

# [Procter and gamble analysis essay](https://assignbuster.com/procter-and-gamble-analysis-essay/)

## Abstract

The paper offers an analytical survey over the management of strategic plan and adaptation of some specialized features of Procter and Gamble in achieving international recognition. The approach is specifically drawn to understand the chief characteristic features of Procter and Gamble in adding the essence of sustainability for so many years. The persuasions related to its business ethics and international assessments are considered integral to the paper

Procter and Gamble: A Company Assessment

1. Introduction

According to the declarations made by U. S. Global Leadership Coalition (2010), Proctor & Gamble is one of its leading members and establishes itself as a leading company every positive sector. With headquarters in Downtown Cincinnati, Ohio; Proctor & Gamble establishes itself as a wide ranged manufacturer of consumer goods. Its expanded structure and in-house management dealings are noteworthy for all kinds of companies. As its strategic plan has attained success worldwide, it is important to understand its phenomenal structure for a well established organizational initiation (Baker, 2008)

This paper offer an analytical approach towards the understanding of the relative sectors of Proctor & Gamble and offers an investigation into its communication & negotiation structure, decision making proceedings, management structure for staffing, maintenance of discipline, tracking organization & delegation sectors, assessment of performance & relevant rewards and instances of ethical dilemmas. There is an overall assessment structure adopted to make an exclusive assessment of the company, added by analysis regarding its valuation and growth.

2. Categorical Analysis

2. 1. Communication & Negotiation

The perspective of communication and negotiation at Procter and Gamble are much innovative. As declared in the Annual Report of 2008, the approach of P&G has got into innovative structure in broader way. They have specified the sectors where the branding process comes in contact to the consumers. The entire formulation has been structured through the scopes of packaging and product display. Under organizational structure, P&G maintained the economic conditions of the targeted consumers and accordingly offered the price ranges. For an effective mode of negotiation with the consumers, the company opted for transparent dealings and innovative business modulations. These modulations are more competitive in nature and were constructed to meet larger levels of competitions. Ignorance to lower levels was maintained in order to get immediate consumer responses. Online modes of communications and selling through negotiations are managed by P&G to gain loyalty of the consumer in the process of marinating its brand (Dev and Schultz, 2005). The basic concentration was led over the maintenance of regular and valued customers, without ignoring visitors and guests. This approach was well balanced by means of up-gradation in the customer service sectors and as such is P&G attained maximum consumer responses.

2. 2. Decision Making

The process of decision making is a derivative outcome of managed and maintained mental processes or a cognitive process for achieving certain selection of action among some alternatives (Reason, 1990). This approach gets encouraged to get a definite final choice. In case of P&G, the formulation for decision making is maintained in respect to the meet the international pressure of growing larger than the competitors. The company follows the ideology of offering the shareholders with adequate space while making decisions. As the company faces stiff competitive platform, the way of managing with the shareholders in decision making process supports to get impartial final status. As declared in Pittsburgh Post Gazette, ‘ Utilizing the best available intelligence will not guarantee success but it will certainly help you make more value creating rather than value-destroying decisions’, the same gets applicable to P&G. the leaders of the company are considerably the decision makers, yet the intelligent suggestions are never ignored or left unheard. Respect to innovative declarations and suggestions are the base for any specified decisions taken by the management. The effective suggestions for decision making process is considered as a vital opportunity for growing and increasing in terms of returns and profits. The participation of shareholders and consumers in offering suggestions are vital to the company management and thus are the steps to assess their decisions in particular.

2. 3. Staffing

P&G maintains the criteria of analyzing physical characteristics, attainments, general intelligence, specific aptitudes, interests, disposition and circumstances for a decisive ground of staffing. The entire recruitment structure though seems to be hierarchical, yet there is a condition of transparency between the management and the staff. The distinctive board of directors of in P&G is responsible for this maintenance of this transparency. The working environment has been so classified that the specialized intelligences are used in a very systematic way. The hierarchical structure for staff is maintained only to manage with the categorical distribution of professional skills. Its proficiency has been so recognized that as per the report led by Yerema and Caballero (2009) P&G got recognized as one of “ Canada’s Top 100 Employers” followed by “ Greater Toronto’s Top Employers”. This is indeed an achievement and for which the entire Human Resource management of P&G deserves acknowledgement. To offer the employees with right kind of working atmosphere is of great credit and P&G is successful in achieving the same. Under modern marketing structure, in order to maintain the levels of competition, most of the company’s try to generate excessive resources from their employees resulting stress and anxiety in them. In such circumstances, the achievement of P&G is remarkable and noteworthy. It exemplifies the entire formulation of staffing to achieve organizational goals.

2. 4. Discipline

Position of P&G is very authentic while manging with the determined disciplines. It has followed hierarchical structure in organizing its staffing and management categories, yet is much disciplined in maintaining HR related issues. For a healthy working atmosphere the company is very strict with its regulations, yet is also liberal in offering its staff and employees with positive responses. For the company maintenance of target and achieving the same is a mandatory matter of concern. Failure in achieving organizational goal is a state of disgrace for the entire staff and management. This is the reason that he organizational goals are offered to every member of the company with specific responsibilities. By means of distributive working atmosphere the company generates excessive results and that too without pressurizing any particular department or person in particular. The entire formulation of managing marketing developmental structure along with HR management criteria are the core processing units of P&G. the concerns related to discipline are maintained within and outside the peripheral context of the company and thus there seems to be hardly any confusion among the employees regarding their roles and responsibilities (Kotler, et al 2008). The foreground of dealing with determined management structure is well established through proficiencies and extreme utilization of professionalism.

2. 5. Organization & Delegation

The concerns related to organizational aspects and delegation in P&G are all subject to absolute distribution. Every individual working within the company gets allotted with certain responsibilities and duties and these are considered as the base for his professional assessments. The expectations related to the futuristic achievements of the company are shared through these distributions. Events, strategic plans, organizational expectations, outcomes assessed annually and quarterly, and the actual hold of profit margins are all integral part of this categorical venture. P&G in particular is considered to get structured under the “ forward-looking statements,” rather than the losses that it faced. However, it never ignores the factors that lead it to some kinds of failures. The strategic planning for the maintaining organizational forte and delegation of it in international framework get considered as primary for P&G. its expansion over Europe and America are maintained under strict sustainability. Occupancy over the regions of Africa and Asia too are noteworthy in terms of generating excessive public response under cross cultural entities. Implementation of marketing mix as per the target customer is the basic tool for offering the company with expandable structural growth. Its approaches made through forward-looking statements, are considerably the inherent characteristic features for managing the infrastructural acquisition over international delegation (Nager, 2010).

2. 6. Performance Evaluation & Rewards

The dealings of performance evaluation structure related to organizational management provision declared in the Official Site of P&G (2008) are very professional. All the employees of the company are subject to receive individual performance reviews initiated within every 12 months. The managers of the company are trained to conduct effective and assessed performance reviews of the staff. The collected performance feedback gets solicited from categorical specification of co-workers along with other managers. These are made familiar with the responsibilities of each of the employee. The review process is inclusive of confidential feedbacks led by the employees about the performance of their manager. This is an interesting twist where the hierarchical structure gets challenged. Exceptional performance assessments are inspired under share options. These are further added by individual awards, selected within a range of gift certificates, family dinners and sophisticated theatre tickets, added by scopes to participate in various recognition events. The most remarkable thong has been marked through the implementation of Procter & Gamble Inc.’s in-house employee satisfaction survey. This survey is kept confidential, yet every negative aspects of management get highlighted and accordingly modifications are initiated. The rewards and bonuses for performing within the company are added by the provisions of selective recognition y the authority. The employees are also subject to avail share-purchase plan, benefit pension plan; retirement planning support; life & disability insurance and subsidized internet provisions.

2. 7. Ethical Dilemmas

P&G’s gets well complimented for its traditional business structure with special emphasis over ethical practices within the business domain. With a practical sense of responsibility towards the ethical notion of maintaining humanitarian grounds, the company incorporates Principles, Values and Policies (that is PVP’s) from the year 1837. According to the declarations made by PVP

“ we believe that doing what is right for the business with integrity will lead to mutual success for both the company and the individual”.

This further outlines the personalized and customized manner persuaded by the company in performing the role of a good corporate citizen. The proceeding also lay stress over the maintenance of expectations of employees added by meeting the commitments for continual development of the employees. This perspective however, creates professional ethical dilemmas in the process of achieving organizational goals (Selden, 1997). With a wide spread infrastructure the maintenance of these ethical notions are tough for the company. Failure in some instances creates controversies among the employees. The company try to meet these ethical declarations stated under PVP, but at the same time cannot always assure to meet every inch of it in every branch. Management of its ethical principles are thus get into a toss whenever the company is under the pressure meeting the predetermined profit margins.

3. Overall Assessment

In the international market, P&G has acquired much recognition due to its static and consistent sustainability since 1837. Its brand has got identified in every corner of the world and as such is a very strong competitor to its contemporaries and the newcomers. The P&G is a kind of community that has got nearly a total of 98, 000 employees spread in almost 80 countries. Its international response is a kind of mileage as it began as a small scale industry. Initially the company was a family-operated soap as well as candle manufacturing company. Its expansion is thus remarkable as it has now got services and products of superior quality with additional values offered to consumers in 140 countries. Its influence in the Western European countries was though tough in initial stage, yet now got the capability to declare a Host Budget across 18 countries with 3, 000 contributors of budget, involved in review activities.

The expansion of the company is directly related to its strategic management to handle the social and cultural differences of different countries under professional supervision. For a new company in a new locality, it is always tough to meet the levels of competition maintained by the local dealers. However, the branding identity of P&G iis its strongest equipment to meet these competitions. Added to branding, the company is also very particular in offering cultural oriented products to the particular market. Under the formulations of marketing mix, the company attains appropriate hold over consumers’ demands and necessities. Moreover, the company is particular in offering well being services to all those people who are related to it. Persuasions of well-being programs for improving personal contexts of wellbeing, it assures and issues related to health as the core concerns of its services. The company offers ethical dimension to its professional side and thus attains prolific popularity in the international market (Shimizu, 2009)

For wide ranged improvements in the prosperity of P&G, it is important to concentrate more into the process of training employees to meet consumer demands. This is a sector that needs to develop as per the cultural and social conditions of the market. As for instance the markets of Asia should be dealt more particularly in terms of price and quality. People in these regions are very easy in getting into brand loyalty and thus proper supervision in the quality and pricing of the products of P&G are highly recommended (Dennis, Halborg and Ross, 2001).

4. Company Valuation

Under global perspective, P&G has got total revenue of US$ 79. 03 billion in the fiscal year of 2009. During this phase it managed to gain an operating income of US$ 16. 13 billion with a net income registered US$ 13. 44 billion. According to the data collected through ‘ Procter & Gamble annual income sheet’, the company has got a total asset of US$ 134. 83 billion and a total equity of US$ 63. 099, in the US sectors. However, its performance worldwide is extremely positive and the company can assure a secured future. Its acceptance in every corner of the world relies a lot in the application of its strategic management. Ventures initiated through marketing mix and the principles of understanding cross cultural demands, makes the company proficient enough in attaining new marketing zones (Schullz, et al 1993). The declarations made by the Annual Report of 2008 offer the following status of P&G on global domain from 2001 to 2008-

Growth Strategies from 2001-2008

This declaration has clearly stated the impact of global resonance of the company in earning and developing its organizational entity. These declarations also offer the ground for a long term sustainability of the company in the international marketing zones. Every aspect of organizational unit and sectors attained enormous profit ranges and achieved developmental structure. These seem to be no set back in the application of strategic management of the company and that’s the reason it can be considered as one of the most successful companies in the world.

5. Growth Analysis

In an international location, the role of P&G is always social-oriented. It concentrates more in the well being of the people than in acquiring a profit margin. Its determined structure is very distinct in managing with cross-cultural sequences and thus is very prolific in gaining local support.

The growth of P&G is very much due to its professional hierarchy. The maintenance of hierarchy is something that is usually not much supported by employees. However, as P&G offers the employees to give comments on the performance of their managers; the hierarchy also opens doors for transparency within the organization.

For a sustainable growth structure, P&G adopts the way of managing with multicultural environment of the market. As for instance, its products are brought into the market with varies taste and features. These features are organized as per the demands of particular community. The consumers are always offered with multiple choices and as such they get space to share their personal choice with the company products.

In new markets, P&G investigates the preferences of the consumers and accordingly adds modifications to the relevant products. As for instance the products like Head & Shoulders and Olay are designed and manufactured with different contents as per the preference of different markets in different region. On the other hand, products like Gillette, Pantene and Crest are maintained in accordance to their popularity of brand in some specific markets.

The growth strategy of P&G is very much about a balanced status of offering room for every individual under its roof. It gives it employees enough power to develop innovative ideas and at the same time take care of professional demands ion the respective market. The fundamental growth was declared to gain an increase of 9% for organic addition to the products. As declared by the Annual report of 208, P&G delivered sales growth followed by free cash-flow productivity for a consecutive seventh year. This kind of ventures popularizes the company instantaneously in a new region. In spite of pre planned and well investigated marketing strategies, there are very few obstacles that are still to meet by the company. These obstacles can be specifically identified under the varied currency values of different marketing zones. Added to this the provision for professional training among the employees is a big task to meet by the company. Though through local recruitments, some hurdles are handled well, yet demands for professional training remains static.

12. Conclusion

From the elaborative descriptions mentioned above, it can be well established that the way to achieve a distinctive position in the world is not an easy task. However, P&G managed to achieve a well recognize position in international marketing platform. The basic points that make the company so successful are identified to its equilibrium maintained between the consumer-oriented services and the concerns related to the performance of the employees. The company is equally concerned about the role of the shareholders, staff and management for meeting organizational goals. Something that makes the company so prominent worldwide is its capacity to offer cross cultural criteria in its services. Through marketing mix, P&G has achieved enormous success in every corner of the world. Its HR management is as strong as its marketing survey teams. By means of maintaining strong hold over HR and marketing department, the company has managed to earn recognition in the international market. The basic ingredient for attaining sustainability in the market has been earned through the persuasion of ethical considerations amidst strict professional ventures. The achievements of P&G are remarkable and it sets examples for managing HR in the best possible way, for other companies.