

# [Organization diversification](https://assignbuster.com/organization-diversification/)

Running Head: Organization Diversification Organization Diversification Introduction The diversification factors that we shall discuss in this essay is related to the ongoing and booming construction business that is going on world wide and specifically in the United Arab Emirate. In this context we shall look at how this Belgium International Company known as " Besix" has diversified its operation internationally and try to analyze its management structure.
Background
The four functions of Besix Construction Company and its management, planning, organizing and its control is through the Besix Group that owns this company. The Besix Group consists of a number of companies actively involved in Belgium and internationally in the sectors of construction and real estate. Besix is one of the oldest construction companies and on the verge of completing its 100th year of operation as it was founded in 1909. Ever since then, it has through the above four factors impressively become the largest construction company of Belgium and diversified into almost every field related to construction projects nationally and world-wide. As a Group, Besix employs in excess of 12, 000 people in its diversified operations and in the year 2005, its annual turnover was reported at an approximate figure of Euros 1 billion.
Management, Planning, Organizing and Control Factors
With Besix's management's planning, organizing and controlling experience that it has gained through its years of construction related work, it has been able to internationally diversify primarily in construction, engineering and development of properties. The Group intends to become a leading player that will serve the Western and Central European markets from Belgium and the Middle East market from Dubai in the United Arab Emirates where it has expanded its construction business since 1967 and become among the region's top most contractors.
Diversification & Management Control
The Group controls its business interests through its head office in Brussels, Belgium by following up and overseeing the progress of its three diversified subsidiary managements:
1. Its local real estate development business a separate offices in Brussels, Belgium
2. Its European market business through its offices in France
3. Its Middle East and the rest of the world business activities through its main office in Dubai, U. A. E.
Each of these subsidies is independently registered where they operate to meet the regulatory law of the countries where they carry out their business again independently but under a hierarchal order which eventually reports to the Besix Group Management in Brussels.
An example to further demonstrate the management, organization, planning and controlling factors of the diversification structure can be taken from its Dubai based subsidiary, which in turn is responsible for the various independently working projects in the other emirates of the U. A. E and other Middle East countries such as Qatar, Oman, Egypt etc. Through this individual office management, a number of construction projects are undertaken under different Project Managers. The manpower that is retained as a valuable resource together with specialized construction and mechanical equipment and transferred around on need basis where required the most, for which projects are charged accordingly from their individually pre-decided budgets that are allocated for individual projects with the expenditure authorization for being with the Project Managers. These Project Managers working independently report to the hierarchy chain above them and this makes it possible for the management to know that status of each project and also assess if they are profitable or incurring losses at any given time. Although the Besix Group is greatly diversified, through the years of construction work experience it has such well-organized, planned and tested automated formulations that it can easily know at what stage of a construction phase what percentage of the budgeted amount should be spent. Therefore that is at all times a control mechanism through which the facts and figures automatically flows up all the way through its diversified division back to its head office in Belgium through its hierarchy chain. Through this methodology, the individual performance of each Project Manager is correctly evaluated and they are accordingly considered or not considered for newer and more responsible duties.
Conclusion
For diversification of organizations to successful and professionally be managed, it has to have the proper command and control structure that comes with the experience of trial, error, learn and improvement techniques like the one that the Besix Group has with their almost one hundred years of construction experience developed. Therefore the artfully managed diversification of the Besix Group makes it one of the best organizations. Other companies can therefore consider the management, organization, planning and controlling factors of Besix as a yardstick to measure their progress when they set for themselves the objective to diversify and become as viably and profitable a company for its investors and share-holders as Besix. The Besix Group continues to grow as it undertakes bigger and bigger mega-projects all around the world. At present Besix also has the honor of being awarded the contract of building the tallest man-made structure in the world which will be at almost twice the world record extreme height of between 900 meters and 1, 014 meters by the time its construction is completed in 2009. However, it is to be noted that this prestigious project being built in Dubai is known as " Burj Dubai" is in a joint venture with Samsung Construction of South Korea and a local U. A. E company called Arabtec. It will therefore be possible that for the first time on the completion of this project, human beings will start residing in a structure that will be 1, 000 meters above ground level. (Burj Dubai, Emporis Building)

References:
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