

How internal and external factors impact the four functions of management essay S...

[Technology](#), [Innovation](#)



In order to illustrate how internal and external factors impact the four functions of management -planning, organizing, leading, and controlling- our team has chosen General Electric (GE) Company as an example. GE has been in business since the year 1890, when the company began operating under Thomas Alva Edison (inventor of the incandescent light bulb). Since then GE has growth and mature as one of the greatest multi innovator firm in business history, in addition GE has become an international company expanding its products and services around the world.

Therefore we will explain how external and internal factors like globalization, technology, innovation, diversity, and ethics at national and international level will impact the way GE managers apply the four functions of management. In addition we will talk about how delegation helps GE managers to minimize and manage these factors.

First factor globalization, “ Is the increasing interdependence, integration and interaction among people and corporations in disparate locations around the world” (Wikipedia 2007, p. 1).

GE has established its business in 59 countries in all five continents of the world; in addition they keep innovating with products and services which adapt to the specific needs of other countries.

GE web site illustrates its business expanding with an example of the contract obtained with the Saudi Arabian electric company. GE will provide nineteen GE frame 7FA gas turbine generators which will be used to provide electric energy to different territories of the Saudi population. In addition GE

will offer, “ Technical advisory services, customer on-site training and performance testing” (GE Web Site 2007). Therefore, the four functions of management -planning, organizing, leading, and controlling- will have their individual impacts due to GE’s globalization.

Planning will have to be developed by a team composed of Saudi Arabian electric company managers and GE managers, therefore differences in vision and strategies may be a barrier to achieve goals. In organizing human force and information will be in most part from Saudi Arabia, so managers will have to be trained to be able to achieve operations with a different culture. Leading employees to their higher levels of performance will have to be done in teams; one to operate with Saudi Arabian employees and other team with GE employees from overseas. And finally controlling which is very important to assure that everything is going as planned; both companies will have their issues like lack of communication, cultural differences, and laws obstacles.

In conclusion, GE globalization will impact the four functions of management; therefore GE manager’s delegation of authority will be essential to minimize such impact. By training employees and delegating authority GE managers will benefit taking much pressure off their shoulder, letting employees that know their environment and culture take responsibility and pride on their work.

Technology is the second factor, GE has various teams of employees that work in the area of technological infrastructure acquisition that try to know in

a more profound way the companies concerns by offering a flexible solution that meets their technological requirements, their financial structures and their actualization needs. GE involved into a conglomerate with an increasing shift from technology to services, and with 11 main operating units. These take care of planning and strategies that can be implemented so the organization can reach the technological breakthrough the desire.

Organizing they put in order the steps they want to follow so the main objective can be reach and to have a clear vision of the technological changes they need to implement. Leading the have to be aware of the changes that are going to be made and that every employee can produce with the motivation that technological changes can give then better working conditions by helping the team with a better attitude and more production. Controlling, there has to be a better way of controlling so that no problems may occurs with the employees who can not perform their work with a more advance technology and that can not develop in their work are with more desire.

A manager has to teach his team to adapt to changes that can come from technological advances. This way his team can realize their chores independently because technology is an important factor forhaving a successful company. This way the manager can have a better control and dedicate to the other functions his position requires.

The third factor is Innovation. GE is at the forefront of innovation in the technological and services field. With 11 different operating units that make

GE a Fortune 500 Company, it has to be constantly working to create and implement new technology and better service for the clients they serve. One example of its innovation prowess is that over the 110 plus year history of GE, it has amassed more than 67, 500 patents and the firms scientists have been awarded to novel prizes and numerous honors. GE needs to be innovating constantly because it operates in more than 100 countries around the world and generates approximately 45 percent of its revenues outside the U. S. mainland. A manager at GE needs to put innovation to work and function for his or her team. In order to do that the manager has to plan ahead taking in consideration that innovation leads to changes and he and his team have to be prepared to undertake them with or without notice.

A manager at GE has to prepare an organization that is agile and well prepared to produce top notch results in a fast paced environment. A manager at GE needs to have control in a way that it does not hinder the innovation of producing the services and products GE is accustomed to. In order to lead a manager has to provide the example, motivation and encouragement necessary to produce a winning team that helps the company to grow every year. A manager can delegate to his team when there is innovation going on because the more the team is involved in the innovation process the more they can perform independently and the manager can focus his or her attention on the more delicate and time consuming functions of his position for the better of the organization.

Fourth factor diversity, “ Is the presence of a wide range of variation in the qualities or attributes under discussion” (Wikipedia 2007, p. 1).

GE Company is a very diverse company and its make up of different culture, opinions, ethic, economic and social backgrounds allow the company to have a competitive edge. Diversity is a strong part of the company's recruitment efforts. The company is exposed to many cultures and learns about that culture/group. The diverse in backgrounds, skills and abilities improves the quality of the workforce. This diverse atmosphere has created a unique and very talent group of employees that generate creativity, flexibility, innovation and enthusiasms for new technology.

Planning, “ GE's goal is to be the global employer of choice and no matter where they work or do business they want to attract and retain the very best talent” (diversitycareers. com/articles, 2007). Organizing activities to attract develop and retain talent students from minority-serving schools like the University of Puerto Rico-San Juan as an example. By leading they want to be a reflective of the markets they operate in. “ They have seems the results by getting more leaders into the pipeline” (diversitycareers. com/article, 2007). And finally controlling which is important to make sure the goal of be a global employer of choice is met.

Conclusion, GE diversity impacts the four functions of management directly. This company draws their strength from diversity. By hire training students and delegate authority to choose and retain the very best talents from the different places they do business is one of the keys of success of this company.

The last but not the least factor, ethic. GE is a company which has been around for 117 years it has been admired for its performance and imaginative spirit. GE's has a strong reputation for its clear communication on policies, rigorous processes for detecting potential violations, which is planed in every aspect of GE's Corporation.

Ethics has a strong impact on the four functions of management planning, organizing, leading and controlling. All organizations have different ethical perspectives and standards. When planning, organizations must have full acknowledgement of laws and regulations in the country which they operate.

GE has design a compliance based program that is design to prevent or detect any legal violations or any wrong doing. This program has been established to communicate legal standards and procedures. All employees must be fully trained and have complete acknowledgement before operating in the business.

When organizing employees must be aware of the company's expectation regarding ethics and policies. GE also has the integrity based ethics program which is called" The Spirit & Letter. This is an integrity guide, each employees receives a copy and is used to commit the employees to its policies in every country in which GE conducts business. It creates in people a sense of personal responsibility for ethical behavior.

Ethics impacts leading in a strong way, managers are just as part of the organization as employees are. Managers must set an example for ethical behavior, they must be true leaders. They must create a reputation of

integrity and honesty; make employees feel they could communicate any wrongdoing. Setting an environment of moral awareness. In GE there are specialized training for leaders and a “ Leaders Guide” setting fourth the specific steps; GE leaders are expected to achieve a culture of compliance. GE organizes this with the use of e learning modules, an integrity website which help employees find policies, procedures and answers to the commonly questions. Controlling is very crucial when dealing with compliance; this has to be monitor and measured constantly. GE monitors compliance on daily bases, this allows GE to detect compliance problems at an early stage and determine the root causes and take corrective actions, early on.

In conclusion, GE ethics impact directly, not only the four functions of management (planning, organizing, leading, and controlling) also the four factors (globalization, technology, innovation, and diversity) are closely related with. No one of those functions or factors can be realizing without be rule by ethic. Ethic can't be delegate as a manager delegate a work for an assistant. An employee, no matter his/her position, that work to GE it has to represent the company policies and those polices are rule by the company ethics.

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