

- **Subject: Economics of the Institution**

- **Level: First Year Common Core in Economic Sciences**

- **Academic Year: 2023/2024**

- **Organizational Functions**

The business world relies on the existence of numerous organizations operating in various sectors, including economic, social, cultural, political, military, and others. These organizations differ in terms of the nature of work and performance, planning methods, size of facilities and infrastructure, number of employees, etc.

The nature of the organization's core activity reflects a set of specialized functions through which all pre-defined elements of production are transformed into a good or service. This activity also reflects a set of basic functions that bear the responsibility of transformation and subsidiary or auxiliary functions that support the basic functions in all administrative and service areas. Despite the differences among thinkers and researchers regarding the division of organizational functions due to the different nature, activity, and environment of each organization, we can identify the following main functions:

First: Production and Operations Management

Business organizations exist to produce a good or service that they believe is demanded by certain segments of society or by society as a whole. They have the ability to deliver this product in a way that is acceptable to society and achieve a reasonable profit from it. For the organization to do this, it is supposed to accomplish a large set of activities that begin with providing and storing raw materials, then withdrawing them to production lines to convert them into goods provided to society through various marketing operations. All activities associated with production and operations management in the organization will focus on this.

- **Concept of Production and Operations Management**

To understand the concept of production and operations management, we must first understand the meaning of the terms production and operations:

- **Production:** Production is the process of creating benefits using the necessary materials, individuals, and equipment.

Production is the creation of goods or services using known factors of production, which are land, labor, capital, entrepreneurship, and information.

- **Operations:** A mix of activities that carry out the technical procedures necessary to convert inputs into outputs.

- **Production Process:** It is a mix of activities that carry out the technical procedures necessary to convert inputs (raw materials, human resources, energy, etc.) into outputs in the form of goods or services useful to society.

- **Production and Operations Management:** Planning, organizing, controlling, and leadership activities that are practiced on the processes of converting inputs into outputs in business organizations. The main goal of conversion processes is to create added value that benefits the customer and satisfies certain needs. For the production process to take place properly and competitively in modern organizations, it is assumed that these are well-managed and characterized by efficiency, high quality, and high productivity.

Second: Marketing

Marketing is one of the concepts difficult to define. It is a way of thinking about business, not just a set of techniques.

1. Definition of Marketing

- One of the definitions that focused on the economic and social aspects of marketing is the following: "Marketing is the means by which the producer uses the marketing mix of products, pricing, promotion, and distribution to satisfy the needs and desires of consumers and achieve their various goals within the limits of the society in which they operate."

- Philip Kotler defined marketing as: "A human activity that works to satisfy the desires and needs of both the producer and the consumer through the exchange process between them."

- The American Marketing Association defined marketing as "an organized process aimed at planning, pricing, promoting, and distributing goods, services, and ideas, predicting and studying the market to facilitate their exchange, flow, and smooth flow from the producer to the consumer to satisfy the desires and needs of each of them."

Third: Human Resource Management

There is no longer any doubt that human resources are one of the basic components of the organization's success. In fact, it can be said that they are the first and primary determinant of this success, as the availability of an efficient and responsible workforce enables it to rise to the burdens of work and achieve the organization's goals and use its available material capabilities with the greatest possible efficiency.

- Definition of Human Resource Management

- It can be defined as "the activities of planning, organizing, directing, and controlling. To manage human resource-related activities efficiently and effectively to achieve organizational goals."

- It is "a set of practices aimed at attracting, developing, and maintaining human resources within the framework of achieving the organization's goals and their goals."

- It is also defined as "a comprehensive and integrated set of tasks and activities that focus on developing and maintaining the workforce in the organization in a way that contributes to improving the performance and effectiveness of the organization."

Fourth: Financial Management

Financial Management is a function like other main functions of the organization such as production, human resource management, and marketing. It occupies the same weight or relative importance as these functions. This function is concerned with various financial tasks, as it is responsible for financial actions related to both collecting (i.e., collecting) funds from commercial practices, and paying (i.e., spending) these funds according to what the requirements of various liabilities impose on it.

- Definition of Financial Management

Financial management is defined as:

- "That activity which is concerned with planning, organizing, and following up on the movements of the organization's funds entering and exiting in accordance with the alignment between the considerations of return on investment and the cost of arranging funds to achieve a level of profitability commensurate with the desires of the owners."

This definition is comprehensive because it takes into account the following considerations:

- Indicating that financial management is an administrative function no less important than the other functions of the project, and primarily aims to maximize the value of the facility.

- That this entity practices certain administrative activities.

From the above, we conclude that financial management performs two types of tasks:

- Administrative tasks represented in financial planning, organization, and control.

- Functional or allocative tasks, which are represented in:

- Providing the necessary cash liquidity for spending and paying creditors' dues on time with minimal delay.

- Achieving profitability at targeted levels.

Fifth: Research, Development, and Innovation

Almost no business organization is devoid of a unit or department specialized in research and development.

- Definition of Research and Development Function

- Research and development is "an organizational function concerned with developing new products and introducing new organizational methods. It has become one of the basic features of business today, and it has become one of the goals of organizations to introduce new products or processes or develop what already exists."

- Research and development is defined as "all efforts involved in transforming authenticated knowledge into technical solutions in the form of methods."