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Educational impact on business and management with special view in Gjakova municipality

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Abstract. This work elaborates the topic of effects of education in business and management with special view in Gjakova municipality, businesses that are experiencing periods of after war transition reflecting attitudes of owners and managers how they perceive effects of education in business evolution and sustainability of businesses that they are governing. This work elaborates the topic effects of education in business and management with special view in Gjakova municipality, also it is shown what is the effect of education in creating an effective management structure, also actions that are taken from managers for educating their staff in order to have better prepared staff to face the intense competition and ensure survival in a unstable economy as in Republic Of Kosova. The work is done in two phases. First phase refers to collecting all data which are related to this topic. Second phase concerns the data collected in the field. Data collected on filed are qualitative, where are been interviewed 30 owners and 50 managers that manage small and medium businesses in Gjakova are interviewed. Among main findings of the paper are that owners and managers are aware that education is a key and necessary element for the success and sustainability of their business, among other findings is that economic status that prevails in municipality brings a lot of difficulties in creating an adequate climate for their businesses.

Keywords: business, education, management, economy.

1 Introduction

This topic elaborates the effects of education into businesses and management with special view in Gjakova municipality, while the need for well educated work force is growing up day by day. Education has allways been an important issue for an effective business and management, also the value of educaton is continuously growing up as a result of rapid changes and competitive pressure. So the success of a business and its effective management in most of the time depends on: education, knowledge, skills, experience and commitment of personel that uses that knowledge in achieving the objectives of organization.

In this work types of formal and informal education are treated and also the effects that include: organizational, individual, group, and finally the impact that education have in business and management. Special regard is given to effects and the need for education in Gjakova municipality. Education and knowledge are evaluated as a business capital, this assets are workers and leaders and the need for knowledge is continuously growing, nowadays it is considered that education and development are the main priorities of each business and management. Because through education human resources can achieve knowledge and capabilities to be more effective when they face challenges of changes and tough concurrence. Management understanding more and more that education and continuous perfection is the only and more effective way for realizing the priority of competition, to get in the race of market to gain the costumers trust as a base for business to exist.

As intent of this work is the explanation of the effect of education in business and management based on the perception of actors of municipality of Gjakova. Through this research it is attempted the reflection of attitudes of owners and managers of businesses in Gjakova municipality for the effects of personel education and recomandations for possible solutions. The data has been taked and interviev the data that hav been collected are quality data 30 owners and 50 managers that lead small and average businesses in Gjakova municipality. Through the interviev primary data have been collected and the reality of attitudes for effects of education in business and management based on views of owners and managers of businessess in gjakova municipality. While teoritical part of this work is discussed based on secondary data of professional texts.
and tertiary data from the internet. At the end of this work through recommendations we gave some suggestions which can lead to a solution or relief of access against this phenomenon.

2 Definition of business and management

There are a lot of definitions for business and management, although sometimes business is defined as a trade activity in general as trade, sale, purchase, production, etc. So business we call any kind of economic activity usually privat that has as primary intent profit, in other way with the word business we understand even an enterprise or other economic organization. Based on the reference of Swedish national encyclopedy, (Nacinalencyklopedi, 1992, volume 7, pg.200.) fore the enterprise we have this definition: “Enterprise is the organization which harmonizes work force, real capital, technique, information and knowledge to produce products and services”. Business in a basic unit is the one that organizes and coordinates factors of production, labor, land, capital and enterprising skills into the production process, it combines all these sources to produce different goods and services. There are also different methods to classify business according to their scaling, which are: small business, medium and large.

One another definition for business is that a “business is a group of people which work together for developing, producing or retailing goods or services”.39 Management has also a lot of definitions but we are going to mention this one from professor I. Zeqiri, “management is an universal process of creating and achieving organizational purposes with and by other people, by using managerial functions like planning, organizing, leading and controlling, also by coordinating their resource into an efficient and effective manner. 40. Management presents orientation of human activities towards specific goals by including 4 functions: planning, organizing, leading, and controlling.41 Hence management presents process through which a small group of a chosen people orientates and leads all the employis for achieving a common organizational goal.42

2.1 Educational impact into the managers and human resources

All the businesses including the small ones and large ones they have something in common, and that thing is need to be managed. The management is not only a born talent but it also can be mastered. 43 Regardless of the managerial and employee knowledge there is never enough knowledge to challenge the uncertainty that come from outside and even inside the organization. The managers and employees should always advance with their knowledge by the purpose that one day they will use it when its necessary.

Education, training and development of the managers and employees are constant stroke for business for improving actual and coming performance.44 There are two ways for education:45

1. Formal education that includes real work, deepening the knowledge for the use of technology, career development for a more complicated managerial jobs etc.
2. Informal education that includes seminars, trainings, workshops, special topics. Education and development has some potential effects.46

40 I Zeqiri, “Menaxhmenti”, Tetovë, Tringa Design, 2006, fq.6
43 Sh. Ilaci, Menaxhimi, ALB PAPER, Tiranë 2002, fq.15
44 E. Kutllovci, Menaxhimi I resurseve humane, UP, Prishtin, 2004, fq.122
45 Y. Havolli, Menaxhmenti I resurseve njerezore, Riinvest, Prishtinë, 2005. Fq.106
a) Organizational effects: higher employment, higher work quality, less expenses, higher value, higher innovation, more flexibility etc.
b) Individual effects: higher job capability, continuous employment, higher flexibility and adaption
c) Team effects: group work, cooperation, autonomy, self-control and flexibility.
d) Overall effects: higher organizational and individual profit, higher competitive ability, development and specialize.

Usually education is based on gaining new knowledges and cleverness for organizational members, for being capable to take new responsibilities and new challenges.  

3 Research results – data analyse

For trying to present as much as realistic situation about the education impact into the business also fort trying to achieve right conclusions and recommendations we have created a questionnaire which is focused into education and his impact into the Gjakova. Data collected in the field is qualitative where are been surveyed about 30 business owners and 50 managers. Owners and managers have been chosen by chance. Another used method for calculating data is analytical method and comparative method.

Here are following results of the questionare taken from the business owners and managers

1. Does the education has impact into the quality of outcomes, also into the improvement of goods and services?

![Circle chart showing results: Yes 80%, Sometimes 20%, No 0%]

Results from a chart one show that 80% of interviewers said that education has impact on the quality, also 20% agreed that sometimes affect and no one told that it does not have an impact into the business performance.

2. Does the education has impact into the business adaption, competitive capabilities and adoption for the changes?

![Circle chart showing results: Yes 88%, Sometimes 12%, No 0%]

Results from a second chart show that 88% of surveyed managers know that the education has an impact into business capabilities to change and adoption. 22% think that education has sometimes impact but it is not necessary to be so.

3. Could we achieve a higher employment, higher quality, higher value and even more innovation and less expenses through continuous education?

![Chart showing 86% have impact, 0% sometimes, 14% do not have impact.]

Results from the third chart show that 86% of managers told that they are aware about the fact that the education has a lot of impact into these factors, another 14% of them didn’t show full admission but they were aware about the fact and told sometimes it can affect these things.

4. Does the education make a better teamwork, cooperation, autonomy, self-controll and flexibility?

![Chart showing 86% have impact, 0% sometimes, 14% do not have impact.]

Results from this chart show that almost all managers are aware that education influences cooperation, teamwork and employee autonomy, 14% of them are aware that it influences but not all the time.

5. Do you make any effort to make your business more supportive for your employees in moral or financial manner for formal or informal education of your employees?

![Chart showing 88% rarely support, 8% always support, 4% never support.]

88% of managers told that they rarely are supportive, 8% told that always support their employees and another 4% told that never support their employees for their education.

Here are results taken by interviewing the business owners, and here are some of their answers about the educational impact into their business.
6. Does the education help managers into analyzing and finding solutions for organizational problems?

Results show that all the owners admit that the education has a good deed into the abilities of their managers.

7. Does the education help managers implement into the right manner all managerial functions?

Also in this question all the owner from some businesses of Gjakova are aware that and are convinced that the education of their managers, allows them to do job in the right manner and implement managerial functions in right way.

8. Does the education help managers being efficient and effective into their duty.

Result show that also in this question all the business owners admit that their managers who have higher education are more effective and efficient when doing duties into an organization.
4 Conclusions and Recommendations

Managers from Gjakova claim that education is fundamental for improvement of production, services, and productivity, as a result there are better organizational benefits also higher personal benefits, and as a result of all these it also has impact into public economy.

Most of the managers admit that education has impact into the competition growing, by preparation of human resources, and this also helps into the developing of the business and achieving higher profits also better fitting for the changes.

Plenty of the managers which have been interviewed think that education has impact on the rate of employment. Also managerst think that education has impact into improving of the work abilities when work force is capable to find work any time they need, and this may be satisfaction for them. Also they think that education enhances cooperation and makes a team work more pleasurable.

Also we can conclude that level of the educational support for the employees is not satisfactionary even that managers know the education importance and the impact that education has into their business.

As closure we can say that owners and managers into the Gjakova know the importance of education and that the effect of education that have into every business field, however in practice they do not support enough educational development for their employees, which soon or later will affect their working and business capabilities.

It is recommendet to the Gjakova managers to orient their strength and their efforts through the education of their own emplyees and be more supportive because by doing that way they could be more stable and more competitive in one unestable environment like Kosovos.

The managers who want to make higher work quality, raise overall business value, be more innovative, its recommendet to hire more skilled workers also they should support their further education.

Also the municipality of Gjakova should offer more trainings for local businesses including here owners, managers and employees, because in the end it all goes for collective goodness.

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