

MANAGEMENT BUSINESS ACTIVITIES IN THE CORPORATE SECTOR IN MACEDONIA

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ABSTRACT

In modern economic operations, corporate governance is seen as a basic precondition for building a successful system for creating an attractive investment climate, characterized by competing companies and efficient financial markets. Good corporate governance is based on the principles of transparency, bias, efficiency, timeliness, completeness and accuracy of information at all levels of management. Companies with good corporate governance also provide easier access to capital markets. The private sector and the movement of financial capital influence the implementation of corporate governance and significantly influence the development of a corporate governance culture. It is very important to distinguish between corporate governance and corporate governance.

Keywords: management, corporate governance, corporate management, accountability, transparency and business model.

Introduction

Corporate governance is a system that governs and controls companies. Corporate governance involves a set of relationships between the company's management, its board, shareholders, and other stakeholders.

Corporate governance also provides an organizational structure that determines the company's goals, and also determines how to achieve these goals, as well as tracking company performances. Good corporate governance should provide appropriate incentives to achieve goals that are in the interest of the company and shareholders and should facilitate effective monitoring, thus encouraging companies to efficiently use their resources. One of the key elements for improving economic efficiency is good corporate governance. Today, corporate governance is generally accepted as an essential prerequisite for the creation of an attractive investment environment, characterized by competitive companies and an efficient financial market. We note an

increasing number of empirical evidence showing that some fundamental aspects of good corporate governance play a key role in improving the performance of companies by facilitating the access of companies to the capital market, increasing investor confidence, respectively contributing to greater competitive companies. Good corporate governance is nowadays considered a basic precondition for the creation of an attractive investment climate, characterized by competitive-oriented companies and efficient financial markets.

1. Managerial business activities in the corporate sector in the Republic of Macedonia

Business model is a way of performing managerial business activities. For example, for a merchant, a business model can be procurement, exposing, marketing, selling, and again, but between these processes in the model there may be several different small processes. That is the difference between different businesses and precisely in those small processes, one business can be successful, and another one is unsuccessful.

Every business model has a managerial business idea as the basis regarding the business idea in the head, there are different ways of doing that business idea, combinations, permutations, variations, what is not, the success of our business model, and the success of some businesses will often be based on the success of the model of revenue.

If the revenue model works, it will generate enough revenue to cover all costs, but it will also provide enough profits to finance the future development of our business. It should be emphasized whether the products obtained through the billing model are branded. The answer is obtained through the following questions:

- Does your brand matter to consumers?
- Does your brand have an impact on the overall market?
- What is unique about your brand?

By analyzing all the factors, one can get a strategy and positioning the brand separately.¹ It is important to remember that creating a good offer is a great asset for

¹ Business Model Generation, A. Osterwalder, Yves Pigneur, Alan Smith, and 470 practitioners from 45 countries, self published, 2010. p. 41

the business model. In other words, creating a product or service for which buyers have a need, desire and would buy it. However, everything depends on the choice of the right market for the promotion of differentiated products by defining the unique value of the product, price and brand.

Picture no. 2 A winning brand through a business model



Source: Audretsch David B., Falck Oliver, Heblich Stephan, Lederer Adam, Handbook of Research on Innovation and Entrepreneurship, DIW Berlin Germany, 2011, p. 98.

It is important to remember that creating a good offer is a great asset for the business model. In other words, creating a product or service for which buyers have a need, desire and would buy it. However, everything depends on the choice of the right market for the promotion of differentiated products by defining the unique value of the product, price and brand. However, James D. Wolfish presents perhaps the shortest definition of corporate governance when he says: "Corporate governance means promoting fair relations, transparency and accountability" According to professors Andrew Schaeffer Robert W. Cherries: "Corporate governance refers to the ways in which corporate financiers are ensuring that investment returns. According to Professor Henrik Mathesen, corporate governance is an area of the economy that explores the ways in which, through the application of incentive mechanisms, such as agreements, organizational design and regulation, provides efficient corporate governance. It often times is limited to the issue of improving financial performance, for example, corporate owners can motivate corporate managers to provide competitive advantage." According to Sir Adrian Cadbury, corporate governance is aimed at maintaining a balance between economic and social goals and between the goals of the individual and objectives of community. The corporate governance

framework should encourage the efficient use of resources while simultaneously insisting on responsibility by those who manage resources. The goal is for the interests of individuals, corporations and society to get closer. "While Professor Simon Dickin: corporate governance marks the way companies manage and control. Good governance is a necessary ingredient of corporate success and a sustainable economic outcome. Management research should rely on interdisciplinary analysis, primarily economics and law, to a good knowledge of contemporary business practice stemming from profound empirical studies in national frameworks.

2. X squared a test to calculate business models

Table 1: Processing of economic effects from business models

f1	f0	f1-f0	(f1-f0) ²	(f1-f0) ² /f0
15	35	-20	279	18,371
115	99	16	2798	2,891
33	13	20	379	41,537
18	36	-19	372	10,216
4	8	-4	8	1,515
22	16	6	12	0,238
				$\chi^2 = 74.768$

How economic effects of using business models are:

- Greater motivation to conquer foreign markets
- Greater competitiveness of products and services
- Increase in exports
- Higher salaries
- Increased managerial ratings and strategies for the action of targeted sectors
- Standardized quality of molds and products
- Strengthening the innovative energy and creativity of managers
- strengthening of the growth of innovations

From the research results we get information showing that the x square test where the value obtained after the X2 test is 74,768, which is greater than the table value X2 - 5,991, 2 degrees of freedom and a level of value of 0,05, which means that the statements of the managers, the employees and other persons in institutions coincide in large part with good economic effects from using business models and implementation in the practice of working for the effects in Macedonian enterprises.

Table 2. Response with the intensities of the Inquiry Questionnaire

NR	Questions from the questionnaire	YES		NE	
		f		f	
1.	To what extent is your resource planning and resource allocation applied in your enterprise?	89	48	17	56
2	How many companies in the Republic of Macedonia use foreign business models?	78	29	19	25
3	How much are the innovations in the enterprises in which you work?	68	41	24	13
4	Do you use business creative work processes?	77	44	18	18
5	How much is your manager a leader?	87	36	18	29
5	To what extent do you use managerial strategies?	56	34	36	31
6	Do you implement managerial competencies?	69	45	47	19
7.	How much do you refer to managerial and entrepreneurial strategic focus?	62	46	35	24
8.	Do you have a positive experience of using business concepts?	63	39	27	17
9.	Do you apply a measurement of the economic effects of performance in your enterprises?	90	54	19	34
10.	How well have you been trained in implementing, using and applying foreign business models?	69	54	32	31

The effects of business models are being applied in the Macedonian economy, leading to more competitive enterprises in the national business in global dimensions. The strongest responses are to managers and this shows that you are more competent and more competitive in implementing business models in our companies. The planning of the resale potential by the managers for development and application of business models is expressed with 98% participation by managers and 48% by the employees. The use of foreign business models for models in our enterprises is expressed with 78% by managers and 29% by employees. The innovations in the work of small, medium and large enterprises by managers are represented by 68% and by the employees with 41%. The use of business creative work processes is expressed by 77% of the management side and the employees take part with 44%. Managers' leadership skills are expressed by 87% and employees at 36%. The management of management strategies is expressed for management with 56% and for employees with 34%, as well as the use of managerial competences among managers with an intensity of 69% for employees 45%. Managerial strategic focus is used by 62% of managers and 42% by employees. The positive experience of using business models is expressed for managers with 63% and for employees with 39, as well as the economic effects achieved by managers from using business models by measuring performance are 90% and for employees 54%. Training for the implementation and implementation

of a strategic business model in the Macedonian environment is expressed by the managers with 69% and for the employees 54%.

Conclusion

One of the most significant features of companies with good corporate governance is their commitment to maintain a high degree of transparency that is demonstrated through continuous reporting on company situations. In corporate governance terminology, such transparency is known as disclosure of data and information for companies. Companies with good corporate governance adhere to specific reporting rules. This has particular significance for companies that are entering the capital market.

In order to make a decision on whether to invest in a company, investors want to be sure where they invest in order for them not to incur damages or losses. Standardized data disclosure and information systems for companies, along with standardized practices in the operation of companies in general, provide investors with confidence that the investment is carried out in conditions of minimized risk. The corporate governance structure specifies the allocation of rights and responsibilities among the various actors/members of the corporation, such as those on the board, managers, shareholders and other stakeholders, and describes in detail the rules and procedures for making corporate decisions. In this way, it provides the structure through which the objectives of the company are set, the means by which these goals are achieved and the manner of monitoring the performances.

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