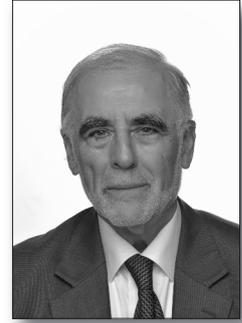


FROM THE PRESIDENT OF THE SLOVENIAN ACADEMY OF MANAGEMENT

RUDI ROZMAN

University of Ljubljana



Dear Reader,

We all agree on the importance of management for the success of enterprises and other organisations, as well as of the entire economy and society. Countries in the current crisis – Slovenia is one example – often talk about different measures of financial and similar policies that would, they hope, end the crisis and result in a healthy economic and social situation. Regardless of the soundness of these policies, which are mainly directed to savings and preventing the deterioration of the well-being of citizens, it is clear that they cannot succeed without their acceptance by enterprises, employees and, above all, managers.

The role of management and of corporate governance in Slovenian enterprises was the focus of a debate evening held by members of the Slovenian academy of management (SAM). The situation in management and corporate governance has been critically analysed and some possible solutions for the problems offered. The participants agreed that the present socioeconomic system in Slovenia does not offer a favourable environment for enterprises. However, this is often an excuse for poor management or at least that not much can be done to improve the achievements of the enterprises.

The introductory presentation on management focused on some steps of the human resources management process. The recruitment and selection of managers was the topic of the previous debate evening, which revealed a lack of educated and skilled managers, little use of known selection approaches and the still significant role of political affiliation.

More attention at the present debate has been paid to the evaluation of quality of managers. In the public, the opinion prevails that Slovenian managers are not particularly good. However, to avoid subject-

ivity in the evaluation of managers, we have to consider some rational criteria. Such criteria are the success of the managed enterprises (e.g. profitability, social responsibility) as we claim that it is the utmost responsibility of managers; the attainment of agreed goals set by corporate governance and accepted by managers; the knowledge and appropriate use of managerial functions; the traits of managers themselves; the relationship between organisational culture and managers' traits. Considering the poor results of Slovenian enterprises, a lack of setting and achieving high goals, a lack of knowledge of management by managers, etc., participants came to the conclusion that Slovenian managers have much to improve.

More discussion has focussed on the education and training of top managers. The situation following the introduction of Bologna process has been criticized. The discussion revealed that not the basic ideas of Bologna process but their implementation has failed and resulted in less efficient and useful education, which is the very opposite of the intentions behind it. The situation in management education is worse than before and represents a barrier to improvements efforts of management. Participants proposed two possible solutions: returning to the basic principles of Bologna reform, or accepting defeat and establishing a kind of specialization in management (as well as improving the orientation of doctoral studies) after five years (first and second level) basic university schooling.

Corporate governance has not been discussed in detail. Let us mention only some of the problems encountered: little basic understanding of corporate governance and its relationship to management; unclear distinction between governance and managerial decision-making; following only economic

principal-agency theory without any consideration of the organizational stewardship theory based on trust; unimportant and unclear role of other stakeholders (labour) except owners; problematic recruitment and selection of members of supervisory boards; their inability to supervise while simultaneously trying to direct the enterprises etc.

Participants believe that poor management and corporate governance in recent years are some of the most significant reasons for problems within the enterprises and other organisations. They also believe that crucial part of the exit from the crisis is the change and improvement of corporate governance and management. As the first step to improvement, they see a detailed, systematic and honest analysis of the present situation in corporate governance and management as well as in the neighbouring areas. They see that the solution not only lies in new economic policies but even more in the improvement of governance and management. In this, they also see the challenges for the academy, whose basic mission is to support the knowledge in corporate governance and management and their neighbouring areas.

Rudi Rozman
President of the Slovenian academy of management