

Unilever overseas holding essay sample

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



Fundamentals of Organization

We often begin to describe a firm's Structure by looking at its Organization Chart. Organizational Chart:- The reporting structure and division of labor in an organization is called Organizational Chart. The above chart provides a picture of reporting structure (who reports to whom) and the various activities that are carried out by different individuals. Note that organizational chart give various kinds of information that are conveyed in a very simple way: 1. The boxes represent different work. 2. The titles in the boxes show the work performed by each unit. 3. Reporting and authority relationship are indicated by solid lines showing superior-subordinate connections. 4. Levels of management are indicated by horizontal layers in the chart. All the persons or units that are of the same ranks and report to same person are on one level. 5. The solid lines are called functional lines and they report to works manager and the dotted lines are called operational lines and they report to their own head. This would be someone in an organization. There are two fundamental concepts around which organization is structured is Differentiation and integration. Differentiation:- Differentiation is created through division of labor and job specialization. Division of labor Means that the work of the organization is subdivided into smaller task. Various individuals and units throughout the organization perform different tasks. e. g. Repair and maintenance department further divided into sub department which are engineering store, area engineer personal wash, area engineer personal product, engg. Planning, projects. They all have assigned different task under the repair and maintenance department. Specialization is a process in which different individuals and

units perform different tasks. e. g. The Buying department of unilever has a specific task which purchasing inventory or raw material. Integration:-

The degree to which differentiated work units work together and coordinate their efforts. As Unilever differentiate their structures, managers must simultaneously consider the issues of integration. All the specialized in Unilever cannot be performed completely independently. Because the Unilever is a larger organization and it has different units, some degree of communication and cooperation must exist among them. Integration and its related concept, coordination, refer to the procedure that link the various part of Unilever to achieve the Unilever overall mission. e. g. the finance department, buying department and marketing department link together to achieve overall mission. First we will discuss vertical differentiation within Unilever organizational structure. This include issues pertaining to authority within an organization, the board of directors, the chief executive officer and hierarchical levels, as well as issues pertaining to delegation and decentralization.

Vertical Structure:-

Vertical structure is also called Reporting structure which tells about the hierarchy of an organization a chain of command. This is Hierarchical Levels

Top Level Middle Level Lower Level- Picture

Unilever Span of Control

A span of control is the number of people who report to one manager in a hierarchy. The more people under the control of one manager – the wider the

span of control. Less means a narrower span of control. Unilever has the Narrow span of control but now they are moving to wide span of control by reducing their layers. It is tall organization that has many reporting level. In this the communication is difficult for employees. Decentralized or Centralized organization?

Decentralized mean an organization in which lower level managers make important decisions. Centralized mean an organization in which high level executives make most decisions and pass them down to lower levels for implementation. Unilever is a centralized organization because most of its decision makes by top level executives but lower level can also gives their views. Secondly we will discuss the horizontal Structure including issues of decartelization that createfunctional, divisional, and matrix organization
Horizontal Structure

It is also called division of labor. As the task of Unilever become increasingly complex, theorganization in inevitably must be sub divided that is, departmentalized -into smaller unit's organization departments. One of the first places this can be scene is in the distinction between line and staff departments. Line departments are those units that deal directly with the organization primary good organization services, they make things, sell things, organization provide customers service. In Unilever buying department, Quality assurance, Packaging & Raw material, Business service department, Admin & security, Factory medical center, Estate First aid center, Human resource department, Unilever estate, Area Eng. Personal product (Shampoo, Lotions), Area Eng. Personal wash(Soap), PW finishing, PP

finishing, PW soap finishing, and service and Utilities department are the line department. Staff department means units that support line department. e. g. Services engineer support the service& utilities department.

Picture

The word “ buying” means purchase of any thing or any merchandise or item. This function is performed by buying department in any organization. Buying or purchase is one of the major functions of any company of organization. Without itno one organization can run successfully in the field of business. So we may say that buying is the soul of company. Without buying all departments of the company will be failed. Planning Department

Planning is intellectually demanding process. It requires that we consciously determine courses of action and based our decisions on purpose knowledge and considered estimates. Before planning we set our goals and reach on a certain decision with the help of knowledge and estimates. Finance Department

Following functions are performed by Financial Accounts Department of RF: □ Maintenance of fixed assets records including related reports. □ Calculation of depreciation, Gross Book value (GBV) and Net Book Value (NBV) □ Capitalization and other schedules on yearly basis

□Allocation of manpower cost and depreciation to different location on monthly basis □Maintenance of medical expenses, Traveling expenses vouchers and their record up to management staff Cost Department

This department provides very useful services to the company and is responsible for costing of the products. This department does the yield calculations of the followings:

- Soapery fatty acids
- Crude glycerin
- Refined glycerin
- Edibles For the calculation of yield, these elements are taken into consideration:
- Storage loss/gain
- Bleaching loss
- Packing loss/gain
- Un-accounted loss

Payment Department Different department of UPL R. F are working under Commercial Department. Payment Department is one of them. Payment Department is also called APV (Accounts Payable Vouchers).

The purpose of this department is to make the arrangements for the payments of the factory liabilities. APV section is further classified into two sections

- APV
- APV 2

APV1

APV 1 is classified into further three sections:

- Packing and materials payment section
- Local payment section
- Chemicals and engineering stores payment section

APV 2:

APV 2 makes a payment of wages and salaries for the workers of UPL Rahim Yar Khan Factory. Human Resource Department

The assets of the organization like machinery. According to the Personnel Department of UPLR. F., there are things which are common between workers and machinery of the organization. For examples: □Machinery requires repair where as workers required training. □Both are used for production purposes.

□Both require improvement.

□Both become inefficient if proper attention is not given. Administration Department

Unilever Pakistan Limited R. F. has also an administration department that is controlled by the personal department. Following functions are performed by the Administration Department: •Arrangements for providing for providing transport facility to management staff. •Arrangements for the journey of management & non-management staff. •Arrangements of stationery and printing.

Distribution Department Now a day's business is extended to a great extent. Markets are widening briskly, so there is a great need to meet the requirements of this large market successfully. There should be such a system of distribution that the supply of products to the markets should be according to the needs; this system should be “ sales loss proof”. UPL has a system, which gives maximum results. Supply of product is monitored in

such away that there are minimum chances of shortage in supply. Quality Control Department

Quality is the use of techniques and activities to achieve sustain and improve quality. It involves integrating the following related techniques and activities:

1. Specification of what are needed.
2. Design of the product or service to meet the specifications.
3. Production or installation to meet the full intent of the specification.
4. Inspection to determine conformance to the specification.
5. Review of usage to provide information for the revision of specification if needed.
6. Utilization of these activities provides the customer with the best product or service at lowest cost. The aim should be continuous quality improvement.

Material Store Department

Material Store is place where raw material is store. There are different function of Material Store and stock maintenance. It is consist of two Hangers and one Perfume and Color Store. Total area of each hanger is 256 x 107feet. The Divisional Organization

Departmentalization that groups units around products, customer's organization geographic regions. Unilever has groups its units around product, customer, and geographic regions. Product Division:-

How Unilever follow the product division? Because in product division1. Information needs are managed more easily. 2. People have a full-time commitment to a particular product line. 3. Task responsibilities are clear. 4. People receive broader training. Customer & Geographic Division:-

Unilever made customer based product & they also make geographic division. They make customer division. Unilever made soap and now they also make toilet soap. By geographic division Unilever is in south Asia, Europe, the fast east, west Europe, south America. The Functional Organization:-

It means that departmentalization which is the basis by which the jobs are grouped together. In this case there is a unity of command which means's that the entire subordinate would report to one head. In Unilever the job of production department, HRM dept., and marketing dept., is grouped together.

Picture

The Matrix Organization

A matrix organization is a hybrid form of organization in which functional and divisional form overlap. Unilever is matrix organization and composed of dual reporting relationship in which some manager's report to two superiors-a functional manager and a divisional manager. A Matrix Organization is an organization structure that is matrix-shaped. It has 2 axes, rather than a pyramid-shape. The vertical hierarchy is overlaid by some form of lateral authority, influence, or communication and there are dual lines of authority, responsibility, and accountability that violate the traditional “ one-boss” or “ Unity of Command” (Fayol) principle of management.

n this there are several coordination methods in Unilever which are given below Coordination by Standardization:-

Establishing common rules and procedures that apply uniformly to everyone. Standardization means actions and integrates various units by regulating what to do. It consists of standard operating procedure and formalization. In Unilever every person knows what he do and apply standard operating procedure. Coordination by plan:-

Interdependent units are required to meet deadlines and objectives that contribute to a common goal. e. g. Finance, Buying in marketing department are interdependent units and they have dead linesand objectives that contribute to a common goals. In Unilever the Coordination betweeninterdependent units are by plan.

Coordination by Mutual Adjustment:-

Units interact with one another to make an accommodations in order to achieve flexiblecoordination. There is coordination by mutual adjustment between