

DETERMINATION OF COMPETITIVE ADVANTAGE  
FROM THE PERSPECTIVE OF INTANGIBLE RESOURCES OF COMPANIES

*ODREĐENJE KONKURENTSKE PREDNOSTI PREDUZEĆA  
IZ PERSPEKTIVE NEMATERIJALNIH RESURSA*

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**Abstract:** *Non-material resources in the modern business world, hold a key position as «exceptional» and as the resources can bring competitive advantage to the companies. This makes management of intangible resources one of the basic challenges in modern management that ensures optimal use of this valuable strategic resource as well as building success based on knowledge. After consideration and theoretical reflection of competitive advantage from the perspective of non-material resources, and highlighting the organizational knowledge as a fundamental intangible resource for the achievement of business success, its features and problems related to its management, the main purpose of this paper is primarily to present analysis of knowledge management practices in Serbian companies. Analysis of knowledge management practices in Serbian companies pointed out the weak development of knowledge management in the Serbian organizations. This work attempts to answer questions regarding very important issues of knowledge management, such what is the cause of poor development of knowledge management practices in Serbian companies and how to improve it.*

**Key words:** *Competitive Advantage, Knowledge, Knowledge Management, Human Resources, Human Resource Management.*

**Apstrakt:** *Nematerijalni resursi u savremenom poslovnom svetu zauzimaju ključnu poziciju kao «izuzetni resursi» koji preduzećima mogu doneti konkurentsku prednost. Time je upravljanje ovim resursima postalo jedan od glavnih izazova u savremenom menadžmentu, koji preduzećima osigurava optimalno korišćenje tog vrednog strategijskog resursa kao i izgradnju svoje uspešnosti uz pomoć znanja. Iz tog razloga, osnovna svrha ovog rada je, pre svega, da se nakon sagledavanja i teorijskog promišljanja konkurentске prednosti iz perspektive nematerijalnih resursa, te isticanja organizacionog znanja kao fundamentalnog nematerijalnog resursa za ostvarivanje uspešnosti preduzeća, njegovih karakteristika kao i problema koji se javljaju u vezi sa njegovim upravljanjem, analiza prakse upravljanja znanjem u srpskim preduzećima. Analiza prakse upravljanja znanjem u srpskim preduzećima je ukazala je na slabu razvijenosti sistema upravljanja znanjem u srpskim organizacijama. Značaj ovog rada je u tome što je u njemu pokušano da se odgovori na značajna pitanja kao što su: kako upravljati nematerijalnim resursima, koji su uzroci slabe razvijenosti prakse menadžmenta znanja u srpskim preduzećima i šta treba uraditi kako bi se ona unapredila.*

**Ključne reči:** *konkurentska prednost, znanje, menadžment znanja, ljudski potencijali, upravljanje ljudskim resursima.*

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## 1. Introduction

The paradigm of knowledge economy implies competitive advantage based on knowledge management and investing into people. It has changed the paradigm of informational economy with competitive advantage being based on manufacturing processes and investments into raw materials. Besides, it is important to keep in mind that every paradigm assumes different way of management and way of operating the enterprise. Therefore, the change of paradigm also changes the role and style of management,

with sources of competitive advantage being shifted towards the people and their potentials. Essentially, the way of managing the enterprise is determined by this source.

By development of a new economy, knowledge economy, non-material resources have taken the key role in creation and maintenance of the company's' competitive advantage. The major problem of modern enterprises is how to be different; or to have something that will attract consumers to use exactly their products or services instead of others. Indeed, that difference which may grant

market success is based on non-material resources that are becoming the base of the modern organizations' competitive advantage. This work discusses these knowledge resources, their basic properties and features, as well as their management.

Since the struggle for market share and increase of business performances enterprises are driven to seek different possibilities in order to assure their own competitive advantages. These researches have resulted in new concepts, methods and techniques among which the knowledge management and management of its main resources in the enterprise are of the highest priority. Not so long ago, under the terms of capital and value creation, money and material assets were hidden. Today, the meaning of these terms is entirely different – they mean people and their knowledge. Modern organizations are faced with a paradox: surrounded by abundance of available information and knowledge, but they suffer the lack of same because of inability to put them in the function of their own development goals. In order for the knowledge to be really useful it needs to be sought after and used selectively. The success of an enterprise depends on the quantity and quality of its knowledge and on the way knowledge is being used, processed, shared and innovated. For this reason, the success of enterprises in this work is considered from the viewpoint of the need to identify, develop and utilize knowledge for organizational purposes as a competitive advantage. The way the enterprise identifies, accumulates and utilizes knowledge depends above all on methods and techniques of the knowledge management process and on the way their major carriers were assessed.

The paper starts from the basic premise that knowledge is the property of a person, which implies the further conclusion that knowledge management involves human resource management in a way that enables the most efficient identification, generation, use and sharing of knowledge in the organization. Modern approach to human resource management, expressed through the same theoretical concept, offers practical solutions applicable in the function of effective knowledge management, and effective methods and techniques especially for generic and developmental functions (selection, training and development, performance assessment, rewards). Implementation of these solutions directly affects the availability of knowledge, its generating and increasing motivation to use knowledge in the function of organizational goals. This means that the way of human resource management is primarily dependent on knowledge management in the organization, and its development and competitive ability. Seen from this angle, identifying practice of human resource management in Serbian companies may signal weakness or our power of knowledge management, and thus the chances for greater prosperity and overall development of not only companies, but also society.

## 2. Resource approach to competitive advantage of the enterprise

Considerations with regard to the enterprises' competitive advantage from the perspective of resources emerged as the response to Porter's "five forces" model of competition. Porter explains the causes of efficiency of enterprises with the market, i.e. with barriers on market entrance and on market mobility. Numerous researches have shown that the enterprises' profitability is created on the level of their strategic business units, instead of the organizational level as a whole or the entire industry/business level. Among the multitude of works and contributions of advocates of resource-based enterprises, there are two main branches. One group of representatives of this theory is focused on stationary aspects of resource analysis in the sense of how an individual resource enables and contributes to competitive advantage. The second group of representatives includes the elements of dynamic analysis as well, attempting to relate the development of enterprises with the developmental process of its resources' performances. This theory is rooted in Edith Penrose's ideas and in her work «The Theory of the Growth of the Firm» from 1959. She believes that the company realizes certain economic value not only because its better resources, but also since its distinctive abilities enable better resource utilization. According to her, unique resources and abilities are the corporate performances' main determinants.

The contribution of resource understanding of competitive advantage is in its explanation of difference of efficiency of the enterprises which can't be attributed solely to differences in industrial conditions. The essence of resource understanding of enterprises is in the belief that sources of competitive advantage are situated in individual resources of every individual enterprise and that the competitive advantage is based on their quality, difference and peculiarity. Therefore, it is very important for the enterprise to analyze all available information on resources continually. This will allow managers to differentiate resources that may be taken as a support and basis of competitive advantage and the less valuable resources. From the abundance of works and researches which shaped this kind of identification of competitive advantage, we emphasize the following views (Hunt, Duhan, 2002, p. 99).

- Demand is heterogeneous both between the industries and within the industries, and dynamic;
- The goal is to achieve superior performances of resource utilization with regard to the competition;
- Enterprises are of different resources;
- Resources are characterized by heterogeneity and imperfect mobility;
- The role of management is to identify, understand, create, choose, apply and modify the resource utilization strategies;
- Competitive dynamics has been stimulated by inequalities in resource quality of different enterprises.

### 3. Resource characteristics in modern conditions of business operation

The today's world is characterized by universal dynamic changes and mass information bombarding. Transformations of society, economy, way of work and the daily life in recent years are becoming dramatic. Because of such environmental changes it is increasingly difficult to manage modern enterprises, since the present-day application of classical managerial paradigms doesn't produce desired results. Hence, the entire world is seeking after new paradigms and perspectives which will enable further prosperity, non-material resource management being the most important among them. The pace of development of information and other technologies has created unimaginable communicational opportunities; thereby enabling quick dissemination of knowledge, as well as its quick obsolesces. The period of mass production is behind us and nowadays consumers are rather choosy. Increased consumer demand requires new solutions and knowledge. Increase of competition requires of organizations constantly revising their product and service assortment by increase of productivity, as well as their methods of management. The world has been changed dramatically by modern technologies, globalization and increased competition. Instead of those having and having not, the world consists of those knowing and knowing not. It is necessary to understand the changes facing modern enterprises, their dynamics and consequences, thereby getting answers to rather important questions, as:

- Which are the key resources in the modern-day conditions of business operation?
- What are their main characteristics?
- What kind of managerial changes they cause?

New tendencies in development of economic theory and practice from the turn of centuries in the environment of globalization and market liberalization, quick development of information-communication technology, dynamic technological changes, turbulence and high economical uncertainty on the market all have caused new paradigms of enterprises and new ways of management. By development of a new economy, that of knowledge, non-material, intellectual resources have taken the key role in creation and maintenance of the company's' competitive advantage. The enterprises' economic strength and their developmental possibilities are significantly marked by the non-material factor. The diversity of these resources depends on their quality. Consequently, successful enterprises create sustainable competitive advantage.

Enterprises have turned to the intangible and invisible capital termed intellectual capital. Productive tangible assets as the raw materials, basic assets, even managerial knowledge are no longer considered as assets which create new and prosperous enterprises. We are slowly entering the era which is based on non-material, intellectual value creation. There is a great difference between the knowledge-based creation of added value and physically added value. During the industrial era, value

creation has been dominated by mass production, i.e. physical creation of added value. The role of financial capital was different and a huge number of workers have strived to create as many products as possible, since value creation has depended on quantity. Today, the situation is entirely different. The newly created added value no longer depends on quantity, i.e. on increasing the amount of products being manufactured, but on knowledge built into a product or service. Instead of value being created by the quantity of products, in knowledge economy it is created by quality produced by workers of knowledge. The nature of value creation has been changed dramatically by all these changes. It is no longer possible to think of a product as of the value's physical manifestation. Products or services are losing their value since the obsolete knowledge that has been built into them. Today, buyers are buying new products because they contain more knowledge and not because former products became useless. Hence, it is not the product's physical component that is the one that becomes obsolete, but its non-material component – knowledge.

Individuals, enterprises and nation have always been sought to have as many key resources as possible. Today the question "How to be better than the others?" sounds like «How to know more than the others». If the enterprises' actual competitive advantage in the era of knowledge lies in their ability to learn faster than the competition, to collect, share and continuously increase knowledge, the logical consequence is the emergence of «learning organizations» or «knowledge organizations». Enterprises which advance in the new environment are the organizations which learn with the purpose of continuous growth and improvement of the knowledge resource. Since the pressure of competition, of technological development and of the global market, continuous organizational learning has become the key imperative of global strategic efficiency. In such environment, enterprises unable continually to improve knowledge resources can't survive. In order to survive, enterprises must be armed with the deadliest weapon of today – with knowledge. The following are the most important peculiarities of knowledge with regard to material resources (Kukrika, 2003, p. 21):

- Duality of ownership. While with material resources there are no possibilities for two or more owners to own a single object, it is possible with knowledge. When knowledge is being shared and transferred to another person, the knowledge-giving person doesn't remain without knowledge. Instead, knowledge is being shared by the giver and the receiver.
  - When shared, knowledge is growing, while material resources are decreasing when shared. This growth applies both for the giver and the receiver.
  - The increase in knowledge quantity also leads improvement in its quality, especially when shared by a large number of people.
  - While ignorance is a universal category, knowledge is diverse. When people don't know something, they don't know in a same way. When they know, they
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know in a different way. Thus, knowledge becomes a flywheel of numerous activities, since every person will increase it by adding something new and eliminating factors hindering its improvement, thereby increasing the existing knowledge-base.

- Today, knowledge is the most valuable resource. It is much more valuable than any other resource, since it can buy any other resource. This means that knowledge is transversible. Therefore, well-developed countries are selling knowledge, earning thereby much higher profits, while developing countries are selling raw materials, thereby increasing their poverty.
- Knowledge processes and flows in the learning society and enterprises are more important than money flows. Knowledge flow has to be organized in such a way that the process may have the character of blood-flow in the organization. This requires the understanding that knowledge must reach every part of the enterprise. Otherwise, parts of the economical organism without knowledge will decay.

to these characteristics, knowledge as a non-material resource becomes of strategic importance, with the epithet «excellent resource» from the resources' hierarchy scale standpoint with regard to its influence on development and maintenance of competitive advantage, as well as its influence on radical changes in the industry. However, since intangible resource management is fundamentally different from tangible resource management, the most important question when speaking of the enterprises' competitive advantage is: what are the consequences of all this or what changes in the enterprise management would result?

Not every knowledge is important. In knowledge economy, the only strategically important knowledge is the value-adding knowledge, and the enterprises' competitive advantage is determined by the efficiency in choice and combination of that resource, as well as the efficiency in its utilization. This issue is rather important for the enterprises' success, since by merely stating knowledge and describing its peculiarities as of a fundamental non-material resource, the analysis of the enterprises' competitive advantage becomes static, i.e. it gives the present the situation, without the dimension of future. Therefore, in order to create and maintain competitive advantage, besides of considering which knowledge is of strategic importance, every enterprise needs also to consider its maintenance, improvement and innovation. Possessing knowledge is not sufficient, it is also important to manage it appropriately. For knowledge to be truly the main basis of the enterprise's competitive advantage, we need constantly to improve its performances and to exchange it for other knowledge since it quickly becomes obsolete. Therefore, one of the most important management tasks is knowledge management, which implies accumulation, utilization and renewal of knowledge within the organization. Simply put, knowledge management enables managers of different levels successfully to resolve the clients'

problems by using their own knowledge and all the other expert knowledge within the organization.

#### 4. Non-material resource management

In order to achieve the enterprise's competitive advantage, it is not sufficient merely to determine the knowledge management concept and to state the importance of the knowledge creation, sharing, keeping and utilization processes. To have a more dynamic approach to this issue, it is also necessary to create conditions for its application. Therefore, it is very important to know where organizational knowledge is situated, so we can identify the way how to unleash it and develop in function of realization of organizational goals. The way of management of this important non-material resource, and thereby the enterprise's competitive advantage, depends on place where strategically important knowledge is situated. In order to answer this question, it is important to note that in knowledge economy the concept of ownership over resources is changing. According to some estimates, only a small percentage of knowledge is in a formal form and 70-80% of knowledge is in implicit form, which is the hardly available employee knowledge. Most of the necessary knowledge is hidden in the employees' head and their informal contacts. Since knowledge mostly resides in the employees' head, the enterprises are not owners of their most valuable resource – knowledge (Pržulj, 2003, p. 122).

Knowledge is power and the need for knowledge dissemination creates new power relations in company. «The answer is that sense, being the most important, doesn't need to be situated in a tall building where the general executive and his main assistants hang their hats, hanging soon their heads as well if they fail to join the brain revolution» (Peters, 1994, p. 134). In his book, „Mastering change“, Isaac Adizes speaks on creation of new power relations in the organization: „Many believe that the way to gain power is to climb up the enterprise's hierarchy. They climb and bleed and when finally reach the top, breathless, they find a notice saying – it's down there! Many managers need to learn that the more they climb, the more they need to respect what is down there“ (Adizes, 2006, p. 138).

Knowledge economy is the economy where the workforce's characteristics are being changed. We are witnessing the raise of knowledge workers. They create the majority of added value in the enterprises. In the process of creation they barely use physical strength and manual skills. Peter Drucker says that the most probable assumption in knowledge society based on which all organizations do their business operation is that their need for knowledge worker is larger than the knowledge worker's need for the organization. The enterprise needs to position its knowledge business in such a way as to acquire an adequate number of knowledge workers of superior quality. The relationship is increasingly that of mutual relationship with the knowledge worker who must learn what is needed for the enterprise. Also, the enterprise

must learn what the knowledge worker's needs, requirements and expectations are.

As the result of all the above mentioned, organizations and the way they are managed have been changed as well, since knowledge worker management is much more difficult than the management of all other resources of the enterprise. A considerable problem in knowledge management is that managers are focused rather on explicit knowledge and information technology, instead on implicit, hidden knowledge in the individuals' head. Much larger problem for the enterprises is how to manage implicit than explicit knowledge. The reason for this is in the lack writings and documentation on implicit knowledge. It is transmitted by speech, and this kind of transmission requires desire and willingness on behalf of the owner. This fact raises the question of implicit knowledge management in cases of high workforce fluctuation or their retirement. In such cases, workers are carrying part of their knowledge acquired in the enterprise with themselves. This knowledge belongs to the enterprise which invested the assets and time into its creation. This knowledge needs to stay after the workers have left, but essentially it is invisible. From the aspect of implicit knowledge management, retirement of workers is a much smaller problem for the enterprises than their transfer into other organization, which is thereby awarded with the newcomer's implicit knowledge, without any investment.

Much of the necessary knowledge is present in the employees' head also in their informal contacts. This means that most enterprises are essentially unfamiliar with their actual knowledge. The main issue is how to acquire intelligent people who will share their ideas. It is far more important than the money itself or smart software. Things entering the database determine the value of outcome. Good managers attempt to collect the knowledge of all employees, building the enterprise's strength on that foundation. Therefore, modern enterprises are increasingly turning to human resources and acknowledge the importance of their appropriate management. Knowledge economy is focused on acquiring, developing and utilization of qualitative human resources. The process of codification of implicit knowledge, i.e. creation as much of explicit knowledge as possible, which is collective by its nature, may be largely eased by development of employees, their motivation and regulation of job relationships as important activities of the human resource management's processes. In the modern world, successful enterprises are distinct by the people's subtle, so called software characteristics, their knowledge and style of work. A modern organization is focused on people and management of their potentials. Confidence in the employees' abilities is among the highest importance. The strength of the enterprise lies in the abilities of all employees.

The well-known Hawthorne researches of Elton Mayo and his assistants from the 1930s' were the first to indicate the importance of psycho-social dimensions of organization. They are indicating the importance of attitudes, groups, informal relations, management styles and

human relations for individual and organizational success. This is followed by a series of authors (Douglas, McGregor, Chris Argyris, Francis Likert) and works from the field of behavioral approach to management, stressing the importance of human resources for success of the enterprise. Here, we specifically need to mention Likert who explicitly talks about human potentials as of key organizational resource. He also developed the concept of "human potential accounting" with the purpose to indicate the need for the enterprise to account with costs and losses it has caused by the employees' negative attitudes, low motivation, unhappiness and similar uncultured, subjective variables which have been previously not accounted for, i.e. the benefit resulting from their improvement. One of the most important authors of the human resource concept is Schultz. According to him, effects of investments into human resources are several times better than that of investments into material resources. If enterprises fail to invest in human resources at least as much as they invest into other resources, they won't have many chances for success.

An enterprise is successful and good as much as successful and good its employees are. As creative and innovative parts of any enterprise, people have the leading role in creation and maintaining of its competitive advantage. Different challenges imposed by the new business environment may be answered only by highly educated, adequately motivated employees who are continuously learning new business skills. Since human resource management is one of the most complex control functions and requires a lot of knowledge and expertise, but a few decades to develop the practice and theory in this area, which offers a range of useful professional solutions, methods and techniques for achieving strategic objectives and competitive advantage of organizations through its employees. These theoretical concepts and practical solutions coming to our area for quite a big delay, and mostly with foreign investment and technology, as well as the necessity require a market economy.

##### **5. The level of development of the non-material resource management practice in Serbian enterprises**

The above presented scientific valorization of importance and perspective of knowledge as of the main non-material resource of creation and maintenance of the enterprise's competitive advantage represents the basis to analyze the practices of our enterprises considering non-material resource management. Our intention is to assess whether and how the practice of our companies in this area can be the basis for successful knowledge management as a key resource in modern economy. With that purpose, on random sample of 36 enterprises, we have attempted to inspect the situation in Serbian organizations. The research units (enterprises) in the investigation were individuals, members of the top management, of middle management and of operative management as research examinees. During the collection of data on the

problem being investigated, the questionnaire technique has been used. As the research instrument a questionnaire has been chosen with the given answers to choose among. Indicators such as: open communication in the enterprise, cooperative (team) behavior, willingness to gain and share knowledge, clear vision, mission and purpose of the enterprise, market orientation, utilization of benefits of

the information technology, organization of the human resource management functions, quality and frequency of developmental processes and of employee training, indicated the significance and role of knowledge and its exchange in Serbian enterprises. This is shown by the following table:

Table 1: Indicators of the level of development of the knowledge management system

	<i>frequency</i>	<i>percent</i>
The vision, mission and goals are clearly and well communicated to all employees in the enterprise	11	34.4
All employees in the enterprise are well familiarized with the results of previous business operations	17	53.1
Employees participate in the enterprise's goal and strategy definition process	14	43.8
Employees express their ideas freely in order to contribute to success of the enterprise	17	53.1
Employees mutually help each other in the enterprise.	26	81.3
The level of willingness of the employees to gain new knowledge is rather high	19	59.4
Knowledge exchange in the enterprise is rewarded materially and with money	11	34.4
Information technologies are the most efficient tools of knowledge exchange among the employees	21	65.6
The enterprise regularly monitors the consumers' requirements	8	28.2
Consumers are regularly included into product and service development	6	22
The enterprise has a well-developed marketing information system	6	22
The majority of organizational knowledge is situated with the people	28	87.5
Employees in the enterprise are treated as a strategically important resource	28	87.5

If we look at the general environment and culture in transitional conditions, even the most untrained observer can see how low knowledge scores in the system of values. Financial resources, quick profit returns, easy earning, etc. are scoring much higher. Considering the practice of non-material resource management, Serbian enterprises had begun to acknowledge its importance, but unfortunately mainly on declarative level. The results of this study point to the fact that the knowledge as a resource on which the enterprises' competitive advantage and the system of its management may be based in Serbian enterprises remains underdeveloped. The vision, mission and goals are not sufficiently communicated to all employees. Also, in most cases the employees aren't familiar with the achieved result and seldom participate in definition of the enterprises' goals and strategies. By this, the possibility of utilization of their knowledge, ideas and experiences has been denied.

The acquired results that employees share their knowledge to a small extent and mainly are unwilling to acquire new knowledge indicate that Serbian enterprises lack any open communication and organizational culture which promotes knowledge as an important resource as the major factors of development of any knowledge management system. In most of the surveyed enterprises, information technologies are seen by the employees as working tools, but not also as knowledge exchange tools, so they avoid using them with that purpose. The poorly developed knowledge management in Serbian enterprises

system is also indicated by their mainly underdeveloped market orientation. The majority of enterprises fails to follow the consumers' requirements, they lack a well-developed marketing information system and well-developed consumer relationships from where they may gain knowledge as the basis of their inventiveness and competitiveness.

Most of the surveyed managers stated that employees in their enterprises are treated as an important strategic resource and that the majority of organizational knowledge is situated in the people's head, one gets the impression that they are given social desirable attitudes, since of all surveyed enterprises only 46.9% has someone with the tasks of human resource management and in most cases, human resource management isn't organized as a distinctive function and none of the top management is entitled to manage the enterprise's human resources. This clearly indicates that management of human resources as of the main carriers of knowledge in the enterprise is not developed to sufficient extent. It lacks strategic importance, and even if there is a distinctive function, it is not sufficiently related with the enterprise's strategy. All these imply the underdevelopment of the practice of knowledge management. It is logical that causes of underdevelopment of human resources management should be sought in the ideologies and systems that are in our past represented framework for economic action. Ideologically looking, it is egalitarianism and collectivism as the dominant social value, and systematic absence of market mechanisms and a large impact on economic management

policies. Only 40.5% have confirmed the training and education of employees being conducted continuously in their enterprise and that training and education are related with achievement of the enterprise's goals. Employee education and training have been undertaken sporadically, according to the needs, for certain groups of employees, and the percentage of those who believe that employees have to educate themselves on their own expense is also not negligible. Training results have mainly monitored from the aspect of costs instead from investment important for business improvement. Promotions are mainly not based on careful monitoring and identification of job results.

The conclusion is that our organizations and the society are far from knowledge society. In order to escape from that trap of poverty and enter the world of developed countries it is necessary to affirm knowledge on each level of the society, form educational system to organizational practices. Results of the analysis our enterprises' practice indicate that successful application of the knowledge management process requires professional application of criteria and procedures for managing human resources that allow the entering, using, generating and sharing knowledge in our organizations.

Simultaneously the research of business practice of our enterprises indicates the necessity of changes in understanding of the importance of employees for the companies' success in the sense that employees are a potential and not an expense, and the success of knowledge management mostly depends on appropriate treatment of the employees. For successful application of the knowledge management concept, it is necessary to rethink the basic methods and main tools of human resource management. The solution is in application of modern methods and techniques, which primarily involves intensive training of managers (decision-holders) in this area, as well as those who professionally deal with employees in the organization. It also requires adaptation of formal and informal program of education, which can give more space to the theory and practice of human resource management.

## 6. Conclusion

Today, we are living in the era of knowledge, which the key non-material resource and the driver of development. While many things have been said and written on importance of knowledge for development of the economy and society in the modern world, still there is a huge discrepancy in practice between what has been said and done. This is especially obvious in underdeveloped countries which have been kept on the bottom of developmental ladder by their inability to enter knowledge society. Knowledge society has been established by knowledge organizations which know how to recognize, develop and use knowledge, as an exceptional resource, creating added value out of it.

Thus, the highest value to an enterprise in the modern environment has been brought by non-material

resources. Considering the contribution to development and maintenance of competitive advantage, as well as influence upon radical changes in the industry, knowledge resources are predominant, while the role physical and financial resources are being relativized. Knowledge as a resource is one of the main determinants of the enterprise's competitive advantage. Compared to material resources, knowledge has several peculiarities which make it the most valuable resource of an enterprise. In the modern world, inventiveness and creativity are becoming the foundation of market competitiveness and together with knowledge; they are a new source of economic wealth, imposing upon enterprises the imperative of continuous innovation and restructuration of their business models.

Knowledge is the enterprise's most important capital. It is necessary to develop an efficient system of management of that capital since this leads to significant savings, higher productivity, more qualitative business activities and creation of competitive advantage. If this capital is merely owned by the enterprise without a system of its management, it will be used inefficiently. A significant issue in knowledge management is that its carriers have been focused rather on explicit knowledge and information technologies than on implicit knowledge which is hidden in the individuals' head. By focusing on knowledge which is in the employees of a specific enterprise, knowledge management also affirms the importance of human resource management in achievement of the enterprise's competitive advantage. The importance of qualitative employee management lies in the fact that the human capital is often a critical factor and a bottleneck for the knowledge being managed efficiently. Since knowledge in modern enterprises is becoming more important than the strategy itself, its development may be stimulated only by adequate management, i.e. by a qualitative human resource management practice. According to all the above mentioned, the analysis of business practice of Serbian enterprises suggests that without successful application of the concept of knowledge management which further depends on development of human resources, enterprises can't grow and develop. Indeed, the main problem of those enterprises is that they disregard these facts.

In conclusion, it is necessary to say that management of knowledge as of the key non-material resource in achieving the enterprise's competitive advantage has to become a daily practice of Serbian enterprise, i.e. to become part of their business policy. The most successful enterprises in the world have attributed their success, innovativeness and ability to adjust to changes mostly to their ability to manage the potentials of their employees. These potentials, i.e. knowledge of the employees, especially the hidden knowledge, has been considered as the most valuable resource, and correct knowledge management as the activity that makes the difference between successful and unsuccessful enterprises.

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## Zaključak:

*Danas nije sporno shvatanje da je ovo vek znanja koje je ključni nematerijalni resurs i pokretač daljeg razvoja. I pored toga što je mnogo rečeno i napisano o značaju znanja za razvoj ekonomije i društva u savremenom svetu, u praksi još uvek postoji veliki raskorak između onog što se proklamira i čini. To je posebno uočljivo u nerazvijenim društvima, koja upravo nesposobnost da uđu u društvo znanja zadržava na dnu razvojne lestvice. Društvo znanja utemeljuje organizacije znanja koje znaju kako da prepoznaju, razvijaju i koriste znanje kao izuzetan resurs i od njega stvaraju dodatnu vrednost. Inovativnost i kreativnost postaju osnova tržišne konkurentnosti u savremenom poslovanju i uz znanje, predstavljaju novi izvor ekonomskog bogatstva, što savremeno preduzeće stavlja pred imperativ kontinualnog inoviranja i restrukturiranja svojih poslovnih modela*

*Znanje predstavlja najvažniji kapital preduzeća i potrebno je razviti efikasan sistem upravljanja tim kapitalom, jer to dovodi do značajnih ušteda, veće produktivnosti, kvalitetnijeg obavljanja poslovnih aktivnosti i stvaranja konkurentne prednosti. Ukoliko u preduzeću samo postoji taj kapital, ali ne i sistem upravljanja njime, on će biti korišćen neefektivno. Veliki problem u upravljanju znanjem predstavlja pre svega što su njegovi nosioci pre fokusirani na eksplicitno znanje i informacione tehnologije, nego na implicitno, skriveno znanje u glavama pojedinaca. Fokusirajući se na znanje koje se nalazi u ljudima, zaposlenima konkretnog preduzeća, upravljanje znanjem istovremeno i dodatno afirmiše značaj menadžmenta ljudskih resursa za ostvarivanje konkurentne prednosti preduzeća. Značaj kvalitetnog upravljanja zaposlenima u preduzeću leži u činjenici da je ljudski kapital često kritičan faktor i usko grlo za efikasno upravljanje znanjem u preduzeću. S obzirom da u savremenim preduzećima znanje kao strateški resurs postaje važniji od same strategije, njegov razvoj se može stimulisati jedino adekvatnim upravljanjem, odnosno kvalitetnom praksom menadžmenta ljudskih resursa.*

*Shodno navedenom, analiza poslovne prakse preduzeća u Srbiji treba da ukaže na to da nema rasta i razvoja preduzeća bez uspešne primene koncepta upravljanja znanjem koji dalje zavisi od razvoja ljudskih resursa u organizaciji i da je upravo neuvažavanje ovoga osnovni problem u tim preduzećima. Upravljanje znanjem kao ključnim nematerijalnim resursom za ostvarivanje konkurentne prednosti preduzeća nužno mora da postane svakodnevna praksa srpskih preduzeća, odnosno da postane deo njihove poslovne politike. Najuspešnija svetska preduzeća svoju uspešnost, inovativnost i sposobnost prilagođavanja promenama u okruženju najvećim delom pripisuju upravo svojoj sposobnosti da kvalitetno upravljaju potencijalima koje poseduju njihovi zaposleni. Ti potencijali, odnosno znanje zaposlenih, a posebno ono skriveno, tacitno znanje, se smatra najvrednijim resursom, a pravilno upravljanje njime, aktivnošću koja čini razliku između uspešnih i neuspešnih.*