



# Relationship between Hierarchical Values of Professional Activities and Theoretical and Practical Knowledge

Valentina Vukosavljevic Pavlovic<sup>1</sup>

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**Abstract:** *An indispensable aspect that can greatly influence the profile of the managerial structure in enterprises is the educational system. At the end of the last century, under the pressure of the second wave of globalization caused by technological development, there was a need to reexamine and redefine the role of the university. The subject of analysis in this paper is the relationship between the hierarchical values of professional activities and theoretical and practical knowledge from the point of view of managerial structures in private and public enterprises on the example of one unit of local self-government in the Republic of Serbia. Based on the opinion of representatives from the private (1.85) and public sector (1.85) on the scale of hierarchical values of professional activities, the adopted systematic theoretical and practical knowledge were evaluated in the first place. Through the analysis of the responses received from both observed groups, it was found that modern managers are the most open social group for improvement, motivated to acquire new knowledge arising from the need for more effective adaptation to changes.*

## 1. INTRODUCTION

Scientific-technological progress, and the complexity of technological, economic and organizational processes have displaced the class of owners from the process of leadership and the process of management of the company's development. Now management is handled by a special socio-professional group of people, which we call managers. Such changes in the development of corporations are an expression of the law of division of labor, by which modern society realizes the rationalization and modernization of both the production and management systems. In this sense, we can talk about global, strategic and operational management, about highly professional change management at different levels of social organization, including the conditions of globalization of modern society and the transnational planetary level. This approach to management presupposes special education of managerial staff and constant innovation of their knowledge and management skills. If knowledge is the key resource of modern society, then management and managers must, with their own culture, be the most open social group for improvement and change. There are numerous dimensions of their social position. In this sense, they can be analyzed concerning other social groups by differences in the system of distribution of material wealth, by the level of knowledge they possess, which is influenced by the system of hierarchical values of professional activities, by their place in the system of distribution of power and influence, by the level of reputation, lifestyle and their place in the distribution of political power in society.

<sup>1</sup> Academy of Vocational Studies Southern Serbia, Leskovac, Serbia

## **2. THE METHODOLOGICAL FRAMEWORK OF THE PAPER**

The subject of analysis in the paper is the relationship between hierarchical values of professional activities and theoretical and practical knowledge from the point of view of managerial structure in private and public enterprises on the example of one unit of local self-government in the Republic of Serbia. In the set subject framework of the paper, the professionalization of management as a form of modernization of management in companies is considered from the point of view of the managerial structure, where in their value system of professional activities there is theoretical and practical knowledge.

For this paper, 32 companies from the Report of the Agency for Business Registers of the Republic of Serbia, from the territory of one local self-government with the status of a city, were taken into consideration and the data was processed in 2020. The criteria for the stratification of the sample were that the enterprises employ more than 50 workers, that they are engaged in economic activity that is among the most represented at the level of the subject local self-government unit, namely, above all, the food, wood-processing and textile industries. Out of the total number of companies, 28 met the stratification criteria, of that number seven were included in the research and five did not continue cooperation regardless of the submitted material and personal contact. The sample also includes one enterprise that employs the largest number of workers on the territory of the city, even though it is not registered in the official Agency for Business Registers on the territory of the analyzed local government unit. The sample included three entrepreneurial shops and five public and public utility companies so the stratified sample covered 57% of the enterprises that met the stratification requirements. The criterion for the stratification of the sample is the number of enterprises in the status of an economic society and an entrepreneurial agency and a local public and public-utility enterprise. The sample included 15% of small enterprises and 15% of medium-sized enterprises and 100% of public enterprises.

The methodological and technical framework of the paper in the field consists of a questionnaire of 47 open and closed questions, divided by thematic frameworks of the paper, based on the subject of the research work and following the hypothetical framework. In this paper, the answers related to the second group of questions out of a total of five are analyzed to investigate their opinions and attitudes about the professionalization of management in the sense of: what are the professional activities and knowledge that a modern manager should possess and whether there are differences when it comes to the Serbian manager today.

### **2.1. Hypothetical Framework of the Work**

The speed of transitional changes in post-socialist societies, which have found themselves in the process of restoration of the socio-economic capitalist system of various historical forms, from neoconservative to neoliberal, with one segment of the social structure, will depend on the degree and form of professionalization of management in the process of management at the levels of work organizations, which in first of all, it implies their ability to adapt to changes, to acquire new theoretical and practical knowledge and to apply it.

### **2.2. The Aim of the Paper**

The paper aims to analyze the significance and type of relationship between the hierarchical values of professional activities and theoretical and practical knowledge, based on the empirical

research conducted, from the aspect of the great influence of the educational system on the profile of the managerial structure caused by technological development as one of the important and necessary elements for shaping and reproducing professional activities.

### 3. DEFINITION OF PROFESSIONAL ACTIVITY AND PROFESSIONAL KNOWLEDGE TERMS

Professional activity is a kind of combination of universal norms and specific functions. The definitions, that we find today in sociology, mostly follow Parsons' basic understanding of the profession as a normatively universal and functionally specific activity. The most frequently mentioned and at the same time the most criticized is Greenwood's definition of a profession. In his opinion, professional activity is an extremely complex phenomenon in society, which contains the following elements: 1) elements that primarily imply a systemically rounded theory, 2) professional authority, 3) social sanctions, 4) ethical codex, and 5) a specific subculture“ (Greenwood, 1962, pp. 207-218).

According to Greenwood (1962), „Each of the mentioned elements is necessary, although not sufficient for shaping and reproducing professional activity. Only the intertwining of all five elements into a unique structure of behavior enables such a complex of social activity that we label as professional activity“ (pp. 207-218).

Characteristic - the system-rounded theory is the basic and most important element of professional activity because it creates a significantly different work process. The work of professionals is different from the work of craftsmen because it must be innovative, critically oriented, and creative.

Sociologically speaking, the difference between craft activity and professional activity is that the former is focused on continuity, and professional activity on innovation, creativity, and a creative approach. Social dynamics as an environment are not characteristic of craft shops, while professionals are maintained by constant changes, criticism and the introduction of innovations. Theory cannot be replaced by experience, but only supplemented, upgraded and given creative potential, i.e. ennobled. Any compensating of experience with theory is dysfunctional and methodologically wrong and thus represents a danger to the quality of professional activity.

The second mentioned characteristic refers to professional authority. Expert authority derives from a systemically rounded theory: solving any practical problem must be based on the consistent application of theory. We call that expertise. Expertise is nothing more than methodologically consistently applied theory to concrete practical problems and situations. Since expertise has a theoretical and methodological basis understandable only to an expert, in this sense the expert has a monopoly over expertise.

A monopoly over expertise means only a monopoly on a very narrow, specialized professional activity, which enables the full responsibility of the expert. The frameworks of professional monopoly are, therefore, very narrow, although, on the other hand, they are important because any enabling monopoly on expertise means deprofessionalization and the destruction of the principle of complete and exclusive responsibility, which the expert has for his work.

Relations between professional colleagues must not be based on competition but on cooperation. Therefore, advertising or even open competition among experts is a fundamental violation

of professional ethics. This is not about nobility but about the imperative need to protect full cooperation, a full and independent exchange of information, without which the constant development of the profession is impossible.

Experts in relation to users must be neutral based on age, gender, race and social affiliation, or any other form of discrimination. During each service, professionals should invest all their intellectual, professional and moral abilities in solving the problem. Any routinization of work is contrary to the code of ethics.

Most of the definitions of professional activity, which stem from functional structural analysis, are similar to Greenwood's. Barber (1963) for example, believes „that professional activity is possible only when these four elements are present: 1) a high level of vast and systematic knowledge, 2) the predominant orientation of professionals in achieving common interests, 3) a high degree of self-control based on interdependent collegial control of the implementation of the norms of the code of ethics and 4) a system of honorable and financial rewards, which stimulate, first of all, the quality of services and not the profiteering of individuals“ (p. 216).

Barber's definition differs from Greenwood's in that it is somewhat more selective and in that, it emphasizes less autonomy, that is, the authority of professional activity. Newer definitions of professions, which we come across in professional literature - for example, by Krause (1971, pp. 75–79), are quite similar to Greenwood's. They differ from it in that they emphasize less on professional autonomy and monopoly on expertise.

Although traditional definitions of professions still prevail, in recent times, criticisms of such concepts have been appearing more and more often. Based on their direction, these criticisms could be classified into two groups: 1) a group of criticisms that oppose the excessive emphasis on the authority of professional activity and, on the other hand, still emphasize the qualitative differences between professional and other vocational activities, which we find in qualified work in enterprises or in craft work in the service industry and 2) a group of criticisms that warn of the unreality of the above definitions; these criticisms emphasize that Greenwood's definition of the profession is ideotypical and not realistic. What Greenwood defines as a profession is an ideal to which all professions aspire, but only partially reach; warn that professionalization is a long-term process, which in the initial phase gives birth to some quasi-professions, in its later phase to semi-professions and only in the developed phase it gives birth to professional activities, which is more or less similar to Greenwood's ideotype.

Numerous anti-elitist criticisms have appeared only recently. They prevailed at the World Congress of Sociologists in Toronto in 1974 and at the assemblies of the American Sociological Association. According to Rus and Arzenšek (1984), „Gyarmati can be included among the most radical anti-elitist critics of the structural-functionalistic understanding of professional activity (p. 217).” In his opinion, the properties attributed to the profession are a priori claims and not empirical facts. The properties attributed to professional activity are invented to justify the power possessed by professionals.

Donald Light believes that professional authority is not necessarily a consequence of the theory on which some professional activity is based. The authority of a profession is, above all, the product of a social agreement between the profession and the wider society. Based on that agreement, the profession gets the right to select experts, the right to educate those experts, to design educational

programs, to determine the criteria for candidates' access to professional activity and the right to professional control of that activity. For its part, with this agreement, the profession undertakes to constantly take care of the selfless and high-quality work of its members.

Based on the statement of Mok (1969), who also dealt with the subject of professionalization, work theorists Rus and Arzenšek (1984), conclude "If post-industrial societies are pragmatically oriented, then there will almost certainly be a slowing down of the development of science and an acceleration of the development of techniques that enable the exploitation of science" (p. 225).

Turner says: "It is extremely difficult to define profession-specific characteristics. Based on what can be understood, it seems easier to distinguish between professions than between professional and non-professional titles. On that basis, we should give an impetus to the formation of such an analytical framework that would include all and not only professional occupations".

Pavalko (1971), after Turner considered properties specific to professions, developed an analytical instrument that could measure the degree of professionalization of non-professional and professional occupations.

#### 4. CONCEPTUAL DETERMINATION OF MANAGEMENT

An inseparable part of the consideration of human resources is the very concept of management. Management, according to American social worker and management consultant Mary Parker Follett, is "the ability to get things done through people (Business.com, 2021)".

Management, as a process, consists, according to the majority of authors, of four phases: planning, organizing, leading, and controlling (Janićijević, 2008, p. 3). Managers do not perform jobs and tasks in the organization, but plan, organize, lead, and control how the members of the organization perform these jobs and tasks. Each of these four phases includes the realization of certain goals, which enables the smooth development of the managerial process.

The first phase of the managerial planning process determines the way and activities for achieving the set goals. This, first of all, includes the allocation, i.e. obtaining the resources needed to carry out activities in the course of achieving the goals, then determining the time dynamics for carrying out the planned activities.

Organizing is the second phase of the managerial process and it includes setting up the structure of relationships between individuals and groups in the organization in a way that will ensure that the previously planned general and individual goals are achieved most efficiently and effectively. The structure of the relationships between individuals and groups consists of the division of tasks and work roles that should be performed by determining the authority to perform the tasks and, finally, the grouping of units for the realization of planned activities and their harmonization.

Leadership, as the third phase of the managerial process, primarily means: guiding the energy of the organization's members in the direction of initiation, maintenance and direction towards the performance of activities that achieve the organization's goals.

The fourth phase of the managerial process is control, which determines whether the planned goals have been achieved in the planned manner and on time, that is, within the previously determined



deadline. In the control phase, measures are taken to correct the activities in the organization to achieve the set goals. The control phase makes it possible to detect certain irregularities and deficiencies in the course of the work process on time and thereby creates the possibility to remove or correct them in time.

## **5. AN EXAMPLE STUDY OF THE PROFESSIONALIZATION OF TOP FINNISH INDUSTRIAL MANAGEMENT**

In studying the professionalization of top Finnish industrial management, Susanna Fellman found certain changes in: “owner-manager and paid managers; by increasing the educational level of managers and approaching education for business life. The career paths of managers became more similar, management became permanent employment, managers developed more professional attitudes and there was a shift in power in the day-to-day management of companies. All the changes in the background of the manager's work role were reflected in the process of their increasing professionalization” (Fellman, 2011, p. 27). The change of managers in the direction of professionalization is partly the result of a change from owner-managers to employees who became paid managers and based on ceded management rights by capital owners, but the work portfolio of these two subgroups is slightly different. The changes in the further process of professionalization went in the direction of creating a subgroup, i.e. professional managers, and the managerial profile of the owner and the paid manager became more similar.

Two professional waves were observed. The first occurred at the beginning of the twentieth century, while the second dates back to the 1960s and 1970s. During the first professional wave, there were rapid changes from owner-manager to paid manager and there were also major changes in the educational profiles of both subgroups. Professional education among managers has become important and there is specific knowledge that depends on the economy branch and production technology. This was the era of branch specialists. As a consequence of the second wave of professionalization, the new generation of professional managers was characterized by more generalist competencies.

The professionalization of management is the result of the process of industrialization and transformation of business life in Finland, especially the appearance of bureaucratic, hierarchically large firms. The spurt in Finnish industrialization, dated to the end of the nineteenth century, produced rapid industrial growth. The rapid industrialization, growth in the size of enterprises, and technological development, which began in the late nineteenth century, reflected an increasing number of managers with new competencies and, in particular, managers with technical skills. Moreover, the so-called trial period in industrialization took place in the interwar period. As a consequence of the process of internationalization, it can be concluded that two things have happened: first, managerial education has become important and second, changes in the global community related to the changed characteristics of international career.

## **6. ANALYSIS OF THE RELATIONSHIP BETWEEN HIERARCHICAL PROFESSIONAL ACTIVITIES AND THEORETICAL AND PRACTICAL KNOWLEDGE**

The theoretical basis for the analysis of the relationship between hierarchical professional activities and theoretical and practical knowledge in the field dealing with the term professional manager consists of two criteria: professional activities and professional knowledge. Professional activities include: adopted systemic theoretical and practical knowledge, professional authority - a

monopoly over professional knowledge, social recognition of status and reputation, active member of professional associations and organizations, and adherence to the professional code of ethics. Professional knowledge implies: a non-routine approach in the application of knowledge in solving a professional problem and developing new professional insights, the professional approach has the effect of rationalization of work, productivity, and democracy.

A comparative analysis of the responses of the respondents from both the private and public sectors to order them according to the hierarchical value of professional activities based on the conducted research [Vukosavljević Pavlović \(2020\)](#), the results are as follows: both the representatives of the private sector (1.85) and the public sector (1.62) were rated in the first place - adopted systemic theoretical and practical knowledge, in second place also representatives of both sectors declared in favor of adherence to the professional code 2.00, with the difference that the second place is shared when it comes to the responses of respondents from the public sector with professional authority - monopoly over professional knowledge, in the third place and both groups of respondents, there is social recognition, status and reputation and in the fourth place, an active member of professional associations and organizations“ (p. 220).

The type of knowledge that is most important for professional activity based on the responses of respondents from the private sector based on the results of the conducted research [Vukosavljević Pavlović \(2020\)](#), “in the first place is the development of new professional insights, (39.13%) and in the same percentage (30.43%) the answers share the second place: a non-routine approach in the application of knowledge in solving a professional problem and a professional approach has the effect of rationalization of work, productivity and democracy“ (p. 221).

There are differences in the answers of the respondents from public and public-utility local enterprises in the order of importance so that in the first place with 68.75% is: professional approach has the effect of rationalization of work, productivity and democracy, in the second place, with 18.75 %: non-routine approach in applying knowledge in solving a professional problem, in third place is what is in the first place when questions are answered from the private sector and development of new professional insights (12.50%).

Through a comparative analysis of the answers received from both groups, it can be concluded that they reflect the degree of priority of business activities to achieve business goals, that is successful business. In the private sector, new, fresh ideas, and new products are important, a more innovative, creative approach to the work process is required, which will enable a better market position and competitiveness. In contrast to the organization and business in the public sector, which suffers from problems related to irrationality, inefficiency, the impossibility of independent decision-making by directors and bosses, not market orientation, because the policy maker is in public and public-utility local takeovers and at the same time their financier is the local self-government unit, that is the city, which manages public enterprises through its executive and legislative bodies.

Comparative answers of respondents from private and public and public-utility companies to the question: Circle those characteristics, which you think describe the modern manager as a social group ([Vukosavljević Pavlović, 2020, p. 221](#)) given as follows. Respondents of both groups (private sector and public sector) believe that modern managers are the most open social group for improvement, motivation and changes (private - 45.45% and public - 37.50%). They believe that their characteristic is a specific cultural professional style (private - 20.83% and public - 18.18%). Based

on the percentage share of 16.67%, respondents from the private sector believe that their social position is characterized by a high place in the distribution of material wealth, and in the public sector, with 18.18% each, the third place was taken by two characteristics: a high degree of reputation in society and a specific professional style. The characteristic High place on the social ladder in the system of distribution of power and influence was ranked fourth in almost the same percentage (9%) for both groups. Many answers refer to the characteristics defined by the respondents themselves, considering that managers create profits as long as their interests are at stake, but they do not have a social reputation, they need others to perceive them as persons with a high reputation in society and the need to be influential and outside of his professional activities.

The advantage of the prevailing attitude, based on the responses from both observed groups, is that modern managers are the most open social group for improvement, motivation and changes towards new, more efficient models of people management.

## 7. CONCLUSION

In order to reveal the prerequisites, basic obstacles and limitations to the professionalization of management in work organizations, the set-theoretical basis consists of two criteria: professional activities and the type of knowledge of the professional occupation, with special emphasis on the ability of creative, innovative, originative approach of managers in management as a new modality in the concept of professionalization management in Serbian companies. There are different needs and consequences arising from the ownership relationship, in the process of professionalization at work, and thus a different degree of importance is given to certain professional activities and the type of knowledge of professional occupations. In the private sector, professionalism in business is primarily seen in adherence to the professional code of ethics, and in the first place in the public sector, a professional approach has the effect of rationalizing work, productivity and democracy and, to a significantly smaller percentage, that it is a professional activity that should be adhered to professional code of ethics.

Confirmation of different priorities in the understanding of professionalization at work in the public and private sectors is in the declaration of the type of knowledge of professional occupations. In the private sector, the development of new professional insights is in the first place, and the second place is shared by: a non-routine approach to the application of knowledge in solving a professional problem and a professional approach as a rationalization of work, productivity and democracy. In the public sector, when it comes to the type of knowledge of professional occupations, the first place is the answer: the professional approach has the efficiency of rationalization of work, productivity and democracy, in the second place is the non-routine problem approach, in third place is what is in the first place when questions are answered from the private sector - development of new professional insights. There is some agreement in the private and public sectors in the attitude when it comes to the qualities of a good manager, which exists in real life, namely: responsibility, creativity, originality, innovation, quick action and creative attitude. In the theoretical-methodological part of the work, the aforementioned features are taken as the basis for defining changes in the professional approach of managers.

By harmonizing the attitudes and opinions about the qualities of an ideal, realistic and Serbian manager, it can be concluded that qualities such as communicativeness and expertise are common to all three categories of managers, with the difference that the Serbian manager still behaves in the spirit of a traditional manager who relies to a greater extent on professional



education and calculative, rational intelligence, in contrast to idealized managers and those who are seen as successful in real business, who possess, apart from professional education, calculative, rational intelligence (here the term rational is used in its meaning - to calculate) and creativity, originality and innovation and ethical orientation.

After analyzing the results of the research related to the characteristics that a successful manager should have, a leader in a company (in order of importance) a similarity is observed in the responses of respondents from the public and private sectors, comparing them with the responses that related to a successful manager in real circumstances. There is only a difference in the order of priority. In the first case, responsibility and expertise have switched places, i.e. expertise is the most dominant trait when it comes to a successful ideal manager, and in the second place when describing a successful manager from real life. Communicativeness as an important trait is also somewhere in the middle in both corpuses of answers. Innovativeness is highly rated as a trait that is appreciated by managers in practice, and an idealized sense, this trait is indicated in the fourth place.

The personal qualities of a successful Serbian manager are evaluated differently in the responses from the private and public sectors. Authoritativeness, coping with given situations and communication are the first personal qualities of a Serbian manager, based on the testimony of respondents from the private sector, and the second place is empathy and compassion, that he is brave but at the same time egocentric. When comparing the answers with the statements from the public sector, they primarily refer to the ability to act quickly; in changing market conditions, resourcefulness in new and unknown situations, expertise, and communicativeness. A certain similarity was observed in the answers from both sectors and it refers to quick and resourceful action in changing market conditions and unknown situations.

And finally, an indispensable aspect that can greatly influence the profile of the managerial structure in enterprises is the educational system. In which direction one part of the educational system in the world is going, can be analyzed based on Derek Bock's text "University on the Market", published in 2005 (Bock, 2005). It started with the commercialization of sports activities, which initially acted as an excellent additional income for the university, but later proved to be a great burden that threatened, and to some extent succeeded, to negatively affect the quality of studies. The analysis of the author of this book shows that any non-university activity will necessarily require increasing investments in its development and that the realized profit will not be able to be used to improve the basic mission of the university.

Regarding the commercialization of universities, there are many opportunities and even more problems. Perhaps it is a good reason to open a serious discussion in Serbia about the quality of studies, about the agreed market need for certain professional profiles, including new theoretical achievements about factors influencing the theory of social sciences and management. In the last two centuries, the university, which exists today, found itself in the role of creator and guardian of national values. With the establishment of national states, European universities grew into state institutions, where the foundations of national sciences are laid, national ideology is promoted, and the experts needed by such a state are formed. Thus, a kind of coexistence was established, within which the university accepts the assigned role, but retains its autonomy and inviolability in everything else. At the end of the last century, under the pressure of the second wave of globalization caused by technological development, there was a need to reexamine and redefine the role of the university.

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