable the company create a competitive edge into market. The undertaking was successful as the company's products were embraced in the market starting to peak for the past few months. However, based on different factors, the change in the product launch is likely to have marginal implications on the financial capability of the company and its production line. The decision by the CEO to launch the improved product and packaging internationally is vital towards increasing the product range. However, the fear by the manager based on the fact that the market is already saturated aligns with similar worries by managers while venturing into the international market.

Through detailed market research by examining some of the external factors likely to affect the development of the company, Cenlow can avert some of the loopholes or factors likely to lower the performance of the company into the global market based on the set targets. The following analysis presents a detailed report based an analysis of the market based on different tools and techniques hence availing some of the strategic recommendations that the CEO can implement towards maintaining the future performance of the company.

PEST Analysis

The model incorporates some of the leading factors likely to influence the performance of a given firm in the external environment. As Cenlow seeks to venture into the international market, there is need to conduct a detailed PEST analysis aimed at examining the impact of each of the factors and how to develop strategic entities aimed at creating a competitive edge into the global market. The PEST analysis incorporates significant entities such as; Political, Economic, Social, and Technological factors. Each of the availed factors is likely to have marginal implications or effects on a given business seeking to venture into the global market. Detailed analysis of these factors in relation to Cenlow is proffered below:

Political: This is a significant factor likely to supplement to the success or the failure of the business (Hichael, 2013). It incorporates different entities ranging from taxation, government policies on investors, stability of political power, and the cooperation availed by the government to business investors. Based on the diversity and the complexity of the factor Cenlow should conduct a detailed analysis on the global market to target for countries with favorable conditions that aligns with the set business objectives. The current environment that the company has been operating avails a favorable political environment largely facilitating the success of the company in the past two years. The environment has also enabled the company to expand hence seeking for more market to trade their products. Prior to venturing into any targeted country in the global market, Cenlow should conduct a detailed review on the political perspective of the targeted company towards creating a competitive edge in the selected market.

Economic: The factor also defines the operations of a company in a given country or in the global market. The economics factors in a given country are likely to define the ability of the consumers to purchase the introduced product by Cenlow into the targeted market. For instance, the recently witnessed economic recession globally while affecting some of the global leading economy affected consumer's ability to purchase products offered by companies in the market. Considering the economic stability of a country and also the global economic environment also defines the success of the company into the targeted market. The assumption attached to the depicted analysis indicates the need for Cenlow to conduct detailed economic analysis on the targeted countries towards defining the cost of operation and the feasibility or profitability of the venture towards meeting the set objectives of the company. Furthermore, the level of the competition based on the economic perspective is essential for the company to consider prior to the venture into the selected market. The fact that the company is witnessing competition in the local market with more competition in the global market indicates the essence of the company researching on the marketing strategies used by the competitors, examining the needs of the consumers and developing competitive strategies to enable the company create a competitive edge into the selected market.

Social: Coffee market is competitive as proffered above, social factors are likely to define the success of the company into the global market based on the branding, packaging and the marketing of the product. Based on the availed scenario, Cenlow seeks to improve the product and packaging towards tapping the highly competitive global market. However, there is

need for the company to conduct detailed research on culture and other social aspects of some of the targeted markets to understand the social aspect of the consumers in the targeted market. The ability to identify and understand the social factors can enable the company creates a competitive edge into the global market through designing the marketing strategies aligning with the consumer needs.

Technology: This is one of the major factors that influence an organization in the local and global market. Technology dynamism is pressuring organizations to develop strategic approaches aimed being updated on such developments in relation to the production among other factors. Technology affects every angle of the business ranging from production, packaging, and resource management to marketing among other vital business undertakings. Through detailed analysis on technological developments and ensuring the organization is aware of the respective technological changes; the organization can be able to create a competitive edge into the targeted environment. Cenlow Limited manufactures instant coffee; the launch of the new product based on the projections by the manager should align with the respective changes in technology. The company should conduct a detailed research on the recent and effective instant coffee manufacturing facilities to enable the company increase production, produce quality products, and also lower on the production cost. The notion attached to such undertakings depicts how technology is a vital entity in relation to enabling a company creates a competitive edge into the global or local market.

Porter's Five Forces approach

This is a significant tool that is also vital towards examining some of the external factors likely to affect an organization in the local or global market. The approach provides a detailed analysis on the external environment in relation to the products and services an organization seeks to introduce into the global or local market. These forces enables the company to understand where the power lies, identifying the competitors, threats, strengths hence improving on some of the challenges in the market (Porter, 1985). These forces are availed in the preceding analysis in relation to Cenlow Limited:

Bargaining power of the suppliers

This reflects the relationship between the supplier and the organization. The higher the number of suppliers in the market, the lower their bargaining power; based on the assumption that the organization is availed with a list of suppliers to select from prior to setting the price. The suppliers are likely to cause an increase in the price of the produced commodity in the market based on the price offered to the manufacturing company. Based on the availed scenario above, Cenlow seems to be operating in a highly competitive environment indicating the possibility of high bargaining power of the suppliers. As the company seeks to venture into the global market, seeking for new suppliers is vital towards setting a strategic and competitive price for their products and services. The recommendation also avails the organization with an opportunity to partner with competitive suppliers in a competitive position such as those indulging into environmental initiatives.

Bargaining power of customers

The analogy attached to this force is based on assessing how easy the buyers or the customers can substitute products in the market in respect to changes in the price. The assumptions attached to the concept indicate that in a market where consumers are availed with similar products by different companies, their bargaining power is likely to be high based on the fact that they can easily alternate or substitute the products based on changes in price. Cenlow operates in a very sensitive environment where the bargaining power of the customers is high. The analogy attached to such cases proffers the essence of developing a competitive pricing strategy founded under regulated operation costs in the market. Through lowering on the production cost and developing cost effective marketing and new market venturing strategy, the company can create a competitive edge into the market. Furthermore, through differentiation strategy, the company can create an environment where they understand the consumers hence availing them with products and services based on the researched needs.

Competitive rivalry

Under this force, the major assumptions are based in examining the some of the major competitors in the market. Cenlow operates in a competitive environment with many competitors based on the availed scenario; the company has faced increased competition. The increased competition having emerged in the last few years is likely to threaten the competitiveness of the company in the market. Examining the level of competition among different players in global market can enable the company examine the respective

strategies based on those developed by the competitors; based on such strategies Cenlow can be able to develop or design strategies positioning the company in a competitive position. High competition in the coffee market indicates the essence of the company developing more effective strategies compared to those of other competitors in the market.

Threat of Substitute products

The analogy attached to the force is based on examining some of the close substitute products within the market. Based on high competition in the market with the consumers availed with wide range of products by competitors, threat of substitute products in the market presents a threat to any firm. Cenlow Limited being a coffee based company aimed at launching and improving their products should consider the threat of substitute products in the market. The increased competition indicates the high possibility of high threat of substitute products in the market with the company required to develop strategic approaches aimed at increasing competitive edge into the market. The assumptions attached to the depicted entities concur with the essence of developing competitive marketing approaches to address the threat.

Threat of new entry

The concept underpinning the arguments behind this entity is based on the likelihood of new entrants firms into the market. The fact the coffee market doesn't require huge financial or capital to start, there is high threat of new entry in the market. This is based on the assumption that with minimal capital, firms can be able to venture into the coffee business threatening the

sales of the company. However, developing strategic marketing approaches, the company can increase consumer loyalty by improving on the brand among other entities. The high threat of new entry into the market also depicts the need for the company to diversify or differentiate or even segment the market towards creating a competitive edge into the market (Mockler, 2001). Through competitive pricing strategies on the different brands or products offered by the company in the market, it can enable the company create a competitive edge into the global market based on detailed market research. The respective assumptions underpinning the respective concepts argue on the need to develop marketing strategies to avert the impacts by some of the new entrants in the market.

SWOT Analysis

This is also another significant model that applicable in analyzing the respective factors affecting an organization based on the external entity. The SWOT analysis presents some an organization with a detailed analysis on the external and internal factors and the respective implications into the market. According to (Aspridis, 2007), the entities embedded in the SWOT analysis concept facilities analysis on the external competitiveness of the company based on the entities attached to the internal operations of the organization. Strength; examines some of the core competitive entities an organization possesses in relation to creating a competitive edge into the market; Weakness, examines the some of the undertakings or the factors in the internal operations of the company reflected to the external environment and the respective implications; Opportunities, examines some of the factors

in the external environment availing opportunities for the company to create a competitive edge into the global or regional market (Boxall, 2000); Threat, the entity examines the challenges based on different factors such as competition to legal or restrictions by the government or other governing bodies. The following analysis presents a detailed analysis on each of the proffered entities in relation to Cenlow Limited.

Strength

Cenlow Limited has been expanding in the last few years as attributed to different factors. These factors are the core entities behind the competitiveness of the company into the regional market. Strong Leadership is one of the major entities reflecting the strength of the company into the regional market hence the need to expand into the global market (Gareth, 2003). Under the leadership of Mark Fletcher as the CEO, the company has a competitive mission and vision with strategic plans likely to position the firm into a competitive position in the global market. Factors reflecting the strength of the company is; competitive brand, and positive response in the market by the consumers. The company should build on such factors hence creating a competitive edge into the regional or global market. The ability of Cenlow to create strategic approaches based on the availed factors defining their strengths stipulates the ability of the firm to create a competitive edge into the regional and global market.

Weakness

Although the company enjoys the availed strength in the market based on the attached factors, there are different factors reflecting the weakness of

the company in relation to the operations in the external environment. The weaknesses include; lack of enough financial resources to support some of the strategies that the organization seeks to execute in a given period of time. The lack of financial resources also reflects inability of the company to hire enough employees and produce to the maximum. The implications reflect a scenario where the company due to the increased competition and lack of enough resources to expand is likely to experience reduction in sales among other implications in the market. The company constant strategies on improving their packaging poses indicates weakness especially if the respective strategies fails to meet the set objectives. However, through acquiring other sources of funds, the company can be able to address the proffered weaknesses hence a recommendation for the manager in relation to creating a competitive edge into the market.

Opportunities

The company is open to wide range opportunities in the regional and global market. Through the acquisition of funds or entering into form of partnership with other firms, the company can be able to expand and increase the market share. These opportunities are vital for the company towards maintaining the future performance of the company and creating a competitive edge into the market. Other opportunities are; the improved products and packaging enabling the company create a competitive advantage into the global market if supplemented by effective marketing strategies. Building on the proffered opportunities above through

competitive strategies, the company can create a competitive edge into the global or regional.

Threats

Firms face threat in the market due to high competition from other firms offering similar products and services into the market. Cenlow has been facing increased competition from some of the regional competitors in the market. The decision by the company to venture into the global market indicates the strategic undertaking by the company to address the threat. Other threats faced by the company include; leading rival companies, threat of new entrants, and also financial downturn even after venturing into the global market.

Conclusion

The proffered analysis availed above provides a detailed research using some business strategies or approaches on the external factors that can affect the development of Cenlow Limited towards maintaining future performance. Through SWOT Analysis, Porter's forces, and PEST are strategies or approaches effective on examining the external factors likely to affect the development of the company. Based on the availed analysis above as availed in the respective strategies and approaches, CEO is availed with recommendations on strategies that can be implemented to maintain the future performance of the company after venturing into the global market. These recommendations are availed under every strategy as availed in the proffered analysis. The implementation of some of the recommended strategies provides the organization with competitive approaches towards

positioning their brands in the global markets while maintaining future performance of the company.

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