

Employee Perceptions of the Efficient Application of the Intranet in an E-Business: An Empirical Study in Serbia

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In today's modern business environment, e-business is gaining stronger role and application. Electronic communication becomes an everyday unavoidable part of business processes in many organizations, regardless of their activity and size. That also implies the creation and expansion of efficient external electronic communication with consumers, as well as strengthening the internal electronic communication among the employees. This is study of the application of the intranet in the public company "Post" of Serbia. Basis of the research were the employees in "Post" of Serbia, in the region of Srem. The purpose of the paper was to determine the correlation between intranet design and its efficient functioning in the company "Post" of Serbia. Research and analysis of the results obtained have indicated that current intranet design does not provide its true application, and thus it weakens its very important function in the sense of supporting the company's e-business.

Introduction

Rapid and permanent development of technology has opened new frontiers and possibilities for organizations. Creating the communication and value delivery for consumers through e-technology have created new forces in marketing functions of many organizations. E-business can be described as new business logic that exists in the world without borders. It refers to a broader definition of electronic commerce, because, besides covering e-commerce, it implies and includes internal processes such as productivity, knowledge management and human resources. However, focus on external marketing, through the Internet, has largely overshadowed the significance of internal marketing in e-business, known as intranet.

If we would want to simply define intranet, we could describe it as internal part of the net based on Internet and World Wide Web technology that enables rapid information and service on the network of employees, within the organization. Intranet represents generators and distributors of data and therefore it is a powerful tool for horizontal and vertical communication within the organization. The data, which a company wants to make available to its employees, are kept in databases that are easily accessible by any user (employee), through a Web browser interface that is easy to use. The employees can easily and rapidly share the information and knowledge through the intranet. In that

way, with the use of the right information at the right time, the employees can do their jobs more efficiently.

This paper, through empirical research, tries to identify how much attention and significance it is given to internal marketing in e-business environment, related to the operation of public companies in Serbia. "Post" of Serbia is a company that can be, by many criteria, classified as a representative of public companies in Serbia. By determining the method and efficiency of application of electronic communication by employees in the company "Post" of Serbia, the paper provides a detailed analysis of previous intranet use and formulates a conceptual framework with suggestions how to focus on internal marketing and make it more efficient. This provides a starting point for future research and empirical studies about causal relations between intranet designing and its efficient functioning, as important support of e-business. The facts that Serbia is a country in transition and that market liberalization largely reflects itself on public services' operation, point out to the significance of subject research. Scientific information obtained by research on the title subject could be purposeful to the management of public services in Serbia, as well as other countries in transition.

The purpose of research

Choice and dealing with problems on the title topic was initiated by current way of operating and application of e-business in public companies in Serbia. Public company "Post" of Serbia, as one of the dominant public enterprises and a monopolist until recently, was interesting for subject analysis for several reasons. Observing a few previous years, the business of "Post" of Serbia was influenced by major changes in the environment. Firstly, "Telecom Serbia" has started a serious and aggressive sale of ADSL services, by which the number of Dial-up and ADSL users, whose provider was "Post" of Serbia, was significantly reduced. In addition, significant loss of customer income has occurred due to the separation of "Bank of Post", due to which "Post" of Serbia has lost the operation with a great number of current accounts users.

Liberalization and deregularization of the market have fostered the emergence of new operators and distributors in the fields in which "Post" of Serbia had an absolute domination and monopoly. In recent years, with the emergence of a growing number of banks, in "Post" of Serbia there is a noticeable decrease in payments. The field of cable television has been, day after day, increasingly attacked by the entrances of new competitors who offered more diverse and more favourable services. Parcel and postal service, despite the introduction of "Post-Express", has got a great competition in newly-established companies for distribution of parcels and packages, such as "AKS", "D-Express" and "City Mail".

All this indicates the loss of domination and monopolistic status of "Post" of Serbia in many segments of its business. In order to survive and be efficient in the new environment, this company has to focus on modern ways of doing business. One of them is the application of e-business. On that issue, "Post" of Serbia has made significant steps in relationships with its clients through customer portals. However, as much as the application of modern

electronic business and communication is important in external marketing today, it has the same role in the internal marketing as well. In other words, besides the efficient electronic communication with the users and other external stakeholders, the same communication between the employees within a company is necessary.

Pursuant to the afore-mentioned, the purpose of this paper consisted of identifying the application and functioning of intranet within the company "Post" of Serbia. Subject research had the objective to generate the information in relation to the manner of applying the electronic communication in internal marketing of "Post" of Serbia. The same is realized through the analysis of the familiarity level of employees with the significance and advantages of intranet, as well as the determination of the way in which it is applied and used in organization. In that way, we got the picture of how much is the company "Post" of Serbia is today willing to accept contemporary challenges of e-business, both through external and internal marketing.

Literary review

During the last few decades, the economy is rapidly transformed from its traditional bases to the new, information-based economy. In such an environment, the work moves from the creation of material goods to information flow through value chains (Basu & Kumar, 2002). Today, organizations often integrate the intranet technology by redesigning business processes in a way in which they would strengthen their competitive advantage (Phan, 2003). Accordingly, e-business has a pervasive impact through all the areas of organizational structure, starting from procurement and sale in the field, through a series of its business processes to the internal communication and coordination (Wu et al., 2003). Electronic communication facilitates information exchange, reduces costs, saves time and resources, improves customer service and generally improves business relations (Vlosky et al., 2000). Therefore, e-business requires a digital training of employees for the transactions and other processes within the company, which include information systems under the organization's control (Laudon & Traver, 2006).

Intranet, as an information space that supports the cooperation and information exchange between the members of a particular organization, has been developed in increasingly stronger and faster manner from year to year (Karlsbjerg et.al, 2003). According to Muller (2002), companies adopt intranet in order to improve internal communication, information distribution, knowledge exchange and in order to provide the employees with the access to those systems. Increasingly, it happens that a large number of employees consider the key issues through intranet forum, so that this application can lead to the generation of new ideas in management, productivity, quality and other corporative issues significant for an effective operation. Pitt (2003) highlights the collaborative nature of intranet and its framework for establishing the cooperation and knowledge exchange. On the other hand, Jacoby (2002), among the positive sides of intranet, pays a lot of attention on business aspects, such as agility, better decisions, higher creativity and new possibilities.

Bruno, Tam and Thom (2005) believe that usability of intranet affects the type of task and its complexity and thus the efficiency of use and satisfaction of intranet's users. Creatively

used site includes a combination of usability control and knowledge management control. For that reason, a balance between creativity and rigidity of design is necessary in order to create an efficient and usable intranet site (Begbie & Chudry, 2002).

Horgan (2007) lists several specific advantages that are provided by a well-implemented intranet: it is better and faster and just-in-time approach to information, knowledge exchange, common interface, the ease of publishing, exchange and learning, support for virtual teams, shorter time of entering the market, better access to competitive and internal data, linking with already-existing data, linking with clients of internal systems, new business opportunities and occasions.

Rapid development of e-business in the environment also implies the increase of significance of the role of internal marketing (Harris & Dennis, 2007). For those reasons, internal marketing becomes an important field in case of analysis and consideration of success of both external and internal e-business. Duggan and Devenery (2000) consider that the factors, which refer to internal environment, represent a key component of successful e-business. In accordance with that, Damanpour (2001) believes that factors related to marketing strategy, such as cooperation, knowledge exchange and dedication of top management have a vital significance for the success of e-business.

Tools such as intranet, e-mail, conferencing and video conferencing assist in the creation of environment for good intranet communications. However, Sirota, Mischkind and Meltzer (2006) consider that employees may largely be demotivated if their managers forward only basic information through intranet, instead of understanding the real needs of employees to be aware of what takes place in their organization. Today, the ability of an organization is mirrored in efficient use of knowledge of the employees, who actually create, share and use that knowledge. According to that, the communication of the managers with employees has to be within the frameworks of creation, search and expansion of knowledge, which is a vital competitive advantage (Ipe, 2003).

Methodological concept of research

Goal and tasks of research

In accordance with theoretical framework of the importance of intranet's significance, as a constituent part of e-business in modern business and having in mind the current position of "Post" of Serbia in its business environment, the research goal consisted of examining the attention that is paid to the application of efficient internal electronic communication within this company.

Designed like this, research goal has focused on two tasks:

Identification of opinions and attitudes of employees in "Post" of Serbia concerning the significance and influence of intranet on the efficiency of business.

Determination of the extent to which current design of the company's intranet is appropriate for efficient functioning of intranet within the company "Post" of Serbia.

Sample, research method and applied method of statistical data processing

Sample of respondents consisted of the people employed in "Post" of Serbia, in the

territory of the Srem region. The research included 146 respondents from all 6 postal network units (PNU) in the region of Srem: PNU Sremska Mitrovica; PNU Ruma; PNU Stara Pazova; PNU Indjija; PNU Šid; PNU Pećinci, as well as their respective 60 end posts. Depending on the number of employees, it was taken care of the presence of respondents from each PNU in percentages, as well as the choice of respondents in percentages in relation to the gender, age, years of service, education level and functions that they have in public services.

As the most optimal instrument for subject research, the questionnaire that consisted of two groups of questions was used:

First part of questionnaire referred to the attitudes of employees in relation to the significance and role of intranet in today's modern business. Based on responses obtained, it was possible to determine three groups of opinions and attitudes: group of respondents that believe that intranet has a high impact on business success; group of respondents that believe that intranet's impact is partial; group of respondents that believe that intranet has no impact on modern business processes. Such a determination has served for the formation of criteria groups, which were very important in further operationalization with the other group of questions contained in questionnaire.

Second part of questionnaire, based on the content, had the task to generate the information in relation to employees' attitudes regarding the efficiency of application and previous functioning of intranet within the company. Data obtained are analyzed in two ways. On one hand, answers of respondents were observed and analyzed through the attitudes of employees as a whole. However, on the other hand, through the prism of the criteria groups, the concept of questionnaire has provided determination of similarities and differences among the employees, concerning the efficiency of application and previous functioning of intranet within "Post" of Serbia.

Testing the validity of questionnaire as well as the results obtained was realized through several analyses and data processing. Having in mind that it is about categorical data, prior to data processing, there was data scaling so that the following procedures and analysis could be applied afterwards:

The application of SPSS programme was in the function of determination and presentation of frequencies and cross tabulations.

The characteristics of employees' responses were determined by the application of cluster analysis.

By MANOVA (multivariate analysis of variance) analysis, it was examined whether in a group as a whole there are differences in responses.

By ANOVA analysis (univariate analysis of variance), the differences in responses for each individual question were examined.

By discriminant analysis, the existing differences obtained in previous analysis were expressed quantitatively, through coefficient of discrimination, after which the most frequent answers for the belonging questions were identified.

By the analysis applied, besides obtaining a general attitude of employees concerning certain issues, the difference between the criteria groups was also analyzed. Such results, tested on the basis of discriminant analysis and coefficient of discrimination are stronger in comparison with the simple testing of questionnaire’s reliability, because they provide accurate measure of difference and distance of features between the criteria groups.

Research results

Attitudes and opinions of employees concerning the significance and impact of intranet on business efficiency

Primarily, the employees in the company “Post” of Serbia were questioned about the impact of intranet on the efficiency of modern business (Figure 1).

Analysis and processing of responses regarding the significance of intranet in modern business indicated that 51% of respondents believe that it has a high impact on the efficiency of business processes. 42% believe that electronic communication partially affects the efficiency of company’s business, while 7% of respondents believe that intranet has a small impact on business. It is important to mention that although there was an option „intranet has no impact on efficient business“, none of the respondents has chosen it.

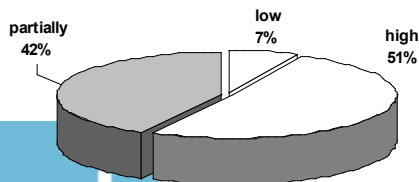
This type of analysis had the task to determinate criteria groups, important for further analyses.

The extent of the current efficiency of intranet’s functioning within “Post” of Serbia

The second part of the questionnaire was aimed at examining the efficiency of intranet’s application within the company “Post” of Serbia. In order to obtain as detailed and as precise as possible information about this issue, the group of 12 questions was formed, and the responses are firstly analyzed as the attitudes of employees observed in the whole group. Data shown in Figure 2 express, in percentages, the responses and attitudes of the respondents as a group for each question.

By analyzing the data shown in Figure 2, it is obvious that the largest number of respondents believe that previous application of e-business has made the operation of the company “Post” of Serbia more efficient and that the relations with users are improved.

Figure1. Opinions of employees about significance and impact of intranet on business efficiency



However, observing the opinions and attitudes in relation to the intranet, it is obvious that only 14% of respondents see previous intranet use as a significant support to electronic business, while 48% of respondents believe that previous functioning of intranet is of a little help to company's e-business. 43% of respondents believe that intranet capacity utilization within the company is small, and 41% see the intranet application as partial.

By examining the familiarity with the intranet application, we have concluded that the majority of respondents believe that they possess average familiarity, while 32% believe that they are completely trained for communication and operation through this technology type. As for the innovations in relation to the intranet, 16% of respondents believe that

Figure 2. Opinions of employees about significance of e-business and application of intranet in "Post" of Serbia

| Questions | Answers expressed in percentages | | |
|---|----------------------------------|---------------------|-------------------------|
| E-business has made the business of your company more efficient | 84% YES | | 12% partially 4% NO |
| By introducing e-business, relations with users are improved | 69% YES | | 18% partially 13% NO |
| Intranet is a great support to the efficient e-business in your company | 14% YES | 38% partially | 48% NO |
| The extent of intranet resources use within the company | 16% high | 41% partial | 43% small |
| The extent of your familiarity with the application and efficient use of intranet | 32% high | 45% partial | 22% small |
| The extent of intranet application for education and training of employees | 24% high | 57% partial | 17% small |
| The extent of intranet application for information and knowledge exchange among the employees | 8% high | 32% partial | 60% small |
| The extent of availability of information about users through intranet | 26% high | 54% partial | 20% small |
| Employees are included in the creation and implementation of intranet portal | 6% YES | 21% partially | 73% NO |
| Particular innovations related to the intranet are followed with appropriate educations | 16% often | 48% occasionally | 36% rarely |
| There is management's support for more efficient intranet functioning | 27% YES | 41% partially | 32% NO |
| Managers use intranet in order to distribute the information to the employees | 35% often | 46% occasionally | 19% rarely |

each change on the intranet is followed by appropriate education, while 48% believe that such a support in case of intranet innovations is occasional.

When intranet application is observed for the purpose of education and training of employees, 24% of respondents believe that it is on a high level, while 57% see it as a partially used opportunity. As for the intranet application for the information and knowledge exchange among the employees, 60% of respondents believe that the utilization is small and only 8% see it at a satisfactory level.

Somewhat different percentages are obtained in case of the availability of information about users: 26% of respondents believe that it is at a high level, 20% that it is small, while 54% of respondents think that there is a partial availability.

As for the question about the extent to which the employees are involved in creation and implementation of intranet portal, 73% of respondents believe that this type of engagement from the part of employees does not exist, while 21% see their involvement as partial.

By analyzing the attitude of management towards the efficient intranet application, we have concluded that 27% of respondents believe that managers give their full support to the efficient functioning of intranet, 41% see it as partial, 32% think that the necessary managerial dedication and support does not exist. In addition, by observing the question whether the managers use the intranet for information and notification distribution, we have seen that 35% of respondents believe that this kind of communication between managers and employees is frequently used, 46% believe that such communications are occasional, and 19% of respondents experiences them as rare.

Characteristics of responses of the three criteria groups

After the presented analysis of the answers of respondents as a group, by the application of MANOVA, ANOVA and discriminant analysis, the same data were tested through three criteria groups. The first criteria group consisted of respondents who believe that intranet plays a major role in the efficiency of business; the second criteria group includes those who consider that intranet has a partial impact, while the third criteria group consists of those who believe that intranet has a small role in efficient operation of an organization.

In order to examine whether there are and what are the differences in responses of employees between criteria groups to the questions analyzed, the multivariate analysis of variance is applied (Table 1).

In order to identify the questions in case of which there is a difference determined, the univariate analysis of variance was applied, by which, according to the same parameters

Table 1. Significance of differences in attitudes between criteria groups of respondents

| | <i>n</i> | <i>F</i> | <i>p</i> |
|--------|----------|----------|----------|
| MANOVA | 12 | 23.037 | 0.000 |



as in case of MANOVA analysis, each question was separately analyzed. The data are presented in Table 2 indicate that there is a difference in attitudes between criteria groups by the questions asked:

Data and parameters from Table 2 showed the difference in answers of responses by 12 questions. In order to determine size differences in the responses given, the discriminant analysis was applied. Data in second column of Table 3 show coefficients of discrimination. Also, in the same Table, difference in characteristics of respondents' answers between the criteria groups, are expressed.

Segmentation of responses by criteria groups has indicated that there are a lot of similarities in respondents' attitudes, regardless of the group which they belong to. Data in Table 3 indicates that respondents had rather homogeneous opinions in relation to the poor utilization of intranet within the company, as well as lack of employees' opinion in the creation of intranet portal.

Discussion

New business e-environment makes the organization abandon the traditional ways of operation. Technological progress largely influences the speed of making business decisions, which implies the need for a growing use of e-business tools. It also implies

Table2. Significance of the difference in attitudes between criteria groups by the questions asked

| <i>Questions</i> | χ | <i>R</i> | <i>F</i> | <i>p</i> |
|---|--------|----------|----------|----------|
| E-business has made the business of Your company more efficient | 0.476 | 0.500 | 23.853 | 0.000 |
| By introducing e-business, relations with users are improved | 0.531 | 0.611 | 42.557 | 0.000 |
| Intranet is a great support to the efficient e-business in Your company | 0.518 | 0.559 | 32.434 | 0.000 |
| The extent of intranet resources use within the company | 0.536 | 0.607 | 41.634 | 0.000 |
| The extent of Your familiarity with the application and efficient use of intranet | 0.647 | 0.825 | 152.729 | 0.000 |
| The extent of intranet application for education and training of employees | 0.460 | 0.517 | 26.137 | 0.000 |
| The extent of intranet application for information and knowledge exchange among the employees | 0.514 | 0.559 | 32.547 | 0.000 |
| The extent of availability of information about users through intranet | 0.615 | 0.636 | 48.588 | 0.000 |
| Employees are included in the creation and implementation of intranet portal | 0.421 | 0.463 | 19.560 | 0.000 |
| Particular innovations related to the intranet are followed with appropriate educations | 0.626 | 0.689 | 64.772 | 0.000 |
| There is management's support for more efficient intranet functioning | 0.537 | 0.636 | 48.539 | 0.000 |
| Managers use intranet in order to distribute the information to the employees | 0.529 | 0.605 | 41.378 | 0.000 |

both the creation and expansion of efficient external electronic communication with consumers, as well as strengthening the internal communication among the employees.

Subject research was aimed at determining the attitudes of employees in relation to the impact of e-business on the success of the companies in modern market conditions, as well as the attitudes about the extent of the suitability of conditions within the company "Post" of Serbia for efficient application and functioning.

In case of examining the opinions and attitudes in relation to e-business, observing the answers as a whole, we can see that the largest number of respondents (51%) understands the importance of e-business in today's turbulent market environment. In addition, a large percentage of respondents (42%) has expressed a partial acceptance of the significant role of e-business, while only 7% believe that this type of modern business has a small impact on the success of companies that apply it.

Table 3. Coefficient of difference in respondent's attitudes and difference in characteristics of respondents' answers between the criteria groups

| <i>Questions</i> | <i>Coeff. of discr.</i> | <i>I criteria group</i> | <i>II criteria group</i> | <i>III criteria group</i> |
|---|-------------------------|-------------------------|--------------------------|---------------------------|
| The extent of Your familiarity with the application and efficient use of intranet | 0.258 | high | partially | small |
| Managers use intranet in order to distribute the information to the employees | 0.153 | often | occasionally | occasionally |
| Particular innovations related to the intranet are followed with appropriate educations | 0.136 | occasionally | occasionally | rarely |
| There is management's support for more efficient intranet functioning | 0.117 | partially | partially | no |
| The extent of availability of information about users through intranet | 0.101 | high | partial | partial |
| By introducing e-business, relations with users are improved | 0.068 | yes | yes | partially |
| The extent of intranet application for information and knowledge exchange among the employees | 0.068 | partial | small | small |
| E-business has made the business of Your company more efficient | 0.063 | yes | yes | partially |
| The extent of intranet application for education and training of employees | 0.047 | high | partial | partial |
| Intranet is a great support to the efficient e-business in Your company | 0.045 | partially | no | no |
| The extent of intranet resources use within the company | 0.028 | small | small | small |
| Employees are included in the creation and implementation of intranet portal | 0.026 | no | no | no |

By investigating the efficiency of intranet functioning within the company "Post" of Serbia, the data obtained have shown that the largest number of respondents believes that previous application of e-business has improved company's operation, as well as that relationships with users are improved. However, almost a half of respondents believe that current application and functionality of intranet do not represent a true support to company's e-business and that its utilization is small. They support this attitude through opinions that intranet is slightly applied for information and knowledge exchange among the employees, and its utilization in purposes of education and obtaining information about users is partial. Opinions regarding the engagement of managers and their support to more efficient intranet are greatly mediocre, while the greatest dissatisfaction the respondents express by their inability to participate in the creation of intranet portal.

Analysis of the same issue, but through the prism of criteria groups, has generated the data that indicated the similarities and differences in answers of respondents by criteria groups: I criteria group was represented by respondents who see intranet as a significant factor of business in today's environment, II criteria group was represented by respondents who believe that intranet has a partial impact, while in the III criteria group there were respondents who believe that intranet has a small impact on modern business (Figure 3.).

What is common to all three criteria groups are the attitudes of respondents in relation to the involvement of employees in creation and implementation of intranet portal and level of utilization of intranet capacities within the company. Dominant opinions in all groups are lack of ideas, criticisms and suggestions of employees when designing the intranet, whose capacities were not as nearly used in relation to the existing possibilities.

Close attitudes of respondents who see e-business with a high impact on operation and those who believe that its impact is partial, were expressed in the answers to a several questions asked. They consider that with introduction of e-business, the company's operation was improved and relationships with users were intensified. In addition, they have the attitude that intranet changes are occasionally followed by appropriate educations and that there is a partial support of management in more efficient functioning of intranet.

Similarities in opinions of the second and the third criteria group were expressed in five questions. They believe that current functioning of intranet does not represent a support to company's e-business, as well as that it has a small application in information and knowledge exchange among the employees. There is a partial availability of information about users, as well as partial utilization of intranet in relation to the education of employees. In addition, they believe that managers occasionally use the intranet's possibilities for distribution of various information towards the employees.

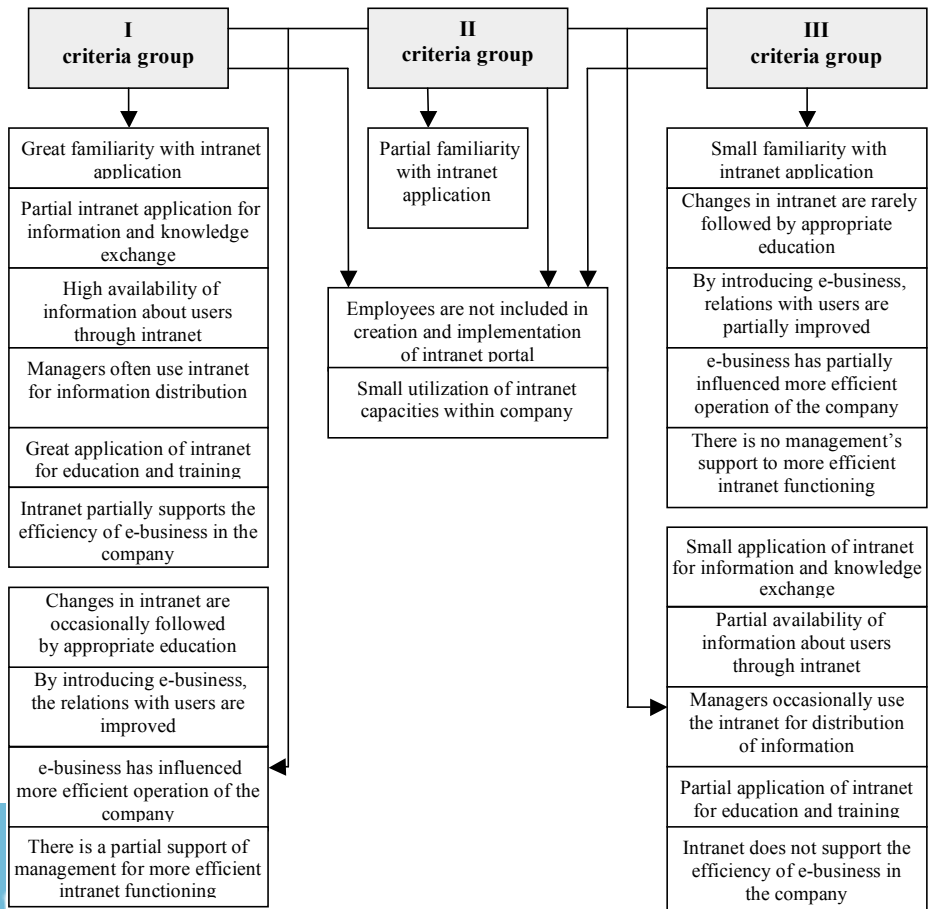
There are certain varieties between the groups in opinions about the utilization of intranet by some segments, but mediocre satisfaction or dissatisfaction with the same is mostly dominant.

All the above-mentioned indicates that there is a satisfactory level of awareness of the significance of e-business and intranet for the success of the operation of "Post" of Serbia. However, this research has determined that current intranet functioning is far

beyond what could be called efficient. Small utilization of intranet capacity, in most segments where it should be relevant, points out to inadequate design and lack of focus on the same. Therefore, company’s management should deal with this problem in order to overcome the gap between the efficiency of external e-business and its support in the form of intranet.

Observing the recent past, present and anticipating future trends, it becomes clear that focus on the intranet grows stronger. As an instrument for satisfying the needs of employees in the sense on information and knowledge exchange and other forms of cooperation, its position and significance within the organization permanently grows. We should not forget that intranet is as good and purposeful as it serves the employees

Figure 3. Attitudes of employees in relation to efficiency of intranet application-by criteria groups



within the organization. The organizations that realize this task show the comprehension of significance and effect of well-designed and functional intranet as a part of a part of the overall strategy of e-business.

In this case it implies the change of previous approaches and practices in intranet designing, which will allow the involvement of employees in the creation of intranet structure. By their proposals, suggestions and criticism, the employees can largely contribute to the creation of such intranet concept that will be adaptable to all employees and be used in its full capacity. Designing the portals, which would in different ways support and encourage knowledge and information exchange, would be a great support to innovation processes within the organization. By more frequent application of interactive educations, the level of expertise and knowledge of employees would be raised, and permanent announcement of simple instructions in relation to the use of certain intranet items would have a positive impact on familiarity of employees with the application and use of intranet.

In addition, the managers are expected to be true leaders in adaptation to the new channels of external and internal communication. If the managers are able to adapt to modern e-business environment, through the use of tools such as internet and intranet, it is expected that the other employees will accept such a trend in order to find desired information and to make better business decisions.

All the above-mentioned would contribute that intranet gets its real role in company's business – to be the crucial support to organizational e-business.

Conclusion

Numerous literature points out that e-business today represents a significant factor of the success of an organization and as such it finds its place in basic principles of modern business, regardless of the size or activity of organization. Apart from the existence of a significant focus on external e-business, intranet as an information segment of e-business, which supports the cooperation and exchange of information between organization members, is gaining importance in the recent years.

Choice and dealing with problems on title topic was initiated by current situation of public companies in Serbia. Liberalization and deregularization of the market have implied the entrance of competition in majority of activities, where monopolists were public services until yesterday. In order to survive in new market environment, there organizations are forced to completely change previous practice and adopt modern principles of operation, which, among the other things, imply the efficient application of electronic business and communication.

Purpose of the paper on the title topic was reflected in examining the success and efficiency of intranet application in "Post" of Serbia, as a represent of a typical public company in Serbia. Research, as well as the results obtained point out to the „gap“ between intranet design and its efficient functioning. Alienation of the creation of intranet portal's structure from the employees, on one hand, leads to the creation of particular segments

that are useless in the practice. On the other hand, only a small number of employees are familiar with numerous applications on intranet portal, which leads up to their weak application. In addition, the insufficient application of intranet for employees' education is obvious, as well as very small possibility for information and knowledge exchange.

The above-mentioned indicates that current application and efficiency of intranet in "Post" of Serbia is not at the level that its function should provide and at the same time it indicates to the necessity of changes in its design through:

Involvement of as greater number of employees so that they could be a part of the team that creates applications on intranet portal through their opinions, suggestions, criticism.

Creation of the portal, where the free exchange of information and knowledge would be possible, regardless of the organization part to which they belong.

Managers' support in efficient creation of the portal, as well as efficient application of all the offered applications.

Engagement of top management in creation of as higher number of interactive trainings for employees.

The results and suggestions obtained can be seen merely as a starting point in planning and successful realization of efficient intranet, and opinions attitudes of employees are seen as a necessary help in establishing an adequate design of e-business in public services in Serbia, capable of the successful application of both external and internal electronic communication and operation.

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