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MODERN TRENDS IN BUSINESS IN THE FUNCTION OF BUSINESS SUCCESS

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Abstract: *The aim of this paper is to point out the importance of new trends in the business of modern organizations. Emphasis is placed on the processes that characterize modern organizations, namely: globalization, sustainability, information technology and modern organizational structures. The paper analyzes the extent to which modern organizations fit into the trends of globalization and sustainability, and the extent to which they apply modern information technologies and organizational structures. In order to have a more successful analysis, the advantages and disadvantages of these trends have been identified. The paper shows that the successful operation of modern organizations depends on the degree to which they have managed to master these trends and implement them in their business strategies. All these processes result in connecting and networking organizations, developing democratic relations in management and decision -making, which has a positive impact to greater employee motivation and more efficient business.*

Keywords: *modern trends, globalization, information technologies, sustainability, organizational structure*

INTRODUCTION

A modern and dynamic market requires constant changes in the way organizations operate and their adaptation to these changes. Many organizations find the answer to the dynamic environment by introducing and applying some of the modern trends or even applying more of them. Organizations apply a certain trend depending on their wishes and needs. Timely introduction of a trend is one of the main keys to success, because trends can only be successful if they are applied in the given circumstances. Otherwise it will not have the desired effect within the organization. For this reason, organizations need to be very careful when introducing them, because it can have greater consequences than benefits. In the sense of the above, the paper first analyzes competitiveness, as a feature of modern organizations. Through the implementation of trends in their business strategies, organizations will be competitive in the modern market.

The paper identifies strategies that organizations can use to acquire and maintain competitiveness. Furthermore, the important characteristics of modern trends are presented, namely globalization, sustainable development and information technologies and their impact on the business of organizations. In this context, the importance of modern organizational structures in shaping organizations was especially emphasized. This is because new trends require newer organizational structures. The paper presents some of the newer forms of organizational structures, namely: team organizational structure, network organizational structure and externalization of activities. At the end of the paper, concluding remarks are given that refer to the treated issues.

1. Competitiveness as a feature of modern business

Competitive advantage is a characteristic that distinguishes one organization from another, i.e. striving to gain an advantage over others. This is a characteristic that makes an organization better and more successful than others, because it can better meet its own needs and the needs of others. Today, competitive advantage is increasingly difficult to achieve, and even more difficult to maintain because we live in a turbulent time in which changes are happening every day. Achieving and maintaining a competitive advantage means that companies adapt to global trends in doing business on the global market, which means: high quality goods and services, diversity of the workforce, entrepreneurship, etc.

Given that the main purpose of the business strategy of the company gaining and maintaining an advantage over the competition, it is clear that with the change of business conditions, the strategies with which companies appeared on the market must be reconsidered. Therefore, organizations can take some of the strategies to gain a competitive advantage (Robbins et al., 2014).

- Strategy of industrial organization - involves the analysis of the impact of external factors and making strategic decisions based on them. According to Porter, the factors that affect the organization are: the bargaining power of customers, the bargaining power of suppliers, the existing rivalry, the danger of the existence of substitute products.
- Resource - based strategy - involves the analysis of resources and starts from the fact that the company's resources are crucial for gaining and maintaining a competitive advantage. This strategy involves developing and using unique organizational resources and capabilities. Resources include all financial, physical, human, intangible and structural-cultural assets that an organization uses to produce and deliver products and services to its customers. Also, resources need to be scarce, difficult to imitate and copy. However, the weakness of this strategy is that resources change their properties over time. In that sense, what is valuable today may not be tomorrow. Also, new technologies make it easy to copy what is not possible today, so it can happen that the organization cannot use its resources in the best way.
- Guerrilla strategy, means that the competitive advantage of an organization is current, because the environment is characterized by change. According to this strategy, in order for an organization to be successful, it must be ready to quickly and constantly surprise competitors with strategic actions in order to throw them off balance.

Each of these strategies indicates the need to gain and maintain a competitive advantage in its own way. However, all together they say that it is necessary to constantly analyze both the external and internal environment of the organization, then use unique resources and capabilities to take advantage of all the positive changes and protect yourself from negative changes. Maintaining a competitive advantage is even harder than gaining it. This means that other organizations have failed to reach that business level by applying strategic analysis and business strategies in order to jeopardize the acquired competitive advantage (Porter, 2001; Huggins & Izushi, 2015; Drobyazko et.al., 2019).

2. Contemporary trends in the business environment

2.1. Globalization

Globalization can be defined in different ways, but simply put, globalization is connecting people and their cultures in different areas: economic, technological, informational, political and cultural. Globalization means connecting world markets, creating a global market and facilitating the flow of people, ideas, goods, capital and technology. It is believed that there are various factors that encourage the process of globalization, primarily the accelerated growth and development of science and technology, the emergence of multinational companies, global problems and the liberalization of relations (Cingula et al., 2016). Globalization has intensified the intensity of relations and established a global way of thinking. Today's global lifestyle requires constant investment in knowledge, advances in technology, research and development. Companies that do not get involved in the globalization process in time lag behind in development. Therefore, it is rightly said that the world has become one big "global village" because through the process of globalization it opens more and more, but in that way it decreases accordingly. The explanation lies in the fact that, as an idea, globalization refers to the "reduction of the world" with the strengthening of awareness of the world as a whole (Rizescu & Tileagă, 2017).

The goal of globalization is to improve all aspects of life through its actions, so it is important to emphasize its positive aspects. The positive aspects of globalization have an impact on economic, technological, political and cultural aspect of society. In economic terms, globalization is through free trade, increased exports, increased revenues, reducing production costs, accessing new and cheaper resources, enabling economic growth and development for many countries. It enabled the penetration of new products and services on the market, removed barriers between the markets of different countries, increased competitiveness and thus innovation. Politically encouraged cooperation between different countries as a joint work on the same goals similar values. In terms of technology and culture, thanks to fast access and flow of information, organizations achieve more efficiency communication with customers and partners. The progress of the countries, the greater the inflow of money, the living standard of the people and their purchasing power also increased. However, globalization also has negative sides: the departure of labor from certain countries, excessive profits and power are enabled for companies that have a large amount of capital, pronounced inequality between underdeveloped and developed countries, etc. (Deardorff, A & Stern, 2002).

The biggest advantage, but also the disadvantage of globalization is the great competition on the market. Since organizations no longer trade on the national but on the world market, there is also a lot of competition. With so much competition, it is very difficult to break through and stay competitive. If an organization takes advantage of all the positive aspects of globalization, globalization can be a very positive thing for it (Bresser Pereira, 2010). Therefore, theoretically, globalization is a complex phenomenon that has two sides, but provides equal opportunities for all. However, the question is to what extent and in what way individual countries will take advantage of the positive and avoid the negative sides of the globalization process.

2.2. Sustainability

Sustainability is a trend that has been constantly present, especially in recent times. The concept of sustainability arose based on the need to change attitudes towards the environment and less and less available renewable and non-renewable resources. Its essence is to achieve not only economic, but also social and cultural development that does not endanger the environment. All this is aimed at meeting the needs of the current generation, without compromising the ability of future generations to meet their own needs.

Companies are generally facing the same challenge as finding a business opportunity to develop sustainable solutions. Achieving sustainable development at the global level requires systemic changes that support sustainable development. Companies should incorporate the concept of sustainability into their business practices in order to survive in the market. However, many do not understand what this involves and how to initiate the systemic changes that are needed. Therefore, public administrations have a key role to play here as they need to steer the markets towards sustainable development and encourage companies to transition towards sustainable development. It is necessary to develop regulations that encourage companies to be efficient and respect natural resources (Lubin & Esty, 2010).

2.3. Information Technology

It is known that the success of a company depends on a well-organized information sector. In the broadest context, information technology means "use of computers for storage, calling, transmission and manipulation of data and information" (Varian, 2003).

The business value of information technology is based on automation of business processes, providing information for decision making, and connecting companies with customers and providing productivity tools efficiency (Proctor, 2011).

A well-organized and well-built information system enables easier management. The Internet, as a modern technology, improves the coordination of all functions in companies. Modern information technologies enable easier and faster access to information in all areas (production, health care, science, culture). In this sense, the introduction of information technology provides greater transparency, speed and simplicity and flexibility. The basic issues that inevitably arise in this context are the provision of security and the timely provision of information about the user. However, a large number of companies have an unmatched system of needs with the number of computers, which certainly leads to increased costs and reduced quality of work. This shows that network management and end-user service are underestimated in some organizations and that more attention needs to be paid to this issue (O'Neill & Salas, 2018; Dickson, G.W., & DeSanctis, 2000).

Given the above, companies should proactively respond to all challenges. In that sense, there are different methods and all of them are aimed at economic growth, investment in human resources, increased use of information technologies, especially the Internet, etc. The management of companies in developed economies will respond differently to these challenges compared to the management of developing countries. Experience shows that in developing countries, it is necessary to ensure greater state participation through the creation of a favourable legal environment as well as financial resources (Haag, Cummings & Dawkins, 1998).

3. New tendencies of organization design and their implementation

Successful business operations are not possible if managers do not follow the latest business trends. Traditional organizational forms functioned well within an environment that was stable and predictable. However, in a dynamic environment such as today, they can jeopardize a company's business. In order to overcome the uncertainty, the change of traditional organizational structures and the creation of new organizational structures will significantly improve the existing business. In the continuation of the paper, we will present new organizational structures that have proven to be good forms of leading to modern companies.

3.1. Team organizational structure

Team organization is a newer form of organizational structure in which teams have the main place. This organizational structure aims to break down centralized and hierarchical structures and, through team development, create flexible and dynamic structures. Therefore, the basic characteristic of a team organizational structure is dynamism. Team organization removes the boundaries of division of labour and makes the organization much more flexible. In order for an individual to be part of a team, it is necessary to have the following characteristics: ability to cooperate and communicate, ability to resolve conflicts, ability to set goals and manage change, ability to plan and coordinate (Stevens & Campion, 1994).

Given that the team is a small group of people who have common goals and who work together to achieve them, teamwork brings a number of possible solutions, successful coping and increased availability of relevant information (Cirella, 2021; Daft, 2000). Teamwork is a professional orientation for many companies. Today, companies feel the need to perform their tasks with several employees and thus increase the speed and quality of their products and services. These requirements for companies create a need for teamwork.

A team can also be described as a product of goal, establishment, development and results. Therefore, in order for teams to exist, two conditions need to be met, namely: there should be as many members in the team as possible to maintain interconnectedness, while the second condition refers to the joint responsibility of all members in achieving goals (Senge, 2000). Like any other organizational structure, team organization has its advantages and disadvantages. Some of the advantages are: Fast decision making, improved exchange of information between team members, willingness to compromise, easier development of level ideas, better morale of employees and enthusiasm for their involvement, improved exchange of information between team members, easier development of new ideas and solutions to existing problems. The disadvantages of the team organizational structure are: the possibility of conflict, a lot of time and resources spent on agreements and meetings, unplanned decentralization (Nancarrow, 2013).

3.2. Network organization

A network organization is a form of organization that is most closely related to a virtual organization. Namely, it is a network through which a virtual organization is built. Networking is emerging in response to increasingly complex business conditions and increasing changes in the way we do business.

Unlike modern forms of organization that open the organization inwards, the network organization breaks all boundaries between organizations by opening them outwards. There is no structure in a network organization, and members of the organization may have mild hierarchical relationships. The network is dominated by relationships of cooperation, exchange of knowledge, skills, information, technology, human resources, etc. That is understandable because the most common reasons for joining the network are: exchange of resources, cost reduction, risk sharing, access to markets, protection of innovations, etc. Starting from the degree of dislocation of activities and management methods, Miles and Snow distinguish three types of networks, namely: internal, stable, and dynamic networks. Porter's value chain concept, which groups all activities in the company into primary (incoming logistics, production, outgoing logistics, marketing, and service) and support activities (procurement, development technologies, resource management, and enterprise infrastructure), served as the basis for building a network organization. (Porter, 2001) Namely, managers can use the value chain to look at all the activities they perform and keep those in which they can achieve competence and dislocate other activities to other organizations. So, organizations are oriented to their core program and release less effective and inefficient functions. The bottom line is that every member of the network produces what is better than others that is the competition. At the same time, by involving external collaborators, border organizations become open. According to this concept, they distinguish are modular, virtual, and open organizations.

Network organizations have certain advantages, which are:

- efficient production, ie. the network allows production to be carried out at lower operating costs.
- efficient organization, ie. the network form reduces the middle layer of managers and employs a smaller number of workers.
- flexibility - an important advantage of networks is the possibility of fast responding to changing environmental demands.
- market and resources - the network provides access to markets, and that as for the supply of cheaper raw materials and labour, as well as in terms of marketing products and services.

The disadvantages of network organization are: the problem of coordination of activities, lack of equal control of all employees, difficulties in motivating employees, and difficulties in building employee loyalty. However, as long as the company is sufficiently independent and strong, there is no need to invest in a network organization (Miles & Snow, 1995; Moliterno & Mahony, 2011).

3.3. Externalization of activities

Externalization of activities is the transfer of activities that were performed within the company to external partners, who will now perform them instead of the parent organization. Which activities will be outsourced depends on the company's strategic commitment. Companies can outsource basic activities, such as information technology, human resource management, etc. They can also externalize ancillary activities, such as cleaning, nutrition, and so. Which of these activities will be considered important depends on the activity of the

company. Having in mind the above, we distinguish two types of externalization of activities: separation of basic activities and separation of secondary activities (Sarwat & Abbas, 2021).

The most important reason why several companies decide to outsource certain activities is the advantages of externalization. This process allows companies to concentrate on those activities that work best, while all other activities can be transferred to external partners. In that case, the company will externalize all those activities that do not achieve satisfactory results in the long run and thus get rid of operational problems. Since external operators can often do business at a lower cost than the company itself, companies can significantly reduce their costs. Since interpersonal relationships are very often the cause of poor results in companies, in this way problematic situations among employees are avoided. Outsourcing improves quality, improves company focus, increases flexibility, and reduces risk (Kalleberg & Marsden, 2005).

Externalization of activities has recently become one of the most used business structures, precisely because of the transfer of activities to external partners and the automatic reduction of workload within the organization (Pellicelli, 2018).

CONCLUSIONS

The development of technology, but also the growth and development of human knowledge, encourages changes to which organizations need to adapt. This can result in a change of mindset within organizations, the introduction of new technologies, changes in organizational structure, and many other changes.

With the advent of globalization, the world market is expanding, and with it, more and more competition is emerging. In an environment where there are a large number of competing organizations, the organization must stand out from others in some of its characteristics. In that sense, organizations should apply certain business strategies to remain competitive.

Monitoring modern trends in the organization, if they are adequately implemented in business strategies, can have very great advantages and positive effects on the overall business of the organization. Thus, by taking advantage of these trends, which are highlighted in the paper, organizations can achieve better business results, a better quality of final products or services, and reduce operating costs. For an organization to successfully implement trends, it is first necessary to identify its needs and priorities. After that, the positive effects of these trends should be used. Careful selection of the trend opens up many positive opportunities for organizations, about what they need, given all the conditions that surround them.

To implement new trends in modern business, it is necessary to have flexible organizational structures as well as an environment that will be suitable for their implementation. In that sense, the environment should be open to the environment. Since companies operate in a dynamic environment, it needs to be open to environmental influences. Only as an open system, the company can accept new knowledge from the environment and turn it into useful knowledge. Furthermore, the company must be value-oriented. These are values related to employees, shareholders, and consumers. In this

way, employees will be motivated to learn and acquire new knowledge that they will apply in the companies in which they work.

Since the acquisition of new knowledge implies the application of new methods of work, new ideas, and new products, it is necessary to accept the risk of the unknown. Therefore, it is necessary to develop employees' feelings and attitudes about accepting the possible mistakes and risks, and thus a positive attitude of employees towards change. Certainly, since employees are the most valuable resource in a company, investing in human resources should be their focus. This is because modern society is a knowledge society that is the most suitable environment for the development of new trends in modern companies.

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