In the last ten years Slovenia has been faced with a quite holistic transition of general social and organisation life. In our paper, first of all, we will emphasise the model of transition of management in Slovenia with presentation of field research results from our several years lasting research of management in Slovenia. The presented model of transition is based on the systems approach as our methodological version of systems thinking. This approach has been developed by our team since 1992 and it allowed research of way of thinking of managers about the transition of management concepts and effects of prevailed application projects, both at the same time and in interaction.

1. MOTIVES FOR RESEARCH ABOUT MANAGEMENT CONCEPTS

During the last two decades we are witnesses to a series of management concepts offering various solutions for business problems in the conditions of rapidly changing business and social environment.

Although the majority among them start from the systems approach of the problem treatment we can state that their theoretical starting-points and the potential results related to them as a rule differ from the practical experiences in organisations. Therefore the managers are in a dilemma which concepts to use and what they solve in the practice. More rapid are the changes in the business, more difficult is the decision on the methodology selection. We have been
coming a cross this problem in the Slovenian business practice, too. The problem seems to be even bigger because all the concepts under consideration have received a larger attention in last decades only, and it is therefore difficult to monitor their practical results and relate managerial experiences. The lack of the business tradition in this area requires analytical assessment of each management concept. At the beginning of the 90th ISO 9000 standards released an avalanche of mass interest of the Slovene management for contemporary business concepts. A 10-year period allows to make conclusions on its influence in the business practice and the international comparability.

Over the last ten years, authors of this contribution have frequently met experts on management from both Slovenia and abroad. First of all, we have analysed the background of concepts and ways of their introduction into practice. We found that this was sufficient either for argumented critique about concepts or for a valid assessment of company competitiveness and exposing opportunities for improvements in business and other innovations. In Slovenia, we came across no research on this topic, which would be theoretical and applied at the same time. An additional research motivation was offered to us by facts that the government of Slovenia support research on management concepts actively through Ministries of Science and Technology, of Economic Activities, and of Small Business and Tourism. This fact gives our research a broader societal importance and a chance to exert a rather active impact over effects of transition of the Slovenian economy. We also must mention the capability of our work to be internationally comparable, which is provided by our cooperation in the international project Process re-engineering in Europe: choice, people in technology (PRECEPT - Uršič, Bučar, Mulej, Pivka, 2000). On the pages to come we wish to let you see our theoretical and practical views of management concepts development in Slovenia.

2. DEFINITION OF THE THEORETICAL STARTING POINTS OF INVESTIGATION ON MANAGEMENT CONCEPTS

Motives for investigation on and findings from research on management concepts encouraged us to think about the essence of the definition how to understand the management. This enables us to investigate several different management concepts at the same time and to do so from comparable starting points (Popper, 1962; Beer, 1979; Jackson, Flood, 1991; Flood, 1999). It was our aim to answer the question how should we understand the research of management concepts, and to link it well enough with the current experience of the Slovenian business practice (Zeleny, 1981; Ulrich, 1994; Mingers, 1995).
Research of management concepts, based on systems thinking is characterized by the following attributes: 1) cognitive activities of analysis and judgement, 2) which takes place in a mental process and business practice, 3) deals with the problems of (systems) thinking and practical and real problems of organisations, and 4) a concrete action in a research approach of management concepts and in organisations (Uršič, 1996). Our definition of research pointed out the relation between cognition and knowledge, real problem and action, first of all, as a relation between phenomenology and methodology. The research, based on systems thinking is therefore multidimensional and inter-dimensional, even interdisciplinary, because it is grounded in philosophy of science, theory and practice of society and of management concepts in organisations (Uršič, 1996).

Basic dimensions of the presented definition are therefore the following ones: ontology, which presents the essence of phenomenon, thus the problem as a level of objectivized relation between the organisations and concept of research of management, 2) epistemology, which presents a definition of the research area, thus the definition of the management concepts in organisations, 3) human nature, which presents a men’s behaviour, impact of organisational culture, experiences and a design of proper selection of thoughts and management action, and 4) methodology, which presents selected variables of management concepts, measured in a specific way in conditions of probabilities.

Of course, the social dimension should be added to the technical one. So, the definition of the starting points of the research of management concepts is therefore one of the most critical activities in the process of research. The creation of the general order in research is therefore encouraged by the principle of hierarchy of sequences, which makes a conceptualisation of the basic thesis for a successful definition of starting points of research possible (Mulej, 2000).

The process of definition of the starting points is a problematic one. This cognition is objectively based on a general and interdisciplinary defined principle ‘everything is possible’, that is considered by the contemporary variants of management knowledge. This principle in its essence liberates the quantitative and qualitative viewpoint of dimensions of permanent definition of research of management and changing of the essence of its quality. A cognition based on this thesis is especially important for those researchers, who understand the management concepts as an evolutionary problem. We could learn from this, that any criteria which have ever been found important, and could be ascribed to a particular management concept, have been found sooner
or later to be less influential, unimportant or even opposing themself. This thesis seems to be self-explanatory. But it is a much less self-explanatory issue how far are management concepts and through them our research influences reaching over the business reality (Kauffman, 1995; Banathy, 2000).

Thus, it is not enough to find the answer to the question how to think and how to research the management. We also have to find the answer to the question why and what to think about to research the management, and which starting points should we use in this process. Namely, a system of all three answers has an influence over the research decisions, about the research of management concepts, and about the evolution linked to it (Clemson, 1984 Montgomery, 1997).

The beginning of the definition of the research of trends of management is therefore primarily not a problem of techniques used in business practice, but of why and what to do research about. Deficiency in cognition about hierarchy of the sequences, especially if we do not consider the answers to ‘why and what to research in management’, may mislead us to the thought, that we almost always make no mistakes in the process of audit of management trends. In the course of time we may start to believe that we can make absolutely no mistakes. Because the only problem which we are facing is how to use a sufficiently big research pattern, that we can explain almost everything, and of course the findings foreseen even in advance (Weinberg, 1975).

Contemporary findings about the management concepts defend the thesis that the absolute objectivity in research process does not exist, therefore the one objective truth does not exist either (Braczyk, Cooke, Heidenrich, 1998). If we may accept this assertion, it is anyway a fact, that the hypotheses are important in the research of management, and especially important are the ones, which oppose the well-known facts and results based on tests.

For the contemporary management, that kind of research problems are merely fictions, because there is no such management theory, which is in agreement with all known facts of its domain. Hence, the dilemma, if the opposites should be ‘let in’ or not, is meaningless. A new influential question has appeared: is there a need for the existing problems about the cognition of management to be increased or decreased? The task to be undertaken is concerned with ‘breaking up’ the vicious circle we are involved in as researchers with our permanent limitations of capabilities of cognition. Such a breaking of the vicious circle has to do with a partly renewed vocabulary, which
has to avoid parts of present concepts of management and the cognitions based on them.

But on the other hand, a new research trap may be waiting for us, which has to do with believing in some rules: a lack of (self)-criticism makes us unable to understand evolutionary axioms, which say that all management concepts and methods based on them have their limits. Even the ones among them, which seem to be ‘perfect’ in their time, have them.

We are to simple-minded if we think that the simple exchange of a particular concept of old-fashioned rules for another, the fashionable ones could resolve this problem. Much deeper processes are essential in this subject, which arise from initiation, acceptance and application of the new formalism in a qualitatively new way. The new conceptualisation of management concepts is a consequence, too. It means that research of management cannot avoid processes mentioned before.

How to overcome such a situation? Relativization of the concepts of management research, based on numerous and relatively well defined facts could be a reasonable approach, which enables an ongoing run away from the trap of a single one best research circle and in consequence from the one single best definition of management concepts. A permanent constructive negation of one’s own research and results, based on an ever new set of facts to be judged is therefore, or it seems to be, the only subject, which remains a constant feature in the process of research of management. A need for the permanent creativity is much more obvious when we realize, since many facts about the management concepts remain independent from our judgement about the facts becomes more and more important. If the empirical arguments mentioned are autonomous, the argument of cognition on management concepts must be autonomous as well.

The systems approach of dealing with management concepts is therefore based on the so-called soft systems concept, first of all, rather than on the so-called hard systems one. Social sciences do not accept the hard systems concept, which is acceptable with technological aspects, though, easily. The experience with scientific management has confirmed this thesis. The researcher of management may learn from what has been written until now, that between management theory and practice many interesting facts exist, and many other facts, which are unique to the way of systems thinking or to the management concepts as well.
According to the statement, the management concept should consider at least two viewpoints as follows: 1) according to the first one, the research’s relevance about is discovered in a more or less well known way, which mostly represents a quantitative dimension of the management concepts; 2) according to the second one, the research’s relevance about management concepts is discovered in a rather unknown way, which mostly represents a qualitative dimension of the management concepts.

Contemporary systems theories have explained the relations between quantitative and qualitative viewpoints of management concepts, at least in connection with cognition about entropy, feedback, requisite variety and self-organisation (Uršič, 1996). The mentioned viewpoints are holistic and therefore logical only then, if they form their consistent connection which represents a specific change of a researcher’s view of himself, in other words, of the quality of his own way of thinking. The first viewpoint mentioned represents a starting point for the second one, which includes the identity of one circle of management concepts, which in the same time represents the starting point to another circle of management concepts.

On the other hand, empiricism is also important, because of the gap between the researcher’s cognition and reality, which causes a permanent searching for research alternatives. The gap between the management concepts and business practices becomes smaller, when we believe that the research has explained some essential circumstances being researched satisfactorily. The initiated idea has therefore a (time limited) empirical support, which makes the research significant.

But there is another gap – complacency, and the real problem is, how to return in our thinking to the situation in which we are able to deny the quality of our understanding of management concepts. Solution of this problem cannot be a simple one. We believe, that no formal success in the field of management research can be discussed as an absolute one. If this happened anyway, we’d start to lose our own relevance and consistency of research of management concepts. In these circumstances, the systems approach may start to change its identity toward a non-systemic one.

Such a kind of research tautology may transform creativity of management research to ideology, which has no place for facts opposing the well-known ones, in the domain of management. Results of management research, based on tautology mentioned are therefore fictitious and count only under the conditions of a closed system type of consideration of the researcher himself as well as the
topic of research. On the contrary, a contemporary identity of management research is based on a permanent quantitative and qualitative judgement of the management concepts and business practice as well as on mutual independencies between both of them; it is so under the condition of an open system (and its varieties) treatment of the researcher himself and the topic of research (Lewin, Minton, 1986).

Figure 1. The theoretical starting points for investigation of management concepts (Uršič, 2000)
We conclude from that, the quality of research of management concepts should be regarded: as a quality of researcher’s concept, as a quality of the object researched, and as a quality of their social environment (Hanken, 1981; Cole, 1998; Drucker, 1998).

For this reason, the management concepts should consider some general propositions, first of all. Manager’s decisions and organisational consequences are two of them, which are based on a permanent evolution and adaptation to the newest cognition and the current states in the environment, in organisation and in the researcher himself.

The general propositions help us only as a definition of the ‘boundaries’ for research problem and as a general definition of a research agenda. Our definition of the general propositions of research approach will be based on facts already written. Thus the definition of the research approach depends on quality of the criteria of judgement, which are (un)considered. The selection of the criteria of judgement is a problematic one and has a crucial impact over the research of management.

These theoretical bases of research, briefed here in general, have led us in approach to research on transition of management concept in Slovenia.

3. THE METHOD OF INVESTIGATION ON MANAGEMENT CONCEPTS IN SLOVENIA

In 1998 and 1999 we used a letter survey of all Slovenian enterprises possessing valid certificates ISO 9001 or ISO 9002, about which we had and argued estimation that they use or introduce the contemporary management concepts. In 1998 this criterion was met by about 300 organisations, in 1999 by more than 500 already. These are mostly organisations belonging to the biggest ones in Slovenia. In 1998 our response rate was 150 (50%), in 1999 was 216 (40%) valid responses. In our judgement these samples are big enough to meet criteria of statistical evaluation of results obtained (Pivka, Uršič, 1998; Pivka, Uršič, 1999; Uršič, Bučar, Mulej, Pivka, 2000).

We divided our questionnaire in two parts. In the first part we analysed the measurement of factors of management and a programme of continuous introduction of new impact of management concepts. The second part includes our analysis of the impact of management concepts over more than 20 factors of business success. Both parts, in terms of contents, are defined on the basis of the theoretical concept of investigation of management trends defined earlier and
briefed in chapter 2 of this contribution. We tested our questionnaire on a pilot sample of organisations, all items being closed qualitative questions. Data from questionnaire were entered into Lotus Notes data base and from it into Excel and SPSS for a statistical analysis.

### 3.1. Factor analysis of management concepts

The management concepts were analysed by the help of the factor and discriminant analysis. Both made possible to comprehend the quality of the principal management concepts in the Slovene economy. We wanted to find out the following: 1) which management concepts are the most influencing in the Slovene economy during the period of transition; 2) which management concepts used in the business practice are unerstood by the management and argumentatively compared with other most frequently used concepts; and 3) the possibility of an argumented presentation of the correlation among the business results and practical effects of individual management concepts.

In our case we used the factor analysis to reduce the great number of measured parameters of management concepts with influence on the business transformation (more than 100 in total!) to a smaller number of independent factors, which would explain well enough the management concepts in Slovenian enterprises in transition. From the rotated matrix of factor loadings it follows that 83% - 91% of the total variance are explained by 6 management concepts in majority of Slovenian enterprise according to our survey.

We have written them also in Table 2, from which it is evident how individual concepts were explained in % of variance. Due to space limitation the rotated component matrix of factor loading is not shown here. The transition of Slovenian organisations can be explained by 6 major management concepts, thereby losing only 8-17 % of the explained variance. We would like to mention a few facts from our research findings (Uršič, 2000a):

- In the last decade, the modernised management concepts and practices in Slovenia have led to an approximately 50% increase in business effectiveness and simultaneously to a 20% decrease in employment (bankrupt companies excluded).

- The process approach to business replaced fragmentation of companies into rather indepent business units. Thus it has decreased the duration of the business processes (cycles) in companies at a rate of up to 75 %.
Table 1. The most influential management concepts in Slovenian organisations

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Strategic management</td>
<td>R 5</td>
<td>R 5</td>
</tr>
<tr>
<td>Quality</td>
<td>R 1</td>
<td>R 4</td>
</tr>
<tr>
<td>Marketing management</td>
<td>R 2</td>
<td>R 1</td>
</tr>
<tr>
<td>Managing of business processes</td>
<td>R 4</td>
<td>R 3</td>
</tr>
<tr>
<td>Business innovation</td>
<td>R 3</td>
<td>R 2</td>
</tr>
<tr>
<td>Potentials of employees</td>
<td>R 6</td>
<td>R 6</td>
</tr>
</tbody>
</table>

R= ranking

Table 2: Total variance explained the management concepts in Slovenian organisations

<table>
<thead>
<tr>
<th>Factor</th>
<th>Management concept 1999-2000</th>
<th>% of variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic management</td>
<td>84.163</td>
</tr>
<tr>
<td>2</td>
<td>Quality</td>
<td>87.784</td>
</tr>
<tr>
<td>3</td>
<td>Marketing management</td>
<td>91.544</td>
</tr>
<tr>
<td>4</td>
<td>Managing of business processes</td>
<td>88.961</td>
</tr>
<tr>
<td>5</td>
<td>Business innovation</td>
<td>90.612</td>
</tr>
<tr>
<td>6</td>
<td>Potentials of employees</td>
<td>83.113</td>
</tr>
</tbody>
</table>

Examples from the every day practice are convincing us, that managers understand the systems approach as a concept, that might have a major influence over transformation of the business processes. This influence might further increase the above business results. For that reason, the Slovenian managers are very often convinced in advance, that success comes with the introduction of modern concepts of management on its own. But when they start to implement management concepts in their practice, their enthusiasm usually disappears. Our analysis also shows, that Slovenian managers are not familiar with the potential of the systems based concepts and their use, from the point of view of the specifics of Slovenian business.

It's the ignorance of the content and the possibilities of systems concept that leads to conflicts in Slovenian companies. In forefront there is the cognition, that it's impossible to implement a pure management concept in many Slovenian organisations whose development trends differ from (above all) European and American conditions. We tend to see causes of this impossibility in the general social trends: even managers refuse changes which require downsizing, especially the surprising (revolutionary) managerial cost-cutting innovation.
Inspite of that, we often still find problems with many managers in Slovenia and their perception of the up-to-date concepts of work. At the first sight we could say, that this is a paradoxical situation: on one hand the investment in modern management concepts has been for quite some time one of the most important development trends in Slovenian organisations. It is also supported by Slovenian government or some of its ministries.

On the other hand, the modern management concepts aren't used very often, in the Slovenian business practice. It looks like a need for some kind of a lead-time until the transfer of international management concepts into Slovenian business practice is found needed. The practical managerial approach, which tends to be in the forefront, is based on incremental changes in business processes. The concept, hence, creates a new situation in enterprises: there is a need to introduce new concepts of understanding the contemporary business partners from the 'west'. The international influences over management are a good example of a broader social adaptation to competitive pressures by the advanced ones. They, on the other hand, support the use of Slovenian knowledge and pay tribute to the Slovenian organisational culture. This summary reflects thinking of most management teams in the over-average enterprises in Slovenia.

Basically, the point is the managers' new awareness of the change of management concepts, from the traditional to the modern ones. In the recent past, the practice in average Slovenian companies was to standardise practically all management processes. Now, the focus is on potential advantages of management, which result from the development of the company's culture and related understanding of differences in individual concepts of management style.

4. CHARACTERISTICS OF ORGANISATIONS REGARDING MEASURED MANAGEMENT CONCEPTS OF TRANSITION IN SLOVENIAN ORGANISATIONS

We investigated the possibility to classify the observed organisations into homogeneous groups regarding the management concepts and which are contributing most to the distinction between the groups.

With the cluster analysis the organisations were divided into three groups (clusters), after that the differences among them were analysed with the discriminant analysis.
In the first cluster there are the organisations (30% of the sample) attributing the smallest influence of management concepts to the transition process. In the second cluster (27% of the sample) there are organisations attributing management concepts the greatest influence on the transition process. In the third cluster (43%) are the organisations being neutral.

The differences among the typical mean values among the clusters are greatest for these measured parameters. This is confirmed also by ANOVA test. The greatest and the smallest differences among the medium values for individual business success parameters are on the same parameters.

In these organisations the management argumentatively compares the quality of individual concepts and their influence on the company transition. The management uses also the criteria to assess the individual concepts effects from the aspect of the influence on the attained business result. The effect measurement of the used management concepts is in the phase of planning or initial introducing. 40% of companies are in the phase of qualifying the management concept potentials in the practice. They are concerned with the preservation of the existing situation, based only on fictitious measures for increasing the competitive capability of the company and not on the actually expressed ones. In these companies the unsystematical use of management concepts is first of all the consequence of the influence of general business-economical development tendencies in Slovenia and is essentially less dependent on the quality of management.

![Canonical Discriminant Functions](image-url)

*Figure 2. Clusters of organisations regarding management concepts in Slovenia*
The factor analysis makes possible to make conclusions about the quality of the management concepts transition in Slovene organisations also from the aspect of wider social and business changes, being actively supported by the Slovene government as well. At the beginning of the nineties the government was even the main stimulator of introducing the changes into the organisations, as it actively supported the introduction of the management concept based on ISO 9000 criteria. On the basis of the first positive experiences about this concept effects in the most influencing Slovene companies, the management accepted also other concepts discussed in this article. This standpoint is certainly true for at least 27% of companies.

Understanding and introduction of the systems approach to management concept in those cases in which projects were run by the governmental policy, attained no outstanding results, as a rule. Enterprises went bankrupt or were sold out per parts. Jobs were lost and there was no clear-cut development or restructuring future for the downsized ones. Thus, Slovenian government creates a number of managers who think in administrative terms, hence they prefer a short-term financial effect of changes over assuring a long-term competitiveness. In forefront, there are government expectations to sell the state-owned organisations as well as possible. From the viewpoint of management concepts, in such cases one cannot speak of development with a valid argument, practically.

Still, our analysis of enterprises let us conclude that the development trend of management concepts in Slovenia is based on change processes, which are transforming the organisational practice from traditional concept to the modern – transformation friendly one. The core changes in understanding of management concepts based on systems approach to be exposed include changes from (Uršič, 2000a; Uršič, 2000b):

- the traditional organisational hierarchy to modern concepts of horizontally and vertically networked groups (teams);
- stressing individuals' status on whatever organisational levels, to a network of necessary and deliberately defined activities aimed at definition and realization of clearly set objectives;
- prescribing who should do what, to using modern project-based methods of work;
- control of performance, which is based on sanctions, to learning company, which is based on motivation;
- imposing the management concepts and solutions in the "top–down" way, to recognizing and exploiting advantages of the actual development level of the organisational culture.
These essential changes are being introduced, according to our analytical data, actively by 27% of all organisations dealing with transition process of business. The critical impact lies on the measurable results of renovation of organisations in Slovenia attained.

5. CONCLUSION

In Slovenia, the use of management concepts represents an active component in renovating the Slovene society as a whole. In the main it concerns changing the way of thinking about the manners of (business) life and assessment of its quality from the aspect of the ever-present need for introducing reasonable novelties to assure the competitiveness. Our several years lasting analytical examination of the Slovene companies transition in the area discussed shows that there is a recognizable specific situation in the Slovene economy. On one side there is the development of companies being already at the top according to international competitiveness criteria, and on the other side there are other companies with more or less successful beginnings in this direction.

Therefore, in Slovenia it is practically impossible to speak about the use of »pure« management concepts in their original form. Good organisations by themselves actively develop management concepts, corresponding to their development level, others are still getting acquainted with them or are only partly introducing them, in any case not completely and less efficiently than the competitors. As a rule, in the business practice the contents of management concepts are interlacing in the way stimulated by the level of the individual organisational culture. Taking into account the fact that there are considerable differences among the Slovene organisations regarding the development levels of understanding and the use of management concepts, which is shown by our analysis, the carrying into effect of individual concepts under different commercial names can be better understood. Though equally named, in the business practice these concepts often contain large differences in the content and application. Therefore the understanding of management concept transformation in Slovenia is first of all the sequence of understanding and considering the integrated development level of the Slovene economy in general and individual manager teams in the organisation separately.

REFERENCES:

KONCEPTI TRANSFORMACIJE MANAGEMENTA U SLOVENIJI

Sažetak

U posljednjih deset godina, Slovenija se suočila s holističkom tranzicijom, kako života društva u cjelini, tako i u organizacijama. U ovom se radu, prije svega, naglašava model tranzicije managementa u Sloveniji, i to prezentacijom rezultata trajnog empirijskog istraživanja provedenog u nekoliko posljednjih godina. Prezentirani model tranzicije se temelji na sistemskom pristupu, tj. na metodološkom sistemskom razmišljanju. Ovaj je pristup, razvijen 1992., omogućio istovremeno istraživanje načina razmišljanja managera o tranziciji koncepta managementa, kao i efekata prevladavajućih projekata njegove implementacije.