

BUSINESS MANAGEMENT

Business management is management of a business. It includes all aspects of overseeing and supervising business operations. *Management is the process of co-ordinating resources to meet an objective.* All the people who work toward meeting that objective form an organization. An organization is a group of people who have a common objective. Whenever people work together to achieve a goal, it is necessary to make decisions about who will do what, when and what money and other resources are to be used. That is management.

Each organization is as good as its staff and management are. All *clients expect pleasant, competent and reliable staff* when they deal with any component of tourism (hotels, travel agencies, tour guides...). The quality of contacts between the clients and the staff is the basic factor for the success of each company. So the role of the people working there is very important. *A good manager takes care of the clients as well as of the staff.*

The managerial staff consists of *three different levels*:

1. *The top management* is represented by the general manager and his secretary, assistant manager, economy manager, sales and marketing manager, personnel manager and the lawyer. They have the most power and responsibility, they organize and control the work of all the staff, take care of the working conditions, hygiene and safety and plan all the activities of the company.
2. *The middle management* is represented by Heads of different departments. They have less power and are responsible for the day-to-day running of the company.
3. *The supervisory / operational management* has some power and responsibility limited to a narrow part of the organization (e.g. chef de cuisine).

These three levels form a hierarchy which can be represented as a pyramid. At the bottom level there is a large number of managers, a smaller number is at the middle level and just a few or only one at the very top.

The four *functions of management* are:

- *planning function*

When a manager makes a plan, he or she establishes the objectives for the organization and tries to find the best ways to achieve them. *Short-range plans* cover the situations that may come up month by month and sometimes weekly or daily. A very important type of short-range plan is the budget, a plan that expresses in numerical terms (dollars, crowns) how the resources of a company can be distributed to achieve a desired profit. *Long-range plans*, usually 2 to 5 years, state what the overall purpose of the organization is.

Top managers are usually the ones responsible for long-range planning, while middle managers and supervisory managers are more involved in planning over the short-range. The general manager deals with thousands of people, millions of dollars and years of time, while the supervisor handles only a few people, over a short time on a much smaller budget. Working as a top manager can be very stressful.

- **organizing function**

Organizing is the process of arranging resources (usually people) to carry out the organization's plans. The managers must think through all activities that the employees must perform. There are always changes in organizations such as old employees are leaving and new ones are arriving, or the public's tastes and interests may change. The main problem for a manager is to determine the division of labour in the best possible way.

- **controlling function**

Managers need to compare where they are (by getting reports from their subordinates) with where they should be (by referring to the plans and objectives they have set up), in other words they need to check results against goals. Then they take any necessary action to correct this, they have to re-plan and re-organize. So standards must be set and feed-back system must be established.

- **directing function**

Managers plan the tasks which their employees are supposed to do. Because not all things happen as they were planned, directing is important. It consists of two processes:

- a) **motivating** – which gives employees a reason to do the job as well as they can
- b) **leading** – which is the process of showing employees how to do the job

ad b) There are three basic **types of managers** (according to their **styles of leadership**)

1. **Democratic type** – he knows exactly what to do, how to divide tasks, how to motivate people. He uses other people's suggestions, but also makes clear that he has the final say. People who work with him are active and interested in their tasks and duties. Such a team shows high quality and innovation of work.

2. **Autocratic type** – he never advises only gives orders and keeps all the power in his hands. People who work with him are mostly passive and not very interested in their tasks. They show high quantity but low quality of work. They show their dissatisfaction. This style doesn't motivate the people.

3. **Liberal type** (or laissez-faire style means "hands off" or "leave it alone"). People do not know exactly what to do and what the terms are. There is no control, no discipline but there are frequent conflicts, people work on their own. There is no quality of work.

All three styles of leadership work sometimes, but no style works every time. The best approach depends on the leader's personality, the employees' skills and the problem the company has at that time.

An ideal manager should attain high standards and have many skills.

Many *personal qualities* are expected from a good manager. He should be assertive, intelligent, responsible, competent, self-confident, fair, tactful, well-tempered, good-humoured and resolute. He should have a spirit of enterprise, originality, self-control and a sense of dignity.

He should be human. He should know how to deal with people, be able to co-operate, to persuade people, understand them and communicate with them effectively. He should also know how to solve problems. He must be well educated, have sufficient work experience and corresponding knowledge and skills. He should be a good example for the others.

He should be conceptual. He must be able to foresee problems, identify them, decide what choices are possible, examine the options, decide what to do and imagine the long-range effects which plans may have on employees and the company

He should have technical skills. He must be able to operate PC, fax, printer and copiers, must be able to use some computer-based management information system, train workers in their jobs, prepare financial statements, annual reports etc.