

MARKET MANAGEMENT IN MARKET ACTIVITY

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Abstract

The article points to the social aspects of marketing in the market activity of business entities. It results in the processual character of management in the exchange of products (values) between two sides of the market (demand and supply), which consists of two market groups (two groups of people). It is these groups of people that are the subject of management, including those involved in the implementation of its basic functions, necessary for the implementation of the objectives of market activity. This subjective character of management was presented in selected economic entities.

Key words: management, marketing, business entity, market activity, market.

Introduction

Rational, although often indicated to be optimal, use of resources of an organisation, especially personnel, with time and cost constraints, increasing complexity of production and distribution, and difficulties in maintaining the existing ones and attracting new buyers (customers, consumers) force the management of economic entities¹ to be transparent and flexible in management. In these undertakings, it may be helpful to use the theory and practice concerning the implementation of basic management functions in market activity, necessary to achieve the assumed objectives and missions of the organisation.

¹ An economic entity is a term most often understood as an individual, an organised group of individuals or a legal entity conducting in an organised manner market activity consisting in the production of value-added products (tangible and intangible). A common feature of business entities is the possession of legal entity related to the assignment of their ownership and responsibility, as well as the liability and risk for the effects of market activity. Most often economic entities operating in the market economy are manufacturing plants and corporations, distribution intermediaries and service companies, often called enterprises or companies (Antczak, 2016, p. 45).

Taking into account the processual nature of acquiring, improving and using personal resources, dynamic development of manufacturing and communication technologies and technologies, as well as increasing access to capital resources, the knowledge and skills of their use by management in market entities are of crucial importance. This also applies to the generally understood notion of “marketing”. Therefore, organisations conducting market activity, which emphasise systematic progress and development, must be able to anticipate and use these activities creatively in the implementation of the management process. The theory and practical actions which verify that activity in management are helpful in this respect, and in particular the knowledge and skills acquired on their basis to use it in the market activity of the economic organisation(s).

Conclusions resulting from the analysis of the results of market activity conducted by organisations that are business entities, as well as knowledge and skills of movement on this market indicate cases of the restriction of marketing tools for selling and buying goods or goods (material products) and services (intangible products). In market activity, various forms of material management (e.g. financial management, waste management, environmental management, real estate management, information management, marketing management, safety management, etc.) and adjective management (e.g. financial management, crisis management, marketing management, etc.) are also indicated. Often using selected methods and tools in decision-making processes, related to the implementation of management functions (management, command), do not see any difference in the subjective or objective understanding of the essence of market activity, including the notions of marketing. Taking into account the above observations, an attempt was made to present one’s own position in relation to only one of the forms of management in marketing, relating to the management of organisations, as economic entities, in market activity.

In the literature on the subject one can find many definitions of the concept of marketing. For example, the social definition of marketing (Kotler, 2005) shows the role it plays in society, unlike the directorial definition (Kotler, 1999), often understood as the art of selling goods (material goods). In the first case, the task of marketing is to ensure a higher standard of living for the human being as a social entity. Hence, marketing is perceived as a social process through which individuals or groups receive what they need and want by creating, offering and freely exchanging products and services. It does not mean that the most important task of marketing is sales, but only one of its elements during the exchange of products. However, in the directorial definition it is described as the art of selling products. It is also pointed out that “People are surprised when they hear that the most important task of marketing is not sales! Sales is just the tip of the iceberg. (Kotler, 2005, p. 8). Drucker, on the other hand, notes that “It will always be the case that someone says they have to sell something. The purpose of marketing is to sell unnecessary things. However, “The task of marketing is to know and understand the customer as well as to know if a product or service is suitable for him and sells itself” and “Ideally, marketing should result in a customer who is ready to make a purchase. As a result of this reasoning,

“Everyone should be in need, then it is enough to make a product or service available to them. (Drucker, 1973, pp. 64-65).

Therefore, for the skilful and purposeful use of marketing theory in management, in particular its social aspect, it is advisable to recall and understand the essence of the basic concepts, often reproduced in many definitions. Such knowledge is necessary to indicate the links between marketing and management in market activity, as well as their importance in such management. Therefore, before we deal with management, we will define some selected terms that make up the content of the social concept of marketing, for which they are or should be the basis for its logical implementation in widely understood market practice.

By emphasising social aspects, Kotler points out that marketing is a social and management process through which individuals and groups receive what they need and want to achieve by creating, offering and exchanging value-added products (Kotler 1994, p. 6). When analysing the content of this definition, one can see that it contains many basic concepts such as: process, society (people), management, need, desire, demand and individuals and groups with needs and desires that contribute to the existence of demand, a product that can satisfy needs and desires and a product offered by producers and intermediaries that has value as a basis for supply. In market activities, units and groups contributing to the creation of demand and supply are the two parties to the exchange. Exchanges are the essence of a market which is considered to be a confrontation of supply and demand or a game of supply and demand related to the exchange of value on which the product is based.

Selected marketing concepts

We have previously noticed that the basic primary concepts for explaining the concept of marketing are need and desire. The (human) need is most often associated with the state of feeling the lack of satisfaction (of something or someone). Therefore, one can speak of basic needs (see Maslow, 1954, pp. 80-106), such as food, clothing, shelter, care, security, belonging, respect, love, etc., which are limited in number. They may also include higher level needs such as: educational attainment, knowledge, employment, speaking, product exchange, earning, etc. On the other hand, desire is an expression of a specific way of satisfying needs that are considered to be primordial and few in number compared to desires. Human desires are diverse and change under the influence of society, family, school, religion, religion, advertising, fashion, closer and further environment, and are the result of the conclusions of the analysis of scientific research, technological development, manufacturing technology and similar conditions. Therefore, in the case of food, desires may have practically unlimited dimensions. The only criterion limiting their fulfilment may be insufficient supply possibilities for the needy, (this may result from the impossibility of their realisation at a given time and place, but not altogether). In the case of satisfying needs of a higher level, e.g. earning, desires may concern the

place (e.g. in Poland, abroad, place of residence), remuneration (amount, certainty, promotion, etc.), safety (in the family, on roads, in air transport, health, international transport, etc.), social status (stability of living standards, certainty of repayment of loans, family maintenance, etc.). The total needs and desires, treated in this way, supported by the possibility and readiness to satisfy them, is a demand constituting so-called purchasing power. On the other hand, the medium of value which enables the satisfaction of needs and desires of a particular individual or social group is the product.

Due to the multitude and diversity of needs, as well as the almost limitless ways of their implementation, in the marketing sense, a product can be anything of value and can satisfy anyone's need or desire, or at the same time a need and desire (Antczak, 2016, p. 108-115). Therefore, in such a concept of a product (tangible and intangible), it is not its sale, but the value perceived in it and the resulting benefits that can be achieved as a result of their acquisition, application and use, that are the basic criterion for assessing the effectiveness and efficiency of the organisation's operations on the market. Moreover, a product is not only its physical possession but also the ability to use the service it contains or carries (e.g. fridge, passenger car, airport, passenger aircraft) and represents a value for both parties to the exchange. It should be noted that most often in the literature on the subject and in practical market activity, products and services are cited. At the same time, the term product is most often understood as goods (goods), as things (creations, products - material artefacts). On the other hand, services are understood as something intangible, the carrier of which, apart from a material product, can be e.g. a "product" or a "product" - person (teacher, doctor, actor, passenger plane crew), place (stadium, theatre, beach, beauty salon, airport terminal, passenger plane), activity (work, running, learning, piloting passenger plane, air control in the air space), organisation (political party, association, air carrier, passenger aircraft manufacturer, discussion club, charity group), idea (philosophy of life, motives and conduct, attitude to reality, religious belief, knowledge of the universe). Taking into account the above concepts, it can be assumed that all possibilities of satisfying needs and/or desires (present, present and future) are called supply. However, due to the limited ability to satisfy "all" needs and desires, the concept of supply is limited to the products that manufacturers and intermediaries are prepared to supply to satisfy needs and/or desires at a particular place and time.

An analysis of the above information may indicate that a product is only "something" manufactured (produced) by a human being and often provided by an intermediary (also a human being) to satisfy a specific need and desire. In practice, there are also products that are necessary to satisfy the needs and desires of individuals and social groups that are made by nature. Amongst products produced by nature are those which people use directly (e.g. air, water, fruits) and which are used directly after being obtained (e.g. after being found, recognised, extracted), and which need to be found, extracted, processed, and supplied to a needy person (e.g. coal, metal ores, oil, natural gas). A product such as air, in addition to being the basis for organic life on earth, is a key element of the aviation business in which a

significant part of the market activity is carried out (e.g. flights), it is also a source of the oxygen necessary to operate aircraft engines and a raw material for the production of products used in aircraft technology, such as oxygen, nitrogen, hydrogen, etc. It is also an important part of the aviation business. These products, meeting the specific needs and desires of market participants, have a value which in many cases, due to their inherent nature, indispensability in life, universality of access and practically unlimited use, is invisible and very often used intensively by 'selected' groups for e.g. business purposes or even wasted (e.g. air pollution by industry, pollution and devastation of water sources, heating of dwellings, provision of air services).

It has been indicated above that the overriding or basic concept in assessing the usefulness of a product, as a human product, is its value for the buyer (customer, consumer, intermediary), as well as for the manufacturer (including nature). Taking into account this rationale, it can be seen that the value of a product is the evaluation (by reference to the subject-matter of the assessment) made by its potential purchaser (customer) and, in the longer term, by the consumer and user, as well as the manufacturer and intermediaries, of the degree (ability) to satisfy their needs and/or desires. In support of the above statements, we will use examples of products (Antczak, 2016, p. 16) in physical form. The need of a specific individual may be to have a vehicle (e.g. a passenger car) that enables daily commuting to work. On the other hand, a desire (dream) may be a passenger car of a well-known brand (e.g. BMW). A frequent dream of consumers is to have an ideal product (e.g. a car, a telephone, a fridge, shoes, etc.) that does not actually exist (so-called perpetual motion²). Therefore, the value of a real product will depend on the extent to which its characteristics approach those of the 'ideal' product. In this sense, the concept is linked to the price of the product and the degree of satisfaction of having that specific (real) product. It is regrettable to note that similar considerations do not apply to many (tangible) products that also have value for both sides of the market, although their creator or manufacturer and distributor is nature.

Following the rationale presented, it should be noted that the prices of the product are a representation of its value and are a proposal (offer) for each of the two sides of the market. Since the value of a product is an assessment by each party and is reflected in the pricing of the product, there are two prices for the same product (demand and supply). At the same time, the price is a representation of the costs associated with the implementation of a specific set of services (e.g. material, time spent, mental, moral, social), which is being incurred by the demand side (e.g. the purchaser) in exchange for satisfaction and appreciation of the services available through the use of the product (e.g. convenience, safety, hope, comfort, satisfaction, recognition, etc.).

² Perpetuum mobile (Latin) a mechanism that moves eternally and automatically; an impossible to construct machine that does a job without consuming energy from outside, see Kaminska-Szmaj, 2001 (Science Edition).

In the case of the supply side (e.g. the manufacturer, including intermediaries), the price is the offer (proposal) reflecting the value of the product due to the incurred costs of its creation (e.g. invention or payment for licenses, patents, copyrights), creation (e.g. recognition of natural resources, extraction, adaptation, production, growing, processing, environmental pollution and destruction of its natural structure) and distribution (positioning in the market at the right place, at the right time, in convenient conditions, including preferably without harmful impact on the environment) and the desire to obtain additional profits (e.g. profit, recognition, dominance, survival and further development) after its acceptance by the demand side (e.g. buyer, customer, consumer, user).

In the context of the above logical reasoning, the following question should be asked: how should the value of a product and its reflection in price (as a market offer) be assessed if nature is one of the parties? Do normative rules (often referred to as ‘the law’) constitute a sufficient argument and provide the necessary, as well as relatively objective, methods and tools to assess the value of such a product and to indicate a reasonable rationale for reproducing its price on behalf of the parties in the market, if one of them is nature?

On the basis of the presented information and conclusions resulting from their analysis, an extended social definition of what is seen as a social and management process can be proposed, whereby one party (including individuals and groups) receives what they need and want by creating, offering and exchanging with the other party (including individuals and groups, as well as with nature) any product of any value to them (Antczak, 2016, pp. 19-20).

In view of the comprehensive application and use of this definition, as well as the conclusions resulting from its analysis, it can be considered in two aspects, namely (1) the subject of interest, according to which marketing is a theory and practice connected with market activity, demonstrating the correctness and principles of realizing a potential exchange of values capable of satisfying human needs and/or desires with minimal degradation of the natural environment; (2) the entity utilising the theory³ and experience has the knowledge and skills to apply it to life and market activities involving the exchange of values that meet human needs and desires, taking into account the circumstances, including the natural environment, in which it operates.

The essence of governance

The definitions of governance (cf. Griffin, 1996, pp. 36-45 and 198-220) are as numerous as books related to this problem. Some of them are relatively concise and simplified. An example is one of the older definitions in which management

³ Knowledge is understood to mean all reliable data and interpretations of factual information and the ability to use it, see Pondel, p. 372.

considers itself to have a thorough understanding of what is expected by people and then ensuring that they do it in the best and cheapest way possible. However, management is a complex process, much more complex than such a simple definition implies. It is therefore necessary to adopt a definition of governance that better captures the essence of this complexity and the resulting practical proposals.

For a better understanding of its essence, systems theory is used. It states that all organizations operating in a specific environment (often called the environment) use four basic types of capital (potential, assets): human, financial, material, informational. Human resources encompass both management talent and labour. Financial resources are the cash equivalent and assets used by an organisation to cover all the expenses of its current and long-term operations. Material resources most often include: raw materials, semi-finished products, parts and assemblies of devices, production equipment, infrastructure and means of transport, office and production rooms with their equipment. Information resources are all types of databases, knowledge and skills necessary for effective management and decision-making. Managers are responsible for the appropriate linkage and the coordination in the use of these different resources to achieve the organisation’s objectives (Table 1).

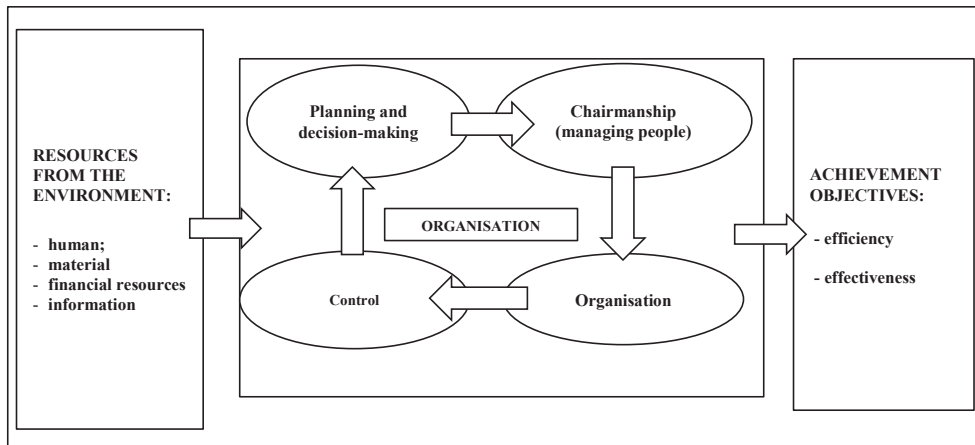
Table 1

Examples of the use of basic resources in four different types of organisations

Name of the organisation	Human resources	Financial resources	Material resources	Information resources
PGNiG Group	Managers, supervisors, workers	profits, shareholders’ investments	mining and distribution equipment	gas consumption forecasts, potential for obtaining raw materials, global trends
Jagiellonian University	academic staff, students, auxiliary staff	government funding, grants, student payments	teaching and research equipment and devices, buildings, logistic infrastructure	research reports and teaching process reports, government publications
Warsaw City Council	public officials, law enforcement agencies, municipal employees	Local tax revenues, government subsidies	office and municipal buildings, logistics infrastructure, appliances and cleaning equipment	social and economic forecasts, reports and statistics, population censuses
Supermarket	managers, salespeople, customers	profits, capital investment by the owner	buildings, parking lots, shelving and shop equipment	supplier price lists, web information, communications from competitors

Source: Own publication based on: Griffin, 1996, p. 36.

By combining and coordinating the use of different types of resources, managers perform four basic functions or managerial activities: planning and decision making, organising, leading or directing staff and controlling (Figure 1).



Source: Own work based on: Griffin, 1996, p. 37.

Figure 1. Schematic representation of the implementation of basic management functions in the organisation in achieving objectives from resources from the environment (environment)

Consequently, management can be defined as “a set (set) of activities including planning and decision making, organisation, leadership (often associated with managing people) and control, directed towards the resources of the organisation (human, financial, material and informational) and carried out with the intent to achieve the organisation’s objectives in an efficient and effective manner”. (Griffin, 1996, p. 37).

In the proposed definition, the meaning of management is emphasised as the possibility to ensure efficient and effective achievement of the objectives of the organisation (economic entity). Efficiency means using resources wisely and without wasting them unnecessarily. Currently, many market entities supply high quality products, which are manufactured at relatively low costs and their operations are efficient. However, by effectiveness we mean achieving the successful completion of undertakings. Many products on the market are made solidly, aesthetically and ergonomically, evoking the admiration and trust of their users. It should be noted that successful organisations (economic entities) are both efficient and effective.

In this respect, a manager⁴ is considered to be someone who is responsible for the performance of his or her essential functions. In particular, a manager is someone who plans and makes decisions, organises, manages and controls human, financial, material and informational resources. Very often, managers meet with

⁴ It is generally assumed that a manager is a person who is a manager, director, administrator, head of an enterprise or its part, or a person who takes care of the interests of an artist or sportsman (including an artistic or sports group), organises performances, agrees on the terms of contracts, etc. (Griffin, 1996). (Dictionary of Contemporary Polish Language, 1996, p. 506). Often a manager is called both salaried employees in high managerial positions and owners of enterprises directly involved in their management, which is often the case with smaller business entities.

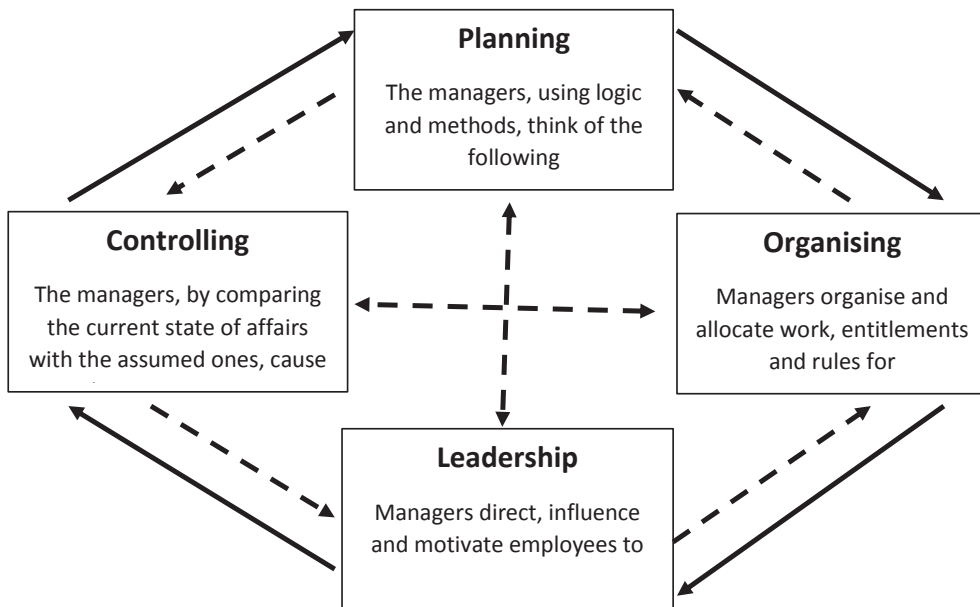
various challenging and profitable opportunities, requiring knowledge, skills and experience, as well as the courage to undertake decisions in market activities. They operate in an unstable and dynamically changing environment, driven by market globalisation, external and internal competition, changing regulations in domestic and international law. They are also often under intense pressure from many factors arising from expectations of social, economic, ecological, ideological, cultural, etc., as well as from their negative impacts, causing disturbances in the execution of the management function. In many cases, the work of a manager is unpredictable and involves various challenges. Hence, the skilled use of knowledge, understanding and creativity is the basis for personal and organisational success.

Many factors that add to the complexity and uncertainty of management are dependent on the environment (including nature) in which organisations operate. All the resources (human, financial, material and informational) used to create products (artefacts - which may be tangible and intangible) come from this environment, and their recognition and proper understanding is one of the basic prerequisites for the effective and efficient work of each manager. This pattern also applies to market activities where market operators are treated as organisations (e.g. air carrier, airport, air navigation agency, passenger aircraft manufacturer, etc.).

Management functions

It has been stated above that management includes four basic functions: planning and decision-making, organizing, leading and controlling. Griffin, in defining the management functions, refers to the actions of a manager based on the example of Herb Kelder, former head of Southwest Airlines CO⁵, who was able to create a vision of an efficient organization and put it into practice. At the same time, he focused on the people working in this company and monitored and analysed the results achieved by it on an ongoing basis. Many of the tasks performed in this corporation depend on efficiency in the activities of its individual organizational units. All these activities can be classified as one of the four basic managerial functions (Figure 2), which are implemented over time.

⁵ Southwest Airlines has scheduled flights to 100 destinations in the United States and 10 additional foreign destinations. During the peak tourist season they operate about 4000 departures per day. Popular destinations are Chicago, Las Vegas, Baltimore, Phoenix, Denver, Houston, Dallas, Los Angeles, Oakland and Orlando. They offer their customers the Rapid Rewards loyalty program. The Southwest Airlines fleet consists exclusively of different types of Boeing 737 model aircraft. At the end of March 2019, the number of these aircraft was 754, and this airline is the world's largest user of Boeing 737 aircraft (Southwest-Airlines, access: 07.04.2019).



Source: Own work based on: Stoner, A.F., Freeman, R.E., Gilbert Jr, D.R., 2001, p. 27.

Figure 2. Diagram of interdependencies in the performance of the organisation's management function

Target setting is part of planning, creating organisational and functional structures is the outcome of organisation, motivating people is a leadership activity, and observing and analysing results is a control activity. In general, it can be noted that management functions are not always performed in such sequence and are not interpreted as uniformly as outlined above. It is highly likely that at any given time every manager may participate in several different activities simultaneously, including all or just some management functions.

Experience of market activity suggests specific examples of managerial work where there are as many differences as there are similarities. Similarities occurring in most situations are connected with the stages of implementation of particular functions, while differences are connected with determining the order and consequences resulting from it on the achievement of the goals of the organisation. In Fig. 2, continuous lines indicate the theoretical assumptions of performing particular functions of management, while discontinuous lines indicate their implementation in practice.

Planning and decision-making

In its simplest form, planning means setting goals for an organisation and determining how best to achieve them. Decision making is a part of the planning process, encompassing the selection of the mode of operation from a set of possible (available,

acceptable) options (available, acceptable) to be implemented at a given time and under given conditions. Planning and decision making ensure that the management performance is maintained by providing guidance for future operations. The final stage of the planning function is the endorsed action plan. For example, General Electric⁶ (GE) owns many companies in different sectors. The main objective of the corporation is for each GE company to take first or second place in its respective field. This objective provides clear guidelines for managerial action. If a company is outside the forefront of the sector and has little room for improvement, GE management will likewise want to dispose of it. On the other hand, a third ranking company chasing its rivals effectively can obtain additional resources to enable it to move to second place. In this way, the main objective and action plan of the corporation enable individual managers to have the time and resources to achieve the objectives of the company.

The example of management in a market activity shows that J.B. Hunt was not a typical manager or entrepreneur. He did not have a master's degree in management (he left school at the age of 12 and was a truck driver for 21 years). The breakthrough was the idea of using decaying rice husks as bedding for poultry. To make this idea a reality, he created a transport company called "J.B. Hunt Transport Services Inc"⁷, which showed the fastest growth of turnover in the whole country. Hunt, as head of the company, also possessed basic managerial skills, which most people acquire only through long-term study and experience. He also always had many ideas in his head, as he himself noted, sometimes mad. For example, "while admiring his new four-storey building, he saw skyscrapers through the windows of his imagination". His fast-growing wealth was due to his great ideas from the road transport industry, the use of uniformed people, non-union drivers, and the planning of routes and loads that

⁶ General Electric - Established officially on 11 January 1892 by the merger of two companies: Edison Electric Light Company, managed by Thomas A. Edison and Thomson-Houston Company, managed by Charles A. Coffin. Together, the two companies held most of the key patents in the field of electricity generation and use at the time, which gave them a dominant position in the US market for many years. General Electric - in 2009, the world's twelfth largest company in terms of turnover, revenue and market value (USD 406 billion in July 2007). The Company is currently the third largest company in the world. Currently, General Electric operates in over a dozen sectors: power engineering, both conventional and atomic; metering equipment, both industrial and medical; aerospace industry - production of aircraft engines and credits for aircraft production; space industry - production of rocket engines and components for NASA; household appliances industry - production of refrigerators, vacuum cleaners, etc. - mainly for the American market; chemical industry - production of plastics; medical equipment - research and production of diagnostic equipment (X-ray machines, C-arms, computer tomography(CT), MRI, PET, ultrasound ultrasound/UKG machines, ECG devices, ECG stress tests), monitoring vital functions (patient monitors, multi-parameter monitors), general anaesthesia machines, ventilators and incubators used in neonatal therapy; banking - both for businesses and individuals (General Electric, accessed by the Ministry of Health and the Ministry of Health): 07.04.2019).

⁷ J.B. Hunt Transport Services Inc., an American transport company, founded by J.B. Hunt (J.B. Hunt, access: 07.04.2019).

ensured almost full utilisation of the load capacity of the vehicles used. Another idea is to produce oil from used tyres, which was effectively “grounded” by his managers.

In Hunt’s case, lack of education was his asset. Not being able to run his own business, he had to hire good people and share responsibility with them. According to CEO Kisk Thompson, even the ideas that gave the company “wings were created by a team, not just by Hunt’s head”. His intuition and determination to use every opportunity to do business allowed him to manage, grant the right powers of attorney and set an example to his staff. He also invested in the “a luxurious company headquarters worth 15 million dollars because he was convinced that artificial palm trees and Italian glaze would attract the right customers”. At the same time, he was a miser (he bought all his tyres from one supplier to save half a cent per mile). Given his social background, the most surprising managerial attribute was his ability to carry out complex activities on the basis of precise scheduling and careful planning. These features were of decisive importance in the implementation of project – Quantum⁸. It involved ensuring the provision of combined rail-vehicle transport, in which the Santa Fe Pacific Corporation⁹ was the rail partner. He decided to cooperate with the railways instead of fighting against them as the leading competitor of road transport, when in 1990 his normal 20 per cent profit margin began to decline and the increase in labour costs, overcapacity in the industry and stagnating freight rates threatened to further decline. Instead of battling the biggest competitor of road transport - the railways - Hunt partnered with it to collect cargo and deliver it to one of Santa Fe’s headquarters in California, Chicago, Kansas City or Fort Worth.

The trailers were loaded onto railway wagons in Santa Fe, transported to another switch station, attached to Hunt’s next trucks and transported to their destination. The whole concept was received with scepticism by the transport industry, but soon other companies also launched their own combined transport service, which confirmed that Hunt was also on the right track this time.¹⁰

Organisation as coordination of activities and resources

The basis for performing the function of organisation is the management accepted action plan of the organisation. Organization is the use of human and other resources in such a way that the plan can be implemented.

To show how the manager is implementing this, let’s consider the following scenario. We have financial resources of 300 000 PLN and three subordinates who

⁸ Quantum - (Latin quantum r. n. from quantus ,how many, how many’) - a specified quantity or sum of something.

⁹ Santa Fe Pacific Corporation - International union of railways. (Santa Fe Pacific Corporation, access: 07.04.2019).

¹⁰ See: Machalaba, Hunt, 9 May 1991; Rosenfeld Hunter, 11 March 1991; Welty, May 1991; [in]: Griffin, 1996, p. 42.

will implement our plan. One of the possible solutions is to allocate an equal amount of money to each of them (100 000 PLN each) and establish an identical direct reporting line. However, one of the subordinates may be assigned supervisory functions in relation to the others, who now have a budget of PLN 150,000 each. For example, the President of General Electric decided that each of the heads of the autonomous units should have considerable freedom to conduct their own operations as if they were separate organisations (economic entities, companies).

This is why the heads of the 20 entities that make up GE have considerable autonomy. The CEO has also changed many of the company's bureaucratic rules and procedures, determining how activities and resources are grouped is the organisational process. Organising is treated as a logical grouping of activities and resources.

One example of the greatest engineering feats of modern human history was the construction of the English Channel Tunnel, enabling regular rail services between England and France.

The construction of this 23 mile long tunnel was an extremely ambitious organisational undertaking for the project managers. The 14.7 billion dollar project, which involved thousands of engineers, technicians and workers, required careful coordination of the activities of people using various types of equipment (material products), their knowledge and skills (intellectual products), environmental resources (coastal areas and under the surface of water in the Channel) and capital (including financial resources).

Another example is the construction and commissioning of the particle accelerator Large Hadron Collider (LHC), the world's largest particle accelerator (hadrons), located at CERN near Geneva (CERN, access: 07.04.2019). The LHC is located in France and Switzerland and is the world's largest machine. Its essential elements are located in a torus-shaped tunnel (ring) approximately 27 km long, located at a depth of 50 to 175m underground, and the tunnel would be capable of containing a train. A 155 MW power plant is needed to power it. In order to support the large computer centres operating in the network system (grid technology) in 33 countries, it was necessary to design and build a unique telephone exchange, which made it possible to connect 100 million subscribers - electronic channels - with a computer exchange with a frequency of 40 MHz. CERN employs over 2600 permanent employees and about 8000 scientists and engineers, representing over 500 scientific institutions from all over the world. Approximately 350 Poles work in the centre. CERN's activity is pure science, searching for answers to the most basic questions about nature, such as: What is matter? Where does it come from? How does it create such complex objects as: stars, "black holes", planets, animated nature, biological life and human beings on Earth? What happened 15 billion years ago? And others, which are waiting for answers and explanations, not least through rational, effective and efficient organization of scientific research and market economic activity.

Leadership is managing people

The third basic management function is leadership. Some believe that it is not only the most important but also the most challenging type of managerial activity. Leadership is a set of deliberately chosen methods of dealing with personal resources and using financial and material resources to induce selected people to cooperate in order to achieve the interests (goals) of an organisation. For example, the GE president has put a lot of effort into building trust and confidence in other managers, expecting them to have a similar impact on their subordinates.

Leadership is about directing people in the process of performing core management functions in such a way that members of an organisation work together in the interests of achieving its objectives.

One example is the management of the European consortium Airbus Group SE, which produces Airbus aircraft, when on 19 December 2000 the board of directors of Airbus voted to launch a €8.8 billion A3XX construction programme (Airbus A380, access: 07.04.2019). The aim was to provide an alternative to the long-haul, wide-bodied passenger aircraft 747X proposed by Boeing. On 1 May 1996, the management of the Airbus consortium officially announced the launch of the Airbus A3XX large aircraft. Around 600 people worked on the project and 1000 companies from all over the world, including 800 from the United States, Russia and Asia, took part in it. The result of the project was the Airbus A380 - the largest passenger aircraft in the world - which was publicly launched on 18 January 2005 and its first flight took place on 27 July. The first aircraft was delivered to Singapore Airlines on 15 October 2007. The first commercial flight from Singapore to Sydney took place on Thursday, October 25, 2007 (Current Fleet, access 07.04.2019). Despite the fact that by the end of 2018 Airbus had delivered 233 aircraft to its users, due to a dramatic increase in the cost of the project and the official price listing of 432.6 million dollars, reduced demand (331 orders were placed by the end of 2019) and the assumed profitability threshold of the A380 programme for about 420 aircraft (data for 2013), Airbus decided not to invest in risky modernisation of the aircraft to a more economical version of the A380neo, because even the recovery of the 28 billion euros already invested in the project is unlikely (Jasper, C, Rothman, A., Airbus A380 Cut May Mark Beginning of End for Superjumbo, accessed on 07.04.2019).

Controlling as observation and evaluation of activities

Supervision is very often associated with the observation of progress and evaluation of the state of achieving the assumed objectives of an organisation's operation. As an organisation strives to achieve its objectives, its management must monitor its progress on an ongoing basis. In particular, it should be confirmed that results will reach the target within the set time frame. A good comparison is the example of a successful Mars expedition. It is hard to imagine that NASA would simply fire

a rocket in the general direction of the planet and only after a few months would it be possible to check whether it had reached its destination. NASA almost continuously observes the flight of spacecraft and operations of safety measures, making necessary changes to the course to keep it on the planned trajectory. The Roll Console ensures the ability to efficiently perform all management functions. Generally speaking, control is the process of observing the progress of an organisation in achieving its objectives, in accordance with the assumptions reflected in the business plan. With respect to business entities, this mapping is included in the market activity plan. On the other hand, the market plan of an economic entity (e.g. an air carrier) is the result of one of the basic functions of management - planning.

Conclusions

In the introduction, it was stated that the rationale behind the use of resources (mainly personnel) of the organisation forces the management of economic entities to be transparent and flexible in their management. It is helpful to use the theory and practice related to market activity, in the implementation of tasks resulting from the management function in achieving the assumed objectives and missions of the economic entity. Due to the processual character of acquiring, improving and using personal resources, development of manufacturing and communication technologies and technologies, as well as increasing capital resources, it is important to skillfully use specific methods of activities helpful in management. This also applies to the generally understood notion of “marketing”.

For the purposes of using the marketing theory in management, in particular the social aspect, its importance resulting from the basic concepts, often reproduced in many definitions, as well as the relationship between marketing and management of the market activity of economic entities has been presented. It has been made on the basis of selected examples.

The presented content shows that market activity (marketing) is the implementation of a process in which products are created (manufacturing, production), made available (distribution, logistics, communication, information) and exchanged (tangible, intangible) by people. This indicates the social character of the sequence of the specific process of market activity, because its effectiveness and efficiency are determined by people. Analysis of the above content also shows that people should be managed as part of the process. Management is realised through the influence of managers on subordinates (employees, staff, contractors, etc.), who use specific resources (personal and non-personal, tangible and intangible) to perform basic functions, such as planning, organisation, leadership and control, achieving the assumed objectives of the economic entity. Thus, generally speaking, it can be stated that management of market activity is also a deliberate impact of one market group (“supply”) on another market group (“demand”) belonging to two groups in the organisation (e.g. managers and executors), or two groups of people who are parties to the market (e.g. demand and supply).

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