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# The Correlation between Commerce and Management

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## THE CORRELATION BETWEEN COMMERCE AND MANAGEMENT

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### ABSTRACT

This paper proposes to explore the correlation between Commerce and Management as I give a better insight on the role of Management and the effects it has globally. Commerce should be properly managed as a commercial activity that enhances the standard of living within a nation that will increase its standing in the world. When commerce is allowed to run unregulated as it has, large businesses and major conglomerates can become immune to failure making them too powerful which levies negative externalities on citizens as well as globally to the benefit of business owners. Broadly speaking, nations should be concerned with the way commerce is managed to enhance the prosperity of its citizens and those who directly benefit by producing jobs, beneficial goods and services. The organization and coordination of the activities of a business in order to achieve defined objectives is defined as the process of being managed or managing.

Management is often included as a factor of production along with machines, materials and money. (Drucker, Peter) According to the management guru the basic task of management is marketing and innovation. This paper examines the key elements to the outcomes of the correlation of commerce and management and its effect on the global market.

**KEYWORDS:** COMMERCE, MANAGEMENT, EFFECTS, CORRELATION

### INTRODUCTION

The purpose of commerce and management is to promote an understanding of the managers within organizations and the way that management is applied to commerce. Commerce and management properly connected can create a mechanism of cohesiveness that produces positive results that far outweigh the negative impact of its present mismanagement. It is to the benefit of nations to establish governmental agencies with their own policies responsible for the promoting and managing of commerce to enhance economic growth and the standard of living for their citizens. It is virtually impossible not to see the correlation of commerce and management as without

proper management of commerce the world is left in a state of global meltdown as we are seeing today.

*Commerce is the conduct of trade amongst economic agents. Generally, commerce refers to the exchange of goods, services or something of value, between businesses or entities. Management is the organization and coordination of the activities of a business in order to achieve defined objectives.*

According to Drucker the term management refers to both a title within an organization and a set of functional skills. Ideally both descriptors should be effectively combined in performances of managers however many adopt a mind set of entitlement in the rank and demonstrate poor functional skills. It is clear that with so many governmental agencies committed to the fostering and promotion of commerce and economic growth, there exists weak links between the management of these agencies. Therefore we must take a closer look at the correlation of commerce and management.

## **METHOD**

### **IMPORTANCE OF COMMERCE AND MANAGEMENT**

Commerce and management are essential to profitability and sustainability. It is to the benefit of nations to establish governmental agencies with their own policies responsible for the promoting and managing of commerce to enhance economic growth and the standard of living for their citizens. It is fundamentally important to see the correlation of commerce and management as without proper management of commerce the world is left in a state of global meltdown.

Commerce management is important because it is imperative to maintaining good relationships with other nations. It allows the growth of globalization and produces positive economics.

Commerce and management are important to the economic activity of all human beings within their nations.

### **PROBLEMS WITH COMMERCE AND MANAGEMENT**

It is clear that with so many governmental agencies committed to the fostering and promotion of commerce and economic growth, a detachment exists within the management of these agencies.

Research conducted by English statesman Sir Thomas More in the 16<sup>th</sup> century found that, "*The practice of modern management originated from the study of low efficiency and failures of certain enterprises and that management generally consists of the interlocking functions of creating corporate policy and then organizing, planning, controlling and directing the resources of an organization to achieve the purposes of that policy.*"

According to More's theory, management has been distinctly created for corporate entities as in most instances the policies of many organizations are

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levied within the range of administration.

Administration is not management. Therefore we I can conclude that the reason why commerce and management is failing immensely is due to the fact that it is generally left within the parameters of the government or organizations who have no proper management structure and leaving no controls for governments to effectively manage economic stability within nations. There is no general framework [standardization] for management as the structure of management varies depending on its corporate ladder which leaves corporate governance to be better structured.

Government agencies only see the need to administer instead of being innovators and bringing new ideas to the table to bring about economic growth, sustainability and prosperity and effectively managing these ideas. Instead governments have concluded to administer while the corporate world dictates to them.

Governments administer and in this capacity there is no competition whereas management consists of competitive analytical thinking. This is the reason that governments have difficulty as it relates to commerce and management and corporate governance is the leader in growth, productivity and wealth. This allows the private sector to demand authority and influence decision making within nations or becoming pragmatic in the same right. As a result of the administration as opposed to proper management of commerce and management the global economy is in a state of duress and we find that governments have concluded to either wait on market forces while others have become ruthless and very aggressive in their conquests for economic power and sustainability while corporate governance continues to control and lend itself to dominance. As corporate organizations effectively administer, manage, produce and grow.

### **SOLUTIONS TO COMMERCE AND MANAGEMENT**

Solutions to commerce and management broadly encompass proper structuring and allowing innovation to bring forth new ideas, initiatives and theories that will present themselves to new projects within trade, aids to trade and the successful management of this process.

Effective management must be prevalent and outlined to allow commerce to produce commercial activity within any given framework and economy. It is the responsibility of governments to create policies that will lend to a more controlled way in which organizations manage. There must be some set rules that all organizations adhere to with the option of adding to these policies for their own benefit or special purposes.

This brings about cohesiveness and the ability to manage growth of major organizations that stifle commerce management as well as it effects the growth

of smaller enterprises and gives way to new opportunities and industries. Solutions to commerce and management include consistency, proper staff and the correlation between administration and effective directives carried out by managers who are able to distinguish between both roles.

## **RESULTS**

Governments must begin to identify commerce and management as a beacon to the revitalization of the global economy. Commerce and management must be reintroduced so that we can produce sustainability and proper growth globally.

Commerce and Management effectively working together fuels improvement in any area that it may venture creating new opportunities for economic stability.

It is important that commerce and management work together due to new liberalization and globalization policies. There has been a shift from planned economies to market oriented economies making the relevance of the two more imperative.

Commerce and management effectively implemented within the public and private sectors has the capability to demand more controls thus giving governments more opportunities to introduce new perspectives in the area of commerce and the effects of its management within the industry.

There should be standardized reformations that govern commerce and management that give both public and private authorities equal opportunity to business before fostering competitiveness within both sectors.

This allows the mismanagement and or failure to manage commerce and management to lead to missed opportunities within domestic trade, international trade and trade aids respectively.

Governments must see the importance of commerce and management as it is to the advantage of the public sector to model the management skills and in some cases project management skills of the private sector so that they can begin to see greater outcomes to economic sustainability.

Governments must seek to bring cohesiveness to commerce and management bringing back controls that regulate activities within this industry. This is the basis of the daily economic activity of nations.

With proper planning and regulation of international managerial policies that cover all areas related to management, we will begin to see a more controlled manner in which managers execute and complete tasks. Governments will see the distinction between management and administration and the importance of the correlation of commerce and management within the global market.

It would be better suited if governments were to capitalize on collaborating both planning and market oriented economic models creating

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market-oriented planning.

Williams (1999, p. 21) refers to “the marketing of places” and writes:

*“Currently, however, there has been a rebirth of interest in approaches to strategic planning with ‘collaborative’ positions becoming central.... ..[O]ur major cities have entered into a new competitive era, promoting a range of ‘capacity-building’ initiatives and perceiving local political fragmentation as impairing their ability to compete..... The starting point is no longer the visions of the local government or of the private sector. Instead both join forces against an external threat - that “their” region will lose in relation to other regions.”*

Market-oriented planning executed within commerce and management will yield tremendous opportunities to local and international economies. Governments would benefit not to ride free on the cooperative efforts of other municipalities but seek to make room for more initiatives making their regions more attractive and competitive.

### **DISCUSSION**

Commerce and management plays a significant role in the world economy at large as the correlation of the two (2) effect every single human being. It is very important that governments, policy makers, as well as corporate and business professionals are able to identify the importance of this field of expertise. While the correlation of commerce and management has been left unnoticed for many years. Many organizations have lent themselves to the promotion of commerce as well as governments have departments of commerce within in their organizational charts. The issue lies within the structure of proper managerial roles, objectives and the way that these roles affect the policies and objective of these departments.

There is no systematic process as to how these departments will manage as the roles of management differs from one organization to the other. This leaves a disconnect as well as confusion within a field where concise methodology and practicality must exist. It is the general consensus that governments accept bureaucracy and this is unacceptable as it relates to commerce and management.

Commerce and management must always be cutting edge. Nations must demand expertise in the area of Economics, Commerce, Management, Technology, Business as well as the promotion of research. The execution of this area of high demand must be done so according to an across the board international standard of management with flexibility for nationalities to take into consideration their cultural differences, address them and build upon those policies that apply to every nation. This will allow some standard of managerial fairness but also leaves room for competitiveness within trade. These managerial standards must exist within all organizations that promote commerce and trade.

## **CONCLUSION**

Commerce and management effectively functioning as one has the capacity to produce new prospects within commerce that can produce economic opportunities that will revive global markets. The marrying of commerce and management is an essential point within the restructuring formation, implementation and integration of new policies that can only yield a comprehensive means to trade.

Commerce and management working together will produce new opportunities that will foster governmental competitiveness within the market which will allow for many new initiatives and further development for nations.

Standard rules across the board allows for the removal of corruption, unfair tactics within business and more control as both public and private sectors have a fair opportunity to investment opportunities, trade and business.

The collaboration of commerce and management effectively produces structure, control, economic growth as well as it gives both the public and private sectors equal opportunity to market share. This creates more businesses, jobs, opportunities for trade as well as governmental programs committed to innovation, research and development.

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