

Correlation of social environment with parameters of management white managing entrepreneurship

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Abstract: - Social environment favorable for the development of entrepreneurship in developed countries. This is because, in terms of entrepreneurship, looking at the environment in terms of general economic conditions significantly more favorable and stable environment in the transition and in particular in developing countries. Exposed assessment entrepreneurial-minded managers in transition and developing countries must be taken into account, particularly in the establishment of sales, capital, and collaborative relationships with partners from the developed countries.

Keywords: - social environment, management, entrepreneurship.

I. INTRODUCTION- RELATIONSHIP BETWEEN ENVIRONMENT AND ENTREPRENEURSHIP

Starting from the fact that each market represent dependency variable in relation to the requirements and development of a specific social environment, which, in turn applies to the relationship between market and entrepreneurship. This relationship stems from the fact that position and the functioning of the market determines the social system to which it belongs. In this context, relative to the market, entrepreneurship has the character of the dependent variable - which in turn means that its operations and development determines the specific community.

For these reasons, our and every other entrepreneur should know the general relationship between entrepreneurship and social environment, because social environment their legislation and their needs for products and services decisive effect on the establishment and operation of businesses. Accordingly, in view of our increasingly intensive international exchange of goods and services, our entrepreneur, basically, has to know the nature of this relationship, not only in our country but also abroad (Figure 1.).



Figure 1. Correlation between environment and entrepreneurship

II. INTERNATIONAL ENVIRONMENT AND ENTREPRENEURSHIP

According to the current characteristics of the international community as an environment in which entrepreneurship is achieved, it is usually divided into:

- developed,
- transitional,
- undeveloped.

Developed countries: has a leading role in the world established international economic and political relations. Its leadership position primarily generates through the exchange of goods and services with the transition and developing countries. Through this exchange, with a smaller share of work, developed countries their products/services with higher quality and level of processing basically share for the products/services of other countries whose quality and levels of processing significantly lower. In addition, using its scientific and technological advantages, developed countries and their business subjects are in a position to and otherwise enhance the non-equivalence of that exchange.

Complete this exchange is realized:

- directly,
- using regulations of International Organization for Standardization and the economy, and
- through action the so-called Multinational companies.

All this, in fact, cause and dictate applied scientific - technological advances in which are developed countries through time have gained a significant advantage.

That is why, under the influence of a highly developed science and technology enterprises in developed countries are faced with the rapid obsolescence of the equipment and the need of more intensive professional regulation of employees by technological transformations.

The profit function of a developed country in various ways (through the sale of commodities, capacity building, technology sales, joint ventures, etc..) more intensely penetrating transition and developing countries. Of course, it must take into account businesses managers in less developed countries, and in particular cooperation with partners from the developed countries, emphasizes and assess their comparative advantages.

The advantage of the developed countries are primarily reflected in the field of all kinds of businesses, within which one:

- provide a simplified procedure for the establishment of the company,
- starting many tax breaks,
- various possibilities of obtaining favorable loans
- rich supply of business ideas, etc.

Social environment for market development and entrepreneurship in transition countries is unfavorable. This from the fact that countries in transition, including our country, has a negative legacy from the perspective of a market economy, especially when it comes to:

- levels of applied technologies,
- construction of ownership,
- treatment of entrepreneurship.

They are now characterized by the reforms of economy and adequate organization of social relations - which accompany many difficulties, especially when it comes to the establishment of capital and technological relationships with entities of developed countries and the penetration of the world market. This situation is even worse in developing countries where efforts are made to reduce the techno-economic gap between them and developed countries.

III. DOMESTIC ENVIRONMENT AND ENTREPRENEURSHIP

The current environment of entrepreneurial activity in our country basically is complex. It is currently characterized by unfavorable legacy caused by the long duration of international economic sanctions, war devastation and like. In such circumstances, the stage reached in the economy is very difficult, primarily due to:

- unresolved ownership,
- narrow market,
- outdated technology,
- low level of utilization of available capacity,
- a substantial scale redundancies among employees,
- not directed entrepreneurial management.

This condition, by the initiated transition process (privatization of social capital, the creation of attractive conditions for the inflow of foreign capital, encouraging the establishment of small businesses, etc.), it is difficult to overcome.

In a goal for better inform current and potential entrepreneurs, we need to be exposed to the effect of local environment brought on key factors of potential and actual entrepreneurship. The structure of these factors are:

- prepare potential entrepreneurs,
- selection and testing business ideas,
- financial support of the founder,
- simplify business registration,
- start providing relief and
- professional help in managing core business.

Government assistance and specialized services in preparing entrepreneurs to start a business is now insufficient. They would be modeled on the part of the developed world, should include checking personal characteristics of persons interested for entrepreneurship and help supplement their expertise in this area. In our country, no state organizations or specialized services are not do it. Therefore, potential entrepreneurs, in effect, left to themselves, or their own subjective measurement of entrepreneurial traits and abilities. There no better situation in the field of education of potential entrepreneurs to conduct business. Therefore, the potential and current entrepreneurs use the necessary entrepreneurial skills that are acquired individually from scarce resources. Recently, local publishers are somewhat more accepting of publishing research papers about entrepreneurship, and we can see the emergence of organizing some seminars (especially for making a business plan).

Providing data banks on active business ideas for interested potential and current entrepreneurs, as an important way of promoting entrepreneurship in the developed world, also followed by the problems in our country. Them, the first consisting of:

- disorganization generating business ideas by State,
- lower availability of ideas to interested entrepreneurs,
- information scarcity held of ideas and similar.

Financial support for the founding of entrepreneurship is also a stimulating factor. Lead role in this country must have its own funds through the organization. They should support certain commercial financial institutions. However, in the domestic practice, due to the scarcity of accumulation, financial and operational support for the founding of entrepreneurship is practically negligible. This situation discourages entrepreneurs, which is why they often do not pursue implementing real viable business ideas.

Registration of new and existing companies usually is followed by a complicated and costly administrative procedures that take a long time and, as such, particularly discourage potential entrepreneurs. It is true, that some entrepreneurs are helping professional services (lawyers offices, etc.), but they are not able to quickly and efficiently overcome a multitude of obstacles to the registration administrative authority (commercial courts and administrative authorities).

Starting tax and other relief start-up companies represent a current international trend, which takes into consideration the lack of domestic legislation. On the contrary, international experiences suggest that the first two or three years are critical for the survival of the business of the new company. Therefore, our legislators to start-up companies in the early years should waive not only income tax, but also many other fiscal duties (sales tax, inventory tax, personal income, customs duties, etc.).

External expert guidance of established firms is also an important factor in their survival and successful development. That help, logically, should provide specialized services to assist the professional development and consulting. Professional assistance for registration and accounting, and consulting services for marketing advisory, financial consulting, and so on. Exposed condition represented factors of our environment through which it affects the enterprise as a whole can be described as very delicate. Such a situation exists in other countries in transition.

IV. PARAMETERS OF MANAGING ENTREPRENEURSHIP

4.1. Necessity of managing entrepreneurship

Each market subject has its own mission and goals. The realization of these sets is the need to manage the market subject. More specifically, for economic subject is required adequate management (union of board and directors that makes the so-called synergy administration), whose mission is to whith their competence, authority and acting achieve key interests of that entity. These interests and objectives of the enterprise market, in the final showdown comes down to maximizing profit in the long run.

4.2. The essence and the definition of managing

The function of entrepreneurial business management (or managerial functions) has the main task to lead and motivate employees so that they more effectively implemented major objectives of the subject. In this function, modern management is based on the structuring the appropriate authority in decision-making and managerial control in a dominant position which now occupy the decentralized decision-making model. Effects of management in the enterprise business is continuously exercised in internal and external conflict of interest. In doing so, it inters internal management striving to maximize profits, which also interferes with the interests of customers to products and services that pay less. This problem is most efficiently solved with modern management training and changing their products, as a rule, with regard to new investments. Because managerial subjects may not unilaterally rigid and insist only on profits, but also the survival of the enterprise.

Current literature operates various definitions of management in the enterprise business. Among them is probably the most appropriate one according to which management is defined as the input to achieve business goals (and other entrepreneurs) through other concerned parties. In this sense, management activates factors involved (people and funds) to the realization of the final goals of the company. He, in this sense, determines the internal organization of firms that activates and coordinates the adoption of certain business decisions.

4.3. Management organs

Due to their greater efficiency, the management of the enterprise is articulated on two complementary functions: administrative, and managerial. Administrative office first implemented business owners and managers engaged exercise leadership (managers). Accordingly, the current legislative and practical experience have led to the management function assembly achieves its owner with the help of an administrative body (board of directors). Governing authority makes the company manager (director), who is assisted by a smaller or larger number of lower managers as his associates. In this context, as already noted, the unity of board of directors and management is called - basically corresponds to the management of the firm. The following diagram (Figure 2.) shows the management organs of firms with more equity.

When it is word about assembly of owner, it consists of a number of selected representatives of the owner. In the case of a small number of owners (eg. up to 30) our legislation allows that they are all members of the assembly. However, if the number is even decreases (eg. up to 10), the assembly fails to elect its executive and supervisory board itself already assumes this function.

The company's assembly, the supreme body of mostly indirect management, performs most massive control activities, which include in particular: making and changing the statute, the determination of business policy, the adoption of the report on operations, scheduling and covering the losses of profit, changing the structure of the initial capital, the choice of the management and supervisory bodies and so on.

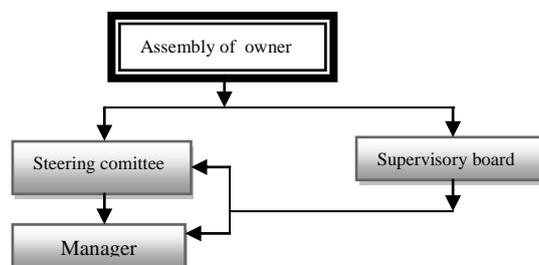


Figure 2. Management of economic subjects (medium enterprises)

The Steering Committee is the executive body of the assembly, and he is primarily responsible for: preparation of parliamentary decisions, election and removal of directors, the adoption of certain laws, business connections and significant contracting, authorizing larger entrepreneurial activities associated with investments and others.

The supervisory board is responsible for the legality of the company, executing parliamentary decisions, review of accounting and others.

Director, as an authorized person for the continuous management of the companies in a particular mandate, exercised virtually all business decisions of the assembly and its agencies, and concerned about the legality of the company.

Its main tasks are reduced to:

- presentation of the company,
- implementation of decisions of the assembly and the board of directors,
- organization and control of the process,
- adoption of systematization,
- receipt and firing workers, and so on.

Depending on the size and complexity of specifically company, it is part of their powers and responsibilities can be transferred to a number of his associates (lower managers). For his work, the director is directly responsible to the board of directors, a indirectly to company assembly.

All these comparisons are valid within the original management for large businesses with a large number of structure owners. However, with a reduction in the number of owner management organs are necessarily reduced, and there are two cases.

In the first case, where the number of owners ranging from 2 to 10, the function of management immediately realized the assembly of all owners, except that it influence the decision-making depends on the property rights of individuals. In such a small number of owners, the assembly from among its members or from the environment directly elected directors, which work direct and control.

The second case, in which the owner of the company appears as one person, applied management can be integrated or differentiated form.

Integrated management form where owner operates and manages the company, which he, as an individual performing the functions of all differentiated organs of managing and operating. This function is very direct and the person who implemented requires certain traits and general knowledge.

Differentiated managerial function represents a situation in which a singular owner of reserves management function, and the function of leadership is entrusted professional managers.

4.4. Managing approaches

Entrepreneurial business management characterized by a certain process that lead and directed by the managerial organs. In practice, there are basically two approaches to managing entrepreneurship, namely: individual and team.

Individual approach to management was referred to a case in which singular owner as an individual performs all managerial jobs (entrepreneurial and executive). This approach is present in smaller companies (enterprises and shops), which leads to their full or majority ownership. This approach is also called the venture, a company in which it happens to be classified in entrepreneurship. However, such a classification is wrong, because it implies that larger company to which the team manage did not entrepreneurial-minded - which is certainly false. Entrepreneurial function in this management approach, as previously discussed, done by the owner - manager as an independent contractor.

Team approach to the management of entrepreneurial business makes the situation in which they are differentiated managerial jobs in management and leadership (management). It is mainly used in large companies with numerous owners. Of course, here it should be noted that by mistake the management of such companies are called, from which it can draw incorrect view that the market conditions there are companies that have no manager.

The following diagram (Figure 3.) shows an entrepreneurial approach to business.

During the growth of economic subject, especially when he goes from small to mid-sized firms, implicitly there is a need replacing individual with team management. It makes that moment in which a singular manager begins to lose control of established businesses and is available initially has the following options.

- to stop the further growth of the company, allowing it to retain full control over its operations,
- to continue with individual performance of management, regardless of the increasing difficulty in controlling and directing the development of a growing company,
- to sell the company, thus avoiding the problem independently solve in its upward trend, or
- to involves in business professional manager, retaining for itself the function of management.

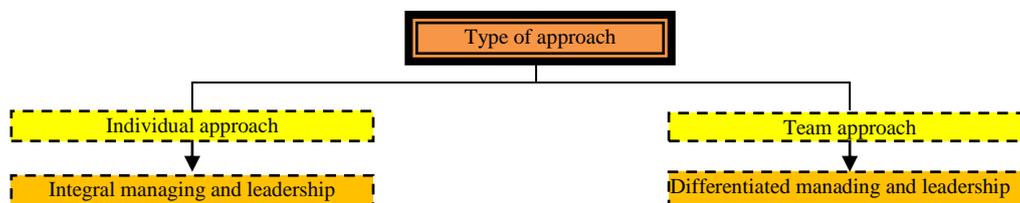


Figure 3. Team approach to the management of small or medium-sized enterprise

Among the exhibited options the least favorable option is the one where a singular owner and manager of continuing with the same approach to the management company, even though it grew from a small to mid-sized companies category. In fact, in this situation, the owner, as a singular controller and manager, inertia continues to control and direct all processes in the company. However, due to the fact that the scope of these processes is rapidly growing individual power to control them, became more and more frequent failures in

management and applied to an implicit fall of business firms results. This often happens in the so-called family businesses in which the singular owner, together with adequately allocated their families in the inner company insists on maintaining its leadership position in the company, no matter what time it is in a very enlarged.

Successful resolution of the problem through the separation of managerial control functions in the small becoming middle business depends first of owner's awareness of the situation and his willingness to new circumstances its previous full authority and responsibility share with professional managers. Only the separation of a single management control and managerial functions most owners accept with great effort, and that's why in practice very often is case with a singular continuation of running the company, which results in the weakening of the applied quality management and the consequent decline of business results of the company.

4.5. Management areas

Since the division is made earlier, to areas of action for management in the enterprise business includes:

- creating business management and
- exercise management business.

As already author finds, the first area relates to the choice of a particular business idea and consequently the establishment of an adequate business, while in others they are monitoring and directing the implementation of a specific business. Of course, both of these areas, as complementary, should be adequate to cover the entrepreneurial-oriented management. Comparatively speaking, the two areas differ in particular by: job content, the schedule of implementation, duration and implementers.

From the standpoint of content of management jobs, areas of creating business is characterized by making decisions about:

- market research,
- selection of the best business ideas,
- development and acceptance of the business plan,
- providing conditions for the realization of the planned business.

The resultant managerial tasks makes organizing and controlling the implementation of the above managing activities.

On the other hand, works in the field of business content managerial activities primarily comes down to control, evaluation and correction of internal and external factors and established business processes.

According to the order of realization of entrepreneurial business is first created and then realizes business. However, the implementation itself is an area in which entrepreneurial minded management constantly strives, through certain internal creation, streamline and improve business constitutive factors. This applies in particular to: applied marketing, an established technology and organization structure of the engaged employees and similar. So we can say that at the beginning of a new business management of the company made its first creation in general, and then continually strives to improve its established businesses through partial creation.

In terms of the duration of the observed field, it should be noted that the creation of a business usually much shorter than the duration of its achievement. The only business in the creation of practices ends usually within a few days or months, while achieving the established business can practically take an indefinite period of time (from one year to several decades).

Finally, in terms of managerial activities carriers, it should be noted that in the business of creating and collaborating extensively involved the management organs. Beyond that, in the exercise of business, management works continuously, while the management functions expressed through periodic activities.

4.6. Cyclicity of entrepreneurial business

Cyclical control of entrepreneurial business comes from a cyclicity his leadership and life. In terms of management, it was stated that any business created first and then realized. On the other hand, its duration is always temporary, and it is directly related to the so-called life cycle of selected products/services. Hence the conclusion at which the duration and conduct of the cyclic of entrepreneurial business, and therefore its management must also take the form of cyclicity.

When it comes to the life cycle of entrepreneurial business should note that products must be offered to the market as a brand new or already won. In this respect, the very first new product increases, then stagnation, and falling sales.

In doing so, the management of the company should continuously monitor the market and to adapt to its changes. It is particularly delicate issue of placement of new products or services, where the first phase of their sales must make specific marketing efforts. In addition, the board of directors, is the imperative to constantly worry about adjusting the selling prices of their products/services to market conditions and the timely abandonment of these products/services that are in demand and decreasing prices which are significantly closer

playback selling prices. Market-worn cycle of a particular business replace with a new cycle with modified products/services, which confirms the general cyclicity of entrepreneurial business.

Cycle management of entrepreneurial business, according to an earlier division, includes the creation and implementation of a specific business. Creating may be further divided on the design and planning of business, while achieving articulate to articulate and valuation of business. These four cyclic and complementary phases in conducting business are also subject to the management of entrepreneurial business throughout his life - ie. from the moment of its conception to the moment of his leaving. Cycle management scheme entrepreneurial business appearance (Figure 4.):

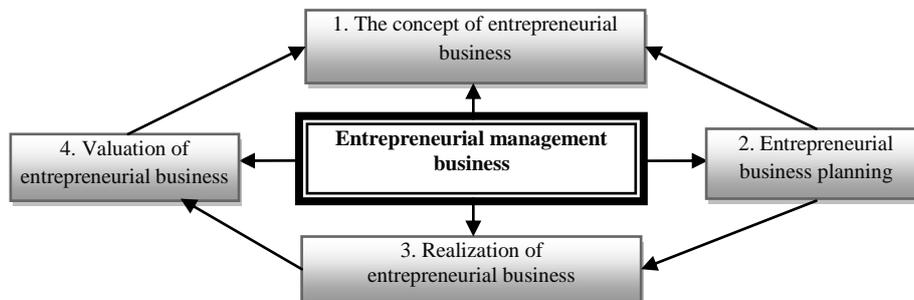


Figure 4. Scheme of entrepreneurial business

The exposed phase structure of conduction of each entrepreneurial business in profitable implementation period is a matter dealt with in a particular market management entity, and hence the total further consideration be directed to the processing of each of these phases - which practically covers the whole field of modern entrepreneurial business. Such a process approach to the study of entrepreneurship has been chosen because it most efficiently reflects systematism of this area and in this way they overcome weaknesses and fragmentary mosaic observations of entrepreneurship of which "suffers" big part of the entrepreneurship literature available today. At the same time, considering the cycle of entrepreneurship through his guidance, implicitly gets all the answers about the life cycle of concrete entrepreneurial business - which leads to the conclusion that comparative quality management cycle directly affects to the duration of entrepreneurial business.

V. CONCLUSION

Started transitions in the former socialist countries towards market economy and the construction of adequate regulation of social relations is certainly exhausting and difficult, but it is our transition process is further burdened by the consequences of sanctions and war. In this sense, the initial shortage of capital, entrepreneurs need to put emphasis on its business education and selection of appropriate business idea that suits their finances, rather than expect them very insecure foreign capital conveniently and automatically resolve personal and family living. Our entrepreneurs are, therefore, must first turn activates its own resources (personal and material), which states its regulatory measures to facilitate and encourage.

In its essence, the necessity of entrepreneurial business management, which comes down to the actions of management, stems from the fact that each market subject is a complex organization of the material and subjective factors that can easily lead to achieving a particular goal. These factors are heterogeneous in nature, with the task of management is to bring them the purpose of achieving certain socially useful production or delivery of needed services whose effects valorize particular market. Otherwise, if are engaged manufacturing/service factors not through co-ordinated management in relation to the ultimate goal of the undertaking, the effects would certainly be dysfunctional and ineffective. Therefore, the factors involved in the actual production/utility work should certainly be arranged in a suitable system of mutual relations and coordination, which can only be achieved through the establishment and operation of appropriate management.

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