CHANGE IN MANAGEMENT TECHNIQUES IN DIFFERENT REGIONS OF A COMPANY-A REVIEW

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ABSTRACT:

The companies manage the risks of both their clients and their own risks. This requires an integration of risk management into the companies' systems, processes and culture. The risk management process consists of a series of steps, which are establishing the context, identifying, analyzing, assessing, treating, monitoring and communicating risks, which allow continuous improvement of decision making (Standards Australia). By implementing risk management organization can reduce unexpected & costly surprises and effective allocation of resources could be more effective. It improves communication and provides senior management a concise summary of threats, which can be faced by the organization, thus ultimately helping them in better decision making. Forecasting enables companies to predict ahead, trend shifts or market turns, and makes it possible to plan for it. But looking into the future is never an easy task. The progress in techniques and management principles improves the moving load, delivery speed, service quality, operation costs, the usage of facilities and energy saving. Transportation takes a crucial part in the manipulation of logistic. Reviewing the current condition, a strong system needs a clear frame of logistics and a proper transport implements and techniques to link the producing procedures the paper is to define the role of transportation in logistics for the reference of further improvement.

Introduction:

The world economic situation has been approaching the low economic growth since the current time is an age of competition where legal and institutional restrictions are easing or disappearing and barriers are crumbling. To compete globally, companies need to adopt innovative strategies and carry out open management that removes all restrictive and discriminatory institutions and practices. The human resources, technology, marketing manufacturing, and design departments are getting more and more importance as competitive resources than ever before. So far Samsung has used these resources very effectively. That is why many management scholars and practitioners have been looking at as a successful case of the leading global company Regional specialists also take a role in pioneering emerging markets. Moreover, these regional specialists provide business opportunities to gather vast regional data around the world. Samsung implemented a performance based reward system both pay and promotion. While emphasizing individual performance more than most Asian Companies, it simultaneously emphasized group and company performance.

The Strategic Management of Samsung Electronics Company:

To enhance efficiency and competitiveness, while promoting transparent management to grow in harmony with their customers The key to Samsung's Open HR is human resource management that promotes equal opportunity, put skills first, and realize human potential. It maintains that opportunities should be available to all without discrimination and restrictions. Compensation and promotion should be boldly differentiated based on skills. Pay should be based on performance, and performance based promotion. The most important thing is that people are crucial to Samsung's success. With the introduction of New management has moved further forward its goal of global first-class company based on its "People first" management philosophy. New HR facilitated new management system by building capital in HR and changing the awareness and actions of employees.

Changes of Management Approaches:

In response to the bursting of the bubble economy, Japanese firms experience a fundamental shift in their organization from an orientation toward operational requirements to a strategic focus. Japanese corporate organization traditionally developed in an ad hoc manner Primary determinants were the requirements of particular functions, such as human resource management, sales and distribution and requires that result from an industrial logic, i.e., production and logistics. For instance, quite a few cases the purpose of establishing a particular subsidiary has been to provide a second career for senior managers as CEO or directors until their retirement. Today, organizational change is driven primarily by a strategic purpose: to improve the organization's learning efficiency and to acquire, as quickly as possible, knowledge and complementary capabilities: Japanese corporate groups are becoming more learning-oriented. The main objective of organizational restructuring is to create a learning corporate group. Improving learning efficiency and capabilities in turn, is an essential prerequisite for sustaining the companies' international market share. This shift from defensive to strategic restructuring however does not necessarily follow the US model of industrial outsourcing

Management techniques A theoretical framework:

The pressure for increasing quality while reducing time and costs places particular emphasis on managing risk in projects. To this end, several models and techniques have been developed in literature and applied in practice, so that there is a strong need for clarifying when and how each of them should be used. At the same time, knowledge about risk management is becoming of paramount importance to effectively deal with the complexity of projects. However, communication and knowledge creation are not easy tasks, especially when dealing with uncertainty, because decision-making is often fragmented and a comprehensive perspective on the goals, opportunities, and threats of a project is missing. With the purpose of providing guidelines for the selection of risk techniques taking into account the most relevant aspects characterizing the managerial and operational scenario of a project, a theoretical framework to classify these techniques is proposed. Based on a literature review of the criteria to categories risk techniques, three dimensions are defined: the phase of the risk management process, the phase of the project life cycle, and the corporate maturity towards risk.

2.0 Literature review:

[1] Goodwin, P. (2000),Council of Logistics Managementdefined that logistics is 'part of the supply chain process that plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customers' requirements'. Johnson and Wood's definition (cited in uses 'five important key terms', which are logistics, inbound logistics, materials management, physical distribution, and supply-chain management, to interpret. Logistics describes the entire process of materials and products moving into, through, and out of firm. Inbound logistics covers the movement of material received from suppliers. Materials management describes the movement of materials and components within a firm. Physical distribution refers to the movement of goods outward from the end of the assembly line to the customer.

[2] M.A., Mentzer, J.T. (2003),In order to get a closer insight into theories of forecasting and forecasting practices, we started with an exploratory approach. This is done via an in-depth study of related theoretical topics on the one hand, and interviews with various persons at the case company related to the forecasting process on the other hand. The knowledge gained through these interviews is used to enhance the quality of this study. The descriptive approach is used for observed occurrences; we employ this approach when describing the empirical findings from our field studies and interviews. To relate our empirical findings with the studied theories and analyze the relationships between the different factors, we use an explanatory approach. This will be presented in the final part of the thesis, when the results are analyzed and the conclusions are presented.

[3] Green, K.J., Armstrong, J.S. and Graefe A. (2007) distinguish between quantitative and qualitative research. Quantitative research dismantles a phenomenon to examine its single components, i.e. the variables of a study such as numbers and quantities from which statistical analyses are made. Qualitative research examines the phenomenon as a whole; here analysis is made by the researcher's perception or interpretation of a collection of information that cannot be categorized in numbers. Therefore a qualitative research is appropriate for explorative researchers. Merriam (ibid.) describes the characteristic of this research method as having a developing nature: The ability to respond to changing settings all through the study.

[4] Remus, W., O'Connor, M. and Griggs K. (1998), Several limitations should be mentioned with regard to our study. One of the limitations is the fact that we observed only Czech companies. Another limitation is that study did not examine moderating effects that may influence the management tools and techniques-performance relationship (such as company size, environment turbulence, etc.). Another potential limitation concerns the determination of organizational performance. Studies which measure organization performance obviously are facing difficulties with determination of performance measures. The scope of future research may be extended by examining other different management tools and techniques and organizational performance outcomes, which may reflect additional interesting relations in a longer time series. Despite these limitations, the study provides the evidence how strategic management tools and techniques can affect performance.

In the conceptualization phase an opportunity or a need is identified, the purpose of the project defined and its feasibility assessed. The planning phase includes undertaking the basic design of the project, defining targets and milestones, developing performance criteria, and allocating internal and external resources to achieve the plan. The main tasks of the execution step are coordinating and controlling the performing of the project, monitoring progress, and changing targets, milestones, and resource allocation as required. The termination phase involves commissioning and handover, reviewing the lessons learned during the project, and assuring the necessary support to the product of the project until it is discarded or disposed.

3.0 Methodology:

As a first step to investigate the causes of resistance to change in reengineering projects, the author analyzed the existent literature. We focused on literature pertaining to business process reengineering, human resistance to change, change management, business process change methods. We used Business Process Reengineering and change management as the keywords for our initial search in relevant databases on internet. Research papers were selected according to their relevance. Relevance was determined by reading the title and the abstract of each article and subsequent reading the full text of the selected papers. Articles or books of different authors published in various reputed journals within the time span of last 20 years are selected and in depth overview is done. Each of these authors shares the opinion that the main cause of failure of reengineering project is resistance to change Non-existent or ineffective communication. Inside the company, effective communication strategy strengthens the confidence of employees in the organization, connects employees to the reality of business and to the external ambient environment, fueling the development of the company and facilitate the changes for progress; Fear of job loss. Unfortunately, when companies realized a BPR project, which involves massive resources (financial, human, technological), the leadership or senior managers want major cuts in terms of capital. One of the easiest ways to provide a cost/benefit to a BPR project is cut the workforce. Many case studies have shown that this reduces the number of good employees with skills and experience available within an organization. Fear and anxiety take hold of employees, all reflecting into work productivity and even in their personal lives, whether or not leave the organization.

Theory of the Firm and Management Strategies:

Research on firm organization has focused primarily on the decentralization versus centralization dimension. This is a much too narrow focus. Decentralization is a necessary condition for competitive success, but not a sufficient one. The key is externalization: the internal control system usually produces dysfunctions. Externalizing the control, organizations can avoid this dysfunction without incurring significant costs. The result is that HQ will not be overloaded with control and coordination functions: HQ can share them with other control agencies such as banks and capital markets. Both banks and the capital markets evaluate the performance of affiliates on a daily basis and are immune to the excuses and lobbying efforts of affiliate managers. Externalization of course also comes at a cost: it may lead to messy organizational charts, difficulties of coordination and lack of specialization (overlapping of activities). By designing suitable levels of externalization, organizations may maximize the benefits of externalization while minimizing its risks and costs. Amorphous externalization may be the appropriate approach in the Japanese context, given the existing industry structure.

Strategic management tools and techniques:

- SWOT analysis Cost-benefit analysis
- Customer satisfaction analysis
- Analysis of customers complaints
- Analysis of employee satisfaction (views and employee attitudes) Market segmentation based on customer needs and wishes Price analysis Market share analysis
- Customer profitability analysis Benchmarking Level of service analysis Life cycle analysis
- Porter's 5 forces PEST analysis
- Portfolio methods Balanced scorecard Value chain analysis Activity based costring Critical success factors

4.0 results and discussions:

In the last decade in Ethiopia insurance market has gone through an important stage of its development and consolidation. And now, it can be said that it has reached at a very pleasing level of development and as such can provide highly qualitative services for the citizen of the country. This is indicated by increased performance from year to year, which has been reflected by the increasing number of contracts and the increased volume of premiums. However it should be mentioned that this sector still has challenges ahead to achieve higher quality services, further increasing security offer and contemporary products and, especially, in perfecting methods and risk management, in order to achieve the highest possible performance in business and also the application of international standard in this field. Many companies often establish risk management procedures in their plans for improving the performance and increase the profits.

Risk Management and Financial Performance:

The main focus of risk management has mainly been on controlling and for regulatory compliance, as opposed to enhancing financial performance this risk management often leads to enhanced financial performance as regulatory compliance and control of risks enables the organization to save on costs. suggests that by managing risks, the managers are able to increase the value of the firm through ensuring continued profitability of the firm. Standard and Poor's identifies poor liquidity management issues, difficulties related to rapid growth and/or expansion into non-core activities as main causes of financial distress and failure in insurance companies. It is important that these factors be managed efficiently by insurance companies, to avoid financial failure and bankruptcy to the firm. In the 21st century has seen great efforts to risk management note that insurers should assess the various types of risks they are exposed to and devise ways of effectively managing them. They further suggest that insurers should accept and manage at firm level, only those risks that are uniquely a part of their services. This will reduce the risk exposure

Analysis of management capacity:

Analysis of the capacity of different government structures and other major education organizers (e.g. the private sector) to manage the existing and planned education services efficiently, including the analysis of major stakeholders The idea here is not to carry out a full-fl edged organizational audit of the Ministry (or Ministries) of Education, but rather to review relatively quickly (depending on time and resources available) the major strengths and weaknesses of the education management system at different levels of administration, with a view to identifying the major challenges that will need to be addressed (organizational and human) in order to make the system capable of implementing the forthcoming plan efficiently. In many instances, this review will serve as the basis for the preparation of a special priority action programmer for reinforcing management capacities within the sector (which could in turn include a more in-depth analysis of some specific management issues). Present data collection methods and tools seldom provide the information necessary to evaluate the capacities of the organization and the effectiveness of its functioning. Possible indicators: percentage of management staff with profiles matching their tasks; percentage of officers aware of their tasks; percentage of offices or departments with operational plans; percentage of offices with necessary IT infrastructure

Implementation of policies and strategies"

- All policies and strategies must be discussed with all managerial personnel and staff.
- Managers must understand where and how they can implement their policies and strategies.
- A plan of action must be devised for each department.
- Policies and strategies must be reviewed regularly.
- Contingency plans must be devised in case the environment changes.
- Top-level managers should carry out regular progress assessments.
- The business requires team spirit and a good environment.
- The missions, objectives, strengths and weaknesses of each department must be analyzed to determine their roles in achieving the business's mission.
- The forecasting method develops a reliable picture of the business's future environment.

5.0 Conclusion:

The findings indicate that the most commonly used strategic management tools and techniques are SWOT analysis, customer satisfaction analysis, price analysis, cost-benefit analysis, market share analysis, analysis of employee satisfaction, analysis of customers complaints, Porter's 5 forces, service analysis, PEST analysis, customer profitability analysis, benchmarking and methods of portfolio analysis (over 50 per cent of companies utilize these tools and techniques). The popularity of SWOT analysis is not surprising because this technique is considered to be very popular tool not only in Czech Republic but also among UK organizations Australian organizations Egypt organizations and Jordan organizations however the high level of utilization of SWOT analysis may be contrasted with the lower utilization benchmarking, portfolio methods life-cycle analysis and critical success factors. All these tools focused on analyzing internal and external factors that can affect the performance of the companies. The utilization of customer satisfaction analysis, market segmentation, customer complaints analysis, customer profitability analysis, reflects the interest in customers. These tools allow companies to better understand and satisfy the needs of company's customers.

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