

## CHARACTERISTICS OF MANAGEMENT IN TRANSITION: EXPERIENCES FROM SLOVENIA

### KARAKTERISTIKE TRANZICIJSKOG MENADŽMENTA: SLOVENSKA ISKUSTVA

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**Abstract:** Transition process has facilitated a set of (interrelated) social, political, and economic changes at all levels of society. In the economic transition, organizations must radically change their working and behavior. Management in organizations is faced with new situations and requirements of modern environment. Therefore management must innovate its understanding and implementing of new – more innovative business. Among different factors that drive managers' in organization, we put our focus on managers' personal values. In that framework we examine relationships between managerial personal values and characteristics of management. Our sample consists of more than 200 managers in Slovenian organizations.

**Key words:** transition, management, managerial values, characteristics of management, Slovenia

**Sažetak:** Tranzicijski proces omogućio je društvene, političke i gospodarske promjene u svim razinama društva. U gospodarskoj tranziciji organizacije moraju radikalno mijenjati svoje radne navike i ponašanje. Rukovoditelji su suočeni s novim situacijama i potrebama modernog okruženja. Stoga uprava mora modernizirati i promijeniti način poslovanja. Među različitim faktorima koji pokreću menadžere obratili smo pažnju osobnim vrijednostima menadžera. Ispitali smo odnos osobnih vrijednosti menadžera i karakteristike rukovođenja. Naš uzorak je bila skupina više od 200 menadžera u slovenskim organizacijama.

**Ključne riječi:** tranzicija, rukovođenje, upravljačke vrijednosti, Slovenija



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## **1. Introduction**

Term transition has been applied interchangeably in different areas of researching (e.g. genetics, economics, and gender studies) [1, 2]. In economic literature transition is most commonly defined as a movement from a centrally administered (or only partially market-based economy) to a market-based economy [2][ 3][ 4][ 5][ 6].

In the frame of holistic approach (and/or view of) transition, is it necessary to distinguish between two interdependent views of transition [2]: (1) Legal view of transition – i.e. institutional transition, and (2) Readiness of people for transition into innovative society – i.e. real transition.

Institutional transition defines legal passage from current state into a new state (e.g. innovative society). On the other hand it is very difficult to perceive and define real transition. Real transition is never ending process, because all societies always converge to the higher levels of its development and its level of innovativeness, even world's most innovative societies (e.g. EU 15, USA, Japan).

In the frame of real transition in Slovenian business organization one among crucial question is “what are characteristics of management”. Our examination of characteristics of management in Slovenian business organization is based on cognition, that managerial working and behavior is importantly driven and/or influenced by their personal values [2][ 7][ 8][ 9]. In proposed framework we will examine also relations between managerial personal values and characteristics of management in Slovenian organizations. At the end some tentative conclusions about characteristics of management in Slovenian business organizations are outlined.

## **2. Theoretical background**

Based on holistically defined term transition, especially in terms of unfinished real transition, we can argue that some legacy of previous (i.e. centrally planned) system is still incorporated in managerial working and behavior in Slovenian organizations, and consequently in characteristics of management [2][ 3].

The impact of managerial personal values on managerial working and behavior has been widely recognized in literature as well as in business practice [7][8]. Consequently a great proportion of literature is focused on examining relationship between characteristics of management and managerial personal values [8][9][10].

Characteristics of management can be defined based on managerial working and behavior in organizations [11][12][13]. Based on conclusions by different authors [10][11], we can conclude that managerial working and especially behavior is driven by cognitive base and values/culture/ethics/norms (VCEN) of management [2][9][14][15]. Therefore we can argue that (selected important) managerial personal values importantly determine (and/or have influence on) characteristics of management in organization. More about that see [2][10][15][16].

In literature an abundance of criterions are available for defining characteristics of management [11][12][13]. For the purpose of our research we defined several characteristics of management, which are listed in Table 1 (below).

Based on management literature and above mentioned cognitions, we can conclude that there is (indirect) link (and/or relationship) between managerial personal values and characteristics of management [11][12][17]. Therefore we can assume that is possible to assign (more or less) significant personal value to selected characteristic of management. Our assumptions, based on cognitions of several authors [2][7][8][10][17], are summarized in Table 1.

Characteristics of management	Significant personal value
Focus of management (1-achieving results; 8-employees needs)	Creativity
Doing work in organization (1- individual work; 8-group work)	Independence
Coordination of working in organization (1-management; 8-employees)	Capability
Span of control (1-management; 8-employees)	Broad-minded
Tasks in organization (1-precisely specified; 8-loosely specified)	Choosing own goals
Responsibility for work in organization (1-mostly management; 8-mostly employees)	Responsibility
Management attitudes towards changes (1-unfavorable; 8-favorable)	Innovativeness

Table 1. Characteristics of management and personal values of management.

### 3. Some empirical findings

Data were obtained through field survey of personal values of managers in Slovenian business organizations in April 2010. Of the total 260 cases all were processed in analysis. Data were analyzed with PASW Statistics 17. Data are in the borders of normal distribution, therefore we used parametric statistics (i.e. for correlation).

Empirical findings about characteristics of management, assigned personal values and their correlations are presented in Table 2.

Characteristics of management	Personal value	Mean	Correlation
Focus of management	Creativity	3.43	r=0.064 (p=0.304)
Doing work in organization	Independence	5.61	r=0.016 (p=0.796)
Coordination of working in organization	Capability	5.55	r=0.220 (p=0.000)
Span of control	Broad-minded	4.18	r=0.161 (p=0.010)
Tasks in organization	Choosing own goals	3.71	r=-0.070 (p=0.263)
Responsibility for work in organization	Responsibility	4.63	r=0.106 (p=0.089)
Management attitudes towards changes	Innovativeness	6.24	r=0.143 (p=0.021)

Table 2. Characteristics of management in Slovenian organizations.

Based on empirical study of characteristics of management in Slovenian organizations we can conclude following:

- Management is more focused on achieving results than employee's needs; there is no relationship between management focus and creativity;
- In organization prevails group (and/or team) work; there is no relationship between doing work in organization and capability (as personal value);
- Coordination of working in organization is (mainly) in domain of all employees in organization; we can assume that when management value capability, coordination of working in organization is more in domain of employees;
- Span of control is in domain of management; we can assume that when management is more broad-minded, also the control is more in employees domain;
- Tasks in organization are still precisely specified; there is no relationship between tasks in organization and choosing own goals;
- Responsibility for work is mostly in hands of employees; there is no relationship between responsibility for work in organization and responsibility;
- Management has favorable attitudes towards changes in organization; we can assume that when management is more innovative, it is also more prone to changes in organization.

#### **4. Concluding remarks**

We can conclude that management in Slovenian business organizations possesses some characteristic of modern management, as well as (still) some characteristics related to "management in centrally-planned economy". Therefore we can most generally conclude that characteristics of management in Slovenian business organizations are not yet alike those in modern (and/or innovative) organizations.

From our point of view is this mainly due to the different value priorities (and/or orientations) of management in Slovenian business organizations, since management working and behavior (i.e. characteristics of management) is importantly determined by its personal values. Therefore we can simply assume that innovation of values is needed in order to replace "out-of date characteristics of management" with more appropriate.

This paper lays an important groundwork for future examination of impact personal values on characteristics of management. In that frame is especially important examination of longitudinal changes in personal values of management and their influence on characteristic of management. Further comparison of management values in former transitional organizations and most innovative organizations should also be examined.

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Photo 126. Ploughing / Oranje