

MANAGERIAL CHALLENGES IN MODERN BUSINESS

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1. IDEA OF MANAGEMENT

The idea of management has been differently defined in theory. Some authors give short definitions stating thereby, in general, jobs that make the contents of the management concept while the others explain the management concept in a more detailed manner. For example, according to Fayol H. (Fayol, 1918) there are four main functions that constitute the concept of management: planning, commanding, coordination and control.

Management process, according to L. Galik (Falubiro & Galik, 1981), is composed of: planning, organizing, provision of personnel, appointing, issuing directives, coordinating, reporting and budgeting. Pfiffner J. and Presthas R. (Ristic, 2006) consider that under the concept of management are understood the skills of management, coordination and motivation of individuals and groups to achieve the wanted aims. Anyway, management is mostly characterized by verbal, intellectual and social doctrines. Management and commanding are often in opposition. Some managers demand consultations and intuitive judgment while the others base management on authority and securing the consent of approval by applying formal force. Traditional comprehensions of management have significantly changed under the influence of the development of sociology and social psychology.

Under unstable business conditions that exist today, in conditions of crises that follow one another, when the volatility of the market is expressed and worrying, it can be said with certainty that one of the key tasks of managers of industrial companies, and managers at all, is to integrate their organizations to successfully resolve problems in business. In modern economies, it is considered that in respect to requirements and

manifestations management has to be brought into compliance with time and place, i.e. to be situational. S. Hatson (Bulat, 2001) holds that under the management of large organizations is understood the influence on people and charging them with energy in order to work by joint effort on the accomplishment of the objectives of undertaking. He primarily considers defining and managing operations within an organization the main function of a manager in order for each person in the manager's team and each part of the joint undertaking to work conscientiously and efficiently in achieving certain goals.

Douglas McGregor defined two theories about the behavior of people, X and Y (McGregor, 1960). Experience indicates the need to move from the "Theory X" (the traditional approach of classical school of management) to the "Theory Y". According to the "Theory Y", the main task of management is to liberate human potentials for achieving human goals by directing the human potentials towards the objectives of the company. Expectations are that acceptance of the "Theory Y" by managers will improve existing practices in the organization. In the practice of modern management, who is faced with increasingly frequent forms of business instability, a great attention is paid to integrating of the organization as a way of proactive action in terms of identified problems in business, with special emphasis on the potential of human resources as the driving force for successful change and successfully mastering problems.

2. PERSONALITY CHARACTERISTICS OF MANAGERS

David C. McClelland's in his research (McClelland, 1961) came to the conclusion that there is a high correlation between the need for success and the high performances. He found that

people who have a strong need for success have also predispositions for executive positions. They are characterized by the following characteristics:

- They want to take responsibility in solving problems,
- They are ready to take on complex, rare and hard tasks, and to bear the risk of achieving,
- They give the great importance to evaluation of their work and feedback on how well they work.

Practice in many companies and numerous proven causes of business failure shows the absence of relevant criteria, which show whether the managers have a need for success and achievement or not. Even when the criteria exist, very often, they are not always adequately met.

A manager is understood as a person who is the main driving power of an organization thus having to possess certain characteristics which other members of the organization need not have. Those characteristics for which it is said to stem from the function of a manager enable him to successfully accomplish his tasks.

These special characteristics that a manager should possess cannot be found in every member of an organization simultaneously. Nevertheless, these characteristics should not be regarded so exceptional as not to be possessed by an average man.

The following groups of characteristics are essential (Cekerevac & Ristic, 2005):

1. health, personal energy and physical endurance;
2. dedication to a task, personal engagement in achieving aim, enthusiasm, self-confidence;
3. kindness, care and interest in others;
4. intelligence (not necessarily deep knowledge of detail or specialties), power to quickly grasp

essential elements of requirements and information, and skill to use own knowledge;

5. honesty, feeling for moral duty and righteousness, readiness to share merits for success, ability to set criteria for personal and official conduct which will be respected by others;
6. convincingness, skill in winning others over to his standpoint, expressed in his decisions;
7. power of reasoning, knowledge of weak and strong points in people he works with and skill to reach them in order to obtain maximum gain for administrative organization;
8. loyalty to a cause, and also a person he works with, readiness to defend own work group from outside attacks.

But, all these enumerations do not take into account living people in which virtues and inabilities, advantages and shortcomings are so intertwined and connected that a realistic policy of selecting and developing managerial staff practically has little use of such a list of superlatives. In addition, what is considered a virtue and what represents a real advantage for a man and organization he works in changes in accord with environment, social structure, prevailing comprehension and circumstances in which the administration acts.

When talking about management staff one should have in mind that the objective of the policy of their preparation is not in finding a superman but in finding the best practical methods based on which individuals among ordinary people could be chosen and developed who specifically fulfill the leadership functions in administrative organizations.

3. PERSONALITY FEATURES AND CHARACTERISTICS OF MANAGERS IN MODERN INDUSTRIAL COMPANIES

In Serbia, and in other countries in transition, like in most other countries at the similar level of development, industrial companies are specific in their organization and business activity. The organization is based on strong subordination between owner and employees. The success or lack of success in the work of managers is transferred to lower levels of management and so on to the lowest operator. This is why the selection of managers can also be a key factor to the success or failure of a company. Unfortunately, today in Serbia, managers are selected by criteria that are not always the criteria of success. The results are obvious.

3.1 Manager and objectives of the organization

The selection of managers, from the top to the lowest level, must be grounded above all on expertise the main prerequisite being that a manager would have to know the objectives of the organization he manages. This means that he must know well the method of work as well as the program, aims, tasks, difficulties a company encounters, as well as everything else of importance for the realization of the company's objectives. This must not be interpreted as if a manager is the most knowledgeable person in all the jobs within such an organization. It must not be even thought of his being simultaneously the best typist and the best programmer and the best accountant and the best economist, etc. He has to know the technology of work as well as the job of each of his associates but only to the extent enabling him to coordinate his work with the work of others and thus efficiently carry out the set tasks. It is of essential significance for a manager to have insight into general line, i.e. general direction of work and task in its entirety and not to be lost in certain details and to be able to discern essential from non-essential, important from unimportant.

3.2 Manager and managerial skills

The manager of a industrial company must possess pronounced management ability. Based

thereon he must know how to correctly and skillfully allocate jobs and tasks to his associates, coordinate their work and bring it into conformance in order for the tasks and objectives of the company to be quickly and efficiently carried out. This, at the same time, also means the ability to select the most capable specialists and the most adequate tools for the realization of a specific task. That is why this feature should not be identified with professional skill as they are two different matters even more so as there are cases where managers who do not have this skill, although professionally qualified, can significantly disturb proper functioning of an organization. Unfortunately, such cases are numerous in practice simply due to the reason that the talent for management is regarded identical to professional qualifications. A manager has to set pace of performance, i.e. provide timely performance of works which are the task or objective of company.

3.3 Manager and sense for politics

It is said for a manager that he has to have a sense for politics. This should not be interpreted as engagement of a manager in politics in the literal sense of the word but as his feature composed of the skill to find resources which best suit a given political situation and ability to foresee all consequences and effects that the use of such resources will have on the human mind.

Managerial position of the top managers of a big industrial company, first and foremost because of the strategic significance of the company, is usually also connected with participation in governing political structures, however, realistically, managers of such companies do not have possibility to actively and successfully work in both organizations.

3.4 Manager and his intelligence

A successful manager should be intelligent. Nevertheless it should be noted that a manager, although he, as a rule, should be more intelligent than the people he manages, must not stand out

too much by his intelligence. Too big a difference in intelligence causes exceptionally intelligent managers to abandon the role of a manager and either become cultural leaders or remain uncomprehended. It turned out that too intelligent persons do not succeed as political leaders and managers primarily due to the fact that their values, which they accept in such cases, are far above the value of masses. Masses prefer to be lead, even if not so successfully, by less intelligent managers or by managers they can understand, i.e. those who are closer to the masses. Although these conclusions need not be accepted, the fact remains that in everyday life intelligent managers are not always successful in their job.

3.5 Manager and his energy

A successful manager should be energetic. Such a manager is persistent in performance and at the same time sufficiently strong in motivating others and he also counteracts negative tendencies which may occur inside an organization. A manager must always take into account the negative tendencies which represent quite natural occurrence in a life of an organization and must be assiduous in their eradication. It is only natural that members of a collective resist to the organization's new methods and ideas due to bureaucratic and other habits primarily because they bring uncertainty. As a rule, each newly proposed idea encounters resistance which is explained by its being unnecessary, uncertain, insufficiently useful and expensive. Such occurrences must be overpowered both materially and intellectually. In the realization of such ideas it is important that a manager must not be reluctant as that would lead to the destruction of his authority. This does not mean that one should insist on the realization of a certain idea at any cost especially if a manager, during its realization, concludes that a desired objective would not be accomplished and that undesired effects would result from the procedure. In such cases it is more reasonable and better to acknowledge a mistake than to persistently insist on carrying out the

objective solely in order for the manager's authority not to be damaged. On the contrary, in such situations, the manager wins sympathy of the collective as an indulgent and reasonable person and thereby his reputation not only will be kept but also increased by such a gesture.

3.6 Manager and his courage

To be successful, the manager must be brave. This kind of courage is the one which the manager should express when certain critical moments in the operation of an organization occur and when he has to accept responsibility for undertaking certain ultimate, often unpopular actions.

Manager must exhibit certain courage in such situations and unless he does so he will unavoidably lose authority in the eyes of the work collective. In this way cohesion and strength of the organization will be shattered, too.

3.7 Manager and his initiative

To be successful, a manager must be able to take initiative. He should avail of creative initiative. This means that a manager should try to discover, adopt and apply new material resources, new work methods, new organizational decisions, etc. Even if the resources are of not great opportunities, manager must not deceive himself by applying old patterns in organization. He must always strive for finding novelties in his environment. The lack of incentive certainly affects the manager's authority. If manager is not sufficiently incentive his authority will be based only on hierarchical evaluations and discipline but not on the assurance in his capabilities that he deserves such an organization.

Initiative does not allow routine and is often said to be a form of bravery in work. This is why a manager must take care of this element. He must have a critical position with respect to the work performed to that moment and endeavor its improvement and rationalization, and must also try to make the work easier, more purposeful and

of better quality. He would thereby contribute not only to the efficiency of the organization he manages but also strengthen and enhance his authority. It is very important that a manager must never be completely satisfied either with the work of his associates or his own because that always results in self-satisfaction and work demoralization.

3.8 Manager and his objectivity

To be successful, a manager should be objective in relations with his associates, their successes and failures, always interested in objective reasons without any subjectivism.

The manager must always have the same attitude towards all of his associates. He must not regard them with "unequal eyes", i.e. be "indulgent" to some while biased, strict and incorrect to others. Nevertheless, this does not mean that people who deserve so owing to their success in work should not be singled out. Manager should reward, commend and stand them out in order to make them a model for others. Those people will then be aware that their work has really been followed up and righteously evaluated and respected which is a good stimulus for better achievement and creation of a suitable ambience for other members of the collective to follow the example and contribute to efficient materialization of the organization's goals. The manager's position must be objective. If it is grounded on sympathies and antipathies then it significantly contributes to the diminishing of manager's authority.

3.9 Manager and his talent for teaching

Education is the transfer of specific criteria of social values and acquired knowledge to others. To be successful, a manager must have a talent for teaching. In fact, a manager is a tutor to his associates. Of course, in this respect care must be taken that the manager does not exhibit a demagogic attitude or have so-called double standards. A manager must know that in the

educational sense he can influence his associates to a significant extent by his personal example. This must not be an *ad hoc* task, but, on the contrary, a permanent striving. He must take care and choose the best means for education of each individual, each associate, especially taking into account that people are different and can be influenced differently in the educational sense, depending on given circumstances and opportunities. A manager must have a particular method of work with younger staff as every beginning is sensitive, cautious, timid, inexpert, etc. Success and results achieved by a young associate in an organization and his development, devotion and even survival in the organization often depend on the manner in which manager acted towards him in the first days.

3.10 Manager's maturity

It is said for a manager that he has a potential of a good manager if he also has a mature behavior. A person behaves maturely if he does not react impulsively, does not constantly highlight himself, if he is not stubborn or negative ... A manager must not be strained, yet he may not be too independent either.

A mature manager is:

- tolerant to the opinions, needs and ideas of other people;
- independent in his affairs and personally makes decisions about his own actions;
- calm and try to have the same effect on his environment;
- long-term work motivated, saves earnings and plans costs, taking care his possibilities;
- does not emphasize his merits in front of others;
- able to say no to himself and stick to it;
- understands others;
- disciplined;
- accepts responsibility and unpleasant duties without feeling sorry for himself;

- able to make decisions when required and without faltering prior to decision-making;
- has good friends of both gender, does not speak vulgarly, cherishes friendship;
- aware of his shortcomings, does not consider that nothing can be done in that respect;
- able to accept criticism, not prone to outbursts and does not take revenge for it.

Immaturity episodes are held against the manager, and should he have several signs of immaturity, and exhibit them often, the less people shall have confidence in him. These will certainly, slowly but surely, reflect on the manager's authority.

4. SELECTION OF MANAGER

All the stated criteria should be observed when selecting a manager. A question could rightly be put here: "How to act in situations when we are not able to find a manager who would meet all these criteria?" It is a fact that it is impossible to find a manager who fulfils these requirements entirely. However, if the manager knows the characteristics of good management, he can develop them even when they are not sufficiently pronounced in his personality.

A conclusion can be drawn that the fact whether there will be conditions in an organization which make work pleasant depends on whether there are sufficient business-like, capable, independent managers. Of course, in this respect, one should also bear in mind the fact that the most important component of a productive ambiance is the style of management, because managers are those who decide to which extent an organizational structure will become merciless, i.e. to which extent will those higher in the hierarchy press the others who are lower instead of convincing them of the inevitability of the proposed actions.

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Abstract

The paper has been written to express authors' viewpoint about the criteria for the selection of manager concerning challenges that a good manager has to overcome.

All the authors have a certain experience in managing different companies as service or production companies, big enterprises and/or educational institutions. The result of the authors' experience was systemized, compared with other literature approaches and presented in the paper.

A special attention is given to the specific characteristics of management within modern industrial firms. The most characteristic traits which enable the manager to achieve the aims of management have particularly been analyzed. The authors found that some manager's personality features and characteristic, such as managerial skills, sense for politics, intelligence, energy, initiative, objectivity, maturity and talent for teaching are very important for good and successful managing.

The paper may be useful to all managers who deal with the problems in industry, as well as to the managers in general. Article might be of particular interest to young managers who are just starting their careers.

The paper presents original authors' viewpoint to the manager's traits and characteristics and is worthy with its original approach.

Keywords

Management, manager, characteristics, personality, traits, initiative

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