BUSINESS EXCELLENCE AS A SUCCESS FACTOR FOR THE PERFORMANCE OF LARGE CROATIAN ENTERPRISES

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Croatian companies need a new approach that will provide them with sufficient competitive strength, based on business excellence. Focusing only on financial indicators and measures is insufficient. Therefore new concepts should be introduced, especially by large companies that are traditionally inert and exposed to global competition, and situated in the countries with ongoing transition, such as Croatia. Today 75% of the source of value within a company cannot be measured by means of the standard accounting techniques anymore, and in the 21st century it is impossible to rely exclusively on measuring financial parameters. According to the authors, in addition to financial measuring, a way should be found to measure non-financial parameters within a company. The paper is therefore aimed at exploring the influence of business excellence and its values on business in the Croatian business practice. The authors carried out a research on 106 large Croatian enterprises with more than 250 employees, exploring the connection between the values of business excellence and company performance, Results show a positive correlation between applying the principles of business excellence and successful company performance in practice.

Keywords: business excellence, company performance, performance measurement, large Croatian enterprises.

1. INTRODUCTION

The prevailing belief in the Croatian business practice is that the change in organisational structure itself will be sufficient for all other necessary changes,

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which should then occur spontaneously. This attitude, however, cannot meet the challenges of a 21st century business.

Tintor (2009, p. 159) defines a company as a subsystem of the environment and a separate system or an ordered unit of the potential for long-term generation of value and increase in wealth, formed as a system with a combined (deterministic and/or stochastic) operation method and a combined (programmed and/or adaptive) management method. Accordingly, a company should be viewed as a dynamic system whose main feature is change, and whose basic activity is to satisfy the needs of all interest groups. In order for an organisation to achieve this goal, constant activity and care of one's own organisation, as well as changes in organisation and development are required.

Organisations oriented toward change management *have a much more open and integrated approach to solving problems, as well as solution mechanisms and tools*. Objectives of such organisations include encouraging employees to act and exchange information freely as well as to seek possible solutions and improvements when a problem occurs. This results in employees feeling as a part of the organisation rather than merely functional units, which all contributes to better use of the company's own human capital.

2. BUSINESS EXCELLENCE

Generally speaking, excellence means that what we are doing well today should be done even better and more wisely tomorrow, especially compared to competition, to fully satisfy all interest groups. For an organisation, excellence should mean clear dedication of leaders and managers to *continuous improvement* of all key processes, creativity and innovation, work conditions, team work, motivation level and general organisational culture (Oslić, 2008, p. 162). At the employee level, excellence starts with their commitment to achieve results without re-work, readiness to take on responsibility, continuous learning, improvement and simplicity in everything they do.

The fundamental thought, underlying business excellence is the idea that quality should not be focused only on products and services produced by the organisation (Evans J. R., 2008, p. 7). *It should be actually embedded in the practice of organisation management,* or, in other words, *quality should be the fundamental value of the organisation's management*. If good management principles are designed and implemented, the consequence should be good results. This leads us to the term of performance excellence that can be considered a synonym for business excellence. Performance excellence is associated

with integrated approach to management of organisational performances resulting in the delivery of continuously improved values to customers and stakeholders, thus contributing to organisational sustainability, increase in the overall organisational efficiency and capacity, as well as organisational and personal learning.

According to Adebanjo (2001, p. 39), *business excellence* took off where TQM failed. ISO standards are a good prerequisite for successful implementation of the model and, combined with one of the world models, they provide excellent results. It seems that the key to the success of business excellence lies in self-assessment models.

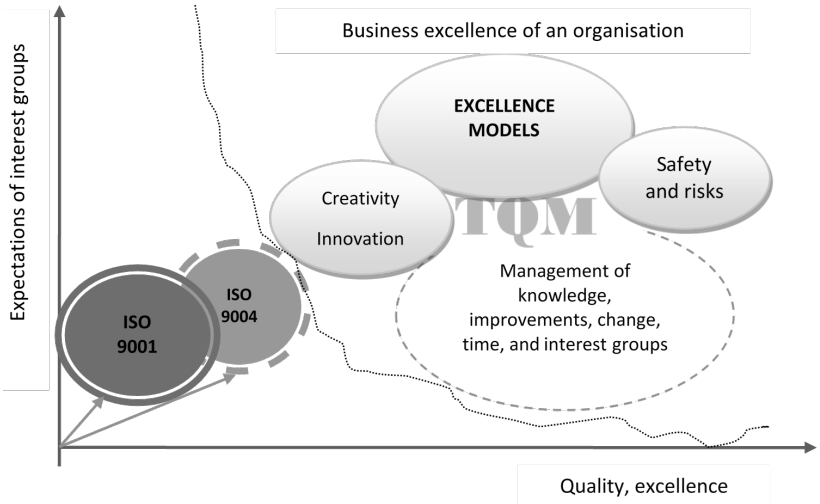

Figure 1. The Road to Business Excellence

Source: Adapted from Oslić (2008, p. 92).

Business excellence is defined as *a high level of maturity of a company/organisation in terms of management and result achievement*. Truly excellent organisations are those organisations that strive to *satisfy their owners by what they achieve, the way they achieve it, as well as by what they can reach, and by the certainty that the obtained results will be maintained in the future*. To achieve business excellence, equal importance should be attributed both to non-financial and financial measuring of success, instead of focusing on the financial perspective only. For business excellence it is also important that a company applies Total Quality Management (TQM), i.e. its principles and core values.

Whereas most approaches to excellence go back to the roots of TQM, the excellence concept itself, as described in most of the business excellence models (BEM), is more holistic in nature than earlier TQM models. Specifically, business excellence ensures full integration of improvement activities in an organisation. The core excellence values are (Porter & Tanner, 2004, p. 6-7):

- *Leadership*. Typical behaviour of the management when establishing a clear direction and values that the company strives for, customer-oriented and strengthening the organisation itself and encouraging its employees in search of excellence, which is of key importance to any approach in achieving excellence.
- *Customer Focus*. The customer is the ultimate judge of the quality of goods and services. Customer loyalty is best maintained by understanding the current and future needs of both current and prospective customers. Customer's voice is crucial in designing goods and services, i.e. in designing processes that influence customers.
- *Strategic Integration*. All excellence models emphasize the importance of strategic development, coordination and planning. In this sense the approach to excellence can be differentiated from many TQM-type programmes, where a lack of strategic integration is frequently the cause of underperforming programmes.
- *Organisational Learning, Innovation and Improvement*. Encouraging individual and organisational learning, innovation and improvement through efficient exchange of knowledge and information are the key elements of approach to excellence.
- *Workforce focus*. Success depends to a great extent on knowledge, skills, creativity and motivation of employees. "Human potentials" are best shown through common values supported by the culture of trust and encouragement. Employee evaluation is the key element of approach to excellence.
- *Partnership Development*. Organisations have to develop strategically long-term and mutually beneficial partnership relations with an array of outside associates, including customers, suppliers and educational organisations. Successful long-term partnerships are based on the delivery of sustainable values for partners.
- *Management by Facts*. Processes are "drivers" that create values for any organisation. Every approach to excellence is focused on designing the processes in order to satisfy customers' requirements, systematic management of processes based on facts and improvement of processes based on customer feedback and feedback from the process itself. The

ability of the process is based on the ability to meet customers' demands.

- *Results Orientation*. Excellence deals with creating values for all key stakeholders, that is, customers, employees, suppliers, partners, shareholders, the public and society in general. Bringing the needs of all these key stakeholders in balance is the critical part in the development of a successful strategy.
- *Social Responsibility.* Responsibility toward the public and ethical behaviour are both important in the approach to excellence and of key importance for any organisation in the long term.

Respecting these principles, several business excellence models were developed, providing a framework for business excellence. Deming (Kanji, 2002, p. 7) states that the system cannot understand itself. What he wanted to say was that to understand an organisation it is necessary to measure it from the outside. This is achieved through business excellence models.

Business excellence models represent a systematic, integrated and more permanent approach to improvement, i.e. an integrated strategy for gradual achievement of business excellence (Oslić, 2008, p. 160). They make it possible to objectively determine the position of a company on the scale of excellence, but also to reveal the company's weaknesses or strengths. The discovered weaknesses are a precious potential for improvement and this should be used as a driving force for the next level of organisation advancement. A well- known wisdom says, "*If you can't measure something, you can't understand it. If you can't understand it, you can't control it. If you can't control it, you are at the mercy of chance"*[1].

Business excellence models are nothing but an "extended hand" of TQM, as they contain the core values and principles of TQM in themselves, modelling the ways of measuring organisational performance in the process, i.e. business excellence. In his book Kanji (2002, p. 1) states that business excellence is actually an evolution of TQM, as long as they are based on the same values, that is, their meanings are very similar.

There are different views on how to measure organisational performance. TQM philosophy provides guidelines on how to achieve excellence. Here are the most prominent business excellence models (cf. Kanji, 2002, p. 16):

[1] As attributed to H. J. Harrington, quoted by CIO, September 1999.

- Malcolm Baldrige National Quality Award (MBNQA)
- European Foundation for Quality Management Excellence Model (EFQM EM)
- Deming Prize
- Balanced Scorecard (BSC)
- Kanji's Business Excellence Model (KBEM)
- Ericson Business Excellence Model (EBEM)
- Capability Maturity Model (CMM).

These models rely on the TQM theory to a great extent, but they differ in scope and approach. Some of them are more process-oriented, whereas others are result-oriented. Further, some of them require "third-party" assessment, whereas others imply self-assessment. In addition, the first three models are also bestowed as awards. Great focus on MBNQA and EFQM and the comparison between the two has led to more than 60 countries worldwide developing their own awards for quality, mostly based on the principles of these two awards. All national awards spread the messages about TQM and quality principles and practice around the world.

3. RESEARCH METHODOLOGY

The data used in the model were obtained from the sources, as shown by Figure 2.

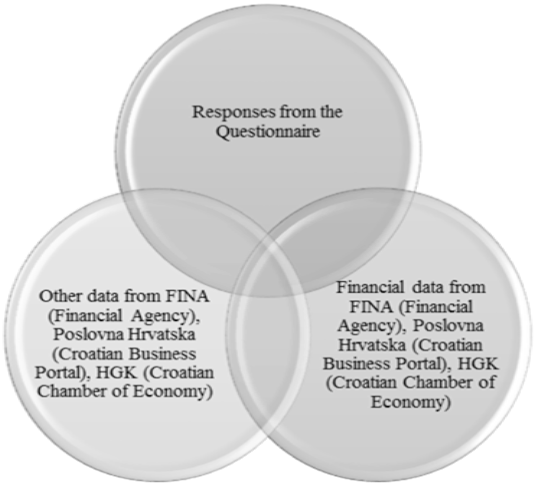

Figure 2. Sources of data used in the research

Source: Authors.

3.1. Defining the population and sample

The population consisted of *large companies, excluding financial institutions*[2] (banks, insurance companies, investment and retirement funds …), and *public and local utility companies*[3]*,* on condition that *on their main market there is a certain level of competitive dynamics,* whether based on home competition or imported products. The criteria for differentiation between small and medium enterprises on one hand, and large enterprises on the other, vary significantly in the world practice, and, according to the Croatian Accounting Act, large companies are those legal entities that satisfy *two of the following three criteria*: have more than 250 employees; the sum of balance sheet after deduction of losses expressed under assets amounts to EUR 4 million counter value; or revenue in twelve months preceding the balance sheet date amounts to EUR 8 million counter value.

Although the accepted criterion for categorisation of companies according to their size is multidimensional in nature, within this research a simplified, i.e. one-dimensional criterion for defining the population was used, which is – *minimum average number of 250 employees in the year when the research was carried out.*[4] This kind of methodological approach is justified by the purpose and objectives of the research and the practice so far of having one-dimensional differentiation between companies according to their size in similar research.

However, it should be taken into account that the research was completed in 2012, when the authors had financial and other data on large companies for the year 2011, and basic data on the population of large companies used were data of the Croatian Chamber of Economy for the year 2011.

All companies against which a bankruptcy or liquidation procedure was initiated in 2011 or later were excluded from the research. This was determined

[2] Namely, the logic of achieving competitive advantage in the business of financial institutions is considered to be sufficiently specific, so that non-critical implementation of accepted methodology could lead to (potentially) wrong conclusions.
[3] Utility companies (that is, companies in charge of maintaining city areas, water, electricity and gas supply, public transport in the city and similar activities) are excluded from the population as these are organisations with a specific objective – to meet the needs of the community, and not to maximize profit or other type of economic benefits.
[4] Owing to this, the research group includes, in addition to large companies with over 250 employees, medium-sized companies with more than 250 employees (companies do not comply with one of the remaining two criteria for determining the company size), that could potentially become large in the year of the research, from the statistical point of view.

based on the data from the Croatian Chamber of Economy, from the records of the court registry[5], or alternatively from professional magazines.

Since a 'large company registered as an independent legal entity' was used as a basic unit of the research process, the application of the described division criteria resulted in the population consisting of 318 companies (joint stock companies and limited liability companies). The population thus defined can be encompassed with available instruments for data collection in a relatively simple manner, resulting in the decision that *the entire selected population was included in the research,* that is, all 318 companies.

3.2. Questionnaire

The key instrument for data collection was a questionnaire that was sent to general managers and chairmen of the Board of Directors of all companies in the population.

To facilitate completion of a relatively long questionnaire, questions were mostly of the closed-ended type. The questions with an offered list of answers were mostly used to establish objective facts, whereas closed-ended questions with intensity scales were used to determine the attitudes of managers. Here a discrete Likert scale was used with five levels of intensity, which is also theoretically considered to be the best solution in devising questionnaires (Zelenika, 1998, p. 371).

The survey was conducted through email and the Internet. For this purpose the infrastructure of SRCE (University Computing Centre of the University of Zagreb) was used. SRCE offers a service based on the open source tool LimeSurvey [6] used for designing questionnaires.

The questionnaire, using the Internet infrastructure, was limited to only one response that could be sent from a single email address, which had to be entered in the system. Participants were sent a unique token through email by means of which they could access the questionnaire.[7] This served as a protection against multiple responses from a single email address and prevented artificial creation

[5] https://sudreg.pravosudje.hr/registar
[6] More information at www.limesurvey.org/
[7] http://www.srce.unizg.hr/clanovi-akademske-zajednice/limesurvey/ (accessed on June 6, 2012). The service is available at the address http://limesurvey.srce.hr/. Further instructions for use are available at the address http://limesurvey.srce.hr/upute.html

of large number of responses. Otherwise, the research as well as scientific contribution itself would have been compromised.

During the research, 106 completed questionnaires were returned, which accounts for 33.3% of the population. The return rate was significantly higher than in some European and Croatian studies, which indicated that, according to the obtained results, relevant conclusions could be made about the set hypotheses.

The collected data were analysed by using the *Microsoft Excel 2010* software and statistical analysis software *SPSS for Windows (v.18),* where certain (available) financial data were added for the researched companies and research results were further processed. Different approaches to analysis of the collected data were used, which are common when applying statistical scientific method. These include:

- Descriptive statistical analysis of the collected data;
- Descriptive analysis of mutual relations between particular variables;
- Analysis of statistical relations between selected variables, and
- Testing for statistical differences between selected variables.

Graphic account of data and results of statistical analysis were also developed on a computer by means of *Microsoft Excel 2010, Microsoft Power Point 2010 and SPSS for Windows (v.18).*

3.3. Research hypothesis

The basic research hypothesis in this paper is as follows:

H1. There is a positive, empirically verifiable correlation between application of the business excellence concept and business performance of large Croatian enterprises.

To accept or reject the hypothesis, the business excellence concept was decomposed into the following parts (Figure 3).

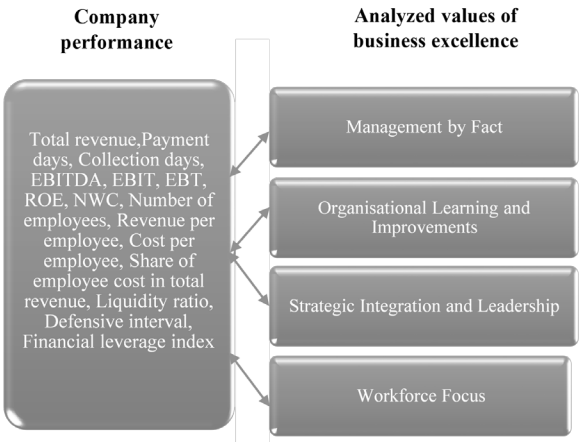

Figure 3. Analysis of the basic research hypothesis

Source: Authors.

4. RESEARCH RESULTS

Figure 4 provides a simplified presentation of the average ratings, given by top managers as to how particular *core values* are applicable to their company, in form of an average grade given by them for a particular core value.[8]

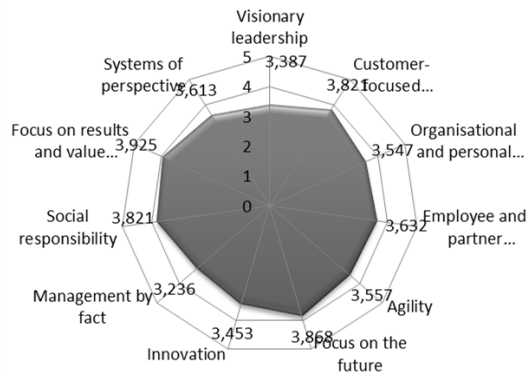

Figure 4. Perception of applicability of eleven core values of business excellence on companies

Source: Research results (N=106).

[8] A Likert scale was used with five degrees of freedom. The ratings are given descriptively on the scale from 1 (the lowest) to 5 (the highest): 1- Strongly Disagree; 2 – Disagree; 3 – Partially Agree; 4 – Agree; 5 – Strongly Agree.

According to average ratings (Table 1), they are mostly focused on results and value creation (3.92), future (3.87), customers (3.82) and social responsibility (3.82), whereas they fall behind in management by fact (3.24), visionary leadership (3.39) and innovation (3.45).

Table 1. Descriptive statistics of eleven core values of business excellence

		Partner and employee evaluation	Innovation	Visionary leadership	Management by fact	Social responsibility	Focus on results and values
N	Valid	106	106	106	106	106	106
Mean		3.63	3.45	3.39	3.24	3.82	3.92
Median		4.00	4.00	4.00	3.00	4.00	4.00
Std. Deviation		.908	.917	.952	.962	.892	.847
Variance		.825	.841	.906	.925	.796	.718
Percentiles	25	3.00	3.00	3.00	3.00	3.00	3.00
	50	4.00	4.00	4.00	3.00	4.00	4.00
	75	4.00	4.00	4.00	4.00	4.00	4.25

		Systems of perspective	Customer-focused excellence	Organisational and personal learning	Agility	Focus on the future
N	Valid	106	106	106	106	106
Mean		3.61	3.82	3.55	3.56	3.87
Median		4.00	4.00	4.00	4.00	4.00
Std. Deviation		.879	.814	.885	1.006	.885
Variance		.773	.663	.783	1.011	.782
Percentiles	25	3.00	3.00	3.00	3.00	3.00
	50	4.00	4.00	4.00	4.00	4.00
	75	4.00	4.00	4.00	4.00	4.00

Source: Research results (N=106).

4.1. Management by Fact and leadership

The research results, presented in Table 2, show that there is a small, but statistically significant negative correlation among three of the four observed variables (protection level of the information system, information system

quality, quality of monitoring business processes through a system) and collection days[9].

Table 2. Correspondence between the properties of the information system and company performance

Spearman's rho		Collection	Share of employee cost in total costs
We have an excellent information system	Correlation Coefficient	**-.242***	-.120
	Sig. (2-tailed)	.013	.219
Our information system is well-protected	Correlation Coefficient	**-.250****	-.077
	Sig. (2-tailed)	.010	.431
We monitor business processes easily through the information system	Correlation Coefficient	**-.213***	**-.262****
	Sig. (2-tailed)	.028	.007
Our system provides information on competition	Correlation Coefficient	-.151	-.159
	Sig. (2-tailed)	.122	.103

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Source: Research results (N=106).

It should be noted that one of the observed variables is significant at the level of 1% (reliability level 99%), whereas two are significant at the level of 5% (reliability level 95%). This means that companies *with a better and more protected system enabling monitoring of processes collect their receivables faster*, which can be seen as a contribution, i.e. advantage of the information system containing information about customers and balance of receivables. The information provided by the system allows better collection later on, as it

[9] Many authors give different intervals with values for determining the correlation strength. They differ both in values and in the number of intervals. For the purpose of this paper the following way of determining the size of correlation coefficient can be accepted (Pallant, 2009, p. 135):

- $0.10 < |r| < 0.29$ = small,
- $0.30 < |r| < 0.50$ = medium,
- $0.50 < |r| < 1.00$ = large.

The above values are applied regardless of the positive or negative sign in front of the coefficient. The sign only shows the direction of correlation, not its strength. For example, coefficients 0.5 and -0.5 are equally strong. The only difference is in their direction.
It is important to note that upper intervals are intended for rough interpretation only, as statistical significance of the correlation coefficient depends on particular properties of the observed variables and is determined by means of additional statistical methods (Papić, 2005, p. 134).

probably provides correct and timely information without delays to employees working on these tasks.

In addition, the research results show that there is *a statistically significant negative correlation between the quality of monitoring of business processes and the share of employee cost in total costs.* Spearman's Rank Correlation Coefficient is -0.262, with significance being 0.007. This means that there is a negative correlation between the observed variables at the significance level of 1%. In other words, *companies whose information system allows good monitoring of business processes have a lower share of employee cost in total costs*. This is very important, as today almost all companies, due to the crisis, strive to reduce the share of this cost in total costs.

4.2. Organisational learning and improvements

Table 3 shows how properties of business processes influence the performance of researched companies. It is interesting to note that where processes are well-planned and success of every process can be determined, the number of both payments and collections is lower, which now at the time of crisis speaks about the efficiency of such companies, that is, their better results, because liquidity of such companies is thus improved.

Table 3. Correspondence between the properties of business processes and company performance

Spearman's rho		EBITDA	EBIT	Collection	Payment	ROE
Processes are well-planned and designed	Correlation Coefficient	**.272****	**.199***	**-.233***	-.180	.055
	Sig. (2-tailed)	.005	.041	.016	.065	.577
We are able to determine the success level of any process	Correlation Coefficient	**.209***	.114	**-.249***	**-.221***	.051
	Sig. (2-tailed)	.032	.246	.010	.023	.607
Successfulness of the process is associated with rewards	Correlation Coefficient	.165	.173	**-.191***	**-.303****	**.262****
	Sig. (2-tailed)	.091	.076	.050	.002	.007

**Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Source: Research results (N=106).

4.3. Strategic integration and leadership

The results in Table 4 show that there is a positive, statistically significant correlation between using a scientific method in the process of adopting a strategy and all observed business results.

Table 3. Correlation of using scientific methods when adopting company strategy and company performance

Spearman's rho		Total revenue	Current ratio	Payment	Product. NWC	Number of employees	Cost per employee	NWC per employee
...a scientific method is used	Corr. Coeff.	**,242***	**,252****	**-,305****	**,241***	**,310****	**,226***	**,291****
	Sig. (2-tailed)	,012	,009	,001	,013	,001	,020	,002

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Source: Research results (N=106).

Table 5 shows the results of the influence of ISO 9001 certificate and the total number of certificates owned by a company on company performance.

Table 4. Correspondence between ISO 9001 certificate and company performance

Spearman's rho		ISO 9001	Spearman's rho	ISO 9001
Total revenue	Correlation Coefficient	.071	Correlation Coefficient	.071
	Sig. (2-tailed)	.469	Sig. (2-tailed)	.469
EBITDA	Correlation Coefficient	.078	Correlation Coefficient	.078
	Sig. (2-tailed)	.426	Sig. (2-tailed)	.426
Quick ratio	Correlation Coefficient	**.224***	Correlation Coefficient	**.224***
	Sig. (2-tailed)	.021	Sig. (2-tailed)	.021
Defensive interval	Correlation Coefficient	**.290****	Correlation Coefficient	**.290****
	Sig. (2-tailed)	.003	Sig. (2-tailed)	.003
Collection	Correlation Coefficient	**.383****	Correlation Coefficient	**.383****
	Sig. (2-tailed)	.000	Sig. (2-tailed)	.000

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Source: Research results (N=106).

Research results show that having an ISO 9001 certificate is in positive, statistically significant correlation with most of the observed business results.

Table 5. Correspondence between management methods and company performance

Spearman's rho		TQM	Bench-marking	BPR	BSC	EFQM
Total revenue	Correlation Coefficient	.023	**.215***	**.280****	.178	.167
	Sig. (2-tailed)	.816	.027	.004	.068	.086
EBITDA	Correlation Coefficient	.035	**.242***	**.320****	.181	.167
	Sig. (2-tailed)	.725	.013	.001	.063	.086
EBIT	Correlation Coefficient	.003	.162	**.311****	.188	.167
	Sig. (2-tailed)	.976	.097	.001	.054	.086
EBT	Correlation Coefficient	-.013	.128	**.252****	**.195***	.167
	Sig. (2-tailed)	.899	.190	.009	.045	.086
Financial leverage index	Correlation Coefficient	.015	.173	**.201***	**.229***	.085
	Sig. (2-tailed)	.880	.077	.039	.018	.385
Payments	Correlation Coefficient	**-.234***	-.150	.048	-.077	-.088
	Sig. (2-tailed)	.016	.125	.624	.431	.371
Number of employees	Correlation Coefficient	**.291****	**.239***	**.296****	.156	.164
	Sig. (2-tailed)	.002	.014	.002	.110	.092
Cost per employee	Correlation Coefficient	-.053	.152	**.231***	**.198***	.129
	Sig. (2-tailed)	.589	.119	.017	.042	.187
NWC per employee	Correlation Coefficient	.101	.001	**.193***	**.192***	.030
	Sig. (2-tailed)	.303	.995	.047	.049	.758

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Source: Research results (N=106).

The results (Table 6) show clearly that companies carrying out reengineering of business processes achieve better business results, thus increasing their own competitiveness. This result additionally confirms the current position of large Croatian companies on the market, that is, their need for restructuring.

4.4. Workforce focus

The obtained results show (Table 7) that employers benefit from investing in employees in form of additional education. Companies investing in additional education of their employees achieve greater overall revenue in an absolute amount. At the same time EBIT is growing as well as the revenue per employee (higher productivity of employees).

Table 6. Correspondence between additional education of employees and company performance

Spearman's rho		Total revenue	EBIT	Revenue per employee	Cost per employee
Additional studying	Correlation Coefficient	**.246***	**.200***	**.194***	**.341****
	Sig. (2-tailed)	.011	.040	.047	.000
Learning foreign languages	Correlation Coefficient	**.209***	.142	**.224***	**.456****
	Sig. (2-tailed)	.032	.146	.021	.000
Conferences and meetings	Correlation Coefficient	**.205***	.187	**.269****	**.359****
	Sig. (2-tailed)	.035	.055	.005	.000
Professional seminars	Correlation Coefficient	.182	.140	**.228***	**.297****
	Sig. (2-tailed)	.062	.152	.019	.002

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Source: Research results (N=106).

On the other hand, employees also benefit from additional education, acquiring knowledge and skills that help them in their work. Although cost per employee in the companies providing additional education is higher, a conclusion can be made that in spite of increased *cost per employee* that a company has due to additional education and other compensations, at the same time it achieves better results that can be measured through certain financial results.

5. CONCLUSION

The research results show that companies applying the core values of business excellence in their operation achieve better business results. The research carried out in the Croatian business environment showed some

characteristics of local enterprises and discovered their weak points in relation to the values of business excellence, as well as values that are nonetheless applied in daily business. The research results show that disadvantages of Croatian companies are management by fact, visionary leadership and innovation. A conclusion can be made that applying business excellence in operations results in improved company performance, which in turn implies greater level of competitive advantage achieved by such companies. Croatian companies should use scientific method in practice more as research results are showing positive, statistically significant correlation between scientific method usage in the process of adopting a strategy and all observed business results. Also, companies which are carrying out reengineering of business processes achieve better business results, thus increasing their own competitiveness.

The limitation of the research is that it was *conducted within one year*, and, although it provided valuable insights, it could not provide answers regarding the trends of research variables over a longer time period. A several years period would be an interesting timeframe, and this remains a task for future research.

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POSLOVNA IZVRSNOST KAO ČIMBENIK POSTIZANJA POSLOVNIH REZULTATA VELIKIH HRVATSKIH PODUZEĆA

Sažetak

Hrvatske tvrtke trebaju novi pristup, koji će im pružiti konkurentsku snagu, a koji je zasnovan na poslovnoj izvrnosti. Stoga je nužno uvođenje novih koncepata u poslovni svijet, posebno u velike tvrtke koje su tradicionalno inertne i izložene globalnoj konkrurenciji, a nalaze se u tranzicijskim zemljama poput Hrvatske. Danas 75% izvora vrijednosti u tvrtci više nije moguće izmjeriti standardiziranim računovodstvenim tehnikama, pa se u 21. stoljeću više nije moguće pouzdati isključivo u financijske pokazatelje poslovanja. Autori ističu kako je, uz financijsko mjerenje, potrebno pronaći način za mjerenje nefinancijskih parametara unutar tvrtke. Cilj ovog rada je istražiti utjecaj poslovne izvrsnosti i važnosti iste u poslovnoj izvedbi za poslovne rezultate tvrtki u hrvatskoj poslovnoj praksi. Autori su proveli istraživanje 106 velikih hrvatskih poduzeća s više od 250 zaposlenih, istražujući povezanost između vrijednosti poslovne izvrsnosti i poslovnih rezultata. Utvrđena je pozitivna korelacija između primjene principa poslovne izvrsnosti i poslovnih rezultata.