BUSINESS POLITICS-INCORPORATING FACTOR OF SLOVENSKE ŽELEZNICE HOLDING IN EUROPEAN TRAFFIC FLOWS

SUMMARY

The joining of the Republic of Slovenia in the European Union gives special significance to the economic subjects because the past market and competition are open directly for the Slovenian economic subjects. It means that competition will increase for the market of transport service. There will be more possibilities for the enterprises to move faster towards culmination, the phase of degeneration-crisis. Since the business crisis endangers the future existence and development of the Slovenske železnice Holding, it has become very important to be able to control it. In order to avoid this, the Slovenske železnice Holding needs clear and methodical business politics which means common interconnections and interacting influence of elements (rules, criteria, measures and activities), which constantly move, change and develop. The business politics gives aims and feedback as a condition for the existence and functioning of everything, so it cannot be regarded only as a global programme of development, but rather as a very complex and dynamic system.

The elements of the business politics model - incorporating factor to the European traffic flows are the sub-politics of the business politics which influence its realisation; production, staff, marketing, finances, development sub-politics. The evaluation of the elements of the model has taken into consideration their condition and meaning in the realisation of the business politics in 2003 and their expected values in 2008, when simple transmission of achievements is expected in the railway traffic in the European Union and in the year 2012 when a repeated enlargement of the European Union is foreseen.

The model of business politics - factor of integration of the Slovenske železnice Holding into the European traffic flows is an experiment to restore the collaborating relation between certain elements of the model.

KEYWORDS

Slovenske železnice Holding, business politics, staff politics, marketing politics, matrix of growth

1. INTRODUCTION

The idea of enterprises, their mission and their goals remains the practical activity in each enterprise.

People have always wanted to realize and obtain their interests within enterprises. It means that there are always business politics and interests which lead and manage differently. Business politics of Slovenske železnice Holding must be in order, planned and controlled if it wants to achieve certain development and become one of the developing railway firms. The control of success of business politics is possible through the model of matrix of growth which makes it possible for the system which marks a movement of business politics in various suppositions.

In accordance with this problem and the problem of researching determines the model: scientific research and finding out the staff, marketing, production, financial, developing and other characteristics of business politics of the Slovenske železnice Holding and propose a model for competitive assumption in international market.

A complex of problem and object of research determine the model: to realize all characteristics of business politics of Slovenske železnice Holding and to evaluate the elements of system of business politics and to define the mathematical model of business politics of Slovenske železnice Holding which proves that only controlled and guided business politics makes possible the competitive entrance on the European market of railway service.

This research presents a matrix of growth (second part), hypothetical values of elements of model and its calculation (second part), direct and indirect percents of growth of business politics (fourth part) and a synthesis of final results of research (conclusion).

2. FORMULATION OF A MODEL OF BUSINESS POLITICS

It is supposed that business politics contains n elements. The value of elements of business politics is indicated by $y_i$ and $y_{i-1}$, i element of business politics is ($i=1, \ldots, n$) in the period $t$ and $t-1$. 

The growth of value of input \( i \) elements of business politics is:

\[
\Delta y_{it} = y_{it} - y_{i,t-1}
\]  

Indirect growth percentage can be expressed in the form of growth of the matrix of growth of elements of business politics model \( \Delta y_{it} \) and the value of input elements of business politics in the period \( t \):

\[
r_{ijt} = \Delta y_{it} / y_{it}, \quad i, j = 1, \ldots, n, \quad y_{i,t-1} \neq 0
\]  

Indirect growth percentage can be expressed in the form of matrix of growth of elements of business politics model (1.352):

\[
R_p = \begin{bmatrix}
\Delta y_{1t} & \ldots & \Delta y_{nt} \\
\frac{y_{1t}}{y_{1t}} & \frac{y_{2t}}{y_{1t}} & \ldots & \frac{y_{nt}}{y_{1t}} \\
\Delta y_{mt} & \ldots & \Delta y_{nt} \\
\frac{y_{mt}}{y_{mt}} & \ldots & \frac{y_{nt}}{y_{mt}}
\end{bmatrix}
\]  

The matrix of growth allows various observations. By observing only direct percentages of growth, the growth of an element is expressed independent of other elements. Direct and indirect percentage of growth can be expressed contemporary. That means that we can follow contemporary intensity of elements' growth and their relations.

3. HYPOTHETICAL VALUE OF BUSINESS POLITICS MODEL-INCORPORATING FACTOR OF SLOVENSKE ŽELEZNICE HOLDING IN EUROPEAN TRAFFIC

It is possible to order part of the business politics elements in its realisation as incorporating factor in the European traffic currents. The elements are sub-politics which influence its realisation: production, staff, financial and developing subpolitics (Table 1).

<table>
<thead>
<tr>
<th>Elements of business politics</th>
<th>Input ( y_{it} )</th>
<th>Growth ( \Delta y_{i,t-1} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production subpolitics</td>
<td>50</td>
<td>80</td>
</tr>
<tr>
<td>Staff subpolitics</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>Marketing subpolitics</td>
<td>20</td>
<td>70</td>
</tr>
<tr>
<td>Financial subpolitics</td>
<td>40</td>
<td>80</td>
</tr>
<tr>
<td>Development subpolitics</td>
<td>50</td>
<td>60</td>
</tr>
</tbody>
</table>

This model contains values which are quantified business politics elements in 2003 and values in 2008, when the market of railway service will be set free in 2012 and the European Union will be enlarged:

- **Production subpolitics** - Analysis of the condition and traffic trends indicates that the Republic of Slovenia, despite of different declarations in some documents, has opted for the traffic system which gives priority to road traffic. This relation towards the development of railways is a reason why they are in poor technical condition from the organisational, economical and legal point.
The degree of development and subpolitics can influence the business politics where this input was marked 50 in 2003 in the realisation of the business politics which can increase. With the most advanced technology transport means and modern rules, it is expected that a part of the production politics can be marked by input 80 in 2008 and in 2012 by the input 90 in the realisation of business politics.

- **Staff subpolitics** - classic organized structure of Slovenske železnice Holding which by its vertical leading and accentuating largness, clear rules, formalization, specialization and control shows how far the staff subpolitics is from the new concept of human treating which must result from the modern view on enterprises as opened systems which adapt to changes and take care for their development. This is the reason why staff subpolitics nowadays has less importance, the input 30 in 2003.

  Incorporating Holding in the European traffic flows means that fast response from the managers and other experts is required. Besides, it is not possible to treat people in isolation, but in combination with global business aims. The changes in development of staff potentials demand different politics. Marketing staff politics demands business strategy and competitive developed rules.

  Marketing staff subpolitics in Holding would be connected with scientific and technical revolution (the function of workers replaces mechanization and intellectual function automation). That demands changes in the structure of workers as their position in society. Because of the development the relation between the group with I-IV education and the group with V-IX education must change. That means that professional education becomes higher. It is expected that values of staff subpolitics will be with input 70 in 2008 and in 2012 with input 90.

- **Marketing subpolitics**: to restore the real marketing subpolitics is a precondition for successful business politics of Holding in incorporating into the European flows. For this marketing subpolitics it is typical that it depends on some people who keep this level which is far away from the present time. Regarding marketing subpolitics in Holding in 2003 it can be evaluated with input 20.

  The marketing philosophy or concept of Slovenske železnice Holding must be founded on finding out the buyers’ demands. For that reason, the enterprise must accept marketing thinking in service development, production, acquisition, finance, professional workers and especially in sales which is the most different phase of business of how to produce a concrete service and how to find a buyer. The demands of buyers also change a lot. Their standards are becoming higher. The most important are partnerships which provide new methods of interacting relations and connect business partners. The relations between Slovenske železnice Holding and the users of logistic services will be founded on further business relations rather than on individual transactions.

- **Financial subpolitics** would insure the creation of financial means which makes possible to manage. Financial subpolitics could not realize these aims, because of the financial results which were almost negative, so its value of input was 40 in 2003. Modernization of production, good marketing subpolitics and development of Slovenske železnice Holding would result in the increase of its role and meaning, so that in 2008 its input will be 80 and in 2012 its input will be 90.

- **Development subpolitics** would be the leader in that part of business subpolitics which is connected with further management of Holding. The model element of business politics, marketing subpolitics were evaluated with input 50 in 2003.

  Developing their own advances which are necessary for successful incorporation into the European flows. Thus, a part of marketing subpolitics elements could reach the input 60 in 2008 and input 80 in 2012.

  Using model matrix of growth in 2003, growth of some elements is expected, the values of which are presented for years 2008 and 2012 (Graph 1).

![Graph 1 - Presentation of business politics elements](image)

**Source:** Developed by the author

This is the growth vector of business politics model from the following values:

\[
\Delta y_{2012} = \begin{bmatrix} 40 \\ 60 \\ 70 \\ 50 \\ 30 \end{bmatrix}
\]

Regarding the defined values vector reciprocal values of business politics:

\[
y_{2012} = \frac{1}{1} = \left( \frac{1}{90}, \frac{1}{90}, \frac{1}{90}, \frac{1}{80} \right)
\]
The matrix of business politics growth in relation to current values defines the multiplication exterior vectors $\Delta y_{2012}$ and $y_{2012}$.

$$
R_{2012} = \begin{bmatrix}
40 & 40 & 40 & 40 & 40 \\
90 & 90 & 90 & 90 & 80 \\
60 & 60 & 60 & 60 & 60 \\
90 & 90 & 90 & 90 & 80 \\
70 & 70 & 70 & 70 & 70 \\
90 & 90 & 90 & 90 & 80 \\
50 & 50 & 50 & 50 & 50 \\
90 & 90 & 90 & 90 & 80 \\
30 & 30 & 30 & 30 & 30 \\
90 & 90 & 90 & 90 & 80
\end{bmatrix}
$$

The result matrix of growth presents growth of business politics model of Slovenske železnice Holding in 2012:

$$
R_{2012} = \begin{bmatrix}
0.444 & 0.444 & 0.444 & 0.444 & 0.500 \\
0.667 & 0.667 & 0.667 & 0.667 & 0.750 \\
0.778 & 0.778 & 0.778 & 0.778 & 0.875 \\
0.556 & 0.556 & 0.556 & 0.556 & 0.625 \\
0.333 & 0.333 & 0.333 & 0.333 & 0.375
\end{bmatrix}
$$

4. RESULT OF BUSINESS POLITICS MODEL IN 2012

The result matrix of growth in percentages is the result of business politics model of Slovenske železnice Holding, because it presents direct and indirect percentage of growth and changes of growth of some elements and their relations (Table 2).

These are direct percentage of growth of business politics model: (Graph 2)

Table 2 - Percentage of growth of business politics model in 2012

<table>
<thead>
<tr>
<th></th>
<th>Production subpolitics</th>
<th>Staff subpolitics</th>
<th>Marketing subpolitics</th>
<th>Financial subpolitics</th>
<th>Development subpolitics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production subpolitics</td>
<td>44.4%</td>
<td>44.4%</td>
<td>44.4%</td>
<td>44.4%</td>
<td>50%</td>
</tr>
<tr>
<td>Staff subpolitics</td>
<td>66.7%</td>
<td>66.7%</td>
<td>66.7%</td>
<td>66.7%</td>
<td>75%</td>
</tr>
<tr>
<td>Marketing subpolitics</td>
<td>77.8%</td>
<td>77.8%</td>
<td>77.8%</td>
<td>77.8%</td>
<td>87.5%</td>
</tr>
<tr>
<td>Financial subpolitics</td>
<td>55.6%</td>
<td>55.6%</td>
<td>55.6%</td>
<td>55.6%</td>
<td>62.5%</td>
</tr>
<tr>
<td>Development subpolitics</td>
<td>33.3%</td>
<td>33.3%</td>
<td>33.3%</td>
<td>33.3%</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

Source: Developed by the author
In researching the growth of success of business politics it is not enough to connect relations between elements of business politics. The indirect percentage of independence which presents relations results in the dynamic system of business politics. The following percentages of business politics elements are provided:

- If we compare production politics in relation with other elements which influence from 2003 to 2012 regarding staff, marketing and financial subpolitics, the growth of production subpolitics will be 50% (Graph 3).
- But comparing indirect percentage of growth with other elements in relation with production subpolitics it is clear that staff subpolitics will increase by 66.7%. Comparing the marketing with production subpolitics it is clear that it will increase by 77.8%. Financial subpolitics will have 51% of growth, and development subpolitics will have 33.3% of growth (Graph 4).
- Comparing staff subpolitics in relation with other elements which influence the realisation of business politics a growth of 66.7% from 2003 to 2012 is obvious. Staff subpolitics in relation with marketing and financial subpolitics would also increase by 66.7%. Comparing the development subpolitics the growth will be 75% (Graph 5).
- From indirect percentage of growth of other elements in relation with staff subpolitics it is clear that production subpolitics will increase by 44.4% in relation with staff subpolitics. Comparing the marketing subpolitics with staff subpolitics, it will increase by 77.8%. Financial subpolitics in relation with staff politics has a growth of 55.6%, but the production subpolitics will increase by 33.3% (Graph 6).
- Marketing subpolitics in relation with other elements which influence the realization of business politics shows growth of 77.8% in relation with production subpolitics. Marketing subpolitics in relation with staff and financial subpolitics shows growth by 77.8%. Comparing marketing subpolitics with development subpolitics shows growth by 87.5% (Graph 7).
Comparing indirect percentage of growth of other elements in relation with marketing subpolitics it is clear that the production subpolitics will increase by 44.4%. In relation with marketing subpolitics, staff subpolitics will increase by 66.7%. In relation with marketing subpolitics, financial subpolitics will increase by 77.8% and the development subpolitics will increase by 33.3% (Graph 8).

In relation with other elements which influence the realization of business politics, financial subpolitics will increase by 55.6% in relation with production, marketing and staff subpolitics and development will increase by 62.5% (Graph 9).

Comparing indirect percentage of growth of other elements in relation with the financial subpolitics shows that the production subpolitics will increase by 44.4%, staff subpolitics by 66.7% and marketing subpolitics by 77.8%. Development subpolitics will increase only by 33.3% from 2003 to 2012 (Graph 10).

Comparing the development subpolitics in relation with other elements which influence the realization of business politics shows a result that production, staff, marketing and financial subpolitics will increase by 33.3% (Graph 11).
CONCLUSION

As the incorporating factor of the Slovenske železnice Holding in the European traffic flows the mathematical model of business politics connects the basic elements of business politics. This model uses the matrix of growth which has double function: generalization of growth with direct and indirect percentage of growth and makes possible the dynamic system and gives a projection of the future development of business politics.

The evaluation of the elements of the model has taken into consideration their condition in realization of business politics of the Slovenske železnice Holding in 2003 which is marked by low parameters by 20 and 50. It is expected that in 2008 there will be the highest effect of business politics of the Slovenske železnice Holding because of the European traffic flows. The elements of business politics of Holding will obtain in 2008 the value of parameters between 60 and 80. To realize the model in 2012 the Slovenske železnice Holding must move its business politics in direction which will bring modern transport technology, suprastructure which makes possible fast, economic, comfortable, safe and ecological transport. To realize this model, marketing and staff investments in intellectual capital are necessary, which is not possible without good and professional staff. The principle is marketing philosophy which has to be presented in enterprises. The model demands development which must follow the trends of transport.

The results of research had aims, such as competitive incorporation of the Slovenske železnice Holding in the European flows. Including all the geographic advantages of the Republic of Slovenia regarding the European traffic flows, modernization and modern infrastructure, suprastructure, changes in staff potentials, marketing philosophy and development of advanced strategy, it will be possible to reach the results expected in 2012 when the European Union will extend especially in corridors V and X which is important for successful business politics of the Slovenske železnice Holding in their integration in the European traffic flows.

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POVZETEK

POSLOVNA POLITIKA – DEJAVNIK
VKLJUČEVANJA HOLDINGA SLOVENSIH ŽELEZNIC V EVROPSKE PROMETNE TOKOVE

Vstop Republike Slovenije v Evropsko unijo daje poseben pomen gospodarskim subjektom, saj se nekdanji trg in konkurencija direktno odpre za naše gospodarske subjekte. To pa pomeni, da bo prišlo do večje konkurence na trgu transportnih storitev. Zaradi velike turbulentnosti okolja, bo vedno večja možnost, da se podjetja v okviru eksploatacijskega ciklusa hiterje pomikajo proti kulminaciji, oziroma v fazo degeneracije - krizo. Ker poslovna kriza ogroža nadaljnji obstoj in razvoj Holdinga Slovenske železnice, postaja obvladovanje le-te vedno pomembnejše. Da bi se Holding Slovenske železnice tega izognil je potrebna jasna, sistematična in koncizna poslovna politika, ki pomeni skupno medsebojno povezavo in medsebojno vplivanje elementov (načela, kriteriji, mere, aktivnosti), ki so v stalnem gibanju, spreminjanju in razvoju. Poslovna politika je tista, katera karakterizira določene cilje in povratne vezi kot pogoj za obstoj in funkcioniranje vsega, zato se ne more gledati samo kot globalni program razvoja, ampak kot zelo sestavljen dinamični sistem.

Model poslovne politike - dejavnika vključevanja Hol­dinga Slovenskih železnice v evropske prometne tokove, je v bistvo poskus, da se na eksplicitni način vzpostavi kolabora­tivni odnos med odrejenimi elementi modela.

KLJUČNE BESEDE

Holding Slovenske železnice, poslovna politika, proizvod­na politika, kadrovska politika, tržna politika, finančna politika, razvojna politika, matrica rasti.

LITERATURE


