EMERGING TRENDS IN BUSINESS MANAGEMENT

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Abstract:

This article is all about the trends being followed in the emergence of Business Management over a period in different types of Economic systems with the Industrial Revolution and Globalization.

Key Words: Business Management, Organization, Emerging Markets, Capitalism, Technology, Innovation, Economy, Industrial Revolution, Globalization, COVID'19, cottage, small-scale industries

Introduction

Business Management is the functions of getting things done through people. In other words, management is the development of people and not the direction of things. Moreover, management is what management does. It is principally the task of planning, coordinating, motivating and controlling the efforts of other towards a specific objective.

Prof. Taylor stated that, "Management is the art of knowing exactly by what you want men to do and then seeing that they do it in the best and cheapest way."

Infact, management is the activity which plans, organizes and controls the operations of the basic elements of men, materials, machines, methods, money and markets, providing direction and co-ordinations and giving leadership to human efforts so as to achieve the sought objectives of the enterprise.

Business Management is basically Planning, Organizing, Staffing, Leading or Directing, and Controlling an organization or a group of one or more people or entities or effort for the purpose of accomplishing a goal.

Planning: This involves allocating employee resources and delegating responsibilities, as well as setting realistic timelines and standards for completion. It requires managers to continuously check on team progress in order to make small adjustments when necessary, while still maintaining a clear picture of a company's larger aims and goals.

Organizing: Establishing internal processes and structures, allocating best suited employees for specific tasks, keeping everyone and everything organized throughout daily operations, delegating tasks efficiently and making sure employees have what they need to accomplish their tasks in a highly coordinated manner.

Leading: This involves projecting a strong sense of direction and leadership when setting goals and communicating new processes, products and services, or internal policy to the team members. Often,

managers may function as leaders even during small personal interactions by modeling supportive, encouraging, and motivational qualities.

Controlling: To ensure all the above functions are working toward the success of a company, managers should consistently monitor employee performance, quality of work, and the efficiency and reliability of completed projects.

Management, as a theoretical discipline, dates back only to the end of the nineteenth century, when the first large industrial companies were founded, and the pressing problems of coordinating and controlling large numbers of people in the pursuit of a common set of goals first became apparent.

Let's start with early organizations where the firms were run by the entrepreneurs who employed people and were responsible for handling tasks such as coordination, planning, controlling, rewarding & resource allocation which eventually forced owners to depend completely on their employees. Their focus was wholly on execution of mass production, managerial solution such as: specialization of labour, standardized processes, quality control, workflow planner etc. Managers were positioned alongside the physical assembly lines or in walled departments where they could oversee their workers.

Since managers had the power to set compensation policy, wages and earnings came to depend more on power roles than the talents, skills and value created through operational activities. Consequently, organizations became biased towards managerial functions such as more complex abstraction, measurement, regulatory control, policymaking, contract writing, etc.

***Specific features of early business management trends*:**

- Capital Centric
- Labor or Human Resources Centric
- Location Specific
- Monopolistic Nature
- Local Level Management
- Small Hierarchical Pattern

Later with the development of machines and various technological advancements management started emerging with a whole new concept.

"Or we can just say that management has entered a new era of empathy."

Recent changes have demanded a more strategic perspective of business management with placing increased pressure on employees to be more productive, innovative & change oriented.

It seems that the management looks like as if the work is done through network rather than through line of command when individual managers are responsible for creating communities for those who work with them.

Founder led firms were replaced by professionally managed corporations, owned by retail investors and run by powerful executives.

Major changes that can be observed in the emergence of business management are as follows:

- Growing Emerging Markets
- Population & Demographic Shifts
- Increased Business Competition
- Emergence of Clear Technology
- Speed of Innovation
- More Informed Buyers

Transition between eras have played out over decades, some elements of the previous era remain in place, while others evolve into something quite different which are as follows:

Multidivisional Enterprises: Firms have evolved with multilevel managerial hierarchy. Basically, there are three levels of management hierarchy, i.e., Low-level management, middle-level management and top- level management.

- Top-level managers are responsible for controlling and overseeing the entire organization.
- Middle-level managers are responsible for executing organizational plans which comply with the company's policies. These managers act at an intermediary between top-level management and low- level management.
- Low-level managers focus on controlling and directing. They serve as role models for the employees they supervise.

Shareholders & Investors: The new era of business management has come up with the introduction of multiple Shareholders and Investors in the company which is in a way more beneficial as compared to those of single owners of the companies because shareholders are essentially owners in a company, they reap the benefits of a business' success in the form of increased stock valuations, or as financial profits distributed as dividends. Conversely, when a company loses money, the share price invariably drops, which can cause shareholders to lose money, or suffer declines in their portfolios' values leaving shared loss to different individual owners. And investors allocate capital with the expectation of a future financial return or to gain an advantage. It is to their advantage to help the company build a successful business.

Online mode of Business: With the introduction of new technologies in the business, companies have facilitated online practices in most of the fields such as task allocation and accomplishment, mode of payment to employees and associated persons or entities, placing orders, keeping records of business and many more other things.

Remote Working: With the technological advancements Telecommuting is rapidly becoming more common for both small and large business. This management trend proves to be beneficial to both companies and families as it reduces commuting costs and can have a positive impact on a business's carbon footprint and also making it easier for these companies to communicate and collaborate with their remote workers.

Artificial Intelligence: Artificial Intelligence is being used more and more to improve the overall customer experience. These tools are available now to improve many facets of life for both business and consumer.

Customer-focused Organizations: Companies are becoming more customer centric. Innovations are being made rapidly in every field in order to meet varied customers satisfaction in every possible way.

Economy Systems

The way scarce resources get distributed within an economy determines the type of economic system. There are four different types of Economic Systems:

i) Traditional Economy: It is the most traditional and ancient type of economy in the world. Vast portions of the world still function under a traditional economic system. These areas tend to be rural, second or third world, and closely tied to the land, usually through farming. These societies tend to be very close- knit and socially satisfied. However, they do lack access to technology and scientific advancements.

ii) Free Market Economy: In a free-market economy, firms and households act in self-interest to determine how resources get allocated, what goods get produced and who buys the goods. There is no government intervention in a pure market economy ("laissez-faire"). However, no truly free market economy exists in the world. In this type of economy, there is a separation between the government and the market. This separation prevents the government from becoming too powerful and keeps their interests aligned with that of the markets.

iii) **Command Economy**: In this type of economic system, a large part of the economy is controlled by a centralized power. Since the government is such a central feature of the economy, it is often involved in everything from planning to redistributing resources. In a command economy, it is theoretically possible for the government to create enough jobs and provide goods and services at an affordable rate. However, most command economies tend to focus on the most valuable resources like oil.

iv) **Mixed Economy**: A mixed economy is a combination of different types of economic systems. This economic system is a cross between a market economy and command economy. In the most common types of mixed economies, the market is free of government ownership except for a few key areas like transportation or sensitive industries like defense and railroad. However, the government is also usually involved in the regulation of private businesses. The idea behind a mixed economy was to use the best of both worlds – incorporate policies that are socialist and capitalist.

To a certain extent, most countries have a mixed economic system. For example, India and France are mixed economies.

Earlier there was Traditional Economic System prevailed in India in which people were mostly dependent on agriculture and agrobusiness. The society was divided majorly into two categories:

a) Landlords: Those who owned the land properties

b) Farmers: Those who either had small agricultural land or worked in the Landlords' properties.

The process of change from an agrarian and handicraft economy to one dominated by industry and machine manufacturing is termed as **Industrial Revolution**. This process began in western countries in the 18th century and from there spread to other parts of the world.

India lagged far behind the world in Industrial Revolution. The mid-20th century witnessed the spread of the Industrial Revolution into hitherto non-industrialized areas such as China and India. This was the third stage of worldwide Industrial Revolution which brought forth the rise of electronics, telecommunications and of course computers. Through the new technologies, the third industrial revolution opened the doors to space expeditions, research, and biotechnology.

With industrial revolution advancements in transport and telecommunications have had a huge impact. With increasing trade and communication, more and more companies are extending their reach across land and sea.

Industrialization refers to the shift of an economy from being primarily based on agriculture to being primarily based on industry, which includes manufacturing of goods as well as rendering of services.

Globalization is the interaction of one economy with other economies of the world.

As the industrial revolution kept giving birth to newer technologies, capitalism started growing and globalization picked up pace as a direct result. Today every economy of the world is striving to move towards industrialization, we are witnessing globalization.

When we talk about globalization and the Indian economy, one name strikes our mind, that is, Dr. Manmohan Singh. He was the finance minister in the 1990s when globalization was fully implemented and experienced in India. He was the front man who framed the economic liberalization proposal. Since then, the nation has gradually moved ahead to become one of the supreme economic leaders in the world.

Benefits of Globalization Impacting India:

i. Rise in Employment: With the opening of SEZs or Special Economic Zones, the availability of new jobs has been quite effective. Furthermore, Export Processing Zones or EPZs are also established employing thousands of people. Another factor is cheap labour in India. This has motivated big firms in the west to outsource work to companies present in this region. All these factors are causing more employment.

ii. Surge in Compensation: After the outburst of globalization, the compensation levels have stayed higher. The level of knowledge and skill brought by foreign companies is obviously advanced. This has ultimately resulted in modification of the management structure.

iii. Improved Standard of Living and Better Purchasing Power: Wealth generation across Indian cities has enhanced since globalization has fully hit the nation. Purchasing power for individuals, especially those working under foreign organizations has improved.

Globalization in India has been beneficial for companies that have ventured in the Indian market. As per the researchers India must focus on five important areas to enhance its economic status. The areas include technological entrepreneurship, new business openings for small and medium enterprises, the importance of quality management, new prospects in rural areas and privatization of financial institutions.

In terms of export and import activities, Many Indian companies have expanded their business and became famous at global level such as fast food, beverages, and sportswear and garment industries. Globalization speeded export of food items in India in the form of increased consumption of meat, western fast food, sodas and cool drinks, which may result in public health crisis. The rich biodiversity of India has yielded many healthy foods prepared from locally available entities.

Table: Indian companies going global:

Buyer	Acquisition
Mittal Steel	Arcelor, Luxembourg
Reliance Industries	Flag Telecom, Bermuda
Tata Motors	Daewoo, Korea
Infosys Technologies	Expert Information Services, Australia
Bharat Forge	Carl Dan Peddinghuas, Germany
Ranbaxy	RPG, (Aventice) Laboratories, France
Aditya Birla	Dashiqiao Chem, China
Hindalco	Straits Ply, Australia
Wipro	Nervewire, Inc, USA
United Phosphorus Ltd	Oryzalin Herbicide, USA

Disadvantages of Globalization in India

There are some negative impacts of globalization such as this process made disparity between rural and urban Indian joblessness, growth of slum capitals and threat of terrorist activities. Globalization increased competition in the Indian market between the foreign companies and domestic companies. With the foreign goods being better than the Indian goods, the consumer preferred to buy the foreign goods. Since cottage industries and small-scale industries were more prevalent in India, whose products were not of fine texture as compared to those of foreign goods. This reduced the amount of profit of the local Indian Industry companies. This happened mainly in the pharmaceutical, manufacturing, chemical, and steel industries. The negative Effects of Globalization on Indian Industry are that with the coming of technology the number of labours required are decreased and this resulted increasing unemployment.

Some section of people in India that are poor do not get benefit of globalization. There is an increased gap between rich and poor that lead to some criminal activities. Another major negative effect of globalization in India is that youngsters of India leaving their studies very early and joining Call centers to earn fast money reducing their social life after getting habituated with monotonous work. The informal sector is purposely not listed in the labor legislation. For example, informal workers aren't the subject considering the 1948 Factories Act. This scheme covers vital factors such as common working conditions, safety, and health, the ban on child labor, working hours etc. Also, globalization has caused poor health, disgraceful working conditions, as well as bondage, happening in different parts of the country.

In the context of present days scenario, the major impact of Globalization is the outbreak of COVID'19 in India. Intercountry movement of people not only brings technological advancements, economic developments but also diseases. Outbreak and spread of this fatal disease have ruined the economy of the country. To stop its spread people need to practice social distancing resulting in the closure of offices, industries, shops, manufacturing units or places where gathering of people (employees, workers, customers etc.) is more, eventually leading to the joblessness and unemployment of the mass.

In a way this has also proved to be helpful for cottage and small-scale industries which were almost on the verge of extinction from the Indian Economy. Daily wage earners, Laborers, shopkeepers etc. have started making masks, sanitizers etc., and selling on their own or with the help of middle-man which according to the economists is a good sign as the Indian Economy is making a U-Curve with re-emergence of cottage industries in the country.

Though self-made products are coarser in nature or texture but are available at less price since no tax is levied on these products, they are pure, long-lasting and most importantly this process is boosting the economy of these small-scale manufactures and making them self-dependent, thus helping the country's economy grow.

Conclusion:

Over a long period, the Business Trend has made remarkable changes in the worldwide frame. Starting from the mode of business practices in the early times, we can say that Business Management has made several improvements and advancements in its structure, hierarchy, mode of operation by introducing new technologies, making changes in its functioning, and improvisation in industrial trends.

Innovations are made on regular intervals to cope up with the risk of market competition and consumer satisfaction in terms of price, availability and varieties of products and services in the market, providing better quality to the customers.

Introduction of machines at the working place has a great significance in the world economic market causing people to shift from agro-based industries towards other sectors of economy. It resulted in improving product quality, saved time, reduced expenses, and increased performance. All these led to *Industrial Revolution* which witnessed remarkable inventions and innovations in terms of usage of internet, technology and human resources in a better and organized pattern.

After the *Industrial Revolution,* there comes *Globalization* which facilitated the interaction of one economy with other economies of the world giving rise to multiple opportunities for the industrial sector, technological advancements, global innovations, cultural interexchange and many more…

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