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FOR SUCCESSFUL BUSINESS
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P R E F A C E

If we start from the well-known dictum "things are changing so fast, we do not have time to change," then this is the time where dictum has the right stronghold. The question arises why? Because we are in a chaos of permanent happenings.

A large number of migrants that nobody anticipated, the Ukrainian crisis, unrest in Syria and terrorist attacks create additional troubles, and there is increased tensions between the countries and creates additional uncertainty and economic problems.

In the field of standardization we have a lot of changes, primarily the acceptance of the new version ISO 9001: 2015 and ISO 14001: 2015, where committee members that wrote the new requirements of standard believe that will contribute to a visible improvement of the business, but there are those who think differently.

In the future there will be a lot of work for the organization, especially for those who participate in changes in order to go to meet the new challenges. It is one of the real ways survival organization in the market.

Scientific conference QUALITY SYSTEM CONDITIONS FOR SUCCESSFUL BUSINESS AND COMPETITIVENESS organized by the Association for Quality and Standardization of Serbia, Faculty of Business Economics and Entrepreneurship, High Business School of professional studies "Prof. Dr. Radomir Bojković", Center for Quality of Faculty of Engineering sciences in Kragujevac, Center for quality of Faculty of Mechanical Engineering in Podgorica and Middle and Southeast Europe Quality Initiative with the support of the Ministry of Defence of the Republic of Serbia gives full contribution to the promotion of improving the quality infrastructure in Serbia and the region.

Papers published in this Proceedings provides an opportunity for entrepreneurs and managers in the public sector to find the right strategy, policy, defining goals, especially in the field of quality management system, environmental management system, health and safety at work management system, thereby strengthening its competitive position and increase customer-citizens satisfaction.

Round table discussion WHAT DO WE GET WITH THE NEW STANDARDS gives an opportunity in the public discussion about new standard requirements, and we can see what advantages and disadvantages (future problems) are, bearing in mind that the discussion involved experts consultants, auditors and representatives from neighboring countries.

Round table discussion MODERN SUCCESS FORMULA shows that people – human resources are key for success. For the Republic of Serbia is important to put human and other resources at the service of business improvement, because these resources are currently unexploited.

On behalf of the Organizing Committee of the XVII National and III International scientific conference to thank to all authors and co-authors of articles, co-organizers, sponsors, and all those who have support, participants from Serbia and abroad who have helped to make this event successfully..

President of the Organizing Committee

Professor Zoran Punoševac PhD

CONTENTS

❧	MANAGEMENT OF COMPARATIVE ADVANTAGES OF THE SUPPLY CHAIN <i>Doc.dr.sc. Krešimir Buntak, Ivana Droždek, univ.spec.oec, Maja Crkvenčić, mag.oec</i>	11
❧	THE TOOLS OF LEAN CONCEPT IN THE MAINTENANCE <i>Dušan Djurović, PhD, Prof. Miodrag Bulatović, PhD</i>	21
❧	THE BASICS OF SOCIAL SECURITY COVERAGE OF WORKERS IN EUROPEAN UNION AND SLOVAKIA <i>Ing. Nadežda Fuksová, PhD</i>	29
❧	THE TRANSITION FROM LINEAR TO CIRCULAR ECONOMY (CONCEPT OF EFFICIENT WASTE MANAGEMENT) <i>sc. Miroslav Drljača PhD</i>	35
❧	SOLID WASTE MANAGEMENT AND TREATMENT TECHNOLOGIES <i>Prof. Sanja Marković PhD, Prof. Jelena Milanović, PhD</i>	45
❧	DEVELOPMENT OF INTEGRATED MANAGEMENT SYSTEMS IN CANDLE MANUFACTURING <i>Tijana Cvetić</i>	55
❧	OVERVIEW OF THE DEVELOPMENT OF REVISION OF THE STANDARD ISO 9000 AND ITS INFLUENCE ON THE REVISIONS OF ISO 9001 STANDARD <i>Doc.dr.sc. Krešimir Buntak, Nikolina Margetić, mag.oec, Igor Klopotan, mag.oec</i>	63
❧	DANGERS AND HARMFULNESS IN AN INDUSTRIAL ENTERPRISE – EMPLOYEES VIEW <i>M.Sc. Velimir Komadinić, PhD Srećko Manasijević, M.Sc. Radomir Radiša</i>	71
❧	THE INTERDEPENDENCE OF STRUCTURAL COMPETENCE, ORGANIZATIONAL MATURITY AND COMPETITIVENESS <i>Doc.dr.sc. Krešimir Buntak, Ivana Droždek, univ.spec.oec, Ivana Rašan, bacc.oec</i>	77
❧	STRATEGIC ENVIRONMENTAL MANAGEMENT <i>Milenko Čeha, PhD, M.Sc. Slavisa Popovic, Mirosljub Mitić, PhD</i>	88
❧	MULTI-CRITERIA ANALYSIS INDICATORS FOR EVALUATION OF QUALITY OF LIFE <i>Ecc. Snežana Mijailović PhD, Ecc. Slavica Anđelić, PhD, Ing. Nadežda Fuksová, PhD</i>	94
❧	ACTIVITIES OPTIMIZATION OF MODERN SMALL AND MEDIUM ENTERPRISES <i>Neli Ivanova Nikolova</i>	104
❧	MANAGING RISKS IN KNOWLEDGE ECONOMY <i>Assoc. Prof. Daniela Dimova, PhD, Petko A. Naydenov</i>	110
❧	IMPROVING STATE FUNCTIONING THROUGH SEVEN FACTORS OF ECONOMY <i>Vasyl H. Gerasymchuk</i>	118



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HIGHER BUSINESS SCHOOL
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17th National and 3rd International conference

QUALITY SYSTEM CONDITIONS FOR SUCCESSFUL BUSINESS AND COMPETITIVENESS

Vrnjačka Banja, Solaris Resort, 9th - 11th December, 2015

THE INTERDEPENDENCE OF STRUCTURAL COMPETENCE, ORGANIZATIONAL MATURITY AND COMPETITIVENESS

Doc.dr.sc. Krešimir Buntak¹

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Ivana Rašan, bacc.oec.³

Abstract: Competence is research subject of a large number of scientists and as a term it has different definitions. The most frequently is related to the human resources, but competence is also characteristic of organization and it contains all of her knowledge and abilities to achieve sustainable success. Therefore, the focus of research studies from competence of human resources is increasingly expanding on organizational competence. The concept of the organizational competence, in this study, is accessed through two approaches, or two theories. These two approaches are: access to the organizational competence through the theory of organization and access to the organizational competence through the theory of quality management. Access to the competence of the organization through organization theory, so far, has been studied by the a small number of of theorists, one of them is Vessa Tattila which says that competence of the organization is affected by the three main attributes: the individual, the organization structure and assets. The organizational competence is viewed as special knowledge and skills that exist within the organization and which makes it different from others on the market. Approach to the competence of the organization through management theory is enabled through theory of quality management. The competence of the organization is closely related with the intellectual capital of the organization, and together they directly affect on achievement of competitive advantage of the organization. The structure, as an important element of of the organization, is changeable, influenced by many factors which have a different impact on organization. In desinging the organizational structure, it is important to adjust the structure of the organization to those factors that have a greater impact. Structural competence, as an important component of the organizational competence, will be better if organization, by adjusting her structure, is ready as quickly as possible to respond to the influences that are inside and outside of the organization. The speed and the quality of changes depends on the level of organizational maturity, and thereby ensures better competitive position on the market.

Keywords: competence of the organization, structural competence of the organization, competitiveness, organizational maturity, quality management

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1. INTRODUCTION

Markets in which organizations operate, on a daily basis, are affected by the various changes. Markets are no longer stable and safe, and that is significantly influenced by the rapid development of science and technology. Due to the faster development and the globalization of markets, competition between organizations is growing, and organizations are increasingly demanding to be and to remain competitive. The goal of every organization is to remain in the market as long as possible. Organizations can only achieve this if they are different from each other. Organizations are focused on achieving a competitive advantage, they want to be in front of the others. When the organization achieves the desired competitive advantage, the next goal is to maintain this advantage as long as possible. The organization must be competent and have specific knowledge and skills in order to successfully adapt and respond to changes in the market. It is very important that the organization is ready to influence and adapt to the factors which have an impact on the organization itself. Factors, whether they are external or internal, have an impact on organizational structure. If an organization owns a structural competence, this can provide a competitive advantage on the market, and by that is meant that the organization is capable to change and adapt its structure to the environmental conditions, in a better and more quality way. The aim of this paper is to define the structural competence of the organization and to explore how does it affect on its competitiveness. After that, the next aim is to explain the connection between the structural competence of the organization with the level of its maturity, and explore if the maturity of the organization influences on its competitiveness.

2. ORGANIZATION AND ORGANIZATIONAL COMPETENCE

In most of definitions the organization is defined as a tool to achieve goals, in the context of other definitions organizations emphasis is placed on activities, resources, roles, association ie, connecting people. The concept of the organization is not easy to define. „Since the organization is both a state and a process, entity and activity, institution and instrument the definition of the organization will depend on what is meant by that term. " (Sikavica, 2011: 12) The organization can be understood as a process of organization and as a result of the process of organization, this leads to the perception that these are two crucial views of the organization. Organizing results with the form of structure that resolve tasks, authority and responsibilities in achieving organizational goals and allows the effective functioning of the organization as associated units. The organization is broader term than organizational structure. Organizational structure shows the way how the organization is formed. Recently, the concept of organizational competence started to explore more. It is important to emphasize that this is an area that has not been researched enough, and that it is still necessary a lot of time and studies in order to fully define organizational competence. "Business functions performed by modern companies are carried out using a set of competencies and different types of capabilities and they are supported with all kinds of resources or assets. If they want to survive in the modern economic environment, companies necessarily must define the areas in which they can achieve the world's top results and base their entire business on them, which means to define the key capabilities of companies. (Core competencies, cc) "(Lazibat, Kolaković, 2004: 47) Key capabilities refers to the skills and knowledge within the organization that competitors and others in the market can not copy and imitate. These skills exist or may exist in any of the activities of the organization in creating the companies value. Skills which organization owns and which makes her different from any other, allows reducing the costs of creating value and /or creation of value which will be able to achieve higher prices in the market. (Lazibat, Kolaković, 2004: 47) According to these key capabilities the organization creates a guidance in the acquisition of comparative and competitive advantages which is the foundation for a successful future. On market, organization meets with other organizations involved in the same activity and with the same strength, it is important to get across the difference in abilities and skills and reach the ultimate goal which is staying on the market. When organization owns a quality values (knowledge and skills) that allows her to make better influences in order to change the (internal and external) factors which act on its business, to make better adapt to these factors and continue a successful business. The key capabilities are often unaccented, they are developed over time with the accumulation of knowledge and experience. Organizations must constantly grow and develop through organizational learning, if they want effective key capabilities. Capabilities are not static, so if organizations want to realize their growth and development, they must continually invest into them. The concept of the organizational competence, in this study, is accessed through two approaches, or two theories. These two approaches are: access to the organizational competence through the theory of organization and access to the organizational competence through the theory of quality management.

2.1. Access to the organizational competence through the theory of organization

The concept of competence is in most cases related to human capital, ie. quality management of human capital. Studies are not focused only on competence of employees but on competence of organization in general. Speaking of that, that refers to the knowledge and capabilities of the organization in order to achieve competitive advantage on the market, ie. long-term sustainable development. It can be seen, from the research of Vesa Taatila, from 2004 who, in his doctoral dissertation titled "The concept of competence of the organization - Fundamental analysis", showed that there are different views on organizational capability/competence and different creations of this concept. This research has also proved that there is no universal definition of organizational competence, and that there is a need for a closer examination of the concept. The success of the organization depends on the organization's ability to respond to internal and external changes and market demands. A number of factors, which influence the organization, is large and it is preferred that the organization has a clear vision of these factors. „The concept of organizational competence is used to describe this part of the crowd and the interaction of these factors, for which organization can affect internally., (Taatila, 2004) Taatila says there are several approaches to the organization's ability. All approaches have similar terminology but the terms which were used are not defined equally, which can lead to confusion in understanding of all this approaches. Despite their relation with the organizational competence, none of them do not study the content of the concept. Analysis of organizational competence begins with the study of attributes/factors. Vesa Taatila (2004) sets out three attributes that contain numerous other thereby affecting organizational competence, these are the attributes called "super-attributes". The three "super-attributes" are: individual, organizational structure and organizational assets. Common to all the attributes that relate to *individual* is that they are all contained in one person. Knowledge, skills, dedication, motivation and many others can be found in the person which with his work in the organization acts on competence of the entire organization. "This is everything that can be lost if an individual no longer works in organization.", emphasizes Taatila in his research. *Organizational structure* makes the organization. Common to all the attributes that have an impact on organizational structure, is that they are all coordinated and they lead activities which individuals may or should take in organization. They form the methods of generating organizational competence shared by several individuals. A set of attributes, that affect the organizational structure, form and define the organization as a whole, not just as a group of individuals who work on their tasks in the organization. The association and the mutual interaction of all attributes is important, and attributes greatly affecting organizational structure and therefore the organizational competence. (Taatila, 2014) Until now, the impact of assets was not so present in the discussions of organizational competence, although the organization achieves their goals through their property. Importance of these attributes is as important as in the previous two sets of attributes. Good employees and structure are equally important, but they must have some form of property to achieve their goals. They must have money (intangible) and tangible assets, which is further divided into certain types of assets. It's hard to say that all the attributes of this group have something in common. The fact is that they all are not physical elements that constitute property of the organization. However, financial and tangible assets have something in common, they are all property of the organization that is not based only on the individual, their working practices and joint structure. (Taatila, 2014: 69)

2.2. Access to the organizational competence through the theory of quality management

Today the organization is viewed as an open system. The changes that have happened in science, have changed the view of the organization. "The starting point or theoretical base, for understanding the organization as an open system, is in the general sistem theory. The creator of the general sistem theory is L. von Bertalanffy who articulated the principles of the theory. "(Sikavica, 2011: 89) French and Bell pointed out the fact that the "system theory is the most powerful conceptual tool for understanding the dynamics of the organization and their changes." Bertalanffy defines a system as "a set of elements that are in constant interaction." "Therefore, we could say that the system is a set of interrelated elements or sub-systems that have common features and in the process of transformation transform inputs into outputs "(Sikavica, 2011: 90) Žaja defines the system as a coherent whole and says that every part of the whole is bounded and focused on achieving a certain goal, therefore it may be concluded that the organization is the system. (Buntak, 2011) In the context of organizational competence, the organization can be viewed as a dynamic system that has multiple goals and elements of concrete and abstract. The quality is becoming increasingly important factor in terms of organizational competence. In this case, quality is related to manufacturing systems and business processes. It is necessary consciously manage with quality in order to achieve the requirements that are placed in front of quality. This is a process that includes organizational activities in order to eventually

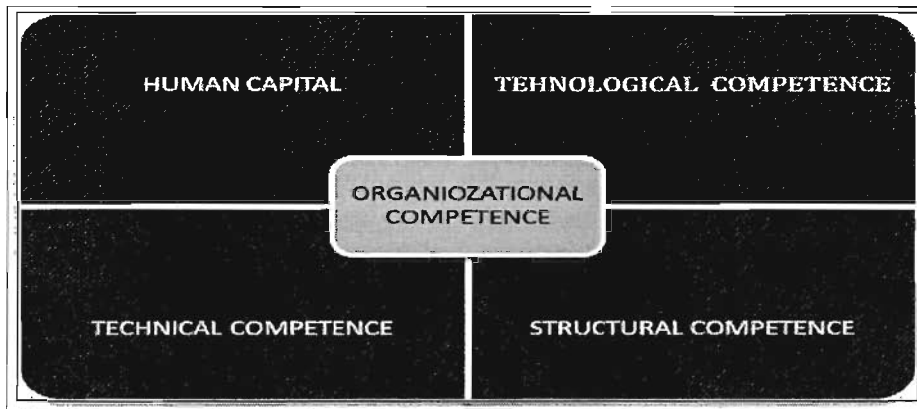
achieve the goals of quality that organization have defined. Nowadays it is important to achieve a competitive advantage, which can be achieved with meeting customer needs before others. With the implementation of process approach and process structure organization is more efficient and effective. "Introduction of process approach and implementation of business processes provides a key feature of quality-controlled organization, this is manageability in all aspects and levels of business." (Andrijanić, Buntak, Bosnjak, 2012: 16) The quality approach has two main rules that should be observed when it comes to quality management: "1. The quality of product or service is achieved with the requirements for quality, 2. fundamental parameters of quality organizations are general and common to all types and sizes of organizations." (Andrijanić, Buntak, Bosnjak, 2012: 17) The organization itself must determine the quality of its products or services to achieve the most successful responses to customer requirements but quality parameters are the same for all organizations. "In this context it can be said that the key characteristics of every organization are: documentation, manageability and competency." (Buntak, 2011) "Considering the competence as an important characteristic of quality and quality management system we can define two levels. The first level is related to *the competence of individual/of employee*, and the second level is related to *the competence of the organization*, as a logical response to the demands from environment which are complex and require integration between the competence of employees and organizational capability (technical, technological and organizational) for timely and adequate reaction to impacts. For this reason, ISO 9000: 2005 defines the terms competence and ability which together form an organizational competence." (Buntak, 2011)

2.2.1. Competence of employees

Competences related to employees or individuals are set of knowledge, attitudes, skills and other personal characteristics that affect the major part of someone work. "(Buntak, 2012) Competence of employees is tied to operating efficiency and it can be measured using generally accepted standards. Components include skills, attitudes, behavior, knowledge, personality, skills and experience. It can be said that this is the ability to successfully perform a specific task, activity or function. (Buntak, 2012) Organizations must invest in education, training and development of its employees in order to make them more competent, thereby actually investing in knowledge of the entire organization. Organizational knowledge bring long-term potential for achieving competitive advantage. To employees, the organization must provide the opportunity to continuously improve their competence. In new revision of the ISO 9001: 2008 section 6 "Resource management" deals with the acquisition of resources. Section 6.2. "Human resources" deals with the requests related to the competencies in segment that contains descriptions of requirements related to human resources. Section 6.2.2. "Competence, training and awareness," define that organization must: establish required expertise for employees, provide training or take other actions to achieve the necessary expertise, to evaluate the effectiveness of actions, to ensure that employees are aware of the significance and importance of their work and contribute to achieving the goals of quality, maintain appropriate records of education, training, skills and experience (ISO 9001: 2008)

2.2.2. Competence of organization

The characteristic of a system confirms that the organization may have the characteristics of competence. If organization is system, it has its subsystems that have certain characteristics. Human capital and competence of human capital is subsystem, this means that the system that is above it, and that is organization, may have the characteristics of subsystems, which is competence. The competence of human capital is not enough to ensure enough competence in the long-term competitiveness. This leads to the concept of organizational competence which defines that the competence of the organization consists of human capital, technological competence, technical competence and structural competence.



Picture 1: Elements of organizational competence

Source: Authors, 2015

The competence of human capital (of employees) has already been defined as knowledge and skills that are required to perform a specific task. Technological competence is related to the knowledge and skills of effective and efficient processing of work objects for the maximization of product or service proces. Technical competence represents knowledge and skills in efficient and effective use of resources, and the method used for work for the maximization of product or service proces. Structural competence is defined as organizational skills and knowledge, by which organization, through organization of work and creating the optimal organizational structure, adapts to changes and influences of factors in order to achieve their organizational goals. (Buntak, 2012)

3. THE COMPETITIVENESS

Throughout history, the competitiveness has been the subject of study by many theorists and schools. One of the most important theorists is Michael Porter who all these ideas and concepts unifies and provides a new theory of competitiveness and develops a new theory of competitiveness. (Buntak) The concept of competitiveness is primarily accessed from macro level, but since this paper is about organizational competence and influence on competitiveness, the concept of competitiveness will be defined from micro level. At micro level, competitiveness is not fully explored, but it is defined as ability to produce a product or a service, according to the set quality level, the asking price and at the right time. This means meeting customers' needs more efficiently and effectively than other companies. The competitiveness is the ability to successfully compete with competitors, this implies that the company is more efficient and better from their competitors. The organization needs to find ways to reach the competitive advantages. Main criteria of bussines success are clearly established goals and adjustments to changes, within the company and on the market. The elements of competitiveness can be divided into three groups, the human element (simple operation, more complex work and knowledge as an added value), the organizational element of and the leadership element. (Delač, 2010: 158) From this division of the elements it is obvious that structure of the organization (the organizational element) is important for achieving competitiveness. The form of organization where there is a clear coordination between employees, rapid circulation of ideas and information and ability to effective response to the challenges on the market. (Delač, 2010) The structure of the organization must be adapted to the type of organizational activities. Competitiveness can be defined in a manner that it is made of four elements. This concept of competitiveness shows that competitiveness consists of: *organiozational competence, quality management, creativity (innovation) and capital*. Creativity (innovations) represent the implementation of new ideas. (in procedures, products, services and processes of organization) while bringing new benefits or improvements in current quality. Innovation, in some parts of the business, is a major element of competitiveness, for example, a company which first introduce the innovation, that is successful and has an impact on the company's business, becomes a leader and different from others. The of organization is defined as a tool by which the organization reach its goals. The capital represents sources of corporate financing (proprietary sources of financing). It is a value that belongs to the owners and it is equal to the total assets of company. The capital indicates the total value of the company or organization.

4. THE INTELLECTUAL CAPITAL

"Intellectual capital is a relatively new, complex economic category which represents all business factors which are not explicitly pronounced in traditional financial statements, however they create additional value of organization and significantly affect the long-term profitability and competitiveness of enterprise." (Sundać, Švast, 2009: 35) Still, this category does not have such a great attention, still viewed as a cost rather than a category with a great potential and as the possibility for organizational development. The term implies the application of knowledge in production process, ie. the ability of intangible asset (such as knowledge) to turn into products and services who bring value. There is a great impact of intellectual capital to competence and competitiveness of the organization. Intellectual capital can not be materially determined. Although there are various definitions of intellectual capital, theorists have agreed that the structure of the intellectual capital consists of: human capital, structural (or organizational) capital, relational (or consumer) capital and intellectual property.

Human capital represents knowledge, skills, abilities and experience of employees

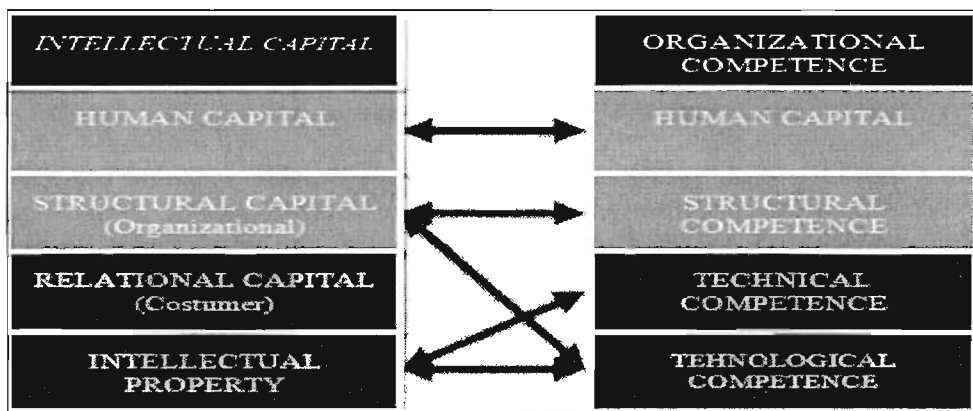
Structural capital is result of transformed human capital, includes various intangibles elements (organizational structure, routines, business processes, practices, databases, systems, and intellectual property, such as patents and licenses)

Consumer capital comprises relationships and connections with consumers, ie. with customers but also with suppliers and distributors, also includes the image, brand and corporate identity

Intellectual property in today's dynamic environment, represents an area that generates crucial comparative advantage

4.1. The relationship between intellectual capital and organizational competence

With the division of the structure of intellectual capital on human, structural (or the organizational), relational (or consumer) capital and intellectual property, it is possible to see links with organizational competence. "Since the organizational competence is a set of human capital and technical, technological and organizational competence, human capital in the area of intellectual capital and competence of human capital can be directly linked, as well as the structural capital, relational capital and intellectual property with the technical, technological and organizational competence." (Buntak, 2011)



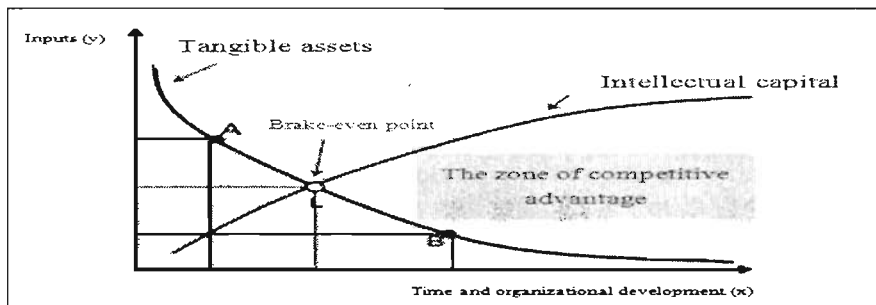
Picture 2: The relationship between intellectual capital and organizational competence

Source: Buntak, 2011.

4.2. The impact of intellectual capital and organizational competence on quality of the organization in terms of creating added value and sustainable success

Sustainable competitive advantage has a static part (elements of intellectual capital used on operational level in order to produce output, in present time) and dynamic part (elements of intellectual capital which help in construction of competitive advantages, in future time, and they are used on strategic level and on abilities of the employee). In order to maintain competitive advantage, organizations must possess a high dynamic capabilities such as perception of changes and tendencies on the market, formulation of the vision and corrections of plans, realization of restructuring procedures in order to strengthen its position, with the support of all employees. (Sundać, Švast, 2009) Knowledge management is essential for the acquisition,

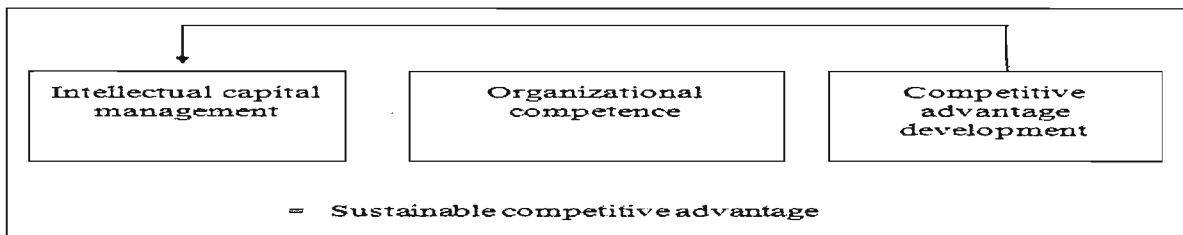
development and retention of intellectual capital, and with that organization reaches their competitive advantages. Knowledge management creates conditions for collecting, sharing and transformation of existing knowledge but also creating a new one. The goal is maximization of intellectual capital what provides a sustainable competitive advantage, the intellectual capital must interact with knowledge. Unlike conventional resources (land, labor and capital) which are limited, using these resources in production profit rises to the optimum level of utilization of resources. After the optimum level profit begins to decline despite growing amount of production/sales, intellectual capital is not limited and it can not be drained, profit continuously rising using this resource, especially from aspect of application of new knowledge. Therefore, it can be concluded that the law of diminishing (marginal) returns does not affect the knowledge, but rather the opposite, the law of (exponentially) increasing returns. (Buntak, 2012)



Picture 3: The relationship of tangible assets and intellectual capital of the company

Source: Sundać, Švast, 2009

With time and organizational development, intellectual capital is becoming an increasingly important for creating values from tangible assets. It is necessary to cross the point when economic processes, which are created by knowledge are becoming crucial for the growth of the company, because at that point the company enters the zone of competitive advantage based on intellectual capital. (Sundać, Švast, 2009) The growth of the organization is based on knowledge. The task of each organization to find knowledge and transform it into intellectual capital and thereby create a competitive advantage. Competitive advantage is not sustainable and it requires constant investment in to intellectual capital. When intellectual capital and organizational competence are compared, it is evident that there is a relationship and their mutual influence on the competitiveness of the organization, because of this it is important to have an impact on their management. (Buntak, 2012)



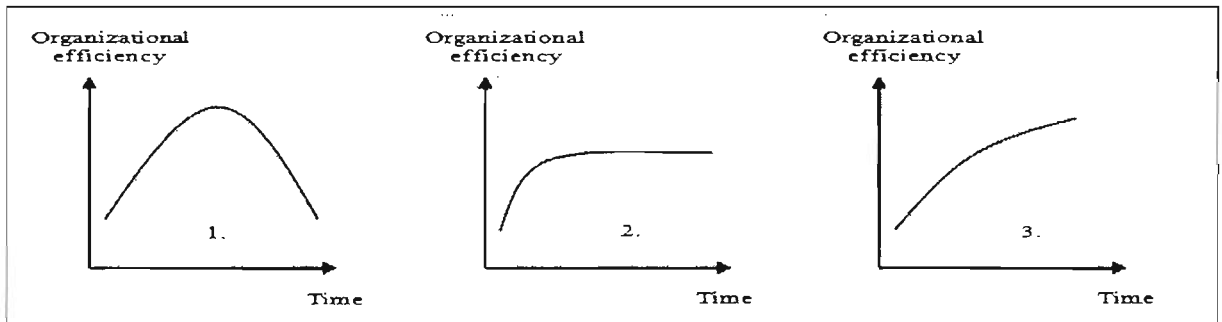
Picture 4: The interaction of intellectual capital, organizational competence and competitiveness

Source: Buntak, 2012

5. STRUCTURAL COMPETENCE IN RELATION TO THE ORGANIZATIONAL APPROACH

Organizational design is a continuous process of making decisions related to form, system and characteristics of of organization. Organizational design is the result of the process of organization. Changes are continuous so the organization constantly needs to constantl adjust to the changes, and the process of designing is a constant. Organizational design explores factors (internal and external) and processes (necessary for creating, developing and implementing effective organizational solutions). This is the holistic concept that results with competitive advantage, reducing the risk and increasing efficiency and effectiveness. (Heranus, 2009) Organizational solution is not permanent. It is necessary to track changes in the organizational environment as well as inside of it, to avoid large deviations of business results from defined goals. Competitive advantage is realized by combining the assets and organizational skills, if they are accompanied by quality-designed processes they create high value for consumers. Nowadays, the organizational design is just one of

the competitive advantages which is long-term and sustainable. Quality process of organizational design provides ability to continually generate a series of temporary competitive advantage. Each system, as well as the organization makes its evolution over time. Organizational solution or design, just like the organization, has its own longevity. Good organizational solution depends on how the organization adapts factors, the design can be more or less effective. The organizational solutions are is characterized by three basic tendencies. The third tendency is the most favorable because of continuous growth of organizational efficiency. This can be achieved by continuous innovation of organization, designing new organizational solutions must be consistent with the development needs of the organization. This tendency should to be permanent task of organizational design. (Buble, 2006: 285)



Picture 5: The tendencies in the development of the organization

Source: Buble, 2006

6. STRUCTURAL COMPETENCE COMPARED TO QUALITY MANAGEMENT APPROACH

Structural competence is defined as organizational skills and knowledge, by which organization, through organization of work and creating the optimal organizational structure, adapts to changes and influences of factors in order to achieve their organizational goals. (Buntak, 2012) In order to know whether the organization is on the right track toward competitiveness (which is achieved through structural competence) there are methods and indicators that leads to conclusions about factors that have an impact on competence and one of these is the organizational maturity.

6.1. The organizational maturity

Total quality management involves sustained commitment for improving the quality that will satisfy customer expectations. Well set management system is a prerequisite for business excellence. "Integrated management system combines all systems and processes in a unique framework and provides the organization to function as a unit with common goals, it is adaptable to any organization regardless of size and area of activity." (Golubić, 2013) The integrated system is not only fulfillment of the requirements according to particular standards. The second dimension is accomplished level of excellenceie. the organizational maturity. The third dimension of integrated management system is the application of appropriate models ie. the methods for improving organizational maturity . "The organizational maturity is a measure where the organization completely and permanently applies processes that are documented, controlled, measured, monitored and continuously improved." (Golubić, 2013)

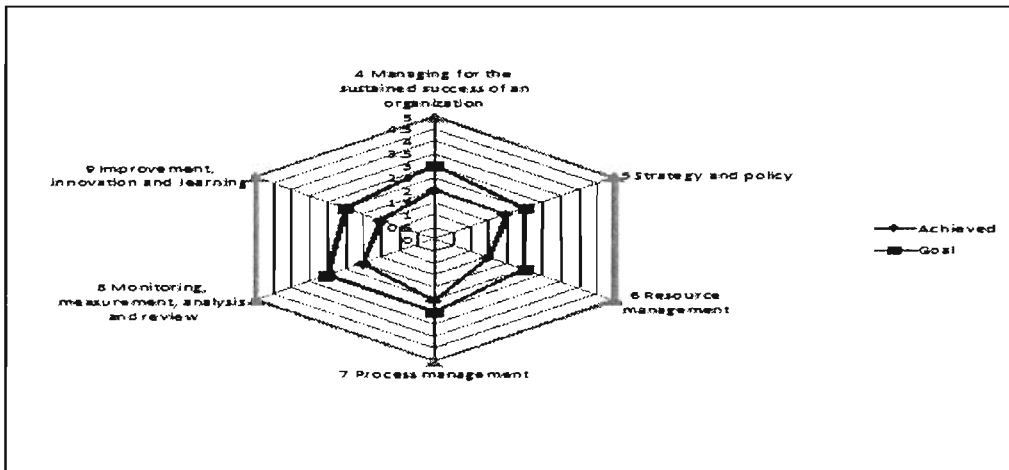
6.2. ISO 9004 Managing for the sustained success of an organization — A quality management approach

"This International Standard provides guidance to support the achievement of sustained success for any organization in a complex, demanding, and ever-changing environment, by a quality management approach. The sustained success of an organization is achieved by its ability to meet the needs and expectations of its customers and other interested parties, over the long term and in a balanced way. Sustained success can be achieved by the effective management of the organization, through awareness of the organization's environment, by learning, and by the appropriate application of either improvements, or innovations, or both. This International Standard promotes self-assessment as an important tool for the review of the maturity level of the organization, covering its leadership, strategy, management system, resources and processes, to identify areas of strength and weakness and opportunities for either improvements, or innovations, or both. This International Standard provides a wider focus on quality management than ISO 9001, it addresses the

needs and expectations of all relevant interested parties and provides guidance for the systematic and continual improvement of the organization's overall performance. " (ISO 9004:2009) Customer satisfaction and quality of products are extended to the satisfaction of all interested parties and organizational ability. The standard can be applied to all processes. The goal of this standard is to achieve continuous improvement, measurability of customer satisfaction and other interested parties which cooperate with the organization. ISO 9004 has three annexes. "Annex A provides a tool for organizations to self-assess their own strengths and weaknesses, to determine their level of maturity, and to identify opportunities for improvement and innovation." (ISO 9004:2009) Self-assessment is a comprehensive and systematic review of the organizational activities and performance, the recognition of best practices and identification of opportunities for further progress. Results of self-assessing can be a valuable input for management. (ISO 9004:2009)

6.2.1. The organizational maturity

ISO 9004 states that the organization works efficiently, effectively and achieves sustainable success with the help of: satisfying the needs of interested parties, monitoring of changes, identification of areas for improving and innovation, defining and implementing strategies and policies, setting up and implementing the goals, showing confidence to employees. This leads to greater motivation, commitment and involvement and establishment of mutual beneficial relationships with suppliers and other partners. (ISO 9004, 2009: 25) Tool for self-assessment uses five levels of maturity. The levels of maturity, with these five, can be expanded (include some new levels) or they can be adjusted in some other way. The organization reassessing performances according to specific criteria. The organization determines its current level of maturity, their strengths and weaknesses. The organization's goal is to reach a higher level of maturity and these levels helps to identify improvements which are needed for a higher level. The organization can implement a self-assessment of key elements (top management) and a detailed self-assessment (operational management and process managers).



Picture 6: Elements and example of the results of self-assessment

Source: ISO 9004: 2009

Self-assessment is implemented by using the specified principle. At the end of the self-assessment, the organization disposes with the plan of measures which are instructions for further improvement. Plan of measures represents the input element for planning and reviewing which is based on elements of ISO standards.

6.3. Factors of growth

To achieve the goals and higher level of development, organizations must grow and expand. They should not be confused with production factors. They include incentives and special conditions which determine the growth of the company in any form. There are many incentives and conditions, some authors say they are savings, infrastructure, technology, production resources, market, trade relations, quality of management, size of the organization, etc. Gasparović (1996) lists the external and internal factors of growth. External factors are natural resources, technology and institutions. Internal factors are capital and labor. Capital and labor can connect with the concept of organizational competence. Capital and labor can connect with the concept of organizational competence, it is evident that they are, along with the structure of the organization, the main factors of organizational competence. Through these internal conditions, an organization along with

the structure, can achieve a higher level of development and maturity. Growth conditions are necessary for the organizational development. One of the of external conditions of growth is the market, a place where the organization works. If the market is in balance (supply and demand are equal) this allow the organization to fight for competitiveness and growth. The company feels this balance as the tranquility of its sales. The imbalance will interfere with its growth. Lower prices, better conditions, higher quality, special benefits, shorter delivery time etc. provides fight against competitors (Gasparović, 1996) Growth and development have their limits and they also need to be researched.

7. CONCLUSION

It can be concluded that there is need for the additional research of the organizational competence. The organizational competence is defined as the ability of the organization that together with their knowledge and skills satisfy all interested parties. If organization wants to survive in the modern economic environment, it must define the areas in which they want to achieve their goals and success and base their entire business on them. The competitive advantage provides the organization to be more effective and successful than their competitors. The quality management system is very important in the creation of competitive advantage. The competence, as a significant factor related to quality and quality management system can be defined at two levels; competence of employees and ocompetence of the entire organization. The competence of human capital is not enough to ensure enough competence in the long-term competitiveness. This leads to the concept of organizational competence which defines that the competence of the organization consists of human capital, technological competence, technical competence and structural competence. Organization competence is closely tied to the intellectual capital of the organization. For an organization is very important to develop and invest in its intellectual capital. All that provides the competitiveness and diversity from the others. The organization must be competent in order to adapt to factors that have an impact on the structure. In organizational design it is necessary to adjust the structure to those factors that have the greatest impact. The organization, with an optimal structure creates a competitive advantage. In order whether the organization is on the right track toward competitiveness there are methods and indicators that leads to conclusions about factors that have an impact on competence. Organization may implement the process self-assessment which determines the current level of maturity. Plan of measures, knowledge, skills and competence leads to a higher level of maturity and thereby the organization achieves a sustainable competitive advantage.

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