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**THE ROLE OF STRATEGIC MANAGEMENT IN TRANSITION CONDITIONS**

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**Abstract:** One of the most significant socio-economic challenges at the beginning of the new millennium has been the transformation of post-socialist systems into systems that can meet the challenges of a predominantly capitalist world economy.

Multinational companies become directly involved in this transition process when acquiring in one of the former socialist economies, especially when engaging in local businesses. They are confronted with a particular institutional environment that pre-determines strategic opportunities for the enterprise and limits the application of Western firms business practices and organizational concepts. Thus, the strategies observed in transition countries are different from those applied in successful and developed economies, and strategies that prove successful in one country may be a complete failure in another. Corporate strategies in transition countries and other emerging markets can only be explained by including a specific institutional context in the analysis. This creates challenges that are fundamentally different from the experience of managers of developed countries and firms with foreign business partners. A particular challenge is the acquisition and subsequent integration of state-owned enterprises.

**Keywords:** strategic management, transition, transformation, enterprises

**1. INTRODUCTION**

In conditions of state ownership of the means of production, the role of management is reduced to the protection of higher interests, to the organization of business activities, to control the work and reporting to the presumed: socio-political communities, and other organizations and bodies. The function of management is a body of government, representative of certain interests through which economic activities are managed and protects the general, ie. national interest.

In the conditions of social ownership of the means of production, the role of management is fluid and ranges between self-managing restrictions and state-mandated powers. The function of management does not have the place and role that is characteristic of the market economy and different types of ownership, which have arisen in the game of economic laws and market institutions and the conditions of autonomy and willingness of the company to take risk and responsibility for the decisions made.

In the conditions of enterprise transition, numerous parallel processes take place, which make it difficult to create effective management. This requires the following conditions:

- The rule of law, which fosters entrepreneurial skills and inclinations to invest and operate effectively.
- The rule of law, which by its measures and instruments defines the circumstances in which the obligations are fulfilled continuously and in accordance with the increase of the basis on which the system of settlement of the general, ie. common needs.
- Economic policy whose frameworks and contents correspond to free market activity, the choice of alternatives and business actions, based on the interest and logic of capital.
- A recognizable title of ownership, with a psycho-social structure based on high motivation, freedom to choose the way of working, investing and capitalizing on its synergy effects.
- Separate economics from politics and rational game rules that force businesses to act efficiently and effectively, within pure economic accounts.

Management in the face of system change takes on secondary characteristics such as:

1. The structure of the manager is heterogeneous because it grows in different organizational conditions (environment): Some are employed in social enterprises and others in mixed enterprises, private agencies, shops, savings banks and shops. Due to this fact, two basic tendencies are becoming more evident: towards partnership and rivalry.

The partnership is based on interest and mutual assistance and support, if and when required. It is particularly emphasized when it concerns the protection of certain economic interests and the pursuit of profit.

Rivalry manifests itself in different situations, for example, in finding ways to reach new sources of funds and in demonstrating the benefits of privatization and entrepreneurship.

2. Socialization is a hallmark of multiple meanings: it demonstrates altruism and concern for the working man, and the benefits of private initiative in strengthening the humane aspect of employees, their loyalty and trust. the unity .

3. Donatization, like socialization, has strong media support, through which a successful entrepreneur and his affinities with spiritual creativity and creators are popularized. Messages basically have a hidden marketing dimension and relate to possible delayed effects: in the future and in other cases.

4. Unification has a psycho-social, humane and cultural dimension. Typification of space equipment, clothing. Behaviors, security, etc., have special messages: they show affiliation, contribute to the image and its importance, strengthen status positions, show a certain power and strength of the firm (enterprise).

In conditions of transition of economy and enterprise, the role of management is to stimulate and intensify the process of ownership pluralization, adaptation of production programs to market needs, formation of smaller and flexible enterprises, rational investment of capital (and its movement), more efficient (more profitable) business, strengthening of elite leadership and creation positive pressure, climate and culture.

Management development (structure and role) encourages processes of change of ownership structure in many ways: the most important is the fact that the changed management and organization style emphasizes efficiency and profitability and the individual roles of the employed members. Private companies insist on efficient use of resources and individual responsibility and differentiation of roles and rewards for work: on entrepreneurship and creativity. Social, ie. state-owned enterprises have an organization with two balanced catalysts that are contingent on one another: egalitarianism and the other collectivism. They are so called. consistent organizational variables that imply equality in the distribution of profits and the responsibility of the group (collective) for the fate of the individual.

The experience of developed market countries proves that there is no business success if management is not capable and willing to constantly adapt its production program to customer requirements. The basic driving force behind the progress and maintenance of the company is the product, its satisfactory physical and functional characteristics. When choosing its strategies, management starts with the product and the opportunity to reach the most favorable market position. Hence, ongoing product program evaluations, innovations and modifications are made to varying degrees and for different purposes.

In the conditional transitions of the economy, management must accomplish two things: to preserve the production program and the assets and to restructure the production program, with the most often reduced investment opportunities. In maintaining the existing product program, they evaluate market prospects (sales opportunities) and potentials, to the extent that they serve future needs.

Successful management of enterprises in conditions of socio-economic transition implies the creation of smaller enterprises, which are more flexible in relation to market demands and opportunities occurring in the immediate environment. Smaller businesses are created in two ways:

- decomposition of larger enterprises and
- Forming new businesses.

The difficulties of large enterprises arise, inter alia, from sluggishness and the inability to maintain full employment and capacity utilization in crisis situations. They look for the output in the process of satellitising their structure, namely in the separation of products (and services) and the creation of satellites of organizational units, under a systematic contract for production, sale and payment. In this way they maintain production, reduce costs and avoid possible bankruptcy or bankruptcy.

The emergence of small businesses is needed because it leads to stronger competition, richer and more diverse offerings and lower prices. In smaller (and medium-sized) enterprises, management is more sensitive to market changes (and shocks), structural adjustments are faster, logistics and operational resource are higher. The implementation of strategic decisions is simpler and the control range absolutely shorter.

Large businesses have the authority of size and tradition, and small businesses the authority of personalities and leaders. Large enterprises have decentralization of responsibilities, and in smaller companies centralization. Hence, in small businesses, management has an almost unlimited responsibility, while in large companies this is not the case. For small businesses, there are no synergistic effects, or even synergistic losses, that can occur in different manufacturing centers by programs or products.

Management has a role to play in strengthening the innovative factors of work in the conditions of transition of the system, emphasizing the importance of profitability of the company, ie the company. By emphasizing profitability as the most important goal of an enterprise, as a reason for its work and existence, management actually seeks to create a system of work and behavior that is economically motivated and rational to the extent possible when it comes to an individual, employed member of the collective.

Modern management or the one trying to be it should meet four essential requirements:

1. be able to conceptualize the structure of behavior of its employees,
2. to explain the reasons and consequences of a particular situation,

3. To know symbolic values and to use them as a reference power in relation to associates and other members of the organization and
4. Successfully develop employee competition, thus promoting adequate promotion of individuals, creating opportunities for advancement, career and recognition.

## **2.THE ROLE OF MANAGERS IN TRANSITION CONDITIONS**

Despite the fact that managers are at different levels of the organization and that by nature things have different needs to decide, we can still say that each of them decides on something. True, they do not need the same knowledge, not the same abilities, the same emotional charge and scientific procedures, but they all have to follow a logical and logically based decision-making job, both for small and big decisions.

In the concept of scientific decision making, based on the rational behavior of people, we first begin with the needs or reasons for making certain decisions. Then, it is determined that. determines the decision criterion. Then priorities, weaknesses and limits are set for the given criteria. Subsequently, information and data are collected. Each alternative is then evaluated-evaluated against the criterion (s). And, finally, make the choice of the best alternative.

After all, it has already been said that management is both an art and a science.From an economic point of view, the definition of globalization implies the process of opening and liberalizing national financial markets, as well as their integration into the global capital market. However, nowadays, the term "international integration" of goods, technologies, labor and capital is more commonly referred to, so one can speak of globalization in a broader sense (Loncar, 2005: 62).

## **3.STRATEGIC MANAGEMENT OF SUSTAINABLE DEVELOPMENT**

Strategic management is the process of long-term planning and determining the direction of development of an organization. The essence of strategic management is to achieve a sustainable competitive advantage. The term "advantage" refers to greater competitiveness, ie. senior position of the organization as a result of the course of action the organization has taken. The term "competitive" refers to a position relative to a current or potential competitor. And finally, the term "sustain" means to maintain a competitive position over a long period of time. The notion of sustainable competitive advantage means, therefore, the prolonged benefit gained by developing and implementing a unique strategy, to which value is added and which is not simultaneously (or after its implementation) imitated by current or potential competitors.

Strategic planning occupies the most significant place in achieving the country's sustainable development. Understanding the principles underlying strategic planning and its implementation enables communities to improve the quality of life without compromising the environment in the process. Strategic planning provides an opportunity for society to define, through a participatory and interactive process, a vision for the future and the development goals that must be achieved to make that vision a reality. In a situation where significant deviations occur in the implementation of the strategy, either due to the wrong implementation of the adopted strategy or due to disturbances caused in the environment, it is necessary to re-do the appropriate analysis and review and adjust the strategy of the country or the company.

Global warming, the depletion of the ozone layer, the growing problem of drinking water shortages and the enormous growth of the world's population are just some of the characteristics of the global situation in the world that have contributed to humankind's thinking in a new and responsible way in a socially responsible way. Guided by this thinking, the concept of sustainable development has been developed which seeks to unite seemingly united entities: environmental protection, economic development and social development.

In an effort to create equal opportunities for present and future generations, states, local communities and organizations around the world have developed their own sustainable development strategies.

What management is concerned with is the setting, monitoring and control of sustainable development goals. The predefined objectives of sustainable development must be monitored in order to gain insight into the extent of their achievement and to take appropriate action accordingly.

As much as it seeks to address existing or potential problems and to take advantage of opportunities and opportunities to create a better future for its enterprise and therefore for the country and future generations, strategic management of the enterprise must distinguish between important and less important segments of sustainable development. The reason is limited resources and time do not allow simultaneous action in all fields .

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**4.CONCLUSION**

Knowledge that underpins economics and society is created by people who, through their education, are able to think creatively and critically, solve problems and cooperate with each other, and who will be able to create a new economy, a stable social system and sustainable development. The new economic system and the modern structure of economic factors mean educated, fast-learning people who are innovative and creative and who are changing their abilities in line with technological development and global development trends. Promote local management development for sustainable development by developing local strategic and development plans. what is generally accepted is that the EU membership completes the transition process but not the transformation. Transformation of social values, social system, institutional strengthening, legal system, and mentality is the most demanding transition.

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