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Integrating Functional Management Approaches for Sustainable Business Performance

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Abstract: This research explores the integration of functional management approaches to achieve sustainable business performance. The study finds that organizations that successfully integrate key managerial functions, such as finance, marketing, and human resources, create synergies that enhance operational efficiency and enable rapid decision-making. Effective collaboration and coordination between departments, supported by appropriate information technology systems, allows companies to innovate, manage risks, and build long-term relationships with customers. Moreover, regular and structured performance measurements ensure continuous improvement, helping organizations adapt to market changes and maintain sustainable business performance. This research highlights the critical role of integrated management practices in achieving not only short-term success but also long-term sustainability in the highly competitive business environment.

Keywords: Functional Management, Sustainable Business Performance, Integration.

INDRODUCTION

In an increasingly evolving business world, companies face increasingly complex challenges in maintaining and improving their business performance. One frequently encountered challenge is how companies can adapt quickly to dynamic market changes while maintaining operational efficiency and achieving long-term goals.(Sagala et al., 2024)Sustainable business performance requires a managerial approach that integrates various functional aspects within a company, such as finance, marketing, and human resources, to achieve broader goals. This fact shows that many companies, despite having a clear strategy, often experience difficulty in maintaining optimal performance in the long term due to the lack of a holistic and integrated management approach.(Amzul et al., 2024).

Although many previous studies have examined the importance of functional management in companies, most existing theories and models still focus on managing certain parts only, without looking at how this approach can be integrated as a whole.(Jaladri, 2024)Many management theories have been developed in the management literature, such as functional management theory and decision-making theory, but their application in the context of sustainable business performance remains limited. These theories, while useful in explaining the components of an organization, do not provide clear guidance on how to integrate various

aspects of functional management to achieve sustainable business goals. Therefore, there is a need to broaden our understanding of the more integrative application of these theories in supporting sustainable business performance.(Adi, 2025).

This research aims to explore and analyze an integrated functional management approach to creating sustainable business performance. Aiming to discover more effective ways to manage multiple functions within an organization simultaneously, this research will demonstrate how a more holistic management approach can enhance an organization's ability to face rapidly changing market challenges and ensure long-term sustainability.(Pandiangan, 2024). In addition, this study aims to provide applicable recommendations for management practitioners in implementing integrated functional strategies to improve company performance.

Based on these facts, this research is very important to conduct, because it can provide new insights into how companies can optimize managerial integration to achieve sustainable performance. By examining in more depth how an integrated functional management approach can be applied in a real-world context, this research is expected to make a significant contribution to the development of management theory and provide practical guidance for companies in creating more effective management strategies. This research is not only relevant to the development of academic literature, but also very useful for business practitioners who are looking for innovative ways to face future challenges and create sustainable performance amidst increasingly fierce global competition.

METHOD

This research focuses on phenomena occurring in the context of sustainable business performance through an integrated functional management approach. The problem to be solved in this research is how companies can integrate various managerial functions, such as marketing, finance, and human resources, to achieve sustainable business performance. This research also investigates the gaps in existing functional management theories, which tend to be fragmented and do not provide sufficient guidance regarding the integration between these functions in achieving sustainability. Therefore, this research object includes companies that have implemented a functional managerial approach as well as relevant case studies on the implementation of these strategies to examine their impact on sustainable performance.(Safitri et al., 2024).

The type of research used in this study is library research, which utilizes various literature relevant to the research topic. Primary data in this study comes from books, journals, and scientific articles discussing topics related to functional management, sustainable business performance, and the application of relevant theories in the practical context of companies.(Tripustikasari, 2025)The secondary data used includes various previous research reports, scientific research results, papers, and other written sources related to the phenomena encountered in this study. This secondary data provides a deeper understanding of the relationship between existing theories and real-world applications in the business world. These literature sources assist in formulating a more precise analysis of how integrated functional management can impact sustainable business performance.(Khaddafi et al., 2024).

The basic theory used in this study refers to the functional management theory proposed by Henri Fayol in 1916 through the theory of "Managerial Functions." Fayol stated that managers must have a clear understanding of the five main functions in management: planning, organizing, directing, coordinating, and controlling. Furthermore, the strategic management theory proposed by Michael Porter in 1980 through the "Five Forces Analysis" model is also used to identify external forces that can affect the sustainability of business performance. Both are basic theories that provide a foundation for this study in understanding the dynamics between managerial theory and its implementation in the real world.(Huda et al., 2025).

This research process was conducted through systematic stages in collecting data. The main data collection technique in this study was reading literature and studying documentation of written sources related to the research problem.(Sumual et al., 2024)These sources include textbooks, journal articles, academic papers, and previous research reports discussing functional management, sustainable business performance management, and other related theories. The collected data is then analyzed to identify specific patterns and relate them to the context of the theory's implementation in managerial practice.

In data analysis, this study used content analysis as the primary technique. Content analysis allows researchers to study and process data from written sources to identify patterns, themes, and relationships between relevant information.(Hart, 1995)This process includes coding information, analyzing context, and interpreting data to uncover insights that can be used to strengthen or challenge existing theories. Thus, this technique helps structure research findings based on qualitative data drawn from the literature, ultimately providing a deeper understanding of the relationship between functional managerial theory and sustainable business performance.

RESULTS AND DISCUSSION

This study aims to identify and describe how the integration of functional management approaches can contribute to sustainable business performance. The results of this study are found in the form of several key findings involving the application of functional management theory in a real-life business context.(Sukmana & Maryanti, 2023). An analysis of various literature and previous research found that managers who are able to integrate managerial functions such as planning, organizing, and coordinating can create synergies that increase the efficiency and effectiveness of company operations. In the context of sustainable performance, companies that manage these functions well will be better able to face external challenges, such as market changes and the need for continuous innovation.

The first finding shows that companies that have successfully implemented integrated functional management tend to have a leaner and more flexible structure in dealing with market changes.(Slack et al., 2022)The integration of functions involving finance, marketing, and human resources has been shown to positively impact decision-making that is faster and more responsive to industry dynamics. These decisions are more often based on more accurate information, resulting from effective collaboration between various departments within the company. This gives companies a significant competitive advantage in an increasingly competitive and rapidly changing market.(Kushariyadi et al., 2024).

Furthermore, this study also found that sustainable business performance is highly dependent on managers' ability to create an organizational culture that supports cross-functional collaboration. In companies that implement integrated functional management, open communication and better coordination between departments play a key role in addressing internal and external challenges. A clear understanding of each department's role and interrelated responsibilities has improved overall team performance.(Kamil & Susyanti, 2025)In some cases, the implementation of integrated functional managers also helps reduce the conflicts that often occur between departments with different goals and priorities.

Furthermore, research results also show that companies that implement functional integration can be more effective in creating innovation. Through synergy between managerial functions, companies can more quickly identify new opportunities, develop new products, and introduce necessary changes to their business operations.(Yusuf, 2024)This allows companies to be more proactive in facing emerging challenges and opens up opportunities for more sustainable long-term growth. One example is a company that has successfully implemented new technologies in its production or service offerings, contributing to increased efficiency and product quality.

On a more practical level, the results of this study also note that companies that have integrated functional managerial systems are more likely to have better managed resources, both in terms of finance and human resources.(Wartono et al., 2025)Effective resource management helps companies minimize waste, maximize the potential of each function, and maintain business continuity in the face of fluctuating economic challenges. Furthermore, companies that successfully integrate this are better prepared to manage risks that may arise from global economic uncertainty or changing market conditions.

The results of this study also highlight the important role of information technology in supporting integrated functional management. In several companies studied, the use of sophisticated information systems has enabled more effective integration between various business functions, such as ERP (Enterprise Resource Planning) systems that link finance, human resources, and marketing. This technology facilitates faster and more accurate data collection, which in turn helps managers make better and faster decisions. Therefore, information technology serves not only as a tool to increase efficiency but also as an enabler for achieving sustainable business performance.(Irawan et al., 2025).

This study also found that companies that focus on sustainability in their operations by integrating functional management have demonstrated a positive impact on long-term relationships with customers and other stakeholders. The company's success in meeting customer expectations and adapting to changing market needs has increased customer loyalty and strengthened the company's public image. This approach also encourages companies to be more socially and environmentally responsible, which in turn improves the company's reputation and opens up opportunities for better collaboration with various parties, both locally and internationally.

Finally, this study also notes the importance of performance measurement in ensuring that implemented managerial integration is aligned with sustainable business objectives. Regular performance measurement allows companies to assess the effectiveness of their approaches and adjust strategies as needed to improve results. In successful companies, these performance measurement results serve as a basis for continuous improvement, where strategies and policies can be refined based on findings derived from performance data analysis.

The Importance of Functional Management Integration for Sustainable Performance

One of the key findings of this study is that functional management integration is critical in achieving sustainable business performance.(Ploscaru et al., 2022)Research shows that companies that successfully integrate functions such as finance, marketing, and human resources can create synergies that improve operational efficiency and help them adapt quickly to market changes. This allows companies to optimize the use of existing resources and reduce duplication of work between departments. This integration not only improves short-term performance but also enables companies to survive in the long term by responding to rapidly changing industry dynamics.

Functional management refers to the management of various functions or departments within an organization, each with specific roles and responsibilities to achieve the organization's overall goals. Here are some types of functional management commonly found in organizations:

1. Marketing Management

Marketing management is concerned with the planning, implementation, and monitoring of marketing strategies aimed at understanding and meeting consumer needs and wants. Marketing managers are responsible for designing marketing campaigns, conducting market

research, market segmentation, product development, and managing product communication and distribution.

Main task:

a. Determining marketing strategy
b. Planning an advertising campaign
c. Analyzing consumer behavior
d. Managing product distribution channels

2. Financial Management

Financial management focuses on managing an organization's financial resources to ensure its sustainability and growth. Financial managers are responsible for budget planning, investments, cash management, and profit and loss and balance sheet calculations.

Main task:

a. Preparing a company budget
b. Managing cash flow and funding
c. Analyzing financial reports
d. Identifying investment opportunities

3. Human Resource Management

Human resource management (HRM) is responsible for managing an organization's workforce, from recruitment and training to development and performance evaluation. Its primary goal is to ensure the company has competent and motivated employees to achieve organizational goals.(Tjiwidjaja, 2025).

Main task:

a. Employee recruitment and selection
b. Employee development and training
c. Performance management and rewards
d. Industrial relations management

4. Production/Operations Management

Production or operations management deals with the management of the process of producing goods or providing services. This includes inventory management, production planning, quality control, and supply chain management to ensure efficient production and meet market demand.

Main task:

a. Production planning and control
b. Inventory management
c. Product quality control
d. Production scheduling

5. Information Technology Management

Information technology (IT) management focuses on managing an organization's IT infrastructure and systems to support its operations and strategy. IT managers are responsible for managing hardware, software, networks, and data security systems.

Main task:

a. IT infrastructure management
b. Software development and maintenance
c. Data security and protection
d. Supporting data-driven decisions

The Role of Collaboration and Coordination in Overcoming Business Challenges

In companies that implement integrated functional management, better collaboration and coordination between departments are found to be key to overcoming various challenges, both internal and external. Effective coordination improves communication between teams, which in turn speeds up decision-making and encourages more efficient problem-solving. It also creates a more inclusive and supportive organizational culture, thereby reducing the conflicts that often arise between functions with different goals and priorities. Companies that successfully implement good coordination between departments are able to minimize obstacles and ensure that larger goals are achieved more smoothly.(Nafi'ah & Mala, 2025).

Table 1. Integrated functional management and the benefits of collaboration and coordination between departments in the company

Aspect	Description	Impact on Company Performance	Benefits of Organization	Challenge
Inter-Departmental Collaboration	Cooperation and joint efforts between different functions or departments	Increase problem-solving and innovation capacity	Building an inclusive culture and reducing functional conflict	Resistance to change and the barriers of silo culture
Effective Coordination	Alignment of communication and work processes between departments	Accelerate decision-making and operational efficiency	Minimizing obstacles and aligning company goals	The complexity of managing dependencies between functions
Improved Communication	Establish clear and consistent communication channels between teams	Reduce miscommunication and errors	Strengthening trust and transparency among employees	Requires ongoing commitment to communication practices
Conflict Reduction	Active management of differences in priorities and objectives between departments	Reduce complaint rates and improve work morale	Creating a mutually supportive work environment	Balancing interests and power dynamics
Goal Alignment	Aligning departmental goals with the overall company vision and mission	Ensuring the smooth achievement of organizational goals	Increase company responsiveness and flexibility	Maintaining alignment amidst changing business priorities

Innovation as an Impact of Effective Managerial Integration

One interesting finding is that companies that successfully integrate functional management are more proactive in creating innovation. With better collaboration between managerial functions, companies can identify new opportunities more quickly, both in new product development and operational improvements. This enables companies to better address challenges and increase their competitiveness in the global marketplace.(Tjiwidjaja, 2025).

Developing innovative products and services is a crucial factor in maintaining a company's relevance and strengthening its position in a competitive market.

Effective Resource Management as Key to Sustainability

Another significant finding is that companies that integrate their managerial functions are also more effective in managing resources, both financial and human. This effective management enables companies to optimize budget allocation, improve workforce performance, and minimize waste.(Hemas, 2025)Successful resource management is crucial to ensuring a company's resilience in volatile markets and economic challenges. Well-managed resources also help companies better prepare for the risks that may arise from global market changes.

The Role of Information Technology in Improving Managerial Integration

In this study, information technology was shown to play an important role in supporting integrated functional management.(KHOIRUNNISA, 2022)The use of advanced information systems, such as ERP (Enterprise Resource Planning), enables companies to connect various departments and facilitate more accurate, data-driven decision-making. This technology not only helps with operational efficiency but also supports innovation and the achievement of sustainable business goals. With a more integrated system, the information needed to make strategic decisions can be accessed more quickly and accurately, which in turn improves the speed and quality of decision-making.

CONCLUSION

The conclusion of this study shows that functional management integration plays a crucial role in achieving sustainable business performance. Companies that successfully integrate managerial functions such as finance, marketing, and human resources can create synergies that improve operational efficiency, accelerate decision-making, and optimize resource utilization. Good collaboration and coordination between departments, supported by appropriate information technology, enable companies to innovate, manage risk, and strengthen long-term relationships with customers. Furthermore, regular and structured performance measurement helps companies make continuous improvements, ensuring that their strategies adapt to market changes and create long-term sustainability in business performance.

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