

# MANAGEMENT AND MARKETING

## BASIC\_MANAGEMENT\_CONCEPTS

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## Management Concept

One way to analyse management is to think in terms of what a manager does. Using this approach, we can arrive at the management process which describes the work of any manager.

1. “To manage is to forecast, to plan, to organise, to command, to co-ordinate and to control.” —Henry Fayol. It attempts to describe management in terms of what a manager does, and not what management is.
2. “Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.” — P. Drucker: The Practice of Management

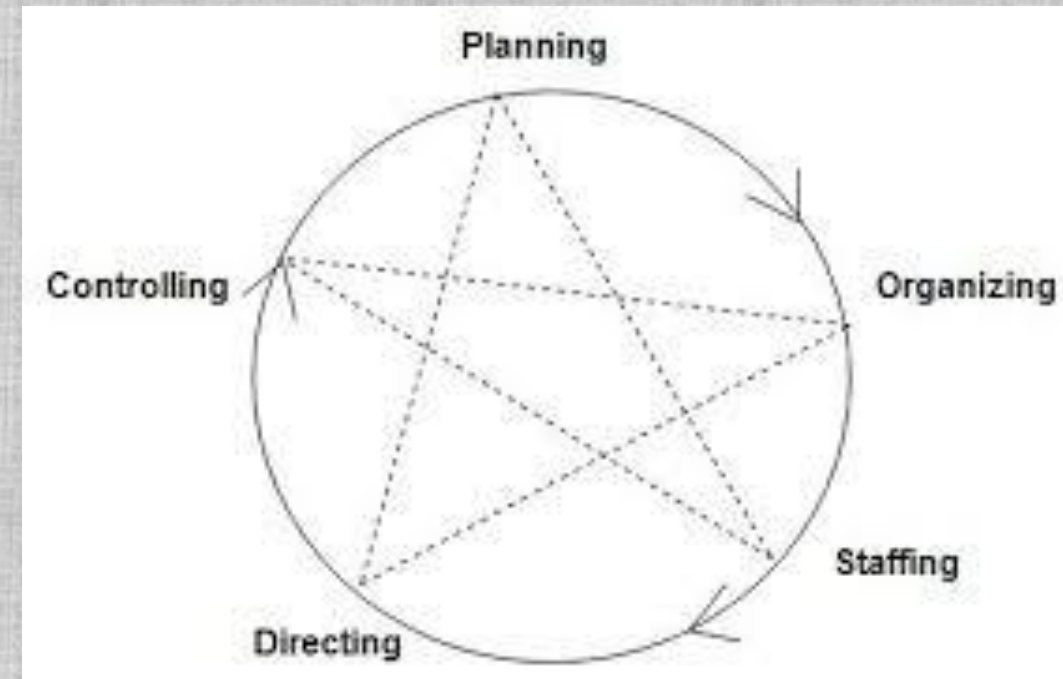
## 5 Principles of Great Management

At the most fundamental level, management is a discipline that consists of a set of five general functions:

- **planning,**
  - **organizing,**
  - **staffing,**
  - **directing/ leading and**
  - **controlling.**
- 
- Management can be defined as the process of achieving organizational goals

These five functions are part of a body of practices and theories on how to be a successful manager.

## 5 Principles of Great Management



There are three major classifications for management theories:

- Classical Management Theory,
- Behavioral Management Theory and
- Modern Management Theory.

These classifications represents a different era in the evolution for management theories. Each of these classifications further contain multiple sub-theories.



## The complexity of consumer life

The complexity of consumer life has led to inspect the mechanism of human economic behavior, which is becoming more extensive and complicated. This is requiring the study of the two intrinsic components: human behavior as a producer of goods and services and consumer behavior.

The American psychologist Harold Leavitt specifies three essential elements that define human behavior: the stimulus that represents the cause, the need that is the desire that can be fulfilled and the goal that is its purpose. As the needs multiply exponentially, because of the technical-scientific progress, this has generated the invention of others, and the satisfied need leads to the appearance of others, obviously the individuals behavior also changes.

## The complexity of consumer life

- consumer behavior is a complex system of manifestations, attitudes, motivations, decisions;
- the development of man's individuality both naturally and through education, is reflected in his behavior through preferences, dislikes, beliefs, attitudes and values, position occupied in society, frequented entourage, etc. Thus, by combining individual circumstances and psychology, the purchasing decisions of each individual will be influenced;
- consumer behavior is dynamic, both due to the evolution over time of the generation of consumers facing the changes they produce and due to the emergence of new factors that directly influence their behavior.

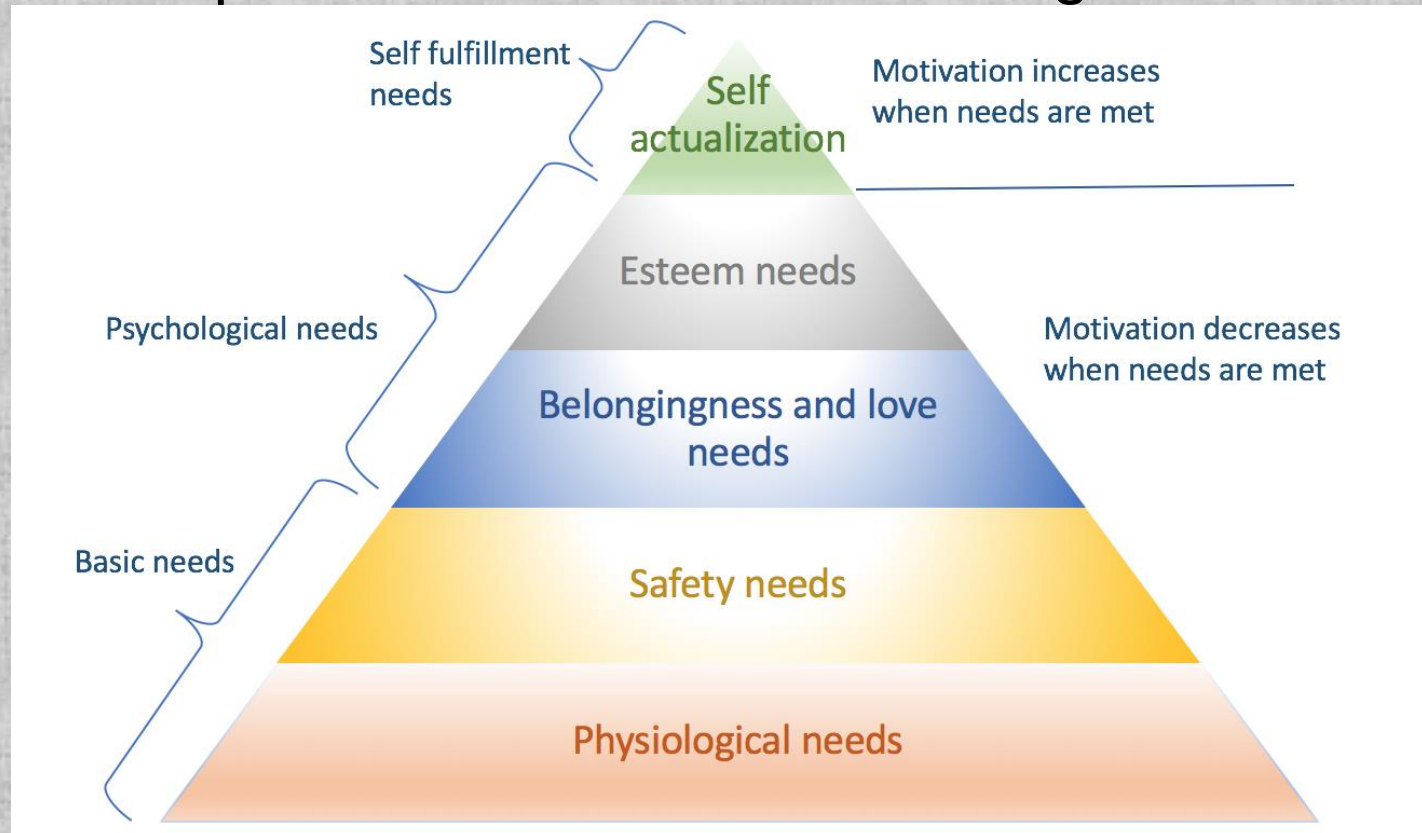
## The difference between need and desire

Desire is a privileged way to satisfy a fundamental need (eg if a person needs a car to travel there is a difference between satisfying his desire by buying a Dacia car or a Ferrari car). Need illustrates a lack, a frustration. In order to survive, the human being needs to eat, drink, dress, etc. These needs are not created by society they already exist. Needs are limited while desires are infinite. The needs are met by products. The value of a product is given by its ability to satisfy that need or desire; that is, how satisfied an individual is after purchasing and using a product. Each person defines the value of a product differently. Instead, the demand corresponds to the desire to buy products (services).



## The difference between need and desire

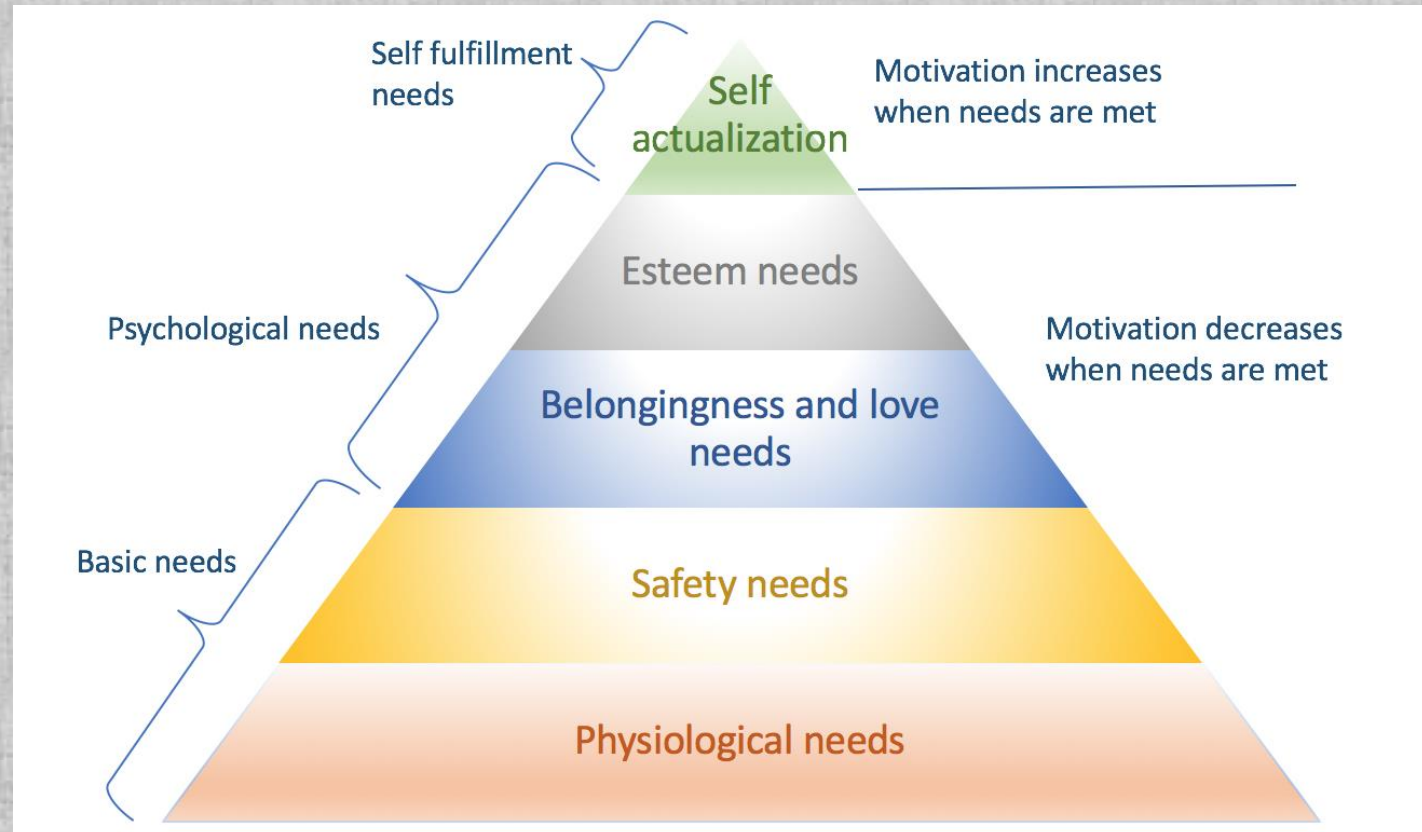
Maslow's theory contends that, as we humans strive to meet our most basic needs, we also seek to satisfy a higher set of needs, until we grow to become "self-actualized" or "all that we can be." At work, this could mean discovering a deep purpose and passion in our role, and delivering true excellence.





## The difference between need and desire

Needs were illustrated in Maslow's pyramid of needs. Maslow argues that a higher need cannot be met if those on the lower levels have not previously been met.



1. PHYSIOLOGICAL NEEDS. They are indispensable to survive: to eat, to drink, to sleep, to protect oneself from cold and heat. They represent the strongest, most important human needs. Their satisfaction is necessary to stay alive.

2. THE NEED FOR SAFETY. Every human being needs to feel protected from any threat to life. If he lives in a war-torn country, for example, it is assumed that this need is not covered. Once physiological needs are met, the need and desire to meet safety needs comes into play. We all need home and family security, especially when it comes to children.

**3. THE NEED FOR LOVE AND BELONGING.** Once the basic needs are covered, this is the most important. No one can realize himself as a person without being wanted and accepted by other human beings. This includes the need for friendship, family, group membership, or involvement in a non-sexual intimate relationship. The relationship with other people at a deep emotional level is the usual way to satisfy this need. For example, family, life partner or friend.

**4. THE NEED FOR SELF-RESPECT.** Every human being needs to respect himself and have a proper conception of his own person. It is about the recognition coming from other individuals (resulting in feelings of power, prestige, acceptance, etc.) as well as self-respect, which creates the feeling of trust, adequacy, competence. Dissatisfaction with esteem needs results in discouragement, and in the long run in inferiority complexes. An unbalanced level of self-esteem (such as underestimating, for example, thinking that everyone is superior to me) results in poor performance and, consequently, deteriorating behavior.

5. THE NEED FOR SELF-REALIZATION. According to Abraham Maslow, one in ten people feel this need intensely. The psychologist said that people who have everything can increase their potential. They can seek knowledge, peace, aesthetic experiences, self-fulfillment. Most focus on the foreseeable needs. Self-realization includes higher and more abstract goals (for example: justice, perfection, goodness, truth, individual judgment), which are increasingly fragile, like the top of the pyramid. In general, a person who has everything tends to increase his potential. Self-realization includes higher goals: justice, perfection, truth.



## How can Maslow's model help managers? Here are four main takeaways:

- 1. Meet people's basic human needs.** Sounds simple, but even the most able, confident and respected people have basic human needs that must continue to be met if they are to remain motivated and productive. This is especially relevant during a crisis, whether it's a global event, such as a pandemic, or a personal problem, such as debt .
- 2. Motivation is more than money.** Hard cash is not enough! People have many needs that have to be met above and beyond this. (See our article, Herzberg's Motivators and Hygiene Factors , to find out more.)
- 3. Satisfaction can be achieved in many different ways.** The model gives managers a whole range of tools that they can use to build team satisfaction, even if they don't have much money to hand out. It usually doesn't cost much to provide a safe working environment. It's often inexpensive to have team socials where team members can get to know one another outside the work environment. And it costs nothing to compliment people on a job well done.
- 4. Self-actualization can be achieved by anyone.** Finally, Maslow's conviction that we all have the potential to be self-actualizers can be a source of hope and encouragement for everyone