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EVALUATION OF MANAGEMENT METHODS AND TECHNIQUES REGARDING QUALITY IMPROVEMENT OF SERBIAN ORGANIZATIONS' BUSINESS

Abstract

The subject of this paper is how domestic organizations can ensure excellent business quality and sustainability in the market by implementing a systematic business concept in which management is recognized as a powerful process for achieving high business performance. The premise is that competent management is a prerequisite for creating quality organizations and achieving results of total business excellence by combining other factors. The research is aimed at identifying and evaluating the primary obstacles in improving the quality of business of Serbian organizations which are on the market at different levels and lengths, and identifying the elements needed for the intended improvement with a focus on the importance of using modern management methods and techniques in organizations with different management styles, as well as a lack of knowledge of the management staff. In order to establish an effective management system that drives the development of a quality and sustainable organization, it is necessary for the management to understand current business trends as well as to establish new values at all levels of business that will contribute to the achievement of success. To confirm the premise, the analysis method, the synthesis method, and the method of multiple comparisons and statistical test were used.

Key words: organizational quality, management system, business success, performance.

JEL classification: L25, M12, O32

ЕВАЛУЦИЈА УПРАВЉАЧКИХ МЕТОДА И ТЕХНИКА У КОНТЕКСТУ УНАПРЕЂЕЊА КВАЛИТЕТА ПОСЛОВАЊА СРПСКИХ ОРГАНИЗАЦИЈА

Апстракт

Предмет истраживања у овом раду је како да српск организације осигурају изврсни квалитет пословања и своју одрживост на тржишту, применом

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системског бизнис концепта у коме је менаџмент препознат као моћни процес за постизање високих пословних перформанси. Полазна претпоставка је да је компетентан менаџмент потребан услов за креирање квалитетних организација и постизање резултата тоталне пословне изврсности, комбиновањем других фактора. Истраживање је усмерено на откривање и евалуацију примарних препрека у развоју унапређења квалитета пословања српских организација, различитог нивоа и дужине битисања на тржишту и идентификовању елемената потребних за намеравано унапређење, са фокусом на важност адекватног коришћења савремених метода и техника менаџмента у организацијама које имају различит менаџмент стил, као и недостатку знања запослених из области управљања. Ради успостављања ефективног система менаџмента који покреће развој квалитетне и одрживе организације, неопходно је да исти разуме актуелне трендове пословања, као и да успостави нове вредности на свим нивоима бизниса који ће доприносити остварењу успеха. Ради потврђивања полазне хипотезе коришћени су метод анализе, метод синтезе и метод вишеструког упоређивања и статистичког теста.

Кључне речи: квалитет организације, систем менаџмента, пословни успех, перформансе.

Introduction

One of the many problems that are present in every organizational environment is adequate organization of the managerial position. Namely, the management is and has always been a source of impulse and an important factor which determines the direction of a quality organization's development orientation. In order to survive and to grow successfully in an increasingly demanding market, organizations must use and continually improve management systems as a tool for improving their performances and for increasing the overall capacity of their sustainability. It is confirmed that a deeper understanding is necessary to incorporate the managerial system into the current business milieu to a greater degree than it currently is, for such an understanding is a necessary supposition for the strategic reorientation of numerous organizations that plead quality business conduct on the market.

The successful management of a contemporary organization should be integrated (Adelsberger, 2014), systematic, system-oriented and transparent, with constant performance improvement, oriented toward users and all interested parties. The application of different management systems and styles in organizations (Delić, N., Emić, A., 2015) is a regular occurrence. It is inconceivable that an organization should function without being based on multiple management systems. The overall management of an organization contains multiple systems of management, which makes for a comprehensive, consistent and non-conflicting set. Some of these systems are organized according to the experience and ideas of the management of the organization, and some according to the demands and rules of international and/or national standards. The synergy of reciprocal relationships and the operation of technology (Turban, McLean, Wetherbe, 2003), innovation and change is at work, and the management system is the necessary integrating factor.

There are different elements and management systems in the business practice of economic entities that significantly influence their business success. In order to effectively manage an organization (Miletić, 2017), the management must identify and evaluate the benefits of integrating different systems including the realization of the organization's strategic goals.

It is evident that organizations cannot be of good quality and cannot develop only through cost reduction and reengineering. Innovative programs as a function of the current and future business of organizations and their management become a major segment and impetus for their aggressive growth through which the dynamic changeability of products and technology is realized.

Adequate management systems of organizations have a significant impact on enhancing the quality of their successful functioning. Quality organizations operating in the same or similar environments can compete using different competitive systems (Namiki, 2011, p. 50-52) due to the unlike strategic orientations of their management and other internal characteristic capabilities. Also, it is striking that organizations with the ability to innovate (Berber, Lekovic, 2018), not only products and processes, generally perform better than others.

Quality of the organization

The success or any organization lies in the center of the management's deliberation (Cho, Pucik, 2005), with the inevitable question of how to measure and evaluate business success. The quality of an organization primarily reflects the degree to which the sum of its unique attributes meets the requirements of the target market. An organization defines its own unique characteristics through numerous elements of business success (Miletić, Berber, 2019). These characteristics are the authentic features of the organization and its employees.

Certainly, there is no single recipe and precise understanding of how to build a quality and competitive organization. The starting point in the process of creating a successful organization is for the top management to evaluate the current state of their quality. To achieve this goal, benchmarking can be used (Bešić, Đorđević, 2014), that is, organizations can compare themselves to other organizations that produce similar/same products or provide similar/same services (Worley, Williams, Edward, 2014). Different management systems use different benchmarks, standards and guidelines for self-assessment across different business areas. The results obtained can be used to gather information about the level of maturity of an organization's quality (Carlton, Perflof, 2005).

In this sense, organizations that strive for sustainable business success need to constantly identify the factors of their success (Miletić, Božilović, 2015). The criteria for the evaluation of their performance have been changing along with the changes in the business environment. Hence, nowadays the success factors of organizations (Perren, 2000) are related not only to the quality of the products and services they deliver to their customers (Leković, Đokić, 2014), but what is especially valued is the continuity of their business, the issues of adequate environmental management, the health and safety of the employees, socially responsible business, (Sekulić, Pavlović, p. 59-69), etc.

In the function of sustainable business quality continuity, the organization is expected to establish new success factors over time, above all to use modern management methods and techniques, and to raise performance evaluation criteria. All the more so, because the modern world market is looking not only for an international focus on business, but also for creating competitive strategies that ensure high performance.

In the situation of generating business success, the top management of the organization is expected to understand current business trends (Cvjetković, 2016) and, accordingly, to establish a supportive climate and culture at all levels of action that will contribute to the achievement of expected performance. By strengthening its identity through measurable values, an organization's management can raise the quality level of its performance by applying different types of management systems.

Management system

In order to achieve high performance (Cokins, 2009) in a saturated and constantly changing market and to increase the capacity of its sustainability, Serbian organizations must necessarily use adequate management systems as tools to improve overall results. The fact is that management technology is the oldest and it is emerging as a solution to the problems associated with the business success and high performance of each organization (Todosijević, 2015, p. 129). The intensification of changes caused, above all, by technology and innovation, consequently imposes the need for innovative technology for managing complex dynamic systems. This means that the success of a particular organization can only be realized if business processes are systematically being improved using new management methods and/or improving the performance of the organization.

Thus, in an increasingly unpredictable business environment, organizations need to develop and use management systems and tools that provide increased preparedness to address the consequences of change. Even more so since long-term planning as a management system based on extrapolation of the past into the future no longer has any useful value in the practice of domestic organizations. In addition to the serious conceptual errors of national economic policy that led to the collapse of the former giants, such as Electronics and Mechanical Industry from Niš, Magnohrom from Kraljevo, Prva petoletka from Trstenik, Goša from Smederevska Palanka, etc., the business failure of numerous domestic organizations has also been caused by an inadequate system of management of many domestic organizations. Obvious examples are Smederevo Ironworks and RTB Bor, which have become profitable after changing the management system.

The success of an organization, therefore, requires strategic planning and the agreement of its quality level with the set of its personal attributes (Radović-Marković, 2017). This means that the organization must encourage the need for change with its employees and to actively develop the process of managing and implementing promotion programs.

An organization must manage the changes that the business environment brings, first of all, by improving and applying new knowledge, modern management methods and techniques, developing integrated management systems, developing

and applying information technologies, and standardizing the quality of its business (Miletić, Jovanović, Jeremić, 2017, p. 37). A valid management system involves more than just establishing processes or proven procedures. An organization strives to base its own management system on the principles of effectiveness, by supporting the use of advanced business strategies, using benchmarks in line with its business activities, ensuring the realization of strategic goals of the organization, initiating innovation and competitiveness, applying various tools for improving business processes, ensuring the availability of resources for achieving goals, establishing dynamic communication with all interested stakeholders. Through this effort an organization encounters primary obstacles that need to be addressed by generating expected performance.

A successfully established management system drives the development of the organization towards achieving results in such a way as to reach the highest level of quality of products and services, and to ensure the efficiency and effectiveness of business processes and maximum performance. To achieve these goals, successful organizations use an expanded process model that recognizes the synergy of various activities and benchmarks for improving business quality.

Research methodology

Research on the quality of business of domestic organizations implies that this success should include finding options for effective management of the organization. The premise of the research is that maintaining stable development and business success of the organization depends, among other factors, on the adequate use of modern management methods and techniques.

The research was realized as an empirical cross section study for the purpose of describing the studied phenomenon and analyzing the relations between the building elements of the subject factor. In addition to the basic explicit method, at the stage of setting the theoretical framework of the work the speculative bibliography method was used, and in the process of processing and interpreting the results, the method of multiple comparison and statistical test. Surveying was used as a research technique to collect data and information.

The research was conducted on a sample of 138 organizations selected from the database kept by the Business Registers Agency of the Republic of Serbia. When selecting organizations in the sample, the decisive factor was the success of their business.

The purpose of the questionnaire was to gather information on the quality of business operations of organizations in the national economic milieu, as well as to identify the primary obstacles that limit the improvement of their quality of business, accentuating the change in the management system.

The questionnaire was specifically designed for the purpose of this research and contained questions related to the evaluation of the use of modern management methods and techniques by the surveyed organizations in order to find ways of more efficient business conduct. It was envisaged that an element could have been rated as very significant, both is and is not significant, and not significant. Differences in determining obstacles in the development of improving the quality of business of Serbian organizations, taking into account the answers received by the respondents,

were addressed by a ANOVA test, non-parametric χ^2 test (existence of a statistically significant difference for $\text{Sig} \leq 0.05$ values).

Primary sources of information and knowledge were mainly used in the research segment presented in this paper.

Descriptive statistics

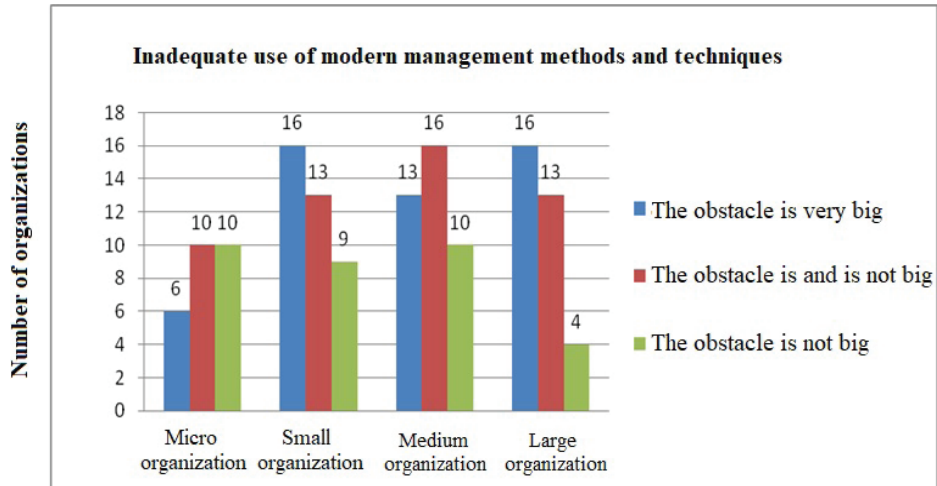
Evaluation of the factors that influence the improvement of business quality in Serbian organizations started with the identification of determining factors of business, with reference to the impact that the appropriate application of management methods and techniques has. Respondents were asked to determine the elements that contribute to improving the quality of their business excellence. They were able to rate the factors as very significant, as significant and not significant, and as not significant. The obtained results at first glance point to the fact that improvements in the quality of business by the surveyed managers were singled out as a special factor of Af-120, 77.2%, which significantly contributes to the increase of their competitive ability. Furthermore, the results indicate that, in addition to relevant knowledge, several factors that were identified as very significant (the percentage ranged from 78.8% to 88.2%) were employee training, development of integrated management systems; the application of modern management methods and techniques as a very significant factor Af-86, or 76%, is and is not a significant factor Af-40, 29.4%, and not a significant factor Af-12, 9.6%; improving the technical and technological basis of business (Miletić, 2016, p. 212).

The research also sought to evaluate the necessary elements to improve the quality of business of Serbian organizations within the organizations themselves. The obtained results show that in the largest percentage, the application of modern management methods and techniques stands out as a much required factor of Af-81, 51.6%; is and is not required Af-47, 34.6%; not required, Af-8 5.6%.

It is obvious that the business of local organizations today is influenced by numerous factors from the environment, whose impact on the quality of business is extensive. All of these factors can at the same time be basic obstacles, but also necessary factors for the development of the organization to the level of quality of business excellence. Adequate application of modern dominant management technology is one of the factors that contribute to the realization of the intended effects of improving the quality of business of Serbian organizations.

Differences in identifying the obstacles to improving the quality of business of domestic organizations, taking into account the answers given by organizations of different sizes, were addressed a non-parametric χ^2 test (existence of a statistically significant difference for values of $\text{Sig} \leq 0.05$).

Chart 1 presents the results of assessing the inadequacy of using modern management methods and techniques as an obstacle to the development of improving the quality of business of domestic organizations.



Source: Author

Chart 1. Inadequate use of modern management methods and techniques as an obstacle to improving the quality of business of domestic organizations

Table 1 shows that the significance of the difference in the answers $\text{Sig.} = 0.289 > 0.05$, so it can be concluded that there is no significant difference in the assessment of the use of modern management methods and techniques.

Table 1. Significance of differences in the assessment of inadequate use of modern management methods and techniques as an obstacle to improving the quality of business of organizations operating in Serbia

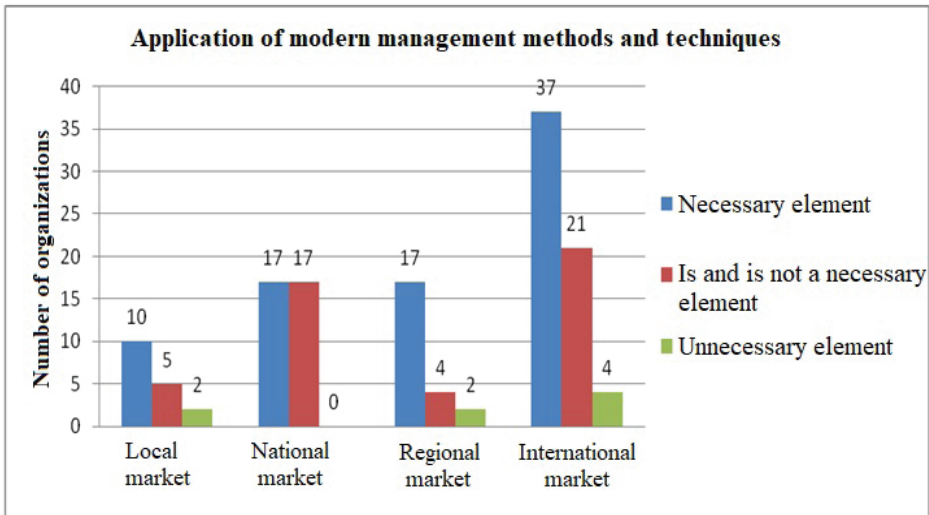
	Value	df	Sig.
Pearson Chi-Square (χ^2 Chi square)	7.353	6	.289

Source: Author

Certainly, lack of managerial knowledge is a significant obstacle to raising the level of quality of business of organizations of different sizes. The results of $\text{Sig.} = 0.468 > 0.05$ indicate that there is no significant difference in the lack of knowledge as an obstacle to improving the quality of business regardless of the size of the organization.

Differences in determining the necessary elements for improving the competitive - qualitative abilities of Serbian organizations evaluated by respondents of different levels of business were addressed by a nonparametric χ^2 test (existence of a statistically significant difference for values of $\text{Sig.} \leq 0.05$).

Chart 2 presents an assessment of the application of modern management methods and techniques as an element necessary for developing the competitiveness of Serbian organizations, evaluated by organizations operating at different levels.



Source: Author

Chart 2. Assessment of the application of modern management methods and techniques as an element necessary to improve the business of Serbian organizations

Table 2 presents the importance of applying modern management methods and techniques by organizations operating at different levels. The results show that $\text{Sig.} = 0.168 > 0.05$, so it can be concluded that the level of business of an organization does not significantly affect the evaluation.

Table 2. Importance of evaluating the application of modern management methods and techniques as an element needed to improve the quality of business of national organizations

	Value	df	Sig.
Pearson Chi-Square (χ^2 Chi square)	9.109	6	.168

Source: Author

Continuous improvement of management knowledge of all employees is of particular importance for raising the business potential of Serbian organizations. The effectiveness and success of a knowledge management program depends primarily on the manager's attitude regarding the matter. The advancement of knowledge in the field of management technologies determines their sustainable success by implementing all the necessary activities through an appropriate process. Organization management itself is an ongoing process, the purpose of which is to establish the strategic orientation of the organization and to ensure that it achieves its intended goals.

In this sense, the results of the research show that $\text{Sig.} = 0.033 < 0.05$, which means that differences in the level of an organization's business significantly influence the

assessment of the importance of continuous improvement of all employees for the level of their business excellence.

In order to evaluate the importance of an adequate management system regarding the improvement of the quality of business of Serbian organizations to become more competitive in the domestic and foreign markets, a two-factor analysis of the impact of business length and business level on the characteristics of the organization has been conducted. Respondents were asked to rate certain characteristics in the business from 1 to 5, with 1 being the lowest and 5 being the highest rating. A two-factor analysis found that business length and business level influence differences in performance characteristics of an organization, as a prerequisite for creating high-performance organizations. A value of 0.05 was taken as the level of statistical significance (there is a statistically significant difference for all $\text{Sig} \leq 0.05$ values).

Table 3 gives the mean values of the rating of the level in which the management of the organization is consistent and clear, observed in organizations that operate for different periods of time and operate at different levels for each level and length of business. Standard deviation represents the deviation of the mean of the rating, and N stands for the number of respondents in the sample. One can notice that organizations operating at the regional level, and among them those operating from 6 to 10 years, have best evaluated the level at which management in the organization is consistent and clear.

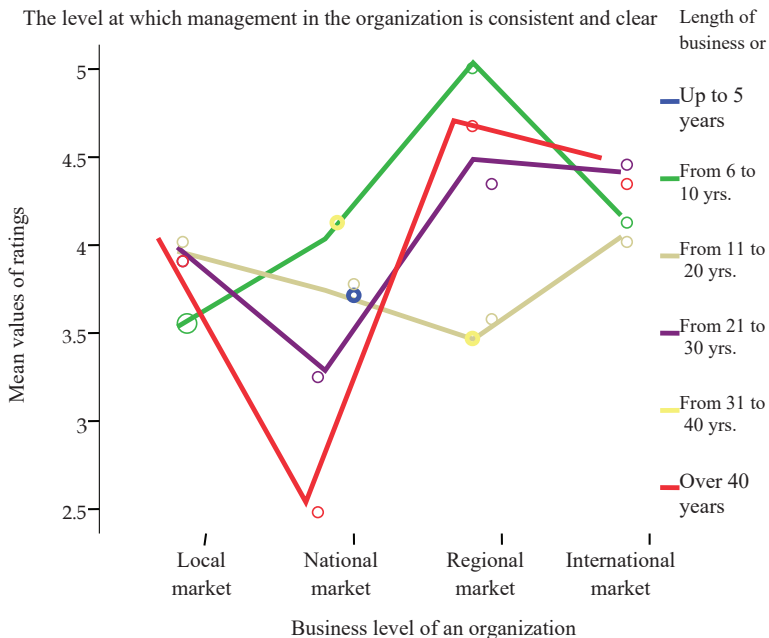
Table 3. Mean values of ratings of the level in which the management of the organization is consistent and clear

Business level	Length of an organization's business	Mean	Std. Deviation	N
Local market	From 6 to 10	3.50	.577	4
	From 11 to 20	4.00	.000	3
	From 21 to 30	4.00	.000	8
	Over 40 years	4.00	.000	2
	Total	3.88	.332	17
National market	Up to 5	3.71	1.254	7
	From 6 to 10	4.00	.000	2
	From 11 to 20	3.78	.441	9
	From 21 to 30	3.30	1.252	10
	From 31 to 40	4.00	.000	2
	Over 40 years	2.50	.577	4
	Total	3.50	.992	34
Regional market	From 6 to 10	5.00	.000	2
	From 11 to 20	3.50	.535	8
	From 21 to 30	4.50	.577	4
	Over 40 years	4.67	.500	9
	Total	4.26	.752	23

International market	From 6 to 10	4.13	.834	15
	From 11 to 20	4.08	1.084	12
	From 21 to 30	4.43	.746	21
	From 31 to 40	3.00	.000	3
	Over 40 years	4.45	.522	11
	Total	4.23	.838	62
Total	Up to 5	3.71	1.254	7
	From 6 to 10	4.09	.793	23
	From 11 to 20	3.84	.767	32
	From 21 to 30	4.09	.921	43
	From 31 to 40	3.40	.548	5
	Over 40 years	4.19	.895	26
	Total	4.01	.873	136

Source: Author

Chart 3 presents the mean values of the ratings of the levels in which organizations have clearly defined goals and elements to achieve them. It can be seen that the best rated organizations operating in the regional market for 5 to 10 years are organizations that have clearly defined goals and elements necessary for their successful achievement.



Source: Author

Chart 3. Mean values of ratings of the level at which management within the organization is consistent and clear

The influence of the interaction between the length of the organization's business and the level of business on the assessment of the level in which management in the organization is consistent and clear is given in Table 4. In the Business Level/Business Length column Sig=0.002, which is less than 0.05, so it can be concluded that there are significant differences in the level of ratings in which management in the organization is consistent and clear. The influence of the interaction between business level and business length is statistically significant.

Table 4. The influence of the interaction of variables Business level and Business length on the rating of the level in which management within the organization is consistent and clear

Variables	Df	Mean Square	F	Sig.
Business level	3	2.104	3.589	.016
Business length	5	.356	.606	.695
Business level/ Business length	10	1.776	3.029	.002

Source: Author

After analyzing the joint influence, the analysis of separate influences followed. The Sig column for business level shows a value of 0.016, which is less than 0.05, so it is concluded that the level of business of an organization has a significant impact on the ratings of the level in which management in the organization is consistent and clear. The Sig column for business length shows a value of 0.695, which is greater than 0.05, so it is concluded that the length of business does not significantly affect differences in ratings. Based on this, it can be concluded that the level of business and the length of business have a significant impact on the ratings of the level in which the management in the organization is consistent and clear, viewed through the combined influence of variables, while individual influence is significant only at the business level. It is noted that the individual impact of the level of business quality differs. A subsequent test identifies which organizations, depending on the level of business, differ in ratings using the Tukey test. Table 5 shows that the ratings of organizations operating on the national and regional markets, as well as the national and international markets, differ in terms of the degree to which management in organizations is consistent and clear.

Table 5. Comparative analysis of organizations at different levels of business in ratings of the level in which management within the organization is consistent and clear

(I) Business level of an organization	(J) Business level of an organization	Mean difference (I-J)	Standard deviation	Deviation significance (Sig)	95% Confidence interval	
					Lower limit	Upper limit
Local market	National market	.38	.227	.338	-.21	.98
	Regional market	-.38	.245	.414	-1.02	.26
	International market	-.34	.210	.361	-.89	.20
National market	Local market	-.38	.227	.338	-.98	.21
	Regional market	-.76(*)	.207	.002	-1.30	-.22
	International market	-.73(*)	.163	.000	-1.15	-.30
Regional market	Local market	.38	.245	.414	-.26	1.02
	National market	.76(*)	.207	.002	.22	1.30
	International market	.04	.187	.998	-.45	.52
International market	Local market	.34	.210	.361	-.20	.89
	National market	.73(*)	.163	.000	.30	1.15
	Regional market	-.04	.187	.998	-.52	.45

Source: Author

The respondents were further asked to indicate the leadership style in organizations. Table 6 presents comparative statistics on the existence of differences in HR policy in organizations with different management styles. It can be noted that differences in leadership style significantly influence the decisions in the selection of employees to be educated in the management field Sig = 0.002.

Table 6. Differences in HR policy in organizations with different management styles

		Sum of Squares	df	Mean Square	F	Sig.
Work habits of employees in the organization	Between Groups	2.032	3	.677	.717	.543
	Within Groups	124.608	132	.944		
	Total	126.640	135			
Positive response of employees to education and training programs, as well as their willingness to undergo education and training	Between Groups	1.476	3	.492	.364	.779
	Within Groups	178.642	132	1.353		
	Total	180.118	135			
Allocation of resources of the organization for employee education and training	Between Groups	7.323	3	2.441	1.478	.224
	Within Groups	218.081	132	1.652		
	Total	225.404	135			
Fairness when choosing which employees to educate	Between Groups	19.922	3	6.641	5.161	.002*
	Within Groups	169.843	132	1.287		
	Total	189.765	135			
The level at which the idea of business culture in an organization is realized	Between Groups	3.900	3	1.300	1.321	.270
	Within Groups	129.865	132	.984		
	Total	133.765	135			
The level at which employees in an organization share responsibility for both the success and failure of the organization	Between Groups	11.687	3	3.896	2.852	.040*
	Within Groups	180.305	132	1.366		
	Total	191.993	135			
Teamwork in the organization	Between Groups	17.861	3	5.954	6.536	.000*
	Within Groups	120.249	132	.911		
	Total	138.110	135			
Employees in the organization as sources of creativity and new ideas	Between Groups	12.250	3	4.083	3.642	.015*
	Within Groups	147.985	132	1.121		
	Total	160.235	135			

Source: Author

The subsequent Tukey test found among which organizations with different leadership styles there are differences by looking at variables that possess a significant difference in ratings.

The subsequent Tukey test in Table 7 presents the differences in decision making when selecting employees to be educated in organizations with different leadership styles. Organizations with an autocratic and participatory leadership style and organizations with an autocratic and democratic leadership style demonstrate a difference.

Table 7. Fairness when selecting employees who will be educated in organizations with different management styles

Fairness when selecting employees who will be educated		Mean difference (I-J)	Standard deviation	Deviation significance (Sig)	95% Confidence interval	
(I) Management style in an organization	(J) Management style in an organization				Lower limit	Upper limit
Autocratic	Participatory	-.767(*)	.260	.020	-1.44	-.09
	Democratic	-.848(*)	.278	.015	-1.57	-.12
	Not sure	.250	.455	.946	-.93	1.43
Participatory	Autocratic	.767(*)	.260	.020	.09	1.44
	Democratic	-.081	.231	.985	-.68	.52
	Not sure	1.017	.427	.086	-.10	2.13
Democratic	Autocratic	.848(*)	.278	.015	.12	1.57
	Participatory	.081	.231	.985	-.52	.68
	Not sure	1.098	.438	.064	-.04	2.24
Not sure	Autocratic	-.250	.455	.946	-1.43	.93
	Participatory	-1.017	.427	.086	-2.13	.10
	Democratic	-1.098	.438	.064	-2.24	.04

Source: Author

Respondents were asked to fill in the number of employees who have received training in management for the past year. Table 8 shows that there are differences in all observed characteristics: size of the organization, ownership structure, length of business, activity, business sector and level of business of the organization all influence the differences in the number of employees who have been trained in the field of management.

Table 8. Differences in the number of persons who have undergone training in management in organizations with different characteristics

Characteristics of an organization	Number of people who have undergone management training in the last year		
	Value χ^2	df	Sig.
Size of the organization	89,751	24	0.000*
Ownership structure of the organization	31,891	16	0.010*
Length of business of the organization	72,508	40	0.001*

Activity of the organization	29,891	16	0.019*
Business sector of the organization	407,952	168	0.000*
Level of business of the organization	44,300	24	0.007*

Source: Author

It can be concluded that there is a significant difference in the ratings of those organizations that have an autocratic leadership style and those who were unsure about the leadership style in the organization. There are differences in organizations with a participatory and democratic leadership style and in organizations where respondents are uncertain about the management style.

Results and discussion

The purpose of the research was to gather information on the state in the national economic environment and to identify the obstacles and the chances for domestic organizations to apply modern management methods and techniques in order to develop their own competitive ability and achieve superior business results.

The conducted research confirmed that improving the quality of business of Serbian organizations is the focus of their management, especially since improving the quality of business by the surveyed managers was singled out as a separate factor to which attention must be paid in order to make the organization as competitive as possible on the market. The results of the research further showed that factors of business excellence of the surveyed organizations that stand out are the development and application of information technologies, procurement of modern technological solutions and equipment, standardization of business quality, continuous improvement of knowledge of all employees and investment in the development of local brands. The biggest primary obstacles in improving the quality of business operations of domestic organizations are lack of knowledge, inadequate use of modern management methods and techniques, outdated equipment and technologies, insufficiently stimulating business environment, lack of resources, business that is not based on international standards, and inadequate implementation of marketing concepts.

Responses from organizations at different levels of business varied significantly in terms of the elements necessary to improve the quality of business of Serbian organizations. It is concluded that the level of business significantly influences the evaluation of promotion factors, with particular emphasis on the lack of management knowledge and the inadequate use of modern management methods and techniques. In more than half of the organizations (the largest percentage), none of the employees has been in management training in the past year.

The length of business and the level of business of an organization have a significant common influence on all attributes of organizations, and they are seen as characteristics which an organization of total business excellence should possess. The level of business of an organization significantly affects the differences in the level in

which the management in the organization is consistent and clear.

Depending on the decision makers and the management style, significant differences occur in the area of allocating resources for employee education and training.

The results of the research confirmed the hypothesis and showed that the size of the organization, the length and level of business of the organization, the application of modern management methods and techniques, and continuous improvement of management knowledge of employees in the organization significantly affect the improvement of the quality of Serbian organizations and overall performance.

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