

## **HOW HIGH ARE THE PERFORMANCES OF ORGANIZATIONS OPERATING IN SERBIA?**

*UDC 005.332.1(497.11)*

**Vuk Miletić<sup>1</sup>, Slavomir Miletić<sup>2</sup>, Nemanja Berber<sup>3</sup>**

<sup>1</sup>High School of Academic Studies "Dositej", Belgrade, Serbia

<sup>2</sup>University of Prishtina, Faculty of Economics, Kosovska Mitrovica, Serbia

<sup>3</sup>University of Novi Sad, Faculty of Economics, Subotica, Serbia

**Abstract.** *In the conditions of growing competition on the market, organizations must ensure their sustainability, first of all, by implementing a systemic concept of business conduct in which the management is recognized as a powerful process of achieving high organizational performances. It is a concept that enables the meeting of the needs of consumers on a level different to their target value. In this sense, organizations must be structured in such a way as to fulfill certain conditions and criteria thanks to which sustainably high performance is created, which is, in fact, the goal of this research. Such performance is created as a result of the development of management within key areas of operation – the quality of products and services, production cost, speed to market, and innovating and developing such products and services. Success of such organizations greatly depends on the managers' ability to develop and keep a talented workforce, which is a key factor in high performance development. By mastering change, outstandingly managing and controlling the future, assumptions for achieving business excellence and achieving high performance results are created. To confirm the starting hypothesis, the method of analysis, the method of synthesis and the method of multiple comparison and statistical test are used.*

**Key words:** *Management, organization, performance, HPO model.*

**JEL Classification:** M21, M54

---

Received February 04, 2019 / Revised March 27, 2019 / Accepted April 11, 2019

**Corresponding author:** Slavomir Miletić

University of Prishtina, Faculty of Economics, Kosovska Mitrovica, Serbia

E-mail: [mi.slavko@gmail.com](mailto:mi.slavko@gmail.com)

## INTRODUCTION

In a complex business environment, numerous organizations operating in Serbia have failed to meet the market requirements and have vanished because they could not cope with growing changes. The primary reason is an outdated business model (Miletić, 2018, p. 69) which does not give them a real possibility to efficiently combine expedience, cost efficiency, product quality and learning, which should result in high performance. Only the organizations that have accepted change in a time of great turmoil and which seek a fast and flexible structure are capable of shaping their business future. Heading such organizations that are based on effective 'inclusion' of all employees in the decision-making process are agile managers who promote and develop a new concept of thinking and acting. It is a non-standardized flexible and virtual business model (Waal, 2006, rev. 2010) based on learning and performance within which every individual is expected to use all of their skills and capacities for the purpose of realizing the organization's goals. Thus, it is evident that teamwork capability and a holistic approach to business conduct are important attributes of a network business model that yields results.

Developed countries have an adequate business environment and a climate suitable for successful operation of high performance organizations (HPO) (Waal, 2012c). Serbia as a country in transition strives to create the right "conditions by promoting creativity and change as a legitimate goal of its organizations so that they could improve competitiveness and raise overall performance to a higher level" (Miletić, 2016, p. 4). In that sense, for the sake of sustainability, it is necessary that the contemporary economic subjects operating in Serbia be organized in a way that enables their growth and development (Miletić, 2017, p. 201) by achieving performance higher than usual.

This means a successful business concept implementation (Lawler, p. 14-15) "as a systematically planned and programmed effort to accept new ideas, innovation and change within the organization" which is nothing new in the Serbian economic practice. It should give a strategic advantage to organizations, making problem solving easier, by increasing productivity (Ničić et. al. 2013, p. 179) and product quality, improving customer service in the option of added value, perfecting communication and cooperation in a way that enables the achievement of high performances.

To implement this model is mostly a choice of the bolder, those who are not afraid of change and who are aware that only a swift reaction to change (Alexopoulos, Tombe, 2012) will secure the survival, development and sustainability of business. Business practice (Roth, 2005; Chalhoub, 2009; Abernathy, 2011) has shown that a total implementation of the high performance organization model positively affects an organization's operation, which goes to show that the correlation goes from the direction of management practice toward organizational performance. Studies published in numerous countries show that there is correlation and interaction (Dent, 2003) between techniques and methods including, first of all, the HPO model which is implemented by organizations, and the accomplished organizational performance – direct and indirect (Maes et. al., 2005), with or without the display of causality. The studies dealt with determining factors and criteria of high performances and the evaluation of the extent to which HPOs are treated through the common influence of the level and duration of operation (Johnson, 2005; Godfrey, 2010; Waal & Meingast, 2011; Keller, 2011). A difference in performance among different organizations (Tadić & Boljević, 2015) is mostly connected with domestic circumstances, the kind of product and service, historical events, "cultural differences, the complexity of industry, even luck" (Parnell et. al. 2012, p.106).

The HPO model, as known by the Anglosaxon business culture (Waal, 2006) is an invitation to reflection and action, but not a magical solution to all problems that organizations operating in Serbia come across. Prerequisites for strengthening the competitiveness (Miletić & Božilović, 2015, p. 261) of economy must include transformational management, a new way of organization, and the knowledge to create quality competitive strategies and a supporting business environment.

Hence, there is no unique recipe either for success or for creating a successful HPO in Serbia. While designing an HPO, one of the demands placed before the management (Miletić et al., 2017) is the need to successfully implement all of its components. In practice, there are organizations that realize only some of the necessary components (Schermerhorn, Hunt, Osborn, 2004, p. 23-24). Such organizations are not real HPOs. Whether and how far into the future they will work on developing the remaining components of HPOs depends on numerous environmental factors, as well as on the extent to which their management (Zenger et al., 2002, p. 138) is prepared and capable to work on interconnecting them.

## 1. CHARACTERISTICS OF HIGH PERFORMANCE ORGANIZATIONS

In order to survive in a complex environment, contemporary organizations are forced to organize themselves in a different way that should enable them to generate performance at a level significantly higher than before. In difficult economic circumstances, managers tend to choose management models (Parnell et al., 2012) that will help them to improve their organization's operation with a higher level of security. In that sense, HPO models represent open systems that are influenced by a variable global external organizational environment. As such, their basic mutual characteristics (Waal, 2012a) are those properties that are shared by exceptionally successful organizations and those characteristics that are most widespread and that make them more efficient than other business subjects.

Such organizations are present on the market during a longer period of time, they possess a structure with less organizational levels (Simić, 2005), less hierarchy and greater unit autonomy, highly trained personnel, and agile managers at all levels (Waal, 2013, p. 15). Item organizations are oriented towards products and services with greater added value for consumers. Within such organizations (Lawler, 2005), absolute engagement by all employees is implied, i.e. their incitement to plan, complete and verify their work properly. To become a high performance organization, an organization must meet certain conditions and criteria (Waal, 2012a). As the main characteristics of an HPO, (Waal, 2012b) identifies:

- *Continuous development* means that an “organization has adopted a strategy that clearly sets it apart from other organizations”. Within it, processes are continuously being developed, simplified and coordinated. The organization continuously improves its products, processes and services (the core of its competence). Financial and non-financial information is available to organization members via report.
- *Openness and readiness for action* means that organization members spend a significant amount of time communicating, learning and exchanging knowledge, and they are always included in important processes. The leadership welcomes change and allows errors.
- *Management quality* implies strong leadership; it focuses on achieving results. The management has integrity and it enjoys the trust of organization members. It teaches

(trains) organization members how to achieve better results and it is decisive toward those who fail to carry out what is expected and agreed upon.

- *Workforce quality*. An organization has a qualified workforce. The leadership inspires organization members to achieve extraordinary results. Organization member are trained to be resilient and flexible.
- *Long-term orientation* means that an organization keeps high-quality and long-term relations with all interested parties (stakeholders). An organization's goal is to serve the consumers in the best way possible and to grow through the partnership with its suppliers and/or clients.

High performance systems, according to (Vaill, 1996, p. 61), are those organizations that satisfy most of the following criteria:

- they function excellently in relation to known external standards,
- they function impeccably in relation to the assumptions regarding their potential performance level,
- they function superbly compared to their position at an earlier period,
- highly informed experts have judged that, essentially, they act qualitatively better compared to other comparable systems,
- regardless of what they do, they do it with far less resources compared to the resources they presumably need,
- their modus operandi is considered exemplary for the work that they do, so they become a source of ideas and inspiration for others,
- they realize ideas of culture within the framework of their existence at a high level (they demonstrate a high level of 'nobility'),
- they are considered to be the only organizations capable to do whatever they are doing, even when, at a first glance, it seems that what they are doing is not particularly difficult.

Organizations that satisfy most of the abovementioned criteria are considered to possess the basic characteristics of HPOs, with emphasis (Vaill, 1996, p. 63):

- HPOs have clearly defined goals, as well all the elements necessary for their accomplishment. They possess a clear idea regarding the purpose of their own existence and the direction of their operation.
- HPO member engagement regarding goal accomplishment is not superficial. Motivation is always high and specific. What is more significant than the energy level is its focus.
- Teamwork within an HPO is task-oriented. HPO members reveal those operation aspects which demand integrated action and which promote behavior and attitudes that correspond to those demands.
- HPO leadership is strong and clear, although the style could vary within different segments. The style is clearly consistent, reliable and predictable, without any trace of ambivalence.
- An HPO is a prolific source of innovation and new methods in terms of defined tasks and select structural forms.
- An HPO sets clear boundaries between itself and the environment. A significant amount of energy is spent for the preservation of those boundaries, especially by the management. It is clear that an HPO is significantly different from the other entities in the environment regarding its own character, membership, applied methods, time, and space.
- An HPO constantly and uncompromisingly amasses the necessary resources from the environment and sometimes it represents a source of frustration to certain competitors, especially in a bureaucratic environment.

The case model of an HPO is highly flexible and innovative, and it enables employee development. It is applied in the conditions of a complex and dynamic environment and technology. It receives a special place in new and sophisticated high-tech industries, such as telecommunications, biotechnology, and so on. Performance within the model (Amstrong, 2006) is usually identified in terms of the output, i.e. the achievement of quantitative goals. Of course, performance is not only that which is realized, but also the way in which it is realized and measured (Harbour, 1997). A high level of performance is the result not only of adequate behavior and an effective use of the necessary knowledge but also of skills and competence.

Performance management (Thorpe & Holloway, 2008) is a complex category considering that intellectual resources represent the key determinant of an organization's success in the contemporary environment. Thus, an organization requires a balance between different dimensions of performance assessment. In addition to the primary financial dimension, the non-financial dimension considerably contributes to overall business performance not only to the organization itself but also to the other stakeholders. In that sense, the management faces a difficult choice of contemporary non-financial criteria as strategic managerial tools.

## 2. RESEARCH METHODOLOGY

This research has been conducted with the purpose of evaluating Serbian organizations' fulfillment of the conditions and criteria in order to determine to what degree those organizations are high performance organizations. The premise is that the application of the HPO managerial practice is based on the output, i.e. on the accomplishment of quantitative goals, as a result of proper behavior and an effective use of the necessary knowledge, skills, and competence. An innovative business model of a high performance organization, based on intellectual capital, has great potential for application in Serbia for achieving business excellence. Thanks to communications technology, this model is designed in such a way that it can be managed in a dramatically different way than ever before. The research was realized as an empirical transverse study (a cross-sectional study). In addition to the basic explicative method, the bibliographic speculative method was used in the setting of the theoretical framework of the paper. The multiple comparisons and statistical test method was used in the processing and interpretation of the results. As a research technique, survey was used in order to collect data and information.

In order to achieve the aim of the research, whether and to what extent organizations operating in Serbia apply the high performance model, i.e. to what extent an organization is an HPO from the aspect of different durations and levels of operation, it was necessary to collect primary data that could be attained through field work, but also with the help of the Internet.

The research was carried out in several phases (compare with: Aaker et al, 2008, p. 52-53): questionnaire composition, selection of a representative sample i.e. selecting the companies that will represent the sample, collecting data by surveying the managers of the selected companies operating in Serbia, a graphical and statistical representation of the research results, and, finally, drawing conclusions and formulating suggestions for achieving business excellence. The research was based on a sample of 136 companies selected from a database run by the Serbian Business Registers Agency. The decisive factor

when selecting the organizations for the sample was the success rate of their business conduct. In the observed sample, the most numerous are the organizations that conduct business on an international market (62), then come the organizations that conduct business on a national market (34), there are 23 organizations that operate regionally, and the organizations who operate only locally number the fewest (17).

The questionnaire for this research was specially structured and it comprised 26 questions related to the characteristics of HPOs that set them apart from other organizations. Data collection was accomplished by asking the respondents (organization managers) to grade (rank) characteristics that they believe determine the performance level of organizations operating in Serbia. A Likert's scale was created, within which it was possible to rank attributes as very significant, both significant and insignificant, and not significant

### 3. DESCRIPTIVE STATISTICS

Accepted as a necessity and a challenge, in the Serbian business milieu, performance initiates learning a lesson of integration in order to make a certain organization long-lasting time and again. Comparative statistics was used to process the collected data regarding the evaluation and ranking of properties that domestic organizations should acquire in order to become high performance organizations. The surveyed managers were asked to grade actual performance based on the given criteria within the framework of their business conduct with marks from 1 to 5, where 1 is the lowest rating and 5 is the highest one. Performance results are given in Table 1.

Table 2 gives a performance rank based on mean values for each performance.

Based on the results, it is evident that, in the organizations included in the sample, qualitative operation with regard to the competitors, teamwork, chance for the organization to become a high performance organization, and the level of consistency and clarity of the organization's leadership are the characteristics that have received the highest ratings (the average rating is over 4). At the bottom of the table with the lowest ratings (under 3.50) is the level to which the organization's employees share the responsibility both for the success and for the failure of the organization, the organization's allocation of funds for employee education and training, the level of development of the organization's marketing sector, the sources of creativity and new ideas coming from the outside of the organization, and the level of the consultants' engagement within the organization.

This research asked the respondents to answer the question whether there are any domestic organizations that could be characterized as high performance organizations, and if there are, which organizations they are. Out of the organizations listed as high performance organizations by the respondents, the following organizations stand out: "Metalac" Gornji Milanovac (listed twice as a high performance organization); "Tigar tyres"; Com Trade; Philip Morris Operations, Co. Niš (listed twice as a high performance organization); Telekom Srbija; NIS; "Matijević" Meat Industry; "Janković" Interiors; Telenor; Gazprom; Fiat (listed twice as a high performance organization); "Petrohemija"; the Electric Power Industry of Serbia; IT companies.

**Table 1** Results of performance in organizations

Performances	R a n g									
	1		2		3		4		5	
	Af	Rf	Af	Rf	Af	Rf	Af	Rf	Af	Rf
Level of competitiveness on the market on which the organization operates	7	5.1	12	8.8	42	30.9	29	21.3	46	33.8
Product quality on the market on which the organization operates	2	1.5	11	8.1	49	36.0	40	29.4	34	25.0
Level of the organization's competitive ability	4	2.9	8	5.9	30	22.1	57	41.9	37	27.2
Technological level of the organization	0	0	15	11.0	20	14.7	57	41.9	44	32.4
Level to which the organization implements the quality concept as demanded by the ISO 9000 series of standards	13	9.6	17	12.5	9	6.6	41	30.1	56	41.2
Level of development of the organization's marketing sector	13	9.6	15	11.0	54	39.7	26	19.1	28	20.6
After-sales services of the organization	7	5.1	3	2.2	32	23.5	45	33.1	49	36.0
Level of the organization's openness to creativity, new ideas and innovation	2	1.5	5	3.7	36	26.5	45	33.1	48	35.3
The extent to which the organization is a high performance organization, i.e. to what extent it possesses total excellence at all levels	9	6.6	12	8.8	39	28.7	50	36.8	26	19.1
Level to which the organization has clearly defined goals and the elements necessary for their successful achievement	4	2.9	6	4.4	21	15.4	68	50.0	37	27.2
Level of consistency and clarity of the organization's leadership	0	0	9	6.6	24	17.6	60	44.1	43	31.6
Functioning of the organization with regard to known external standards	2	1.5	2	1.5	36	26.5	54	39.7	42	30.9
Current functioning of the organization with regard to its position at an earlier period	6	4.4	7	5.1	26	19.1	53	39.0	44	32.4
Level to which the organization operates with less resources than considered necessary	2	1.5	16	11.8	39	28.7	47	34.6	32	23.5
Qualitative operation of the organization with regard to comparable competitors	0	0	2	1.5	22	16.2	57	41.9	55	40.4
Teamwork within the organization	3	2.2	10	7.4	16	11.8	51	37.5	56	41.2
Organization's employees as a source of creativity and new ideas	3	2.2	15	11.0	34	25.0	39	28.7	45	33.1
Sources of creativity and new ideas coming from the outside of the organization	5	3.7	31	22.8	50	36.8	29	21.3	21	15.4
Work habits of the organization's employees	3	2.2	8	5.9	48	35.3	45	33.1	32	23.5
Positivity of the employees' response to education and training programs, as well as their preparedness for education and training	8	5.9	16	11.8	30	22.1	48	35.3	34	25.0
The organization's allocation of funds for employee education and training	12	8.8	26	19.1	23	16.9	41	30.1	34	25.0
Justness in selecting the employees to be educated	6	4.4	16	11.8	25	18.4	38	27.9	51	37.5
Level to which the idea of business culture is realized within the organization	2	1.5	14	10.3	42	30.9	46	33.8	32	23.5
Level to which the organization's employees share the responsibility both for the success and for the failure of the organization	5	3.7	28	20.6	34	25.0	33	24.3	36	26.5
Level of the consultants' engagement within the organization	22	16.2	27	19.9	28	20.6	30	22.1	29	21.3
Chance for the organization to become a high performance organization	2	1.5	6	4.4	22	16.2	58	42.6	48	35.3

Af - Absolute frequencies; Rf - Relative frequencies (percentages); M.V. - Mean values

Source: Miletić, V. (2016). p. 163-166

**Table 2** Performance rank in organizations

Performances	Mean Performance	
	value	rank
Qualitative operation of the organization with regard to comparable competitors	4.21	1
Teamwork within the organization	4.08	2
Chance for the organization to become a high performance organization	4.06	3
Level of consistency and clarity of the organization's leadership	4.01	4
Level of the organization's openness to creativity, new ideas and innovation	3.97	5
Functioning of the organization with regard to known external standards	3.97	5
Technological level of the organization	3.96	6
Level to which the organization has clearly defined goals and the elements necessary for their successful achievement	3.94	7
After-sales services of the organization	3.93	8
Current functioning of the organization with regard to its position at an earlier period	3.90	9
Level of the organization's competitive ability	3.85	10
Justness in selecting the employees to be educated	3.82	11
Level to which the organization implements the quality concept as demanded by the ISO 9000 series of standards	3.81	12
Organization's employees as a source of creativity and new ideas	3.79	13
Work habits of the organization's employees	3.70	14
Level of competitiveness on the market on which the organization operates	3.70	14
Level to which the idea of business culture is realized within the organization	3.68	15
Product quality on the market on which the organization operates	3.68	15
Level to which the organization operates with less resources than considered necessary	3.67	16
Positivity of the employees' response to education and training programs, as well as their preparedness for education and training	3.62	17
The extent to which the organization is a high performance organization, i.e. to what extent it possesses total excellence at all levels	3.53	18
Level to which the organization's employees share the responsibility both for the success and for the failure of the organization	3.49	19
The organization's allocation of funds for employee education and training	3.43	20
Level of development of the organization's marketing sector	3.30	21
Sources of creativity and new ideas coming from the outside of the organization	3.22	22
Level of the consultants' engagement within the organization	3.13	23

*Source: Ibidem, p. 166-167.*

Table 3 shows that the majority of respondents stated they were not sure whether there are domestic high performance organizations, 13.2% stated there are none, and 33.8% stated that there are high performance organizations.

**Table 3** The existence of domestic high performance organizations

Are there any high performance organizations	Absolute frequency	Relative frequency
Yes	46	33.8
No	18	13.2
Not sure	72	52.9
Total	136	100.0

*Source: Ibidem, p.168*

Table 4 shows the mean values of ratings regarding the extent to which an organization is a high performance organization, observed in the organizations that operate over a different time period and at a different level for each level and duration of operation. Standard deviation represents a deviation of the rating's mean value, and N stands for the number of respondents in the sample. It is evident that the extent to which an organization is a high performance organization is the greatest among organizations that operate on a regional market, and among them the highest ratings were received by those organizations that have operated for over 40 years.

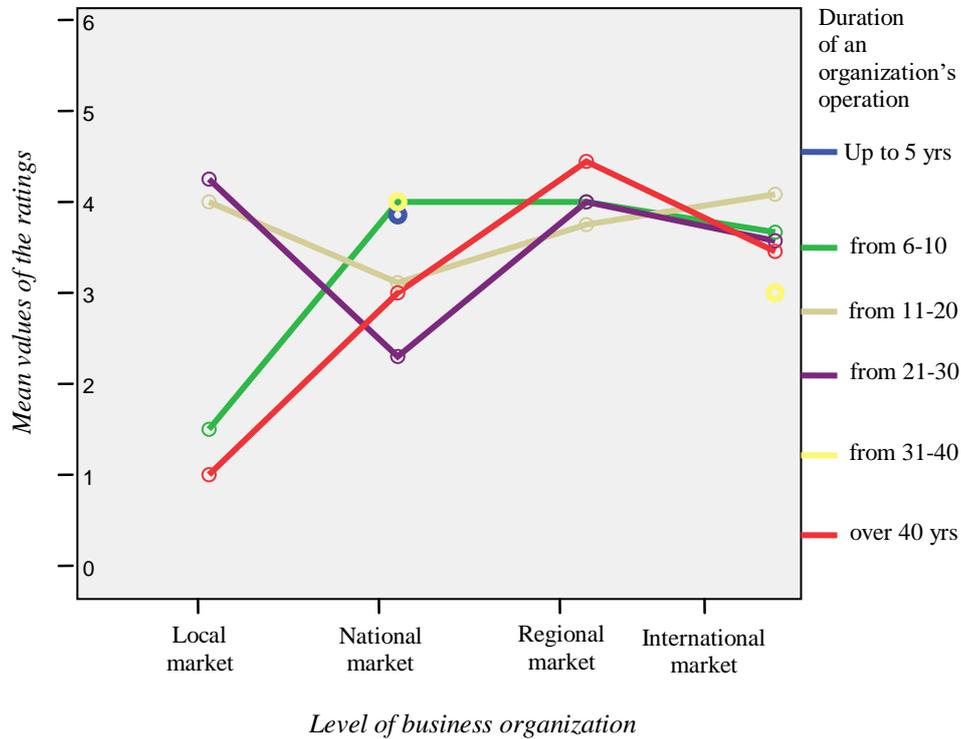
**Table 4** Mean values of the extent to which an organization is an HPO

Operation level	Duration of an organization's operation	Mean	Std. Deviation	N
Local market	From 6 to 10	1.50	.577	4
	From 11 to 20	4.00	.000	3
	From 21 to 30	4.25	.886	8
	Over 40 years	1.00	.000	2
	Total	3.18	1.551	17
National market	Up to 5	3.86	.900	7
	From 6 to 10	4.00	.000	2
	From 11 to 20	3.11	.782	9
	From 21 to 30	2.30	1.252	10
	From 31 to 40 years	4.00	.000	2
	Over 40 years	3.00	.000	4
Total	3.12	1.066	34	
Regional market	From 6 to 10	4.00	.000	2
	From 11 to 20	3.75	.463	8
	From 21 to 30	4.00	1.155	4
	Over 40 years	4.44	.527	9
	Total	4.09	.668	23
International market	From 6 to 10	3.67	1.175	15
	From 11 to 20	4.08	.669	12
	From 21 to 30	3.57	1.076	21
	From 31 to 40	3.00	.000	3
	Over 40 years	3.45	1.036	11
	Total	3.65	1.010	62
Total	Up to 5	3.86	.900	7
	From 6 to 10	3.35	1.301	23
	From 11 to 20	3.72	.729	32
	From 21 to 30	3.44	1.259	43
	From 31 to 40 years	3.40	.548	5
	Over 40 years	3.54	1.174	26
	Total	3.53	1.102	136

*Source: Ibidem, p. 205*

Graph 1 shows the mean values of ratings regarding the extent to which an organization is a high performance organization. It is evident that those organizations that have operated on the regional market for over 40 years have been marked as high performance organizations.

*The extent to which an organization is rated as a HPO*



**Graph 1** Mean values of the ratings of the extent to which an organization is a high performance organization  
*Source: Ibidem, p. 206*

The influence of the duration of operation and the level of operation on the rating of the extent to which an organization is a high performance organization is given in Table 5. In the column Operation level/Operation duration Sig=0.000 which is less than 0.05, so it can be deduced that there are significant differences in the ratings of the extent to which an organization is a high performance organization. The influence of the interaction between the level and duration of operation is statistically significant.

After analyzing the common influence, there followed an analysis of individual influences. In the operation level column, Sig is 0.001, which is less than 0.05, so it can be deduced that the level of the organization's operation has a strong influence on the rating of the extent to which an organization is a high performance organization. In the operation duration column, Sig is 0.112, which is higher than 0.05, so it can be ascertained that the duration of operation does not significantly influence the difference in ratings. Based on this, we can conclude that the operation level and operation duration significantly affect the differences in the ratings of the extent to which an organization is a high performance

organization viewed through the common influence of operation level and operation duration, but the individual influence is significant only in terms of the level of operation.

**Table 5** Influence of the interaction of the variables Operation level and Operation duration on the rating of the extent to which an organization is a high performance organization

Variables	Df	Mean Square	F	Sig.
Operation level	3	4.802	5.842	.001
Operation duration	5	1.507	1.834	.112
Operation level/Operation duration	10	4.432	5.391	.000

Source: *Ibidem*, p. 207

It can be noticed that the individual influence of operation level stands out. A subsequent Tukey test reveals which organizations in terms of operation level particularly differ in ratings. Table 6 shows that the quantifying ratings of the extent to which an organization is a high performance organization significantly differ among organizations that operate on the local and regional market, national and regional market, national and international market.

**Table 6** Comparative analysis of organizations with different levels of operation in terms of the extent to which an organization is an HPO

(I) Operation level of an organization	(J) Operation level of an organization	Mean value of the difference (I-J)	Standard error	Error significance (Sig)	95% Confidence interval	
					Lower threshold	Upper threshold
Local market	National market	.06	.269	.996	-.64	.76
	Regional market	-.91(*)	.290	.011	-1.67	-.15
	International market	-.47	.248	.239	-1.12	.18
National market	Local market	-.06	.269	.996	-.76	.64
	Regional market	-.97(*)	.245	.001	-1.61	-.33
	International market	-.53(*)	.193	.037	-1.03	-.02
Regional market	Local market	.91(*)	.290	.011	.15	1.67
	National market	.97(*)	.245	.001	.33	1.61
	International market	.44	.221	.195	-.14	1.02
International market	Local market	.47	.248	.239	-.18	1.12
	National market	.53(*)	.193	.037	.02	1.03
	Regional market	-.44	.221	.195	-1.02	.14

Source: *Ibidem*, p. 208

#### 4. RESULTS AND DISCUSSION

The purpose of the empirical research was to present a realistic image of the application of the HPO operation concept in the contemporary economic environment of Serbia. For this purpose, in the interaction of characteristics of the systemic model the key conditions of transforming an organization operating in Serbia into a high performance organization have been evaluated and the premise has been confirmed. Based on the research results, it can be concluded that qualitative operation with regard to the competition, teamwork, the chance

for an organization to become an HPO, and the level to which the leadership of an organization is consistent and clear are the key characteristics and they were also the top rated performances. The results of the research also show that some conditions and criteria are not seen as dominant among domestic organizations and they were not rated as relevant to the increase of business performance. Attributes that received the lowest marks were the level to which the organization's employees share the responsibility both for the success and for the failure of the organization, the organization's allocation of funds for employee education and training, the level of development of the organization's marketing sector, sources of creativity and new ideas coming from the outside of the organization, and the level of the consultants' engagement within the organization.

A conclusion that especially stands out is that the greatest number of respondents said they were not sure whether there are high performance organizations in Serbia, as well as that the creation and sustainability of HPOs depends on the successfulness of their management in facing the challenges of constant changes in a complex environment which possesses a high level of uncertainty and risk. Achieving a high performance organization represents a conditioned process of development. The successful design of a high performance organization demands the fulfillment of different demands by the management. The primary demands are, first of all, the securing of a leadership that is capable of achieving high performances, the establishment of strong connections between the organization and its environment, the adoption of an approach based on the network model in the realization of operation, and the integration of components such as information, knowledge, power, and rewards, which are necessary for the successful operation of such an organization.

The management was identified as a powerful process of achieving high performances since it offers customer satisfaction at a level different than their target value. The research results show the importance of the role of the leader/manager in the sense that 48% of the respondents stated that an organization would be managed more successfully by the employees who are not among the top management. In that sense, the research results reveal the need for employee education and development in the areas of new managerial technologies as the basis of the concept of business excellence. It is obvious that excellent organizations place the top employees on the jobs with the greatest chance of success, not on the jobs with the greatest problems. By engaging the right people, the problem of motivation and management becomes smaller. Thus, employee management is a suggestion for further improvement in this area.

The research results show that the extent to which an organization is a high performance organization has received the highest rating in the organizations that operate on a regional market, and among them the highest rated are those that have been operating for over 40 years. Also, there are significant differences in the ratings of the extent to which an organization is a high performance organization. It can be concluded that the level of operation and the duration of operation are important factors when it comes to the differences in the ratings of the extent to which an organization is a high performance organization as seen through the common influence of the level of operation and the duration of operation, and the individual influence is significant only for the level of operation. By applying the Tukey test, it can be determined that the ratings of the extent to which an organization is a high performance organization are especially different for organizations that operate on a local and regional market, national and regional market, and national and international market.

The obstacles to achieving high performances and to implementing the leadership concept of operation are a lack of financial capital, outdated equipment and technology, and a lack of resources.

The research has shown that the systemic concept of operation has a future in Serbia. Expressed in percentile rank, the chances (4.06) for Serbian companies to achieve total excellence and high performance results are increasing. In the national model of a high performance organization, leadership represented at all levels of the organization is required, and here every employee must personally contribute to leadership functions if an organization wants to produce results. Based on the respondents' opinion, the leadership is responsible for the success and high performances of excellent Serbian organizations, and they do not rank technology (3.96) among the top five factors of success even in this time of rapid technological change.

The relation between an improved management and increased performances of organizations operating in Serbia exists, and it is stronger than linear. The quality of the organization often cannot be and is not better than the quality of the leader who is at its front. Finally, the answer to the question of what high performances are should be organization-specific. Even better so, for each organization is specific and it has a unique business policy, so logically its high performances are specific. What is important is to recognize whether a domestic organization has reached high performances, since excellent performances do not tolerate compromise.

#### REFERENCES

- Aaker, D., Kumar, V. & Day, G. (2008). *Marketing research*. Wiley, 7th Edition.
- Abernathy, W.B. (2011). An analysis of the effects of selected management practices on organizational productivity and performance. *Performance Improvement*, 50 (6), 39-47.
- Alexopoulos, M. & Tombe, T. (2012). Management matters. *Journal of Monetary Economics*, 59, 269–285.
- Amstrong, M. (2006). *Performance Management, Key Strategies and Practical Guidelines*. 3th edition, Kogan Page, London and Philadelphia
- Chalhoub, M.S. (2009). The effect of management practices on corporate performance: An Empirical study of non-governmental organizations in the Middle East. *International Journal of Management*, 26 (1), 51-76.
- Dent, E.B. (2003). The interactional model: an alternative to the direct cause and effect construct for mutually causal organizational phenomena. *Foundations of Science*, 8, 295-314.
- Godfrey, S. (2010). *An Assessment of High Performance Organizations (HPOs) in the Manufacturing Industry in Tanzania*. Master thesis, Tumaini University College, Tanzania Granger, C.W.J.
- Harbour, J.L. (2009). *The Basics of Performance Measurement*. Quality resources
- Johnson, G. (2005). *Measuring organizational performance in management research: a synthesis of measurement challenges and approaches*. Research paper. Retrieved from: [www.aimresearch.org](http://www.aimresearch.org)
- Keller, G.F. (2011). Comparing the effects of management practices on organizational performance between for-profit and not-for-profit corporations in Southeast Wisconsin. *Journal of Business & Economics Research*, 9 (3), 29-37.
- Lawler, E. (n.d.). *Designing High Performance Organizations*. p. 14-15. Retrieved from: <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan001316~1.pdf>
- Lawler, E. (2005). *Creating high performance organizations*. *Asia Pacific Journal of Human Resources*, 1-17. <https://doi.org/10.1177/1038411105050304>
- Maes, J., Sels, L. & Roodhooft, F. (2005). Modelling the link between management practices and financial performance, evidence from small construction companies. *Small Business Economics*, 25, 17–34.
- Miletić, V. (2016). *Business Leadership Concept - the Function of Creating a high Performance Organization*. Belgrade: University Union "Nikola Tesla".
- Miletić, V. & Božilović, S. (2015). Analysis of Possibilities for Improving Serbian Companies' Business Activities. *Facta univesitatis, Series: Economics and Organization*, 12 (4), 259-268.
- Miletić, V. (2017). *Adjustment challenges of Serbian organizations to changed market competition conditions*. VIII International scientific practical Belgorod conference, State University of Technology, Belgorod, pp. 199-205.

- Miletić, V., Jovanović, Z. & Jeremić, Lj. (2017). Progressive Management System - a Development and Organization Manager to Success. *Ekonomika*, 63 (1), 35-43.
- Miletić, V. (2018). Business Model Adjustment - a Condition of an Organization's Sustainability on the Market. *Ekonomika*, 64 (3), 67-76.
- Ničić, M., Miletić, V. & Simonović, Z. (2013). *Cost Leadership as Successful Competitive Strategy for Better GCI of Serbia*. VII International multidisciplinary scientific conference "Eurobrand" TQM Center Zrenjanin, December, e-Collection of works: 178-187.
- Novičević, B., Antić, Lj. & Stevanović, T. (2006). *Upravljanje performansama preduzeća [Performanse management]*. Niš: Faculty of Economics.
- Parnell, J.A., Dent, E.B., O'Regan, N. & Hughes, T. (2012). Managing performance in a volatile environment: contrasting perspectives on luck and causality. *British Journal of Management*, 23, 104-118.
- Roth, R.T. (2005). Best practice benchmarking: a proven road to world-class performance. *Financial Executive*, July/August, 57-59.
- Simić, I. (2005). Organizacija visokih performansi (OVP) - nova logika dizajniranja organizacije [High performance organization (HPO) - The new logic of organizational designing]. *Ekonomске teme*, 43 (1-2).
- Schermerhorn, J. R., Hunt J.G. & Osborn R. N. (2004). *Core Concepts of Organizational Behavior*. John Wiley and Sons, Inc.
- Tadić, J. & Boljević, A. (2015). Integration of Critical Success Factors in Order to Improve Performance of the Company. *Strategic Management*, 26-33.
- Thorpe, R. & Holloway, J. (2008). *Performance Management: Multi-Disciplinary Perspectives*. London: Palgrave Macmillan.
- Vaill P.B. (1996). The purposing of high-performing systems, in „How Organizations Learn“, ed. Starkey K., *International Thomson Business Press*, 61.
- Zenger, J.H. & Folkman, J. (2002). *The Extra Ordinary Leader: Turning Good Managers into Great Leaders*. McGraw-Hill Trade, USA.
- Waal, A.A. de. (2006, rev. 2010). The Characteristics of a High Performance Organization. *Social Science Research Network*, <http://ssrn.com/abstract=931873>, Accessed on 20.01.2019.
- Waal, A.de & Meingast, A. (2011). Determinant Factors for High Performance in the Temping Industry. *Problems and Perspectives in Management*, 9 (4), 35-46.
- Waal, A. de (2012a). Characteristics of high performance organizations. *Journal of Management Research*, 4 (4), 39-71.
- Waal, A. de. (2012b). *What makes a high performance organization, five validated factors of competitive advantage that apply worldwide*. Global Professional Publishing, Anfield
- Waal, A. de. (2012c). Applicability of the high performance organization framework at a multinational enterprise. *Global Business and Organizational Excellence*, November/ December 2012, 51-63.
- Waal, A. de. (2013). *Management practices do make a difference*. Maastricht School of Management, Endepoldomein, The Netherlands

## KOLIKO SU VISOKE PERFORMANSE ORGANIZACIJA KOJE POSLUJU U SRBIJI?

*U uslovima sve snažnije konkurencije na tržištu, organizacije svoju održivost mogu osigurati pre svega implementacijom sistemskog koncepta poslovanja u kome je menadžment prepoznat kao moćni proces za postizanje visokih organizacionih performansi. U pitanju je koncept koji omogućava zadovoljavanje potreba kupaca na nivou drugačijem nego što je njihova ciljna vrednost. U tom smislu organizacije moraju biti strukturane na način da ispunjavaju određene uslove i kriterijume zahvaljujući kojima se kreiraju održivo visoke performanse, što je ujedno i cilj ovog istraživanja. Takve performanse nastaju kao rezultat unapređenja upravljanja u okviru ključnih oblasti poslovanja - kvaliteta proizvoda i usluga, troškova proizvodnje, brzine dostavljanja tržištu i inovacija i razvoja takvih proizvoda i usluga. Uspех u takvim organizacijama u velikoj meri zavisi od sposobnosti menadžera da razviju i zadrže talentovanu radnu snagu, što je bitan faktor u razvoju visokih performansi. Ovladavanjem promenama, kvalitetnim upravljanjem i kontrolisanjem budućnosti, stvaraju se pretpostavke za postizanje poslovne izvrsnosti i ostvarivanje rezultata visokih performansi. U cilju potvrđivanja polazne hipoteze korišćeni su metod analize, metod sinteze i metod višestrukog upoređivanja i statističkog testa.*

Ključne reči: *Menadžment, organizacija, performanse, OVP model.*