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The Management Issues in Small Enterprises and Large Enterprises

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Abstract

This Research Paper the findings of a survey study of small and large sized enterprises with regard to their management functions. The main purpose of this article is to understand how SMEs manage their purchasing activities and which purchasing development component is relevant to purchasing performance. This research examines the potential existence of systematic differences between small businesses and medium-sized businesses with regard to purchasing practice and development. Results indicate there are significant differences between how small businesses and medium-sized businesses manage their purchasing practice. This study found purchasing development is related to the purchasing performance of SMEs and that relevance of certain components of purchasing development are more than others to this relationship. Bias differs between small businesses and medium-sized businesses.

Keywords: SME, Management Functions, Business and Small & Large scale Enterprises etc.

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Introduction

A precept of the Management functions that business achieves success by determining and satisfying the needs, wants, and aspirations of target markets. Few would argue that this determination and satisfaction of target market wants and needs is critical for firm success. The research paper has identified significant differences between large and small organizations. Large organizations tend to use a structured framework with a clear hierarchy in decision making. On the other hand, small firms tend to feature processes. The emergence and development of small and medium enterprises has been and continues to be a driving force for the remarkable economic progress, influencing and accelerating economic growth through more efficient use of resources. Characterized by flexibility, mobility, innovation and capacity to adapt, SMEs have continued to play an important role in economic and social life of any country, positioning itself in the steadily growing economy. Preserving and bracing the role of SMEs in the harmonious development of economy in general and especially to the Romanian economy can be achieved through management control. Management control should intercede in the process of taking decisions and influence the optimal operation of small and medium enterprises.

The Role of Management Functions in Small and Medium Enterprises

HRM is concerned with all aspects of employment and management of people in organizations. HRM covers the following activities: strategic human resource management, human capital management, corporate social responsibility, knowledge management, organizational development, securing resources (human resource planning, recruitment and selection, and talent management), management performance, learning and development, compensation management, employee relations, employee welfare, health and safety and the provision of services for employees. Small and Medium Enterprises practice has a strong conceptual basis borrowed and based on the science of organizational behavior and strategic management, human capital and

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theories of industrial relations. This database was built with the help of a large number of research projects by different researchers in the field of management. Research investigating the competitive advantage of small firms has consistently emphasized the importance of marketing, strategic positioning, and entrepreneurship as key factors in business survival and growth. The ability to identify and operate in a particular market niche enables the firm to exploit a range of specializations and offers protection from larger competitors. Yet despite the widespread acceptance of the importance of the marketing concept, the precise marketing activities and competencies that contribute most strongly to business performance must be identified for small and medium-sized enterprises (SMEs).

Literature of Review

By about 1900 one finds managers trying to place their theories on what they regarded as a thoroughly scientific basis (see scientism for perceived limitations of this belief). In 1912 Yoichi Ueno introduced Taylors to Japan and became first management consultant of the "Japanese management style". His son Ichiro Ueno pioneered Japanese quality assurance. The first comprehensive theories of management appeared around 1920. The Harvard Business School offered the first Master of Business Administration degree (MBA) in 1921. People like Henri Fayol (1841–1925) and Alexander Church described the various branches of management and their inter-relationships. In the early 20th century, people like Ordway Tead (1891–1973), Walter Scott and J. Mooney applied the principles of psychology to management. Other writers, such as Elton Mayo (1880–1949), Mary Parker Follett(1868–1933), Chester Barnard (1886–1961), Max Weber (1864–1920, who saw what he called the "administrator" as bureaucrat, Rensis Likert (1903–1981), and Chris Argyris (1923) approached the phenomenon of management from a sociological perspective. Peter Drucker (1909–2005) wrote one of the earliest books on applied management: *Concept of the Corporation* (published in 1946). It resulted from Alfred Sloan (chairman of General Motors until 1956) commissioning a study of

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the organization. Drucker went on to write 39 books, many in the same vein. H. Dodge, Ronald Fisher (1890–1962), and Thornton C. Fry introduced statistical techniques into management-studies. In the 1940s, Patrick Blackett worked in the development of the applied-mathematics science of operations research, initially for military operations. Operations research, sometimes known as "management science" (but distinct from Taylor's scientific management), attempts to take a scientific approach to solving decision-problems, and can apply directly to multiple management problems, particularly in the areas of logistics and operations.

Objectives of the study

1. Development and operation of business environment conducive to the growth of SMEs.
2. Development of SMEs which increase industrial competitiveness.
3. Development of SMEs contributing to revitalizing local communities and creating employment.

Research Design

In order to measure the above stated objectives, specific research methods have been utilized. The paper focuses on a theoretical and descriptive analysis, comparative and synthetic methods for the purpose of identifying and analyzing the factors that determine the need for changes in management functions. Moreover, the paper uses the following methods: the method of induction and deduction, surveys through interviews and questionnaires, and comparative methods to illustrate the above mentioned analysis. We employed a mail survey of SMEs using mailing lists available to the authors. The first mailing came from present and past participants in the Small Business Center of a large AISECT university. This center caters to small businesses in the Bhopal region of the M.P. Its mailing list, totaling 150 businesses, was screened to ensure only SMEs were included in the sample.

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Data Analysis

Effective Role of management functions in Small Enterprises and Large enterprises an Assessment

Assessment of human resources management refers to the procedures and processes by which is measured, evaluated and communicated to the value added of human resource management practices applied in the enterprise. In other words, the evaluation of human resource management contributes to the identification of the financial contribution of Small Enterprises and Large enterprises in the company's final score, or index return realized investment that Small Enterprises and Large enterprises functions realized in achieving the highest levels enterprise performance. Best practices or practices with high performance work systems and methods are described in Small Enterprises and Large enterprises which have positive effects, universal add-on enterprise performance. Best management practices developed, implemented with the view that through their rise to higher overall performance level of employees in the enterprise, ultimately they lead to higher levels of performance of the enterprise.

Findings and Limitations

The results from the two samples were analyzed and no statistical difference was found in means across all measures. Conventional wisdom suggests that marketing's role is to manage the relationship between customers and a firm. Because customers are an important contributor to a firm's financial performance, the department responsible for management of customer relationships should be viewed as an important force; thus, the marketing department that assumes this management functions should be deemed important and influential. The study showed the Management functions to be a significant influence in large firms. This suggests that marketing, as Management functions and influence in business, is not as well developed for

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smaller firms compared with their larger brethren. Although our analysis sheds light on some internal and external factors that influence marketing's role in a firm, a major portion of variance remains unexplained. Additional research is necessary to explore other potential influences on marketing's role in a firm. These might include personnel factors (background and experience of marketing department personnel) and firm politics. The studied SMEs on found the motivation of entrepreneurs are not solely financial and often are based on job satisfaction, control, and family concerns. Although this research fills a gap in the literature relating to the influence of marketing in SMEs, there is much work to be done. We did not address the relationship between marketing's influence and the performance of firms. Analyses done and conclusions reached in this research were based on a very limited sample of SMEs located in one region of the country. Sampling across all regions of the United States would help in generalization of the findings.

Conclusion

This paper reports the results of a study that employed an activity-based approach whereby demonstrable marketing competencies were related to the entrepreneurial orientation evident in the firms. The analysis demonstrated that certain competencies were more strongly associated with a marketing orientation, whereas others were associated with an entrepreneurial orientation. Management control of small or medium enterprises is very little formalized, usually being held in the financial accounting department, and serve the proper administration of the company. Management control process acts as a financial and economic knowledge of the company image, while representing the company's management as a guide for work in progress and the future strategy of the company. At the same time, management control appears as a means of study and action to manage the company, which, based on information obtained through monitoring can evaluate past actions and find solutions for recovery, overcoming errors or difficult situations, to make corrections, changes and modify strategies already developed. Management control exercised within the company has a triple meaning, while being an internal control, external

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control and public control. Internal control management answers the need of information of the top management of the company regarding its obligations to shareholders. Public controls lie in prevention, detection and combat all acts and deeds in the economic field which have the effect of tax evasion and fraud. At the outside level, management control provides information about the actual situation of the company as a tool and a safety factor in ensuring the protection of the interests that revolve around the activity of the company. In enterprises governed by a full transparency, the management control should be developed and continuously improved, because only in these conditions it can contribute to the integration of the company in the market economy mechanism and hence to growth of its financial performance.

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