

ORGANIZATIONAL ASPECTS OF MODERN MANAGEMENT IN 21ST CENTURY

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ABSTRACT

Everything is changing in the course of time, especially nowadays when the world is in the globalization process and all business processes are subject to turbulent conditions. Every organization in the market must adapt to the market conditions and the environment. As the economy has its own laws and market conditions that are changing on a daily basis, different models of leadership and management are needed. So, this is the reason why management is the most important factor for managing and leading organizations and companies on market effectively. Management faces the biggest challenges and obstacles that companies and organizations have in their work and must overcome in order to survive on the market in order to achieve successful growth and development. Management in the 21st century is probably in the most turbulent environmental conditions in the history of economics. This paper provides an overview of modern management in the conditions of the 21st century, as well as the factors that influence the management in the process of creating successful companies and organizations, and the ways in which management companies adapt to market conditions and to the environment.

JEL Classification: L10

Keywords: management, organization, modern management, 21st century

1. INTRODUCTION

The all areas in which the work of management is constantly changing, thus it is necessary that management and organization operate and adapt to the conditions and changes in the market. This includes monitoring of market trends and monitoring of all business factors.

Modern Management has grown with the growth of social-economics and scientific institution. Modern view consists that a worker does not work for only money. They work for their satisfaction and happiness with good living style. Here Non- financial award is most important factor.¹

There are many different aspects of performance management, but in most cases it can be broken down into a few simple steps. If you're adopting a performance management process for the first time or want to modify your current one to maximize its effectiveness, there are three key aspects that are the most important in your performance management system. Obviously these are up for debate, but in most cases of performance management you can plan on these to have the most impact on the success or failure of your performance management efforts.²

Three the most important aspects of management are:

- Planning
- Monitoring
- Rewards

2. THE MOST IMPORTANT ASPECTS OF MANAGEMENT

Planning – The first step in any good performance management process is likely also the most important. Haphazardly stumbling towards goals will usually only end in disaster, so it's important that proper planning is used during performance management. This applies not only to the performance management system itself, but also to the inner workings of the business. Speaking strictly about performance management, good planning begins by analyzing the exact goals you want your company to attain and to develop realistic ways to achieve them. It's vital that your goals be realistic, otherwise your performance management plan will fail. It's also important to take the time to create a real plan that can achieve your goals.

Monitoring – If any performance management system is to succeed it needs to involve a very rigorous monitoring process. Closely surveying your overall company, each department, and individuals is vital for performance management and for you to reach your goals. Monitoring during performance management involves

¹ <http://managementlearningcenter.blogspot.com/2012/09/modern-management-theory-in-principle.html> (01.03.2014)

² <http://www.unicornhro.com/articles/the-three-most-important-aspects-of-performance-management--what-to-focus-on> (10.03.2014.)

not just monitoring the progress of each department and employee but also providing them with constant feedback whether it is in the form of praise and reward or in constructive criticism. If you want your performance management efforts to succeed you'll have to monitor each step towards your goal very closely to ensure everything is going according to plan. If areas seem to be lacking, you'll need to be able to take steps to improve them such as providing training.

Rewards – While some experts place this lower in importance than other aspects of performance management, the truth is that your employees deserve rewards and that few things will influence not only the success of your performance management efforts but also the success of your entire company quite like appropriate rewards. Whether it is simple public recognition or actual monetary rewards, no performance management process will be complete or effective without good use of rewards. They can improve morale and employee satisfaction, boost productivity, and help you move closer to your goals. If you want your performance management to be successful, take the time to utilize rewards.³

Planning monitoring and rewards are aspects which represent the most general management and implementation of processes and functions of organizations.

From the above we can see the most important backbone around which all processes are modeled management in the 21st century in which management operates.

According to the Scottish investors most detailed aspects of the management of modern management are:

1. Focus and clarity of vision
2. Good leadership
3. Communication
4. Involvement and collaboration
5. Manage your assets
6. Different reactions
7. Fundamental needs must be met
8. Loss curve
9. Expectations must be met
10. Fears must be dealt with

³ Ibidem

11. Create urgency
12. Form a coalition and create a dialogue
13. Remove obstacles
14. Build on the change
15. Anchor changes in culture
16. Incentives
17. Assess present situation clearly
18. Identify the current capabilities
19. Identify current mind sets that must change
20. Engage with the workforce at the earliest opportunity
21. Break down programs into initiatives
22. Leaders ensure that frontline staff feel ownership for change⁴

All those detailed aspects are making a detailed focus and elaborate parts management and modeling of the organization for current market conditions in the 21st century.

Due to the world economy, which is in the process of globalization and recession management with all the detailed things to worry about unification and connecting all these work activities to a company or organization adapted to the market and adapt to any conditions on it.

For developing economies the development of enterprises should be a strategic goal, this way of thinking may become viable only as a result of a combination of judicious analysis based on specific local economic aspects and a set of actions to correct any slippage or amplify existing development trends taken by the managers. A better leadership would unequivocally lead to a better strategy but sometimes the lack of information, first about the external environment, continuously undergoing quick and radical changes, the political problems and the complexity of the implementation of the strategy or the costs that it implies are not taken into consideration. Therefore managers have two options: to establish strategies, which would lead to the achievement of the objectives; evaluate them on the basis of economic

⁴ <http://investorsinpeoplescotland.wordpress.com/2013/09/23/22-key-aspects-of-managing-change-leaders-must-consider/> (11.03.2014.)

efficiency or to identify an already existent strategy and to adapt it to the environment changes in which the enterprise carries on its activity.⁵

3. ASPECTS AND STRATEGIES

According to Jeremy C Bradley,(Demand Media) there are other four important aspects:

- Strategic Analysis
- Strategic Choice
- Strategic Analysis
- Strategy Implementation
- SWOT Analysis

Strategic analysis is an idea used within the broader field of strategic management to help businesses understand where their companies fit into the broader marketplace. This starts by looking inward -- evaluating the work environment, the availability of resources and the relationships between various levels of stakeholders. The aim of strategic analysis is to get you, the business owner or manager, to think about the key influences on the company's present position and to begin thinking about how those influences can be manipulated to get the company where it wants or needs to go.

Strategic Choice

Once a strategic analysis of the company's environment has been carried out, you can move onto listing the strategic choices your company can take to meet its objectives. If you need to increase revenue by 25 percent, for instance, over the next 12 months, listing your strategic choices will help you come up with ways to scale up resources, change company policy and reinvent business processes so as to reach the increased revenue goal. The key to this process is open communication. Discussing your options with your stakeholders -- employees, customers, board members and concerned community members -- will give you a 360-degree view of where the company can tweak or modify its policies and processes to better position itself for success.

⁵ Cristiana, POP Zenovia and Anca, Borza, (2013), New perspectives on strategic management process, Annals of Faculty of Economics, 1, issue 1, p. 1573-1580.

Strategy Implementation

Implementing the choices outlined in the strategic plan is likely to be a time-consuming and, at times, frustrating endeavor. There are two things to keep in mind allocation of resources and the organizational structure. If the organization and its management are rigid and not very open to change, it will be much harder to implement your strategic plan. You also have to think about access to resources, such as manpower, money and tools. Implementing change within the business will require a balance between pouring money into a problem and effectively using resources to change business policies and processes.

SWOT Analysis

One of the main tools that can be used in bringing together a strategic management plan is called a SWOT analysis. SWOT stands for strengths, weaknesses, opportunities and threats. The idea behind this tool is to list each of your organization's attributes in each section. If you have strengths in customer service, list that here, but also don't be shy about listing areas for improvement. If your facilities need to be revamped, list that as an opportunity to better your company. If there's a competitor you can't do much to control, list that as a weakness. Seeing all of your business's pros and cons in one place can you help decide a strategic plan for accomplishing financial, operations and resource-based goals.⁶

At the present stage of the economy development of the country in conditions of the crisis and the complex transformation processes, conditions of management of domestic enterprises significantly become more complex. The effectiveness of the economic subjects activity is caused mainly by their organizational and managerial structure, which leads to the necessity of consideration of the enterprise potential formation problem in the organizational and managerial aspects.⁷

Businesses and organizations are in constant confrontation with improving their performance in an environment that provides them with all the guarantees. This improvement is increasingly sought through a decentralization of decision making to ensure appropriateness. In these circumstances, the firm's manager will normally ask questions about the effectiveness of the functioning of the organization, exercised by him and by his collaborators. In this context, communication between

⁶ <http://smallbusiness.chron.com/aspects-strategic-management-64372.html> (14.03.2014.)

⁷ Yu., Amosov O., (2012), The Formation of the Potential of the Enterprise: Organizational and Management Aspects, *Business Inform*, issue 12.

management and audit committee, and internal auditor and external auditor could be strengthened and formalized.⁸

The current crisis, more than any other disturbing factor, provoked a rough breach in the management's daily routine, involving major transformations, especially in the enterprises' strategic management. The complex reality in which a modern company activates, its position, role and responsibilities, makes its strategic management an extremely complex one, a tridimensional process, its three dimensions being: rational and analytic (economic dimension); political (human dimension); bureaucratic (organizational dimension). The strategic management implies taking into consideration simultaneously the three dimensions, each dimension having its role and importance according to the respective context.⁹

The current state of the recession and the current trends of globalization and management can show their best moves and the adjustment thereto may withdraw best moves and show off your most important aspects through which may lead the company in the most turbulent times and market conditions.

Specifically, cost management has been created as a source of information for managerial decision-making on matters of production. An increasing share of the costs arised out of production in the total costs of the company encouraged the process of developing instruments for managing costs that arise out of production, primarily in marketing and logistics activities. Therefore, cost management does not cover only the costs to the level of products and production departments, but also the cost per channel of distribution and individual customers. Thanks to the development of information technology and modern management methods, it is possible to spread the areas in which cost management contributing to profitability of the whole business process of companies in production, trade and services.¹⁰

Cost management must be the first item in the planning and a major factor by which will be modeled all business processes in a company or organization capabilities and there starts one of the most important items of management.

⁸ Botez, D. (2011), Some aspects regarding the relation between management, internal auditor and external auditor, *International Conference Modern Approaches in Organisational Management and Economy*, 5, issue 1, p. 95-99.

⁹ Deac, V., (2012), Strategic management in a crisis context, *Proceedings of the International management conference*, 6, issue 1, p. 102-109.

¹⁰ Karic, M. (2010), The Impact of new Cost Management Methods on Business Profitability, *Business Logistics in Modern Management*, 10, issue , p. 27-55.

4. CONCLUSION

Aspects of modern management nowadays differ in economic activities and management styles. But the main postulates of management and management must be the basic principles of management and after them to specific areas can be modeled and changed, and called aspects and attitudes by which the organization adapts to market conditions and consumer needs.

Therefore, the conclusion is that the planning and development strategies must take the aspects that require current conditions and trends in the markets and the needs of consumers and customers

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