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# CONSULTING AS A FACTOR OF IMPROVING THE EDUCATIONAL POTENTIALS OF MANAGERS IN SERBIA

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## *Abstract:*

*Management consulting may be defined as a kind of professional support to managers in analysing and solving practical problems. It enables the transfer of successful management system from one enterprise to another or from one organization to another. When an enterprise in Serbia hires consultants it can be seen as their investment in “know-how”, i.e. non-material assets of the enterprise. The economic effectiveness of such investment will be higher if it is achieved in a way that the client could henceforth independently solve or avoid an occurrence of similar business problem. Naturally, thereby a need for consulting management does not stop, because there are also other aspects of doing business, which require additional professional help regarding consulting and knowledge transfer. This research aims to determine the im-*

*Impact of consulting management on enterprise development in Serbia. The research deals with the identification of the key problems of the development of enterprises in Serbia and points to the need for their solution by hiring management consultants. Using factor analysis, certain factors, which have impact on the enterprises' improvement of business performance, will be singled out, including consulting management, in order to ascertain the impact of each factor on the improvement of performance. An additional motivation for dealing with this topic is to raise awareness among stakeholders (managers, consultants, employees, and other business actors) about the role of consultants in preparing business solutions and recommendations for managers based on empirical research and the application of scientific methods.*

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**Keywords:** *management consulting, consulting organizations, competitiveness, enterprises' performances, factorial analysis, knowledge transfer, market.*

## 1. INTRODUCTION

Management consulting contributes to the construction and propagation of 'best practice', which is increasingly important in the business world (Collins 2016, 409). Namely, the introduction of changes means that the employees in an organization are required to adopt new knowledge, gather more information, come to an end with new tasks, improve their skills and change their work habits, values and attitudes (Mihailović & Radosavljević 2020, 1). This includes the fact that people need to change; the management as well as employees - their abilities, motivation, behaviour and effectiveness in work. It also includes changes in organizational culture - changes in values, established customs, information relationships, impact and management style. Such a process of radical change does not happen by itself. It

takes learning, time, effort, persistence, ability, loyalty and dedication to the work that is done. However, all these things cannot be achieved, at least not for the most favourable time, without the help of those who have already acquired loads of knowledge, have gained experience, and their skill to successfully transfer all that to others. Proper use of the expertise of consultants in order to supplement the existing knowledge corpus within the enterprise has become a method of improving managerial abilities and skills (Vukotić, Aničić & Vukotić 2017, 69).

Management consulting has become very relevant in Serbia since 2000, at the moment of the beginning of the process of transition and restructuring of domestic enterprises. At the same time, the elimination of external limitations and the return of Serbia into international economic flows and trends have led to a significant increase in demand for new knowledge, experience and expertise, including consulting services (Cvijanović, Mihailović & Vukotić 2016, 60). The demand for consulting services grew alongside with the privatization and the need to assess the value of enterprises, the establishment of new small and medium-sized enterprises, the introduction of new products and the search for new markets, especially in the business affairs related to the completion of the program of rehabilitation and restructuring of enterprises, the formulation and implementation of development strategies and networking with economic factors in the international market, introduction of information technologies, improvement of performance management of basic enterprises' functions, joint ventures, technological cooperation, etc.

The accession of Serbia to the European Union has imposed new rules in society and business. Such changes present a great prerequisite for the development of the consulting sector. Enterprises try to improve competitiveness through the adoption of new products, technologies, and services. The need to learn about individual business processes initiates greater involvement of consulting. Considering the aforementioned, the main purpose of the research is to assess the contribution of management consulting

to the development of businesses in Serbia. Namely, it is necessary to consider the nature and development aspects of management consulting in Serbia in conditions of transformation of the economy into a market management model (Mihailović 2007, 7). During the consulting intervention in a certain company, the enterprise's operations can be affected by a number of factors. One of the most important issues in evaluating the consultant's influence on the development of the enterprise is the isolation of the effects of consulting (Mihailović, Simonović & Sarić 2016, 55). Without isolating the impact and influence, it is impossible to evaluate the cost-effectiveness of investment in consulting.

## **2. METHODOLOGICAL-HYPOTHETICAL FRAMEWORK**

The subject of the research is the importance which management consulting has in the development of enterprises in Serbia. The importance is achieved by the influence of different aspects of their business, as well as the analysis of the demand for management consulting by these companies. Empirical research has been carried out by collecting the appropriate data on a sample of 300 small, medium-sized and large enterprises, whose structure represents the structure of the whole Serbian economy.

The target group of the research was the managers of the enterprises included in the sample. The research survey of the market was conducted by telephone surveys and direct interviews. The questionnaire was designed to provide sufficient data for the accomplishment of the research task. There were also issues which emerged from the given framework, and the answers to them are important for a wider understanding of this issue. After being properly completed, questionnaires were given back and there were 276 of them and they were included in the data processing. So-called SPSS ("Sta-

tistical Package for the Social Sciences”) was used for data processing and analysis. Analysis of the influence of management consulting on the development of enterprises in Serbia is based on a combination of:

- Balanced Score Card approach,
- Consultant’s Score Card approach
- Factor analysis

The Balanced Score Card (BSC) concept enables the long-term strategic goals and short-term actions of an enterprise to be linked in an appropriate way. Managers in the business management process are required to use financial criteria and benchmarks which show business progress in a balanced manner. Using them the enterprises’ business can be observed from the following aspects: 1) how consumers see us (the marketing/consumer’s point of view); how and in what to achieve critical excellence (the point of view of internal possibilities); can the enterprise continuously improve and create values (developmental point of view, is ability to innovate and learn); how we look at shareholders (financial aspect) (Kaplan & Norton 1992, 71). Every perspective needs to be presented through goals, measures, and initiatives. In this way, through the transparency of objectives, criteria, and initiatives, it ensures linking long-term strategies with short-term actions.

The methodology of the Consultant’s Score Card contains six key measurements (reaction and satisfaction, learning, implementation, business influence, ROI, non-material benefits) that include quantitative and qualitative data (Philips 2000). It also must be taken into account that most consulting projects have an effect over the next few years after being implemented.

Factor analysis was used to isolate factors that influence the development of enterprises, including management consulting, in order to determine the influence of each factor on the business of the enterprise. In a large number of observed variables, which are connected in any way, factor anal-

ysis, as a multivariate process, allows a smaller number of basic variables to be determined, explaining such interconnection. These basic/latent variables are known as factors (Tošić 2007). At the same time, one should bear in mind that many factors, which have an interlaced and multiplied influence, have an impact on the performance of the enterprise. The purpose of the primary research is to use a factor analysis:

- to get to primary findings about the company's attitudes regarding the management consulting in Serbia,
- to determine the factors that lie in the basis of the interconnection of a number of starting variables and the connection of certain starting variables with these factors,
- to determine the impact of management consulting and other factors on the development of enterprises in Serbia,
- to give recommendations for improvement of management consulting and enterprises in Serbia based on the obtained empirical results

For the research which is the subject of this paper the *following research hypotheses* have been formulated:

1) *The dominant influence of management consulting is reflected in the satisfaction of the employees and consumers, transfer of knowledge, implementation of the things learned and financial performance of the company.* The consulting project should provide the client with answers to questions which are related to: access, deadlines, events, activities, costs, steps and, most importantly, the expected results. Most consulting projects are focused on solving a single problem or capitalizing one option. However, a comprehensive assessment of the client's needs is necessary, in order to avoid the situation in which a particular consultant solution does not meet the needs, i.e. specific business problem of the company.

2) *The biggest demand for management consulting in companies in Serbia exists in the following areas: strategic planning, marketing research, standardization of production and investment programs and studies.* In order to analyse and make comparison to developed market economies, the consulting services used are grouped into certain categories according to the classification of the European Federation of Management Consulting Associations (FEACO). Accordingly, differentiation can also be made in the following way: corporate strategy, operational management, information technology, human resources and management and outsourcing services.

3) *Management consulting is the fourth factor in the development of an enterprise in Serbia, in addition to innovation, business strategy and finance.* It is justifiable to ask a research question about the place and role of management consulting in the development of enterprises in Serbia. Namely, domestic enterprises are in the process of comprehensive and multidimensional changes. It is necessary to know and understand the domestic business environment as well as modern flows in the developed economies so that the transformation of the company could be directed towards creating a commercially attractive and promising enterprises. In such conditions, management consulting represents a valuable support to enterprises' managers.

### 3. LIST OF LITERATURE

In spite of the current popularity and high growth, management consulting remains one of the least researched and described areas in the economy (Gagnon 1984, 148). There is also a small number of people interested in this subject, which, partly, can be explained by the inability of a large number of managers to recognize the benefits of management consulting services, and partly, by discretion of consulting companies, which makes it difficult to study their work (Kubr 1996).

In its 'how to become a member' instruction manual, the UK Management Consulting Institute defines management consulting as *a service provided by an independent and qualified person or person in identifying and investigating issues related to policies, organizations, procedures and methods, recommending appropriate activities and assisting in their implementation* (IMC 1974).

The work of a consultant begins in conditions that are considered to be unsatisfactory and which can be improved. Ideally, it ends with what is seen as an improvement. The key features of management consulting are as follows (Kubr 1996): 1) consulting is an independent service, 2) consulting is an advisory service, 3) consulting is a service that provides professional knowledge and skills to solve practical management problems, 4) consulting is not a guaranteed service that solves every managerial problem. The consultant must be professional, informed, objective, and in many cases a good psychologist, in order to find the essence of the problem through a dialogue with the employees in the company. There is a tendency to standardize the activities of a consultant in order to use the line of work that proved to be successful in all situations. This, of course, makes the work of a consultant easier, but the question remains is whether such an approach to problem solving yields results? (Mihailović 2007, 17). One successful solution should not be generalized and applied in the next engagement. Namely, the experience of a consultant should become the basis of his flexibility and even creativity in further work.

The process of consulting includes five stages: the beginning - diagnosis - action planning - realization - completion (Schein 1987). In the literature, other models can be found, but they differ from this model only in semantic terms (other terms are used) or in terms of structure (the process is divided into more phases). The basic logic remains the same. Namely, consulting interventions are focused on efficient knowledge management in the organization of the client. The goal of knowledge management is to improve



the performance of organizations and individuals through identification, adoption, evaluation and transfer of knowledge (Crage & Lemons 2003). The main factor in working relationship between the consultant and the client is the change. It can be applied at some point in the task, or the work of a consultant can serve as the basis for the change that will come later. The role of the consultant is the role of a representative of change, and management must take responsibility for implementing the change, even if the consultant is involved in the implementation of the changes (Carqueville 1991, 247).

In conditions nowadays, the company's competitive success depends, first of all, on its ability to hire and effectively use its intangible resources, to quickly adapt to constantly changing environmental conditions, and to identify and satisfy constantly changing needs and demands of consumers (Gajić 2004, 151). Consulting has evolved in response to these needs, in two ways – external and internal services, viewed from the perspective of the organization itself (Mihailović & Brzaković 2018, 8).

An external consultant is administratively and legally completely independent from the organization which he works for. An internal consultant is part of a special work unit of the enterprise - company, groups of companies, government ministries, etc. The precise boundary between these two types is difficult to make - an autonomous consulting bureau that helps the Minister of Economy can be considered as an internal unit since it is a part of government services, but can have the same working relationship with public companies as an independent external consulting company. In consulting practice, both public and private sector organizations use both internal and external consultants (Bols 1971).

Consultants are very rarely (if ever) found in connection with organizations with a specific need to improve learning in the organization. In general, they are invited to solve problems in order to improve the organization's performance. During the process of fulfilling their mission, consultants can play different roles that result in different, positive or negative, contribution to the learning process

in the organization (Hoffmann & Hlawacek 1991, 403). The two most commonly used categorization of consulting roles are content versus the process and the directive / non-directive continuum (Schein 1987). Consulting services focused on content include obtaining expertise (e.g. information) and delivery of specific services to the client (e.g. designing a new system). On the other hand, process consultation involves a set of consulting activities that help the client to see, understand and act upon events in the process that is ongoing in his environment (Schreyögg & Noss 1995, 169). For the content method of consulting, learning is a process of transferring information and skills from an expert to a student, while the manner of process considers learning as a participatory experiential process in which the role of a consultant is a counterpart role for a client. Since it is more and more in demand that the content and process consulting should be complementary, consultants tend to develop skills from both areas (Kubr 1996).

Much less effort has been made to differentiate client roles in relation to consulting roles (Kubr 1996), although the need to match roles and expectations has been recognized many years ago (Gattiker & Larwood 1985, 119). Preliminary categorization of clients, which offers a link with organizational learning, uses two basic branches: 1) the client's willingness to learn and cooperate with the consultant, and 2) problem urgency levels, resulting in four types of clients (Table 1).

**Table 1.** Typology of clients

<i>Willingness to learn and cooperate with the consultant</i>			
		<b>Low</b>	<b>High</b>
<i>Urgency</i>	<b>High</b>	I. Driven	II. The Crisis Managers
	<b>Low</b>	III. The Cooperative Problem-Solvers	IV. The Image Managers

Source: Kubr, 1996, 21.

The matrix suggests that two kinds of clients can be found when there is urgent pressure to solve a problem: those who want the consultant to solve the problem for them (*the Driven*) and those who are interested in learning and participating in solving the problem themselves (*the Crisis Managers*). When the pressure generated by the problem is low, clients may feel that they can afford to take the time to learn (*the Cooperative Problem-Solvers*) or they can be completely uninterested in learning (*the Image Managers*). In addition, it should be emphasized that this is a typology of a client who faces a specific problem at specific times, rather than its permanent feature. Clients can move through cells / fields depending on the situation they face in business.

These categories were used in a study of 62 consulting cases in Austria and revealed a distribution that appears promising for organizational learning: 16% of the clients are categorized as Driven, 23% as Crisis Managers, 52% as Cooperative Problem-Solvers and only 9% as Image Managers. In other words, the overwhelming majority (75%) is considered willing to learn and to take an active role in solving the problem (Kubr 1996).

If a manager is serious about engaging a consulting organization, first of all he wants to make sure that his decision will be fully justified and supported within the company, that an adequate consulting organization will be selected and that the company will have clearly defined positive effects from the project consulting.

## 4. RESULTS AND DISCUSSION

### 4.1. Using management consulting by the enterprises in Serbia

Serbian consultancy services are used primarily to increase business efficiency, as one of the key factors for achieving profitability. It was observed that, with growth of the enterprises, comes the increase in volume of use, and sophistication of services used (Dukić, Majstorović & Aničić 2013, 147). The dominant consultative model is a combination of the expert model and medical (doctor-patient) model. Process consulting model was still unknown in domestic consultative practice. Local executives usually ordered studies on the strategy development and organizational design that engage consulting teams (Janićijević 1992).

The results of the survey show that of the total number of enterprises surveyed in Serbia, 65% of them have used management consulting and another 21% of those who have not, plan to use these services (Table 2).

**Table 2.** Using management consulting by the enterprises in Serbia

<b>Using management consulting</b>	<b>% enterprises</b>
Have used services of management consulting	65%
Haven't used, and will not be using management consulting in the upcoming period	14%
Haven't used, but plan to use management consulting in the upcoming period	21%

*Source: Authors*

In companies that used consulting management, 26% of them used these services in the first year of work, 39% in the second year and 35% in the remaining period. Consulting management services were provided by: private consulting companies (in 55% of surveyed companies), scientific-research institutes (24%), individuals as independent management consultants

(13%) and others (8%). Usually this is one-time, additional and complex business activities (in 72% of surveyed companies), and the result of long-term cooperation between consultants and companies is recorded in 28% of surveyed companies. Management consulting have not used and will not use 14% of the surveyed companies, and the most common reason is mistrust in the management consultants. Even 32% of the surveyed 96 companies which did not use the management consulting emphasize the lack of confidence in consultants. Managers explain that one of the reasons is also the high price of these services (27%) as well as the lack of awareness about the positive effects of management consulting (18%), which is just a confirmation of the previous statement that management consulting is not sufficiently explained and popularized. On the other hand, the management consulting offer has not reached the required level. Under such conditions, assistance of donors plays a significant role in the development of this market.

Consulting interventions are significant changes in staff and procedures, as well as the creation of new techniques and tools, new processes and new technologies. The achieved level when the participants in the consulting process have learned new business responsibilities and new work processes can be one of the most important factors in the success of consulting services. Consequently, in empirical research, we start from hypothesis no. 1: *The dominant influence of management consulting is reflected in the satisfaction of employees and consumers, transfer of knowledge, implementation of what is learned and financial performance of the enterprise.* The surveyed managers evaluated the impact of management consulting on the performance of the enterprise, in accordance with the *Balanced Score Card (BSC)* concept, from the perspective of the consumer (marketing), the perspective of internal possibilities, the perspective of development and from the perspective of the shareholders (financial point of view). According to the results of the survey, the impact of management consulting is greatest in the areas of employee satisfaction (4.43), consumer satisfaction (4.32), skills and knowledge of employees (4.28), internal business processes (4.09) and sales revenues (3.92), thus confirming the hypothesis no. 1 (Table 3).

**Table 3.** The influence of management consulting on the performance of enterprises in Serbia

Performance of the enterprises	Average grade of influence
Employees' satisfaction	4.43
Consumers' satisfaction	4.32
Employees' skills and knowledge	4.28
Internal business processes	4.09
Alles revenues	3.92
Value for shareholders	3.76
Management	3.54
Structure of expenses	3.41
Quality of products	3.25
Positioning on the market	2.81
Organisation of enterprises	2.64
Number of work positions	2.37
Impact on the society	2.18

Annotation: 1 – minimum rating; 5 – maximum rating

Source: Authors.

The research has, also, showed, on one hand the existence of a link between marketing or psychological categories, such as employees' and consumers' satisfaction, and on the other one the financial variables, or sales revenues. It is evident that in projects of management consulting there is a chain influence in the following areas that are chronologically stated: *satisfaction, learning, implementation and business impact (financial performance of enterprise)*.

Using the method of the Consultant's Score Card we evaluated the benefits of management consulting. Surveyed managers gave the highest grade to the access of specialist knowledge and best practices (average grade 4.5) (Table 4).

**Table 4.** Benefits of management consulting

<b>Benefits of management consulting</b>	<b>Average grade</b>
Access to specialist knowledge and best practise	4.5
The process of implementation is easier	4.1
You get the opinion of the unbiased external observer	3.6
Learning through the process of management consulting	3.2
You get the temporary intensive professional services	2.9

Note: 1 - minimum rating; 5 - maximum rating

*Source: Authors.*

The work of a consultant is based on the creation of new solutions. This can be achieved in cooperation with managers, who are active partners of their consultant. Manager must have a desire to acquire new knowledge and a motive for new achievements. By comparing the performance results of successful executives, consultants can motivate client-managers in the direction of continuous learning and improvement.

#### **4.2. Demand for consulting management by enterprises in Serbia**

In accordance with the market trends in the management consulting sector in the countries of our region, but also in the developed EU countries, the analysis of demand for management consulting starts from hypothesis no. 2: *The largest demand for management consulting in enterprises in Serbia exists in the following areas: strategic planning, marketing research, standardization of production and investment programs and studies.*

In order to analyse and make comparison with developed market economies, the consulting services which were demanded are grouped into the following service lines according to FEACO classification: corporate strategy (CS), operational management (OM), information technology (IT), human resources (HR) and management services and outsourcing (OS). Empirical

research found that the largest demand for management consulting can be noted in the areas of: strategic planning (24%), marketing research (11%), production standardization (23%) and investment programs and studies (12%), thus confirming the hypothesis number 2. The participation of these consulting service lines in the total number of consulting services used is as high as 70% (Table 5).

**Table 5.** Structure of demand of management consulting by enterprises in Serbia

	Types of management consulting Demanded	% of enterprises
	<b><i>Corporate strategy</i></b>	<b>44%</b>
1.	Marketing research	11%
2.	Strategic planning	24%
3.	Enterprises' value assessment	2%
4.	Consultation on selling the enterprise	4%
5.	Financial consulting	3%
	<b><i>Operations management</i></b>	<b>40%</b>
6.	ISO standards, QMS and other standards	23%
7.	Investment programs and studies	12%
8.	Production consulting	2%
9.	Business plans	3%
	<b><i>IT</i></b>	<b>5%</b>
10.	Support in using information resources	5%
	<b><i>Human resources</i></b>	<b>7%</b>
11.	Development of human resources	4%
12.	Staff education	3%
	<b><i>Outsourcing services</i></b>	<b>4%</b>
13.	„Web“ designing and Internet marketing	4%
	<b>Total</b>	<b>100</b>

Source: Authors.



### 4.3. Factors that influence the business of enterprises

This brings up the question of the place and role of management consulting in the development of enterprises that are in the process of comprehensive and multidimensional changes. In such conditions management consulting represents a valuable support to enterprise managers. Consequently, hypothesis number 3 arises: *Management consulting is the fourth factor in the development of enterprises in Serbia, in addition to innovation, business strategy and finance.*

The survey covers a number of variables that affect the performance of enterprises in Serbia: 1) management consulting, 2) infrastructure of institution, 3) political stability, 4) market liberalization, 5) privatization of enterprises, 6) competition, 7) prices, 8) 9) taxes, 10) education, 11) management, 12) technological development, 13) business strategy, 14) innovations, and 15) finance.

Null hypothesis ( $H_0$ ) claims that there is no statistical relationship between two variables. Significance level of correlation coefficients shows with what error probability the previously defined hypothesis can be rejected. For all correlation coefficients an appropriate level of significance is required. An example of a significant level of 0.00 means that with this error probability the null hypothesis can be rejected, that is, in 0% of cases, the correlation between the variables is not zero. The determinant of the matrix - *the significance level of correlation* is 0.0000457, which is higher than the allowed limit (0.00001), so factor analysis can be applied (Tošić 2007). Kaiser-Meyer and Olkin suggest a test measure that is named as MSA criterion - measure of sampling adequacy (Kaiser 1974, 31). This test measure is calculated on the basis of the anti-image correlation matrix (Tošić 2007). The MSA criterion shows the extent to which the observed variables belong to a common factor and thus serve as an indicator of how good the correlation matrix for factoring is. The values of the MSA criterion may vary between 0 and 1. Their value

is higher if: a) a higher number of variables are observed; b) fewer factors; c) a higher number of participants; and d) greater correlation between the observed variables. The following scale is proposed to evaluate the obtained MSA criterion (Table 6).

**Table 6.** Scale for the evaluation of levels MSA criterion

MSA $\geq$ 0.9	marvelous	( <i>desirable value</i> )
MSA $\geq$ 0.8	meritorious	( <i>very good</i> )
MSA $\geq$ 0.7	middling	( <i>quite good</i> )
MSA $\geq$ 0.6	mediocre	( <i>mediocre</i> )
MSA $\geq$ 0.5	miserable	( <i>very bad</i> )
MSA $<$ 0.5	unacceptable	( <i>non-desirable value</i> )

Source: Kaiser, 1974, 31;

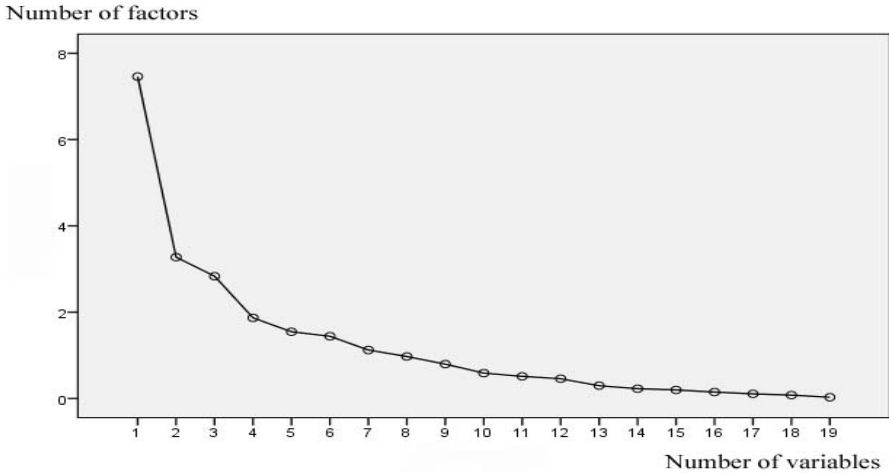
Kaiser's criterion yields a result of 0.830, which is a high value of the evaluation and it shows if the factor analysis can be applied (below 0.5 no factor). Bartlett's test tests the hypothesis "The variables are unrelated", and then shows the probability that the hypothesis is not rejected (Sig .000) (Table 7).

**Table 7.** Values of Keiser-Mayer-Olkin's criterion and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.830
Bartlett's Test of Sphericity	Approx. Chi-Square	247.623
	Df	127
	Sig.	.000

Source: Authors.

The graphical representation of the characteristic roots according to the order of the factors produces a polygonal line that goes over right when specific variance becomes common. The fracture point suggests the number of common factors (Tošić 2007). Scree-plot test has five factors (Picture 1).



**Figure 1.** Scree-plot test

*Source: Authors.*

In accordance with the results of empirical research and their processing, the SPSS program *found that the five factors represent 87% of variations, i.e. they explain 87% of the phenomenon we are investigating.* The researched variables are grouped into factors in the following way: Factor 1: institutional infrastructure, exchange rate, prices, taxes (explains 44.21% of the phenomenon we are researching); Factor 2: management consulting, innovation, business strategy, finance (15.43%); Factor 3: privatization of enterprises, competition (11.67%); Factor 4: political stability, technological development (10.34%); Factor 5: competition, market liberalization (5.35%). The analysed variables are grouped into certain factors by their nature, which is the ultimate purpose of factor analysis. Taking into account the characteristics of the grouped variables, the first factor is *the business environment*, the second one is *research and development activity of the enterprise*, the third factor is *privatization*, the fourth factor is *technological development and political stability* and the fifth factor is *competition*. The following conclusions can be drawn from the aforementioned:

1. The highest percentage of variations in the performance of Serbian enterprises (87%) can be put into a group of 5 factors: *business environment, research and development activity of the enterprise, privatization, technological development and political stability and competition.*

2. Management consulting, being as it is and having connections with other variables belongs to the second group of factors, which represent *the research and development activity of the company*, which can be seen as partly significant influence on the performance of enterprises in Serbia.

In the accordance with the results of empirical research, it is necessary to redefine hypothesis no. 3: *Management consulting is the fourth factor in the development of Serbian enterprises, in addition to innovation, business strategy and finance.* The basic factor that influences the development of the company in Serbia is the business environment, which includes the following variables: institutional infrastructure, exchange rates, prices and taxes. *The other factor which has almost the same influence is the research and development activity of the enterprise, which includes: management consulting, innovation, business strategy and finance.* These two factors describe more than 59.64% variations in the performance of Serbian enterprises.

## 5. CONCLUSION

The survey was carried out by collecting relevant data on a sample of 300 small, medium-sized and large enterprises, using a telephone survey and direct interviews. The focus of the research was on the managers of the companies involved in the sample. Determining the impact of management consulting on the enterprises' performance in Serbia is a complex process both from the aspect of management consulting offer and from the aspect of the situation in which companies in Serbia are located. In this paper our starting points have been the following research hypotheses:

1) The dominant impact of management consulting is reflected in the satisfaction of employees and consumers, transfer of knowledge, implementation of what has been learned and financial performance of the enterprises.

2) In the following areas there is the largest demand for management consulting in Serbian enterprises: strategic planning, marketing research, standardization of production and investment programs and studies.

3) Management consulting is the fourth factor in the development of the Serbian enterprises, in addition to innovation, business strategy and finance.

The research has confirmed the first two hypotheses, and the third hypothesis has been redefined. Namely, the primary factor which has impact on the development in Serbia is the business environment, while the second one in line is the research and development activity of the company, which includes: management consulting, innovation, business strategy and finance. The importance of this research is even bigger because the emphasis is on the development of enterprises in Serbia, where management consulting is viewed as one of the variables that affect the business performance of the enterprise. In modern, contemporary business conditions, companies need to improve the ability to organize their internal communication, work and knowledge processes, to continuously support the management through education and spreading of innovations. Knowledge exchange and sharing by management consulting has proven itself as an effective method for using existing knowledge and facilitating its innovation.

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## KONSALTING KAO FAKTOR UNAPREĐENJA OBRAZOVNIH POTENCIJALA MENADŽERA U SRBIJI

### Rezime:

Menadžment konsalting se može definisati kao stručna pomoć rukovodiocima preduzeća u analiziranju i rešavanju praktičnih problema. Omogućava prenošenje sistema uspešnog rukovođenja iz jednog preduzeća u drugo ili iz jedne organizacije u drugu. Angažovanje konsultanata od strane preduzeća u Srbiji može se razumeti kao njihova investicija u „know-how”, tj. nematerijalna sredstva sopstvenog preduzeća. Ekonomska efektivnost ovako definisane investicije biće veća ukoliko bude realizovana na način da klijent ubuduće može samostalno da reši ili izbegne nastajanje sličnog poslovnog problema. Naravno, time ne prestaje potreba za menadžment konsaltingom, jer postoje i drugi aspekti poslovanja preduzeća koji zahtevaju dodatnu stručnu pomoć i transfer znanja. Cilj istraživanja je utvrđivanje uticaja menadžment konsaltinga na razvoj preduzeća u Srbiji. Istraživanje se bavi identifikacijom ključnih problema razvoja preduzeća u Srbiji i ukazuje na potrebu njihovog rešavanja angažovanjem menadžment konsultanata. Primenom faktorske analize izolovaće se pojedinačni faktori koji utiču na unapređenje poslovnih performansi preduzeća u Srbiji, uključujući i menadžment konsalting, kako



bi se odredio uticaj svakog faktora na razvoj preduzeća. Dodatni motiv za bavljenje ovom tematikom je podizanje svesti zainteresovanih strana (menadžeri, konsultanti, zaposleni i ostali ekonomski akteri) o ulozi konsultanata u pripremi poslovnih rešenja i preporuka za menadžere, baziranih na empirijskim istraživanjima i primeni naučnih metoda.

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*Ključne reči:* menadžment konsalting, konsultantske organizacije, tržište, konkurentnost, transfer znanja, faktorska analiza, performanse preduzeća.

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