THE IMPACT OF THE MANAGERS' EDUCATIONAL LEVEL ON THE DEVELOPMENT OF THE KNOWLEDGE-BASED ORGANIZATIONS: THE CASE OF INSURANCE COMPANIES IN CROATIA

Glavaš, Jerko; Stanić, Luka; Šebo, Damir

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Jerko Glavaš
Josip Juraj Strossmayer University of Osijek
Faculty of Economics in Osijek
Trg Ljudevita Gaja 7,
31000 Osijek, Croatia
jglavas@efos.hr
Phone: +38531224400

Damir Šebo
Josip Juraj Strossmayer University of Osijek
Faculty of Medicine
Josipa Hutlera 4,
31000 Osijek, Croatia
dsebo@mefos.hr
Phone: +38531512819

Luka Stanić
Merkur osiguranje d.d.
Ivana Gundulića 5,
31000 Osijek, Croatia
luka.stanic@merkur.hr
Phone: +38531215444

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THE IMPACT OF THE MANAGERS' EDUCATIONAL LEVEL ON THE DEVELOPMENT OF THE KNOWLEDGE-BASED ORGANIZATIONS: THE CASE OF INSURANCE COMPANIES IN CROATIA

Abstract

The key objective of the scientific research paper is to identify the key factors of knowledge management that have a direct impact on the economic growth of the national economy within the framework of the European Union. Through the implementation of primary research in the insurance sector (insurance companies), named variables are analyzed to create a model of competitiveness in terms of the knowledge economy based on the above research and proven hypotheses in the research conducted. An analysis of the results is necessary to determine the most important groups of variables that affect the economic growth and competitive advantage. The research is based on three key variables: education, knowledge and human resources.

Keywords: Management, education, knowledge, insurance, Croatia

1. Introduction

Gaining knowledge produces knowledge spill-over effects. The knowledge that is acquired, helps in acquiring additional learning skills further on which facilitates the acquisition of new knowledge in the future (Čerić, Varga, 2004). Due to this effect, the use of the company's knowledge often results in externalities since the beneficial effects are not only being used by the knowledge owners or the knowledge holders, but also the companies and individuals in the business environment that did not have to deal with any of the costs associated with the achievement of positive effects.

Economic theory has four inputs or factors of production: labor, capital, property and entrepreneurship. It is said that entrepreneurship is an active factor, and the others are passive ones. (Ferenčak, 2003)

The experience of the countries with a tradition of entrepreneurship has pointed to the necessity of continuous learning and the importance of the interaction among the environment and the company, because:

- People and the organizations with the fastest and most successful learning, in the long-term always beat the competition precisely through searching and exploring new opportunities,
- The political, social and economic environment may encourage or discourage a potential entrepreneur,
- The entire educational system should become more aware of the needs and importance of entrepreneurs (Learner-centered instruction, just-in-time learning, permanent education),
- Organizational management is a key factor for encouraging knowledge sharing and exchange of experience, additionally creating the models of the organizational learning.

Unlike traditional goods and services, the use of knowledge does not reduce its quantity and that is an important difference. It is the law of scarcity itself, as one of the basic laws of economics and the basis of traditional economic goods that is not applicable to knowledge.

The failure to establish market knowledge has resulted in two additional properties of the knowledge itself:

1. The very fact that the specific market knowledge doesn´t exist, means that there isn´t any mechanism for the price formation of specific knowledge. It is important to emphasize that the knowledge has its certain value, although it is not possible to express what that price would be. The value of the knowledge is not easily identifiable, and its determination is possible only after using it.
2. Owning multiple units of the same knowledge does not increase the total knowledge that is available since the same knowledge can be expanded and collapsed depending on the medium or the storage method.

2. Knowledge as a driver of change

Every national economy and its competitive advantage depend on the quality of their own human resources. The use of the above resources and investment into their quality are the main factors of development. A quality education system, more precisely education itself, is an important participant when it comes to enhancing the competitiveness of the national economy through the provision of the necessary quality and quantity of human capital, as the main resource of progress. Education is essential in all this because it enables the acquisition of knowledge, skills, attitudes and values necessary for an individual to fulfill his or her job and social role in all segments of everyday life.

In the last decades, intangible assets such as knowledge, patents and innovations have been identified as key sources of wealth and prosperity (García-Ayuso, 2003).

Since knowledge promotes national economic growth and has a significant impact on future national value and innovations, both learning and gross domestic product (GDP) represent the fount of a nation´s competence and capabilities that are deemed essential for economic growth, competitive advantage, human resource development and quality of life (Malhotra, 2003).

Consequently, countries rich in intangible assets are the leaders in the national wealth more than those countries whose assets are limited to land, labor and capital (Malhotra, 2003).

The development of information and communication technologies has significantly reduced operating costs and also has facilitated interaction for knowledge exchange, which has become a fundamental factor in the production of goods and services. For material productivity, to produce something old (already perfected) is no longer relevant. Instead of that, something new has become more important and for that, knowledge is necessary (Sundać, Švast, 2009).

Knowledge brings profit to the business system and provides prosperity of the national economy. Short-term goals of the business systems are still based on making a bigger income by minimizing expenses, i.e. to achieve the greatest possible profit. It is no longer possible to achieve that in the classical way, but through the creation of added value using intellectual capital, retaining loyal customers (20% of the customers create 80% of the income), increasing the value of brand names, as well as introducing the collective knowledge management in the business systems and collecting data. In this way, a competitive advantage at the national and global level would be achieved and maintained. The share of intangible assets (knowledge in its various manifestations) in the final products or the companies´ and corporations´ total market value frequently indicates a higher growth rate.

Nowadays, literature accompanied by neoclassical economic theories, for the most part is actually focused on the knowledge-based economy, while the knowledge society itself is viewed as a by-product of the knowledge-based economy because it is very difficult to define some of the aspects, such as: the politological, sociological, cultural and other aspects, whereas in the knowledge-based economy the sharing of knowledge-based sectors in the national economy can be measured (Švarc, 2009: 43).

In the knowledge society, the human intellect, cognition and knowledge have intrinsic values that arise from their uniqueness and rarity. Even though no explicit price is set for the knowledge in the market, knowledge has a value in itself and that value just keeps growing.

Having that in mind, professor Velimir Srića emphasizes two basic types of learning that, not only affect the business strategy, but are also the result of the latter (Knežević, 2007: 159):

1. Learning to survive - based on their own and others' mistakes, following the relevant sources of commercial, scientific, financial and other information, an individual or an organization creates the presumption of survival by removing errors and making behavior adjustments in the environment.
2. Learning to create (it is also called generic learning) - it is a higher phase of learning that aims at creating something new or at further improving the already existing solutions, and results in the active participation of individuals and organizations in changing their environment.

In today's business conditions, in terms of a knowledge-based society, it is precisely the creation of new knowledge and the use of the existing knowledge, in addition to continuous innovation, that have become an imperative in order to achieve a competitive advantage in the market. Nonaka and Takeuchi introduce a simple model that shows the components on which the competitive advantage of today's operating system is based. The model is also focused on knowledge.

Figure 1 The source of competitive advantage



Source: Adapted from Nonaka, I., Takeuchi, H. (1995). The Knowledge Creating Company. Oxford: Oxford University Press. p. 6

A few changes have been made from 1995 until today, but the initial setting has remained (Figure 1).

The knowledge economy or knowledge-based economy is a term that refers to the application of knowledge. The goal of the knowledge-based economy is to achieve the economic benefit - profit.

The knowledge economy is best described by Peter Drucker in his book "The Effective Executive" in 1966 (Drucker, 2002). Drucker makes a comparison between the manual worker and the knowledge worker:

- The manual worker works exclusively with his or her hands and produces goods or services, while
- The knowledge worker works with his or her head, not hands, and produces ideas, knowledge, and information

The fundamental concept of this notion is that knowledge and education today are treated as a business product, as well as a product of innovative intelligence.

The cause of the transformation of a traditional economy into a knowledge-based economy can be partly seen from the following:

- With the help of advanced technology, products are becoming more, almost completely global and the globalization of the market is omnipresent,
- Great effect of the information and communications technology (ICT), efficient production is based on technological progress and knowledge,
- More than 70% of workers in developed countries are "knowledge workers".

"The key values of today's leading 'New Economy' companies (eg. Microsoft), are not related with the physical capital, but with the knowledge, that is, intellectual capital. The information era has spawned IT as a companies´ strategic resource and it has also imposed necessary information (IM) and knowledge management (KM), along with the companies´ intellectual capital, in order to achieve and maintain a competitive advantage. Tracking information and information flows have changed the organizational structure, while the use of new technologies in business has changed the market environment itself" (Srića, Spremić, 2000: 186).

In the new economy, business location becomes less important because the modern methods and technologies are the ones creating virtual stores and organizations and also offering advantages in terms of the rate of performing certain actions and faster availability of the products and services.

It should be also mentioned that the knowledge which is the foundation of the new economy is not subject to geographical, legal or other barriers, instead, it is obtained where it is needed. The products and services based on knowledge compete very well with the products and services that include embedded know-how.

Continuous change (re-everything) is a feature of the new economy that represents redefining strategies at all times, business objectives and the way of doing business. It also requires faster time cycles within which knowledge is generated and procedures that are based on newly generated knowledge. The fact is that investing in people, creating new knowledge and managing the employees´ intellectual potential, makes the competitive environment of the new economy where the knowledge is the main product and also the object of buying and selling. In accordance with all stated above, the business system management (in this case the insurance company) must be focused on creating an appropriate environment that will facilitate learning how to use our own knowledge in the business system and ultimately, enable and create a knowledge management system.

3. Innovation as a factor of competitiveness

The European Union today is a major supporter and promoter of the innovation policy, which can be seen in a series of activities that are focused on monitoring, improving and benchmarking national innovation policies, enterprises´ innovation capacity, competitiveness, etc. The Lisbon Agenda was based on the ideas of the institutional and evolutionary economics of the new innovation paradigm that emphasizes the interaction of science, education and the economy (the research triangle) for the development of innovation and overall economic growth (Švarc, 2009: 92).

In order to monitor achievement of the Lisbon agenda and the development and exchange of information on innovation policies in the European Union and beyond, the European Commission launched an innovation portal in January 2001 (Eu-

ropean Commission, 2000), which consisted of four components:

1. The Trend Chart on Innovation in Europe;
2. The enterprises´ innovation capacity measurements (Community Innovation Survey - CIS);
3. The evaluations of the innovative capability of the EU countries (European Innovation Scoreboard - EIS);
4. The views of European managers (Innobarometer).

Innovation, i.e., applied and commercialized knowledge is the one element that connects knowledge and economic growth. Integration of science and entrepreneurship (the real sector) is becoming a new driving force for progress.

Speaking of models, it should be noted that the linear model sees the innovation as the last phase of the research process. The process starts with basic research and is followed by product development. The cycle ends with the market exploitation of the research results, that is, innovation. In this part, the innovation process develops successively (in chronological stages) from research to commercial application. The key factor for the economic and technological development is the state´s investment in research and development, especially in basic sciences, as the implicit factors of development (Švarc, 2009: 105).

On the other hand, there is the interactive model, as a contrast to the linear model. According to this model, the innovation cannot be equalized with "research". The linear model includes a series of interconnected activities. In the center of the latter is an industrial design (the prototype).

Innovation can be developed at any point in the innovation cycle, also the research and development don´t necessarily need to be included. Moreover, incremental innovations, that is, continuous improvement of an invention after the implementation phase, can be economically much more important than the initial invention in its original form (Švarc, 2009: 283).

Since the linear model has been replaced with an interactive model, science (especially at the universities) is experiencing drastic changes in its social concept and economic role. Generally speaking, due to the interactive model, science is losing its monopoly position ("first driver" of the technological innovation). The linear model could not, for example, explain the growth of Asian countries like Japan that did not have a developed science, and in accordance with that, it is being considered outdated and "primitive" as a model for technological progress (Abramovitz, 1989: 352). Instead, market and market demand are seen as a key variable that determines the dynamics of innovation. The pressure of achieving a national competitive advantage is putting academic science in a difficult situation and having to defend its social and economic value. Accordingly, if the technology is not applied science, then what is the use of public science and publicly funded universities? Public investments in the university science are becoming counterproductive, moreover, the characteristics of atrophic, immobile, insufficiently pragmatic and expensive institutions that have lost touch with reality are being attributed to the universities.

Nevertheless, a companies´ technological and innovative capacity plays a crucial role in the economic growth, and the objectives of national development policies are strongly being focused on producing mostly applied, technological knowledge, the so-called technology without science. The dynamic, globalized environment conditions the drastic changes that the above process has only started.

Globalization is here, it represents everyone´s reality, but what does it actually stand for? We can define it as "the process of efficient use of world resources (labor, land, capital and knowledge) against competitors by hiring a multicultural workforce" (Carrell et al., 2000: 29).

Thanks to globalization, new actors have emerged on the scene – multinational companies. Those companies have a significant influence in a globalized world with domination and the establishment of strong financial groups. "In a global economy, the economies of scale are no longer important. Barriers for the market entrants are related with the production of high value and quality, not with the scale (Karaman Aksentijević et al., 2008). "In the knowledge economy human resources must be educated, innovative, creative, communicative, responsible and cooperative, and they should have a high-level of technology knowledge and understanding of the environment.

Unlike the traditional economy, the knowledge-based economy is based on information as a basic resource and human resources as the fundamental

Table 1 The traditional economy as opposed to the knowledge-based economy

	Feature	Traditional economy	Knowledge economy
Macro level	**Level of competition**	National competition	Global competition
	Source of competitive advantage	Low cost, differentiations, focus	Knowledge, innovation, quality
	Key growth drivers	Cheap labor force, capital	Knowledge, ideas, innovation, technological structure
	Key trends in technology	Mechanization, automatization	Digital communication, virtualization
Micro level	**Prevalent form of organization**	hierarchical, bureaucratic	Entrepreneurial, networked
	Organization of production	Mass production	Flexible production adapted to the customers´ requirements
	Importance of research and management knowledge	Low	Key source of competitive ability

Source: Karaman-Aksentijević, N., Ježić, Z., Đurić, K. (2008)

value. National laws, taxes and market cease to have only national features, instead, they are becoming part of the wider global context.

Practice shows that companies with a developed relationship to human resources have better financial results. Furthermore, created human resource strategies encourage maximally the use and development in order to increase further business success. The quality of the company is reflected in translating the paradigm from "human resources cost" to "human resources are an investment". Thus, with a joint venture of the companies in the continuing education of its employees on the one hand, and the return of the investment by the workers with newly-acquired knowledge and skills on the other hand, productivity is being increased, also influencing an increase in the competitive advantage.

The only sustainable company´s source of competitive advantage is hiring and retaining quality workers, and constantly improving their knowledge, the ways the knowledge is used and how quickly the latter is gained. In order to ensure maximum return on investment in human resources, it is necessary to have an investment plan in accordance with the business strategy.

But the real challenge is not only to be more competitive in the global market, rather than to create a global way of thinking along with managers, employees and human resources professionals. Free trade and globalization have led the majority of companies into the "wild" competitive market, where success depends on the quality of the companies´ human resources. The range of human resources has been expanded and it includes recruiting, training and motivating the labor force from different cultural backgrounds.

The question that arises is: can the human resources strategy and employee development system in one country be effective in another?

The answer can be sought in the assumptions that affect the business in every country such as: law, politics, economics and culture of life and work. All this leads to a different way of thinking, understanding and behaving as well as different management and business methods. It is not possible to replicate only a particular way of managing human resources, because the assumptions that affect the business (especially those related to the culture of life and work), have a great influence on the way of doing business itself (Kolar, 2010: 10).

4. Impact of economic crisis on the development of a knowledge society

The high unemployment rate is derived from the violation of the main postulates. Those postulates are related to business systems which are based on knowledge. People are the ones who make a difference, the competitive advantage. The problems and the consequences caused by crisis can be primarily neutralized by additional investment in people - employees who have the skills and knowledge to adapt to the new circumstances.

Every business system in Croatia must be able to identify those factors, invest in them and encourage creativity and innovations or otherwise, face even bigger problems - elimination of the competition due to lack of competitiveness.

World experts on intellectual capital agree on one thing – improving the knowledge flow within the business system and transforming that knowledge into value creates a new added value and competitive advantage.

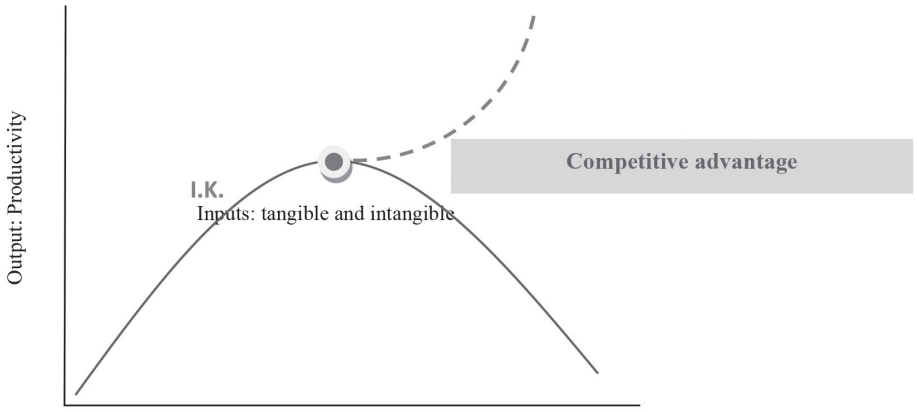
In fact, the previous claims show the influence factors that have alienated Croatia from the actual concept of the knowledge-based society in the following period:

- Reducing the actual expenditures in science and education;
- High unemployment rate;
- Decline in economic activity accompanied by a constant rise in prices, undermined living standards (compared to last year) and negatively impacted the growth of poverty in Croatia and the number of citizens who are living close to the poverty line;
- Accepting the guidelines of the European Commission without a thorough implementation (education reform, knowledge society, a European Strategy for smart, sustainable and inclusive growth).

Accordingly, the Croatian reality is a great reminder of how important the transformation of consciousness is in transitional societies. Moreover, the transformation should happen first, because it is an actual basis for all other political, economic and cultural transitions, i.e. concretization of capitalism. However, the situation today is reversed. Institutions and laws, property and production are some of the elements that have obtained a capitalist form, but not the content. This is due to the "centralized - planning" consciousness of the citizens (security and continuity, collectivity and individual irresponsibility). They deciphered the freedom (in capitalist terms) as the freedom of the national identity (Šundalić, 2004).

It is possible to achieve the competitive advantage, but the intellectual capital must be introduced as a source (Sundać, Švast, 2009). The law of increasing returns affects the intellectual capital and not the law of diminishing returns (Graph 1).

Graph 1 The relationship between intellectual capital and the law of increasing returns



Source: Adapted and Updated: Sundać, D., Švast, N. (2009)

"High-tech industries" with a high proportion of knowledge (and low proportion of intangible assets) in the final product have developed due to the influence of science and technology in recent decades. The main feature of these industries is the actual effect of the law of increasing returns. In other words, the law of diminishing returns is the key for Croatian economy and its way out of the economic crisis.

Certain consequences of the crisis in Croatia that have become visible have left a lasting impact on the economy, the standard of living and on foreign investors. One of the possible solutions to resolve this problem would be to dramatically increase investment in the national intellectual capital through all the possible models (intangible > tangible).

It is important to emphasize one thing - the investment structure in Croatia has not been encouraged. Most of the investments here were earmarked for the infrastructure. Speaking of high unemployment and stagnating exports, the investments in the industrial structure and knowledge were supposed to be a priority, since they have the largest multiplier effect on the overall economic growth.

Therefore, an investment in knowledge pays the best interest in many ways and results with: a growth of jobs, the competitiveness of Croatia in the European context, a better living standard, social peace and other, previously mentioned segments. The only constant should be greater investment in knowledge and the education system. All the other variables depend on the implementation of tacit knowledge in the economic sector, the latter of which should be revitalized and based on the targeted investment policies with an important objective – higher job-creating economic growth (Glavaš, 2012).

5. Case study: Insurance companies in Croatia – questionnaire-based survey

The definition of insurance helps to explain the very concept of insurance. Many theorists have tried to define this idea. Manes defines the insurance as an "economic institution resting on the principle of mutuality, established for the principle of supplying a fund, the need for which arises from chance occurrence whose probability can be estimated." (Muller-Lutz, 1966). There are different types of insurance, but each one of them implies payments of a certain fund (Muller-Lutz, 1966).

Furthermore, all of them could be essentially reduced to: "Insurance is risk transfer mechanism that ensures full or partial financial compensation for the loss or damage caused by event(s) beyond the control of the insured party." Under an insurance contract, a party (the insurer) indemnifies the other party (the insured) against a specified amount of loss, occurring from specified eventualities within a specified period, provided a fee called premium is paid. In general insurance, compensation is normally proportionate to the loss incurred, whereas in life insurance usually a fixed sum is paid.

The insurance management emerges as a service that provides protection in case of a probable but uncertain event that would mean a certain loss for the insurer and reduction of possible earnings. Each type of insurance must define the following: the object of the insurance, the risks associated with an object that is ensured, the period of time that an insurance policy provides coverage and the form of damage cover (Stanić, Glavaš, 2013).

An essential characteristic of every manager is the ability to manage other people, including himself. It is very important to know how to manage individuals and groups, as well as having the necessary communication skills. Various skills and knowledge are needed for a successful performance of such a complex operation, such as: technical skills (the application of specific professional knowledge acquired through training and experience), the art of dealing with people, the ability to work with others, understanding, motivation and the ability to analyze and diagnose complex situations.

5.1 Research methodology

The methodology and technology of the scientific and professional work allows efficient and rational management of our own knowledge, but also the knowledge of others (i.e. human resources management) and management related to integrated theoretical and practical methods (especially, converting a good idea into quality work) (Zelenika, 2000).

The phenomenon of the management impact on the development of insurance products as a basic competitive advantage, so far, has not been explicitly discussed in Croatian literature.

The second part of the methodological activity is related to a questionnaire-based survey (systematically planned, conducted and analyzed) regarding the role and importance of management in the development of insurance products.

5.2 Survey assumptions

Survey assumptions in this paper are based on several basic assumptions:

- The impact of the management of insurance companies on the development of new insurance products or the improvement of already existing ones, so far, has not been discussed in the literature;
- The successful operation of the insurance company depends primarily on the management (it coordinates all the internal and external factors of a business success),
- Taking care of human resources is not a matter of choice, but questions the need and necessity for achieving a competitive advantage and unquestionable future business.

5.3 The sample and the analysis of the results

The online survey with multiple choice questions was conducted by the authors with the objective to collect data on the perception of management related to the role and influence of certain factors on the development of the new products in insurance, and also the improvement of already existing ones.

Using the scientific method survey, the research was conducted on existing insurance companies in Croatia (18 insurance companies). Out of 18 insurance companies the authors received 10 feedback questionnaires (respondents). Data was collected during the period between September and October 2014.

The responses given by the top managers are analyzed in accordance with the research plan and theoretical framework (views and opinions). The following insurance companies (respondents) in Croatia are named in alphabetical order:

Allianz Zagreb d.d. (Zagreb); Basler Insurance Zagreb d.d. (Osijek); Croatia Insurance d.d. (Osijek); Euroherc Insurance d.d. (Zagreb); Generali Insurance d.d. (Zagreb); Grawe Croatia d.d. (Zagreb); Jadransko Insurance d.d. (Osijek); Merkur Insurance d.d. (Zagreb); UNIQA Insurance d.d. (Zagreb) and Wiener Insurance Vienna Insurance Group d.d. (Zagreb).

In order to conduct the survey (also, having in mind the relevance of the data collected), previously mentioned central locations were selected for the following homogeneous groups:

- Insurance companies´ top management
- Similar offer related to existing insurance products
- Similar previous manager´s knowledge
- More than three years of work experience as a manager.

5.4 Concise analysis of the results

Regarding the prevailing gender, the survey conducted shows that 70% of the respondents are men, while women represent 30%. It is shown that the male gender remains dominant in the insurance companies in Croatia, but nevertheless, the proportion of women in the observed sample is also significant.

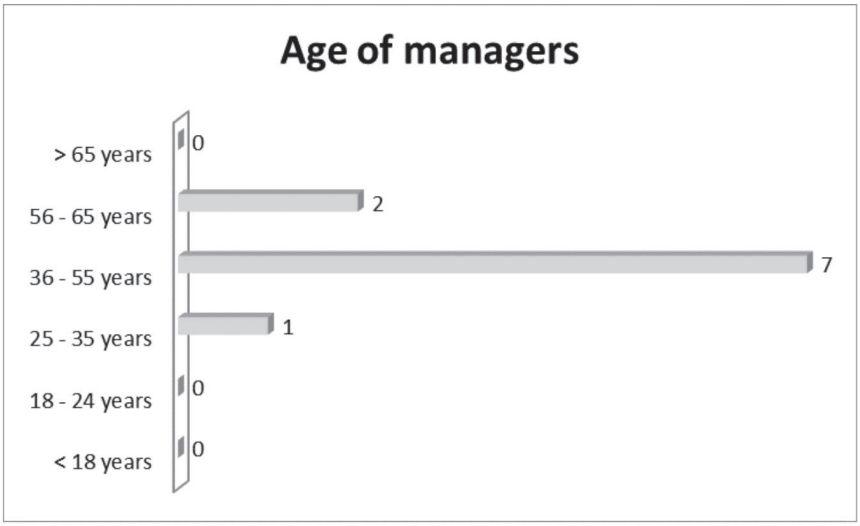
The years of experience - time spent in other positions in the organization, are also considered to be an important factor in this context.

Regarding previously mentioned data, it can be concluded that the experience in top positions in the organization is crucial for understanding the processes within the organization, as well as for the decision-making processes in order to improve existing products or create new insurance products, with respect to competition.

According to the conducted survey, it is significant that all the respondents have three or more years of work experience in top positions in their insurance companies, and therefore, it can be concluded that, in addition to a formal education, a key element of a successful insurance company is based on the accumulated experience of both the managers and other employees.

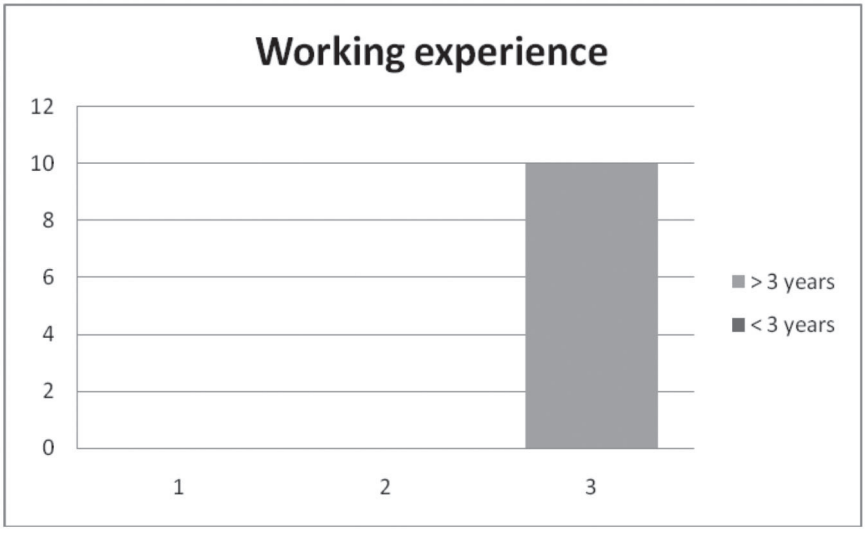
According to one of the demographic characteristics of the respondents, it can also be concluded that the majority of respondents speak at least one foreign language (8 respondents), while a few speak two foreign languages.

Graph 2 Age of managers



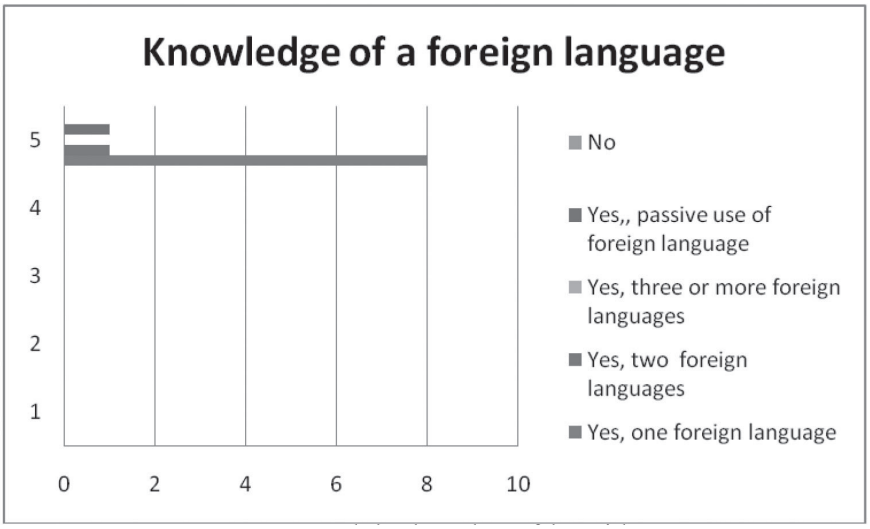
Source: Made by the authors of the article

Graph 3 Working experience of the respondents



Source: Made by the authors of the article

Graph 4 Knowledge of a foreign language



Source: Made by the authors of the article

The causal relationship of the respondents´ following characteristics may be a result of their formal education, but also the various forms of non-formal or informal education, and of course, their work experience. Regarding previously mentioned data, the respondents stated statistically significant information related to their formal education.

Speaking of management in the insurance companies in Croatia, it can be concluded (based on the representative, analyzed sample) that the Business Graduates are the leading profession, then Law Graduates and different branches of engineering. Regarding the latter, it is important to emphasize that non-economic professions gain business knowledge via informal forms of education or obtaining a specialist degree in Business or related areas.

Table 2 Formal education completed

1	**Undergraduate Bachelor of Engineering**	Faculty of Electrical Engineering, J. J. Strossmayer University of Osijek
2	**Graduate Engineer**	Faculty of Traffic ad Transport Science, University of Zagreb
3	**Teacher Education Graduate**	Faculty of Teacher Education, J. J. Strossmayer University of Osijek
4	**Law Graduate**	Faculty of Law, University of Sarajevo, Federation of Bosnia and Herzegovina
5	**Law Graduate / Specialist Degree in Business**	Faculty of Law, Faculty of Economics, J. J. Strossmayer University of Osijek
6	**Undergraduate Bachelor´s in Traffic Engineering**	Faculty of Traffic and Transport Science, University of Zagreb
7	**Business Graduate**	Faculty of Economics, J. J. Strossmayer University of Osijek
8	**Law Graduate**	Faculty of Law, University of Zagreb
9	**Master of Science in Business**	Faculty of Economics, J. J. Strossmayer University of Osijek
10	**Master of Science in Business**	Faculty of Economics and Business, University of Zagreb

Source: Made by the authors of the article

The entrepreneur society cares for human resources and motivation, specialization and promotion. All of that forms an important part of the establishment and development of the integrated quality of the insurance company and other organizations. The most productive insurance companies have emerged as a result of a simple premise - employees are actively involved in the direct and indirect activities of the company due to their sense of belonging and also, mutual trust.

Business enterprises, including insurance companies have two types of strategies that need to be closely linked and mutually congruent:

1. External - competition in the market (way of competing),
2. Internal - developing, engaging, guiding, motivating and controlling internal resources. The reward strategy should be integrated with the business strategy and formulated in a way to facilitate the achievement of long-term goals of both business and human resources policy.

(http://www.poslovniforum.hr/management/upravljanje_ljudskim_potencijalima.asp Accessed on: October 22, 2014)

Apropos of the above comments and the conducted survey, it can be concluded that the observed insurance companies also take care of their human resources.

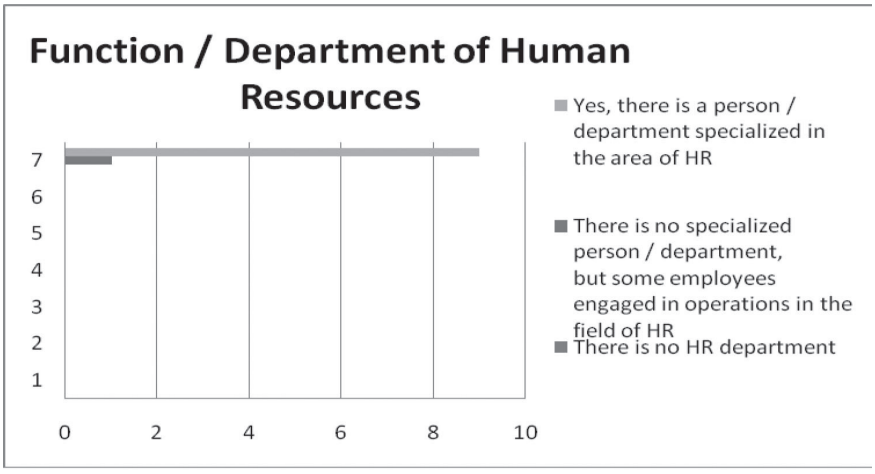
The results show that in 90% of the surveyed insurance companies there is a position / human resources department, while in 10% of the them there is no department / someone who specializes for that position, but nevertheless, certain employees are engaged in the field of human resources management and related operations.

6. Conclusion

The managers´ abilities and skills (especially recognizing the importance of human resources of its own organization, continuous care and keeping the employees motivated) in the insurance companies differentiate them from the rest of the competition in terms of a better market position and the total amount of annual income.

The conducted survey has shown that the manager´s formal education is very important when considering the overall situation within the organization, but of course, taking into account the years of work experience, language skills and other previously mentioned factors. Finally, even if there is no human resources department within the insurance company, a manager should establish one or appoint somebody else to be responsible for it. The same thing applies when it comes to employee's motivation and their further formal and informal education.

Graph 5 Position / Human resources department



Source: Made by the authors of the article

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Jerko Glavaš
Luka Stanić
Damir Šebo

Utjecaj razine obrazovanosti menadžera na razvoj organizacije temeljene na znanju: Slučaj osiguravajućih društava u Republici Hrvatskoj

Sažetak

Ključni cilj znanstveno-istraživačkoga rada je identificirati ključne faktore gospodarstva znanja koji imaju izravan utjecaj na postizanje ekonomskoga rasta nacionalne ekonomije u okvirima Europske unije. Analizirajući imenovane varijable kroz provođenje primarnoga istraživanja u sektoru osiguranja (osiguravajućih društava) kreirat će se model konkurentnosti u uvjetima gospodarstva znanja temeljen na navedenom istraživanju i dokazanim hipotezama u provedenom istraživanju.

Kroz analizu dobivenih rezultata potrebno je utvrditi najvažnije grupe varijabli koje utječu na gospodarski rast i konkurentsku prednost. Postavka istraživanja temelji se na tri ključne varijable: obrazovanju, znanju i ljudskim potencijalima.

Analizom rezultata istraživanja utvrdit će se statistički značajni elementi povezanosti između prethodno spomenutih varijabli te će se analizirati međusobni utjecaj varijabli na konkurentsku prednost promatranih osiguravajućih društava.

Ključne riječi: menadžment, obrazovanje, znanje, osiguranje, Republika Hrvatska