

NEW EDUCATION NEEDS OF MANAGERS IN THE 21st CENTURY

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ABSTRACT

The intensive globalization trend has great impact on business environment, on form of managing business, on organizational structure, on ways of doing business etc. The nature of management activities imposes necessity for broad knowledge of managers in rapidly changing environment. Need for education of managers is as important in transition countries as in developed countries, sometimes even more important. New solution and practice in marketing or finance management provoke necessity to follow and accept new ways of thinking, new methods and concepts in order to be successful on the global market.

KEY WORDS

education, managers, marketing management, finance management, knowledge

INTRODUCTION

This paper is result of scientific research, which had goal to identify in what way managers today should direct their further education process in order to be successful on the global market. The process of globalisation poses new environment conditions for doing business, so it is necessary to know them and to adjust them, along competition, which is very strong. So, analysing the success of well-known companies, and analysing the modern literature from business field, the new concept of marketing and finance are presented here. Also, paper includes some empirical results, which present the current state of Serbian companies in the sense of managers' knowledge of these concepts and they willingness to apply them.

RESULTS

New marketing concept

The process of globalisation requires new concept of business, because it has great influence on the business environment and the global market. In order to be successful it is necessary to realise that good reputation is based upon quality and attractive product/services and putting customers in the first place. The most responsible function for those activities is marketing. Today, it is obvious that customer focused concept of marketing is developing towards strategic marketing approach. The very essence of this concept means knowing customers. Furthermore, the focus is on the advantages of the environment. The environment, that is constantly changing, requires flexibility for which it is necessary to have strong marketing function. It is necessary to be aware of all the current changes in order to achieve modern, marketing oriented organisation.

So, for doing business in the new environment, especially in the transition countries, such as Serbia & Montenegro, it is crucial to recognise the need for adoption of new marketing concept. In order to be successful on the global market, managers and all employees have to follow and accept new ways of thinking, new methods and concepts. In development of marketing orientation, latest step is relationship marketing, which main characteristic is orientation on relationship with target groups. First task of relationship marketing is development of optimal level of relationship with customers, suppliers, competitors, distributors etc. which establish terms and criteria of free-market business in specific situation.

The role of marketing management and related new marketing concept supporting strategic enterprise development in transition countries are of special importance. The best orientation is the one that is focused on the creation of the values for the customers and it results

with superiority in the target market. This orientation requests successful organising and managing national economy and faster marketing and production progress in the industry of transition countries, in order to succeed in the market of European Union, as well as in global market. Marketing activities are very important in scanning environment and in market researches, in order to create quality information basis for selection of prosperous industrial activities and programs.

The relationship marketing presents suitable and easily applicable concept, in order to revitalise the function of marketing, and once again to take over the main role in managing strategy of complete organisation. The present marketing practice determined that many of its specific components are under the question mark. Some of them present significant chances for marketing managers to analyse and readjust their approach to marketing, by creating a base for managing organisational changes and re-establishing its role as a "customer protector"(4).

Relationship marketing is the term, which describes the modern marketing concept. Furthermore, some other terms are in the use in the expertise literature, and they describe its adequate innovation: friendship marketing, one to one marketing, loyal marketing, aftermarketing, image marketing, reverse marketing etc.

Relationship marketing is essentially different from existing management approaches, and the main difference is that the customer has been indirectly involved in the organisation through the specific value chain. By adopting the relationship marketing concept, a specific firm is differentially organised, its motivation systems are changing and it is searching for the change of every other existing company aspect in order to affiliate organisation with their customers. Furthermore, maximal results are reached, not only when informal considerations of relation with customers are adopted, but also by adopting formal goals and relationship marketing strategies.

The major needs for changes are reflected in the following factors (2):

- ∅ Cutting the time frame of marketing activities effects.
- ∅ Modification of market segmentation approach.
- ∅ Creation of individual preferences of products and services.
- ∅ Cutting the time frame for marketing research.
- ∅ Modified concept of marketing communication.
- ∅ Development of modification of services in post-selling communication.
- ∅ The customers' desire to be involved in decision making about prices.

One of the most important components of this new marketing concept is adequate knowledge of managers. They need education process in order to know how to develop and maintain good relationships with their customers. They have to be willing to work on permanent collecting of data about their customers, to analyse them, to use them, if it is necessary, in the correction of present business process, to create data bases and to update them constantly etc. So, managers today must have basic knowledge about information technology, some software and tools for modelling and reporting. Also they must have basic knowledge about organisation culture and management which emphasise the relevance of customers as a basic factor for the long-term profitability. Furthermore, they must know the strategies for education of employees in order to accept customer as substantial business context.

In the empirical research, presented in (3), which had been carried out among managers of business systems in Serbia, data from following table could be found.

Manager attitude	%
Public has to be divided in target groups and specific approach for each of them has to be applied	61
It is necessary to pay equal attention on each	36

target group	
There is no need to divide public in groups at all	3

Table 1. Some attitudes of managers in Serbian companies

On the basis of these data, it could be concluded that generally managers have positive attitude for adoption of modern marketing concept. The same author emphasize that customer database exists in eight out of ten companies in Serbia, which absolutely indicates on recognition of direction of relationship development with customers. Although managers in Serbian enterprises do not really know the very essence of relationship marketing concept, its basic strategies, the way of application etc., but at least they have realized the need for its adoption, and that is good basis for acceptance of new knowledge and for continuing of education process, which is necessary for successful business in the new economy.

Serbian managers and financial management

It is the fact that transition from socialism to market economy in Serbia brought great changes not just in way of thinking but generally, in way of doing business. This is especially emphasize with managers of Serbian companies. Not until now that they become aware of the fact that market position of the company is the only thing that point out success of the management of that company. The biggest problems that Serbian managers meet, in the field of financial management, is on financial market. Why is that? Financial market has faced both quantitatively and qualitatively the biggest maybe the most significant changes from the beginning of transition process in Serbia. It is stock exchange development that has evinced all shortcomings of managers and poor development of enterprises.

In previous communist period was very low demand for economists, financiers, bankers, marketers, managers etc. In order to make a carrier one should graduate in engineering, and should have been in tight relation with leading political stream. High politicisation of Serbian companies caused the managers' knowledge and skills to become of secondary or even tertiary importance.

In the nineties, starting with transition process, new job places were created in banking, commerce, services and newly emerged private enterprises. The economic stagnation causes the companies to think seldom about education of managers. So the problem is not how to satisfy the education needs of managers but how to trigger off these needs.

Today's business model demands that financial officers bring a wealth of analytical skills to the position. Those skills are tapped by all areas of the enterprise: sales department needs help developing models for forecasting future sales; general management requires assistance tracking historical performance and relating that to the forecast; programming asks financial managers for cost-per-point models across all dayparts, and to compare revenue projections with expenses. Marketing/promotion, engineering, service technicians, human resources, and every other department in the station or cable operation relies upon financial managers' skills and analysis to work efficiently and achieve a positive bottom line.

There is significant demand for new skills, too. Competent financial managers are expected to be well-versed in stock market analysis, ongoing governmental changes, ownership issues, acquisitions, and divestitures. Financial managers' knowledge and skills must evolve along with the industry.

As we said, transition process caused the change of the way of thinking and business doing. As a part of transition process, privatization caused creation of shareholding companies and fifty years break. In that way, Serbian managers start acquiring first knowledge about the corporate governance.

Functioning of the shareholding companies itself, especially of the public ones that have listing on the Belgrade stock exchange (former privatization law provision), brought problems in

company management because managers didn't have enough knowledge and experience to deal with new way of business running. New concept and totally different way of doing business that include public, competition, transparency, foreign investors, shareholders etc. brought the situation that managers of Serbian companies couldn't influence its' position with nothing else but knowledge, success and creating value for owners and employees. More and more Serbian managers engage consultants and brokers in order to be acquainted and advised about the stock exchange market and corporate governance. Management buy-out is becoming new mean in the hands of the small number of those managers who have had vision and idea of further development of themselves and the company they run. Great number of other managers who didn't have enough knowledge and wisdom, have waited something to happen and show the right way.

New Law on securities market, that came into force at the beginning of 2004, introduced some concepts for the first time on Serbian financial market, like: initial public offering, secondary public offering, underwriting, mergers and acquisitions, friendly and hostile takeover and defence strategies etc. Knowledge about these concepts of developed financial markets are still very poor among managers. Real opportunity that someone could take control over the company without management "approval" initiated different approach to this problem. One number of manager accessed very active to this situation and tried to find partners that would satisfy their interests, but do well for the whole company also, having in mind that these kind of decision should be verified by the assembly. Unfortunately, much bigger number were those managers that just sit and wait or make obstructions for securities registration and Belgrade stock exchange listing.

Just small number of managers hold their positions when ownership were transferred to new major shareholders. Multinational companies that become owners of Serbian companies, usually tried to find new managers, especially those who had experience from abroad. Problems were in the fact that Serbian managers couldn't face with different principles of business running. Business plans, development plans for the next three to five years, due diligence, accounting auditing in accordance with IAS etc. were just several issues that perform problems.

But, still, there are a lot of young success people who are ready to take part in the process of revival of our economy. They are well educated, well trained and eager for success. Three years ago first head-hunter companies emerged, who are supposed to find appropriate staff. In that way, shiny but still managers market where good managers can count on large salaries and bonuses, only and only if they are working well, start appearing.

As management success on developed market could be seen on capital market and stock exchange, we could make parallel. Example of success management in Serbian companies could be Banini, conditor manufacturer. Management of this company, had a vision, took bank loan, mortgaged by the shares of the company, and bought shares of the company at the first auction. Now, management is repaying its due from its profit, and as positive market reaction, demand for its shares is in constant growth as well as its market price.

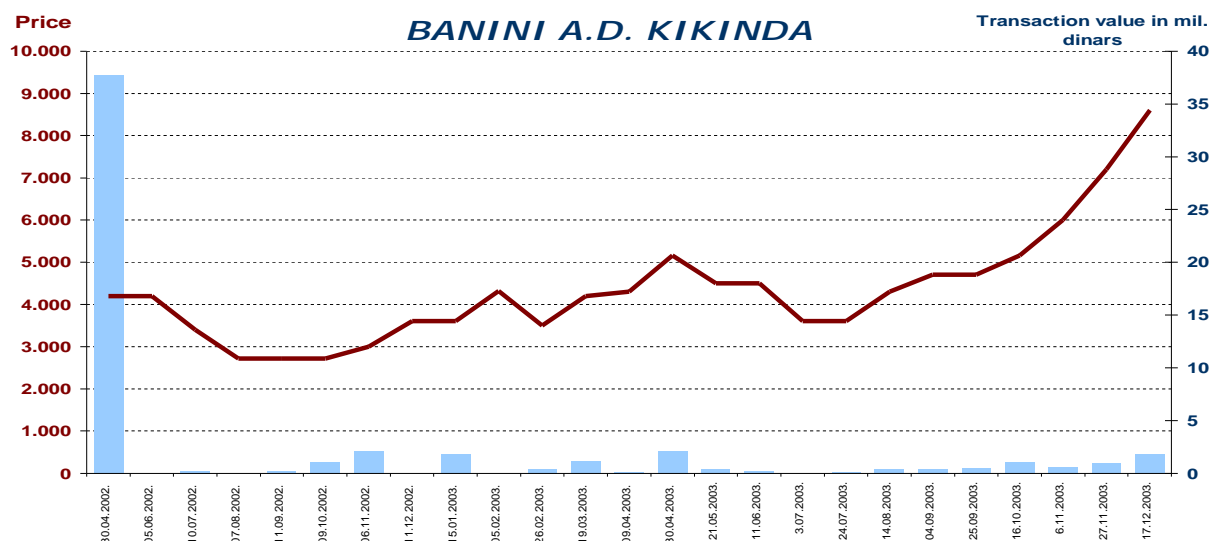


Figure 1. Example of succesfull management of Serbian enterprise Banini (1)

This is example of the succesfull management. They invest in education, not just for themselves but for the employees and the broad sommunity they belong.

CONCLUSION

Knowledge is imperative today. In the most developed countries, knowledge management is and will be the most important and significant discipline of the management. Permanent education and development is not the question long time age. People in our country are now well aware of that. Process of transition has showed that everyone must handle its own destiny and fight for itself. More than anyone, managers of Serbian companies are aware of that.

New way of thinking, fast and cruel competition, modern business principles, put the tasks in front of the Serbian managers that they must fulfil in order to keep or improve its positions. Corporate governance has start rule these area and managers know they have to be up-to-date strong enough to handle everything.

How to keep up? How one maintains the skills, the exposure to the marketplace, and the networking connections that aid its' ability to get things done? The answer is continuing education. One's growth as a professional requires education, networking, and experience.

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