

MANAGEMENT PRACTICES UTILIZATION IN ORGANIZATIONS – A COMPARISON BETWEEN CATCHING-UP AND WELL-DEVELOPED ECONOMIES*

Zlatko Nedelko**
Vojko Potočan***

Received: 17. 7. 2015
Accepted: 11. 12. 2015

Original scientific paper
UDC 005.34:338.1<(497.5)(497.4)

The main purpose of this paper is to examine the utilization of management practices in catching-up and well-developed economies. Within that framework, the paper examines the utilization of management practices in Slovenian and Croatian organizations, as both are considered the representatives of catching-up economies from Central and East Europe (CEE), while also comparing the utilization of management practices in the two selected economies to the global use of management practices. Evidences about management practices utilization reveal that in well-developed economies in the forefront are management practices aiming to support customer relationship management, strength customer relations and customer satisfaction, while in Slovenia and Croatia prevail practices that are oriented toward optimization of the business and its processes. Based on the research results and the situation in organizations, a possible future pattern of management practice utilization in organizations operating in catching up economies is outlined, with the aim to reduce the developmental lag and increase competitiveness of those organizations. The paper also provides several practical implications for future utilization of management practices in catching-up economies. The sample of catching up-countries includes 155 responses from

* A previous version of this paper has been presented and discussed at the 11th International Conference "Challenges of Europe: Growth, Competitiveness and Inequality", organized by Faculty of Economics Split, in May 2015. *Management – Journal of Contemporary Management Issues* is one of the supporting journals of the Conference. All the papers have been reviewed and revised, according to the standards of this Journal.

** Zlatko Nedelko, University of Maribor, Faculty of Economics and Business, Department of Management and Organization, Razlagova 14, 2000 Maribor, Slovenia. Phone: ++ 386 2 22 90 131; Fax: ++ 386 2 22 90 131, e-mail: zlatko.nedelko@uni-mb.si

*** Vojko Potočan, University of Maribor, Faculty of Economics and Business, Department of Management and Organization, Razlagova 14, 2000 Maribor, Slovenia. Phone: ++ 386 2 22 90 255; Fax: ++ 386 2 22 90 217, e-mail: vojko.Potočan@uni-mb.si

employees in Slovenian organizations and 185 from Croatian ones. Data for samples from well-developed economies are obtained from a global survey of management practices.

Keywords: management practices; utilization; catching-up economy; well-developed economy; international comparison.

1. INTRODUCTION

Various management ideas and concepts have been developed over decades in order to support and improve work and behavior of organizations (Dessler, 2004; Sutherland & Canwell, 2004; Certo & Certo, 2009). In business practice, managers utilize management concepts and ideas for the creation and implementation of different management tools and practices (Lock, 1992; Daft, 2000; Potočan et al., 2012).

In the contemporary business environment, organizations use a plethora of different management practices in order to support their operations. Within that framework, management practices represent an important factor that has an important impact on operations of and work in organizations, and consequently underpin the competitiveness of an organization (Sutherland & Canwell, 2004; Van Assen et al., 2009; Potočan & Dabić, 2012; Dabić et al., 2013; Nedelko & Potočan, 2013). Within that framework, organizations use different management practices at different developmental levels of their business and in different business environments - e.g. well-developed, catching-up economies. The use of adequate management practices has an important role in catching-up economies, which try to reduce their developmental lag, reduce inequality and increase their competitiveness in comparison to the more developed economies (Dyck & Mulej, 1998; Newman, 2000; Kaplan & Norton, 2008; Kozminski, 2008; Nedelko & Potočan, 2013).

From the viewpoint of our research, which focuses on examination of differences between catching-up and well-developed economies, inequality and differences in competitiveness between the mentioned group of countries, utilization of management practices represent an important consideration when dealing with inequalities and differences in competitiveness between well-developed and catching-up economies, as is the case with Central and Eastern European countries (hereinafter CEECs).

Management practices are extensively dealt with in literature, with a focus on the most known and utilized ones, like strategic planning, total quality management, and customer segmentation (Harrison & Kelley, 1993; Creech,

1994; Powell, 1995; Porter, 1996). Rigby and Bilodeau's worldwide survey about management practices utilization in different worldwide areas is well known (Rigby, 2001; Rigby & Bilodeau, 2009).

Management literature on CEEC, focusing on issues regarding improving, optimizing and developing businesses, business processes, organization and consequently competitiveness, is abundant (Kiezun, 1991; Potočan & Mulej, 2007; Nedelko & Potočan, 2013; Šarotar-Žižek et al., 2013). But the authors analyze the role and importance of management practices for business, especially for their meaning in terms of optimization of the business and its processes, reducing developmental gap and inequalities, as well as increasing competitiveness in comparison to the well-developed economies. Thus, nowadays catching-up economies in the CEE are still struggling with reducing developmental lag. Despite the perceived lag, there is no clear direction about the future use of management practices that will underpin business improvements, increase of competitiveness and growth of CEECs. In addition, the link between the utilization of management practices and the level of development in an organization is not broadly considered in theory and among practitioners in the CEE area. Thus, the literature provides a very little evidence of and help to the organizations in catching-up economies about the future utilization of management practices that will help them to reduce developmental gap and inequalities on the one hand and increase competitiveness on the other hand.

This paper addresses controversies in considering management tool use by providing a comprehensive research and empirical study. From a theoretical viewpoint, this study contributes to the existing literature with the following. First, we compare the current state of management practices utilization in the two selected CEECs, namely Slovenia and Croatia as representatives of catching-up economies, with an average use of management practices in selected well-developed worldwide areas, as reported by the global Bain survey (Rigby, 2001; Rigby & Bilodeau, 2009). Second, the paper discusses the relations between management practices utilization and developmental levels of organizations. Within that framework we examine the differences in utilization of customers and optimization-oriented management tools in surveyed organizations. Finally, we outline suggestions on how organizations in catching-up economies in the CEE can use management practices for bettering their business and increasing their competitiveness. With our research, we also try to provide an insight into a possible future pattern of management practices in catching-up economies and suggest a broader approach for future utilization of

management practices in Slovenia and Croatia in order to reduce inequality and increase competitiveness in comparison to the well-developed economies.

In line with the above outlined cognitions, the paper has the following structure. The first part reviews the literature dealing with management practices and linking utilization of management practices with the developmental level in frame of catching up and well-developed economies. Next part outlines the methodology and research approach, followed by the presentations of research results. In the last part i.e. discussion, practical implications and limitations are provided.

2. LITERATURE REVIEW

Management authors define management practices as an entity of analytical instruments used to support the managers at work as something used in the implementation of the selected management concept (Dessler, 2004; Sutherland & Canwell, 2004; Van Assen et al., 2009). Another definition proposed by Rigby (2001) considers management practices as tools which are defined as a set of concepts, processes, and exercises.

The development of management has gone through six phases – e.g. classical, humanistic, systems, contingency, post-modernistic, and scientific values phase (Wren, 1994; Daft, 2000; Mullins, 2013). In a broader consideration of management ideas authors also define their (Rigby, 2001; Sutherland & Canwell, 2004; Sapkauskiene & Leitoniene, 2010; Potočan et al., 2012): (1) Concept – as a rather comprehensive, developed and defined basis for consideration of an idea; (2) Methodology – as an entity or closely related collection of methods, rules and disciplinary postulates; (3) Methods – as goal- and problem- ordered types of procedures, which are especially regular and systemic ways of setting and realizing the given goal; (4) Techniques – as the manner in which technical details are treated; and (5) Corresponding management tools – as the way for realization of management ideas.

In line with the aims of our paper, we focus our research on the use of management practices, which are recognized as an important driver of competitiveness and growth (Potočan & Dabić, 2012; Potočan et al., 2012; Dabić et al., 2013; Nedelko & Potočan, 2013). Within that framework, management practices are considered as an important factor that supports the improvements of organizations in catching-up economies in the CEE in order to reduce the gap between catching-up and well-developed economies/areas (Dyck

& Mulej, 1998; Rigby, 2001; Potočan & Mulej, 2007; Sapkauskiene & Leitoniene, 2010).

A transition of organizations in the CEECs occurred through a radical organizational transformation (Kiezun, 1991; Lang et al., 2000; Newman, 2000; Bakacsi et al., 2002; Kozminski, 2008; Aleksic et al., 2013). In that frame, patterns and principles valid in a centrally planned economy were abandoned and replaced with those typical for market economy (Dyck & Mulej, 1998; Potočan & Mulej, 2009; Nedelko & Potočan, 2013).

Organizations operating in CEECs have heavily used management practices which are aimed at business optimization, like re-designing of organization, optimization of business processes, implementing best practices, increasing the quality level of all processes, eliminating unnecessary activities, etc. Consequently, with the help of these practices organizations improve their competitiveness in the global market and reduce the gap towards the well-developed economies (Lang et al., 2000; Potočan & Mulej, 2007; Nedelko & Potočan, 2013). While on the other hand, the use of practices focused on concern for customer satisfaction, customers' needs and generally the customer relationship management was lower in comparison to the above outlined optimization practices.

The organizational transformation toward market economy principles and practices has different results. On a very general level, it can be concluded that there is still a developmental gap between catching-up and well-developed economies (Potočan & Mulej, 2007; Lang et al., 2013; Nedelko & Potočan, 2013). This gap can be also explained by the level and priority regarding utilization of management practices in organizations (Potočan & Dabić, 2012; Dabić et al., 2013). Based on this, we argue that different practices are utilized in organizations that also make differences between organizations and accordingly their developmental level. Thus, comparing management and business practice in organizations in well-developed Western European economies (Armbrüster, 2005; Tomalin & Nicks, 2010) and catching-up economies in the CEE (Kiezun, 1991; Lang et al., 2000; Potočan & Mulej, 2007), reveals some differences in the utilization of management practices.

Evident is that organizations in well-developed economies put their focus on (Collins & Porras, 2002; Certo & Certo, 2009; Van Assen et al., 2009; Tomalin & Nicks, 2010): long-term orientation on goals, continuous improvements and incremental changes, redesigning organizational processes, enhancing innovative operations and behavior, strengthening relationships with

customer, better satisfying customers need and consequently enhancing their satisfaction, etc. Organizational striving for those goals is usually supported by practices like, mission and vision statements, strategic planning, customer relationship management, benchmarking (Tamosiuniene & Jasilioniene, 2007; Kumar, 2010). Several studies reported on the differences between organizations from different geographical areas, which originate from specific requirements and conditions for organizations' working and behavior in different geographical locations – e.g. economical, business, culture, institutional, etc. (Dessler, 2004; Armbrüster, 2005; Kozminski, 2008; Tomalin & Nicks, 2010). For our research, we classified data from organizations in well-developed economies into four groups – i.e. organizations from North America, European Union 15, Asia Pacific, and Latin America. Each group is determined by specific characteristics and state for working of organizations in different geographical areas (Dyck & Mulej, 1998; Rigby, 2001; Tomalin & Nicks, 2010; Lang et al., 2013).

On the other hand, catching-up economies put their focus on (Newman, 2000; Potočan & Mulej, 2007; Kozminski, 2008): short-term goals with the focus on organizational survival, radical changes in operations and behavior, business process reengineering and further optimization of organizational processes, searching for and eliminating non-value added activities. The primary concern for business optimization is usually support with practices like outsourcing, business process reengineering, benchmarking, total quality management (Lang et al., 2000; Potočan et al., 2012). We selected for our research on catching-up economies, organizations from Slovenia and Croatia, because of similarities in their previous development (Kiezun, 1991; Potočan & Mulej, 2007; Lang et al., 2013). Direct comparison of Slovenian and Croatian organizations as samples of two similar groups of organizations is also in accordance with several management studies from the last decade, and enables a validation of the results of our research with cognitions from previous management studies (Brodbeck et al., 2000; Bakacsi et al., 2002; Dabić et al., 2013; Lang et al., 2013).

It is evident that organizations in well-developed areas have often different priorities regarding management practices utilization than those organizations operating in catching-up economies. Due to a high level of business optimization in well-developed areas, there is only a little space for radical improvements and they focus their attention on continuous improvements. Besides, the concern for achieving organizational goals and the concern for customer satisfaction and fulfilling their needs are the top priorities and a foundation for the use of customer-related management practices. With already

well-optimized business, in the forefront are management practices that support increasing customer satisfaction, better fulfilling customer needs and enhancing customer relations (Phillips, 2006; Tamosiuniene & Jasilioniene, 2007; Rigby & Bilodeau, 2011).

Based on the above outlined findings and prevalent practices in organizations we can outline two groups of practices. The first group relates to management practices aimed to support customer relationship management. Those practices are in the forefront in organizations operating in well-developed areas. For example, Jarzabkowski et al. (2013) reported on the importance of strategic management tools for operating of the organizations. Additionally, Kannan and Tan (2005) and Simchi-Levi et al. (2009) reported on changing the importance for just-in-time, supply chain, and quality management in organizations from well-developed areas. The second group of management practices relates to those practices supporting business optimization. Those practices are the most important ones in organizations operating in catching-up economies. For example, Bakacsi et al. (2002) presented trends of management development in Eastern European countries, and Lang et al. (2013) reported on the orientations of managers in Central and East Europe. See also Lang et al. (2000); Potočan et al. (2012); Šarotar-Žižek et al. (2013); Zdolšek et al. (2015). Utilization of optimization and customer-related management practices in organizations at different developmental levels is shown in Figure 1.

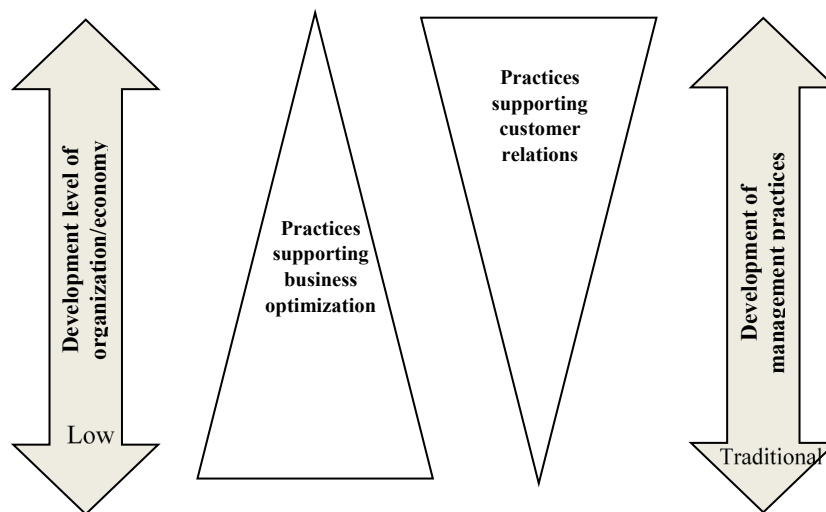


Figure 1. Utilization of optimization and customer-related management practices in organizations at different developmental levels of economy

Figure 1 reveals that both groups of practices are used simultaneously in organizations at different developmental levels, only the intensity of use of a single management practice varies across organizations, and depends upon specific needs and environmental conditions of organizations.

In accordance with the outlined cognitions, we summarize that organizations need to use different practices achieve chosen business goals, at different levels of business development and in different business environments. In line with the aims of our paper we postulate the following hypotheses:

- H1: *In catching-up economies, such as Slovenia and Croatia, in the forefront are practices that support the optimization of business and its processes, while practices supporting customer relationship management are less used.*
- H2: *In well-developed economies in the forefront are practices enhancing customer relationship management, while practices supporting business optimization are less used.*

3. METHODOLOGY

3.1. Data

Random sampling was done based on GVIN, a directory which lists Slovenian organizations and Creditreform HR, which lists Croatian organizations. The aim was to reflect the structure of the sample using NACE classification. In that frame, we calculated the needed percentage of companies in each group provided by NACE, according to the size as well as. The calculation of the number of needed participants in the survey was based on the anticipated response rate of about 20 % (Furrer et al., 2010; Ralston et al., 2014).

The survey was done in 2014 in Slovenia and Croatia. Based on random sampling, we sent 750 questionnaires to the selected Slovenian as well as to 750 Croatian organizations. A maximum of five responses from the same organization were allowed. Target population was especially the management, at all management levels. In Slovenia, we got back 210 answers and in Croatia 223 answers, whereas 155 Slovenian and 185 Croatian responses were included in the analysis. Others were eliminated due to missing or incomplete data and pattern answering. The response rate was 28.0 % for Slovenia and 29.7 % for Croatia, whereas the overall response rate was 28.9 %. Regarding the

considered questionnaires, the response' rate was 20.7 % and 24.7 % respectively, while the overall response rate was 22.7%.

3.2. Sample characteristics

Slovenian respondents are on average 44.35 years old and Croatian 39.90. The former have on average 20.49 years of working experiences, the latter 13.69 years. Slovenian respondents have been working in their current organization on average for 9.03 years, while their Croatian counterparts on average for 9.56 years.

Detailed sample characteristics for Slovenia and Croatia are outlined in Table 1.

Table 1. Demographic profile of the respondents in the survey

Gender	Slovenia	Croatia	Organization size	Slovenia	Croatia
Male	48.4 %	48.1 %	Micro (<9)	13.5 %	7.0 %
Female	51.6 %	51.9 %	Small (10 – 49)	18.7 %	8.1 %
Education			Medium (50 – 249)	43.9 %	23.8 %
Secondary school	4.2 %	9.2 %	Large (>250)	23.9 %	61.1 %
Bachelor degree	56.9 %	61.4 %	Department		
Master/PhD	38.9 %	29.3 %	Research & Development	3.2 %	17.0 %
Type of education			Fundamental processes	25.3 %	24.7 %
Humanistic	2.8 %	1.1 %	Accounting	14.9 %	4.4 %
Social	68.3 %	58.7 %	Marketing	11.7 %	8.8 %
Natural and technical	20.7 %	34.2 %	Board of directors	29.2 %	37.4 %
Other	8.3 %	5.9 %	Other	15.6 %	7.7 %
Position			Economy sector		
Specialists	40.7 %	44.3 %	Primary	1.9 %	1.1 %
Low management	8.7 %	12.6 %	Secondary	27.7 %	18.6 %
Middle management	32.0 %	24.6 %	Tertiary	43.2 %	71.6 %
Top management	12.7 %	10.9 %	Quaternary	27.1 %	8.7 %
CEO	6.0 %	7.7 %			

3.3. Research design

A comparative study of management practices used in Slovenia, Croatia and selected four worldwide regions – i.e. North America, European Union 15, Asia Pacific, Latin America and global average is presented. The average mean values for use of top ten management practices in selected regions are outlined.

The questionnaire was designed to measure the use of management practices among employees in organizations and it consists of three parts. The first part consists of questions, related to the average use of practices, the second part of questions, related to the implementation and future use of practices, and the third part asks for demographic data about respondents and organizations. The questionnaire is a part of our international study about the usage and satisfaction with 25 most used management tools.

The study has been going on since 2005 and, by 2014, covered 12 countries from Central and Eastern Europe. In this paper, we examine 10 most used management tools for each considered region. Because of differences in the importance of tools usage in considered areas, fifteen tools are outlined in our comparison.

4. RESULTS

4.1. Management practices utilization in Slovenia and Croatia

The intensity of management practices utilization in Slovenian and Croatian organizations is very similar, while the patterns of use are rather different. For instance, outsourcing is the most frequently used practice in Slovenia and sixth in Croatia, while with mission and vision statements, the opposite is true.

A detailed comparison of the average use of top ten management practices among Slovenian and Croatian managers is outlined in Figure 2.

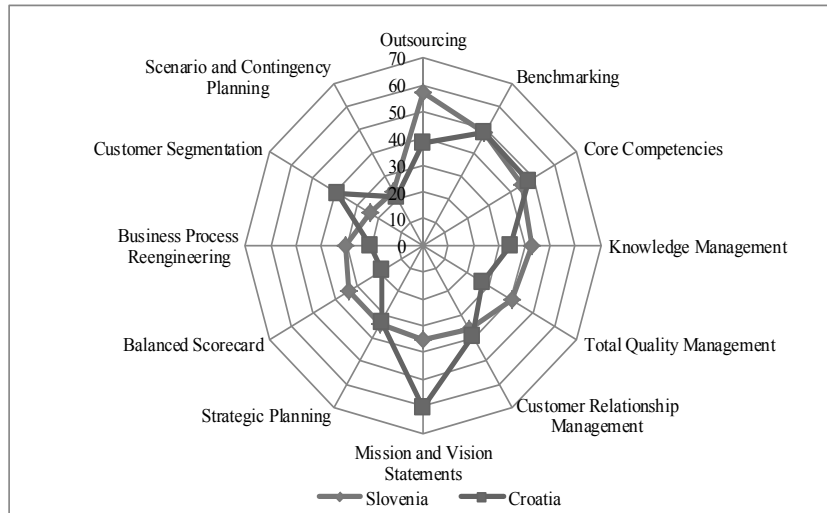


Figure 2. Top ten most used practices in Slovenia and Croatia

4.2. Top ten management practices used worldwide

An international comparison reveals different patterns of management practices used in different worldwide regions. At first glance, it is evident that worldwide the most used management practices are not among the most used in organizations in the former CEEC – i.e. the studied examples of Slovenia and Croatia, and vice versa. Detailed results are outlined in Table 2.

Based on comparing the average use of management practices in selected areas we can support Hypothesis 1, which states that *“in catching-up economies, such as Slovenia and Croatia, the practices that support optimization of business and its processes are in the forefront, while the practices supporting customer relationship management are less used”*.

We can also support Hypothesis 2, which states that *“in well-developed economies the practices enhancing customer relationship management are in the forefront, while practices supporting business optimization are less used”*.

Table 2. Top ten used management practices worldwide¹

Management practice	Use of management practices							
	GL-2006	GL* – 2008	NA	EU	AP	LA	HR	SI
1. Strategic Planning	1	2	1	1	2	1	8	8
2. Customer Relationship Management	2	4	3	4	1	9	4	6 (t)
3. Customer Segmentation	3	7	6	2 (t)	3	3 (t)	5	11
4. Benchmarking	4	1	2	2 (t)	9 (t)	2	2	2
5. Mission and Vision Statements	5	3	4	7	5 (t)	5	1	6 (t)
6. Core Competencies	6	9	5	5 (t)	4	10	3	3
7. Outsourcing	7	5	8	5 (t)	7 (t)	3 (t)	6	1
8. Business Process Reengineering	8	8	10 (t)	10 (t)	5 (t)	14 (t)	10 (t)	10
9. Scenario and Contingency Planning	9	13	9	8	14	7	10 (t)	12
10. Knowledge Management	10	14	12	10 (t)	7 (t)	14 (t)	7	4
11. Strategic Alliances	11	11	7	9	13	13	20	17
12. Balanced Scorecard	12	6	13 (t)	13	12	11 (t)	13	9
13. Growth Strategies Practices	14	16	10 (t)	10 (t)	15 (t)	6	19	18
14. Total Quality Management	15	17	18 (t)	14 (t)	9 (t)	8	9	5
15. Mergers and Acquisitions	20	10	17	14 (t)	22	17	22 (t)	14

5. DISCUSSION

The main purpose of this paper was to examine the use of management practices among employees' in Slovenian and Croatian organizations, while also comparing them to the global use of practices. First, we discuss the

¹ Note: Data for Global average (GL) (2006, 2008), North America (NA) (2006), European Union 15 (EU) (2006), Asia Pacific (AP) (2006), and Latin America (LA) (2006) are calculated upon results from management practices research (Rigby & Bilodeau, 2009; Rigby, 2011). Data for Slovenia and Croatia are from our research. Abbreviation t stands for tight result.

utilization of management practices in the two selected catching-up economies, namely Slovenia and Croatia. Second, we discuss the utilization of management practices within the frame of distinguishing between catching-up and well-developed economies.

In terms of comparing the pattern of management practices utilization in the two studied emerging economies, there are some differences. First, despite that for Croatia mission and vision statements is at the top of their practice use, Croatian organization's long-term orientation, expressed through strategic planning, has not been yet realized (Potočan & Dabić, 2012; Dabić et al., 2013). For Slovenia situation is clearer, since lower usage of mission and vision statements and strategic planning is in line with a lack of clear and long-term orientations of many Slovenian organizations, giving priority to short-terms issues (e.g., solving problems associated with crisis, internal problems) (Potočan & Mulej, 2007; Potočan & Dabić, 2012; Aleksić et al., 2013; Potočan & Nedelko, 2014). Second, the main difference between the compared emerging economies is related to the practices aiming to support customer services, since organizations in Slovenia give significant less emphasis on customer services (e.g. using customer relationship management and especially customer segmentation), then Croatian organizations. This reflects the fact that Slovenian organizations are frequently suppliers of well-known and high-ranked European producers of final goods.

In such circumstances, organization's emphasis is on acting as supplier, not so much as care for the typical end-customer. Thus, acting mainly as a supplier, consequently there is less emphasis on typical process related to customer relationship management, like customer segmentation, and rather more attention is given to negotiations and attracting suppliers (Dabić et al., 2013). Third, a significant difference exists also in terms of concern for quality, where Slovenian organizations give more emphasis on quality assurance processes than Croatian organizations. Being suppliers of producers from the well-developed part of Europe, for instance Germany, requires acquisition of different quality certificates that proves organization's quality (e.g. TÜV, ISO 9000 standards) and continuous concern for improving quality in organizations. This is reflected in high appreciation of total quality management in Slovenia, in general and comparative to Croatia.

When comparing well-developed and catching-up economies, evidence is found that in well-developed economies practices aiming to support customer relationship management and strength customer relations are in the forefront, while in the examined catching-up economies in the forefront are practices

aiming to support business optimization. It can be argued that the average use of management practices indicates the state of organizational transformation. Thus, organizational transformation in the two studied catching-up economies is not finished yet (Dyck & Mulej, 1998; Dabić et al., 2013; Nedelko & Potočan, 2013), since practices aiming to support optimization of organization business and its processes are still in the forefront. Due to the importance of optimization practices, practices supporting customer relationships have not yet come into the forefront (Telnova & Bezbozhnyi, 2011; Zagorniak, 2012) and are less frequently used to support work in organizations.

On the other hand, in well-developed economies in the forefront are practices strengthening customer relationships management, reflecting organizations orientation toward customers, which is a key concern of organizations in a contemporary business environment (Phillips, 2006; Rigby & Bilodeau, 2011). Practices aimed at business process optimization have been moved to the background, although these practices still have a role in the processes of continuous improvements.

Besides both dominant outlined groups of practices, it is worth mentioning a different pattern that occurs when comparing practices aiming to establish a relationship between organizations, i.e. strategic alliances and mergers & acquisitions. Organizations from emerging economies often establish strategic alliances with organizations in well-developed economies (e.g., joint ventures, mergers with large corporations), and in Asia Pacific and Latin America, while those practices are significantly less used in Slovenia and Croatia.

6. PRACTICAL IMPLICATIONS

In terms of practical implications, here presented findings could serve as a guideline for future utilization of management practices in organizations operating in catching-up economies in the CEECs. Managers, who are responsible for future utilization of management practices as well as direction of organizations, must adhere to the trends about management practice utilization in order to strengthen organizational competitiveness and reduce developmental gap and inequality between catching up and well-developed economies. Thus, from the view point of managers in CEEC a reference for future utilization of management practices should be taken from the sample of EU 15, while the focus must be moved from practices supporting business optimization toward those practices strengthening customer relationship management.

An important consideration when increasing the level of utilization of selected practices is related to the real need for changing priorities and the level of utilization of single management practice. A word of caution is needed here, since thoughtlessly abandoning practices aimed at optimization of business and their replacement with practices supporting customer relationship management is not a panacea for improving business and increasing its competitiveness. Thus, changes in priorities must be rationalized with real needs. The use of practices in Western business practice emphasizes the co-existence of both groups of practices in organizations, while the actual needs put in the forefront those practices supporting customer relationship management. Prematurely abandoning business optimization practice in a CEEC, especially due to the desire for using “popular and top used practices”, can most probably result in severe consequences for business, like bankruptcy, poor performance of business processes, etc.

We suggest that practices aimed to support customer relationship management are introduced step by step and that optimization practices are not simply replaced, unless the organization’s business has reached the satisfactory level of optimization and it is thus ready to make a step further in the organizational growth. In terms of introducing new practices or increasing the level of usage in organizations, some other issues must be addressed, like sources for activation of practice use, financial cost, priority list, knowledge for using practices, willingness of employees to use it, etc.

Based on optimistic outlook about the future use of management practices among the members of organization and identified guidelines for future use of management practices, we can summarize that changing the pattern of management practices could help organizations operating in the CEEC to reduce their development gap toward the well-developed Western economies and increase competitiveness in the long run.

7. CONCLUSION

This paper emphasizes the importance of management practices for business at different developmental levels of organizations in different environments. In well-developed economies practices supporting customer relations are in the forefront, while in catching-up economies in the CEE practices supporting business optimization. A global trend of management practices used in well-developed economies, clarify and indicate a future direction of selecting and using practices in catching-up economies. In spite of global trends toward establishing global strategic relationships between

organizations, due to the crisis and not yet well-optimized business process in catching-up economies, it is expected an increased tendency toward having a strategic partner from well-developed economies.

In terms of limitations, this study is limited to the surveying two selected samples, Slovenia and Croatia, both representing CEECs and catching-up economies. Next, the study is limited to the analysis of the top ten most used management practices in Slovenia, Croatia, and worldwide. In terms of generalization, recognized future patterns of management practices utilization in Slovenia and Croatia are limited to catching-up countries in the CEE, having similar historical path and starting point for transition to the market economy. A critical approach is needed when considering utilization of management practices in other catching-up economies in the CEE regarding current utilization of management practices.

Main future research directions are the following. First, inclusion of other CEECs in the study to examine the actual state of management practices utilization. Second, expand the number of practices in the research. Third, the mediating impact of the demographic variables on the use of management practices among employees should be examined.

REFERENCES

1. Aleksić, V. S., Nedelko, Z., & Domanović, V. (2013). Is it necessary to change organizational culture? Slovenian-Serbian experience. *Actual Problems of Economics*, 140(2), 354-362.
2. Armbrüster, T. (2005). *Management and organization in Germany*. Hampshire: Ashgate Publishing Limited.
3. Bakacsi, G., Sandor, T., Karacsonyi, A., & Imrek, V. (2002). Eastern European cluster: Tradition and transition. *Journal of World Business*, 37(1), 69-80.
4. Brodbeck, F. C. et al. (2000). Cultural variation of leadership prototypes across 22 European countries. *Journal of Occupational and Organizational Psychology*, 73, 1-29.
5. Certo, S. C., & Certo, S. T. (2009). *Modern management: Concepts and skills*. New Jersey, Upper Saddle River, NJ: Pearson Education.
6. Collins, J., & Porras, J. I. (2002). *Built to last: Successful habits of visionary companies*. New York, NY: Harper Collins Publishers.
7. Creech, B. (1994). *The five pillars of TQM*. New York: Truman Talley Books.

8. Dabić, M., Potočan, V., Nedelko, Z., & Morgan, T. R. (2013). Exploring the use of 25 leading business practices in transitioning market supply chains. *International Journal of Physical Distribution & Logistics Management*, 43(10), 833-851.
9. Daft, R. L. (2000). *Management*. Fort Worth, TX: The Dryden Press.
10. Dessler, G. (2004). *Management: Principles and practices for tomorrow's leaders*. Upper Saddle River, NJ: Prentice-Hall.
11. Dyck, R., & Mulej, M. (1998). *Self-transformation of the forgotten fourth*. Dubuque, IA: Kendall/Hunt.
12. Furrer, O., Egri, C. P., Ralston, D. A., Danis, W., Reynaud, E., Naoumova, I., Molteni, M., Starkus, A., Darder, F. L., Dabić, M., & Furrer-Perrinjaquet, A. (2010). Attitudes toward corporate responsibilities in Western Europe and in Central and East Europe. *Management International Review*, 50(3), 379-398.
13. Harrison, B., & Kelley, M. R. (1993). Outsourcing and the search for flexibility. *Work Employment and Society*, 7(2), 213-235.
14. Jarzabkowski, P., Giulietti, M., Oliveira, B., & Ammoo, N. (2013). "We don't need no education"-or do we? Management education and alumni adoption of strategy tools. *Journal of Management Inquiry*, 22(1), 4-24.
15. Kannan, V., & Tan, K. (2005). Just in time, total quality management, and supply chain management: Understanding their linkages and impact on business performance. *OMEGA: The International Journal of Management Science*, 33(2), 153-162.
16. Kaplan, R. S., & Norton, D. P. (2008). Mastering the management system. *Harvard Business Review*, 86(1), 62-77.
17. Kiezun, W. (1991). *Management in socialist countries: USSR and Central Europe*. New York: Walter DeGruyter.
18. Kozminski, A. K. (2008). Anatomy of systemic change Polish management in transition. *Communist and Post-Communist Studies*, 41(3), 263-280.
19. Kumar, V. (2010). *Customer relationship management*. New York, NY: John Wiley & Sons, Ltd.
20. Lang, R., Kovač, J., & Bernik, M. (2000). *Management v tranzicijskih procesih (management in transition processes)*. Kranj: Moderna organizacija.
21. Lang, R., Szabo, E., Catana, G. A., Konecna, Z., & Skalova, P. (2013). Beyond participation? - leadership ideals of future managers from Central and East European countries. *Journal for East European Management Studies*, 18(4), 482-511.
22. Lock, D. (1992). *Handbook of management*. Aldershot: GOWE.
23. Mullins, L. (2013). *Management and organisational behaviour*. London: FT Publishing International.

24. Nedelko, Z., & Potočan, V. (2013). The role of management innovativeness in modern organizations. *Journal of Enterprising Communities*, 7(1), 36-49.
25. Newman, K. L. (2000). Organizational transformation during institutional upheaval. *Academy of Management Review*, 25(3), 602-619.
26. Phillips, D. (2006). Relationships are the core value for organisations. *Corporate Communications: An International Journal*, 11(1), 34-42.
27. Porter, M. E. (1996). What is strategy? *Harvard Business Review*, 74(6), 61-78.
28. Potočan, V., & Dabić, M. (2012). *Management tools in business environment*. Maribor, Slovenia: Faculty of Economics and Business.
29. Potočan, V., & Mulej, M. (2009). How to improve innovativeness of small and medium enterprises. *Management*, 14(1), 1-20.
30. Potočan, V., & Nedelko, Z. (2014). Management innovativeness: A case of Slovenian small and medium enterprises. *Transformations in Business & Economics*, 13(1), 41-59.
31. Potočan, V., Nedelko, Z., & Mulej, M. (2012). Influence of organizational factors on management tools usage in Slovenian organizations. *Inzinerine Ekonomika-Engineering Economics*, 23(3), 291-300.
32. Potočan, V., & Mulej, M. (2007). *Transition into innovative enterprise*. Maribor, Slovenia: Faculty of Economics and Business.
33. Powell, T. C. (1995). Total quality management as competitive advantage - a review and empirical-study. *Strategic Management Journal*, 16(1), 15-37.
34. Ralston, D. et al. (2014). Societal-level versus individual-level predictions of ethical behavior: A 48-society study of collectivism and individualism. *Journal of Business Ethics*, 122(2), 283-306.
35. Rigby, D. (2001). Management tools and techniques: A survey. *California Management Review*, 43(2), 139-160.
36. Rigby, D. K. (2011, May 5). *Management tools 2011: An executive's guide*. Retrieved from <http://www.bain.com>
37. Rigby, D. K., & Bilodeau, B. (2011, May 5). *Management tools and trends 2011*. Retrieved from <http://www.bain.com>
38. Rigby, D. K., & Bilodeau, B. (2009, April 12). *Management tools and trends 2009*. Retrieved from <http://www.bain.com>
39. Sapkauskiene, A., & Leitonienė, S. (2010). The concept of time-based competition in the context of management theory. *Inzinerine Ekonomika-Engineering Economics*, 21(2), 205-213.
40. Šarotar-Žižek, S., Milfelner, B., & Čančer, V. (2013). Measurement of employees subjective well-being as an aim of social responsibility. *Systemic Practice and Action Research*, 26(6), 549-560.

41. Simchi-Levi, D., Kaminsky, P., & Simichi-Levi, E. (2009). *Designing and managing the supply chain: Concepts, strategies and case studies*. Boston, MA: McGraw Hill.
42. Sutherland, J., & Canwell, D. (2004). *Key concepts in management*. New York: Palgrave MacMillan.
43. Tamosiuniene, R., & Jasilioniene, R. (2007). Customer relationship management as business strategy appliance: Theoretical and practical dimensions. *Journal of Business Economics and Management*, 8(1), 69-78.
44. Telnova, A. V., & Bezbozhnyi, V. L. (2011). Improving the process of strategic planning at an enterprise. *Actual Problems of Economics*(122), 235-242.
45. Tomalin, B., & Nicks, M. (2010). *The world's business cultures and how to unlock them*. London: Thorogood Publishing.
46. Van Assen, M., Van den Berg, G., & Pietersma, P. (2009). *Key management models: The 60+ models every manager needs to know*. Harlow: Prentice Hall.
47. Wren, D. (1994). *The evolution of management thought*. New York: John Wiley.
48. Zagorniak, N. B. (2012). Consumer value within business unit management system: A compass in new reality and the battle for market opportunities. *Actual Problems of Economics*(134), 164-171.
49. Zdošek, D., Jagric, T., & Odar, M. (2015). Identification of auditor's report qualifications: An empirical analysis for Slovenia. *Economic Research-Ekonomska istraživanja*, 28(1), 994-1005.

**KORIŠTENJE MENADŽERSKIH PRAKSI U ORGANIZACIJAMA:
USPOREDBA IZMEĐU VISOKO RAZVIJENIH I
GOSPODARSTAVA U RAZVOJU**

Sažetak

Temeljni cilj ovog rada je analiza korištenja menadžerskih praksi u visoko razvijenim i gospodarstvima u razvoju. Koristeći ovakav pristup, u radu se utvrđuje primjena menadžerskih praksi u slovenskim i hrvatskim organizacijama, s obzirom da se Hrvatska i Slovenija mogu smatrati reprezentativnim primjerima gospodarstava u razvoju iz područja središnje i istočne Europe. Navedene se prakse, također, uspoređuju s globalnom uporabom menadžerskih praksi. Empirijski rezultati ukazuju da su, u razvijenim gospodarstvima, u fokusu menadžerske prakse koje podupiru upravljanje i jačanje odnosa s kupcima te zadovoljstvo kupaca, dok u Hrvatskoj i Sloveniji prevladavaju prakse, orijentirane optimizaciji poslovanja i poslovnih procesa. Na temelju empirijskih rezultata i procjene situacije u istraživanim organizacijama, predviđaju se moguće buduće korištenje menadžerskih praksi u gospodarstvima u

Management, Vol. 21, 2016, Special Issue, pp. 1-20

Z. Nedelko, V. Potočan: Management practices utilization in organizations – A comparison...

razvoju, s ciljem smanjivanja razvojnog jaza i povećanja konkurentnosti. U radu se ukazuje i na praktične implikacije budućeg korištenja menadžerskih praksi u gospodarstvima u razvoju. Uzorak iz gospodarstava u razvoju uključuje odgovore zaposlenika 155 slovenskih i 185 hrvatskih poduzeća. Podaci iz uzorka visoko raspoloživih gospodarstava su dobiveni iz globalne ankete menadžerskih praksi.