



Faculty of Economics, University of Niš
11-12 October 2017

International Scientific Conference
**CONTEMPORARY APPROACHES
IN THE ANALYSIS OF ECONOMIC PERFORMANCES**

**FEATURES IN THE MANAGEMENT OF THE TEAMS IN AN
INVESTMENT PROJECT**

Nadezhda Veselinova *

***Abstract:** Referring to projects that have the potential to be economically viable, the financial instruments provide investment support in the form of loans, guarantees, shares and other policy-driven risk mechanisms, possibly combined with interest rate subsidies or guarantee fee subsidies within the same Activity. These characteristics as well as the considerable capital and human resources used in their development and realization predetermine the important place and role of investment projects in economic theory and practice.*

***Keywords:** human resource Management; management of teams; investment projects.*

1. Introduction

Investment projects are one of the mechanisms for increasing competitiveness, proactivity, flexibility, dynamism, business flexibility of public and business organizations. These projects use the benefits, power and capabilities of financial tools to deliver desired business results. These characteristics as well as the considerable capital and human resources used in their development and realization predetermine the important place and role of investment projects in economic theory and practice.

In addition to the obvious advantages of re-using funds in the long run, financial instruments help mobilize additional public or private investment to overcome market imperfections. Their implementation structures require additional expertise and know-how, which helps to increase the efficiency and effectiveness of the allocation of public resources. These instruments provide different incentives for better results, including increased financial discipline at the level of supported projects.

Another feature of investment projects, through financial instruments, is their ability to generate significant funds from both the public and the private sector to solve social problems. These reasons determine the need for specialists and system management

* D.A.Tsenov Academy of Economics, Department of strategic Planning, Svishtov, Bulgaria, ✉ n.veselinova@uni-svishtov.bg
UDC 005.96

to ensure optimal use of their capabilities and capacities. This paper presents the capabilities of a team approach to managing investment projects.

2. Particularities of investment projects

Investments play an important role in business economics. They are one of the main factors and a prerequisite for the successful implementation of the business, for improving the quality of production, for reducing costs, for expanding the production facilities, for increasing competitiveness and strengthening the market positions. This is why it is necessary to invest capital, in such directions, which are beneficial to the business organization, firm, enterprise. In this sense, the role and importance of long-term factors, such as investment, is growing to find solutions that allow rational use of resources and achieve the best possible results.

Not all investment projects will create wealth. An investment project increases the wealth of the nation if the value of the additional production resulting from the investment is more than the cost of the investment. On the contrary, when the value of the additional production is less than the cost of the investment, the project will have a negative effect. Such projects reduce wealth. For a nation to realize its potential, it must have a mechanism capable of attracting savings and directing them to investment projects that create wealth.

In the market economy this function is implemented by the capital market. International investment, which is one of the forms of capital movement, alongside international trade, is becoming the main channel for the realization of globalization (Стойков & Момчев, 2009, стр. 22). This highly diversified market includes securities, real estate, business, and credit markets. Financial institutions such as banks, insurance companies, mutual funds and investment funds play a major role in this market. The capital market coordinates the actions of savers that offer funds and investors looking for funds to finance various business activities. Private investors are strongly interested in carefully assessing potential projects and looking for profitable ones. Of course, in our insecure world, private investors sometimes make mistakes and engage in projects that prove to be unprofitable.

Investment decisions, as well as all decisions, are directly related to business activity. With the development of investment projects, it is possible to find such variants of the use of capital resources that allow for the best results. The implementation of an investment decision changes in a characteristic way the economic status of the business organization. Investment decisions are motivated by the desire of capital owners to acquire more consumer goods in the future compared to today's consumption opportunities, Expectations to increase their future welfare. The choice of investment objects (what to invest in) and various alternatives (how to provide the necessary capital) is achieved in the achievement of certain objectives: economic, technical, social, etc.

Investment decisions cover all assets of the business organization - tangible, intangible and financial. Or, the investment decision can be defined as an asset to the acquisition of which capital is invested. Regardless of which types of assets are invested, overall investment decisions have some common features:

- Investment involves significant financial cost.
- Each investment decision is accompanied by a certain risk and uncertainty.

Features in the management of the teams in an investment project

- The return on investment is achieved over several years.
- The investment decisions pursue certain objectives - strategic or operational.

When deciding to invest capital, it is necessary to take into account both the financial results and their impact on the implementation of the organization's strategy. Incorrectly taken decisions may disturb not only the financial situation but also the further development of the enterprise for an extended period of time. This determines investment decisions, especially when it comes to large-scale projects, such as structural solutions, the preparation and implementation of which require in-depth analysis, justification and evaluation.

Investment decisions are at the heart of any development strategy. Economic growth and prosperity depend on production capital, infrastructure, human capital, knowledge, overall productivity and the quality of institutions. All of these developmental components suggest to some extent that the difficult decision to put economic resources into the present is to be taken with the hope of deriving future benefits, thus relying on a distant and obscure future time horizon. For investments in telecommunications or road transport, economic return is enjoyed by the public relatively quickly after the end of the project. Investments in primary education mean betting on the future generation and include a period of more than twenty years before the results of increased human capital can be taken into account. Environmental protection requires competent decision-makers to think in the long term, as is clear from the current debate on climate change.

Financial instruments within the European Union are used to implement Structural Funds investments from the 1994-1999 programming period. Their relative importance has increased over the 2007-2013 programming period and now they account for around 5% of the total European Structural Fund resources. Regional development (ERDF). In the light of the current economic situation and the strengthening of the scarcity of public resources, the financial instruments are expected to play an even greater role in cohesion policy over the 2014-2020 programming period (Европейска комисия, 2017). National and regional authorities within the European Union plan large investments in the transport, environment and business sectors for the period 2007-2013. According to their calculations, some 1,000 major projects are planned, each of which amounts to over € 50 million for the sectors Transport and industry and over €25 million for the environmental sector. It is therefore essential that these projects are carefully selected, managed and controlled so that they can make the most of the economic and social development of regions and cities.. The aim of the European Commission is to focus on reasonable, strategic investment. In this respect, it is estimated that around EUR 2 billion will be needed in the next decade to modernize Europe's transport, transmission, high-speed and telecommunications networks.

It is necessary to build the target with additional indicators of innovation and research effectiveness, which could be derived, for example, from the Innovation Scoreboard or other international sources for similar statistics. There are significant differences in the level of R & D expenditure between the different regions of Bulgaria from 0.5% of GDP in the Southwest region to 0.16% in the Northwest region (Национален статистически институт, 2017). The economic analyzes prepared by the Ministry of Economy, Energy and Tourism of the Republic of Bulgaria show that in the period 2010 - 2020 restructuring of the Bulgarian economy can be expected from sectors with low intensity of innovation, sectors with high intensity of innovation (Министерство на икономиката, 2017). This restructuring will contribute to enhancing the attractiveness of

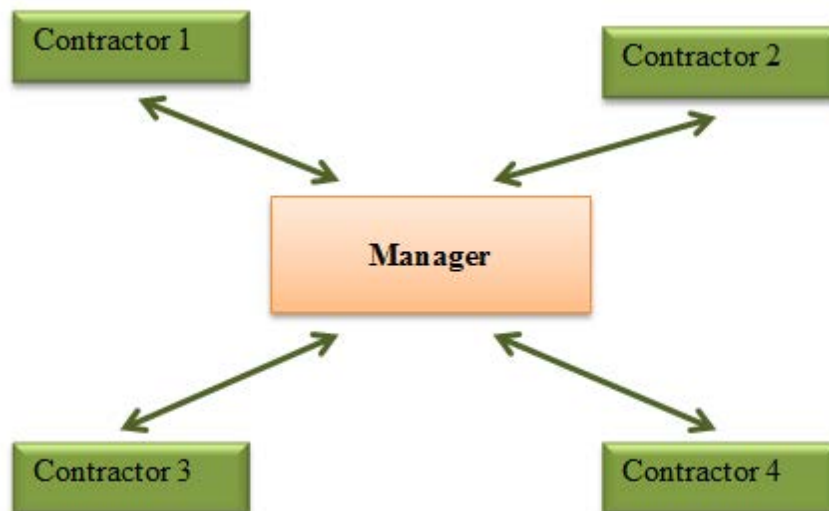
Bulgaria as a center for the development of high-tech products and services in the field of information technologies, electronic components, machine building, medical and optical equipment and others.

It is obvious from this point that the success of an investment project - national or international - is the adoption and implementation of an adequate organizational and managerial approach to the optimization of the management solution, derived from a feasible technical and economic Solution for the implementation of the planned project (Каракашева, 2008, стр. 13). In this direction, we add development and implementation of the team management model in investment projects.

3. Characteristics of the team model when managing investment projects

Organizations in their development generate challenges that lead to the formation of teams. The teams are a group of people who are psychologically bound to each other, adhere to certain norms of behavior, are united and strive to achieve a common goal, the effect of their activity depends on the harmony of their relationships (Пенчев, 2008, стр. 174). If the project manager is unable to define common team goals and tasks, the capabilities of the working groups (Figure 1).

Figure 1: Workgroup



In typical work groups, individual roles and responsibilities are at the root of the outcome. There is no internal expectation of achieving common goals based on the main areas of responsibility involved in sharing information, forming core values and making critical decisions. The differences between the working group and the team are set out in Table 1. (Владиминова, и др., 2014, стр. 330).

Features in the management of the teams in an investment project

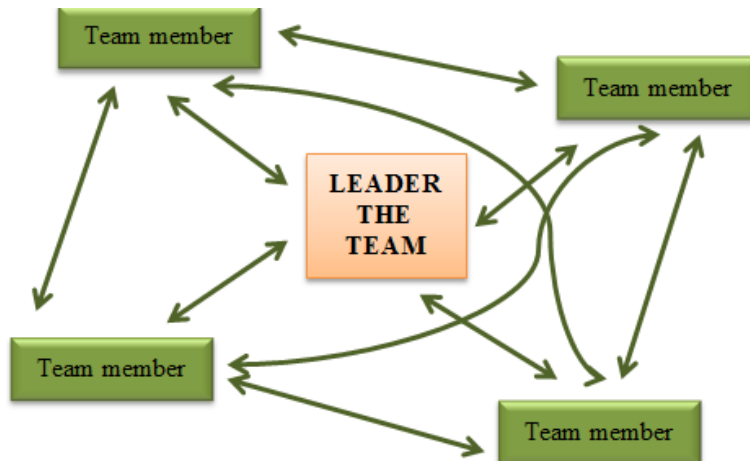
Table 1. Difference between workgroup and team

WORKGROUP	TEAM
Strong leadership roles	Shared leadership roles
Individual responsibility	Individual and mutual responsibility
The goal of the group is identical to the organizational mission	A specific goal formed by the team
Individual work results	Collective work results
Provides effective discussions	Open ended discussions aimed directly at solving problems
Measure performance - indirectly through common organizational results	Measure performance - direct to problem solving
Discusses, decides, delegates	It discusses, decides and carries out a real work together

Contrary to the traditional working group, the team is more than a mechanical assembly of people who work under the guidance of a supervisor. A team is a certain number of people with complementary skills dedicated to a common goal for which they are mutually responsible. The individual participants interact with each other and the team leader in achieving a common goal for which they are mutually responsible (Figure 2).

Team members depend on each other to do their job (Люки, 2004, стр. 11). They rely on others as well as themselves to carry out their mission, and expect the leader to provide resources and mentoring when needed, as well as to liaise with others in the project. The teams have four essential characteristics: team task, clear boundaries, clearly specified power to equate their own work processes and stability of membership within a reasonable period of time.

Figure 2. Team



It is important for managers to distinguish between real teams and traditional work groups, to avoid the common mistake of treating the traditional labor group as a team and vice versa, it is particularly important to realize investment projects due to their specific characteristics.

4. Conclusion

In conclusion, it could be concluded that the main approach to the management of investment projects, given their specificities, are the teams. This stated the need to develop and seek new approaches to human factor management, including the needs of investment projects. Using the benefits of team management for the needs of investment projects requires the search for new approaches, methods, tools, tools, and guidelines to break from classical theories into human resource management. It is necessary to specify the characteristics of the teams working effectively and to use them intensively to create a platform for knowledgeable, knowledgeable, skilled professionals to generate results, especially when managing investment projects.

References

1. Владимирова, К., Стефанов, Н., Панайотов, Д., Банчева, Е., Радев, К., Хаджиев, К., и др. (2014). Управление на човешките ресурси. София: НБУ.
2. Евроейска комисија. (2017, 02 23). Retrieved from Евроейска комисија: <http://ec.europa.eu/news/economy>
3. Каракашева, Л. (2008). Международни инвестиционни проекти. София: ИК "Призма".
4. Люки, Р. (2004). Изграждане на ефективни екипи. Harvard: Harvard Business School Press.
5. Министерство на икономиката. (2017, 03 10). Retrieved from <http://www.mi.government.bg/bg>
6. Национален статистически институт. (2017, 03 10). Retrieved from Национален статистически институт: <http://www.nsi.bg>
7. Пенчев, П. (2008). Организационно развитие. Велико Търново: Абагар.
8. Стойков, И., & Момчев, С. (2009). Международна инвестиционна политика. В. Търново: Фабер.

KARAKTERISTIKE UPRAVLJANJA TIMOVIMA U INVESTICIONIM PROJEKTIMA

Apstrakt: Kada govorimo o projektima koji imaju potencijal da budu ekonomski održivi, finansijski instrumenti obezbeđuju investicionu podršku u vidu zajmova, garancija, akcija i drugih mehanizama rizika, koji su usmereni na politiku, eventualno kombinovani sa subvencijama kamatnih stopa ili subvencijama za garantne naknade u okviru iste aktivnost. Ove karakteristike, kao i značajan kapital i ljudski resursi koji se koriste u njihovom razvoju i realizaciji, predodređuju važno mesto i ulogu investicionih projekata u ekonomskoj teoriji i praksi.

Ključne reči: upravljanje ljudskim resursima, upravljanje timovima, investicioni projekti.