

## MANAGING MODERN ENTERPRISES

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**Abstract:** *Development of technology contributes to the development of certain industries and the creation of the new enterprises. Preferences of current users of products and services are becoming increasingly sophisticated, and the market competition is stronger than ever. In order to improve the quality of products and services and achieve better positioning on the market, the knowledge and skills of all employees must be constantly updated. The efficiency and effectiveness of the company reflects its market success, but also the ability of managers at all levels. Managers are ready for the challenges of the market, in order to achieve the mission, vision and goals of companies. They predict the future course of development, the strategic application of technology innovations and achievements in creating favorable conditions for business transformation. Managers encourage teamwork, good interpersonal relations and cooperation between business sectors, communicating with clients, associates, and colleagues. Modern management comprises effective communication in all business interactions.*

**Keywords:** *management, enterprise, human resources, market, innovations*

### 1. THE CHARACTERISTICS OF MANAGEMENT IN MODERN BUSINESS

The nature of the new era of management is changing rapidly, and the intensity and content of these changes is most evident in the most developed countries in the world that make excellent technological and economic progress. In order to realize the size and the intensity of modern technological and economic growth, we will present the indicative information regarding the level of achieved economic progress of developed and developing countries, and a further dramatic increase in the development of the gap formed between the most and least developed countries. Economists have found that in the early 20<sup>th</sup> century, the ratio of national income per capita between the UK, then the most powerful country in the world and its undeveloped colonies in Africa was about 5:1. In the last century, a major economic and social stratification led to the per capita ratio 300:1 between the most developed and the least developed countries on the planet, with continued rapid tendencies of planetary disintegration. Economists are unanimous, thinking that the basic reasons for the rapid progress of the developed world regions, technical development, information technology and management. The characteristic of developing countries is the prevailing manual labor, rude management and poor quality of products. Developed

countries are characterized by automatic operation based on electronic information technology, sophisticated management and high quality products.

In developing countries a new model of managers is creating, which includes more problem solving, rather than repeating the adopted schemes. Market value is obtained when the products or services for consumers are continually improving in order to meet sophisticated and demanding clients. Modern technology does not compromise with the concept of labor and management, but improves them on them permanently and no country can replicate it, because they depend on specific resources, such as labor and human mind. It is believed that human resources are the main potential of modern management, based on which the business is creating and a modern company developing. The goal of management is to manage resources (financial, human, information, financial and knowledge resources) in a cost-effective and cost efficient manner [5 pp. 33]. The company or organization that achieves its objectives with the least use of available resources is effective. This company carries out its duties in the best possible way. A company or organization that opts for the right targets and strives to realize them up is efficient. This company has chosen the right area of its work, mission and goals. Management effectiveness is greater if the enterprise is characterized by teamwork [5].

Management is made of the main elements of the business process. Management determines understanding of these elements, what they represent, and how they are related to each other. According to American authors, the contents of modern management consist of the following elements [2, pp.99]:

- Mission of the management
- Management objectives
- Strategies, tactics and operational art of management
- Management policy
- Management tasks
- Management skills

Mission of the management should be consistent with the mission of the company with which managers manage. The term “mission” is often used by companies that have a modern management and indicates the basic management direction for the achievement of the greatest goals – both, managers and their organizations. Positive mission of the management is focused on achieving certain social benefits in the economic and social environment in which managers perform their responsible management tasks. Objectives of the company’s management may include formal, operational, operational and non-operational objectives, strategic (long-term), tactical (short-term) and partial goals.

The tasks of top managers include formulating business purpose or business enterprise goals, establishing the basic ways to achieve the adopted goals, determination and implementation of social responsibility in their company. An interaction relationship exists between the tasks and objectives of the management. Global task of the managers is to determine the objectives of the company, and based on them to determine the operational tasks that lead to the fulfillment of these goals. Global management tasks related to long-term projections regarding the development of the company, while the other (operational) tasks related to identifying ways to achieve the principles of economics, aimed at achieving long-term, medium-term and short-term goals of the company. Some companies in the developed countries and the global economy are exposed to surprisingly intense changes.

Strategic and operational management of market-oriented enterprises is faced with an extremely dynamic and complex business and social environment. Experienced and trained managers, do not see their duties and functions as straightforward, but treat them as a management of changes. The basic task of strategic management development is designed to facilitate business, socially optimal, economically rational and timely management response time to changes in the immediate (within organizational) and wider (market) environment in which the organization carries out its management is committed activity [2]. Strategic management activities are aimed at establishing the optimal interaction between an organization and its environment - business, media, financial, cultural and other fields. Operational management in that sense should be directed to the conversion of engaged and available financial, material and human inputs into desired outputs of financial, operational procedures to ensure that the fulfillment of the set plans. Strategic management is one of two basic aspects of management, performed by the top management to whom strategic objectives of the organization should be of the greatest importance in the determination. Strategic management may include the lower sector managers and professionals responsible if the performance of these tasks is their strategic and operational expertise working assignment.

Every successful management is based on certain principles that managers, who seek stability, carefully cultivate and develop according to the internal and external conditions that affect the operation and management of their businesses. There are several principles of management to be familiar with and use as needed. The Henri Fayol's principles, the founder of the classical management theory lists 14 principles of management, such as [6]:

1. The division of work is a fundamental principle and a basic assumption in the success of each team of structured organization;
2. Authority of the managers and other responsible personnel is required in all cases where the work was organized hierarchically;
3. Discipline is conditioned by a sense of the responsibility towards the work of employees, managers or firms, or a sense of fear of sanctions if the work isn't done in a responsible manner;
4. Unity of command is based on the fact that each offender receives operational work orders and instructions from only one manager;
5. Unity of directions assumes the existence of unique goals and criteria of management at the appropriate management level;
6. Subordination of individual interests to the general interest is undoubtedly a basic definition of good management. The principle of good management is that the common interest always has an absolute advantage;
7. Remuneration is a basic definition of good management. Subjectivism in the distribution of added value always causes dissatisfaction of employees, threatens good relationships and leads to unpleasant reactions of employees with negative repercussions of multifarious character;
8. Centralization of management involves a reduction in the role of subordinate entities in deciding in favor of the assumed top managers;
9. Scalar chain is a feature of every complex subordinated system. In any hierarchically structured system needs to know precisely - to whom and for what is appropriate;
10. Order is a prerequisite for the success of any business. Disorder is the source of misunderstandings and problems and other negativities;

11. Equity as a base and condition for successful management involves only the fairness of remuneration;
12. Stability of tenure of personnel is one of the prerequisites for successful management, as expressed fluctuations employees can seriously undermine the efficiency of performing the tasks;
13. Initiative in creating new business ideas and performing certain tasks, not only by top management but also by lower-level managers;
14. Esprit de corps is vital to every definition of a complex teamwork, and in every situation, an organization management need to give it a special attention.

A manager who strives to successfully perform management tasks should know these principles to apply them in practice, checks and audits, acquiring conditions to achieve superior tasks.

## 2. SKILLS OF THE MODERN MANAGER

As the basic skills of management, American theorists cite leadership of managers, planning and operationalization of tasks [2, pp.186]. Each type requires a special type of company managers. Special skills are sought from the head of WTO, in particular the head of a production program or utility companies. The size and the complexity of the company are conditioned by the managers' skills. A particular manager who has achieved outstanding results at the level of small business, later can be a bottleneck of that same organization when it develops and form a complex service to synchronize and coordinate the work. In the first phase, while the company is small, the top manager personally held a number of jobs, not only the management but also those of the operational executive character. The growth of the company later surpassed the model of this work, because the operating system has become very complex, made up of more sectors and departments, which specific sector managers should manage with great responsibility and authority. Many top managers are cognitively or psychologically unable to accept the new scheme of their own work, which consists of the delegation of authority and coordination of work, which can create misunderstandings with the management team and reflects poorly on the work of the new enlarged and complex business system.

Good managers should be leaders i.e. managing team leaders. Good leaders use their role to get to the positive qualities of the followers. Successful leaders speak and listen well. They know when to lead and when to follow. True leaders have a strong team, and in the team, only one can be a leader. Leaders have an overview of today's and tomorrow's vision. They differ substantially from the unimportant, working with others and through others, to exploit every given opportunity. Leaders have the common feature that they risk failure in the pursuit of success. Leadership is an essential feature of the general manager, the management team and the business itself [5, pp.271].

Although the managerial leadership is trait that varies from individual to individual (someone is loudmouth, and someone is quiet, one is a concise and one is comprehensive, etc.), there are some features that adorn most successful managers. A good manager:

- Works in accordance with what he is saying,
- Is a consistent and enthusiastic in achieving the goals of the organization, is constantly in touch with the staff and the clients of the company

- Indicates the confidence to the associates and delegates authority to subordinate managers,
- Always tell the truth,
- Admits its mistakes and corrects the mistakes of others,
- Admits its ignorance when something is not known,
- Choose good associates
- Sticks to its promises,
- Supports innovation, rewards success and supports its employees even if they fail,
- It is interesting for partners and associates because is interested in the job
- People believe him/her, because he/her believes others.

According to the experiments of Elton Mae and Horton's research (human relations), there are three types of managerial performance, those are [4]:

- Autocratic - democratically, the fact that a manager may have heard the opinions of his associates, but in principle decides on his own. It is believed that this is not a good style of leadership, because its followers are following him/her out of the fear not out of the respect,
- A system of full democracy where there is no right leadership. Everyone does according to its conscience,
- Democratic – in which a positive interaction between the manager and his associates is created. It is believed that this system of management is the best. Addressing interpersonal relationships, understanding staff, interaction with superiors and, listening to opinion of subordinates - is the key to successful leadership
- The liberal type of leadership that is recognizable by the small intensity of communication between managers and executors of tasks. Rarely used in practice and is not considered a permanent style of managerial behavior.

Manager in today's economic conditions might be: a director, a boss, a chief, a supervisor, a coordinator, an executor, an administrator, a secretary, or a person who designs, plans, organizes, leads, controls and/or revise a complex work process. In this work, there are, as a rule, and some subordinated executives, but that is not the rule. There are managers who plan and lead certain business processes, without subordinated officers. Roger Oldcorn, British management theorist lists seven major tasks (functions) of managers, including:

1. Responsibility for staff
2. Decision-making,
3. Developing plans,
4. Process control and control of the people,
5. Audit
6. Collaboration with colleagues and clients, and
7. Financial, publicity, development, general and other liabilities

A manager is an expert, whose job is creation and business planning, organizational and operational decision-making and control and audit of their performance. This means that, in order the manager must operate successfully, it is necessary to think and act in a variety of dimensions. All these dimensions of engagement are committed to work goals and objectives of management, for which the manager ears direct or indirect responsibility. If the

manager is responsible for achieving multiple functions in a business system, performs some of these functions and ignores the other, he/she inconsistently performs its tasks and is not a good manager. Management involves the possession of complex knowledge and requires the whole personality. There are two functions common for determination of all managers - everyone has to make decisions and have to communicate. This suggests that managers are not “free lancers”, but “team players” i.e. “team leaders”, grouped in order to achieve certain tasks. As team leaders, managers cooperate with other “teams” and their “leaders”. The tasks performed by modern managers are of intersectoral and of interactive character at the enterprise level.

The activities of modern manager according to its content may be [1]:

- Managers working on the basis of reciprocity and interdependence, which means the influence of the (business) and results (performance) of other employees and managers, but they interactively influence the work of managers and their financial performance,
- Managers with their work i.e. the related impact on diverse other people - for better or worse, while the number and responsibilities of other people, the nature and extent of managerial influence on them depends on the scope and nature of management (manager's power), and the design and the consistency in its implementation,
- Managers typically reach more types, areas and levels of communication,
- The effects (results) of managers are usually expressed through the results of the work of subordinate employees to give managers that manage,
- Managers performing their tasks and achieve successes or failures in particular (commercial, ideological, political, economic, cultural, religious, social, psychological, organizational and corporate etc.) environment.

This suggests that managers cannot successfully carry out their business tasks, unless they have the necessary knowledge and information from the environment (about relations, forces and actors who appear in it, about the opportunities and dangers that are generated in it and everything else that affects performing managerial job performance). It should be noted that the concept of successful management is not only linked to the knowledge and information managers, but also to their vision, with which they found their business and life goals, defined mission, strategic and operational objectives, the will and commitment to the vision, mission and objectives. History and practice of management shows that it is “the power of the mind” makes a distinction between successful and unsuccessful managers. Leaders are born, and the management is being taught. It is the rule in all economic (production and service) sectors. Character, extent and content management, determines the nature, content and level of knowledge and information, which the managers should manage in carrying out their statutory oriented tasks. The need for top managers and informativity isn't the same relating to the needs of a manager of a large and complex organization with thousands of employees, i.e. supervisors and foremen within the company. Cognitive and information needs of managers in charge of the production and the needs of managers leading financial service organizations or personnel are also different. It is necessary that the managers of the new millennium, in order to successfully perform their job must, in addition to technological and managerial knowledge, to have of certain professional knowledge and information of a modern managerial character that causes scientific technical level that includes a modern society and economy. The above-men-

tioned knowledge and information they need in order to manage the modern managers are not uniform in character, but related to different spheres of science and practice in various activities. Thus, these include: technology of work for the organization (operating system), information and computer technology, technical and interpersonal skills, and mass-media communication, cognition and the psychology of communication, knowledge of the social and political relations in society, and information about fashion and fashion trends and other relevant knowledge and information that is directly or indirectly related to the specific work of the organization and its managers. Such a manager will be willing to innovate in business, which along with increased productivity will provide better competitive position of the company.

### 3. RESUME

The nature of the new era of management is changing rapidly, and the intensity and content of these changes is the most common in most developed countries that have tremendous technological and economic progress. The real value on the market is achieved when products or services are designed according to the demands of consumers/users and when people are constantly trained to respond to the constant market changes, particularly demand. Strategic and operational management of market-oriented enterprises is faced with an extremely dynamic and complex business and social environment. Experienced and trained managers of these companies, their tasks and problems are treated as a change in management. The basic task of strategic management development is designed to facilitate business based, socially optimal, economically rational and timely management response to changes in the wider environment where management of the company carries out its activity. Successful manager of the modern enterprise is knowledgeable, innovative, and tends to have the will and the commitment to the vision, striving to realize the mission and the goals of the company. History and practice of management show that the power of mind makes the biggest difference between successful and unsuccessful managers.

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