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KANJI'S INTEGRATED MODEL FOR MEASURING BUSINESS EXCELLENCE

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Abstract

Setting up business excellence as the primary business objective forces companies to seek new ways and models to measure performance. The new and modern performance measurement models need to make a balance among multiple criteria to form a unique and complementary view of the company business performance. This paper presents one of them, known as Kanji's Business Excellence Measurement System (KBEMS), from several business aspects. As a modern, strategic, multidimensional, and, above all, integrated model for measuring and managing performance, this model integrates both internal and external stakeholders and internal and external processes in order to improve company performance.

Key words: business excellence, Kanji's business excellence model, Kanji's business scorecard.

КАЊИЈЕВ ИНТЕГРАЛНИ МОДЕЛ У ФУНКЦИЈИ МЕРЕЊА ПОСЛОВНЕ ИЗВРСНОСТИ

Апстракт

Постављање пословне изврсности као примарног циља пословања приморава пословне субјекте да трагају за новим начинима и моделима за мерење перформанси. Нови и модерни модели мерења перформанси треба да успоставе равнотежу између више критеријума како би остварили јединствен и комплементаран поглед на пословне перформансе предузећа. У овом раду је представљен један од модела, познат као Кањијев систем за мерење пословне изврсности (енгл. *Kanji's Business Excellence Measurement System – KBEMS*), у неколико аспеката пословања. Као савремени, стратешки, мултидимензионални и, пре свега, интегрални модел мерења перформанси и управљања перформансама, овај модел повезује како интерне и екстерне стејкхолдере тако и интерне и екстерне процесе у циљу побољшања перформанси предузећа.

Кључне речи: пословна изврсност, интегрални модели мерења и управљања перформансама, Кањијев модел пословне изврсности, Кањијеве пословне табеле резултата.

INTRODUCTION

The concept of business excellence has emerged in response to the turbulent and highly competitive modern business environment. Business excellence is the management concept that derived from the Total Quality Management concept (TQM), and represents the last stage in its evolutionary development. This concept requires excellence of products and services, cost reduction, improving relationships with cu stomers, suppliers, and other business partners, global recognition and image. It is based on the basic principles and assumptions that ensure and involve balancing and meeting the interests of all stakeholders, as well as integration of overall, both financial and non-financial business performance. The superiority achieved by applying the concept of business excellence relates to the outstanding results which the company can achieve in relation to competitors, while satisfying demands of all stakeholders (Oakland,Tanner, 2008, 734-735; Rashnoodi, Parsfr, 2014, 62-71).

Company focus on business excellence raises the question of performance measurement. Company performance and business excellence should be expressed by a multidimensional indicators or a large number of different qualitative and quantitative indicators, to be evaluated from different aspects (Sorooshian, Aziz, Ahmad, Mustapha, 2016, 125-126; Jovetić, Đurić, Marinković, 2015, 1201; Janjić, Todorović, Jovanović, 2015, 307; Parmenter, 2007, 22). An adequate measurement of business excellence requires a proper choice of model for performance. There are several business and organizational excellence models that apply throughout the world and offer instruments for measuring and assessing performance, and direct companies to business areas that need improvement. One of the models used to measure business excellence is Kanji's Business Excellence Measurement System (KBEMS). It is a multi-dimensional model for measuring and managing both financial and non-financial performance. Bearing in mind the above, the research subject in this paper will be the applicability of a contemporary model for measuring and managing company performance, known as Kanji model. The aim of this paper is to clarify the basic characteristics of this business excellence model, and to indentify advantages and disadvantages through critical evaluation. Also, through the empirical research, the goal is to identify the treatment of the concept of business excellence on the example of a specific company.

Methodological basis of the work relies on qualitative and quantitative analysis of the research subject. The empirical part of the paper is based on a case study. For the purposes of the case study analysis, data were collected by interviewing 50 employees from four sectors of a manufacturing company. The first part of the paper will focus on the analysis of Kanji's business excellence model, as well as the Kanji Business Scorecard for performance measurement. The second part will evaluate success in the application of this model. The third part of the paper includes the results of empirical research.

KANJI'S PERFORMANCE MEASUREMENT AND MANAGEMENT MODEL

KBEMS is an integrated performance management model, combining internal and external stakeholders as well as internal and external processesand. It was developed by Gopal K. Kanji, professor at Sheffield Hallam University in the UK, as a system for measuring performance based on critical success factors of business excellence. In order to test its practical application, two studies were conducted in the initial stage of the Kanji model formation, with the first study led by Kanji and his followers, and the second by researchers who tried to combine Kanji model with other philosophies. The first group of researchers confirmed the usefulness of this model to improve organizational performance. In addition, they developed a number of sub-models, such as Kanji's leadership excellence model, Kanji's business excellence model for supply chain management, Kanji's Business Scorecard, and others. Some of these sub-models developed as a result of the need to establish a separate model, suitable for different functions and in different organizations (Chen, Songsithipornchai, Jang, 2012, 994). Another group of researchers combined ideas and concept behind Kanji model with other philosophies, such as, for example, Confucian business excellence model, to highlight the relationship between business excellence and performance (Chen, Songsithipornchai, Jang, 2012, 995).

KBEMS model includes multiple criteria corresponding to critical success factors, or areas that need to function well in order for a company to be successful (Najmi, Hosseini, 2003; Kanji, 2001, 715-728). KBEMS consists of two parts: a) Kanji's business excellence model (KBEM) and b) Kanji's Business Scorecard (KBS).

Kanji's Business Excellence Model

Since it is based on the TQM principles, the basic idea behind KBEM is to point to the positive link between TQM principles and company business performance. For this purpose, Kanji used the pyramid model (Figure 1). In the pyramid model, Kanji starts with critical success factors, business excellence being at the top of the pyramid. KBEM consists of four key dimensions: top management, basic principles, concepts, and business excellence. The base of the pyramid and the most important part of KBEM belongs to top management, seen as a company cornerstone, or the most important factor of organizational performance, observed from an internal perspective. This means that management is the most important driving force of quality improvement and business excellence. So, company management is a major player in promoting and controlling the implementation of all principles and basic concepts of the model (Kanji, 2005, 1071).

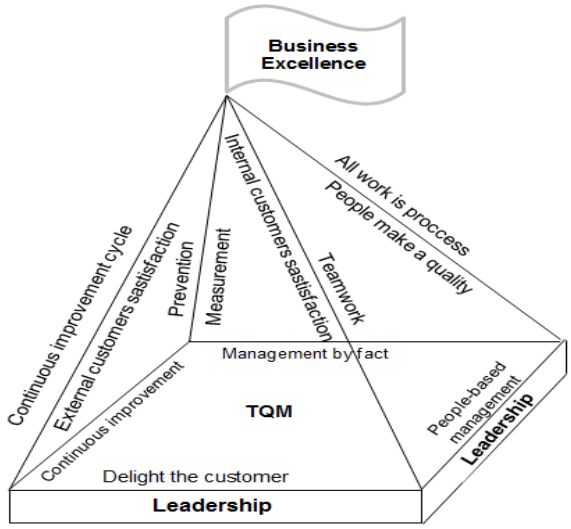

Figure 1. Kanji's pyramid model
Source: Kanji, 1996, 339.

KBEM model promotes four principles: customer satisfaction, fact-based management, people-based management, and continuous improvement, as shown in Figure 2. The principle of *customer satisfaction* dictates the necessity of taking into consideration both internal and external customers, so its implementation requires considering two key concepts: internal customer satisfaction and external customer satisfaction (Kanji, 2002). The *fact-based management* principle is based on the view that managers' business decision-making should be based on facts, not on emotions and intuition. The implementation of this principle implies a comprehensive approach to measuring performance, which also includes the so-called "soft variables" and "hard variables", or performance areas, as well as the establishment of appropriate links between them (Kanji, Moura e Sa, 2007, 53). For most companies today, employees are the most important success factor. Hence, KBEM model insists on respect for the principles of *people-based management*. Studies (Naghavi, Asri, Ezzati, Zarandi, Hosseini, 2012, 8541-8542) have shown that customer satisfaction and employee abilities are very closely linked, with good performance requiring employee education and training. The principle of *continuous improvement* is considered one of the most powerful principles when it comes to company management (Naghavi, Asri, Ezzati, Zarandi, Hosseini, 2012, 8542).

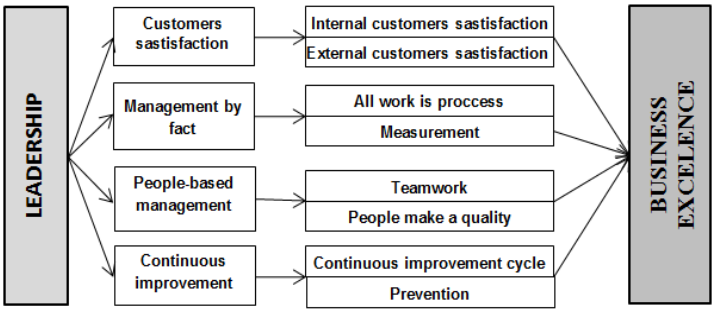

Figure 2. Kanji's business excellence model
Source: Janjić et al., 2015.

Figure 2 shows KBEM. Can bi seen that the ultimate goal of the company is to achieve business excellence, which is realized through cause-and-effect relationships. Causal link ranges from top management, i.e. company management, which promotes the basic principles and key concepts that take place and lead towards business excellence. By combining the four important dimensions, fourteen KBEM criteria are identified.

Another important part of KBEM model refers to a measurement system that serves as a tool or instrument to measure and evaluate performance. Measurement system in this model is based on the results of the survey, which includes questions relating to all items or dimensions of business excellence, with statistical data processing. The most frequently used statistical technique to process the questionnaire results is the Structural Equation Model (SEM) (Chen, Songsithipornchai, Jang, 2012, 993). KBEM is characterized that each of these aspects is assessed individually and that they have the same base, which means that all are equally important. In addition, Kanji developed an approach to determine which improvement and in which area has the greatest impact on the overall business excellence (Chen, Songsithipornchai, Jang, 2012, 993).

Kanji Business Scorecard (KBS)

KBEM focuses on the system of internal processes and data collection from company managers and employees. In modern business conditions it is not considered enough, so it is necessary to evaluate the performance from the external perspective, meaning that a company success depends on its ability to meet the needs of all stakeholders, such as customers, suppliers, investors, and the community (Striteska, Spiskova, 2012, 9). On these grounds Kanji Business Scorecard (KBS) is originated, focusing on external evaluation of the company, i.e. measuring company performance from external perspective. KBS theoretical basis lies in Balanced Scorecard (BSC). Taking into account the constraints in implementing BSC, Kanji proposed a new integrated framework for

measuring business excellence, which starts from the premise that it is essential for the company to measure the needs and expectations of all those who will directly or indirectly affect the achievement of the company objectives. Hence, KBS aims to supplement KBEM, putting emphasis on measuring performance from the external perspective, through key areas where strategic goals are established. The final result is business performance excellence, which shows the combined effect of all items (Figure 3) (Kanji, 2002, 723). For the analysis of the relationship between individual items and presentation of the final results, structural equation model is most commonly used.

Figure 3. Kanji Business Scorecard
Source: Kanji, 2005, 1072.

The first dimension or a key KBS area is *stakeholder value creation*. Value creation is the main prerequisite for the realization of goals and strategies. Process excellence focuses on monitoring operational processes, which need to be improved and properly carried out in order to meet customer expectations. *Improving organizational learning* focuses on continuous improvement, leadership, and teamwork in response to changing conditions to achieve success, global competition, and customer needs for new products. *Increased stakeholder satisfaction* is aimed at satisfying the needs and expectations of all stakeholders interested in achieving company goals. Hence, this KBS area includes internal and external satisfaction of customers, suppliers, employees, investors, and the wider community (Kanji, Moura e Sa, 2002, 269).

In each key KBS area there are strategic goals, by which key performance indicators are classified, necessary for monitoring implementation of the selected business strategy. Performance measures under this model are defined on the basis of key factors of business excellence and values for the organization. Stakeholder value perspective includes financial and non-financial performance measures. The most important financial performance measures are cash flow, return on equity (ROE), and rate of return. This perspective emphasizes customer demand, the ability to recruit and retain qualified workers, and others. The most important excellence measures in the area of process excellence are productivity rate,

non-fulfillment of customer expectations, deferred liabilities, and others. The organizational learning perspective emphasizes the importance of training and education at all levels of the organizational structure. Significant measures in this area are the number of new products, the number and relevance of improvement programs, existence of teams, and the like. Stakeholder satisfaction measures are the level of satisfaction of customers and suppliers, employee relationships with customers and suppliers, the degree of satisfaction of employees and others (Kanji, Moura e Sa, 2002, 13-27). Business excellence is achieved through simultaneous action in all these areas, meaning that improvement in one area stimulates improvement in another, thus achieving continuous improvement. KBS model is based on organizational values, which form the basis for achieving process excellence, organizational learning, and stakeholder satisfaction.

Kanji's Business Excellence Measurement System

Based on the pyramid model, two structural models are developed, KBEM and KBS. These two models are an integral part of Kanji's Business Excellence Measurement System (KBEMS). They are applied at the same time to evaluate the overall company performance, and form a unique and complementary view of the company business performance. KBEM model (designated as part A) measures performance from the internal perspective, in line with the view of management and employees. KBS model (designated as part B) measures performance from the perspective of external stakeholders, such as suppliers, institutions, state, and the wider community. The final business excellence is obtained by combining the results achieved in the framework of KBEM and KBS (Figure 4).

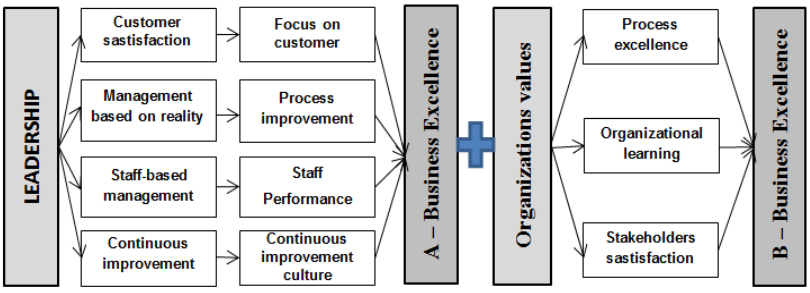

Figure 4. Kanji's Business Excellence Measurement System
Source: Rudsari, Oadi, 2016, 11

Every aspect within KBEM and KBS is assessed individually, and for each item the company can win a maximum of 100 points, with no single dimension omitted. Each dimension within KBEM and KBS models is evaluated (part A and part B), and the result achieved and expressed

through Business Excellence item in KBEM and KBS is the combined effect of all the items in the individual models (Kanji, 2005, 1070-1073). The overall result achieved by using KBEMS model is expressed by the number of points, calculated using Kanji Certification Index (KCI). The final business excellence index (for KBEM and KBS components) reflects the effect of all estimated model relationships and is calculated as the mean of KBEM business excellence and KBS business excellence, multiplied by 10. If KBEM business excellence is expressed with 60 points and KBS with 70 points, it follows that Kanji Certification Index is equal to:[1]

$$KCI = (A + B) * 10/2 = 650$$

Companies use business excellence index as a tool for self-assessment, or to answer how much they progressed over a certain period, and as a basis for improving performance in the coming period (Rudsari, Oadi, 2016, 5). Overall, the maximum number of points that the company can achieve is 1000. It is believed that the result of more than 600 points is satisfactory, and above 800 points excellent (Kanji, 2005, 1073). It should be noted that if KBS is calculated for different stakeholders, business excellence of part B will be the mean of results for each stakeholder.

CRITICAL ASSESSMENT OF KANJI'S MODEL

As there is no ideal model to measure and manage performance, this model should be seen only as one of the possible solutions, with all its advantages and disadvantages. Numerous studies on the implementation of KBEMS point to the contribution and significance of this model for assessing business performance. The research results (Hassan, Kanji, 2007) showed a significant improvement in the overall organizational performance index, and that KBEMS, as a holistic and comprehensive model for measuring performance, is important and reliable for quality measurement in health institutions. A survey carried out in the period from 21 March to 22 September 2010 in Bandar Abbas Electric Power Distribution Company (BAPEDC) in connection with the assessment of the success of the application of the term KBEMS included internal and external stakeholders (Naghavi, Asri, Ezzati, Zarandi, Hosseini, 2012, 8544-8547). The study included both internal and external stakeholders. The results showed low performance excellence index, of 328.1 points. These results gave the recommendations to company management in order to improve business excellence.

[1] The procedure of calculating the total number of KBEM and KBS points involves multiple steps, but, due to limited space, we used the pre-given values.

The results of these and numerous other studies, such as the ones on KBEMS application in Iran's municipality of Karaj (Rudsari, Oadi, 2016) or the public sector in Portugal (Kanji, Moura e Sa, 2007, 52-55), with reference to the foregoing, point out the following advantages of KBEMS model:

- As an integral model, it includes financial and non-financial measures and shows performance from multiple perspectives;
- It focuses on organizational excellence (Naghavi, Asri, Ezzati, Zarandi, Hoseini, 2012, 8545);
- It measures performance from external and internal perspectives, i.e. includes both external and internal stakeholders;
- It is based on critical success factors and allows one to establish and analyze the relationship between them;
- It allows progress monitoring by comparing different departments and organizations at different time intervals;
- All system parameters are included and measured simultaneously;
- It is linked with company strategies and values;
- It highlights opportunities and suggestions for improvement;
- It is applicable in many and various enterprises, only at the process level, not at the level of the whole company.

In the process of applying Kanji model, certain deficiencies are observed. The two main shoretcomings in implementing Kanji model relate to the complexity of the measurement system and insufficient participation of employees in the organization. Since the model measuring system is based on statistical calculations and methods, KBEMS implementation requires additional work, time, and resources. As a solution, Kanji proposed making adequate software package. However, it should be noted that this solution requires considerable resources, both in terms of software purchase and installation, and employee training. The second shortcoming of the model is reflected in insufficient participation of employees in improving organizational performance. Suggestions of employees themselves are very important, so, in making decisions and plans, managers should take into account not only mathematical calculations, but create a space for the participation of employees in improving performance (Janjić, Todorović, Jovanović, 2015, 314). Employees should be encouraged to express ideas, and point to existing and potential problems, as important sources of continuous improvement. The value of employees' small ideas is high. They are ready to implement their own ideas, which also contribute to creating a sustainable competitive advantage (Robinson, Schroeder, 2006).

One of the offered solutions to the problem with Kanji model is Kanji's ranking-based model. The basic features of this model are that it is not complex to implement and does not require large investment. Research on the possibilities of using this model was implemented in a Taiwanese company for the production of bicycle parts. The results showed that the company improved different business areas by applying this model, and won numerous awards for quality (Chen, Songsithipornchai, Jang, 2012, 998).

The essence of Kanji's ranking-based model is to improve company performance by repeating the five-step procedure and that: gathering of information; sorting the average; analyzing and exploring the area to be improved; discussion and discovering of improvements; checking and evaluation of organizational performances. Kanji's ranking-based model and its five steps can be used in any organization to improve business performance. As Kanji model basically relies on the principle of continuous improvement, even at the moment when the desired result is reached, the company should endeavor to maintain the superior performance because achieving excellence should not be the ultimate goal but a never-ending process.

CASE STUDY: EXAMPLE OF THE COMPANY X

The holding company in the field of manufacturing industry from the Republic of Serbia (hereinafter referred to as X company) was selected in order to empirically analyze the considered issues. As this company achieved more than 70 million euro of total revenue and cca 4 million euro of net profit in 2017, it is a very successful business entity. The mission of the Company X is the achievement of its sustainable development that enables value creation for owners, employees and customers. Corporate governance objectives, such as an increase in economic efficiency, growth and development, enhancing the confidence of both shareholders and investors have been defined by the Corporate governance code. The goals of continuous improvement of business processes, defined by the business policy of Company X, are the following: the increasing of efficiency and measurability of operational processes, and the increase in productivity, through more rational use of capacities. Lean projects were completed in one of the production segments, which resulted in an increase in productivity of 12% at the end of 2015. The 5C technique is implemented in all production segments. The reduction of waste, reduced consumption of both water and energy (gas and electricity) were the effects of the eforts made for continuous improvement. In the area of labor management, the need for flexible engagement of employees and the achievement of a social policy that guarantees a position for everyone who wants disciplined and devoted work is emphasized. This company insists on promoting personal integrity of employees, but also on their responsibility and development. The company has integrated the quality management system and environmental management system in accordance with ISO 9001: 2008 standards, namely SRPS ISO 9001: 2008 and ISO 14001: 2004, SRPS ISO 14001: 2005. The obvious reasons for selecting this company to analyze the business excellence could be explained by the basic principles of this concept, on the one hand, and its mission, objectives, and corporate and business policies, on the other hand.

For the purpose of analysis and case study implementation, the data were collected by interviewing workers and using information from printed and electronic publications of the company. In order to determine employee attitudes towards business excellence, 50 of them from four sectors of Company X were surveyed. They were offered statements that were to be evaluated according to their importance. The workers were offered 15 statements based on the model of the Kanj's assessment for business excellence. The offered statements have been classified into three groups. Seven statements in the first group refer to the general aspects of business excellence; the second group, which includes 4 statements, refers to the internal aspect of the excellence of business processes, and finally the third group, consisting of four statements, refers to the external aspect, i.e. the stakeholders` attitude towards business excellence. Questionnaire data were analyzed in the Statistical Package for Social Sciences (SPSS, Version 20.0).

Measurement of reliability and internal consistency of the variables was carried out using the Cronbach's Alpha coefficient. Descriptive statistics were used to measure the central tendency (arithmetic mean, modus, median) and variability measurement (standard deviation). In addition, the non-parametric test (Kruskal-Wallis test) was used in order to compare the attitudes of different groups of respondents.

The structure of the surveyed workers by gender, age and professional background is shown in Table 1. People with high professional skills and middle age (from 31-50 years) dominate among respondents. Taking into account their work, persons from four types of activities were surveyed. The relative structure of the respondents according to the activities is as follows: finance (16%), production (46%), services rendering (34%) and technology (4%), ie. the share of the production and non-productive sectors is equal.

Cronbach's Alpha coefficient is 0.964. This result shows a high level of internal consistency, good reliability and internal compliance of the measurement scale (DeVellis, 2003). Table 2 presents a descriptive analysis of the attitudes of the respondents. On the basis of the arithmetic mean, whose value ranges between 4 and 4.5, it can be concluded that respondents attached each of these statements to a high degree of significance. Since the distribution is not normal, and hence the arithmetic mean is not the best measure of the average, the median and modus are determined. A high average score of more than 4.0 in all statements from BE1 to BE7 indicates that respondents attach great importance to different general aspects of business excellence. Also, in all statements from BE1 to BE7, except for the BE2 statement, the most significant score is 4, ie more than 45% of the respondents rated for grade 4. As for the BE2 statement, 50% of the respondents rated for grade 5, which is confirmed by the value of the median of 4.50. High average grades (the lowest is 4.30 for PE3), identified for all statements (PE1-PE4 and SE1-SE4), indicate that respondents show a high level of awareness

of business excellence concept significance. In this context, it should be emphasized that the same importance is given to process excellence, as an internal aspect of business excellence, and the stakeholders' attitudes towards business excellence, (an external aspect of business excellence).

Table1. Characteristics of respondents

	No	%
Gender		
Male	23	46%
Fewmale	27	54%
Total	50	100%
Age		
Up to 30 years	4	8%
31 – 40	20	40%
41 – 50	18	36%
Over 50 years	8	16%
Total	50	100%
Education		
High school	3	6%
Faculty	44	88%
Master degree	3	6%
Total	50	100%
Scope		
Finance	8	16%
Production	23	46%
Service	17	34%
Technology	2	4%
Total	50	100%

In order to test the homogeneity of the attitude of the respondents regarding the business excellence, the sample of the respondents is divided according to the activities they perform (the scope). The Kruskal-Wallis test was applied to determine the significance of differences in the attitudes of the respondents regarding the work (activity) they perform. In fact, the activity of the respondents' do (finance, production, service or technology) was used as a variable for segmenting the sample.

The analysis found that there are statistically significant differences in the attitudes of the respondents regarding the following statements: BE2 ($\chi^2(3, n=50)=11.70$; $p=0.008$); PE2 ($\chi^2(3, n=50)=10.66$; $p=0.014$); PE3 ($\chi^2(3, n=50)=11.99$; $p=0.007$); PE4 ($\chi^2(3, n=50)=13.52$; $p=0.004$); SE1 ($\chi^2(3, n=50)=9.08$; $p=0.028$); SE2 ($\chi^2(3, n=50)=9.08$; $p=0.028$); SE4 ($\chi^2(3, n=50)=9.27$; $p=0.026$). It has been identified that respondents engaged in the service rendering attach the greatest importance to all statements, and statistically significant differences have been identified for them. As they direct communicate with their users

(first and foremost, customers), this is completely logical. The employees engaged in service activities valorize appropriately the importance of different aspects of business excellence and its impact on the level of satisfaction of end-users (customers).

Table 2 Descriptive Analysis

	N	Mean	St. dev.	Me	Mo
Business Excellence					
Has strong financial performance (BE1)	50	4.28	0.671	4	4
Has high customer demand (BE2)	50	4.34	0.745	4.50	5
Achieves its goals (BE3)	50	4.28	0.671	4	4
Has performed recruitment and admission of employees effectively (BE4)	50	4.06	0.620	4	4
Has achieved the desired product and services outcome (BE5)	50	4.30	0.678	4	4
Has performed recruitment of highly outstanding staff (BE6)	50	4.06	0.620	4	4
Has been able to maintain outstanding staff (BE7)	50	4.02	0.654	4	4
Process Excellence					
The Organization delivers what it promises (PE1)	50	4.58	0.499	5	5
The Organization collects and disseminates a wide range of complete and accurate performance indicators (PE2)	50	4.44	0.541	4	4
The Organization compares its process performance with that of its best competitors (PE3)	50	4.30	0.678	4	4
The Organization uses processes measurements to improve its activities (PE4)	50	4.36	0.631	4	4
Stakeholders Value Excellence					
The Organization has a good overall image (SE1)	50	4.50	0.505	4.50	4
The Organization cares about its stakeholders (SE2)	50	4.48	0.505	4	4
The Organization provides good value for money for its stakeholders (SE3)	50	4.46	0.503	4	4
The Organization has good quality reputation (SE4)	50	4.46	0.542	4	4

The conducted analysis shows that the concept of business excellence is properly applied in the analyzed company. However, the key limitation of our research is the inability to measure business excellence, or to determine the Kani's Business Excellence Index, due to the limited availability of data. The results of this, and future research, can have significant practical managerial implications. Future research should focus on the analysis and measurement of business excellence.

CONCLUSION

Kanji model is created mainly to improve performance of companies, focusing on the main areas that need to be improved. Kanji model, as well as other current models, is characterized by a balance of

financial and non-financial performance, multi-dimensionality, and focuses on key stakeholders, organizational units, processes and activities, as well as the observation and measurement of company performance from multiple perspectives. Kanji Business Excellence Model, with its two structural parts, KBEMS and KBS, includes multiple criteria, corresponding to critical success factors, and provides a unique view of the company's operations in several dimensions, i.e. perspectives. KBEMS measures company performance by integrating KBEM internal perspective and KBS external stakeholder perspective, providing a comprehensive final outcome that reflects the relationship between all the key areas and their combined impact on business performance.

This model, like most others, is not perfect, nor an ideal model for measuring and managing company performance. Although the creator of this model believed that the use of the measuring system within KBEM would bring significant performance improvement, many companies failed to achieve the ultimate goal. The most common reasons for the failure were the complexity of the measurement process and insufficient participation of company employees. The measurement system within KBEM, as a complementary part of the Kanji model, was, due to some disadvantages, replaced with Kanji's ranking-based model, which can be applied to all companies and can help company management to find areas that need improvement.

Kanji model, through its two structural elements, by combined measurement and harmonization of financial and non-financial criteria, provides information on the achieved business excellence. However, Kanji model, being based on business excellence critical success factors, does not specify performance, but gives an indication of how to get there. Furthermore, this model does not connect directly targets with process performance measures, i.e. it does not specify their interdependence. Therefore, research should go in the direction of improving the existing or developing new models, based on the goals aligned with stakeholder requirements, and linking them with key process performance measures.

In order to establish and strengthen their competitive advantage, Serbian companies should also rely on the concept of management based on organizational excellence and measure performance using modern and integrated models. In order to identify the treatment of the concept of business excellence, research was conducted in a large company in the field of manufacturing industry. The results of the survey showed that respondents correctly evaluate different aspects of business excellence, but that in practice there are numerous problems in measuring business excellence. Therefore, future work of researchers should focus on popularization of performance measurement models and their improvement, and companies should base their business on business excellence and model application, in order to achieve enviable competitive position on the domestic and foreign markets in terms of globalization and joining the European Union.

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КАЊИЈЕВ ИНТЕГРАЛНИ МОДЕЛ У ФУНКЦИЈИ МЕРЕЊА ПОСЛОВНЕ ИЗВРСНОСТИ

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Резиме

За постизање врхунских резултата у савременим условима пословања неопходна је што интензивнија усмереност предузећа према концепту управљања заснованом на пословној изврсности. Концепт пословне изврсности омогућава да се визија предузећа трансформише у реалност. Предузећа која се могу означити пословно изврсним карактерише раст базе купаца, унапређење укупне профитабилности и вредности за стејкхолдере. Пословна изврсност подразумева истовремено мерење нивоа задовољства купаца, радника и стејкхолдера. У савременим условима пословања, менаџмент предузећа треба да постигне пословну изврсност у четири кључна подручја, и то: максимално повећати вредност за стејкхолдера, остварити изврсност у пословним процесима, унапредити организационо учење и омогућити остваривање задовољства купаца. Постизање пословне изврсности подразумева да предузеће подједнако вреднује сва четири подручја, а не да се усредсреди искључиво на финансијску перспективу пословања. У вези са мерењем пословне изврсности, неопходно је правилно изабрати модел за мерење и управљање перформансама. Свако предузеће у складу са сопственим циљевима и стратегијама дизајнира одговарајућу свеобухватну и кохерентну структуру мерила перформанси стварајући савремени мултидимензионални систем. Један од таквих модела је и Кањијев систем за мерење пословне изврсности. Кањијев систем за мерење пословне изврсности (Kanji's Business Excellence Measurement System – KBEMS) представља савремени инструментариј за мерење и процену пословне изврсности. Као интегрални модел, обухвата процену перформанси из интерне и екстерне перспективе, финансијске и нефинансијске, те представља јединствен и комплементаран поглед на пословну изврсност предузећа кроз своја два структурна елемента – KBEM и KBS.

Примена KBEMS захтева правилно разумевање KBEM и KBS са циљем истовремене примене и формирања јединственог и комплементарног погледа на пословне перформансе предузећа. KBEM је усредсређен на систем интерних процеса и представља узрочно-последични модел пословне изврсности који се састоји из четири кључне димензије: менаџмента, основних принципа, концепата и пословне изврсности. Основна идеја KBEM је да се укаже на постојање везе између поменутих димензија, односно кључних фактора пословног успеха како би се побољшале пословне перформансе у предузећу и остварила пословна изврсност. Примена мерног система у овом моделу треба да укаже која побољшања и у којим областима имају највећи утицај на укупан резултат пословне изврсности.

KBS модел мери перформансе предузећа из спољашње перспективе, при чему основу модела чине организациона вредност, процес изврсности, организационо учење и задовољство стејкхолдера. Ефикасно управљање критичним факторима успеха треба да резултира у побољшању финансијског резултата и пословне изврсности предузећа. Дакле, према KBS, пословна изврсност може се постићи осмишљавањем вредности, стварањем савршенства процеса, унапређењем организационог учења и повећањем задовољства стејкхолдера.

Укупна успешност предузећа треба да се оцењује на основу мерења перформанси из спољашње и унутрашње перспективе како би се формирао јединствен и комплементаран поглед на пословне перформансе предузећа изражен Кањијевим системом за мерење пословних перформанси.