

Requisitely holistic assessment of enterprises survival condition for coping with complex global environmental changes: the case of Slovenian enterprises

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Abstract: Presented research tries to explain to what extent the process of striving towards integration and requisitely holistic wholeness, captured within the models of integral management, is present in Slovenian enterprises. Enterprises' governance and management within the environment and in relations with the environment has been examined. In order to achieve the research goal we used acknowledge Kralj's method for determination the presence of four management developmental modes (named empirical, rational, cognitive and integrative management). The research results show that the presence of different modes of management varies regarding the enterprise size.

Keywords: management evolution, integral management, enterprise governance and management, Slovenian enterprises

1 Introduction

Today, enterprises are functioning and developing in complex and fast changing global environment. As more and more markets become global, the numbers of factors a company must consider in any decision become huge – more complex. Current predictions are that the environment for all organizations will become even more uncertain with every passing year [47]. Therefore, it is very important

that enterprisers keep track of (inter)national developments and position them for long-term competitive advantage.

Nowadays, the external environment of enterprises is also characterized by difficult economic conditions caused by (financial, economic, social, environmental, values, responsibility, etc.) crises 2008-. The recent crisis will survive “the best prepared” enterprises: creative, able to learn, innovate, and prepare to change itself many-sides if necessary [43, 44, 28, 30]. Paul Laudicina, the president of the international consulting company A. T. Kearny exposed in the recent interview three very important characteristics such enterprises possess [46]. First, they use planning processes which help them to understand the changes in business environment. Second, these companies are capable and ready to take risks, and to do this quickly. Third, these are companies which take seriously the managing of their cash flow and profit so that they are able to invest when they identify the opportunity. These characteristics indicate the importance of the mode(s) of governing and managing of enterprisers. The innovation of planning and management criteria must be oriented toward greater social responsibility and requisite holism [26, 27]. A new benefit for the current and coming generations should be provided through innovations (see [28]). Our economies need radical changes to get out of the current 2008- (value) crisis, also through the governance and management process innovation (see [43]) and requisitely holistic ethics planning as pre-condition for enterprise ethical behavior [5]. About needfulness of the responsible enterprise governance and management (process innovation) read [42, 43, 45].

The goal of the presented research is to find out to what extent the process of striving towards integration and requisitely holistic wholeness of enterprise governance and management (captured within the models of integral management) within the environment and in enterprises' relations with the environment is present in Slovenian enterprises. In order to achieve this goal the acknowledge Kralj's method for examining the presence of four developmental modes of management (named empirical, rational, cognitive and integrative management) was applied [18, 19, 20]. The method is originally entitled “The method for reviewing the enterprise policy” and is based on the model of integral management developed by Kralj.

We divided our paper into four chapters. Following the introductory chapter, the second chapter briefly discusses the evolutionary stages of management as well as some models of integral management. In the third chapter, the research goals, methodology, sampling and data collection within the empirical part of research are presented, as well as research results are discussed. The last chapter outlines the most significant conclusions for enterprises survival condition for coping with complex global environmental changes and suggests direction for future research.

2 Theoretical backgrounds

Management has been presented differently from the evolutionary perspective in the scientific and professional (business) literature. Early stages of the management evolution are very often described as budgeting, controlling and long-range planning. In later stages progress was made toward development of business strategic planning, corporate strategic planning and strategic management [15, 2, 48, 49]. Theoretical approaches to schools of thought in strategic management from the integrated strategic management perspective briefly explained Criado, Galván-Sánchez and Suárez-Ortega [8], for brief introductions to schools of strategic thought see for example [14], [41] and [23]. In the last two decades we can observe substantive progress toward the development of integral management. Among those management researchers, who foresaw such evolution of management, was also Slovenian researcher Janko Kralj. He described four major stages in the evolution of management as empirical, rational, cognitive and integrative management [18, 19, 20, 21]. The empirical management is oriented toward present situation (from hand to mouth) by autocratic decision-making of an individual who based decisions on intuition. The rational management considers skill (routine, taylorism, exceptions) and is characterized by group decision-making where decisions are based on exceptions. The cognitive management is oriented toward knowledge and considers participative decision-making of enterprises stakeholders. The participative decision-making has to be understood in such a way that the responsible person makes the final decision and takes the responsibility for it. The integrative management is higher developmental level of cognitive management taking into account the growing complexity of changing conditions as well as changes in science as a whole, consciously searching for multiple objectives.

Among many world-wide acknowledged models of integral management are the ones developed by Bleicher [6], David [9], Hinterhuber [16], Kajzer, Duh and Belak [3, 17], and Wheelen and Hunger [48, 49] to mention some. Among comprehensive models of integral management is well known the St. Gallen Management Model. The story of this model began with the foundation of the Institute of Management at the Hochschule St. Gallen – HSG in the year 1954 by Hans Ulrich. He was convinced of the necessity of a strong theory of an enterprise and of its complex embedding in multitude of environmental spheres. The first version of the “St. Gallen Management Model” he published in the year 1972 together with Walter Krieg in a book with the same title. From the year 1984 to 1994 the institute was headed by Knut Bleicher. During this period, the overall idea of an integrated management approach was shaped towards a framework captioned “St. Gallen Management Concept”. By emphasizing distinct phases of corporate development, it especially focused on evolutionary conditions of management. This framework picks up three management levels highlighted by Hans Ulrich and combines them with what is often regarded as the specific “St.

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Gallen” demands of successful management: the harmonization of strategic programs, structure, and culture to a common chord. In the year 1998 the University of St. Gallen initiated a comprehensive project to renew the St. Gallen Management Model. In the year 2002 these efforts led to the new HSG approach to integrated management. With this, the acknowledged St. Gallen concept of an enterprise and of the accompanying management challenges went into its third generation [38, 40].

In Slovenia, one of the earliest and still contemporary/up-to-date/of general application models of integral management is the one developed by researcher and teaching professor Janko Kralj; this model we use in our research. Kralj introduces his idea and results of his research work about the policy-making of an enterprise in his book *Politics and policy of an enterprise in a market economy* [18]. This book is the result of 30 years of his research and of the plotting the creative concept of the organizational policy. His basic idea is presented in Figure 1. The organizational policy or enterprise's policy is understood there in a creative sense and the expression "organizational policy" (business policy, enterprise's policy, corporate policy etc.) should not be mistaken for the "policy or policies" as they are usually used in literature in the sense of a general guide to action or procedures and rules.

In author's integral management model [18] the political or interest behavior of the stakeholders and the enterprise's philosophy are powerful factors of enterprise's policy-making. The enterprise's policy is expressed in the model through conceptions, purposes, mission and objectives in the dynamic dimensions of the basic, developmental and current policy which represents the possibilities of the enterprise. The ability to make the most of them depends on the creative directing towards the objectives and goals set: the key areas of the policy, guidance ("policies"), strategic decision-making (including powerful tools of strategies) and on the keeping of a congruent structure all the time.

POLITICS OF AN ENTERPRISE • factors of policy	POLICY OF AN ENTERPRISE • basic components of policy				
<p>INTEREST INTERWOVEN (POLITICAL) BEHAVIOUR OF ENTERPRISES STAKEHOLDERS</p> <ul style="list-style-type: none"> • Interests of the owners and directors. • Interests of the employees. • Interests of the market stakeholders. • Interests of public fin.,soc. infrastructure. • Interests of the management. • Interests of the enterprise itself. • Interests of the public. • Interests of the state. • Interactive influencing and responding. <div style="text-align: center; border: 1px solid black; width: fit-content; margin: 0 auto;"> <table border="1"> <tr><td>INFLUENCES</td></tr> <tr><td>STARTING POINTS</td></tr> </table> </div> <p>ENTERPRISE'S PHILOSOPHY AND SUBCULTURES</p> <ul style="list-style-type: none"> • Subcultures and views (general opinion) of the stakeholders influenced by the environment -beliefs, views of life, values: parliamentary democracy, multiplicity of diversity, human rights, legal state, civil society, market economy etc. • Beliefs of the enterprise: opinion about the enterprise, accepted values, standpoints toward people and knowledge, basic concept about operations. • Standpoints of the enterprise's stakeholders: willingness to cooperate, commitment to the enterprise and endeavour to implement them. 	INFLUENCES	STARTING POINTS	<p>CONCEPTIONS, MISSIONS, PURPOSES AND OBJECTIVES OF THE ENTERPRISE, ITS PARTS AND BUSINESSES</p> <ul style="list-style-type: none"> • Basic policy: central conception, mission and purposes. • Developmental policy: course of the development (orientation) and developmental basic objectives. • Current policy: current direction and current basic objectives. <div style="text-align: center; border: 1px solid black; width: fit-content; margin: 0 auto;"> <table border="1"> <tr><td>POSSIBILITIES</td></tr> <tr><td>ABILITIES</td></tr> </table> </div> <p>CREATIVE DIRECTING TOWARDS OBJECTIVES OF THE ENTERPRISE</p> <ul style="list-style-type: none"> • Key areas of enterprise's policy. • Guidances (policies) and rules of objectives oriented conduct. • Strategic decision-making (strategies). • Congruent structures. 	POSSIBILITIES	ABILITIES
INFLUENCES					
STARTING POINTS					
POSSIBILITIES					
ABILITIES					
<p>EXECUTING THE ENTERPRISE'S POLICY</p> <ul style="list-style-type: none"> • Programmed direction in execution of the policy of an enterprise, parts and businesses and implementation of basic objectives, planned and other goals and tasks, by the interwoven activities of COMPI (informing, planning, motivating, organizing, co-ordinating and controlling) and operational decision-making. • Executing and implementing. 					

Figure 1

General model of managing the enterprise's policy [18]

The described Kralj's model is not the only acknowledge model of integral management developed in Slovenia. Encouraged by the development of integral management models, a group of researchers from Slovenia took the initiative for developing the "MER Model of Integral Management" ("MER Model"¹) which

¹ MER is acronym: M – Management, E – Entwicklung (in German) → Development, R – razvoj (in Slovene) → Development

takes into consideration special transition conditions. Since that initiative the MER Model has been growing out for several years from research cooperation of universities and other research institutions from different (mainly European) countries. Scientific doctrines of different universities have the major influence on the development of the MER Model. The process of intensive study and harmonization in striving towards a joint model has been carrying out for almost twenty years: from the first researches in the year 1992 and first publications in the year 1993 and 1994 [1, 4], until the presentation in the Slovenian book “Integralni management in razvoj podjetja (Integral Management and Development of an Enterprise)” published in the year 2003 [3], and journal contributions in 2008 (e.g., [17]). The concept and basic features of the MER Model are presented in Figure 2.

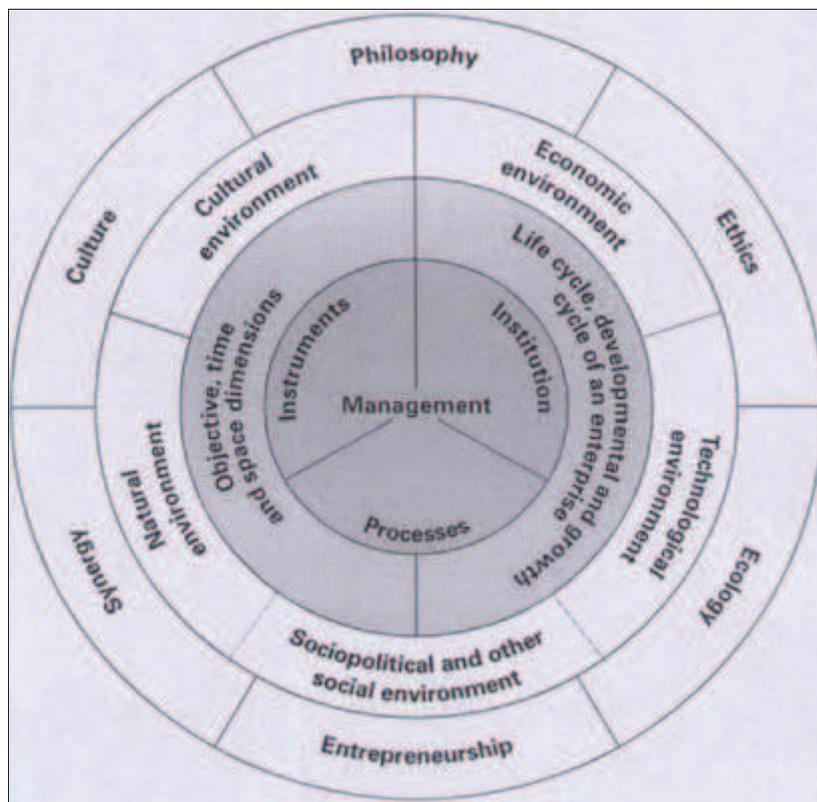


Figure 2

The MER model of integral management [17]

The MER Model is based on integration of all factors from an enterprise and its environment (Figure 2). Management processes, instruments and institutions are horizontally and vertically integrated in consistent functioning wholeness. Process,

instrumental and institutional integration of management is at the same time the fundamental condition for bringing into force all other integration factors. An enterprise, understood as a narrow environment in which (and for which) the management is active, integrates “its own” management with the characteristics of “its own” reality (activity, processes, resources, organization and structures) in certain place at certain time. This integration takes place in an enterprise which can be in different phases of life, growth and developmental cycle. Integration of management with philosophy, culture, ethics, entrepreneurship, synergy and ecology should not be isolated only to certain part of an enterprises and/or its environment. This integration of management with an enterprise (as a narrow environment) and enterprise’s environment (as a broader environment) should be carried out regarding all previous listed factors (philosophy, culture, ethics, entrepreneurship, synergy and ecology), all environmental spheres (economic, cultural, natural, technological, political and social environment), and places (market, operational and cognitive) of an enterprise. Results of empirical researches indicate that the MER Model is universal enough and enables adaptation for use in different enterprises (see [2], [17]). The MER Model has been developed for almost 20 years from many researchers (mostly from Europe), and it also incorporates many Kralj’s cognitions. On this way researchers (and praxis) still give recognition also to Kralj’s model and his actuality. This gives us one more reason to use in our research the methodology based on Kralj’s model.

3 Research

3.1 Research purpose, goals and methodology

The models of integral management help to understand management problems in a structured way without losing sight for coherence. They are a picture of how an enterprise performs and are therefore also the most useful frameworks for research and education (see [40]). Different models of integral management represent the latest evolutionary stage of management. The goal of the research presented in this paper is to explore to what extent this process of striving towards integration and requisitely holistic wholeness (captured within the models) of governance and management of an enterprise is present in the praxis. In order to achieve this research goal we used the Kralj’s [18, 19, 20] method for examining the presence of four developmental modes² of management (empirical, rational, cognitive and

² Sometimes described by the author as the different evolutionary models. However, in the context of this research the term »mode« described better the difference in governance and management practice.

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integrative management). The method is originally entitled “The method for reviewing the enterprise policy” and is based on the author’s model of integral management briefly introduced previous chapter.

In our research we used a case study research methodology. As proposed by Yin [50] we used a multiple case study approach, where replication logic was possible. Since an enterprise can be at the same time in some views backward and in other advanced we designed our research based on the Kralj’s method that takes into consideration scientific perspective of the management evolution. The method may be summarized briefly in terms of the total 60 variables, which are divided into five subgroups covering five different dimensions of an enterprise:

- the environment (18 items),
- the enterprise as a system within this environment (12 items),
- the philosophy of the enterprise, the interest behavior and subcultures of the stakeholders (13 items),
- the basic components of policy (13 items) and
- the criteria for measuring the quality of policy (4 items) (Table 1).

For each of 60 variables, presented in Table 1, Kralj developed a list of their characteristics (for each developmental mode of management). These lists were used when examining enterprises included in the sample. For each variable (item) 100 points are allocated among four developmental modes of management: empirical, rational, cognitive and integrative. Nowadays one expects fewer points in the first two modes (empirical and rational) and more of them in the last two modes (cognitive and integrative). The averages (in points as well as in percentage) are compounded for the groups of variables and for the enterprise as a whole.

We are aware of the limitation of our research which is based on self-assessment. Self-assessments were the only possible alternative and unfortunately could not be questioned or tested by outsider’s evaluation. We are aware that opinions on the business can vary strongly according to the people offering them. When more people within the enterprise were interviewed, the wider view of each enterprise would be at our disposal.

Table 1
Variables for determination of four developmental modes of management [19]

THE ENVIRONMENT	THE ENTERPRISE AS A SYSTEM
(1) Natural conditions and ecology, (2) Influences of science and technology, (3) Societal order, (4) The economic policy of the State, (5) Situation of the international affairs, (6) Markets, (7) Finances, (8) Economical development, (9) Societal organizations of the production, (10) Buyers and clients, (11)	(19) General operating ability, (20) The size of the enterprise, (21) The place and the role of the division of work, (22) The structure of the business, (23) The outfit for business operations, (24) The phases in the development with respect to the societal effectiveness, (25) Financial ability, (26) Resources, (27) Organization of

Financiers, (12) Chambers of trade etc., (13) Trade unions, (14) Scientific organizations, (15) Relations toward societal infrastructure and public financing, (16) Degree of intervention of the State and Communities, (17) The influence of the political organizations, (18) Public opinion and standpoints toward it.	process and structure of the organization, (28) Informatization, (29) Human resources characteristics, (30) Abilities of managers and experts.
PHILOSOPHY OF THE ENTERPRISE, INTEREST BEHAVIOUR AND SUBCULTURES OF THE ENTERPRISE STAKEHOLDERS	BASIC COMPONENTS OF POLICY
(31) Views, (32) Influence of the hierarchy of needs on the values, (33) Freedom as a value, (34) Participation in decision making as a value, (35) Equality as a value, (36) Rationality as a value, (37) Progress and stability as a value, (38) Purposes as the express of interests, (9) Central conception, (49) Development idea from the aspect of mission, (41) Standpoints towards people, (42) Standpoints toward knowledge, (43) Key concepts of operations.	(44) Consciousness about policy, (45) Basic objectives and goals, (46) The technique of direction towards objectives, (47) Decision-making basis, (48) The mode of leading people, (49) Situation direction, (50) Strategic decision-making, (51) Congruence of structures with objectives and goals as well as the strategies, (52) Enterprise policy-makers, (53) Application of the management sciences for policy-making, (54) Expressing and communicating the policy, (55) Confirmation of the policy, (56) Managing the policy of the enterprise form the viewpoint of co-operation, or from the aspects of parent enterprise and controlled enterprises.
CRITERIA FOR MEASUREMENT OF THE ENTERPRISE POLICY QUALITY	
(57) Measuring the quality of business operations, (58) Enterprise-political criteria, (59) The criteria of success (effectiveness), (60) Key areas of policy.	

3.2 Sampling and data collection

For the purpose of this study, judgmental sampling was used, in which population elements were selected based on the expertise of the researchers. We believe that, by using such a procedure, the representative enterprises of the population were included. Data were collected through in-depth case studies, including face-to-face structured interviews with 50 managers of Slovenian enterprises. In many cases the respondents were also owners. The basis for conducting interviews was the already presented list of characteristics of 60 variables originally proposed within Kralj's method.

All examined enterprises were private ones with the following legal forms: 32 (64%) limited liability companies, 8 (16%) joint stock companies, 9 (18%) individual private entrepreneurs and 1 (2%) limited partnership.

Out of 50 enterprises, 15 (30%) were micro enterprises, 16 (32%) were small enterprises, 10 (20%) medium-sized enterprises and 9 (18%) large enterprises. In

such a way all size classes were included in the sample³. The size of the examined enterprises was defined by the quantitative criteria of Slovenian Companies Act [51]. We did not use the additional qualitative criteria for distinguishing enterprisers by size due to difficulties in application of such criteria (see [25], [12]). The size distribution of enterprises in Slovenia is as follows: 93.2% are micro enterprises, 5.4% are small enterprises, 1.2% is medium-sized and 0.2% is large enterprises [37].

The main business activity of the enterprises examined was manufacturing (13 enterprises), construction (12 enterprises), wholesale/retail (8 enterprises), financial and insurance activities (4 enterprises), professional, scientific and technical activities (3 enterprises), administrative and support service activities (3 enterprises), accommodation and food service activities (2 enterprises), information and communication (2 enterprises), agriculture (1 enterprise), transportation (1 enterprise), and arts (1 enterprise). However, the structure of the sample regarding the activity did not allow an analysis of the presence of different management modes regarding the businesses' primary activities.

3.3 Research results and discussion

In Table 2 the research results regarding the presence of different modes of management in different enterprise size classes are presented. The presence of the mode of management is expressed in percentage and is calculated as an average value for the size class.

Table 2
The presence of different modes of management in the examined enterprises

Mode Size class	Share of different modes of management (in %)				
	Empirical	Rational	Cognitive	Integrative	Total
Micro enterprise	19	31	33	17	100
Small enterprise	14	32	36	18	100
Medium-sized enterprise	9	26	43	22	100
Large enterprise	9	23	39	29	100

³ The size of the examined enterprises was defined by the quantitative criteria of Slovenian Companies Act [51], and that are: number of employees, annual turnover and total balance sheet.

The research results show that the more advanced modes of management (cognitive and integrative) are present to a greater extent in larger enterprises. In the average micro enterprises the presence of empirical, rational, cognitive and integrative management is 19/31/33/17. The first two modes (less developed ones) are presented within micro enterprises at the same extent (50%) as are the more advanced cognitive and integrative management. In small enterprises the more advanced modes of management are presented to greater extent (54%) than less developed (46%). In medium-sized enterprises the presence of less developed modes of management is even smaller (35%), and in large enterprises only 32% whereas the presence of more developed modes of management is 65% in medium-sized enterprises, and 68% in large enterprises.

However, detail analysis of the research results show that there are exceptions within different size groups. Within micro enterprises there are two enterprises where the presence of less developed modes is around 70%, as well as two enterprises where the presence of advanced modes of management is around 70%. Also within small enterprises we found one where the less developed empirical and rational modes of management prevail (more than 70%), as well as examples of enterprises where the more developed modes of management prevails (between 63% and 76%). Within medium-sized and large enterprises, where advanced modes of management prevail, we found only one case in each size group where the less developed modes of management are presented a little bit more than 50%.

The research results are in accordance with the cognitions of many researches (e.g., [32]) where the more pragmatic, personal and informal way of managing of SMEs, especially in micro and small enterprises is exposed. These enterprises are characterized by the lack of time for planning long-term strategic objectives due to the influence of owners-managers and the crucial role they play in the day-to-day running of their businesses applies ([31], [25] and references cited there). Research study reveals that only a small minority of micro and small-business owners-managers were prepared to delegate responsibility for, or the control of, any managerial or strategic functions [24]. Detail analysis of the medium-sized and large enterprises in the sample show that among them we can find “new” enterprises (established in the beginnings of the 1990s when the possibilities for establishing private enterprises in Slovenia were opened) as well as previous socialist “old” enterprises which successfully “survived” restructuring during the transition period in Slovenia. According to Pučko [36] these “old” enterprises survive the process of corporate restructuring in the Slovenian transitional environment consisting of four stages: crisis, revitalization, strategic change, and growth. The period after the year 2001 the author described as a posttransitional stage, which is no more part of the restructuring process of “old” enterprises. It is a period when “healthy” enterprises compete on the market. These enterprises are aware of the sources of their competitive advantages which are also in the quality of management and in capabilities of fast adapting to changes in the global environment [36].

Table 3

Analysis of subgroups of variables in different size classes in examined enterprises

Subgroup of variables / Size class	Share of different modes of management (in %)				
	Empirical	Rational	Cognitive	Integrative	Total
The environment					
Micro enterprise	18	35	34	13	100
Small enterprise	14	32	36	18	100
Medium-sized enterprise	10	27	43	20	100
Large enterprise	9	23	41	27	100
The enterprise as a system					
Micro enterprise	23	35	31	11	100
Small enterprise	18	35	35	12	100
Medium-sized enterprise	11	27	42	20	100
Large enterprise	7	25	39	29	100
Philosophy, interest behavior and subcultures					
Micro enterprise	14	25	35	26	100
Small enterprise	10	26	40	24	100
Medium-sized enterprise	9	23	43	25	100
Large enterprise	8	23	40	29	100
Basic components of policy					
Micro enterprise	23	29	33	15	100
Small enterprise	10	31	42	17	100
Medium-sized enterprise	7	22	47	24	100
Large enterprise	10	19	41	30	100
Criteria for measurement of the enterprise policy quality					
Micro enterprise	23	32	33	12	100
Small enterprise	13	39	33	15	100
Medium-sized enterprise	8	30	39	23	100
Large enterprise	9	25	31	35	100

In Table 3 results for different subgroups of variables for different enterprises' size classes are presented. Regarding the environment we can observe how the way enterprises are seeing and treating the environment is changing by the enterprises' size. The results indicate that examined enterprises see the

environment as medium reasonable developed providing suitable conditions for business operations, with more attention attached to domestic markets, even though there is also orientation toward international markets, with developing financial markets, some interest and cooperation with research institutions (such as universities). However, we can also observe that the share of less developed modes is getting smaller with the growing size of the enterprise. These results suggest that larger enterprises see the environment as better developed and providing better conditions for enterprises functioning as smaller enterprises do. These observations are in accordance with the findings of many authors that smaller enterprises have fewer possibilities to influence the environmental changes than larger have [34, 35] and therefore see the environment as more “hostile” than larger do. Peinado, Peinado and Esteve [33] find out that the ability of an enterprise to adapt and respond to the environmental opportunities and threats constitutes a key factor in the search for survival and competitiveness. Their results show that the intentionality of strategic change is closely related to how managers perceive and interpret the environmental changes. About the influence of stakeholder pressure on the adoption of environmental practices see Sarkiz, Gonzalez-Torre, and Adenso-Diaz [39].

Regarding enterprises as a system the results show very similar tendency as for environment: toward more advanced modes with the growing enterprises’ size, that means from adequate to great and reliable operating ability, toward growing awareness of enterprises’ developmental stages, toward harmonization of enterprises’ structures with goals and objectives, toward developed information system and more professional management. See Delgado-García and De la Fuentesabat [10] about how managers’ negative affective traits are related to more conformist strategies and more typical performance, whereas positive affective traits seem to promote outcomes that deviate from the central tendencies of the industry (also that strategic conformity mediates the relationship between CEO negative affective traits and typical performance).

Regarding the enterprises’ philosophy, interest behavior and subcultures we can observe tendency toward more advanced modes (i.e., cognitive and integrative) within all size groups, presenting together 61 percent in micro, and up to 69 percent in large enterprises. That means that there exist to great extent the cohabitation of different subculture values adapted in the philosophy of the enterprise (which is in accordance with some recent research results of Duh and Belak [13]). The concepts are defined developmental and clear, the standpoints towards people are by the theory Z, knowledge, and innovativeness are appreciated.

The results regarding the basic components of policy show strong presence of cognitive mode in all size classes (ranging from 33 percent in micro up to 47 percent in medium-sized enterprises), following by rational modes in micro and small enterprises, whereas in medium-sized and large enterprises the integrative mode is presented between 24 and 30 percent. The results indicate that in micro

and small enterprises we can observe pragmatic as well consciously approach toward governance and management, whereas in medium-sized and large enterprises the consciously approach prevail with developed system of objectives oriented to markets, finances, human, and organizational business functions, with integration of all kinds of knowledge and science for decision-making, participation, orientation towards knowledge and wisdom, strategic decision-making and strategic management.

The result regarding the criteria for measurement of the enterprise policy quality show that the presence of different modes varies regarding the size of enterprisers. More advanced modes are present to greater extent among medium-sized and large enterprisers than in micro and small enterprises.

Conclusions

In the fourth quarter of 2008 we saw the start of the worst global recession since the 1930s. Yet, after dealing with the initial shock, companies went to work to prepare for the inevitable recovery. Senior leaders began wondering how the competitive landscape of their markets would change, and which actions would best prepare their organizations to compete in a new and changing world [7]. Businesses need new bases and methods [29] taking in account new values, culture, ethics and norms of humans, including their personal and personality's development, leading both humans and businesses to their own requisite holism. We believe this is valid also for enterprises' governance and management and to their predisposition to four management developmental models we studied because they are able to show the way out from the current crisis 2008-. The main goal of our research was thus to examine the quality of management approaches in the surveyed /studied enterprises and to see how well Slovenian enterprises are prepared to cope with difficult economic conditions caused by the recent (financial, economic, values, responsibility, social, environmental, etc.) crisis 2008-. The presence of advanced modes of management (evolutionary described as cognitive and integral or integrative management) are the necessary preconditions to deal with difficult economic times. Dixon, Meyer and Day [11] developed a theoretical framework of organizational transformation that explains the processes by which organizations learn and develop dynamic capabilities in transition economies. We believe that at least smaller enterprises we analyzed should develop dynamic capabilities that would support their growth in a competitive market economy and would orient them toward integrative management.

The results of our research show that the more advanced cognitive and integrative modes of management are present to a greater extent in larger enterprises, even though they are present in smaller enterprises as well, only to a lesser extent. The results suggest that the examined enterprises are in different developmental conditions and therefore prepared differently to cope with difficult economic situation. However, the research results are in accordance with the cognitions of many researches who exposed the more pragmatic, personal and informal way of

managing of SMEs, especially micro and small enterprises. Since the study reveals that within the group of “smaller” enterprisers we can find exceptions (especially toward more integrative approach of managing) the future research should also be oriented toward examination of correlations between the management mode and type of an enterprise. For example, whether there are any correlations between fast growing enterprises and used management mode (see [25] and references cited there). Forthcoming studies should also be directed toward examination of the correlation between the presence of different mode of management (i.e. evolutionary stage) and performance of the company.

The research results have (and should have) broader usefulness: they are important indications for management in the examined enterprises. As pointed by Kralj [19] the main point of the method is, that in this way it is possible to get diagnosis of the enterprise and to propose suggestions and measures for its development improvement. It is possible to find out directions of measures according to the characteristics of each item examined, for the groups of variables and for the enterprise as a whole. Method used in the paper and results of individual estimation, as well as the results for the whole sample, are an important basis for making such decisions which encourage innovativeness playing central role in the knowledge-based economy [22], enable sustainable development and excellence of an enterprise. Individual results are important for the key stakeholders of an enterprise as a starting point for decision making, and the results of other enterprises can serve as a basis for benchmarking.

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