

## SELECTED ELEMENTS OF THE STRATEGIC MANAGEMENT – A RECOMMENDATION FOR CREATING SYNERGY EFFECT

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**Abstract:** *Orthodox corporate governance is not currently effective. A number of enterprises are moving to dynamic management, with increasing emphasis on intra-company interaction, i.e.: intra-company co-operation itself. Management research should focus on these emerging synergic phenomena. Thus, by in synergy between the elements and their management. According to the research in the middle and large enterprises in Slovakia in the Žilinský region, there are a number of selected factors such as senior employee access, self-employment, motivation (including financial evaluation) and mutual cooperation for the very important elements that managers of these enterprises work with. The aim of the article is to present the output of this strategic management business survey and, in particular, to expand the discussion on the emerging strategic concept of managing existing businesses.*

**Keywords:** *strategy management, management, change, cooperation, synergy*

**JEL Classification:** *M14, M20; P47*

### 1. THE CONCEPT OF STRATEGIC MANAGEMENT

Strategic management has undergone several developmental phases ranging from long-term planning, through strategic planning, through development of a strategic management system to the present development phase: strategic change-based management (adaptation to a complex and turbulent environment). [6]

In defining the strategy, it is necessary to take into account the two sides of the strategy: how the strategy was intended and how the strategy evolved. Forming a precise strategic framework in the current environment is risky just because of the turbulence and development of the internal and external environment of the enterprise, without creating a stable environment.

There is no other process in the organization than the creation of a strategy. Every strategy maker is built up in front of a huge amount of information in which he has no optimal process to follow. [5] The strategy consists of certain points, rules the manager chooses and applies in the management but some may prove useful and some not useful. [3]

Idenburg [3] discusses two approaches by Ansoff [1] and Mintzberg [5] in his article. Ansoff was focused on "precise strategic management" that points to directional activities. Mintzberg again claims that strategic management must be based on feedback and reflection, spontaneously arising during active management. Current information systems create an environment in which we can process a large amount of data [4]. From this point of view managerial activities are understood to be processes passing through different organizational units. Through the process, we understand the unified flow of activities to ensure the optimal final effect. [2]

Strategic management now also means managing change. However, it depends on the conditions of the environment and the businesses that are in it. Therefore, it is necessary to use the appropriate management style under different conditions. Obtaining a competitive advantage is

conditional on building, organizing and combining the exceptional abilities of the actors in the business. The efforts of a group of actors in an enterprise should be focused on addressing problem areas and exploiting the expected attractive opportunities.

The widely available literature as well as the lessons learned from the management study point to the statement: If an enterprise is managed, the company can achieve synergy effects. We can also identify an addendum to this statement, namely: If an enterprise can understand the concept of enterprise management, it can identify where the elements of management fail and vice versa. The research conducted in the framework of the review of the company's management elements, in the results section of this article, compels us with these claims.

### 2. RESULTS

On the basis of a detailed business management analysis of the content, basic management elements were selected, which should be implemented in the companies. In the following Table 1 we can see the elements of the research. These elements were summed up as part of a questions in sociological questionnaire. Questionnaires were distributed to enterprises that were not only willing to fill in the questionnaires but to conduct a structured interview on the subject of the research. In this discussion, we have become more familiar with the environment in which the control elements are applied or their application directly in practice.

**Selected Elements of the Strategic Management - A Recommendation for Creating Synergy Effect****Table 1** Selected elements of company management

INDICATION	SELECTED ELEMENTS OF COMPANY MANAGEMENT
A	Abnormal fulfillment of tasks and goals (higher value achieved)
B	Self-recognition and self-realization (work in an inspirational environment, career and personal development)
C	Working conditions / environment
D	Position of a senior employee towards employees
E	Providing feedback within business relationships and processes
F	Creating a positive enterprise atmosphere
G	Motivated employee (enterprise influences attitudes and behavior of employees by material and non-material means)
H	Employee's growing professional potential (application of skills and knowledge)
I	Financial evaluation
J	Mutual sharing of knowledge, experience and knowledge (business environment)
K	Equivalence of communication (not feeling overstretched and deaf in communication)
L	Delegated decision-making power (involvement in decision-making)
M	Individual interest in self-education (ability to learn)
N	Mutual cooperation (employee involvement)
O	Strengthening of internal linkages between staff / employees and managers

The following figure shows the combination of the results of individual questionnaire responses. We compared the importance (blue color) and the performance (orange color) of selected elements of corporate governance. Within the range that was chosen (1-5 points), there is a shift in performance and the importance of individual elements by up to 0.5 to 1 point. Therefore, there is a need to identify a significant potential in terms of improving corporate governance in the Zilina region. In discussions, we will get closer to individual results from the point of view of identified business management elements in view of the emergence of synergic effects.

### 3. CONCLUSION AND DISCUSSION

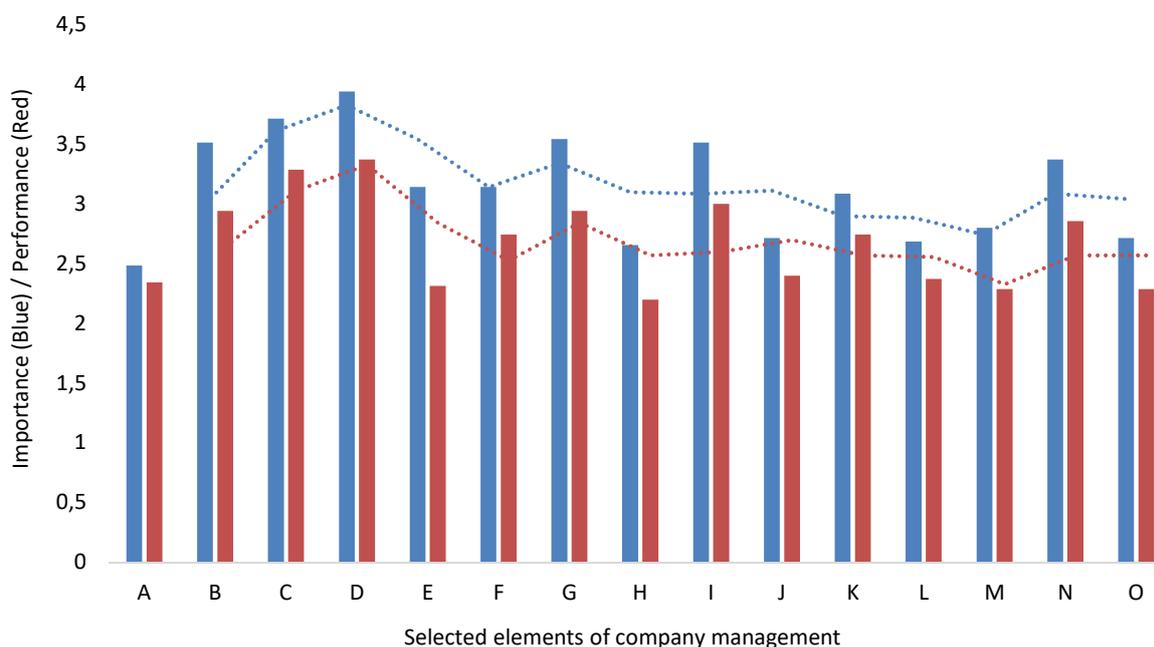
Previous research findings can be categorized into two areas:

- 1) High importance and 1 point difference from performance; and

- 2) Medium importance and 0.5 point difference in the performance of management elements in the enterprise.

The first group includes position of a senior employee towards employees, self-realization at work, work environment, motivation (including financial evaluation) and mutual co-operation in problem solving (in the columns marked B, C, D, G, I, N). The other group includes the other factors found in the previous table. In the interview with the business managers in question, we can identify several important management elements that point to their application (linking to previous results).

In the course of management, maintaining internal cooperation and creating synergic effects in enterprises, the company needs to fill the following elements. These elements need to be applied in the context of enterprise management, i.e.: internal actors management, separation and creation of the working environment.

**Figure 1** The results of the application of selected elements of company management

## Selected Elements of the Strategic Management - A Recommendation for Creating Synergy Effect

Regular and comprehensible communication. The process of interacting between individual elements (people, departments) in the enterprise. Most often through personal meetings, e-mail and telephone communications. Communication should be continually being developed and built to the highest level of efficiency.

Sharing information. Through open access to information, it is possible to share and transfer information inside the enterprise. People in the business can get to shared or jointly created information.

Mutual trust. The element of building solid internal relations. This element is dependent on the exchange of information and effective communication. The best way to build trust here is to adhere to established commitments, because if trust works in small things, the big ones come automatically.

Control processes. These processes are designed to ensure the performance of other processes, to control and evaluate them.

Synergy depends on the management of interactions in the enterprise, ie the appropriate combination of resources (financial, material), elements (people) and processes. Synergy is engaging in collaboration within a certain environment in which the environment changes. In each successful business, it is important to interact with the internal environment, so that together they can solve

problems and meet the goals of the enterprise. Active engagement in intra-company collaboration means greater prosperity for the enterprise as a whole. A good combination - synergy through management - will achieve far better results.

Business management tool is that it can provide long-term goals and objectives. Previous management elements, which relate to the ability to actively create inter-enterprise partnerships and a cooperative environment (a combination of intentions, resources and skills), can build synergy effects. A synergistic effect is a value or outcome, a state that can be expected or unexpected. We can see synergistic effects in the enterprise such as:

- Increase of target economic values
- Improving market competitiveness
- Creating a new common business culture
- Exchange of knowledge and experience (higher expertise)
- Strengthening internal business relationships (trust)

When applying higher performance in areas: Enhancement of inter-company linkages (N); interest in self-education (M); Assigned power (L); Equivalence of communication (K); Mutual sharing of knowledge, experience and knowledge (J); Feedback within enterprise (E); positive enterprise atmosphere (F). The company may expect an increase in synergies in their number and increase.

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