

Vuk Miletić¹
*The College of Academic Studies “Dositej”,
Belgrade,*

Nikola Ćurčić²
*“Tamiš” Research and Development Institute,
Pančevo,*

ORIGINAL SCIENTIFIC ARTICLE
DOI: 10.5937/ekonomika2404017M
Received: October, 18. 2024.
Accepted: November, 08. 2024.

ANALYSIS OF THE QUALITATIVE BUSINESS OF ORGANIZATIONS RELATIVE TO COMPARABLE COMPETITORS

Abstract

The analysis of the organization's qualitative performance relative to comparable competitors is based on the output, i.e. the achievement of established goals, as a result of appropriate behavior and effective use of resources, required knowledge, skills, and competencies. In an effort to achieve faster development, higher quality of business, and profit, organizations primarily actively strive to improve their productivity. In addition to a number of necessary factors, competent management is a key prerequisite for creating an organization that will ensure qualitatively better business results relative to comparable competitors. The extent to which management will contribute to the quality of the organization's operations depends on various parameters. The topic of this research focuses on the impact of the interaction between variables, specifically the level of operation and the duration of the organization's operation, relative to comparable resources. The premise is that the indicators of the duration of business and the level of the organization's operations have a great influence on the dimension of business success, taking into account the characteristics of competitors with which the organization is compared and competes in the defined market. The obtained responses of the respondents were processed using the non-parametric χ^2 test.

Keywords: organization, qualitative business, competitors, length of business, scope of functioning.

JEL classification: L15, I25, M21

АНАЛИЗА КВАЛИТАТИВНОГ ПОСЛОВАЊА ОРГАНИЗАЦИЈА У ОДНОСУ НА УПОРЕДИВЕ КОНКУРЕНТЕ

Апстракт

Анализа квалитативног пословања организације у односу на упоредиве конкуренте базира на оутпуту односно постигнућу установљених циљева,

¹ vukmiletic88@gmail.com ORCID ID <https://orcid.org/0000-0002-6250-6803>

² nikolavcurcic@yahoo.com ORCID ID <https://orcid.org/0000-0003-3375-2690>

као резултат одговарајућег понашања и ефикасне употребе ресурса, захтеваног знања, вештина, и компетенција. У настојању да остваре бржи развој, виши квалитет пословања и добит, организације преваходно активно стреме ка унапређењу своје продуктивности. Поред низа низа неопходних фактора, компетентно руководство је кључни предуслов за креирање организације која ће осигурати квалитативно боље пословне резултате у односу на упоредиве конкуренте. Колико ће руковођење доприносити квалитету пословања организације зависи од различитих параметара. Тематика овог истраживања фокусирана је на утицају интеракције променљивих нивоа функционисања и дужине пословања организације у односу на упоредиве ресурсе. Пошло се од претпоставке да индикатори дужина пословања и ниво привређивања организације имају велики утицај на димензију пословне успешности, узимајући у обзир својства конкурената са којима се организација мери и такмичи на дефинисаном тржишту. Добијени одговори испитаника обрађени су непараметарским χ^2 тестом.

Кључне речи: организација, квалитативно пословање, конкуренти, дужина пословања, обим функционисања.

Introduction

Qualitative business operations, viewed more broadly, imply a system implemented within the organizational structure that enables the achievement of business excellence based on the effects of improving business productivity, strengthening market competition, developing innovations and technologies, enhancing the education system (Čeha, 2015), and so on. Given that qualitative business operations are a multidimensional determinant, its understanding involves analyzing various aspects – market, technical, and managerial. This means that when analyzing qualitative business operations and market competition (Schindehutte, et al., 2008), the question of understanding the organization's operational success can also be raised.

The development of a qualitative business system for an organization (Miletić, et al., 2020a) that is more successful in its orientation toward competitors (O'Dwyer, Gilmore, 2019) operating in the same or similar market represents one of the primary parameters for achieving a stable market position in operations. The continuous improvement of such a business and management system (Miletić, et al., 2017) creates conditions for increasing labor productivity as a significant factor and driver of overall operations, which enables cost reduction and enhances competitiveness both in the national and international markets.

Creating a sustainable competitive position (Miletić, et al., 2018b) essentially arises as a result of the process of specifically combining the efforts and activities of the organization, regardless of the duration and level of business in the market. As competition in the market becomes increasingly intense, the successful functioning of the organization includes the conceptual role of knowledge (Ndubisi, et al., 2020) and management based on the continuous acquisition of experience and the improvement of the quality of products and services (Miletić, Ćurčić, 2021). The competition thus moves

from the level of prices and technical innovations of products that pass the test of the international market to the area of knowledge management and innovations in the field of management and marketing (Grubor, 2011). Customer satisfaction with the product characteristics related to created or expressed needs and the overall performance of the organization (Stamatis, 2012; Ćurčić, Miletić, 2020) should be continuously monitored in order to identify opportunities for improving the competitive position. In a business environment that is ultimately profit-oriented, innovation management (Ferreira, et al., 2020), quality, and marketing enable organizations to find an appropriate response to the challenges of qualitative business operations. In this context, marketing power (Ivanova, et al., 2017), or weakness, is increasingly being linked to the overall strength of the organization in the comparable market.

Improving the organization's operations relative to comparable competitors is its primary goal, embodied through the achievement of business excellence and reaching the defined class of product and service quality. At the micro level, qualitative business operations represent the organization's ability to compete with rivals (Andreovski, Ferrier, 2019) in a way that allows it to position itself highly in the market, ensuring conditions for further growth and development. To such a business trajectory, the organization's management (Suryaningrum, et al., 2023) needs to add new knowledge in order to provide an appropriate response to the demands placed by the market (Lengler, et al., 2014).

Achieving a unique competitive position in line with global market standards is a complex process that requires management (McMullen, et al., 2009) to coordinate all business functions within the organization, regardless of the duration and level of operation, and to invest exceptional financial and marketing efforts. Efforts should primarily be directed toward management competence (Yang, 2011) and the implementation of integrated management systems (Jørgensen, et. al. 2006) that pave the way to the international market, along with the improvement of knowledge productivity as a strong foundation for such an outcome. The implementation of integrated management systems (Laudon, Laudon, 2010) and innovative technologies is the path to achieving the competitive capability of organizations (Debruyne, et al., 2010; Pešević, 2020) in a flexible corporate environment. This concept enables the reduction of the time needed to improve the scope of operations, thereby generating conditions for national organizations, by adhering to international standards (Ćurčić, Miletić, 2021), to successfully operate in foreign markets.

Starting point and methodological approach

Numerous studies have verified the intense need for organizations to improve their qualitative business operations, taking into account the competitors with whom they are compared and compete in the market, while simultaneously striving to achieve business excellence. Various authors have proposed the concept of maturity with the intention of facilitating the gradual improvement of organizational performance quality (Harmon, 2004; Collinson, Narula, 2014; Su, et al., 2020; Smith, et al., 2005). This paper is based on the thesis that, in addition to a range of necessary factors, competent leadership is a decisive prerequisite for creating an organization that will achieve better business

results relative to comparable competitors. The research also covered the observation of selected factors believed to be significant for improving the qualitative business operations of organizations. The significance of the following elements was considered: the implementation of integrated management systems, business productivity, knowledge in the fields of management and marketing, the standardization of operational quality, and the technical-technological foundation of existence. The focus of this study is primarily directed toward a comparative analysis of organizations with varying durations of business operations in evaluating qualitative performance relative to comparable resources, as well as the impact of the interaction between the variables regarding the level of operation and duration of operation on the assessment of qualitative business performance relative to competitors with whom they identify.

The research conducted is deterministic-implicative, as it is based on theoretical frameworks and the results of previous empirical studies. The research was conducted on a sample of 82 organizations, of which 17% were micro-organizations, 34% were small organizations, 31% were medium-sized organizations, and 18% were large organizations. In designing the methodological framework of the study, alongside the exploratory method, the bibliographic-speculative method was employed, while the analysis and interpretation of results utilized the method of multiple comparisons and statistical tests. The survey responses were provided by senior-level managers within the organization. The goal of the questionnaire was to gather primary information in order to observe factors significant for improving the qualitative business operations of organizations and to conduct a comparative analysis of the impact of the interaction between the variables regarding the level of operation and duration of operation, evaluating their qualitative business performance relative to comparable resources. The responses obtained from the respondents were processed using the non-parametric χ^2 test. The significance level for variation was set at 0.05. The collected data were presented graphically, in tables, and descriptively.

Presentation of results

In the research, the senior-level managers of domestic organizations were asked to note some of the most significant factors for improving qualitative business operations, considering comparable competitors, regardless of the duration and level of their presence in the market. In this context, it was assumed that certain elements were highly significant, certain elements were seen as both significant and insignificant, and certain factors were seen as insignificant. Table 1 presents the ratings in absolute and relative indicators for each incorporated factor significant for improving the qualitative business operations of organizations, in correlation with the competitors with whom the organizations compete in the market.

Table 1. Observation of specific factors significant for improving the qualitative business operations of organizations relative to comparable competitors

Factors for improvement qualitative business								
And it is and it is not significant factor								
		Af	Rf					
Very significant factor				Business productivity	11,4	It's not significant factor		
			15	Knowledge in the field of management and marketing	11,4			
	Af	Rf		Technical and technological basis of business	11,4		Af	Rf
	120	88,2	16	Application of integrated system management	11,4		0	0
	115	84,9	16	Standardization of quality functioning	12,5		5	3,2
						7	4,6	
						0	0	
						4	2,9	

Note: Af – absolute frequencies; Rf – relative frequencies (percentages).

Source: Authors

The table shows that the following elements were rated as highly significant for the profitable operation of the organization relative to comparable competitors: successful implementation of integrated management systems, business productivity, possession of knowledge in the fields of management and marketing, standardization of operational quality, and the technical-technological foundation of operations.

In this study, qualitative business operations of the organization relative to comparable competitors were further examined through a two-factor analysis. The analysis determined that the duration of operation and the level of operation (local, national, regional, and international) of organizations influence variations in their operational characteristics. These serve as generative factors that should enable an organization to achieve qualitative success relative to its competitors. A significance level of 0.05 was applied (for all values of Sig ≤ 0.05, the difference is considered statistically significant).

The mean values of ratings for the qualitative business performance of the organization relative to comparable competitors, for each level and duration of operation, are presented in Table 2. The standard deviation (Std. Deviation) represents the deviation from the mean value of the rating, while N indicates the number of respondents in the sample.

Table 2. Mean values of ratings for the qualitative business performance of the organization relative to comparable competitors

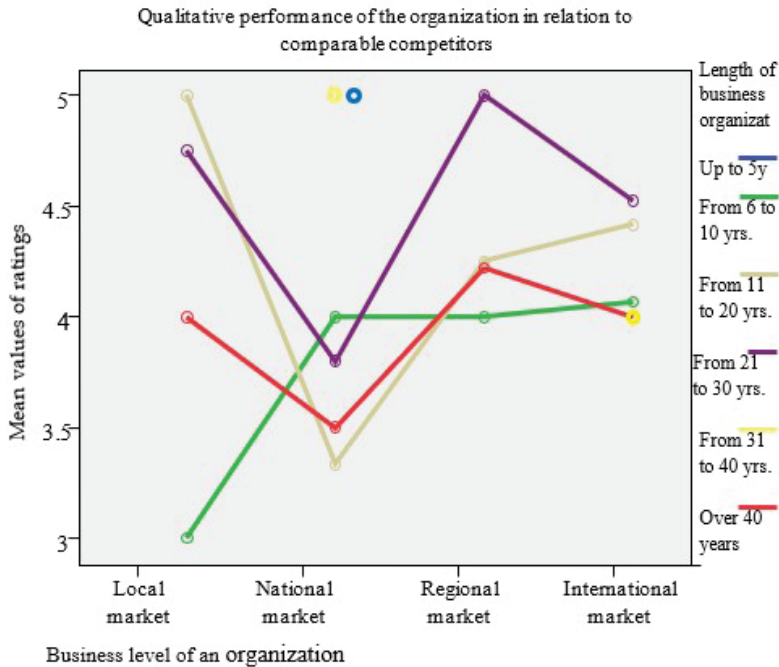
Business level	Length of an organization's business	Mean	Std. Deviation	N
Local market	From 6 to 10	3.00	.000	4
	From 11 to 20	5.00	.000	3
	From 21 to 30	4.75	.463	7
	Over 40 years	4.00	.000	2
	Total	4.29	.849	16
National market	Up to 5	5.00	.000	7
	From 6 to 10	4.00	.000	2
	From 11 to 20	3.33	.866	8
	From 21 to 30	3.80	.919	10
	From 31 to 40	5.00	.000	2
	Over 40 years	3.50	.577	4
	Total	3.97	.937	33
Regional market	From 6 to 10	4.00	.000	2
	From 11 to 20	4.25	.886	8
	From 21 to 30	5.00	.000	4
	Over 40 years	4.22	.441	9
	Total	4.35	.647	23
International market	From 6 to 10	4.07	.884	13
	From 11 to 20	4.42	.515	12
	From 21 to 30	4.52	.512	20
	From 31 to 40	4.00	.000	3
	Over 40 years	4.00	.632	11
	Total	4.27	.657	59
Total	Up to 5	5.00	.000	7
	From 6 to 10	3.87	.815	21
	From 11 to 20	4.13	.871	31
	From 21 to 30	4.44	.700	41
	From 31 to 40	4.40	.548	5
	Over 40 years	4.00	.566	24
	Total	4.21	.764	129

Source: Authors

From the given table, it can be observed that organizations operating at the regional level, particularly those with 21 to 30 years of operation, rated their qualitative business performance relative to comparable competitors the highest.

The mean values of ratings for the qualitative business performance of the organization relative to comparable competitors are also presented in Graph 1. It can be observed that the highest-rated organizations are those operating in the local market for

up to 5 years and between 11 and 20 years, in the national market for 31 to 40 years, in the national market for up to 5 years, and in the regional market for 21 to 30 years.



Graph 1. Mean values of the evaluation of the organization’s qualitative operations in relation to comparable resources

Source: Authors

The impact of the interaction between the organization’s duration of operation and level of operation on the evaluation of qualitative business performance relative to comparable competitors is presented in Table 3. In the column *Level of operation/Duration of operation*, Sig = 0.002, which is less than 0.05. This suggests that there are noticeable variations in the evaluations of the organization’s qualitative business performance relative to comparable resources. The impact of the interaction between the level of operation and the duration of operation is statistically significant.

Following the analysis of the corrective impact, attention was directed toward evaluating specific effects. In the Sig column for the level of operation, the value Sig = 0.086 > 0.05 is observed, leading to the conclusion that the level of operation of the organization does not have a significant impact on the evaluation of its qualitative business performance relative to comparable resources. In the Sig column for the duration of operation, the value 0.000 is observed, which is less than 0.05, indicating that the duration of operation significantly influences differences in evaluations. Based on the above, it can be concluded that the level of operation and duration of operation play a significant role in the disparities in the evaluation of an organization’s qualitative business performance

relative to comparable resources, viewed through the combined influence of the variables. However, the individual impact is significant only for the duration of operation.

Table 3. Impact of the interaction between the variables level of operation and duration of operation on the evaluations of the organization's qualitative business performance relative to comparable resources

The variables	Df	Mean Square	F	Sig.
The length of business operations	3	.890	2.252	.086
The level of business operations/ The length of business operations	5	2.510	6.351	.000
The level of business operations	10	1.171	2.962	.002

Source: Authors

From the data presented, it can be stated that the individual impact of the duration of operation differs. One final Tukey test determined which organizations, depending on the duration of operation, differ specifically in their evaluations. Table 4 shows that the evaluations differ significantly between organizations operating for up to 5 years and those operating for 6 to 10 years, up to 5 years and those operating for 11 to 20 years, up to 5 years and those operating for over 40 years, and between organizations operating for 6 to 10 years and those operating for 21 to 30 years.

Table 4. Comparative analysis of organizations with different durations of operation in the evaluations of the organization's qualitative business performance relative to comparable resources

(I) The length of doing business of the organization	(J) The length of doing business of the organization	Mean difference (I-J)	Standard deviation	Deviation significance (Sig)	95% Confidence interval	
					Lower limit	Upper limit
Up to 5 years	From 6 to 10	1.13(*)	.271	.001	.34	1.92
	From 11 to 20	.88(*)	.262	.014	.11	1.64
	From 21 to 30	.56	.256	.256	-.18	1.30
	From 31 to 40	.60	.368	.581	-.47	1.67
	Over 40 years	1.00(*)		.004	.22	1.78
From 6 to 10	Up to 5 years	-1.13(*)	.271	.001	-1.92	-.34
	From 11 to 20	-.26	.172	.674	-.75	.24
	From 21 to 30	-.57(*)	.162	.008	-1.04	-.10
	From 31 to 40	-.53	.310	.528	-1.43	.37
	Over 40 years	-.13	.180	.979	-.65	.39

From 11 to 20	Up to 5 years	-.88(*)	.262	.014	-1.64	-.11
	From 6 to 10	.26	.172	.674	-.24	.75
	From 21 to 30	-.32	.147	.265	-.74	.11
	From 31 to 40	-.28	.302	.943	-1.15	.60
	Over 40 years	.13	.166	.975	-.36	.61
From 21 to 30	Up to 5 years	-.56	.256	.256	-1.30	.18
	From 6 to 10	.57(*)	.162	.008	.10	1.04
	From 11 to 20	.32	.147	.265	-.11	.74
	From 31 to 40	.04	.297	1.000	-.82	.90
	Over 40 years	.44	.156	.060	-.01	.89
From 31 to 40	Up to 5 years	-.60	.368	.581	-1.67	.47
	From 6 to 10	.53	.310	.528	-.37	1.43
	From 11 to 20	.28	.302	.943	-.60	1.15
	From 21 to 30	-.04	.297	1.000	-.90	.82
	Over 40 years	.40	.307	.783	-.49	1.29
Over 40 years	Up to 5 years	-1.00(*)	.268	.004	-1.78	-.22
	From 6 to 10	.13	.180	.979	-.39	.65
	From 11 to 20	-.13	.166	.975	-.61	.36
	From 21 to 30	-.44	.156	.060	-.89	.01
	From 31 to 40	-.40	.307	.783	-1.29	.49

Source: Authors

Conclusion

The research results, presented through evaluations in absolute and relative indicators for each incorporated factor, show that these factors are highly significant for improving the qualitative business performance of organizations relative to comparable competitors. The highest percentage of factors deemed highly significant for the qualitative business performance of organizations, as indicated in relative indicators, ranged from 88.9% for the application of integrated management systems to 82.4% for the importance of the technical-technological foundation of business operations.

The two-factor analysis determined that the duration of operation and the level of operation (local, national, regional, and international) of organizations influence fluctuations in the characteristics of their operations as important factors that enable the organization to be more successful in the market relative to the competitors with which it identifies. Organizations operating at the regional level, particularly those with 21 to 30 years of operation, rated their qualitative business performance relative to competitors the highest.

The highest mean values for qualitative business performance, relative to comparable competitors, were given by organizations operating in the local market for up to 5 years and between 11 to 20 years, on the national market for 31 to 40 years, on the national market for up to 5 years, and on the regional market for 21 to 30 years. The results further show that the interaction between the level and duration of business operations is

statistically significant, meaning there are notable fluctuations in the evaluations of the organization's qualitative performance relative to comparable resources. For the level of business operations, the value of $\text{Sig}=0.086 > 0.05$ indicates that it does not have a significant impact on the evaluations of the organization's qualitative performance relative to comparable resources. For the duration of operations, the value of $0.000 < 0.05$ indicates that the duration of operation significantly affects the differences in the evaluations. The Tukey test shows that there are significant differences in the evaluations between organizations that have been operating for up to 5 years and those operating for 6 to 10 years, up to 5 years and 11 to 20 years, up to 5 years and over 40 years, as well as between organizations operating for 6 to 10 years and 21 to 30 years.

In conclusion, it can be stated that, for the organization's operations to be evaluated as qualitatively dominant relative to comparable competitors, the application of appropriate management technology and the necessary resources available to the organization is essential. By improving its qualitative business operations, the organization creates a favorable environment for successful performance in the global market.

References

- Andreovski, G. i Ferrier, W., (2019). Does It Pay to Compete Aggressively? Contingent Roles of Internal and External Resources. *Journal of Management*, 45(2), str. 620-644.
- Collinson, S. C. i Narula, R. (2014). Asset recombination in international partnerships as a source of improved innovation capabilities in China. *Multinational Business Review*. 22(4): 394 – 415.
- Debruyne, M., Frambach, R. i Moenaert, R., (2010). Using the Weapons You Have: The Role of Resources and Competitor Orientation as Enablers and Inhibitors of Competitive Reaction to New Products. *Journal of Product Innovation Management*, 27(2), str. 161-178.
- Ferreira, J.; Coelho, A.; Moutinho, L. (2020). Dynamic capabilities, creativity and innovation capability and their impact on competitive advantage and firm performance: The moderating role of entrepreneurial orientation. *Technovation*, 92, 102061.
- Čeha, M. (2015). The role of knowledge improvement in enhancement of competitiveness of domestic enterprises. International Scientific Conference of IT and Business-Related Research - Contemporary business and management SYNTHESES, p. 303-307
- Ćurčić, N., Miletić, V. (2020). Factors important for achieving the competitiveness of industrial and agroindustrial products. Published in international journals, "Economics of Agriculture", Belgrade, Vol. LXIII, 67(3), pp. 831-849
- Ćurčić, N. Miletić, V. (2021). Valuation of the parameters important for the appearance of Serbian enterprises in new markets. 74th International Scientific Conference on Economic and Social Development, Lisbon, Book of Proceedings, 18-19 November, Portugal, p. 1-13.

- Grubor, A. (2011). Globalna marketing konkurentnost, *Ekonomске teme*, br. 4. str. 651-666.
- Harmon P. (2004). Evaluating an Organization's Business Process Maturity. In: *Business Process Trends*, 2(3), p. 1-11.
- Ivanova, T.Y., Kochkova, Y., Živković, S. (2017). Marketing activity performance: Valuatı on problem and its resolution. Vol. 63, july-september 2017, № 3, p. 13-24
- Laudon, K., & Laudon, J. (2010). *Management information systems: Managing the digital firm*. (11th ed.). Upper Saddle River, NJ: Pearson Prentice Hall
- Lengler, J., Sousa, C. i Marques, C. (2014). Examining the Relationship between Market Orientation and Export Performance: The moderating role of competitive intensity. *International Marketing in Rapidly Changing Environments: Advances in International Marketing*, 24, str. 75-102.
- McMullen, J., Shepherd, D. i Patzelt, H. (2009). Managerial (in)attention to competitive threats. *Journal of Mangement Studies*, 46(2), str. 157-181.
- Miletić, V. Ćurčić, N. (2021). Valorization of the quality of the products made by enterprises on the market where they do business. *Poslovna ekonomija*, God. XV Br. 2, str. 19-30.
- Miletić, V., Jovanović, Z., Pavić, Ž. (2020a). Evaluation of management methods and techniques regarding quality improvement of Serbian organization' business. *Ekonomika*, vol. 66, no. 3 p. 55-71.
- Miletić, V., Ćurčić, N., Simonović, Z. (2020b). Quality standardization - a factor of sustainable competitiveness of enterprises in Serbia. *Anali Ekonomskog fakulteta u Subotici*, Vol. 56, No. 44, p. 099-114.
- Miletić, V., Jovanović, Z. Jeremić, Lj. (2017). Progressive Managment System - a Development and Organization Manager to Success. *Ekonomika*, Niš, no. 3, pp. 35-43.
- Ndubisi, N., Dayan, M., Yeniaras, V. i M., Al-hawari, M. (2020). The effects of complementarity of knowledge and capabilities on joint innovation capabilities and service innovation: The role of competitive intensity and demand uncertainty. *Industrial Marketing Management*, 89, str. 196-208.
- O'Dwyer, M. i Gilmore, A. (2019). Competitor orientation in successful SMEs: an exploration of the impact on innovation. *Journal of Strategic Marketing*, 27(1), str. 21-37.
- Pešević, S. (2020). Konkurentska sposobnost preduzeća sa aspekta upravljačkog računovodstva. *Naučno-stručni časopis, SVAROG* br. 20, (168-178)
- Schindehutte, M., Morris, M. i Kocak, A. (2008). Understanding market-driving behavior: The role of entrepreneurship. *Journal of Small Business Management*, 46(1), str. 4-26.
- Smith, K., Ferrier, W. i Ndofor, H. (2005). *Competitive Dynamics Research: Critique and Future Directions*. U: M. Hitt, R. Freeman i J. Harrison, ur. *Handbook of Strategic Management*. London: Blackwell Publishers.

- Stamatis, D.H. (2012). *10 Essentials for High Performance Quality in the 21 st Century*, CRC Press Taylor&Francis Group.
- Su, J., Zhang, S. i Ma, H. (2020). Entrepreneurial orientation, environmental characteristics, and business model innovation: a configurational approach. *Innovation*, 22(4), str. 399-421.
- Suryaningrum, D. H., Rahman, A., Meero, A. i Cakranegara, P. A. (2023). Mergers and acquisitions: does performance depend on managerial ability?, *Journal of Innovation and Entrepreneurship*, 12(1): 1-23. URL: <https://doi.org/10.1186/s13731-023-00296-x>,
- Tine H. Jørgensen, Arne Remmen, M. Dolores Mellado (2006). Integrated management systems – three different levels of integration. *Journal of Cleaner Production* Volume 14, Issue 8, Pages 713-722
- Yang, T. i Li, C. (2011). Competence exploration and exploitation in new product development: the mode-rating effects of environmental dynamism and competitiveness. *Management Decision*, 49(9), str. 1444-1470.