

STRATEGIC MANAGEMENT IS THE NEED FOR SUCCESS

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Key words: enterprise, manager, management, strategic management.

Abstract: If we have watched a civilization from its early days we would not miss some important facts such as the one that almost from the beginning it was emphasized by the fact that there was always a leader (in tribal and other communities) and that the life of each community was based on the division of labor. Hierarchy and delegation of authority continues through the history so we can ask ourselves whether management has always been present in our organizational forms of community not only under that name, but concealed in a certain way.

1. INTRODUCTION

Strategic management consists of the analysis, decisions and actions that an organization undertakes to create and maintain competitive advantage. Strategic management is defined as a set of decisions and actions that result in the formulation and implementation of strategic projections to achieve the objectives of the organization. The essence of strategic management is the study of the problem why are some firms more successful than others.

Key attributes of strategic management:

- direct the organization to the overall end-goals (vision, mission, strategic goals).
- in the decision making process they take into account many stakeholders
- include short and long term perspective
- recognize a compromise between effectiveness and efficiency.

First, strategic management is focused on overall objectives and tasks of an organization. In other words, efforts have to focus towards what is best for the organization as a whole, not only for its functional part. Some authors call such a point "organizational versus individual rationality."

Second, strategic management implies that during the decision making process many stakeholders should be taken into account. When making decisions that managers must have in mind the demands of numerous stakeholders.

Third, the strategic management requirements include both short-and long-term perspective. Peter Senge, a leading expert in the field of strategic management at MIT, called it "the creative tension."

Fourth, strategic management involves recognition of a necessary balance (trade-offs) between effectiveness and efficiency. Some authors talk about this as the difference between "to do the right thing" (effectiveness), and "to do things the right way (efficiency)."¹ "To be successful, the company must find its place in the scheme of things. Strategic management focuses on goal setting, on formulating and implementing strategies, as well as strategic control. Strategic management provides managers with a

¹ Source: Stephen P. Robbins / Mary Coulter, Management, Beograd, 2005

standard by which they are guided in the assessments of the environment in which their organization operates. "²

Strategic management can be defined as such a process of directing the activities of enterprises which, based on the anticipation of opportunities and risks on the one hand and the strengths and weaknesses of the company, on the other side, identify the critical factors for business success. According to previously established strategic vision, mission determines the developmental goals and directions, methods and instruments to their optimal realization in dynamic business environment.

Evolution of strategic management can be seen through the development of a business planning and it is shown through the following four stages:

- **The first phase** is basic financial planning, which is typical for small and young company

- **The second phase** is characterized by severe appreciation of prediction as a requirement for planning

- **The third phase** is externally oriented planning, which is characteristic for more mature and more complex companies (by the width of their program) that have realized the nature of the market environment, and which respect the marketing concept in the orientation and implementation of its business

- **The fourth stage** is marked by the dominance of strategic management, and claims that through the developed system of prediction the system of strategic planning is based, not only to adapt and swim in front of the current, but also to influence events in the middle, and current routes and thus create a future.

2. REASONS FOR THE STUDY OF MANAGEMENT

Why should one study strategic management? One who performs the function of top managers cannot understand to which extent his work is comprehensive and realistic, how much it is awarded and what are the challenges the job brings.

2.1. THE UNIVERSALITY OF MANAGEMENT

To what extent is the need for management in the organization universal? We can say that management is required to organizations of all types and sizes, at all levels and in all sectors. Also, it is necessary for organizations worldwide, regardless of local affiliation. This characteristic we recognize the universality of management (*Figure 1*).³ Managers will be in all these conditions to plan, organize, lead and control. However, this does not mean that management is conducted in the same way. For example, the difference in the job of Microsoft's work supervisor in the facility for testing software applications and the job of chief executive of Microsoft employees is the matter of the level of incentives, rather than the function that it performs. Since they are both managers, they will both plan, conduct and control, but in different ways.

² Ren, D. Voic, D. : Menadžment-proces, struktura, ponašanje, PS „Grmeč“ - privredni pregled, Beograd, 1995. str. 97

³ Source: Stephen P. Robbins / Mary Coulter, Menadžment, Beograd, 2005.

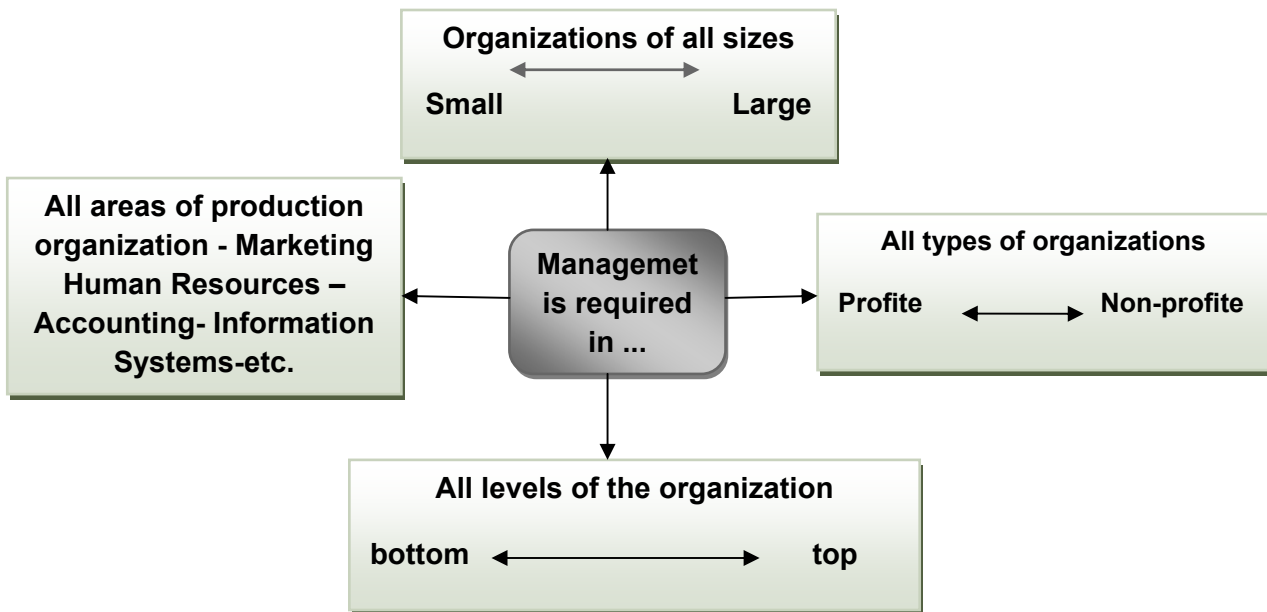


Figure 1.³

Since the need for management is universal, our interest is to improve the way it is managed in organizations. The question is, why? Quality management of a company affects our mood on a daily basis. Do you get frustrated when you have to spend two hours in the department of motor vehicle to extend your driver's license? Are you irritated when none of the sellers at the store is interested to help? These problems occur because of bad management. Companies that have strong leaders develop a base of loyal customers, spread and prosper. Firms that have poor leadership face the decreasing number of clients and reduced incomes. By studying strategic management, you will be able to identify weak management and work on making it better.

3. PLEASURES AND CHALLENGES THAT THE ROLE OF TOP MANAGER BRINGS

Talking about the importance of learning management is impossible without reference to the challenges and job satisfaction that managers have. Being a top manager now includes many challenges. It can often be difficult and unappreciated job, because one may come in contact with all kinds of people and can often be faced with limited resources. This can be a challenge to motivate workers in situations of crisis, change, chaos and uncertainty. Top managers may have difficulty with the effective application of knowledge, skills, ambition and experience with different groups of employees. The success of top managers depends mainly on the performance of others. Despite these challenges, being top manager can be very lucrative, and bring many pleasures (*Table 1*).⁴

⁴ Source: Stephen P. Robbins / Mary Coulter, Menadžment, Beograd, 2005.

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Satisfaction	Challenges
<ul style="list-style-type: none"> • Creating a work environment in which members of the organization achieve the best results • Opportunity for creative thinking and the use of imagination • Assisting others to find understanding and fulfillment in work • Support, teaching and advising others • Working with different people • Gaining recognition and status in the organization and the community • Possession of roles that influence the results of the organization • Obtaining adequate compensation in the form of salary, bonus shares and share options • Organizations require good managers 	<ul style="list-style-type: none"> • Performing heavy tasks • handling the various types of people • Handling limited resources frequently • Motivating employees in a chaotic and uncertain situations • A successful mix of knowledge, skills, ambition and experience of different working groups • dependence on the success of others' work

Table 1.⁴

⁴ Source: Stephen P. Robbins / Mary Coulter, Menadžment, Beograd, 2005.

3.1. THE ROLE AND DESCRIPTION OF TOP MANAGER

ROLE	DESCRIPTION	EXAMPLES OF RECOGNIZABLE ACTIVITIES
Interpersonal A symbolic head of the household	A symbolic head of the household: is obliged to carry out a number of routine duties of the legal or social nature.	Greets visitors, signs legal documents.
Leader	Responsible for the motivation of subordinates: responsible for personnel, training and other related duties.	Convenient carries out all activities which involve the subordinate officials.
Contact Person	Maintains a network of independently-developed external contacts and suppliers who provide information services and information.	Confirms the reception of mail; executes external control tasks, carries out other activities related to foreign entities.
Informational Controller	Search and receives various kinds of internal and external information to gain a complete picture of the organization and its environment.	He meets with periodic reports and maintains personal contacts.
The person responsible for distributing information (propagator)	Distributes information provided by external contacts and subordinate officers to the members of the organization.	Maintains informative meetings; passes on information by telephone (notification).
Spokesman	Conveys information about the plans of the organization, policies, actions and results of operations, etc. to the outside world.	Holds administrative meetings and issues press releases.
Deciding Entrepreneur	Explores the organization and its environment in search of new opportunities and initiates "improvement projects" to introduce changes.	Develops strategies and organizes meetings for planning the development of new programs.
The person to solve the problem	Performs corrective action when organization faces unexpected problems.	Develops strategies and organizes meetings that include planning issues and crises.
Allocator funds	He is responsible for the distribution of all types of resources in the organization - the adoption and approval of all significant decisions in the organization.	Creates a schedule; seeks authority; performs any activities related to budget and work programming of subordinate employees.
Negotiator	responsible to represent the organization on the main (major) negotiations.	Participates in the negotiation of contracts with labor unions.

Table 2.⁵

⁵ Source: Stephen P. Robbins / Mary Coulter, Menadžment, Beograd, 2005.

4. CONCLUSION

Strategic management is a very important item in management. One must think about the future development to make a plan, explore alternatives, expect the best, and show others that he can achieve it, connect with others, be honest and fair, keep the spirit of research and be ready on time. One should try to understand the potential gains or losses that change brings, analyze earlier successes and failures, keep a sense of humor, compare situation with a less favorable situations, and practice optimistic realism, be a winner not a victim.

One should position himself on the labor market through competition that can be achieved only through rivalry. Business success in the future increasingly depends on the diversity and adaptability to future changes, because C. Darwin (1809-1882) said: "Survive not the strongest or smartest, but most adaptable to change".

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