



ABSRC 2018 VENICE CONFERENCE PROCEEDINGS

**Advances in Business-Related
Scientific Research Conference**

ABSRC 2018 VENICE

Venice, Italy, November 8, 2018

Editor: prof. dr. Ajda Fošner

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<p>CIP - Kataložni zapis o publikaciji Narodna in univerzitetna knjižnica, Ljubljana</p> <p>001.891:658(082)(0.034.2)</p> <p>ADVANCES in Business-Related Scientific Research Conference (2018 ; Venezia) Conference proceedings [Elektronski vir] / Advances in Business-Related Scientific Research Conference - ABSRC 2018, Venice, Italy, November 8, 2018 ; [editor Ajda Fošner]. - Ljubljana : Gea College - Faculty of Entrepreneurship, 2018</p> <p>ISBN 978-961-6347-65-5 1. Fošner, Ajda 297201408</p>	<p><i>Copyrights: Name, form, design, reproduction - GEA College - Faculty of Entrepreneurship; Contents of individual papers - paper authors</i></p> <p><i>Editor: Ajda Fošner</i></p> <p><i>Issued and published by: GEA College - Faculty of Entrepreneurship, Dunajska 156, SI-1000 Ljubljana, Slovenia</i></p> <p><i>Year: 2018</i></p> <p><i>(November 2018)</i></p> <p><i>Number of issued USBs: 20</i></p>
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ABSRC 2018 - organized by GEA COLLEGE - Faculty of Entrepreneurship.

Publisher: GEA COLLEGE - Faculty of Entrepreneurship, Dunajska 156, SI-1000 Ljubljana, Slovenia.

All submissions were reviewed. Selection for inclusion in the conference program was based upon quality, originality, and relevance, in the judgment of the review process.

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KEYNOTE SPEAKER



George Deriso

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George Deriso is an experienced executive, entrepreneur, educator, consultant, mentor, speaker and advisor who has worked with businesses of all sizes worldwide. George has been a professor of entrepreneurship at the University of Colorado in Boulder for over a decade, having taught nearly 1500 students how to turn ideas into commercial realities. Most recently, he has taught entrepreneurship to students of GEA College in Ljubljana, Slovenia, and has held workshops at the University of West Bohemia in Plzeň, Czech Republic.

George has had a successful career as an executive with some of the biggest brands you know, including AT&T, Apple and Gartner, Inc., and as a serial entrepreneur, private equity investor and social impact innovator. As a leader in community service, George has mentored for the Unreasonable Institute, the Global Social Benefit Incubator and Innovation Center of the Rockies, and overseas with Ustvarjalnik and iXperiment (entrepreneurship for high school age youth-eastern Europe), among many others.

He has lived and worked overseas, conducting business throughout Europe, North America and Asia-Pacific. Currently, George is on the Board of Directors for the Impact Hub of Boulder, and an advisor to several growth ventures and investors globally.

KEYNOTE SPEAKER



Ana Globočnik Žunac, Ph.D.

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Ana Globočnik Žunac was born and lives in Zagreb, Croatia. She accomplished Doctoral Study at University of Zagreb, Faculty of Philosophy in the field of Information and communication sciences and her doctoral thesis was 'Cooreinted Communication Model in the example of Education'. She took part at many conferences and has a numerous publications in the field of business communication and HRM which qualified her for obtaining a title a scientific associate in two scientific areas: the information and communication sciences and interdisciplinary field of economics and information communication sciences.

Her working experience started at Public Open University Zagreb where she led different educational programmes for entrepreneurs. She participated in establishment of two new faculties and was executive director in one of them. In the past three years she was assistant of vice rector for scientific work and international affairs at University North. At the moment she is senior lecturer at Department for Business and management at University center Koprivnica.

Ana Globočnik Žunac was a visiting lecturer continuously for a few years at University of Economics and Prague and as well guest at lectures at University Vitrina, Tirana, Albania and at Gea College, Ljubljana, Slovenia. She was twice awarded for the best paper at a conference and was given a written praise for the exceptional contribution to the development of the Department of Communication and Public Relations at University North in 2015.

IS BLOCKCHAIN REALLY SOLUTION FOR EVERYTHING?

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Abstract

The purpose of this paper is to present a critical view on blockchain. For the last few years, blockchain has become an interest topic of discussion in public, among academics, professionals and policy makers. There is almost a generally accepted belief in blockchain's vast amount of advantages, however, majority of people do not know neither how blockchain is architected nor what problem it might solve. The goal of the paper is to explore how blockchain actually works and which fields might benefit from its implementation. Data were collected in the extensive internet research, processed with the use of content analysis and presented using the method of description, interpretation, compilation and inductive reasoning. The result of the study indicates that at the current stage of technological development blockchain is far away from being the solution for all new era problems. The outcome of the research is interesting for everyone who is trying to find a real value added of BCs.

Key Words

distributed ledger technology, blockchain

“GOOD” LEADERSHIP SUPPORTING EMPLOYEES’ PROFESSIONAL AGENCY IN AN IT-ORGANIZATION

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Abstract

The aim of this study was to investigate “good” leadership that might support employees’ professional agency. The meaning of “good” leadership for employees was also elaborated. So far, we know little about leadership and professional agency as intertwined issues. Thus, more research is needed of this relationship.

The approach of qualitative case study was utilized. Eight employees from two software development organizations were interviewed. The data were analyzed with qualitative content analysis and by using the previously constructed theoretical framework of “good” leadership.

The findings showed the framework of “good” leadership including three dimension: communication, approaching employees as individuals, and leadership as shared practice. Therefore, leadership was seen multidimensional, context-related phenomenon, and it can vary within organization’s interaction. This study also implicates that, there is a demand for leadership practices in organizations despite of the structure of the organization and culture of leadership. Consequently, professional agency and intrapreneurship are supported by “good” leadership.

Key Words

“good” leadership, professional agency, software development organization, case study

Topic Groups

Human resource management for entrepreneurship, intrapreneurship and incubation

E-PROCUREMENT IMPLEMENTATION IN SOUTH AFRICAN SMALL TO MEDIUM ENTERPRISES

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Abstract

As SMEs continue to take center stage as one of the primary contributors to the South Africa economy, attention has been directed to how these enterprises can improve their business practices. The adoption and implementation of e-procurement as a major business practice could enable SMEs in South Africa to grow further and enhance their contribution to this developing economy. The study aimed to explore the levels of implementation of e-procurement in South African SMEs. The study used a conveniently drawn sample of 283 owners and managers of SMEs based in Gauteng Province. The measurement scale used consisted of 22 items, which covered five e-procurement components which are e-sourcing, e-design, e-negotiation, e-evaluation, e-informing. Response options were presented in a Likert-type scale anchored by 1=strongly disagree and 5=strongly agree. The collected data were analysed using the assessment of mean scores. The study found overall mean scores of 4.62 for e-design, 4.68 for e-sourcing, 4.71 for e-negotiation, 4.77 for e-evaluation, and 3.88, all of which indicated an inclination to either the agree or strongly agree points on the Likert-type scale. By implication, these results indicate the satisfactory implementation of e-procurement amongst the SMEs in South Africa.

Key Words

E-procurement, e-sourcing, e-design, e-negotiation, e-evaluation, e-informing, SMEs

INTRODUCTION

With rapid changes in technology and globalisation of markets, firms, especially small to medium enterprises (SMEs) require support to adapt to technology and make use of e-procurement functions to compete with larger firms. Most SMEs undertake efforts to compete on multiple fronts, which include implementation of e-procurement to improve supply chain performance (Maiga, 2016:1). The five forms of e-procurement, namely: e-sourcing, e-design, e-informing, e-negotiation and e-evaluation have emerged as important elements of e-procurement in the supply chain management field. E-procurement is increasingly recognised as an effective tool to reduce purchasing costs and streamline processes. To continually succeed in the market, adoption of the e-procurement concept by SMEs has become vital, as competition is no longer among firms but among supply chains as well. The other benefits of e-procurement to a firm include reducing order cycle times (Tatsis, Mena, Van Wassenhove & Whicker, 2006:68; Gunesekaran & Ngai, 2008:159; Liu, Sun, Wang & Zhao, 2011:53); expanding supplier bases (Moon, 2005:61); reducing paper work (Gunesekaran & Ngai, 2008:170); eliminating order errors (Zheng, Bakker, Knight, Gilhespy, Havard & Walker, 2006:290; Mettler & Rohner, 2009:25); productivity and/or service improvement (Gunasekaran, McGaughey, Ngai & Rai, 2009:161); improving effectiveness of purchasing process (Panayiotou, Gayilas & Tatsiopoulou, 2004:100) and reduction of purchase department size and number of functional areas involved in the purchasing process (Ronchi, Brun, Golini & Fan, 2010:132).

According to Chirchir, Ngeno and Chapkwony (2015:26), e-procurement is one of the important developments in contemporary supply chain management. E-procurement refers to an information technology (IT) based business model that facilitates the necessary processes conducted between business parties in a procurement transaction (Smart, 2010:423; Tai, 2011:5398). Similarly, McCue and Roma (2012:58) define e-procurement as the use of information technology to facilitate business-to-business purchase transactions for materials and services. It is clear from these two definitions that e-procurement is not merely a system for making purchases online but a link between customer and supplier.

E-procurement activities include: enterprise resource planning (ERP); e-maintenance, repair and operations (E-MRO); e-sourcing; e-tendering; e-reverse auctioning; e-informing and e-market-places (Smuts, 2008:38). According to McCue and Roma (2012:62), tools such as e-notice, e-auction, e-catalogue, e-dossier, e-submission and e-signatures are components of e-

procurement. In this study, e-sourcing, e-design, e-informing, e-negotiation and e-evaluation and supplier integration are considered as the processes through which e-procurement contributes to supply chain performance. For this study, e-design refers to the “setting of purchasing requirements on an electronic procurement system” (Chang, Tsai & Hsu, 2013:35). E-procurement if maintained properly will allow the company to establish and maintain competitive advantages and reduce staff time and paperwork (Tai 2011:5397).

The aim of this study was to explore the level of implementation of e-procurement in South African SMEs. Although there are studies dedicated to SMEs and e-procurement in countries such as the USA, Ireland, Finland, Australia and Malaysia (Karjalainen & Kemppainen, 2008:240; Eei, Hussain & Mustaffa, 2012:15), literature does not provide any structured research about this subject in the context of South Africa, more specifically in the Gauteng region. Although e-procurement has been studied in specific industries such as health, hospitality, manufacturing, service and technology-based industries (Sigal, 2006:82; George, Williams & Henthorne, 2011:231), research focusing on the retail, mining and transport sectors are minimal (Eadie et al., 2012:1). Such gaps are addressed through research.

RESEARCH METHODOLOGY

Design and participants

The study followed a quantitative approach using the survey design. Surveys were preferred because they provide the advantage of sampling a large group of randomly selected people to measure their attitudes and behaviour for a relatively low cost in time and money (Vanderstoep & Johnston 2009:37).

Whilst this provides a rough guide of the number of SMEs existing in the province, the actual number of SMEs operating in the province remains elusive. It was therefore difficult to find a single sampling frame from which a list of SMEs in the Gauteng province could be found. To identify SMEs for inclusion in this study, an extensive Internet search was conducted using key words such as contacts/number of SMEs in the Gauteng province. From this search, approximately 1993 formal SMEs were identified from the different sectors of the economy. These SMEs were subsequently contacted through emails and telephonically to request permission to conduct this current study. Out of this total number of SMEs

in the province, 283 were conveniently surveyed. Questionnaires were completed by owners and managers of these SMEs.

Procedures for data collection

The questionnaire used in this study consisted of two sections. Section A consisted of five items and sought general demographic information about the respondents. Section B consisted of 22 items, which covered all the five e-procurement elements (e-sourcing, e-design, e-negotiation, e-evaluation, e-informing), adapted from Chang et al., (2013: 39) and Ombat (2015:718). All measurement scales are measured using five-point Likert-type scales, anchored by 1= strongly disagree and 5= strongly agree.

The questionnaire was administered by a face-to-face survey method. Questionnaires were distributed by the researcher, who was assisted by three trained field workers. The field workers were students at a South African university of technology based in Southern Gauteng. A period of three months between May and July 2017 was set aside for administering the questionnaire and collecting the data.

RESULTS OF THE STUDY

Demographic profile of respondents

Males constituted 54.0 percent (n=153) and females constituted 46.0 percent (n=130) of the sample. In terms of age, those who were older than 60 years of age comprised 8.1 percent (n=23) of the sample. The majority 43.8 percent, (n=124) of the sample is in the range of 50-59 years. The 40-49 age range comprised 38.9 percent (n=110) of the sample. A small percentage, 1.4 percent (n= 4) were younger than 30 years. With regard to educational qualifications, approximately 36.0 percent (n=102) of respondents hold an Honours or a BTech degree. The results further indicate that 39.2 percent (n=111) of the respondents hold a diploma or a bachelor's degree. The respondents with a matric certificate are 1.4 percent (n=4). Respondents with a master's degree are 13.8 percent (n= 39). Only 0.4 percent (n=1) of the respondents hold a PhD qualification. With reference to race, 42.4 percent (n= 120) were African. The study also reveals that 34.6 percent (n=98) of supply chain professionals were White. The Indian/Asian respondents of this study comprised 17.7 percent (n=50) whilst others comprised 5.3 percent (n=15). The study further revealed that 2.8 percent (n=8) of respondents had served the institutions for less than one year. At least 9.2 percent (n=26) of respondents served their organisation between 1 to 5 years, while 22.3 percent (n=63) served the

organisation between 5 to 10 years. Also, 28.3 percent (n=80) of the sample had served their organisation between 10 to 15 years while 37.5 percent (n=106) of the respondents served their organisation for more than 15 years.

Descriptive statistics for e-procurement

The levels of implementation of e-procurement in SMEs were analysed using descriptive statistics.

Implementation of e-design

The descriptive statistics for e-design are shown in Table 1.

Table 1: Descriptive statistics for e-design

Item	Description	N	Minimum	Maximum	Mean	Standard deviation
ED1	Each department within the company shares the same network platform for procurement requests	283	2	5	4.54	0.584
ED2	Each department within the company requests purchases from one specific department unit	283	1	5	4.56	0.606
ED3	There is a design of the purchase requirement	283	3	5	4.69	0.509
ED4	The design of the purchase requirement or the standardised purchasing norm between the organisation and the supplier will be communicated or negotiated via the Internet	283	2	5	4.65	0.571
ED5	Our company designs the format of marketing demands using the information system	283	1	5	4.68	0.551
Scale: 1=Strongly disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly agree						

The highest mean value was obtained for the following statement:

- There is a design of the purchase requirement ($\bar{x}=4.69$: SD ± 0.509).

The lowest mean value was obtained for the following statement:

- Each department within the company shares the same network platform for procurement requests ($\bar{x}=4.54$: SD ± 0.584).

From the information above, the respondents agreed to the statements since the higher mean values indicated higher levels of agreement. Overall, the mean scores were closer to the strongly agree position on the Likert-type scale indicating that the e-design elements are adhered to in organisations. The above results support the findings of the study by Shafeek (2009:88), who found that the majority of SMEs in most African countries use a design of the purchasing requirement in their firms and most departments within SMEs share network platforms for procurement purposes.

Implementation of e-sourcing

The descriptive statistics for e-sourcing are shown in Table 2.

Table 2: Descriptive statistics for e-sourcing

Item	Description	N	Minimum	Maximum	Mean	Standard deviation
ES1	Our company selects the most appropriate supplier through its online information system	283	2	5	4.81	0.447
ES2	Our company gathers the demand proposals about procurement information or related information through the online information system	283	1	5	4.61	0.581
ES3	Our company releases the company requirements or rules through the online information system	283	2	5	4.62	0.535
ES4	Our company notifies the supplier on the arrival of an authorised procurement contract through the online information system	283	1	5	4.67	0.541

Item	Description	N	Minimum	Maximum	Mean	Standard deviation
Scale: 1=Strongly disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly agree						

The highest mean value was obtained for the following statement:

- Our company selects the most appropriate supplier through its online information system ($\bar{x}=4.81$: SD ± 0.447).

The lowest mean value was obtained for the following statement:

- Our company gathers the demand proposals about procurement information or related information through the online information system ($\bar{x}=4.61$: SD ± 0.581).

From the information above the respondents agreed to the statements since the higher mean values indicated higher levels of agreement. Overall, mean scores were closer to the strongly agree position on the Likert-type scale indicating that the e-sourcing elements are adhered to in organisations.

The above results support the findings of studies by Li et al., (2011:53) and Presutti (2003:231) who found that the majority of SME firms now use an online system to buy, select suppliers, gather procurement information or release company requirements.

Implementation of e-negotiation

The descriptive statistics for e-negotiation are shown in Table 3.

Table 3: Descriptive statistics for e-negotiation

Item	Description	N	Minimum	Maximum	Mean	Standard deviation
EN1	Our company negotiates the general	283	3	5	4.86	0.382

Item	Description	N	Minimum	Maximum	Mean	Standard deviation
	procedures of purchasing with the supplier through the internet					
EN2	The use of the internet for negotiations results in significant savings for this company	283	1	5	4.60	0.624
EN3	The use of the internet for negotiations results in lower purchase costs	283	1	5	4.66	0.628
Scale: 1=Strongly disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly agree						

The highest mean value was obtained for the following statement:

- Our company negotiates the general procedures of purchasing with the supplier through the internet ($\bar{x}=4.86$: SD ± 0.382).

The lowest mean value was obtained for the following statement:

- The use of the internet for negotiations results in significant savings for this company. ($\bar{x}=4.60$: SD ± 0.624).

From the information above the respondents agreed to the statements since the higher mean values indicated higher levels of agreement. Overall, mean scores were closer to the strongly agree position on the Likert-type scale indicating that most managers and owners of SMEs engage in e-negotiation.

The above results support the findings of a study by Presutti (2003:223), that the use of the Internet for negotiations results in significant savings and thus contributes to company financial performance. Thus, e-negotiation is a contributing factor to firm performance.

Implementation of e-evaluation

The descriptive statistics for e-evaluation are shown in Table 4.

Table 4: Descriptive statistics for e-evaluation

Item	Description	N	Minimum	Maximum	Mean	Standard deviation
EE1	Our company documents past purchasing information in an electronic form	283	4	5	4.85	0.360
EE2	Our company has a supplier database and utilises it in the purchasing process	283	3	5	4.77	0.452
EE3	The evaluation of supplier performance is done using an online information system	283	3	5	4.74	0.477
EE4	Our company uses an online information system to collect extensive information about suppliers	283	1	5	4.73	0.516
EE5	Our company evaluates suppliers on a regular basis via the internet	283	2	5	4.78	0.468

Scale: 1=Strongly disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly agree

The highest mean value was obtained for the following statement:

Our company documents past purchasing information in an electronic form ($\bar{x}=4.85$: SD ± 0.360).

The lowest mean value was obtained for the following statement:

- Our company uses an online information system to collect extensive information about suppliers ($\bar{x}=4.73$: SD ± 0.516).

From the information above the respondents agreed to the statements since the higher mean values indicated higher levels of agreement. Overall, mean scores were closer to the strongly agree position on the Likert-type scale indicating that an e-evaluation system is being applied in most organisations.

Implementation of e-informing

The descriptive statistics for e-informing are shown in Table 5.

Table 5: Descriptive statistics for e-informing

Item	Description	N	Minimum	Maximum	Mean	Standard deviation
EI 1	The use of e-informing has enhanced the performance of the company	283	2	6	3.77	0.835
EI 2	The use of e-informing has facilitated effective communication within our company	283	2	5	3.80	0.702
EI 3	The use of e-informing has enabled the company to centralise strategic procurement processes	283	2	5	3.97	0.785
EI4	The use of e-informing has enabled the company to decentralise operational procurement processes	283	2	5	3.95	0.786
EI5	The use of e-informing has facilitated the dissemination of purchasing information to both internal and external partners	283	2	5	3.93	0.816
Scale: 1=Strongly Disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly agree						

The highest mean value was obtained for the following statement:

- The use of e-informing has enabled the company to centralise strategic procurement processes ($\bar{x}=3.97$: SD ± 0.785).

The lowest mean value was obtained for the following statement:

- The use of e-informing has enhanced the performance of the company ($\bar{x}=3.77$: SD ± 0.835).

From the information above the respondents agreed to the statements since the higher mean values indicated higher levels of agreement. Overall, mean scores were closer to the agree position on the Likert-type scale indicating that on average e-informing is applied in these organisations.

The above results support the findings of studies by Armistead and Mapes (1993:11) and Cousins and Menguc (2006:614), who found that the use of e-informing has enhanced the performance of the company. This therefore, makes it clear that the use of e-informing in the SME environment makes a valuable contribution to the performance of a firm.

VALIDITY AND RELIABILITY

Reliability is defined as being able to retest the researcher's data and obtain the same results (Welman, Kruger & Mitchel, 2005:145). Reliability in this study was ascertained using Cronbach's Alpha Coefficient. A minimum threshold value of 0.7 for the alpha values, as recommended by Salkind (2012:348) was followed. The overall results are shown in Table 6.

Table 6: Reliability statistics

Constructs	Number of items	Cronbach alpha	Mean	Standard deviation
E-design	5	0.71	4.62	0.56
E-sourcing	4	0.75	4.68	0.53
E-negotiation	3	0.72	4.70	0.54
E-evaluation	5	0.77	4.78	0.45
E-informing	5	0.72	3.89	0.78

Table 6 indicates that Cronbach alpha values for the five e-procurement scales were all above the recommended 0.7 yardstick. This attests that reliability was acceptable in this study.

Validity is the extent to which the instrument that was selected reflected the reality of the constructs that were being measured (Collins & Hussey, 2003:58). To ensure validity, the research study used three experts in supply chain management to judge the questions independently (Babbie, 2013:65). Also, an extensive literature review was conducted to ensure that the instrument is related to previous studies. Thereafter, previous studies were consulted to construct the research instrument. To further ascertain validity in this study, a pilot study was conducted with a conveniently selected sample of 42 SME owners and managers in the Vaal Triangle region of Gauteng Province, South Africa. Input from the pilot sample was used to improve the questionnaire in terms of its wording and technical layout.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The aim of this study was to explore the levels of implementation of e-procurement in South African SMEs. A survey was conducted involving 283 owners and managers of SMEs who were based in Gauteng province. Five e-procurement dimensions, namely e-design, e-sourcing, e-negotiation, e-evaluation and e-informing were considered. Overall, the study showed satisfactory implementation of e-procurement in all five areas considered in this research amongst SMEs.

Owners and managers should begin to work towards developing a deeper understanding of e-procurement tools and systems and they should invest in e-design systems for their buying and selling as this will create further collaborations with supply chain partners. Owners and managers of SMEs could also encourage training and education to improve the use of e-procurement tools to effectively collaborate with their suppliers. They should enroll for e-procurement training workshops or courses and the training should emphasise the importance of e-procurement functions such as e-design and e-negotiation as the key drivers of firm chain. This can help them to maximise the benefits of effectively implementing e-procurement functions.

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SUPPLIER INTEGRATION AND SUPPLY CHAIN PERFORMANCE IN SOUTH AFRICAN SMALL TO MEDIUM ENTERPRISES

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Abstract

As the South African economy continues to grow, the role of SMEs as a potential source of employment creation and productivity within the country has become widely acknowledged. However, one area in which SMEs in the country still need to develop is in their implementation of supply chain management practices, particularly their relationships with suppliers. Relationships with suppliers have the potential to stimulate either the failure or success of any business enterprise. This paper aims to investigate the influence of supplier integration on supply chain performance in South African SMEs. A convenient sample composed of 283 owners and managers of SMEs drawn from Gauteng province was used in the study. The collected data were then analysed using Spearman's correlations and regression analysis. Moderate correlations were found between supplier integration and both the tangible and intangible sub-dimensions of supply chain performance. Supplier integration also predicted both the tangible ($B=0.296$) and intangible ($B=0.341$) sub-dimensions of supplier performance. These results imply that to improve the performance of their supply chains, it is necessary for SMEs to ensure that linkages with their suppliers are properly aligned for improved coordination that leads to better relationships and supply of materials.

Key Words

Supplier integration, supply chain performance, tangible dimension, intangible dimension

INTRODUCTION

In South Africa, Small and Medium Enterprises (SMEs) play a critical role in the country's economy. SMEs contribute to approximately 50 percent of the country's Gross Domestic Product (GDP) and up to 60 percent of the overall employment in South Africa (Abor & Quartey, 2010:225). SMEs play a crucial role in creating employment in an economy (Doern, 2009:279). Over the past decade, many SMEs have shifted to the use of the Internet in business in the quest for efficiency and effectiveness (Makien, Kahkonen & Lintukangas, 2011:61; Basheka, Oluka & Mugurisi, 2011:535; Fernandes & Vieira 2015:588). Moreover, SMEs play a very important role in supply chain management (SCM) as they may serve as producers, distributors, retailers as well as customers (Maiga, 2016:2). Therefore, it is not surprising that SMEs are the backbone of most economies in the world, including South Africa.

The National Small Business Act No. 26 of South Africa 1996, as amended in 2003, defines SME as "a separate and distinct entity including co-operative enterprises and non-governmental organisations managed by one owner or more, including its branches or subsidiaries if any is predominantly carried out in any sector or subsector of the economy mentioned in the schedule of size standards and can be classified as a SME by satisfying the criteria mentioned in the schedule of size standards". According to Government Gazette (2003: 8), a small enterprise in South Africa is one that employees 50 people or less and has a total turnover of up to R19m with a total asset value of R3m. A medium enterprise employee 50 up to 200 people and has a total turnover of R39m with a total asset value of R6m. Hence, this study will only focus on Small and Medium Enterprises (SMEs).

The aim of this study was to investigate the relationship between supplier integration and supply chain performance amongst SMEs in South Africa. Most studies on supplier integration and supply chain performance have focused on large firms (Tatsis et al., 2006:63). Current knowledge involving supplier integration and supply chain performance in SMEs is still limited, which creates a need for further research to occupy this research gap

(Karjalainen & Kemppainen, 2008:245). Furthermore, the South African government is increasingly adopting and encouraging integration with supply chain partners such as suppliers to improve the survival of SMEs. This is in line with the objectives of the National Development Plan (NDP), which include innovation, employment creation and the adoption of technology as mechanisms for the economic development of the country (Zarenda, 2013:5). The South African government is eager to develop and streamline SME operations since SMEs make an important contribution to the economy. The relationship between supplier integration and supply chain performance in SMEs in South Africa has not been fully investigated (Zheng, Bakker, Knight, Gilhespy, Harland & Walker, 2006:290). Many SMEs have been investing in IT infrastructure over the past few years to automate and streamline their internal business processes. Although these enterprises have been successful in maintaining inventories, their ordering systems and supplier management still lack the ability to leverage the real power of inter-connectivity and integration with their suppliers to improve their supply chain performance (Sigal, 2006:79; Zhao et al., 2011:368).

LITERATURE

Supplier integration

Supplier integration refers to the process of interaction and collaboration between the firm and its suppliers to ensure effective flow of supplies (Flynn, Hou & Zhao, 2010:58; Zhao, Huo, Selen & Yeung, 2011:372). Zhao, Huo, Flynn and Yeung (2008:371) state that many organisations across the globe are creating co-operative, mutually beneficial partnerships with supply chain partners, due to increasing global competition (Zhao, Huo, Flynn & Yeung, 2008:371). These authors further state that companies need to implement supply chain integration to meet the new challenges of the global competitive environment.

SMEs constantly face the problem of on-time delivery (Das, Narasimhan & Talluri, 2006:203). Through integration with suppliers, SMEs share order and inventory information with suppliers. Furthermore, supplier integration which includes proper communication, sharing information and working together with suppliers, can reduce upstream complexity (Das et al. 2006:204). The benefits of supplier integration are that it enhances responsiveness, flexibility and time-saving. Supplier integration also plays a role in reducing transaction costs through the reduction of uncertainties and reducing of production costs (Das et al., 2006:197; Zhao et al.

2008:368; Flynn, Hou & Zhao, 2010:58). Therefore, supplier integration has a positive impact on operational performance (Devaraj, Krajewski & Wei, 2007:1119). In supplier integration, opportunistic behaviours are greatly reduced under shared visions and co-operative goals (Wong, Tjosvold & Yu, 2005:782).

Supply chain performance

Supply chain performance is defined as the performance of various processes included within the firm's supply chain function (Srinivasan, Mukherjee & Gaur, 2011:268). One of the key aspects of successful supply chain performance is co-operation and mutual decision making between trading partners (Botta-Genoulaz, Campagne, Llerena & Pellegrin, 2010:834). Companies try to improve their industrial performance in terms of cost, delays, adaptability, variety and traceability. Collaboration practices and information exchanges between partners become essential within any supply chain, as they contribute to performance (Sakka & Botta-Genoulaz, 2009:1). An effective performance measurement is essential for supply chain performance because it provides the basis to understand the system as well as information about the results of system efforts to supply chain partners (Bhagwat & Sharma, 2007:54; Chen, Yang & Li 2007:524). Overall, supply chain performance is recognised as an important factor for improving competitive advantage (Amaratunga & Baldry, 2002: 218; Chang et al., 2013:35). In this study, tangible and intangible supply chain performance measures as suggested by Gunasekaran et al., (2001:82) as well as Anvari, Nayeri and Razavi (2011:63) were considered.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

The study tested the conceptual framework presented in Figure 1. The predictor variable is supplier integration, which is linked to both tangible and intangible supply chain performance.

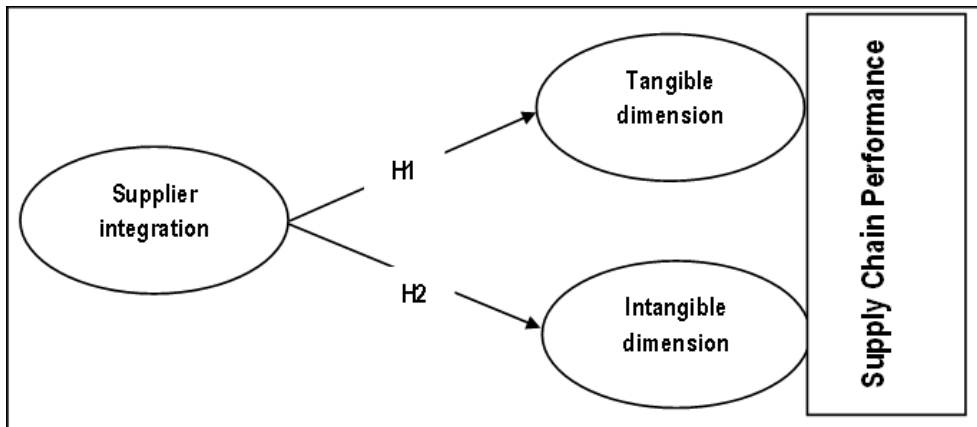


Figure 1: Conceptual Framework

Based on the above conceptual framework, the following hypotheses were formulated for testing in the study;

H1: Supplier integration exerts a positive and significant influence on tangible supply chain performance

H2: Supplier integration exerts a positive and significant influence on intangible supply chain performance

RESEARCH METHODOLOGY

Research approach and sample

The study used a quantitative approach, since according to Borrego, Douglas and Amelink (2009:54), a study of cause and effect relationships among different constructs is well suited to a quantitative research strategy. As this study assessed the relationships between supplier integration and supply chain performance, it was appropriate to use a quantitative approach. A cross-sectional survey design was adopted in this study to determine the opinions of owners and managers in SMEs. A cross-sectional survey design is one which involves a descriptive study of a situation at one specific point in time. It offers advantages such as allowing researchers to collect a large amount of information quickly and usually a cross-sectional study is inexpensive, hence making it fit for this study.

The final sample consisted of 283 owners and managers of SMEs that were based in Gauteng Province, South Africa. Since no established database could be found to act as a sample frame, the business telephone directory

was used as a starting point to come up with a list of SMEs in Gauteng. Telephone calls were made to establish whether these businesses were still in existence, if they qualified to be SME business enterprises in terms of the definition and whether they would grant permission to conduct the study in their organisations. Respondents were selected using a non-probability convenience sampling technique since there was no single sample frame from which the list of SMEs could be drawn.

Data collection and instrumentation

Data were collected through a face to face survey method using a structured questionnaire. The measurement instruments used in this study were adapted from previous studies. Supplier integration was measured using eight items adapted from Zhao, Huo, Sun and Zhao (2013). Supply chain performance was measured using 10 items, adapted from Chang et al., (2013). All measurement scales are measured using five-point Likert-type scales, anchored by 1= strongly disagree and 5= strongly agree. Questionnaires were distributed to SMEs in a period of three months between May and July 2017 was set aside for administering and collecting the data.

Data analysis

Data were analysed using descriptive and inferential statistics. The respondents' biographic information and the composition of the sample were analysed using descriptive statistics in the form of frequencies and percentages. Inferential statistics were analysed using the Statistical Package for Social Sciences (SPSS version 24.0) for Windows.

RESEARCH RESULTS

Biographic information of participating enterprises

Of the 283 SMEs that participated in the study, 44.5 percent (n=126) of the firms employed between 151 and 200 employees while 37.5 percent (n=106) of the firms employed between 101 and 150 employees. The analysis further shows that 27.5 percent (n=78) of the firms earn between R20 million to R30 million in turnover. Approximately 37.1 percent (n=105) earn a turnover of between R30 million to R39 million per year.

Exploratory factor analysis

The different scales used in the study was tested for unidimensionality through exploratory factor analysis. Prior to factor analysis, the Bartlett's Test of Sphericity and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was computed to establish whether the data were suitable for factor analysis. Both tests provided an indication that the data set was suitable for factor analysis. However, four items were deleted from the supply chain performance scales (SCP5, SCP6, SCP8 & SCP14) because they had factor loadings below the recommended 0.5.

Validity and reliability

Reliability measures the quality of the research instrument used, in this case, the research questionnaire (Sarantakos 2005:88). Reliability in this study was ascertained using Cronbach's Alpha Coefficient. For the Cronbach's Alpha Coefficient and the CR, the recommended values should be greater than or equal to 0.70 for each scale (Babbie 2013:49). As shown in Table 1, the Cronbach alpha values for the three scales ranged between 0.78 and 0.89, which were above the recommended 0.7, thereby confirming that reliability was satisfactory in this study.

Validity refers to the degree to which evidence supports any inferences a researcher makes, based on the data (McKinney 2011:6). In this study, four validities, namely face, content, convergent and predictive validities were measured. To ensure face validity, the research study used several experts in supply chain management to judge the questions independently. To ascertain content validity, a pilot study was conducted with a conveniently selected sample of 42 respondents, as recommended by Wade and Love (2006:135). To ascertain convergent validity, the factor loadings for each item were checked. Most of the values were over 0.50 with few very close to 0.5 and were accepted. To check for predictive validity, regression analysis was used. As shown in Tables 2 and 3, beta values between the dependent and independent values were positive, indicating that predictive validity was satisfactory in this study.

Correlations and regression results

The association between supplier integration and the two dimensions of supply chain performance was tested using Pearson correlations. The results are shown in Table 1.

Table 1: Correlation Analysis Results

Variable	Mean	Reliability α	SI	SCPTD	SCPID
SI	3.90	0.89	1.00		
SCPTD	3.80	0.78	.563**	1.00	
SCPID	3.91	0.79	.576**	.565**	1.00
**. Correlation is significant at the 0.01 level (2-tailed)					
Scale: 1= Strongly agree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly agree					
SI= supplier integration, SCPTD= supply chain performance: tangible dimension , SCPID=supply chain performance: intangible dimension					

As revealed in Table 1, there were strong positive inter-factor correlations between the three constructs. There was a strong positive and significant correlation between supplier integration and the tangible supply chain performance ($r=0.563$; $p<0.01$). Another strong positive correlation ($r=0.576$; $p<0.01$) was found between supplier integration and intangible supply chain performance. There was also a strong positive correlation ($r=0.565$; $p<0.01$) between both dimensions of supply chain performance. These results imply that an increase in one construct would result in the increase in the other constructs within SMEs.

An analyses of the mean scores (Table 1) shows that the three constructs had averages varying between 3.80 and 3.91. These scores depict a close inclination toward the agree point on the Likert-type scale. This therefore implies that most respondents concurred that the implementation of supplier integration and the performance of the respective SME supply chains were both satisfactory.

Regression analysis results

To test whether the supplier integration predicted both dimensions of supply chain performance, regression analysis using the ‘enter’ method was applied. Two regression models (Tables 2 & 3) were computed. The assumptions of regression were fulfilled by testing for multicollinearity in both regression models. The tests proved that Variance Inflation Factors (VIF) were below the recommended maximum threshold of 10 and that tolerance values were less than the recommended minimum value of 0.2 for both regression models (O’Brien, 2007:674). Thus multicollinearity statistics did not indicate a serious threat to this study.

Table 2: Regression Model 1: Supplier integration and Supply Chain Performance: Tangible Dimension

Independent Variable	Dependent Variable=Supply Chain Performance: Tangible Dimension		
	β	t	p
Supplier integration	.563	11.795	.000
R= .563 R ² = .317			

As shown in Table 2, supplier integration (R²= 0.317) explained nearly 32 percent of the variance tangible supply chain performance.

Table 3: Regression Model 2: Supplier integration and Supply Chain Performance: Intangible Dimension

Independent Variable	Dependent Variable=Supply Chain Performance: Intangible Dimension		
	β	t	p
Supplier integration	.576	12.220	.000
R= .576 R ² = .332			

As indicated in Table 3, supplier integration (R²= 0.332) explained nearly 33 percent of the variance tangible supply chain performance.

DISCUSSION OF THE RESULTS

As shown in Table, 2, supplier integration has a positive and significant relationship with tangible supply chain performance. The current study posited a positive influence of supplier integration on tangible supply chain performance and the results of this study confirmed this relationship. The results of the regression analysis show a positive beta value ($\beta =0.563$; $p=0.000$; $t=11.795$) which validates the hypothesised positive influence of supplier integration on tangible supply chain performance. Hypothesis 1 is therefore supported.

Table 3 reveals that supplier integration has a positive and significant linear relationship with intangible supply chain performance. The current study posited a positive influence of supplier integration on intangible supply chain performance and the results of this study confirmed that relationship. A positive beta value ($\beta =0.576$; $p=0.000$; $t=12.220$) validates the hypothesised positive influence of supplier integration has on intangible supply chain performance. Hypothesis 2 is therefore supported.

The results of this study are consistent with previous evidence (Frohlich & Westbrook, 2001:196; Childerhouse & Towill, 2003:31; Gimenez & Ventura, 2005:123), which shows convincing empirical evidence for the relationship between supplier integration and performance. However, some studies (Droge et al., 2004; Koufteros et al., 2005; Flynn et al., 2010) found different results.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The aim of this study was to examine the relationship between supplier integration and supply chain performance. The study considered the tangible and intangible dimensions of supply chain performance. The results of the study suggest that supplier integration is an important factor in influencing supply chain performance in SMEs. Since the study found the relationship between supplier integration and tangible supply chain performance to be positively significant SME owners and managers prioritise supplier collaborations by having regular seminars, training workshops or courses and conferences. Since the study also found the relationship between supplier integration and intangible supply chain performance to be positively significant, it is important for SME owners and management to create further synergies with their key suppliers, as this will enable them to prosper and gain competitive advantage. To cooperate and collaborate more often, forums such as education forums and business forums, among other forums, aimed at bringing together all supply chain members to discuss business issues could be created. These discussion forums will have to happen often as they provide a platform for robust discussions that may lead to enhanced supplier integration, which further boosts SME performance.

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FASHION BLOG - MODERN FORM OF MARKETING COMMUNICATION

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Entrepreneurship, Slovenia

Abstract

Numerous companies are increasingly recognizing female bloggers and their blogs as tools to approach their customers. Steps in this direction have also been made in Slovenia. Regular consumers managed to enter and change the once-closed fashion industry system by writing blogs. Although they are still criticised within the industry, they have many advantages provided by modern technology. They have become globally recognised and influential and managed to create their own brands. The fact that blogging requires a lot of effort, work enthusiasm and awareness of the importance of authenticity was also expressed by four successful Slovenian female bloggers who participated in the empirical part of the study. The analysis of the answers provided by our four interviewees who are engaged in fashion blogging in Slovenia confirmed all three hypotheses we set out in this study. Our study showed that Slovenian fashion bloggers are influential and that authenticity is a respected value primarily because of the readers. Questions raised by readers are often the reason behind the selection of topics that female bloggers post on their blogs. In view of this fact it is possible to say that they are market-oriented. The final part of the study presents the suggestions for further investigation of this relatively unknown topic.

Key Words

fashion blog, female fashion bloggers, fashion blogging, modern marketing communication, marketing in fashion industry

INTRODUCTION

Fashion blog

Fashion is a rapidly changing phenomenon by itself and the blog is a unique phenomenon which is able to follow this rapid changes. Fashion blogs provide a real-time insight into the fashion industry by an independent observer without any commercial interest (Webb Fandrich, 2008). Kulmala, Mesiranta and Tuominen (2013) define blog as a space where an authentic personal style can be shown. Fashion bloggers and their readers often consider blogs as more genuine, individualistic and independent of traditional fashion media (Esposito, Massaro, Vecchiarini and Crudele, 2015). Independence from the established fashion authority, writing under one or more evocative pseudonyms, and the mix of fashion report and criticism, where the style of writing is equally important as the subject matter itself, are the stylistic elements of modern blogging which can already be detected in the 19th century publication *La Dernière Mode* (Webb Fandrich, 2008). Advantages of the blog include fast word processing and swift availability, whilst in other media this procedure requires a group of people responsible for the content and production (Thornley, 2014). In this saturated environment a blog has to be updated in a frequent and timely manner in order to attract and keep its readers. Its content must not only follow the industry and reader expectations, but also compete with contents of other blogs (Detterbec, LaMoreaux and Sciangula, 2014).

As a form of communication tool, blog has become the sign of change in the field of communication. It is a medium that allows two-way communication (Zhang, 2010). It also enables companies to present their activities in the online environment and approach their target groups (Ferencova, Kakalejčik and Kot, 2017). It can be used as a feedback and information channel since it gives a face and a voice, builds trust and disseminates information. Blogs can be used to test and search for ideas and approach customers. It can also be used for advertising and promotion purposes, dissemination of information, PR or support activities (Mustonen, 2009). Companies have to be aware what people and especially potential buyers write in their blogs and how the expressed opinions might impact their business. They have to determine how to gain an insight and the value from these blogs and how to direct their business (Melville, Sindhvani and Lawrence, 2009).

Only companies able to take into account customer desires and requirements and to make changes or launch their own products will be

successful (Lui, 2010). They can measure the influence of their strategies by following links and comments related to blogs (Mendoza, 2010). Fashion bloggers are not only the source of information, but also provide social benchmarking and image management (Clarke and Johnstone, 2012). The tyrannical character of fashion industry traditionally expressed via fashion magazines now faces the challenge in the form of opposite views suggested by blogs (Paget, 2010).

Fashion blogger

The majority of fashion blogs is managed by amateurs who like to combine their clothes and bring new style in everyday fashion trends (Chaudhary, 2016). Fashion bloggers are producers and consumers of fashion content (Marwick, 2011). With minimal limitations blogging allowed external co-workers to enter the industry, however these co-workers might not even have the sense of professional belonging or formal qualifications to establish credibility similar to the credibility of already established fashion information providers, such as editors and stylists. They hacked into once-closed and discriminating world with the speed and reach that demolished the established hierarchy and ways of knowledge circulation (Crewe, 2013). Their narcissism transformed them into a marketable product, they are selling clothes and themselves (Fashion magazines or fashion bloggers: who's more influential online?, 2017). »Nobody« from the past turned into »Somebody« in the present that is shifting the focus of communication experts on himself. These experts are constantly looking for ways to cooperate with target consumers through various social media (Booth and Matic, 2010). Consumers turn to bloggers in order to find honest opinion about certain products (Deo, 2016). Bloggers and their blogs are the proof that consumers are no longer just the audience, but active participants in the production of content that used to be in exclusive domain of companies (Mendoza, 2010). Bloggers represent a new type of fashion information providers positioned between the internal and external contractor, expert and layman (Crewe, 2013). They write about the purchase process and discuss about how a certain product fits into the most recent fashion trends. They document their fashion collections on their blogs which usually display their most favourite assets, the latest purchase and pictures of dream products they would like to have if money was not an object (Pagett, 2010). They became a hybrid between the editor and a star (McCreesh, 2016). Their increasing influence can be seen in fashion shows where they are invited by fashion designers and where they most frequently sit in first rows whilst the companies provide them

with free products hoping that they will share their experience with this brand with their readers (Clarke and Johnstone, 2012).

Methods of cooperation between the fashion blogger and the company

An exceptionally large number of visitors of fashion blogs caught the eye of advertisers. Blogs became a new advertising area the same as advertising on buses in the past (Zhang, 2010). However, we are not talking only about online advertising. The dynamics of cooperation often detected between fashion brands and bloggers may vary: invitation for the blogger to select products of a certain brand and give them visibility due to its publication on the blog; invitation for the blogger to be the guest or model at a certain fashion show; cooperation in the presentation of the new collection or invitation to become the face of the brand. In cooperation with recognizable brands they can design a limited or special edition (Esposito et.al, 2015). In Slovenia, the first cooperation of this kind was established between female fashion bloggers Bojana Ksela Rose and Alja Bitenc and the Alpina footwear manufacturer. With this move, Alpina turned a new leaf (Uspešno sodelovanje z modnima blogerkama, 2017). Rupar (2017) describes the cooperation between Lisca and Nataša Mernik who the aforementioned company invited to participate in its advertising campaign. Nataša writes about fashion, beauty and travelling, as well as about the positive attitude towards the body in her blog. It is most likely that, in order to attract young customers, the Nama Supermarket entrusted the creation of its blog to the former model and one of the most recognizable Slovenian female bloggers Tjaša Kokalj Jerala. Companies came to understand that bloggers can be used as additional communication channels in order to reach their consumers. Based on the fact that bloggers already have their followers interested in a certain category, the companies can be sure that their message will reach desired consumers (Mendoza, 2010).

Influence

The current paradigm of influencer marketing places the influencer in the centre of the marketing environment (Brown and Fiorella, 2013). The rise of the blogosphere gave the ordinary consumer a chance to influence the public perception and profitability of brands (Melville et.al, 2009). This led to high reputation and growing influence of individuals who had no sense of institutional belonging in the field of fashion when they started writing their blogs (Rocamora, 2012). Bloggers are very influential because they are regarded as ordinary people (Deo, 2016). Influence is an

important topic in the fashion sector because it is directly connected to the purchasing process and consumer behaviour (SanMiguel and Sádaba, 2014). This newly acquired influence gave fashion bloggers the opportunity to build or ruin a certain brand (Clarke and Johnstone, 2012). On average, an unhappy customer will tell the story about his experience to ten people, whilst this same customer may potentially have millions of online viewers (Fong, 2010). Today, big brands are becoming less and less influential (Laihanen, 2017). Consumers are more susceptible to messages about brands that come from their own social circles than to messages provided by brands themselves (Fallon, 2014). The fact that the level of consumer confidence in brands is decreasing also contributed to the emergence of a new type of opinion leaders in the modern market (Laihanen, 2017). Previously, opinion leaders had a chance to influence less than dozen people, generally their close family and friends. However, the emergence of digital communication and internet enabled them to have an influence on an unlimited number of users (Segev, Villar and Fiske, 2012). The content of blogs became an object of WOM (word-of-mouth) (Maman Larraufie and Sommer, 2016). They actually became the new version of the traditional WOM whose meaning and importance were increased by the internet (SanMiguel and Sádaba, 2014). They use the power of eWOM to spread their opinion about brands and companies amongst their readers whose number can exceed ten thousand individuals (Clarke and Johnstone, 2012). Due to the perceived knowledge about a certain topic and common interests, consumers turn for advice to opinion leaders. Chau and Hui (1998, in Segev et.al, 2012) defined three types of opinion leaders who have an influence on decisions taken by others. Firstly, they act as role models who promote imitation. Secondly, they disseminate information via WOM. Thirdly they are giving advice. Numerous consumers buy a certain product because of the recommendation they saw on the blog (SanMiguel and Sádaba, 2014). However, bloggers do not only have the influence on readers, but also on brands (Maman Larraufie and Sommer, 2016). Many influencers often have numerous followers. It is, however, more important how many readers will mention, share or respond to his publication. It is not just that conversations about a certain brand between the influencers and their followers can be followed, but it can also be determined which influencers lead certain customers to purchase certain products. The fact is that ROI can be measured more accurately than ever before (Fallon, 2014).

Authenticity

Fashion bloggers work in an environment where the authenticity or the perceived authenticity is the indicator of success (Detterbeck et.al, 2014). Many of them emphasized the value of authenticity when determining the quality of the fashion blog (Marwick, 2011). Credibility attracts readers and makes them visit the blog again (Patel, 2014). Whilst many bloggers believe that fashion media promote trends and products in terms of their quality it is expected from bloggers to give a rational and honest review of the products. If a certain blogger cooperates with a certain brand only for financial reasons he is undermining his integrity and credibility (Marwick, 2013). Some bloggers consider blog as business with a potential to generate income, however a credible blogger must not be overly focused on self-promotion (Marwick, 2013). Bloggers that too obviously publish unreal images get punished because they fake credibility (Boer, 2016). According to Emily Schuman, a selective choice of brands and companies that want to cooperate with her is of key importance for the authenticity of the blog. They must be compatible with her personal interests (Crookston, 2013). Female blogger Ali Wardrobe Oxygen claims that bloggers lose their credibility if they write about how fantastic a certain brand is even if they do not know a single thing about this brand and only like it because they get paid. In this case they are only selling to themselves and forget that there is a difference between an actor and a blogger who is trusted by people that take his word as sacred (Marwick, 2013). It might be easier to recognize authenticity in fashion blogging since it represents a tangible sense of true self-image; connection and responsiveness with the audience; open cooperation with the brand (De Bruijn, 2016). A blogger honestly shares with his readers where the clothes came from and how much he spent for them. He also reveals if he received the clothes as a gift from a certain company. Credible bloggers express their personal style regardless of the trends, sponsors or brands (Marwick, 2013).

DATA COLLECTIONS

The invitation to participate in the study was addressed to all recognizable, successful and especially active female fashion bloggers operating in Slovenia. The high level of unresponsiveness represents the biggest aggravating circumstance of the research. Four bloggers agreed to participate in the research. They were all asked the same in advance prepared open type questions. Instead of the live interview, all of the participants expressed their wish to answer the questions via email. In case

of doubt they requested additional explanation. They unanimously agreed with the publication of their full names and answers.

Regardless of the small sample size the hypotheses were confirmed due to the presumption of the honesty of answers and thorough knowledge of the area. Importance of the answers can also be attributed to the fact that none of the bloggers were a part of the fashion industry or an important person before they started writing their blogs which could potentially give them better recognition or starting point. They are ordinary consumers that were able to enter the once hermetically closed fashion industry system with their own effort and enthusiasm for work.

METHODS

For the collection of data for our study we used the structured questionnaire method. The questionnaire included three sets with eleven questions. The respondents received the questionnaire via email and the same channel was used for the return of the questionnaire with completed question. We performed the study in January, 2018 and checked three hypotheses related to the areas of authenticity, influence and recognition, and resolution of consumer needs.

The set hypotheses were the following:

- Hypothesis 1: Slovenian female fashion bloggers believe that authenticity is more important than profit because it leads to the success of the blog in the long term.
- Hypothesis 2: Slovenian female fashion bloggers are influencers.
- Hypothesis 3: Slovenian female fashion bloggers are market oriented because they identify and solve consumer needs.

FINDINGS

Analysis of authenticity

Importance of authenticity

Špela Šešerko (hereinafter referred to as Discussion partner 1) says that authenticity is of key importance because the number of bloggers is increasing and the readers would like to find something new and different and will follow bloggers if they will be able to provide this. Other three discussion partners said that authenticity is very important because,

according to Zala Zagoričnik (hereinafter referred to as Discussion partner 2), authenticity maintains the confidence between the blogger and readers and because the more of yourself you put into your posts the more confidence you get. Pika Zrim (hereinafter referred to as Discussion partner 3) believes that the followers sooner or later recognize insincerity which is why in real life she wears the same dresses she posts in her blog. Ana Cepec (hereinafter referred to as Discussion partner 4) says: »Authenticity is the most important thing for fashion bloggers because every blogger has a different style, feeling for colours and combination of clothes.«

Cooperation with companies

Regarding cooperation between female bloggers and companies, the authors wanted to determine whether their discussion partners would decide to cooperate with a brand they like, but which is at the same time in competition with their most favourable brand.

Discussion partner 2 would accept the cooperation offer if she would like the brand, but adds that she is not willing to give up other offers and wait to receive an offer for which she does not even know whether she will ever receive it. Discussion partner 3 would also accept the cooperation offer because she would be able to identify with the suggested brand and because she always focuses on quality which is undisputed in case of the mentioned brand. Discussion partner 1 would consider such offer if she would like the product, if she could identify with it and if it would not damage her public image. Because she likes to test new products she gives them a chance. Discussion partner 4 says that she would most probably accept the offer because it is good to have plenty of high-quality products which you can combine in different stylings when presenting them to the wider public. She emphasizes that you have to be authentic, loyal and stick to what you like.

In the following part of the questionnaire, discussion partners were asked if they immediately reject or they consider the offers from companies whose products they do not like. Discussion partner 2 would not consider such an offer because she has to like the product which has to be something she would buy, whilst discussion partner 1 would consider such an offer if the company would make the effort to approach her on a personal level. Other discussion partners said that they would consider such an offer. Discussion partner 3 says that she is always open to new possibilities and that she might start to like and be able to identify with the new yet unfamiliar product launched by the company. Otherwise, she

would reject such an offer. Discussion partner 4 would also reject the offer if she would not like the product.

Review of the product or service in case of sponsored publication

In case of the question what the interviewees would write in their reviews of the product if they would not like it or would have a negative experience with, discussion partners 1, 2 and 4 indicated that they would write a negative review, whilst discussion partners 1 and 2 would notify the company about such matter at the beginning of cooperation or even before. Discussion partner 4 emphasized: »In my reviews I always give my honest opinion,« and added that she is always open to her readers and does not hide her opinion. Discussion partner 1 also claims similar regarding her readers and considers their opinion and trust the most important. Discussion partner 2 also says that such situations rarely occur, whilst discussion partner 3 has never faced such situation, but would provide concrete suggestions for improvement if she would be unsatisfied with the service. If she would be unsatisfied with a product, she would indicate who this product would be the most suitable for.

Analysis of the influence

Influencer

The question regarding the influence was set in order to find out whether discussion partners believe they are influential or consider themselves influencers.

Discussion partners 1 and 4 consider themselves micro or mini influencers. Discussion partner 4 believes that it is principally bloggers that are mini influencers, whilst Slovenian stars are big influencers. Discussion partner 1 emphasizes that as a micro influencer she can only reach so far, but that it is micro influencers that are in better touch with their followers which consequently brings more confidence in their work and recommendations. Discussion partner 4 says that she certainly has influence on a certain range of women because they follow her, write her or they simply tell her so when they recognize her on the street. To this question, discussion partner 2 answered: »Every Like and comment by my follower to a photo of a product on social media is an achievement which gives me the right to consider myself an influencer.«

Feedback by the readers of the blog

The next question was asked in order to determine whether the interviewees receive any feedback from the readers regarding any purchase they made because they saw the product on their blogs.

All discussion partners answered that they do receive such feedback from their readers. Discussion partner 1 adds that this gives her special energy and encouragement for further work and dissemination of ideas amongst the followers. Discussion partner 4 is also happy to receive such feedback because she believes that it expresses reader's confidence in her opinion. Discussion partner 3 says that she is constantly asked about the products the readers can notice in her posts, whilst discussion partner 2 is also asked about her opinion about the products she never presented in her blog.

Change of the blog reader's perception about a certain brand, product or service

In this part we wanted to find out whether the interviewees ever influenced someone to change his opinion about a certain brand or product.

Discussion partner 4 says that she has never received such information. Discussion partner 1 answered affirmatively and provided a concrete example and said: »All too often I notice that after our conversation my female followers buy the same product I bought.« Discussion partner 3 also provided a description of a certain case when she influenced her acquaintance to buy a budget brand skirt although she prefers premium brand clothing. Discussion partner 2 answered: »Perhaps, but nobody has ever confirmed it.«

Market orientation analysis

Identification and resolution of consumer needs

The question on how they identify and resolve consumer needs was answered in the following manner: Discussion partner 4 answered that she identifies consumer needs by pondering about what she likes and what she does not, and by always focusing on interesting stylings that impress other girls. Discussion partner 1 also draws form within and says that she only writes about what she knows she would also like to read about on the blog and that plenty of posts are published because of the questions she receives from her followers. Discussion partner 2 draws inspiration for

posts from questions by her followers in a similar manner. Her posts often come to life because of the requests for advice or the perceived need. Discussion partner 3 once again provided an answer with an example of a project she will be preparing which is based on the solution to the excess weight problem which most of women have to deal with before the summer.

DISCUSSION

Interviewed female bloggers find authenticity very important when writing their blogs. Although they would all decide to cooperate with a brand which they do not find their favourite and which is actually in competition with their favourite brand it is impossible to say they lack authenticity because we should not overlook the fact that most of female fashion bloggers belong to the generation of millennials. The characteristic of millennials is that they are less loyal to brands because they find the characteristics of the product and the fact that it fits their life style or personality more important than the brand itself (Lodes and Buff, 2009). The fact that they are influencers is evident from their answers as well as from their profiles on social media. They receive numerous Likes and comments for their posts on Instagram. They identify consumer needs and find their solutions in their own needs or come up with an idea for the post from questions raised by their readers or followers. For the confirmation of hypothesis 3 we used the answers provided by interviewees as well as the theoretical starting points indicated in our thesis which state that fashion bloggers are considered ordinary consumers and that they are followed by like-minded persons who can identify with them and that it is very important for the blogger to be authentic. We can conclude from the aforementioned that female bloggers and their followers have similar needs and that a female blogger cannot write about a need which she is not familiar with and may simultaneously be uninteresting for the reader of her blog.

CONCLUSIONS AND IMPLICATIONS

The increasing popularity of blogs and the fact that blogging became an efficient marketing tool lead to the rise of a new profession - blogger (Zhang, 2010). There are clues that blogging might be in the process of professionalization due to the increasing number of bloggers entering the professional fashion world (Crewe, 2013). In foreign countries this was confirmed by several extremely successful cases which include the most

famous blogger Chiara Ferrangi who makes 8 million of revenue annually (Esposito et.al, 2015). It is impossible to talk about such high numbers in Slovenia, however it would be interesting to investigate in the future how many girls in our country, if any, can make their living from blogging alone and how much time has passed from the time they started writing their blogs to the day their blog was good enough to become their only source of income. It would also be interesting to hear the answers to the question whether they were at any time during the period, when their hobby was turning into business, less authentic because they received payment. This is a frequently used word in connection with fashion blogging. Besides the confidence of their readers, this word enables bloggers to differentiate amongst themselves (Discussion partners 1, 2). In her work, Marwick (2013) also writes about a successful female blogger Julie (Orchid Grey blog) who says that she only accepts cooperation with companies she likes and already has experience with. She notified the companies that sent her free products that she will write a negative review for products she would not like (Marwick, 2013). Slovenian female fashion bloggers who participated in the empirical part of the study have the same attitude towards authenticity. The analysis of their answers clearly shows that they consider the confidence of their readers very important which is why they also provide negative reviews about certain products. It also showed that they do not want to cooperate with companies whose products they cannot identify with or do not like. Špela Šešerko, author of the Dainté blog: »Established companies that understand the work of bloggers are well aware of our work and even encourage our honesty because they know this is the only way to improve their operation. Unfortunately there are too few such companies in our country« (Discussion partner 1). Cooperation between the blogger and the company covered in section “Methods of cooperation between the fashion blogger and the company“ does not only include sponsored posts, but also cooperation where, for example, the blogger acts as the trademark of the new collection or in the type of cooperation when blogger designs a limited series of products for an individual collection. We are talking about already mentioned company Alpina from Žiri that in Slovenia broke new ground with such cooperation. Globally known successful method of cooperation is the case of the Estée Lauder brand that in 2012 hired Emily Schuman, the creator of Cupcakes and Cashmere blog, as the host editor for social and digital media. They chose her because of her entrepreneurship, authenticity and impression that she represents their ideal customer (Brown, 2012). The manner in which companies select bloggers in Slovenia is also one of the suggestions for further research. Is the company's selection based only on the number

of followers or does it also consider the content of the blog, blogger's personality and his compatibility with the company's brand?

The nature of the blog is inseparably connected with oral communication, whilst, because of their credibility, their authors are recognized as potential opinion leaders (Maman Larraufie and Sommer, 2016). Bloggers act as the gatekeepers of fashion knowledge who have influence on public opinion about fashion and new fashion trends (Zhang, 2010). According to Tommy Ton they became highly influential due to the fact that the style is currently more influential and accessible to ordinary people than fashion from runways (Stefanic, 2010). There are public discussions about the actual influence of fashion bloggers and the possibility of them replacing traditional communication channels, such as classic ads or fashion magazines. Blogs are far more effective in terms of acceptance or rejection of products than mass media channels. Bloggers are considered fashion icons. At the same time, their readers consider them as friends because they can follow their everyday life (SanMiguel and Sádaba, 2014). For example, Špela Šešerko, discussion partner from the study, emphasized that it is much easier for micro influencers, such as herself, to maintain the relations with their followers and that they have better contact with them. This gives them more confidence in their work and recommendations. The analysis of the answers also showed that readers turn for advice to bloggers and that they consider them as an inspiration when they are deciding for a purchase.

Just like Stephane Mallarme wrote under pseudonyms, Marguerite de Ponty wrote about fashion criticism and advice, and Miss Satin kept people informed about the news from Paris fashion houses (Webb Fandrich, 2008), today's Slovenian female fashion bloggers use a name by which they can be recognized and which will act as a brand. For example, Pika Zrim found her market niche and, in the same manner as her brand from The 50th Avenue, communicates that years are like avenues you cross. Each special and somewhat different. Even when you get older you can follow fashion trends (P. Zrim, personal communication, January 11, 2018). In Slovenia, it is possible to detect a very recognizable brand Allaroudeve which first appeared in fashion blogging. Its logo of a lady in a turban graces the collection of leather bags and belts, women's pashminas and men's scarves and the blanket gift program (Doma v Ljubljani, 2018).

Female fashion bloggers are not just beautiful and empty-headed. They are entrepreneurs. In many respects they represent the entrepreneurial object of neoliberal capitalism, they work for themselves, rely on their hard work, and do not look for support from others or the state (Marwick, 2013). Profitable blogging is hard work (Kumari, 2014). The same was pointed out by Pika Zrim, one of the participants in the study, who says

that she devotes all of her time to blogging. Špela Šešerko also points out that many girls who enter the world of fashion are not aware that this job requires a lot of work, effort and time. Preoccupation of female bloggers was also reflected when they were invited to participate in the study. As the reason for not participating they often stated the lack of time and that they have plenty of other commitments and travels they will have to deal with in the following days.

While we are only starting to recognize the advantages of cooperation with fashion bloggers in our country, Kate Pagett from the Sydney Universe already posed a question in the title of her article whether it will still be good to be a blogger in 2020. Only time will tell what the future holds for fashion bloggers. We can, however, definitely agree with Barb Palser quoted by Kate Pagett in the aforementioned article: »The enlightened way to look at the blogger phenomenon is to accept bloggers as a part of the developing media sector and not consider them as an invasive force« (Paget, 2010, p. 123).

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PHILOSOPHIZING THE JOBS'S I-PHONE: OFFSHOOT/ING OF CHARLES TAYLOR'S STORY-TELLING CONCEPT OR PAUL RICOEUR'S EMPLOTMENT?

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Abstract

Charles Taylor, worldwide known Canadian contemporary thinker holds a stand that people “grasp their life in a narrative”. Following his conception of narrative notably explicated within identity discussion context in Taylor’s remarkable *Sources of the Self: The Making of the Modern Identity* (HUP 1989), we might think of narrative as an unavoidable form that shapes one’s both private and professional relationships. Especially, the last one is recognizable in the modern world of high-tech and digitally mediated business.

Within these lines the author primarily aiming to establish methodological base for understanding the concept of digital narrative, in practice proposed by “the father of digital narrative” and inventor of i-Phone (2007): Steve Jobs. As highlight of 21th c. modern technologies Jobs’ s i-Phone represents more than mere ‘money-can-buy-product’. With its digital app(s)-designed it represents an authentic digital identity.

This elaboration tends to answer the two: 1) the nature of narrative itself and 2) the meaning of narrative within the context of human agency shaped by strong digital communicative.

Key Words

Narrative, Personal Identity, i-Phone, Charles Taylor, Paul Ricoeur

INTRODUCTION

When I've started to write this paper under the above-mentioned title, I was both happy and worry. Happy, because I've got a chance to talk about the theme that is, as I think of it, less known to broader domestic academic milieu, outside of the borders of the science of communicology or theory of literature. Communicative issue is epistemological object of discussion often pushed towards media and communication. But, its methodological base belongs to philosophy of mind (i. e.) of language, in a way that we are dealing with very old philosophical axiom defined by Aristotle: *zoôn lógon échon* (trans.: "human being gifted with capacity of speaking"). Tracing Aristotle I shall call this phenomenon "the principle of expression". *What* and *how* people usually express something by using words or body language is not of our concern here. We are interested in *why* people express what they are used to express when speaking, walking, transferring information, negotiating, demanding, describing and alike, and it is because of the fact that self-expression is embedded in people's nature, ethically speaking of it, randomized by different moral principles (e. g. virtue, freedom, duty, sympathy, responsibility etc.).

When speaking of the moral foundations of human agency, one of the most notable followers of Aristotelian approach to moral issues in our age, Charles Taylor proposes the very idea of narrative identity (Taylor, 1989). The concept of narrative identity is relatively new one, but its epistemological roots are grounded in ancient Greek philosophy (Aristotle: *Poetics*). Through many centuries of Aristotle's theory of poetry expressed in his *Poetics* to these days the term of narrative was mostly approached from the theory of literature. So, in highly-professional literature (Fulton and al., 2005) we may find that "since 1970' the term narrative has been taken up in various ways, but mostly attached to the literary studies. (ibid, 15-6). However, after the work of the French thinker, Jean-Francois Lyotard 1984 (*The Postmodern Condition*, a. n.), some are more concerned with "metanarrative", the grand master stories dominant in our contemporary culture. These are the stories, or myths through which a certain culture tells or mediates its ideology. Critiques of narratives such as those of class, ethnicity and gender have been the focus of cultural studies. But, if the narrative concept can be justified by modern language determined by digital technologies, achieved especially in the field of informatics and computing industry, which is in our age continuously followed by the economic growth, then we might think of digital as of metanarrative, and following this concept, how then to explain the nature

of narrative in digital age, if not *via* phases of the development of Steve Jobs's *iPhone*?!

What I talk about here is, actually, philosophy of mind applicable to high-tech industry, or philosophy of digital expression: a new discipline born on January the 9th 2007: the presentation of Apple's *iPhone*: a product which built up new narrative form: digital narrative.

I want to show here what is in common to Charles Taylor's "self-interpretation", Paul Ricoeur's "mimesis3" and Steve Jobs's *iPhone* 2007: a purpose might be expressed in the following:

Schematics 1. Digital narrative axiom.

Premise 1: narrative + identity = human being (moral agent)

Premise 2: identity = self-interpretation + moral space

Premise 3: moral space + moral agent = temporal dimension

Conclusion 1: temporal dimension + action = mimesis

Conclusion 2: mimesis + life = narrative

The final closure: *i-Phone* (digital narrative) = mimesis (or) story-telling?

1. BEYOND THE *I-PHONE* CONSTRUCTION: *TÉLOS TO THÁNATOS*

Communicative zone mediated through digital media (i. e. *iPhone*) is undoubtedly a question of the understanding the nature of human language which - thanks to Steve Jobs might be taken as language of digital expression: something completely new in our culture, because it underlines "I" or "Me" concept' in digitally shaped narrative space, but real world, too, and what might give us faulty picture of that of what one personal identity consists of.

My opinion is that Steve Jobs has launched a new methodology of the way of how people can express their (personal) identities. And that is not just *via* their expressive appearance, or the way they speak (e. g. using body language or just the words). Due to the highlights of technological progress and industrial technologies in our age people speak and express themselves *via* digital.

My concern here is a question: Is digital language mediated through different smart phones' apps more mimetic (Ricoeur) or story-telling (Taylor) one? - If we post the answer on the given question relaying on 20th

c. philosophical hermeneutics proposed by German thinker Martin Heidegger, the answer might look like as it follows.

Martin Heidegger was very much involved with the discussion of the role of technique and technology within contemporary philosophical discourse. In his (Germ.) *Was Heist Denken?* when speaking of the role of the thinking itself in modern age, he proposed a lucid idea, explaining that “human hand is a mediator of the thinking itself”: what human mind can think, hand can make it.

It is a silent fact that Heidegger was the one whose thought is adopted in making of *i-Phone* in 2007 and its manufacturing and launching few months later, after the Jobs’s famous *iPhone* presentation in January. It was Heideggerean impulse hidden within *i-Phone* and smart-phones and gadget industry offered by *Apple Inc.* and alike.

Popular TV movies or series are telling stories about lives we are called upon to follow (e. g. in Nietzschean manner: “the tragic concept” (Nietzsche, 1980) of life expressed via soap-operas and alike), but it is fundamentally wrong conception. Movies or series can give us only partial insight into our personal identities of that *what?* or *who?* we really are. An insight into “immanent world”, but what is going on beyond this immanence remains untold. Human life is - let me borrow the phrase from the movie title which was very popular among young generations in early eighties of 20th century and was sung by British singer known under the name of *Limahl*: “the never-ending story”. Life itself is “never ending story”. But, on the other hand, the narrative is designed in a way that always seeking for certain ‘the end concept’ within one’s story of life that reflects one’s natural tendency towards or after closure. And the closure might be seen as a purpose itself. So, we speak of teleological aspect of narrative concept and the *télos* we might describe as ‘final’ one: a *thánatos*. As Steve Jobs once said, while delivering commencement speech to Stanford University graduate students in 2005 (known as Jobs’s famous speech about the meaning of life and death, a. n.), *thánatos* or “death is the best single invention of the life”. Therefore, we are not able to speak of life without thinking of death. We are not able to discuss about communicative narrative without being aware of fact that the term ‘communicative’, weather we speak of sciences or of studies, implies both immanence and transcendence within its linguistic structure. Hence, we speak of metaphysically designed narrative within communicative, (i. e.) digital context related to human beings *via* high-tech.

1.1. Towards narrative context

I want to clarify the three here: (1) philosophically posted critique on an account of communications and digital media context; (2) I want to show that many features, such as virtual or fictional reality attached to the world of media might be taken as certain transition of actions within “the mimetic circle”; (3) the question of an understanding the narrative within virtual world - the world created by different modes of media: myth, story, epic, novel, film, soap operas, print media, and so forth.

Narrative theme is a vast area that can be approached from the very different corners: philosophical, semiotics, psychological, linguistic, literary criticism and so forth. On the other hand, we have communication concept, as the basic element of the communication sciences or studies, so we might speak of communications as of multifaceted activity of doing, speaking, producing, distributing, collecting, digitalizing, sharing and the like. In the aspect concerning epistemological foundations (which originally draws roots from Aristotelian *zoon politikon* axiom) communication studies are not an invention of contemporary culture. Metaphorically, it is an old song that echoes new rhythm reinforced by high technologies and achievements made in the field of informatics and other technical sciences embedded in communication studies curricula.

1.2. Time-framed narrative

If we analyze the term of life from the St Augustinian theoretical perspective and - as Paul Ricoeur proposes in his *Time and Narrative* - we might claim that life signifies something what is comprehensible only through its temporal metamorphoses known to us as the time-phases of our existence: past, present and future. In the contrast with Augustinian linear view of life-time, some contemporary thinkers hold a stand that life concept should be observed as biological process which has its genesis that starts with birth, continues with growing and maturing, and ends up with death. - Of course, there are many objections against this positivistic view. In a way, we are, indeed, caught in the cage constructed by mechanistic - Cartesian outlook starting and ending up with worshipping all mighty “disengaged reason” or the idea of immense autonomy of man (e. g. Kant). In order to pose the communicative narratives issue, I will take the two key-figures whose stances are of great importance for understanding the concept of narrative within contemporary philosophical discourse, but also within communication sciences milieu: Charles Taylor and Paul Ricoeur. Let me start with Taylor’s analysis of narrative, because it is related to the

concept of morality - of human agency designated by the picture which public media offers us through different sources of knowledge, and the picture is not so clear and comprehensible, as we might think of it. The picture created and designed by public media - metaphorically - is often infected by different, epistemologically designed 'diseases' launched within political or economic or academic milieu. Hence, contemporary man is, in many cases, forced to seek the truth outside the public media area. Sometimes the term 'outside' may refer to that what is beyond reality: the virtual space of virtual politics, virtual science, virtual education, virtual spirituality, virtual identity etc. In order to understand the power of character of the virtual world itself, we are called upon to investigate our life, because the life which is not investigated, as Socrates once put, is not worth of living. In another words, we have to be critical to everything what put our existence into doubt, and virtual world has nothing on Aristotle's or Plato's concept of virtue itself, because the virtue is shifted from moral discourse to digital one, hence became an dialogical offshoot of modern technologies and technological progress. Virtual world created by public media and computing industry is an artificial one, a sort of 'Potemkin's Village', made with the purpose to entertain people, in order to destruct one's attention, as Taylor put it: in order to increase the scope of atomized society.

Virtual world is monorail world where people create monorail thinking, as Heidegger has already explained: what is the most controversial in our time is that we don't think, yet. Virtual world is a world of pure practice and action; it is not mimetic one, because mimesis involves what refers to moral itself: capacity of evaluation our thoughts, deeds, movement etc. Virtual world represents just one aspect of agency: material one which is measurable according to requests of instrumental rationality which is mainly focused on efficiency and calculating the figures - in the terms of computing science: dots, pixels, scores, apps etc., it depends on subject or matter of discussion, and there is wide range of subjects discussed within computing and engineering: from designing a new machine for producing and upgrading some old version of some video-game or smart phone software or hardware structure upgraded to the newest one (e. g. iPhone 5). Virtual world is created to serve the global economy and trade market. That is a story of virtual narrative seen from the ethical and moral point of view. Let us see how its philosophical insight might look like.

1.3. Self-interpretation as a reflection of inner-virtual narrative

Taylor's central thesis is that *people are self-interpreting animals* capable of self-evaluation (Taylor, Vol. I, 1985: 45-76). Self-evaluation is not just the key-notion of Taylor's theory of narrativity - of narrative identity, but also a kind of new methodological approach to the understanding of human life and its meaning. This idea of self-evaluation is not Charles Taylor's epistemological invention. Its epistemological roots are present in Harry Frankfurt thesis on "Freedom of the will and concept of a person" (Abbey, 2000). According to Frankfurt, human beings differ from another earthly living species in their capability of forming second-order desires (Taylor, Vol. I: 1985: 15); they are, though, able to evaluate their desires "to regard some as desirable and others are undesirable. This is why 'no animal other than man... appears to have the capacity for reflective self-evaluation that is manifested in the formation of second-order desires'." (ibid.). Analyzing Frankfurt's conception of second-order desires, Taylor discovers a problem of methodology. He believes that this mode of agency described in Frankfurt's term of "second-order desires" involves further distinction that Taylor sees as a question of the two kinds of evaluation of desires, namely "weak and strong evaluation" (ibid, 18-21). Hence, strong evaluation plays inescapable role in forming narrative identity. One among the most known commentators of Taylor's philosophical thought, Ruth Abbey thinks that "strong evaluation and moral frameworks are not only both necessary parts of the structure of human life according to Taylor, but they interact." (Abbey, 2000: 35). And this act of interaction springs out through the different ways of self-interpretation that belongs to the certain social and cultural environment attached to the dialogical aspect of one's identity. Therefore Taylor "believes that individuals necessarily interpret their lives in narrative terms; they make sense of their lives as an unfolding story in a way that gives meaning to their past and direction to their future." (Taylor, 1989: 47; 50-2; Abbey, 2000: 37-8). Temporal aspect of human existence Taylor poses explicitly by saying that one's "self-understanding necessarily has temporal depth and incorporates narrative" (Taylor: 1989: 50) and that means "that we understand ourselves inescapably in narrative" (ibid, 51). According to Taylor, there is a "close connection between the different conditions of identity, or of one's life making sense" (ibid). The best mode is always the one that leads toward comprehending the life in narrative form as a 'quest'. A quest for that what our life makes whole and meaningful; what play central role in the stories individuals construct and reconstruct about their lives is certain moral good. These stories "might include the discovery of a new good, the recovery of an old one, the sudden or dawning realization of an ongoing

one, the needs to choose among goods or a period of bewilderment and loss of orientation.” (Abbey, 2000: 38). Regarding Taylor’s formulation that people grasp their life in a narrative, it is not his epistemological invention. He cites the work of MacIntyre, Ricoeur and Bruner as well as Heidegger. However, his claims about the necessary structure of moral life involves orientation towards strongly valued goods, as Abby explicates, grounds the role of narratives more solidly in moral theory. In this sense we might talk of Taylor’s contribution to both narrativity and morality. I personally believe that Taylor takes notion of narrative to describe a way in which mutual relations between individuals operate in certain society and culture. Taylor holds a stand that narratives give meaning to the histories, present and future of groups in a way that nations tell stories about themselves and within the nation boundaries. Ethnic groups, as well as religion’s traditions also develop narratives about their founding and their progress from there. So, as we’ve seen, narratives have a function on each level of human life: individual, social, political, economic, religious, and cultural. This social aspect of narratives sketched by Taylor reveals ontological pluralism and recognition of the qualitatively different sorts of goods that exist in people’s life (Abbey, 2000: 38). Taylor is convinced that moral theory has to make some contact with a way people experience their moral lives. In this conviction Taylor shows up to us as thinker inspired on Aristotelian outlook.

2. ON RICOEUR’S “EMPLOTTED” NARRATIVE

Very similar explanation of the role of narrative in life experience we can also find within Ricoeur’s conception of narrative. Ricoeur’s theory of narrative identity refers to those kinds of practical identities whose explication takes a form of so-called emplotted narratives. In Ricoeur’s terminology emplotment is exactly that what Aristotle defines as a plot or *mythos* of tragic work. According to Aristotle, tragedy consists of six different elements, and the most important one is a plot (Aristotle: *Poetics*). Plot is a soul of tragedy. Let us see why Ricoeur took Aristotelian conception of plot and what he had found to be so interested in understanding human life as a plot?

In the beginning of the second chapter of his massive work *Time and Narrative* Ricoeur explains why Aristotle’s conception on plot is a second center-point of his inquiry. One of the reasons is that the concept of “mimetic activity” (*mimesis*) starts on problematic of “the creative imitation, by means of the plot as of lived temporal experience.” Ricoeur thinks that Aristotle’s *Poetics* is silent about the relationship between

poetic activity and temporal experience, and this relationship Ricoeur creates in a way that he takes Aristotelian concept of mimesis, interpreted in hermeneutic manner, whereas hermeneutics is a cognitive tool which serves as mediator between time and narrative. Some contemporary theorists of narrative (e. g. Rosemary Huisman) see in Ricoeur's "concept of threefold mimesis" a model of way humans live their experience, or, on the other hand, "a way in which identities interpret themselves" (Arto Laitinen). Similar to Taylor, Ricoeur also think that, when referring to self-interpretations, the central question is of particularities of one's self-identity and the answers are provided with culturally and socially mediated self-interpretations.

Ricoeurs conception of narrative grounded in philosophical hermeneutics can be applied to the different scientific fields, but in practice of digital industry, too. In linguistic and semiotic, for an instance, threefold mimesis is taken as model of life, of experience that is reachable through all sorts of media: through written texts, picture, soap-opera, film and so forth. In philosophy, as well as in moral theory, mimesis represents the levels of self-interpretation that starts with questions "Who am I?" and "Where do I go?", and continues with interpretations of both interpreter (i. e. Taylor's "moral agent") and interpreted (i. e. "moral activity"). These interpretations form different stories about humans and their actions judged as moral or non-moral; as particular or plural. People are used to imitate each other in their behavior, and that is something what is inherited from our 'four-legs' predecessors. Life itself is an imitation of varieties of (reasonable or failed) actions, imitation that has its levels. These levels of imitation Ricoeur calls *mimesis1*, *mimesis2* and *mimesis3*, but only one is real emplotment or real story (myth) and that is *mimēsis2*. *Mimēsis1* is the reference to the actual world of action to the 'imitated' events that the story is about. This world, according to Arto Laitinen is "pre-narratively organized structurally, symbolically and temporally." The phase of *mimēsis3* marks the intersection of the world of text and the world of reader.

3. CONVERGENCES AND DIVERGENCES BETWEEN TAYLOR AND RICOEUR

Ricoeur, as well as Taylor does, holds a stand that our self-identities are marked by strong social and cultural influences. He analyses narrative identity from the point of his general analysis of narrativity: narrative as an emplotment and imitation of an action, as I try to explain above. The analysis applies both to historical and fictional narratives. According to

Ricoeur, there are eight different characterizations of narrative identity: (1) linguistical: narrative identity contains harmony and dissonance; (2) biological: narratives are lived and told; (3) logical: narrativity includes dialectic of innovation and sedimentation; (4) artistic: Narratives combine fact and fiction; (5) ethical: narrative identity mediates between “what is?” and “what ought to be?”; (6) ontological: narrative identity mediates between two kinds of permanence in time, between two poles of self-identity: selfhood without support of sameness (pure *ipse*) and selfhood as supported by sameness (*ipse* as supported by *idem*); (7) psychological: theories of narrative identity are located between an affirmation of certain and indubitable “I” and total rejection of an “I”; (8) hermeneutical: in narrative identity context a person is not merely the one who tells the story, but he or she appears both, as reader and writer of its own life. Thus, the individual is the interpreter and the interpreted one within (con)text(ual) sphere, as well as the recipient of his or her own interpretations.

The crucial difference between the two 20th c. thinkers is that Ricoeur favours indirect hermeneutics whereas Taylor seems to opt for direct hermeneutics. Ricoeur pays more attention on the notion of narrativity in technical sense, unlikely Taylor applies for metanarrative one. The center of Taylor’s analysis is a thought or theme of the narrative, while Ricoeur stresses the notion of the plot. Taylor is interested in thematic unity of life or of the sense of (moral) orientation in human life. This orientation is defined by one’s ethical choice of his or her fundamental goals and the sense of being closer to them, or, further on, achieving them in practice. Taylor connects narratives with idea of humans inevitably oriented in their lives towards strong evaluation. For Taylor, as I said before, narrativity is inescapable form of self-interpretation, which is strictly defined by moral framework to which human deeds or actions are subordinated to. In other words, “people grasp their life in narrative form”. In this context, narrative is used as a synonymic term for the story itself. For Ricoeur, on the other hand, story describes “sequences of actions and experiences done or undergone by certain number of people, whether real or imaginary.” (Ricoeur, 1990: 150). This “sketch” of the notion of story is very close to what Ricoeur calls *emplotment*. Further on, for Ricoeur, making of the story includes both organization of events into a story with a plot (*mythos*) and an imitation of an action (Aristotelian notion of *mimesis* explicated in his *Poetics*). Here the main role belongs not to a writer, but to a reader of the story. To read a story, pragmatically, means to follow thoughts and feelings that are expressed in it in authentic way the reader is engaged with while reading. It appeals to Taylor’s claim: if we want to

understand one's life story, we have to make a turnover of 180 degrees towards the story of another one. Needless to say, resuming above mentioned, the concept of story strongly involves dialogical, that is, communicative character. In other words, to understand another human being means to understand his or her (personal) life-story, as well as cultural and social milieu and tradition to which he or she belongs to. But, above all, most important think that we have to understand, if we want to live our life meaningfully is to find a way of how - let me use a jargon - we can get 'keeping hanging together' in globalized age that still cries for its authentic way of expressing its identity, which is determined by the two extremes defined three (or more) centuries ago by Pascal himself: *misère* and *grandeur*. These epistemological challenges are widely discussed in Charles Taylor's *The Ethics of Authenticity* have their name: at private level: "extreme individualism"; at public, business level, "an instrumental reason"; and, at political or social level, a loss of freedom. All of three characterizations of moral frames of the contemporary culture appear as a scar on the moral face of our age, or as a barrier to the "followability" of a life-story.

4. INSTEAD OF CONCLUSION: iPhone: a digital hermeneutics?

Summing up Taylor's theory on both self-interpretation and self-evaluation issue we may conclude that narrativity has several functions in forming one's identity. (1) Free choice function: narratives are an optional medium for articulating some of our implicit self-interpretations and strong evaluations. (2) Expressive function: narratives enable us to care about our lives as wholes and to interpret our movements in moral space. (3) Authenticity function: narrative thinking provides us a way of providing concordance to diachronous and synchronous dissonances in our strong evaluation. (4) Taylor is convinced that among varieties of forms in which strong evaluation can be expressed narrativity is an inescapable form of self-interpretations. (5) Self-interpretations consist not only of our explicit answers to the given question of "Who am I?", but also of our implicit (ethical) orientation in life - orientation toward good (Taylor: 1989). On the other hand, Ricoeur, unlikely Aristotle thinks that narrative should be characterized not by the author's attitude, but by its object: phenomenology of narrative: *mimesis*³. In that sense, Ricoeur distinguishes narrative in the broad sense defined as the "what-form" of mimetic activity and narrative in the narrow sense of the Aristotelian *diegesis* (Fulton et al., 2005: 18; Kuzmić, 1942: book III-V), or in English, storytelling. Although Ricoeur *explicitly* claims that he does not have any

intention to discredit Aristotelian account of mimesis, he is aware that Aristotle does not differ *mythos* from mimesis, and what is evident in his definition of tragedy where he equates mimesis and *mythos*. In opinion of contemporary Scandinavian thinker, Arto Laitinen, Ricoeur's mimesis contains more than the emplotment, more than the level of *mimēsis2* - more than fictional. Mimesis consists also of a reference to the world of action (*mimēsis1*) and to the event of reading (*mimēsis3*). And that is hermeneutical circle which we may call mimetic circle of the temporal existence. "Time becomes human to the extent that it is articulated through a narrative mode, and narrative attains its full meaning when it becomes a condition of temporal existence." (Ricoeur, 1990). In other words, not just that each of us live in certain type of story - or Steve Jobs's *i-Phone* app(s) - which might be considered as a form of narrative; people live a life-story in their peculiar way: engaged with different sources of fictional (i. e.) virtual reality. People live their stories following some rules that are prescribed by some social or cultural milieu. But, mostly they live their story in particular way, interpreting and evaluating characters (e. g. *Facebook*), times (e. g. *Viber* or *Whatsapp*) and places (e. g. *Instagram*), as well, as their manners and forms are judged throughout representative's oneself tool (e. g. gadget or any social net or app); 'who we are?' (identity), where're we standing (spacial orientation) and where're we going (temporal orientation). That what narrative is: an expressive time-spaced determinant of human existence, whether we speak of private or social (business) life, and the boundaries of it depend on the form of the mediator of narration, which, in addition, we chose according to our preferences, or economic and social standard. Speaking of Jobs's *i-Phone*, I am assured that the standard is defined by hidden request for showing of "inner man". What I want to say is that *i-Phone*, beyond all economic calculations dictated by global trade market policy, is a digital demonstration of one's inner narrative. This "I" within the term "i-Phone" aiming on showing one's authenticity, a personal identity in a way that everyone can choose for him- or herself the perfect order of using certain app(s) with specific function of it. In the world dominated by digital, *i-Phone* is perfect example of the living digital emplotment: it is Heidegger's hermeneutics of the hand.

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MEASURING THE LEVEL OF QUALITY MATURITY IN ORGANIZATIONS

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Abstract

Due to the growing importance for achieving better quality in products and services, many organisations have adopted quality Standards into their everyday practice. Some authors stated decades ago that quality is free, and today many organizations are trying to sustain competitiveness by raising quality in every aspect of their organizations. The paper presents a literature review on quality maturity and how it can be measured.

Key Words

quality maturity, total quality management

Topic Groups

Qualitative and quantitative comparative analysis in business

INTRODUCTION

The first results of the introduction of the quality system in Japan are beginning to appear in the 1950s and the next twenty years the Japanese economy is experiencing flourishing, while the American economy, which was "the leading" in quality, increasingly understands that it loses a large market share because of its low quality of products and then Deming at the beginning of the 80s introduced quality to American organizations by educating management. Many US organizations introduced quality management in 1985, and in 1987 the US Senate introduced the Malcolm Baldrige national quality award. All these steps have led to today's degree of quality development that can and must be measured in companies through specific indicators if organizations want to be efficient and effective and thus achieve sustainable success.

ABOUT THE QUALITY AND MANAGING IT

Vallin Feingebaum is the key person in quality development because he has created a concept of total quality control (TQC) and contributed to the development of production processes. His contribution is that a low level of quality should be prevented and observed in time before the production itself. The goal is to avoid the preventive. He defines full quality control as an efficient system for integrating various groups within organizations, responsible for developing, maintaining and improving quality. To effectively manage quality, it is necessary to: set quality standards, assess compliance with these standards, act when standards are not met, and plan improvements to these standards (Feigenbaum 1960).

According to Goetsch and Davis (2010), the underlying philosophy of total quality is to continually improve processes, people and products. For this it may also be necessary to mention the concept of continuous improvement. Continuous improvement (CI) or kaizen for decades has its beginnings in quality and lean management. Study from Alič (2014) shows that over a certain time this concept stagnates or disappears in organizations due to numerous reasons. However, a harsh market rivalry and economic crisis where cycles of crisis periods are shorter than in the past have led to a growing interest in the field of CI (Singh and Singh, 2015).

Quality management is defined as "an integrated approach to achieving and maintaining high-quality results aimed at maintaining and continually improving the process and preventing disadvantages at all levels and in all functions of the organization in order to meet or exceed customer expectations (Flynn et al 1994: 342)." According to Iso Norm 9001: 2008, the quality management of a company is defined as a "management system

that a company establishes, documents, implements and maintains in order to continuously improve the company's efficiency in accordance with the requirements of the prescribed standard (ISO 9001: 2008, p.10)".

The best can be described through the ten principles of Armand Feigenbaum, which he set out in his 1990 book "Full Quality Control". Feigenbaum, already in the first principle, "Quality is a Comprehensive Process in the Company" emphasizes that achieving quality is not the responsibility of a single function, department or project, but it is "a way of thinking and practice implemented in all the pores and processes of company's life that require constant support , analysis and improvement (Injac, N. 2001, p. 102). " In 1979, Philip Crosby defined a framework for measuring the success of company's quality management in his book, "Quality is Free," using the framework called "maturity grid". The idea of a network or frame for measuring maturity consisted of the specific behavior of a company that it shows at different levels of so- called "maturity" levels that are analyzed or measured for one or more areas in the company (Fraser et al., 2002). Crosby's maturity network consists of six key areas that were scaled and evaluated according to Likert's scale. Each area was benchmarked through five levels, each level representing the specific behavior of the company and how many company employees successfully adopted these specific behaviors and their application. The areas included: understanding and attitude of management, quality position in the company, problem solving, cost of quality as a percentage of sales, quality improvement procedures, the general attitude of the company on quality (Crosby, Quality is free, 1979, p.23). The company managed the mentioned categories to achieve different degree of development of individual categories by measuring them from 1 to 5, with category one being insecurity ie knowing, for example, how manager's attitude about quality is unknown or it is unknown what is the cost of quality measured in percentages of sales. While on the other hand, level 5 is a complete knowledge of information about the cost of quality in total sales or the attitude of quality management. According to Injac (2001, p.169), Crosby, unlike his predecessors, differed by "dropping the entire issue from the general level of philosophy and certain activities into a rounded recipe". That is why Crosby contributed to quality management from the aspect of the whole organization and the need to involve all levels of a company in improving overall quality. In addition, Injac argues that this approach has "indicated the need for an unification and standardization that will emerge eight years later in 1987 in the form of the ISO 9000ff Series" (Injac, 2001, p. 169). The ISO 9000ff standard series emphasized the importance of quality management at all levels of the company, not just the quality upgrading of production processes that were an imperative in the

companies by that point. The fact is that maturity models are now widespread and applied in quality management, software development, supplier relationships, product development, innovation, product design, collaboration, product reliability and knowledge management (Frase et al., 2002).

The success of quality management should certainly be explored from the aspect of implementation and sustainability of the continuous improvement system as a quality management success generator.

MEASURING QUALITY MATURITY IN ORGANIZATIONS

At the end of the 80's of the last century, in practice, the quality management of the company, according to Saraph et al. (1989) was not possible due to the lack of measures to determine the success of the company's quality management. Therefore, the authors have defined eight areas of importance in terms of quality of management and the operational measures that managers can use to "evaluate quality management status and to manage improvements in all areas of quality" (Saraph et al., 1989, p. 810).

Hammer (2007) in his article published at the Harvard Business Review describes two models of maturity, on the one hand, the process of maturity and on the other hand, the maturity model of companies that are key to achieving business excellence. He further argues that the company must be mature enough for processes to increase efficiency over time. Hammer defines the maturity of the process as the ability of a process to ensure greater efficiency through time (Hammer 2007: 3). For processes to generate success and maturity through time, the company needs to provide leadership, culture, expertise and good management (Hammer 2007).

Ravichandran and Rai (2000) proposed a model for measuring quality improvements in system development. This model consists of five theoretical constructs that can be seen in Table 1. with its literature background.

Table 1. Literature background

Theoretical Constructs	Saraph et al. (1989)	Flynn et al. (1994)	Ahire et al. (1996)	Authors Study
Top Management Leadership	Top management leadership and quality policy	Top management support	Top management commitment	IS management support for quality
Management Infrastructure Sophistication		Quality policy not explicitly considered	Not considered	Quality policy and goals
	Training	Included under work force management	Employee training	Commitment to skill development
	Nature of reward schemes included under employee relations	Considered under top management support	Considered under employee involvement but dropped from the validated scale	Quality orientation of reward schemes
Process Management Efficacy	Product/service design	Product design	SPC usage	Formalization of reusability in systems development
	Process management	Process management	Internal quality information usage	Process control
	Quality data and reporting	Quality information	Benchmarking	Fact based management
Stakeholder Participation	Employee relations	Work force management	Employee empowerment and involvement	Empowerment of programmer/analyst
	Supplier quality management	Supplier involvement	Supplier performance	Vendor/consultant participation
	Customer involvement not explicitly considered	Customer involvement	Customer focus	User participation

Quality Performance	Not explicitly considered	Product quality in terms of scrap rate	Product quality	Product quality
	Process quality not explicitly considered as a performance measure	Process quality not explicitly considered as a performance measure	Process quality not explicitly considered as a performance measure	Process efficiency

Source: Ravichandran and Rai, 2000, p: 389

Laosirihongthong et al (2013) investigated the relationship between companies quality management and the impact on the performance of 149 companies in the car industry. Research findings show that top management is not sufficiently committed to managing people in the company, which is evident through inadequate employee involvement in enterprise management processes. They further argue that these "soft" factors of quality management are key to the application of best quality practices and the achievement of a developed company quality system. Tang X (2013) publishes an extensive research on the performance of companies quality management on a sample of 1,490 companies in Shanghai. The results of the research showed that the overall maturity index of the quality management of the Shanghai companies at the level of development was 3.30 out of the possible 5 degrees. The author emphasizes the importance of top management responsibility through the "leadership through quality" strategy in promoting accountability and quality assurance, socially responsible business, increasing service quality, and further investment in the development of "soft" skills.

According to Tang X. (2013) five constructs need to be investigated to determine the state of quality management in companies (Table 2). In the latest construct called quality performance, and it consists of variables: physical quality, market success and financial performance, another variable is added: "Innovation and Learning". Innovation and learning today are key to achieving business differentiation in a competitive market. In the quality management of a company variables of "innovation and learning" is important for achieving business excellence. Kuratko et al. (2014) in their research claim that successful implementation of the innovation strategy in many companies is unattainable, although everyone

is aware of how it represents a competitive advantage. Without innovation and learning, there is no added value to a company, and if the company does not apply its business policy to continuous improvement, which is crucial in collecting new knowledge, then there is no innovation. Authors Santos-Vijande and A'varvar-Gonza'lez (2007) point out that innovation has the role of mediator between quality management and achievement of technical innovation. Lee at al. (2015) explore the mediating role of organizational learning between quality management and innovation. The task of management is to recognize the need for innovation, to provide the necessary resources, and to establish and maintain the effectiveness and efficiency of the innovation process (ISO 9001: 2009, point 9). Therefore, as a result of good quality management of enterprises, the aspect of innovation and learning has to be analyzed, and it can be examined through the number of new or improved products in relation to the average activity of the company (Soto-Acosta et al., 2016).

Table 2. Constructs for measuring organization quality

No.	Construct	Variables
1	leadership	leadership role and quality culture
2	design, process development and supplier management	design, process development, supplier management
3	production process and marketing process control, system	process control, management system, standardization, product testing, sales and services
4	Knowledge management	measurement, analysis and improvement, tools and methods of quality
5	quality performance	physical quality, market success, innovation and learning, financial success

Source: Authors according to Tang X. (2013)

CONCLUSION

Today, compared to 20 years ago, literature on quality provides many measures that are validated in practice and can be used to measure quality in organization. Every organization has to determine which set of measures fits their strategies. Once the measures are set managers can use the model to evaluate quality maturity and have a “feeling” about where they stand in the market from the aspect of 5 defined constructs. Introducing quality principles and quality Standards just to have certificate in today’s business environment is not the way to remain competitive advantage.

Organizations have to evolve as market, people and needs evolve. In this context organization has to be dynamic and be aware where they stand on quality maturity from the aspect of every mentioned variable to be able to evolve, to grow and constantly improve. For future research it would be interesting to investigate what level of quality maturity organizations in Croatia have.

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MOTIVATING EXPERTS TO STAY

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Abstract

Keeping an expert satisfied is becoming a primary managerial task since more and more people decide to become independent employees or freelancers. Therefore, the question arises: What are organizations ready to do in order to keep them? The purpose of this paper is to explore what employers are willing to do in order to keep an employee who has been working in a key position in the company and has decided to quit and start working as a freelancer. The aim is to investigate whether the company's attitude depends on the size of the company, the area in which it operates, the county where its headquarters are, or their previous experience in hiring a freelancer. The research was conducted in Croatia in June 2018. The results show that employers are aware of the problem. They are to some extent ready to motivate experts with various motivation factors.

Key Words

HRM, managing experts, motivating experts, motivating talents

Topic Groups

Human resource management for entrepreneurship, intrapreneurship and incubation

INTRODUCTION AND THEORY

Human resource market has changed in the past decades by increasing externalization of employment staff for various jobs. More and more employees decide to design their own work environment and conditions and thus choose to be independent employees, freelancers, or employees of their own small business as a one-man band. A new problem emerges for organizations: experts, as people with very specific knowledge of core business of the organization, tend to leave. Globalization, due to its global competitive possibilities, is only one of the causes that enable experts to move across the large HR market. Competitive advantage of an organization rests on knowledge and, according to Teece (2015), on the ability to motivate experts to create knowledge, help build organizational capabilities and shape strategies. Teece, therefore, emphasizes the importance of intellectual property and of controlling specialized assets. Intellectual property as an aspect of property highlights the importance of knowledge. According to Davenport and Prusak (1997, p. 5) knowledge is a fluid mix of framed experience, values, contextual information and expert insight that provide a framework for evaluation and incorporation of new experiences and information. Knowledge is not shared around, nor it is free of charge. Teece (1998) talks of knowledge as of intangible assets and says that productive knowledge is typically embodied and thus not possible to be accomplished only by transmitting information, i.e. it is difficult to replicate it. According to him, imitation is nothing else than replication performed by a competitor. From this standpoint, it is not possible to imitate the productive knowledge of an expert. This emphasizes the value of an employee with a specific know-how of a core business activity of an organization.

Teece (2015) talks about three important categories of an expert with regard to knowledge creation: the first two are *literati* and *numerati*, both marked by high levels of education and experience, and the third very important category is the category of *integrators*, who synthesize the work of the others. Once an organization recruits an expert with specific knowledge, it is expected to manage their knowledge in a special manner since productive knowledge needs further deployment and use of it. Fleming and Marx (2006), when rethinking the status of technical professionals who span organizational boundaries and, as they say, accelerate the process of invention by contributing to and capitalizing on interfirm 'spillovers' of technical knowledge, claim that managerial attention should focus on identifying, retaining, and enabling gatekeepers,

as they named technical experts. Special focus in managing experts should be given to developing creativity. By discussing the impact on creativity of an expert within the organization (Fleming and Marx, 2006), it could be concluded that clustering inventors as experts, for example, will less likely result in new ideas. Though, if a new idea arises, it will be more likely adopted by other inventors. Therefore, they find that cohesion of employees has a negative impact on generating creative ideas, but a positive one when it comes to their development and diffusion.

According to the study of 301 geniuses that had been conducted almost a hundred years ago, Cox (1926) discovered that intelligence alone did not make distinction and it had to be accompanied by tenacity of purpose. Creative thinking has its purpose and is highly asked for in contemporary human resource management since it is the foundation needed for creative problem solving. This requires persistence and intensity connected with strong motivation. Motivation is not a stable dimension of an employee. Therefore, permanent monitoring of managerial motivating processes within HRM is even more prominent.

Competitiveness leads to the departure of key experts and benefits for competitors, which Teece (2003) sees as the start of negative processes in which reputation and quality decline. In case experts are unsatisfied, according to Sturman and Trevor (2001), first to quit are those with most education, training and abilities. Motivation of the highest quality experts could be both tangible (financial) and intangible. Teece (2015) says that higher financial motivation will not make up for an unsatisfactory work environment. According to him, dimensions of job environment that matter, or 'quality of work life', include: organization culture, quality of management, challenge of work, and autonomy-afforded employees.

METHODS

Given that the main purpose of this research is to explore what the employers are willing to do in order to keep the employee who has been working in a key position in the company and has decided to quit and work as a freelancer, the main hypothesis is the following: "In order to retain the employee who has been working in a key position, employers are willing to make concessions regarding the independence of the employee in deciding about the time and place of work." It is followed by an additional hypothesis: "In order to retain the employee who has been working in a key position in the company, employers are willing to give them share in the company." In order to examine which independent

variable the attitude of the employer depends on, several additional hypotheses were set:

- Employer's attitudes about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on whether they have already hired a freelancer for a job or not.
- Employer's attitudes about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the area in which the company operates.
- Employer's attitudes about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the size of the company.
- Employer's attitudes about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the county where the headquarters of the company are.

Primary data were collected using a questionnaire. The survey was conducted online through the survey tool [esurveycrator.com](https://www.esurveycrator.com). The target population were small, medium and large companies based in Croatia. An e-mail with the link to the web-based questionnaire was sent to the companies in Croatia by the Croatian Chamber of Commerce. From the 4th to the 25th of June 2018, the survey was completed by 158 respondents.

The 70 of the participants were male, 77 females, 9 participants did not want to state their gender, and two of them did not answer the question. One of them was between 18 and 25 years old, 32 of them between 26 and 35 years old, 46 between 36 and 45 years old, 46 between 46 and 55 years old, and 33 of them were older than 55.

Respondents were generally familiar with all organizational processes in their company. 99 of them were directors of the company, 12 were members of the board of directors, 18 managers of the company, 12 employees in human resources, and 17 of others.

Regarding their educational level, two participants completed their elementary education, 38 participants completed their secondary education, 18 of them completed undergraduate studies, 73 graduate studies, 17 had master's degrees, 7 were university specialists, and 3 of them had doctorates.

As it regards the headquarters of the company, only the capital city of the country stands out with 51 (32.3%) head offices of the companies. The

seats of other companies are located in other counties, with each county having at least one company having a head office, and none of the counties has more than 10% of the total headquarters of the company.

Regarding the size of the company (division according to the Accounting Act (NN 78/15, 134/15)), 111 (70.7%) of the companies were micro (assets up to HRK 2.6 m, revenues up to HRK 5.2 m, average number of employees during the year is 10); 24 (15.3%) small (assets amount up to HRK 30 m, revenues up to HRK 60 m, average number of employees during the business year is 50); 11 (7.0%) medium (assets up to HRK 150 m, income up to HRK 300 m, average number of employees during the year is 250); and 11 (7.0%) were large (crossing the indicators for medium entrepreneurs in two of the three criteria, and regardless of these criteria large entrepreneurs are also banks, savings banks, housing savings banks, electronic money institutions, insurance and reinsurance companies, UCITS management companies, alternative investment fund management companies, factoring companies, investment firms, stock exchanges and even smaller number of other entrepreneurs). The data was analyzed using the SPSS version 22.

FINDINGS AND DISCUSSION

In order to examine what concessions the employers are willing to make to keep the employee working in a key position who has decided to quit and work as a freelancer, the 5-point Likert scale was used. The question was: "If a key position employee decides to quit and work as a freelancer, what concessions are you willing to make to keep the employee and to what extent?". Eight statements were offered to respondents: "I would not offer anything"; "I would allow the employee to decide independently of their working hours"; "I would allow the employee to decide independently of their place of work"; "I would allow the employee additional education"; "I would allow the employee additional days off"; "I would allow the employee share in the company"; "I would allow the employee to participate in the company's management"; "I would provide the employee with additional financial bonuses". Each of the respondents had to indicate the extent to which they agreed with the statement. The offered answers were as follows: 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree.

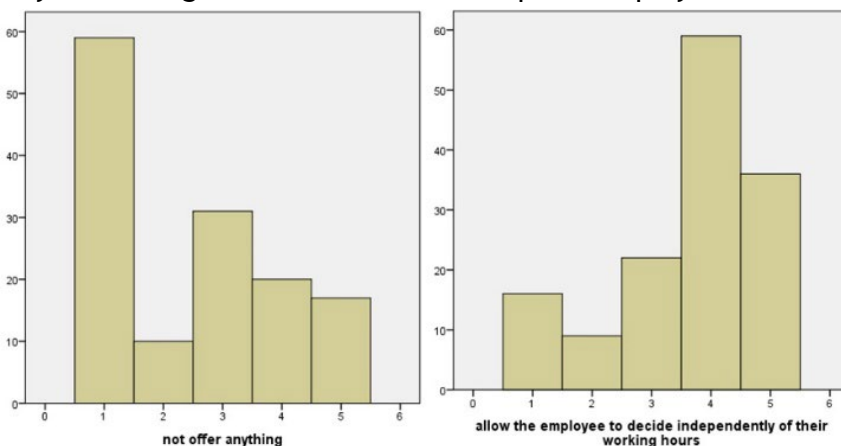
Table 1: Descriptive statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee

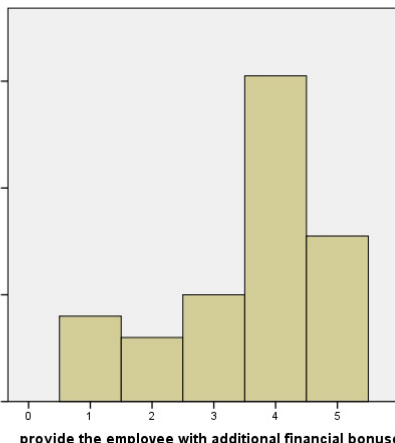
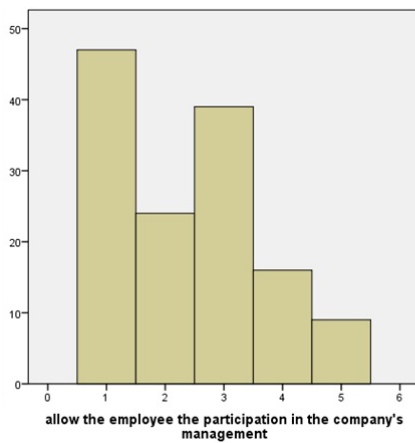
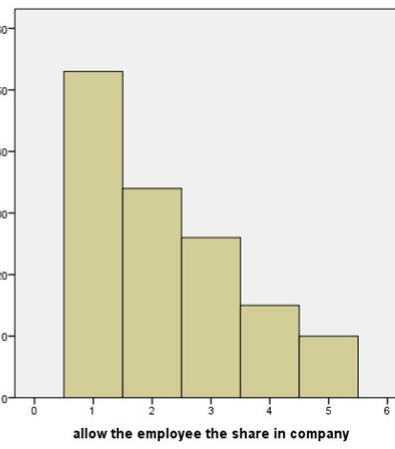
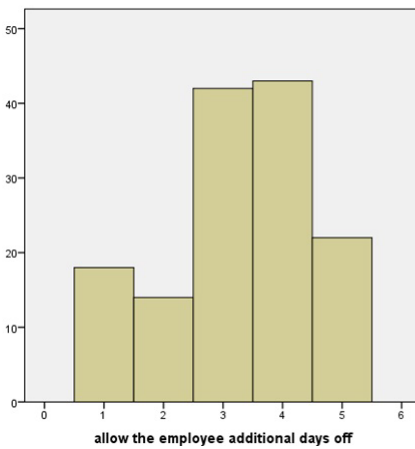
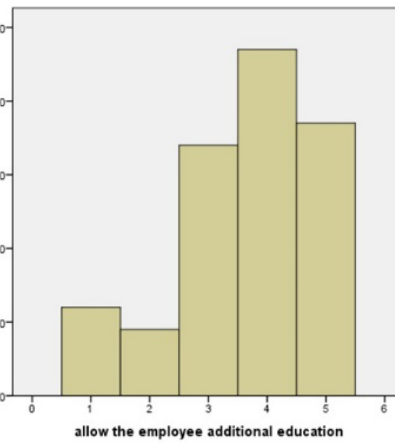
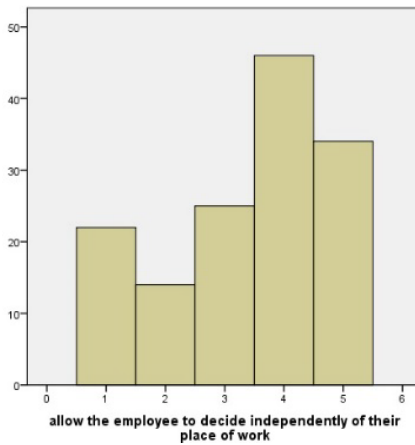
		not offer anything	allow employee to decide independently of their working hours	allow employee to decide independently of their place of work	allow employee additional education	allow employee additional days off	allow employee the share in company	allow employee the participation in the company's management	provide the employee with additional financial bonuses
N	Valid	137	142	141	139	139	138	135	140
	Missing	21	16	17	19	19	20	23	18
	Mean	2,46	3,63	3,40	3,63	3,27	2,24	2,38	3,56
	Median	2,00	4,00	4,00	4,00	3,00	2,00	2,00	4,00
	Mode	1	4	4	4	4	1	1	4
	Std. Deviation	1,470	1,246	1,367	1,193	1,225	1,270	1,257	1,248

Descriptive statistics shown in Table 1 confirms that employer would definitely try to do something in order to keep the employee who has been working in a key job position, but they are not willing to give share in the company or to let them participate in the company's management. First of all, employers are willing to allow the employee additional education and allow them to decide independently on their working hours. They are willing to provide the employee with additional financial bonuses, to allow them to decide independently of their place of work, and allow them additional days off.

Histograms in Figure 1 show to which extent the respondents agree with each of the statements. Histograms show that respondents are the surest in the first statement declaring that they will certainly do something to keep the employee. Hence, the main hypothesis "In order to retain the employee who has been working in a key position, employers are willing to make concessions regarding the independence of the employee in deciding about the time and place of work" is accepted.

Figure 1: Histograms of the employers' attitudes regarding the concessions they are willing to make in order to keep the employee





Regarding the additional hypothesis “employers are willing to give them share in the company”, there is not enough evidence to keep the null hypothesis after this analysis. Therefore, null hypothesis is rejected,

meaning that employers are not willing to give share in the company, not even at a price of the employee working in a key position leaving.

Table 2: Test statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee depending on whether they already hired a freelancer or not

Test Statistics ^a								
	not offer anything	allow the employee to decide independently of their working hours	allow the employee to decide independently of their place of work	allow the employee additional education	allow the employee additional days off	allow the employee the share in company	allow the employee the participation in the company's management	provide the employee with additional financial bonuses
Mann-Whitney U	1796,500	2061,500	1789,000	2141,500	1944,500	2135,000	1955,000	2132,500
Wilcoxon W	5282,500	3601,500	3274,000	3626,500	3375,500	3566,000	3281,000	3617,500
Z	-1,894	-1,346	-2,354	-,573	-1,393	-,420	-,770	-,739
Asymp. Sig. (2-tailed)	,058	,178	,019	,566	,164	,675	,442	,460

a. Grouping Variable: have they ever hired a freelancer

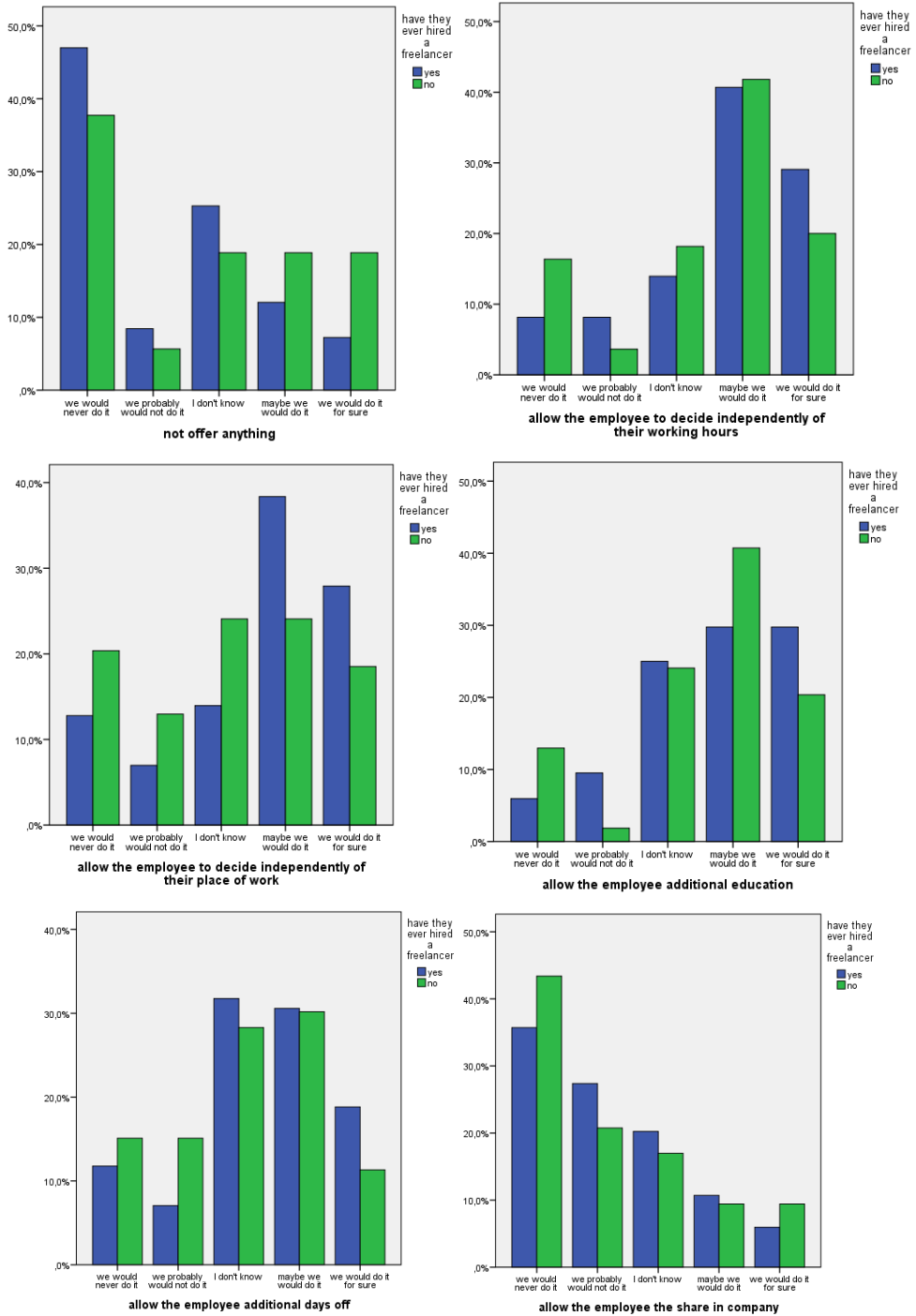
Test statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee depending on whether they already hired a freelancer or not provided in Table 2 shows that there is no statistically significant difference in the attitudes of the employer in any of the claims, except for the statement "allow the employee to decide independently of their place of work".

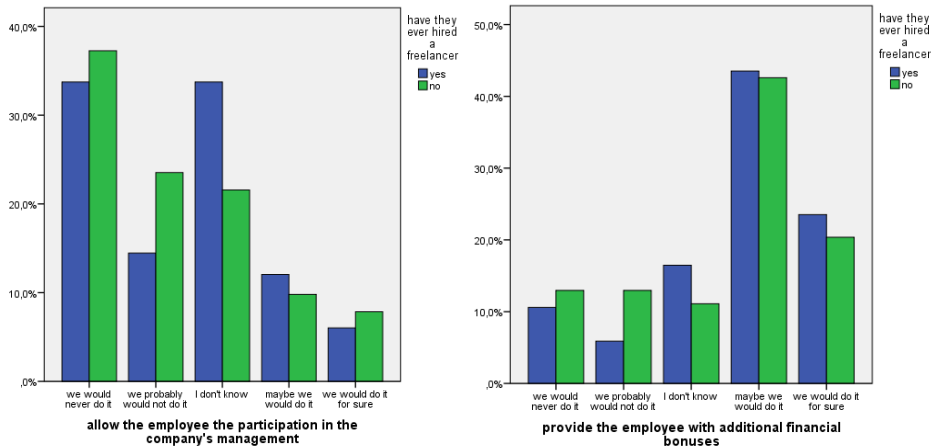
According to the bar charts provided in Figure 2, employers who have hired freelancers (blue, on the left) are more willing to allow the employee to choose their workplaces than those employers who have never hired freelancers before (green, on the right).

Test statistics for the Likert scale of the employers' attitudes about the concessions they are willing to make in order to keep the employee depending on whether they already hired a freelancer or not provided in Table 2 shows that there is no statistically significant difference in the attitudes of the employer in any of the claims, except for the statement "allow the employee to decide independently of their place of work".

According to the bar charts provided in Figure 2, employers who have hired freelancers (blue, on the left) are more willing to allow the employee to choose their workplaces than those employers who have never hired freelancers before (green, on the right).

Figure 2: Bar charts of the employers' attitudes depending on whether they have already hired a freelancer or not





However, since this is the only significant difference between employers who have and have not hired freelancers, there is not enough evidence to keep the null hypothesis “Attitudes of the employer about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on whether they have already hired a freelancer for a job or not”. Accordingly, null hypothesis is rejected, meaning that there is no statistically significant difference in the attitudes of the employer depending on previous experience in hiring freelancers.

Table 3: Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee depending on the area in which the company operates

Test Statistics^{a,b}

	not offer anything	allow the employee to decide independently of their working hours	allow the employee to decide independently of their place of work	allow the employee additional education	allow the employee additional days off	allow the employee the share in company	allow the employee the participation in the company's management	provide the employee with additional financial bonuses
Chi-Square	10,264	2,258	3,507	1,580	4,744	5,475	4,747	2,136
df	5	5	5	5	5	5	5	5
Asymp. Sig.	,068	,812	,622	,904	,448	,361	,447	,830

a. Kruskal Wallis Test

b. Grouping Variable: In which area does the company operate?

Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee depending on the area in which the company operates shows that there is no statistically significant difference in the attitudes of the employer in any of the claims. Therefore, hypothesis “Attitudes of the employer about the concessions which they are willing to make, in order to retain the

employee who has been working in a key position, depend on the area in which the company operates” is rejected.

Table 4: Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee depending on the size of the company

Test Statistics^{a,b}

	not offer anything	allow the employee to decide independently of their working hours	allow the employee to decide independently of their place of work	allow the employee additional education	allow the employee additional days off	allow the employee the share in company	allow the employee the participation in the company's management	provide the employee with additional financial bonuses
Chi-Square	10,950	5,505	6,108	,810	4,036	6,733	4,243	2,309
df	3	3	3	3	3	3	3	3
Asymp. Sig.	,012	,138	,106	,847	,258	,081	,236	,511

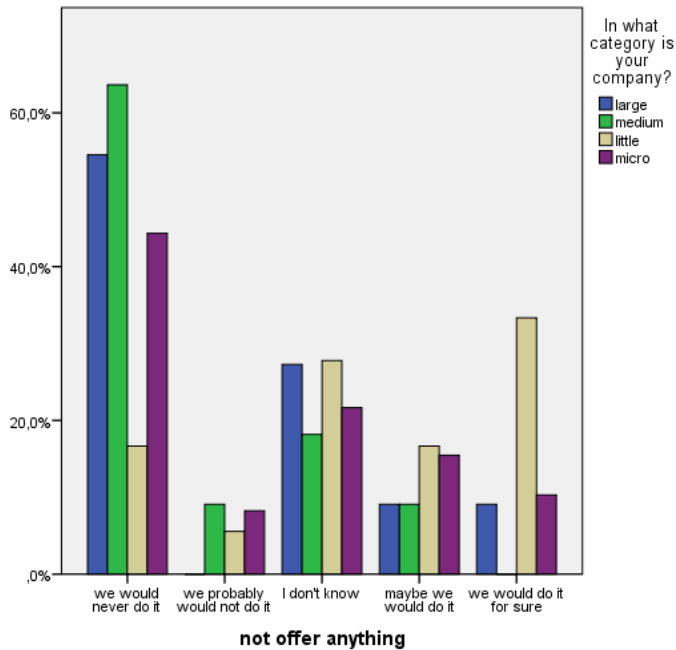
a. Kruskal Wallis Test

b. Grouping Variable: In what category is your company?

Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee depending on the size of the company, shows that there is no statistically significant difference in the attitudes of the employer in any claim except for the statement “I would not offer anything”.

Bar chart in Figure 3 shows that little companies have different opinion regarding the employee who has decided to quit and work as a freelancer. They are not willing to offer them concessions and try to keep them to such extent as the other companies. Most little companies are certain that they would not offer anything to their employees without the intention to keep them.

Figure 3: Bar chart of the employers’ attitudes about not offering anything to the employee who has decided to quit and work as a freelancer depending on the size of the company



However, considering that in this sample the share of little companies was 7%, we do not have enough evidence to keep the null hypothesis “Attitudes of the employer about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the size of the company”. Accordingly, null hypothesis is rejected, meaning that there is no statistically significant difference in the attitudes of the employer depending on the size of the company.

Table 5: Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee depending on the county where the headquarters of the company are

Test Statistics^{a,b}

	not offer anything	allow the employee to decide independently of their working hours	allow the employee to decide independently of their place of work	allow the employee additional education	allow the employee additional days off	allow the employee the share in company	allow the employee the participation in the company's management	provide the employee with additional financial bonuses
Chi-Square	27,934	19,133	20,199	19,191	11,371	19,855	24,894	13,500
df	19	20	20	19	19	20	19	19
Asymp. Sig.	,085	,513	,446	,445	,911	,467	,164	,812

a. Kruskal Wallis Test

b. Grouping Variable: In which county are the headquarters of the company?

Test statistics for the Likert scale of the employers’ attitudes about the concessions they are willing to make in order to keep the employee

depending on the county where the headquarters of the company are, shows that there is no statistically significant difference in the attitudes of the employers in any of the claims. Hence, hypothesis “Attitudes of the employer about the concessions which they are willing to make, in order to retain the employee who has been working in a key position, depend on the county where the headquarters of the company are”, is rejected.

CONCLUSIONS AND IMPLICATIONS

The results of this research show that employers are struggling with the problem of retaining experts and keeping them satisfied and motivated. They are ready to provide independency to the expert employees as to give them possibility to make decisions regarding the working environment. However, when it comes to share organizational shares, the bottom line is they are not ready to do it - employers do not find this acceptable. In Croatia, with developing independent employment as a form of employment, management will need to think more about that issue and to find out other additional motivation factors, but first of all to rethink rigid habits from the times when an employee was expected to obey the strict rules of working hours and places. Contemporary human resource management should put into the focus the specific needs of employers that will result in the achievement of strategic goals with the highest level of satisfaction.

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