P-ISSN: 2754-6209
E-ISSN: 2754-6217

scientific journal

Economics and Finance

Volume 10 / Issue 3 / 2022

2022

Agenda Publishing House Ltd
London, UK

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JEL Classification: M21, O21

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IMPROVEMENT OF ENTREPRENEURIAL BUSINESS MODEL FOR THE PROMOTION OF MARKETABLE PRODUCTS BY MEANS OF INTERNET TECHNOLOGIES

Received 10 September 2022; accepted 15 September 2022; published 17 September 2022

Abstract. *The article considers methodological and practical tools for the development and optimization of an entrepreneurial business model for the promotion of marketable products based on modern Internet technologies. The world experience of introducing Internet technologies in sales activities and the technology of the formation and implementation of mechanisms for promoting products by Internet resources have been investigated. An organizational and economic mechanism for promoting products by means of Internet technologies and a progressive business scheme for an online store have been developed in the article.*

Keywords: *entrepreneurial structure, business model, business processes, electronic commerce, Internet technologies, promotion mechanism, online store.*

Citation: Chatchenko, O; Bielialov, T.; Ryabik, H.; Kyrchata, I. (2022). IMPROVEMENT OF ENTREPRENEURIAL BUSINESS MODEL FOR THE PROMOTION OF MARKETABLE PRODUCTS BY MEANS OF INTERNET TECHNOLOGIES. Economics and Finance, Volume 10, Issue 3, 4-10. http://doi.org/10.51586/2754-6209.2022.10.3.4.10

Introduction

In the face of increased competition in European product markets, the organization of sales of marketable products and customer service requires systematic improvement. Thus, the introduction by trade structures of scientific and technological achievements and modern technologies into the mechanisms for promoting marketable products to the final consumer with the aim of attracting and expanding the contingent of buyers is becoming important (Safitri et. al., 2017). The use of Internet technologies in the marketing activities of European businessmen engaged in the sale of marketable products arises as one of the important directions of their innovative development, and this requires a generalization of accumulated experience, its systematization, and the development of specific recommendations for the further development of various types of business models in electronic commerce.

Literature Review

The formation and effective functioning of commodity markets, as well as product promotion by entrepreneurs, have been studied by the following scientists (Chaffey 2010; Overby and Lee, 2006; Smith, 2004). The economic aspects of the functioning of marketable entrepreneurial entities on the Internet are highlighted in (Budiharseno, 2017; Pearson et. al. 2012; Rayburn & Voss, 2013). In scientific research, the issues of the role, methods, and channels of product promotion were considered, the theoretical and methodological foundations of sales planning using the Internet were described, and methods for their implementation in works were detailed (Punj 2011; Stoel and Ha, 2009). However, issues of promoting products using Internet technologies remain insufficiently substantiated in scientific journalism.

Methods

The methodological basis of the article forms an integrated approach to improving the processes of selling marketable products, a structural approach to building an economic promotion mechanism using Internet technologies, a methodological approach to holistic interaction within which elements of technological processes for delivering products to consumers take into account the features of working through an online store, available resources of the entrepreneur. The following general scientific methods were used to solve the problems of the article: abstract and logical method - to formulate theoretical generalizations, conclusions, and suggestions; logical analysis - to consider Internet technologies as a factor in economic transformation; factor analysis - to determine the degree of influence of factors on the effectiveness of the marketing policy of entrepreneurial entities; graphic modeling method - to formulate technological processes for the functioning of Internet projects.

Results

World experience in introducing Internet technologies in marketing activities

By introducing Internet technologies into their own marketing activities, entrepreneurial entities are forming the appropriate promotion mechanisms. At the same time, a developed communications infrastructure is a significant factor in the development of global electronic commerce.

Table 1
Indicators of the number of Internet users in the world for the purpose of electronic purchases made in the period 2016-2020 (Internet World Stats, 2021)

World regions	Population as of the end of 2020, mln people	Number of Internet users as of the end of 2020, mln people	Number of Internet users as of the end of 2020, mln people	Share of users in the total population in 2020,%	2020 in % by 2016
North America	357,172	272,06	310	86,9	114,1
Australia, Oceania	37,157	21,29	27	72,1	125,8
Europe	827,566	476,21	582	70,4	122,3
South America	615,583	215,93	322	52,4	149,3
Middle East	236,137	68,55	114	48,1	165,7
Asia	4032,654	922,32	1 405	34,8	152,3
Africa	1158,353	118,61	319	27,5	268,6
Total in the world	7264,622	2094,97	3079,337	42,4	147,0

In most industrialized countries (USA, Canada, Japan, Finland), the infrastructure for electronic commerce is widely deployed and quickly modernized to introduce the latest technologies. In developing countries, the low level of development of information technology and telecommunications limits their participation in electronic commerce both in the domestic and global markets. At the same time, their insufficient development compensates for the extremely rapid development of mobile communications (Lubis & Lumbanraja, 2016). Thus, the introduction of Internet technologies in the field of commerce is a fundamental phenomenon in the formation, development, and functioning of the information society and the world economy (Table 1).

According to Table 1, one can see that today North America, in particular, the United States, is the leader in the use of electronic technology for shopping. The region is characterized by a high proportion of Internet users in the total population, Europe ranks third after Australia and Oceania. In these regions, the indicator significantly exceeds the value of the indicator in other regions of the world. The largest increase in the number of Internet users from 2016 to 2020 occurred in Africa, the Middle East, and South America. The number of users worldwide has increased by 48.2%.

The mechanism for promoting marketable products using Internet technologies

So, in order to improve the sales process of marketable products and increase its efficiency, a conceptual approach to the formation of an economic mechanism for promoting marketable products using Internet technologies should be developed.

Table 2
Structural and logical sequence of the formation and implementation of mechanisms for promoting marketable products using Internet technologies

No.	Economic mechanism	Organizational mechanism
1	Decision-making on the formation of an economic mechanism for the promotion of marketable products using Internet technologies;	Decision-making on the formation of an organizational mechanism for the promotion of marketable products using Internet technologies
2	Diagnostics of economic efficiency of promotion and sales	Diagnostics of efficiency of management of promotion and sales
3	substantiation of the decision on the formation of promotion mechanisms, taking into account the identified features of the systems of promotion and marketing of marketable products	
4	determination of goals, objectives, concepts, and structure of promotion mechanisms using Internet technologies	
5	selection of the optimal format for the introduction of Internet commerce in accordance with the stated development objectives and financial and technical-technological capabilities	
6	formation of requirements for projects of online stores	
7	-	Development of methodological support for the promotion of marketable products by means of Internet technologies
8	Formation of the structure and determination of the amount of costs for the creation and implementation of the online store in the trading process	Organization of the creation and implementation of Internet technologies in the commerce activity
9	the creation of the system of information support of promotion by Internet technologies	
10	-	resolving issues on the administration and management of the site
11	integration of mechanisms for the promotion of marketable products by means of Internet technologies in the systems of promotion and marketing	
12	formulations, performance of tasks, and control to ensure the functioning of promotion mechanisms using Internet technologies	
13	-	defining the objectives of the strategy of advertising support for online stores
14	assessment of the impact of promotion by means of Internet technologies on sales efficiency	-
15	adjustments to the development and improvement of promotion mechanisms	

The basis of the approach is the structural and logical sequence of the creation and implementation of these mechanisms. Unlike the known ones, this approach provides for the distribution of promotion tasks to economic and organizational, which allows for the implementation of Internet technologies in electro trading activities (Table 2).

According to the proposed methodological approach (Table 1), the processes of formation and implementation of the economic and organizational mechanisms of promotion in entrepreneurial activity are characterized by general stages, therefore, they must take place simultaneously.

The main stage in the formation of promotion mechanisms is the definition of goals, objectives, concept, and structure of economic and organizational mechanisms. Considering the above features, the structure of the united organizational and economic mechanism for promoting marketable products using Internet technologies is formed (Figure 1).

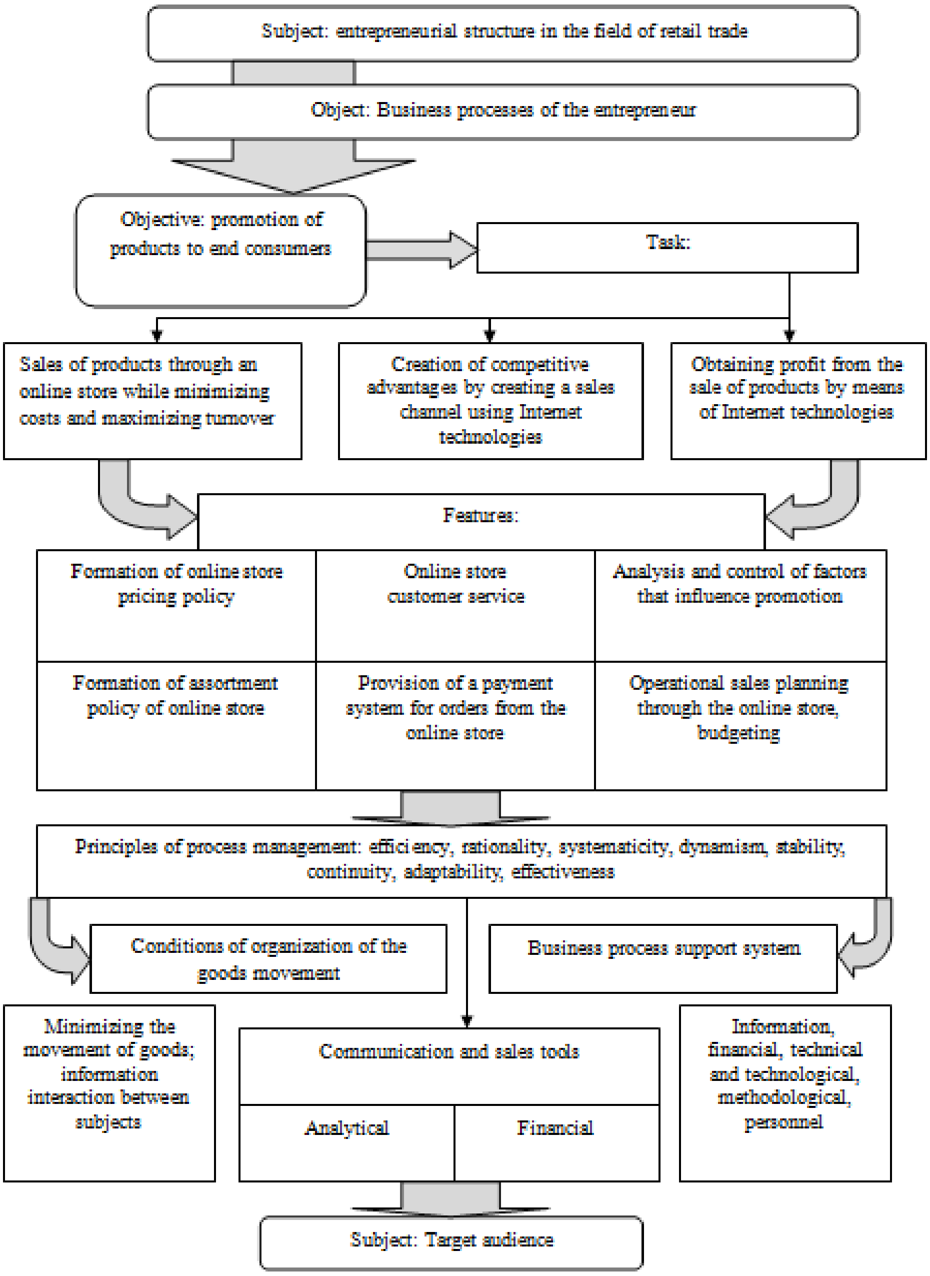

Figure 1. The structure of the organizational and economic mechanism for the promotion of marketable products by means of Internet technologies

So, the tools of the organizational and economic mechanism include analytical ones - monitoring, diagnostics, express analysis of the process of delivering products to the final consumer, and financial ones - combines the financial assets of the entrepreneur, which are used in the promotion process. The organizational mechanism tools combine marketing tools (advertising, sales promotion, public relations, personal selling), as well as logistics tools (ordering, warehousing, packaging, transportation, service).

The analysis of the effectiveness of promotion and sales has provided an opportunity to determine the tasks for improving the processes of promoting marketable products. The decision on the formation of mechanisms for promoting marketable products by means of Internet technologies is justified on the basis of identified problems of an economic and organizational nature, as well as the availability of working capital reserves, and technical and technological and labor resources for the entrepreneur, the business owner (Ha & Lennon, 2010). The generalized structure of the online store and its modules, which is detailed depending on the objectives of the development of entrepreneurial entities (Fig. 2) is considered.

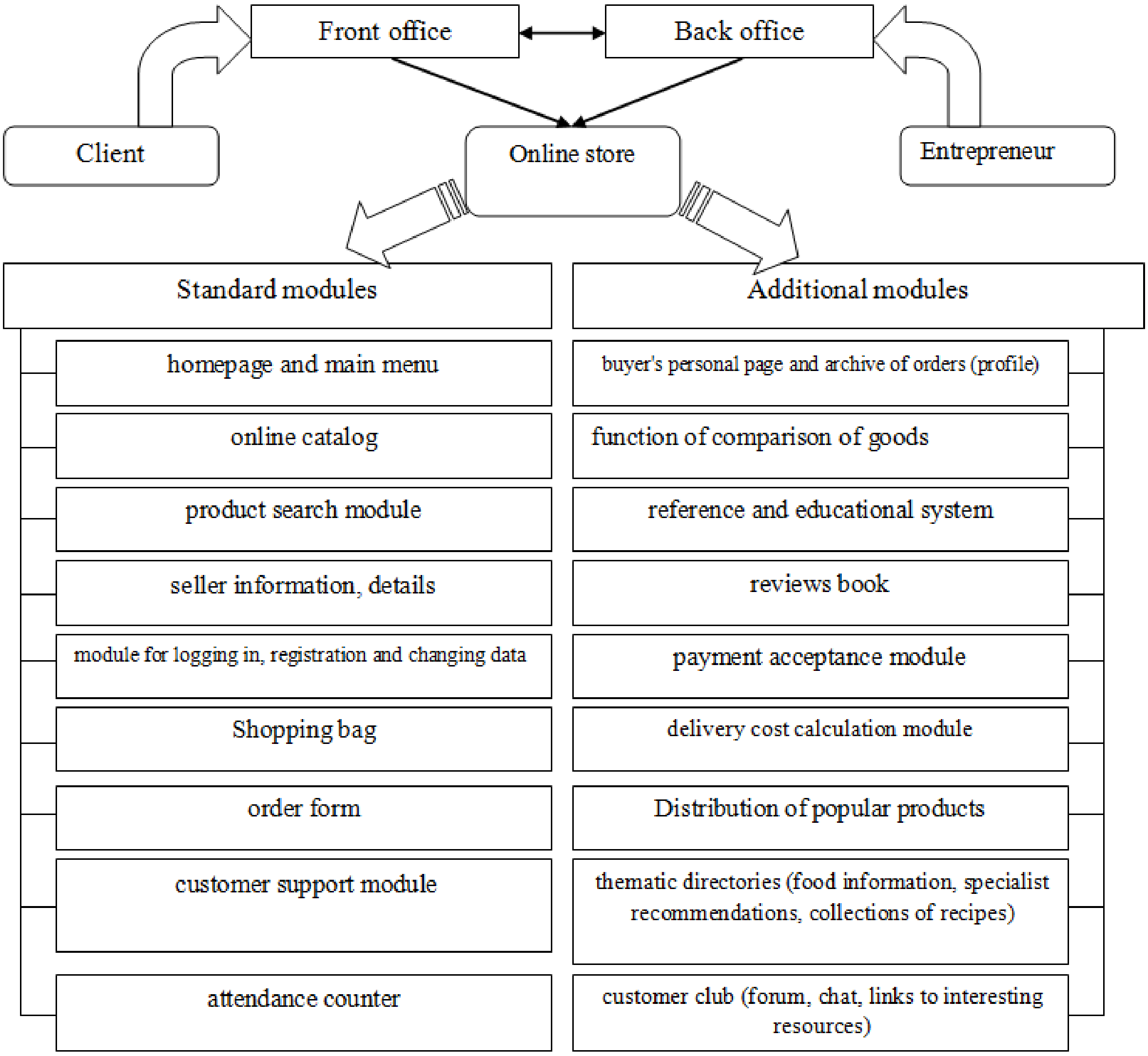

Figure 2. Progressive business scheme of the online store (developed by the authors)

The scheme of the online store that the authors propose to apply for the development of entrepreneurship in the field of electronic commerce (Figure 2) consists of two parts. The front office is available to the buyer and serves as an Internet showcase with standard and additional functional modules. Under the control of the entrepreneur, there is a back office integrated with the front office, which provides the employees of the entrepreneur-seller with the reference, accounting, and static information necessary for carrying out commerce activities. Additional modules are configured depending on the functional tasks assigned to the online store (Wang et. al., 2010). When developing an online store with an incomplete service cycle and an automatic online store, their structure also is integrated with: an electronic payment system, a database of the entrepreneur-business owner, the availability of stocks of goods and profiles of registered customers, as well as a system for processing orders and monitoring their execution

Discussion

The authors formulate further studies and recommendations within the framework of systematizing the types of effects from the introduction of Internet projects for promoting marketable groups of goods through a complex combination of the results of economic, logistics, communication, financial, social, technical, and resource effects. Such an approach will create an opportunity in the future to obtain an assessment of the effectiveness of Internet projects based on the results of their functioning, as well as to determine the impact of promotion mechanisms on the internal business environment and its environment when planning, adjusting, and implementing sales policies.

Conclusion

A conceptual approach to the formation and implementation of the organizational and economic mechanism for the development of entrepreneurial activity by means of Internet technologies is proposed. Its basis is the structural and logical sequence of the creation and implementation of mechanisms and, in contrast to the already known ones, it provides for the distribution of promotion tasks to economic and organizational ones and makes it possible to implement Internet technologies in the commercial activities of entrepreneurial entities.

An approach has been developed that provides an integrated system of elements of technological processes for delivering products to consumers, takes into account the features of the sale of goods through an online store, the available resources of an entrepreneur, and is focused on a set of interconnected promotion tasks - managing the communication environment, assortment, pricing, and the list of services provided to customers of online stores, their staff, as well as the delivery of goods to customers. This approach made it possible to develop proposals for improving the sales of inventories by means of Internet technologies for entrepreneurial entities.

Funding: This research received no external funding.
Conflicts of Interest: The authors declare no conflict of interest.

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JEL Classification: M41

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ACCOUNTING AND ANALYTICAL SUPPORT FOR THE COMPANY INNOVATIVE DEVELOPMENT STRATEGY FORMATION

Received 11 September 2022; accepted 17 September 2022; published 20 September 2022

Abstract. *The development of economic relations, ways of managing them and the efforts of the scientific community to understand the causal links of such changes determine the intensity of proposals to modify the concept of accounting taking into account the strategic vector of its development. The effectiveness of management decisions depends on many factors, in particular, on the quality of accounting and analytical information, the formation of which is the quintessence of the arrangements and maintenance of strategic management accounting in the company. The functionality of strategic management accounting as the system integrity is increased within the system of accounting and analytical support for managing the activities of the economic entity. The announced descriptive model of the information process in the system of strategic management accounting is aimed at improving the accounting and analytical support for the processes of development and implementation of the strategy of innovative development of the company. Assessment of the strategic stability of the company in the implementation of the strategy of innovative development is a necessary condition for the formation of multi-dimensional accounting and analytical information, which confirms the need to improve analytical and assessment procedures to achieve a higher level of efficiency of management decisions.*

Keywords: *strategic management accounting, innovative development, sustainability, accounting and analytical information, efficiency of management decisions.*

Citation: Abramova, O.; Nechyporuk, L.; Prudnikov, V.; Bieliakova, O. (2022). ACCOUNTING AND ANALYTICAL SUPPORT FOR THE COMPANY INNOVATIVE DEVELOPMENT STRATEGY FORMATION. Economics and Finance, Volume 10, Issue 3, 11-19. http://doi.org/10.51586/2754-6209.2022.10.3.11.19

Introduction

The implementation of the innovative model of development of the national economy involves coordinating the innovation strategy of the industry, regions and companies. The analysis of the experience of developed countries shows that the introduction of innovations is one of the main factors (catalysts) for sustainable growth of the national economy.

The strategy of innovative development in the modern concept of management involves the development and implementation of management decisions aimed at ensuring the long-term operation and development of the company. External conditions of operation and development of the company are characterized by increasing aggressiveness of the competitive environment, risks and uncertainty of the external environment, which requires improvement of information support for the development and implementation of innovation development strategy, an element of which is strategic management accounting information.

In general, the formation of a portfolio (set) of innovation strategies of the company is taken place in the context of specific parameters of its overall socio-economic and innovation goals and the corresponding innovation objectives and the main determinants (factors) of innovation development.

The complexity of the formation of accounting and analytical support for building a strategy of innovative development of the company is due to:

diversity related to the implementation of different kinds of activities of the company and a complex of different types of works to manage these activities;

differences in conditions and rules of information formation in the subsystems of: accounting, analysis and control;

differences in the target direction of the generated information: in time (for activities in previous reporting periods, for current activities, for future activities), by areas of use (in planning, analysis, control, etc.), by including the number of objects and etc. in the information;

opportunities for systematization and processing of information with the help of professional, local, generally accepted and standardized computer programs and databases.

Literature Review

The analysis of scientific works allowed to conclude that the strategy of innovative development of the company:

- influences the entire value chain of the company, from the development and production of new products to the development of the customer base (Honggowati, S., Rahmawati, R., Aryani, Y. A., & Probohudono, A. N. (2017));
- takes into account the interaction with a wide range of stakeholders, whose impact on the long-term sustainability of the company can be significant (Doktoralina, C., & Apollo, A. (2019));
- is taken under conditions of uncertainty and risks, which shape the factors of the internal and external environment (Trigeorgis, L., & Reuer, J. J. (2017); Mahlendorf, M. D. (2014)).

The scientific works use different approaches to the study of innovation development strategy: systemic (Cinquini, L., & Tenucci, A. (2010); Taipaleenmäki, J. (2014)), comprehensive (Kalkhouran, A. A. N., Nedaei, B. H. N., & Rasid, S. Z. A. (2017)), process (Cooper, D. J., Ezzamel, M., & Qu, S. Q. (2017)), resource (Cuganesan, S., Dunford, R., & Palmer, I. (2012); Lambert, C., & Sponem, S. (2012)), however, the main characteristics of scientists are as follows:

attention to the implementation of long-term measures;

focus on new technologies allowing to depart from conservative rules, namely: analysis of development opportunities; identification of key technologies and competencies related to their implementation; managing the quality of new processes and products; strategic regulation of innovation processes, etc.

The selected strategy of innovative development of the economic entity must meet the objectives and be developed in accordance with alternative strategies (Ax, C., & Greve, J. (2017)). To select strategic alternatives, management must have a clear concept of company development shared by all employees and rely on appropriate information support.

Methods

The need to take into account a significant number of heterogeneous and interrelated factors in the conditions when these relationships are not always clear and obvious and may remain unknown for some time requires the use of special methodological tools for assessing the strategic sustainability of the company.

In our opinion, such tool is the framework of fuzzy set theory (FST). Fuzzy set theory is a mechanism for formalizing one of the types of uncertainty that arises when modeling real objects. Within the framework of the fuzzy set theory, a mechanism for formalizing meaningful concepts was developed, examples of which are "stable situation", "high level of security", "stable financial condition", etc.

Thus, there appears an opportunity to reduce qualitative expert assessments to quantitative, numerical (though fuzzy) ones. On the other hand, fuzzy sets give the expert higher level of flexibility in the assessment of quantitative indicators and allow to include financial indicators along with non-financial ones in the model.

Within the framework of FST, the term set (T) is created – it is the set of all possible values of the linguistic variable (A), the values of which can be words or phrases of natural language. The modeling involves the construction of a binary (good-bad, high-low), three- (low, medium, high) or five-level (too low, low, medium, high, too high) basic term set.

Next, there determined the system of weights d_j, selected indicators, that is for each indicator y_i there matched the level of its significance for assessment d_j. If the levels of significance of all indicators are taken as equivalent, the coefficient d_j will be equal to *1/l* in the calculations.

If the levels of significance are not equivalent, d_j is calculated according to Fishburne's rule:

$$d_j = \frac{2(l - j + 1)}{l(l+1)} \tag{1}$$

where *l* - number of indicators, *j* - level of significance of an indicator.

Recognition of membership levels of selected indicators is based on the membership function $b_A(y)$ for each linguistic variable of the base term set *T*. The membership function $b_A(y)$ is a function which domain is the member y and which range is a unit interval [0,1]. The higher $b_A(y)$, the higher the membership degree of the member element to the fuzzy set *A*.

At the next stage, it is necessary to create a set of nodes a_m, which determine the maximum of the membership function for each linguistic variable $b_{jm}(y_{mj})$. Then according to the fuzzy set theory, the linguistic variables in combination with the set of nodes are two-, three-, five-level fuzzy 01-classifier, depending on the results of modeling.

Then a classifier (two-, three-, five-level fuzzy 01-classifier) is built for each of the selected indicators, so you can go from a set of certain indicators to an aggregate of strategic stability S_i, the value of which is also recognized thanks to the classifier. Quantitative value of the aggregate of strategic stability is determined by the formula of double additive convolution:

$$h(S_i) = \sum_{m=1}^{p} a_m \sum_{j=1}^{l} d_j b_{jm}(y_{mj}) \tag{2}$$

where a_m - classifier nodes (m= 1..5); d_j - weight of factor j in the convolution (*j* = 1..7); $b_{jm}(y_{mj})$ - value of membership function of quality level m in relation to the current value of factor *j*.

Results

The dynamics of business, strengthening of a competitive landscape influence stability of operation and development of companies, therefore, maintenance of sustainable development of a company in the long run actualizes introduction of effective mechanisms of assessment of threats of internal and external environments for the purpose of leveling their influence on stability of a company.

This requires the search for methodical approaches for assessment of the strategic stability of companies, which would make it possible to determine its level with a high degree of reliability, to identify threats in a timely manner. The formation and development of strategic management accounting can help solve the problem of generating and presenting information for assessment of the strategic stability of companies.

The summary of the calculation of the assessment of the strategic stability of the Renault Group is presented below.

An expert group of 10 experts from specialists and managers identified the following components of strategic stability: economic, environmental, social. The following is an assessment of strategic stability by the aggregate of economic stability. The assessment of other components was carried out in the same way. The experts have identified a set of indicators to assess the level of the aggregate of economic stability in terms of financial and non-financial indicators. For the selected indicators, the intervals of values of fuzzy linguistic variables – "very high", "high", "medium", "low", "very low" – are determined by the experts. For each linguistic variable, the parameters of the main membership functions (3-7) and nodes are entered a_m = (0.1; 0.3; 0.5; 0.7; 0.9):

$$b_1(y)=\begin{cases}1, & 0\le y\prec 0{,}15;\\ 10(0{,}25-y), & 0{,}15\le y\prec 0{,}25;\\ 0, & 0{,}25\le y\le 1.\end{cases}$$

$$b_2(y)=\begin{cases}1, & 0\le y\prec 0{,}15;\\ 10(y-0{,}25) & 0{,}15\le y\prec 0{,}25;\\ 1, & 0{,}25\le y\prec 0{,}35;\\ 10(0{,}45-y) & 0{,}35\le y\prec 0{,}45;\\ 0, & 0{,}45\le y\le 1.\end{cases}$$

$$b_3(y)=\begin{cases}1, & 0\le y\prec 0{,}35;\\ 10(y-0{,}35) & 0{,}35\le y\prec 0{,}45;\\ 1, & 0{,}45\le y\prec 0{,}55;\\ 10(0{,}65-y) & 0{,}55\le y\prec 0{,}65;\\ 0, & 0{,}65\le y\le 1.\end{cases}$$

$$b_4(y)=\begin{cases}1, & 0\le y\prec 0{,}55;\\ 10(y-0{,}55) & 0{,}55\le y\prec 0{,}65;\\ 1, & 0{,}65\le y\prec 0{,}75;\\ 10(0{,}85-y) & 0{,}75\le y\prec 0{,}85;\\ 0, & 0{,}85\le u\le 1.\end{cases} \qquad (3)$$

$$b_5(y)=\begin{cases}1, & 0\le y\prec 0{,}75;\\ 10(y-0{,}575) & 0{,}75\le y\prec 0{,}85;\\ 1, & 0{,}85\le y\le 1.\end{cases}$$

In order to determine the weights d_j of the selected indicators, the levels of significance of the indicators were assessed using an expert method. As a result, the levels of significance were defined as unequal.

In order to rank the indicators and determine the degree of consistency of experts' opinions, the indicators were ranked according to the degree of importance when assessing strategic stability, a matrix of transformed ranks and a matrix of normalized weights were created. The group opinion of the experts is based on the centroid method.

The assessment of the consistency of experts' opinions was carried out on the basis of the calculation of the multiple rank correlation coefficient in the presence of connected ranks *W*. As a result, is there was obtained the value of the concordance coefficient *W* = 0.742. The verification of the statistical significance of the concordance coefficient was carried out using the Pearson's consent criterion y_2. The results of ranking the selected indicators by the centroid method and determining the weight of each of the indicators by the Fishburne's method are presented in Table 1.

Table 1
Results of indicator ranking and the weight of each of the indicators by the Fishburne's method

Criteria for assessment of economic strategic sustainability S_A	Weight, d_j	Rank	Significance by the Fishburne's formula
dynamics of image and business reputation (y_1)	0.221	1	0.25
dynamics of the company market share (y_2)	0.121	4	0.1429
financial stability index (y_3)	0.079	7	0.0357
profitability of sold innovative products (y_4)	0.099	5	0.1071
current liquidity ratio (y_5)	0.089	6	0.0714
return on equity (y_6)	0.201	2	0.2143
strategic management effectiveness (y_7)	0.19	3	0.1786

To assess the strategic economic stability of the Renault Group, the levels of membership b_{jm} to the fuzzy subsets of the term set of variable values are calculated. The basis is a matrix with selected quality levels: "very high", "high", "medium", "low", "very low" - these are the columns of the matrix, the selected indicators are its rows, the cells of their intersection are the levels of membership to the quality levels. The results of calculation are given in Table 2.

Table 2
The matrix of the levels of membership b_{jm} to the fuzzy subsets of the term set of variable values

Criterion	Membership functions for the levels of economic strategic stability				
	too high, b_1	high, b_2	medium, b_3	low, b_4	too low, b_5
y_1	0	1	0	0	0
y_2	1	0	0	0	0
y_3	1	0	0	0	0
y_4	1	0	0	0	0
y_5	1	0	0	0	0
y_6	0	1	0	0	0
y_7	0	1	0	0	0

The calculation of the aggregate for assessment of strategic economic stability was carried out by formula (2). The results of its calculation are presented in Table 3.

Table 3
Results of calculation of the aggregate of economic stability

Quality levels, m	Nodes, a_m	Calculation of internal convolution $\sum_{j=1}^{l} d_j b_{jm}(y_{mj})$	Aggregate of economic stability, S_A
1	0.9	0.3571	0.771
2	0.7	0.6429	
3	0.5	0	
4	0.3	0	
5	0.1	0	

The linguistic recognition of the level of strategic economic stability of the company is given in Table 4.

Table 4
Classifier of levels of the aggregate of economic stability of the company, S_A

Value range	Linguistic value of the variable, A
[0; 0.2]	Very low level
[0.2; 0.4]	Low level
[0.4; 0.6]	Sufficient level
[0.6; 0.8]	High level
[0.8; 1.0]	Limit level

By the determined level, the aggregate of strategic economic stability of the Renault Group is high. By a similar algorithm, there were calculated the aggregates of strategic environmental and social stability with the corresponding levels of 0.38 and 0.522.

To the most important criteria of environmental stability, we propose to attribute: total amount of raw materials used (broken down by type); energy use (broken down by primary sources); energy consumption; water sources and ecosystems (habitats), which are significantly affected by water use; total environmental costs per 1 thousand US dollars of sales revenue; total environmental costs per employee of a company; dynamics of the values of environmental costs, including the amount of fines paid for violations of environmental legislation; amount of investment in environmental protection; "transparency" of environmental reporting.

To the most important criteria of social stability, we propose to attribute: expenses on the training of employees and specialists; expenses on the professional development of management staff; incentive and social payments (assistance to employees) from the company profits; sales volume and profit per employee.

The results of assessment of the strategic stability of a company by components are proposed to be displayed on the corresponding axes of the radar chart, which makes it possible to compare the magnitude of several values, each of which corresponds to a point on the axis, several periods, reference values (Figure 1).

The number of axes corresponds to the number of components of strategic stability. Based on the results of the assessment of strategic stability, management decisions and recommendations are made, the goals and methods of sustainable development management are adjusted.

The development of analytical functions of strategic management accounting is focused on providing information to managers in order to manage strategic stability and display information in management reporting. Information on strategic stability can be provided in the form of open reporting.

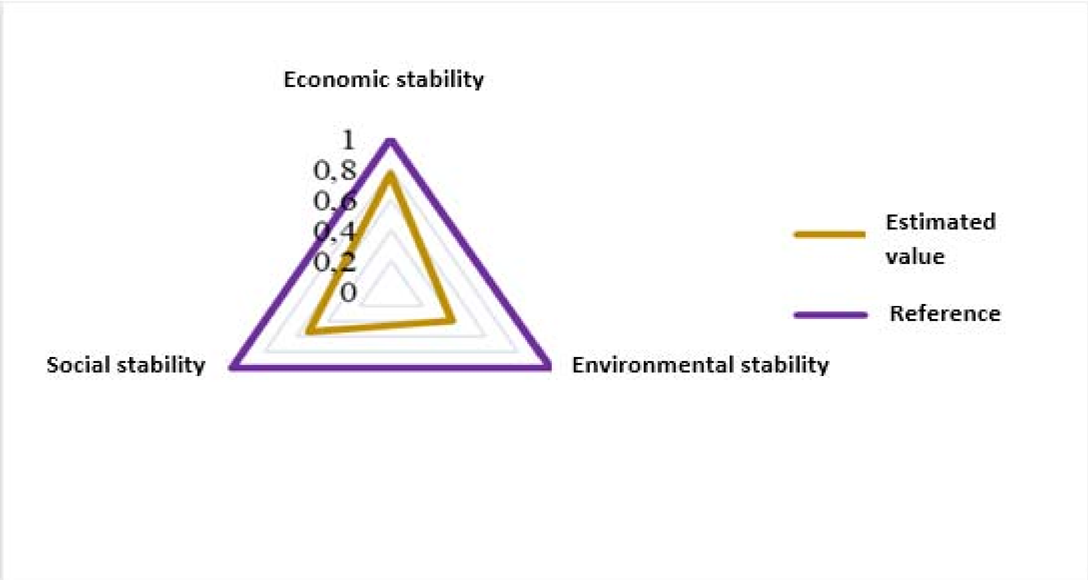

Figure 1. Results of assessment of strategic stability of Renault Group and comparison with reference values
Source: author's development

Thus, the principles of completeness and relevance of reporting data acquire their further development due to the fact that, along with information of a current or general nature, it contains data on opportunities and threats to the company.

The selection of a method for assessment of strategic stability depends on the accuracy of the obtained estimates, the complexity of the calculations, intuitive understanding of the calculation algorithm and other factors that provide convenience in the practical application of the method. Thus, in many works it is argued that fuzzy-set tools are in many cases simpler than probabilistic methods.

Discussion

The synergizing effect of the use of converged forms of accounting-analytical support for the development and implementation of strategies for innovative development of firms through mergers, and the imposition of a complex set of factors, actions and efforts of accountants and managers of the company.

This effect can be assessed using several groups of criteria that characterize different aspects, significant changes in the practice of modern business structures. In our opinion, the following groups of criteria are the most important:

organization and management: strength and reliability of internal and external relations of the organizational form; flexibility and adaptability of the organizational management structure; scale of activity; availability of qualified management and strategic management system; formation of knowledge and innovation activity management system; development of a strategy for diversification of services and forms of service, improving the quality of service; competence and efficiency of decision-making;

economic: dynamic of sales volumes by types of services; growing market share; cost reduction; indicators of production costs, profitability, profit;

financial: solvency; debt to counterparties; level of tax payments; financial stability index, liquidity ratio, debt ration, working capital ratio; growth of market value (capitalization) of the company; financial risks;

social: activity, creativity, satisfaction and interest of staff; staff qualification growth; social security and social protection of employees; stimulation and development of team motivation, etc.

Conclusion

The most relevant system of information support for the management of innovative development of the company is an integrated system that combines systems of strategic management accounting, planning, analysis and control, and is focused on:

from the standpoint of organizational, methodological and methodological support, on the formation of the information field of the company development strategy by conducting accounting, control and analytical procedures;

from the standpoint of ensuring efficiency and effectiveness, on the accumulation of a significant amount of information to meet the information needs of users of different levels of management of a company;

from the standpoint of goal setting, on the compliance with the information determinant of the organizational and economic mechanism of development and implementation of the company development strategy.

There was proposed a methodical approach to the assessment of the strategic stability of the company in the system of strategic management accounting, which includes preparatory (development of methodical tools for the assessment of the strategic stability), analytical (implementation of analytical procedures to determine the integrated value of the strategic stability) stages and assessment stage, which gives an opportunity to assess the strategic stability of the company in key areas: economic, social and environmental. The advantage of this method is the ability to obtain the resulting value, which is defined as the weighted average of all selected criteria, on the one hand, and all qualitative levels of these criteria, on the other hand.

The proposed methodology allows to include financial criteria along with non-financial criteria in the model. At the same time, the formalization of the assessment process, on the one hand, will allow the correct use of analytical techniques based on a balanced approach, and on the other hand, this will increase the validity and reliability of strategic management decisions as regards ensuring sustainable operation and development of the company. The use of the proposed technique in practical activity will increase analytical possibilities of diagnostic and will ensure implementation of multi-level assessment of strategic stability of a company.

Funding: This research received no external funding.
Conflicts of Interest: The authors declare no conflict of interest.

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JEL Classification: M51

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EMPLOYEE RETENTION IN SMALL AND MEDIUM ENTERPRISES EXPORT POTENTIAL

Received 12 November 2022; accepted 17 November 2022; published 20 November 2022

Abstract. *This study aims to determine the relationship between MSMEs and their employees, including employee retention and intention to stay in MSMEs that have export potential. Companies that have an export orientation will always try to increase human resource capacity. Meanwhile, the capacity of MSMEs human resources is very minimal. This study uses a qualitative approach. This research examines UD Arif Jaya in Gresik Regency. Data collection uses in-depth interviews with owners and employees as well as triangulation between the two for the validity of the data. The results of this study indicate that geographical proximity makes emotional connection a consideration for companies in recruiting employees to ensure trust. Compensation-based retention patterns are still the main factor with various models; reciprocity, this is also a consideration for employees to stay. In addition to retention, employees consider family factors, time flexibility, and efficiency as the basis for survival. The pattern of employee recruitment and retention makes the company sustainable, especially in its production cycle. However, problems often arise in developing human resources to maintain the quality of export products. Opportunities to develop studies are still open to identify the existence of social capital as a background for relations in MSMEs.*

Keywords: *MSMEs, Employee, Retention, Export, Human Resources.*

Citation: Afwan Hariri Agus Prohimi; Sudarmiatin; Imam Mukhlis. (2022). EMPLOYEE RETENTION IN SMALL AND MEDIUM ENTERPRISES EXPORT POTENTIAL. Economics and Finance, Volume 10, Issue 3, 20-28. http://doi.org/10.51586/2754-6209.2022.10.3.20.28

Introduction

Small and medium enterprises (MSMEs) are recognized as having significantly contributed to a country's economy (Daszkiewicz & Wach, 2012). MSMEs in Indonesia has contributed to the absorption of the workforce and achieving the Gross Domestic Product (GDP) (Wibawa & Anggitaria, 2020). However, the existence of MSMEs has not contributed much to Indonesia's total exports. Data released by the Ministry of Trade shows that in 2021 MSMEs exports will only be 5% of Indonesia's total exports.

MSMEs have many obstacles and problems when it comes to exporting. Some of these obstacles include lack of financial capital, limited technology, lack of innovation in product development, limited international market access, lack of government facilitation, and low human resource capabilities (Onugu B.A.N, 2005); (Vachani, 2005); (Stefanović et al., 2009). Of course, this problem differs from the problems faced by large-scale businesses that have been established in their management and capital.

Various studies on the internationalization process for MSMEs have been carried out and given birth to various theories. Uppsala's theory describes the learning stages experienced by MSMEs in their internationalization stage. The learning stages experienced by MSMEs include starting from the indirect export stage to establishing a company abroad (Inês et al., 2021). Another theory is Transaction Cost Economics which is the basis for the economic cost component in bargaining when a company enters a foreign market. The determination of the low-cost component will impact the product's competitiveness when it enters the international market. In their research, it was identified by Chu et al. (2018) found that there are differences in determining the components of transaction costs between large and small companies. Networking theory is the basis of research conducted by Aureli & Del Baldo (2013) who concluded that collaboration could be a capital for the internationalization of MSMEs. However, this study also found that the networking program initiated by the government failed in its implementation. The research of Morais & Franco (2018) found that most of the internationalization processes in Portugal were initiated by MSMEs themselves and not by the existence of networks.

Resource Based View (RBV) is a theory that states that the competitive advantage achieved by a company comes from the existence of superior resources. In this theory, the company must determine its competitive position based on its internal resources (Hooley et al., 2010), including specific ones, and become its comparative advantage (Makadok, 2001). In the end, the comparative advantage will be the capital of the company's competitive advantage (Hunt & Morgan, 2018). One of the potential resources that can become a comparative and competitive advantage in an organization is human resources.

However, awareness of the importance of human resources in organizations has not yet become mainstream in managing small and medium enterprises. Although the dynamics of business competition in MSMEs are very tight and competitive, it is not uncommon for MSMEs to be in an open competitive market (Cahyadin et al., 2017). Research conducted by Abraham et al. (2015) in Malaysia shows that the HRM function is secondary, routine, and unimportant. While (Sels et al., 2006) stated that the key to the success of MSMEs is the knowledge, skills, and abilities of human resources. This is one of the main capital for MSMEs when they enter the export market.

Employees are essential in building a company's competitive advantage (Walker & MacDonald, 2001). In line with this, Mathis & Jackson (2010) states that company leaders should link their HR management policies with company strategy. This linkage will encourage improved performance and organizational culture that encourages innovation in achieving business goals. The importance of the strategic role of humans in the organization encourages a new paradigm in HR management in organizations. As a new concept, human capital illustrates that humans are valuable capital in organizations. The paradigm of human capital guides managers in setting the focus of human development in improving the quality of the organization (Sukoco & Prameswari, 2017).

Micro, Small, and Medium Enterprises have limited resources to get potential employees and develop and retain them for the long term. The binding employee is a complex problem for MSMEs (Park et al., 2019). Employee turnover in MSMEs is very high because their ability to bind and retain employees is low, especially related to compensation (Sarah bt Omar et al., 2009). The ability of MSMEs to pay low compensation has an impact on the ability of MSMEs to attract potential employees. Job seekers will tend to choose companies that can provide proper compensation. At the same time, there is empirical evidence that there is a solid relationship between the recruitment process and business performance in the context of MSMEs (Gamage, 2014).

The framework for achieving organizational goals encourages the development of human resource management practices. Good human resource management practices will encourage job satisfaction, where employees will work harder to satisfy customers (Stewart & Brown, 2019). The framework for achieving organizational goals encourages the development of human resource management practices. Good human resource management practices will encourage employee job satisfaction, where employees will work harder to deliver. Referring to this concept, it can be interpreted that the ultimate goal of human resource management or management is employee satisfaction and performance. Human Resource Management practices are also crucial in developing a sustainable competitive advantage. Customer satisfaction (Shahnawaz & Juyal, 2006). Thus, efforts to maintain and build employee commitment are essential for every company.

Retaining employees is an important for every organization (Marfo Agyeman & Ponniah, 2014). Terera & Ngirande (2014) states that retaining employees will have an impact on organizational effectiveness. The low level of retention carried out by the organization will reduce the level of job satisfaction (Fukofuka et al., 2014), and is closely related to organizational commitment (Anis et al., 2011); (Anitha, 2016); (Hennig-Thurau, 2004) and intention to leave the organization (Modau & Lugisani, 2018). Mathis & Jackson (2010) identify factors that build employee retention, including career opportunities, reward systems, task and job design, and employee relations.

Serda et al. (2010) identify some of the weaknesses of working in the micro, small, and medium business sector, among others, are 1). The ability to compensate MSMEs is minimal, with limited variations and allowances. 2). MSME employees have limited opportunities to participate in various training programs compared to employees at large companies. 3). Career opportunities are also limited because most MSMEs have a flat organizational structure. Meanwhile, working in MSMEs, on the one hand, also provides advantages compared to working in large companies. Wilkinson (1999) states that the work environment in small businesses is more egalitarian, where the relationship between the owner and employees and fellow employees is equal. This causes the communication patterns within MSMEs to become more open and informal. Labor relations or interactions in MSMEs are more flexible. This flexibility can be related to how to carry out work and the flexibility of working time (Gialuisi & Coetzer, 2014).

The descriptions of the various perspectives and empirical facts above show that the HRM function has not been fully implemented. They are mainly related to employee retention programs. Limited resources owned by SMEs make this sector not have a strong bargaining position in managing its human resources. Their business continuity is not guaranteed, and their financial capacity is limited, making MSMEs not the right choice for job seekers to stay in MSMEs for a long time. However, empirical facts in 2018 show that Indonesia's MSME sector can absorb more than 90% of the total workforce. On a macro basis, these facts indicate that the availability of employment in this sector is greater than that of the large business sector.

Some of the previous studies described above identify the description of employee retention in MSMEs and how the retention programs carried out by MSMEs are perceived by employees. Several terms will be related to retention, such as commitment, turnover, intention to leave, and intention to stay. Many researchers identify that the ability of MSMEs to retain their employees is meager. This study wants to take an in-depth look at the relationship between companies and employees, how companies retain and vice versa, and why employees decide to stay long at MSMEs and contribute to MSME performance, especially to be able to enter the export market.

Intention to stay is defined as an employee's intention to maintain the current employment relationship, working with the same employer long-term (Johari et al., 2012). Several studies have shown that employees' intention to stay in the company is mainly caused by extrinsic factors, such as compensation, benefits, career opportunities, and supervisor support (Johari et al., 2012), (Chew & Chan, 2008), (Sanjeevkumar, 2012). While several other studies have linked the intention to stay with job satisfaction (Benevene et al., 2018), (Karlsson et al., 2019), (Bloxsome et al., 2019). Other studies identify retention intentions with employee internal factors such as work life balance and commitment (Uraon, 2017); (Redditt et al., 2017); (Lindfelt et al., 2018), (Thakur & Bhatnagar, 2017). However, it is still interesting to explore the intention of surviving MSMEs employees to work for a long time. Thus, this study was conducted in order to determine the intention of employees to continue working in MSMEs.

This study uses the background of the songkok industrial center in Gresik Regency. This industry is mainly carried out by businesses with the scale of MSMEs and is more of a home industry. Songkok, often called skullcap in Gresik, is a head covering and developed into a national identity. In the XVIII century, under Sunan Giri, skullcaps became a means of exchange for spices with traders from Ternate. Songkok or skullcaps have been used as a complement to Indonesian national clothing since the Sukarno era until today (Aris, 2017).

The Songkok industrial center in Gresik Regency is located in several sub-districts. Gresik Regency Diskoperindag data shows that in 2016 the number of Songkok artisans amounted to 82 (Usman, 2016). The problems faced so far by the songkok craft center in Gresik Regency are the actors of raw materials, labor, and marketing. So far, raw material still relies on imported raw materials, namely velvet. Meanwhile, the problem of labor is the limited workforce with expertise in making skullcaps. The older generation still dominates the workforce, which has become less productive and innovative (Zulaichah, 2017).

Literature Review

Employee maintenance or retention is one of HRM's functions, namely, the operational function. Whereas the operational maintenance function includes the maintenance of the workforce so that they feel at home working at the institution (Mathis & Jackson, 2010). Maintenance always presents employees with proper respect, so rewards for bridging the gap between institutional goals and individual expectations and aspirations need to be provided. An institutional reward system provides three things to be effective: a level of reward that is sufficient to meet basic needs, fairness with the external job market, and fairness within the institution in relation to their needs (Gamble et al., 2004).

It is known that there are many human resource problems in MSMEs. One of them is Turnover Intention which is a challenge for MSMEs that really need Human Resources. Therefore, retention is an important thing to study to treat MSMEs human resources to be more productive for the progress of export-oriented MSMEs.

Methods

This study uses a qualitative approach, which will be oriented to reveal the meaning of a natural setting as a direct data source, where the researcher is the main instrument (Rukajat, 2018). While the method chosen is a case study. Case studies have a narrow scope and examine the behavior of individuals and groups so that they cannot be generalized (Rahardjo, 2017).

As the scope is narrow, the object of this research was conducted at one of the Songkok SMEs in Gresik Regency, namely UD Arif Jaya, which is located at Bungah Village, Manyar District, Gresik Regency. UD Arif Jaya was chosen because it is one of the Songkok MSMEs that has been around for more than 20 years but still maintains the small and traditional industry pattern by using the pattern of kinship with its employees. UD Arif's business location in Manyar District is an industrial area, where job opportunities in the large industrial sector are more promising for the workforce than working in the Small-scale Industrial sector. This condition is interesting to study regarding the motivation of employees to stay in the Small Industry.

Data were collected by conducting in-depth interviews with informants who owned UD Arif Jaya. In contrast, informants from selected employees were based on their length of service at UD Arif Jaya. Meanwhile, to ensure the data's validity, triangulation of sources was carried out by interviewing the informant owner of UD Arif Jaya and, conversely, interviewing employees. The analysis was carried out according to the method proposed by Miles and Huberman, which included data reduction, data display, and conclusion.

Results

Business Profile

UD. Arif Jaya was established in 1990 with the address at Jalan Masjid Kyai Gede RT 15 RW 06, Bungah, Kec. Manyar, Gresik Regency. The owner of the business, H. Arif, stated that at the beginning he only produced materials for making skullcaps to meet the needs of other songkok companies. In subsequent developments, UD Arif Jaya also produces its songkok with the trademark Pondok Indah and has now changed it to Tiga Terbang. H. Arif's songkok products have spread in several cities both in East Java and outside East Java, including Surabaya, Tripe, Lamongan, Tuban, Nganjuk, Kediri, Rembang, Magelang, Yogyakarta. As for outside the island, H. Arif's songkok products have arrived in Lombok and Kalimantan. The marketing system developed is by direct distribution to shops, through resellers, and also some are orders.

Business development

Initially, H Arif worked in another Songkok business; After some time, H Arif tried to set up his own business. At the beginning of its establishment, it was still a home industry, where H Arif was assisted by his brothers in running the business. For the production process, H Arif invited his neighbors who are experts at sewing Songkok. The materials and patterns were prepared by the H Arif family. Meanwhile, his neighbors carried out the tailoring process, then the related packaging and marketing matters were carried out by H Arif and his brother.

The business developed by UD Arif Jaya is still a small industry. According to the owner of UD Arif Jaya, there are 17 employees involved in the business who come from the environment around the place of business, some even have family relations with each other. The 2009 Indonesian Business Field Standard Classification (KBLI) states that industries with a workforce of between 5-19 people are categorized as Small Industries. Small industry employees usually come from the surrounding environment and still have a kinship relationship with each other (Kadafi, 2013).

H Arif explained that the production process for songkok includes four stages, namely cutting patterns and materials, sewing, embroidery, and packaging. Cutting patterns and materials is carried out by the owner, including sorting materials to ensure they are in good condition, thereby reducing the risk of materials being wasted or damaged during the sewing process. The sewing process was carried out by 17 people referred to as employees by H Arif. The process of embroidering and packing labor requirements will adjust to the number of finished sewing products. Usually it involves several members of the tailor's family, said H Arif. This means that most of the sewing and packing division staff involve members of the sewing family and do it in their respective homes. After the packaging is complete, it is returned to H Arif as the business owner.

Discussion

Relationship between employees and business owners

As the characteristics of small industries explain, employees usually come from the closest environment to the place of business, such as neighbors and close relatives. This can be seen in the findings of this study at UD. Arif Jaya, in the employee recruitment process, the first thing a business owner does is to use the proximity model. Potential employees are found in the company's immediate environment that has been identified and recognized by employers. In the early stages of establishment, entrepreneurs will look for resources closest to themselves, including labor. This could be due to the consideration of business risks that were still very large at the beginning, so entrepreneurs needed people who could be trusted.

The next recruitment pattern uses a chain network by first utilizing recommendations from employees who have joined the company. The recruitment model based on internal employee recommendations (employee referral) has several advantages based on the results of several studies. A study by Brown et al. (2016) concluded that the employee referral recruitment process could be done quickly; prospective employees already have sufficient information about the company and are likely to be hired for an extended period. Other research conducted by (Friebel et al., 2019) mentioned that the employee referral model would contribute to cost efficiency and avoid conflicts in the workplace.

The payroll system carried out by UD Arif Jaya is a wholesale system for all workers involved in the production process, which includes tailors, embroiders, and packaging. The wage unit used as the basis is the Kodi, of which one is 20 pieces of songkok. Information from H. Arif the wages paid to the tailors are per 5 Kodi skullcaps that are sewn; the wages earned by the tailors are Rp. 200,000,-. As for the embroiderer, Rp. 50.000, - and the packaging part Rp. 25.000,-. Based on this information, it appears that workers are paid based on their performance. With such a wage model, the workforce's income will significantly depend on its performance.

The relationship between the workforce and H. Arif as the owner of UD. Arif Jaya is not based on a formal work agreement. In the earliest stage, namely recruitment, there is no recruitment process, such as selection or interviews. UD Arif Jaya only wants to know the motives of prospective employees to work, whether employees have an orientation to fill time because they do not have jobs, to increase income, or motives just to add experience are also welcome to work at UD. Arif Jaya, this kind of recruitment pattern approach is based on the arguments from UD. Arif Jaya related to the craft industry does not need to complicate and lengthen the recruitment process because there are rarely people who want to apply.

From the beginning of the recruitment process, the owner did not emphasize binding employees to stay with the company forever at UD. Arif Jaya, In this research also found that business owners do not have a problem with their employees if they want to set up their businesses, even though they have learned a lot from the company. UD. Arif Jaya only considers the employee's intention to work. The availability of labor in this sector leaves owners with no choice in the employee recruitment process, including retaining them for an extended period. This is in line with other studies which discuss the availability of labor and the process of recruitment to employee retention (Sarah bt Omar et al., 2009); (Gamage, 2014) and (Park et al., 2019). The challenge faced by UD Arif Jaya is retaining existing employees, considering that employees are an essential resource for the organization.

On the one hand, UD Arif Jaya is interested in retaining employees because work in the skullcap industry requires special skills, while the employee turnover rate is also high. Some leave with the excuse of getting another job or changing their domicile. Employees leave for other jobs here because there are better jobs (wages, career certainty) than working in a skullcap company. So it can be concluded that if employees last a long time in the company, it is undoubtedly caused by factors outside of compensation or other job development opportunities.

Between Company Retention and Employee Retention

UD Arif Jaya has limitations in the ability to bind or retain employees. The challenge faced is the attractiveness of similar companies that provide higher wages and the orientation of increasing employees' income by working in other industrial sectors.

In order to face the challenges of employees who have the potential to move to other companies, UD Arif Jaya also provides proper employee rights, including providing additional facilities to employees related to urgent needs. UD Arif Jaya has made efforts to retain employees through compensation. Thus, with its style and pattern, compensation is also a critical variable in the strategy to retain employees in MSMEs. This is in line with data obtained from interviews with UD Arif Jaya employees who have worked for 20 years.

Employees stay in the company not solely because of the company's retention program. Employees also have several reasons why they choose to stay and stay at the company. For example, UD Arif Jaya provides employees with compensation, facilities, and loans. This study found that employees were given clothes, skullcaps, and daily necessities for money. This also determines the loyalty of employees to keep working at the company.

Then after further investigation, it turns out that other factors make employees choose and stay at the company. The family factor is the first consideration, especially for women who prefer to work at home or close to home so that they can still take care of some of their domestic affairs, such as taking care of their children. The second consideration is the flexibility of time or working hours. In businesses whose performance targets and compensation systems are based on quantity, employees will have the flexibility of time in carrying out their work. The third consideration is that they will choose a place of work that happens to be near their home to avoid the consequences of transportation costs to their place of work. This finding is in line with previous research linking retention intentions with job satisfaction (Benevene et al., 2018); (Karlsson et al., 2019); (Bloxsome et al., 2019). Other studies identify retention intentions with employee internal factors such as work-life balance and commitment (Uraon, 2017); (Redditt et al., 2017); (Lindfelt et al., 2018); (Thakur & Bhatnagar, 2017)

Conclusion

The geographical proximity between the location of the owner of the company and where the employees live makes the relationship between them even closer and more emotional. This is one of the considerations for small business owners to recruit people in their immediate environment. This closeness has relational power beyond the formal contractual ties in the employment relationship. This relationship pattern will also cover the company's limited ability to carry out retention.

The retention pattern using compensation variables is still very important, including for MSMEs. Enrichment of patterns and variations of compensation will strengthen the retention capabilities of each MSMEs. The effectiveness of the retention pattern implemented by the company must also be reciprocally supported by the employee's intention to remain in the company. Employee satisfaction variable on retention patterns, especially compensation, is still the main consideration for employees to survive. In addition, time flexibility, family factor considerations, and other efficiency factors were also found because geographical considerations are still the motive of employees. This research still leaves an open space to explore the pattern of the relationship between retention and the intention to stay working at the company, especially in the MSMEs setting which is sociologically and anthropologically different from large businesses, including the potential for social capital to become a foothold in this relationship.

Funding: This research received no external funding.
Conflicts of Interest: The authors declare no conflict of interest.

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JEL Classification: Q54, Q57, Q58

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CHANGE MANAGEMENT - THE KEY TO MODERNIZATION AND EFFICIENCY OF THE HIGHER EDUCATION SYSTEM IN THE REPUBLIC OF MOLDOVA

Received: 14 November 2022; accepted: 21 November 2022; published: 23 November 2022

Abstract. *The process of organizational change is a continuous and inevitable process that is associated with change management and presumes the overall creation, management and evaluation of changes within an organization. Changes can take the configuration of news, adjustments, optimizations, as well as excluding past errors to achieve the expected results. On the other hand, this activity involves functions of coordination, organization and control of conducting the introduction activity of change until the system operates in its new state. The changing process is a cumulative one that is repeating and restructuring on the go, being considered as well extremely complex, but at the same time, capable of generating new processes much more qualitative and modern.*

In the research was applied the methodology of: evolutionary analysis of managerial processes, classification, synthesis, analogies and the method of scientific abstraction.

Remediation of the higher education system as a process presumes applying the principles of change management through the modification of organizational structure, implementation of technologies and mechanisms of operation for all the components of this system, in accordance with the new ideas of the subjects, those being the managers. Only such a radical or dimmed change ensures the increase of universities independence and their transition to full-fledged market relations as a subject of concurrency on the educational services market.

Keywords: *change management, modernization, higher education system*.

Citation: Sava, L.; Tirsu, V. (2022). CHANGE MANAGEMENT - THE KEY TO MODERNIZATION AND EFFICIENCY OF THE HIGHER EDUCATION SYSTEM IN THE REPUBLIC OF MOLDOVA. *Economics and Finance,* Volume 10, Issue 3, 29-35. http://doi.org/10.51586/2754-6209.2022.10.3.29.35.

Introduction

The modernization in the context of higher education institutions has to be understood as a systematic interaction of the management subjects at different levels so as to ensure the functioning in an efficient way of the organization, since the philosophy of influence is nowadays being substituted by a new doctrine in the field of management that is based on the activities of cooperation and interaction.

Under this circumstance, the change management is a new strategy of systematic networking and planning, the achievement of which requires influencing the organizational structure, culture of the organization and individual behavior, thus creating successful situations for both employers and employees of higher education institutions.

In the last decades, the national education system has experienced multiple attempts of reforming and modernizing. During this period of endless reform, the possibilities for changing management, technologies and evaluation outcomes in education have been explored. New leaders have emerged with modified professional attitudes and skills, committed to bring multiple changes in education, but they also face various obstacles. At the same time, there are many potential leaders outside the educational system who deeply understand the responsibility for change and who could participate at the process of changing if a space for interaction would be created. As a result, the educational system requires the application of change management in the aspirations to become a truly modern system.

Literature Review

The concept of "change" is a new one in the science of management, although it is believed to have roots before the human civilization realized that progress is based only on change. Still in ancient times, more than 500 years B.C. Heraclitus insisted on the philosophical idea that "nothing in this world is constant except change". Today every manager recognizes that without change there is no life and progress, and this presupposes a constant adaptation to new conditions, because as the contemporaries say, even the development of the entire universe does not support the states of stability, because there are only two paths – progress and regression, and to make progress great efforts are needed (Sendrea M., 2015; Newton R., 2009).

Organizational change, as a process, is as old as ate the organizations, and although change management is a relatively mature element in the professional segment, there exist several interpretations of this expression. According to modern researchers, change management defines a whole set of processes, tools, techniques, methods, and approaches for achieving a desired final state through change. Change management focuses on a successful transition from one state to another and involves creating, managing and evaluating changes in an organization as a whole. Changes can take the configuration of some news, adjustments, optimizations, as well as the exclusion of past errors (Newton R., 2009). In other order of ideas, organizational change management consists of "the whole process of forecasting, organizing, coordinating, training and controlling measures to replace, modify, transform or pretence the organization into form and content, with the aim of increasing its efficiency and competitiveness" (Deliu et. al 2011).

In the vision of many Romanian researchers, change management admits a set of distinct activities such as communication, mobilization, support and orientation of employees, so as to achieve the expected results. Also, this activity involves functions of coordination, organization and control of the activity of introducing change until the functioning of the system in its new state.

Methods

The research methodology applied in the paper is of a theorized type, as the informational support focuses on the visions of contemporary researchers in the field with reference to the fundamental concepts of change management. The opportunity of applying change management ensures significant improvements in the performance of the organization. On the other hand, the content of the change process starts from understanding the need for change and insists on expressing the desire for change, acquiring the necessary knowledge, forming skills and strengthening change, such as delineating the research problem, analyzing the level of knowledge relevant to the research problem and establishing the hypothesis.

The hypothesis is formulated starting from the results presented in the analysis section of the literature and consists in identifying the landmarks that would ensure the increase of the independence of higher education institutions and their transition to full-fledged market relations as a subject of concurrency on the educational services market.

Results

3.1. Conceptualizing the need for change in organizational management

Established researchers emphasize employee resistance to change phenomena occurring within the organization, thus reducing process action to a minimum, considering that change management focuses on "identifying sources of resistance to change and providing ways to overcome them" (Nica et. al., 2019; Deliu et. al., 2011). This approach is totally focused on the study of the factors that influence the emergence of resistance to change of employees, and to some extent it is omitted that the change once produced must be managed in such a way that the result is positive. This can be influenced by the competence of the manager responsible for the change. So we can conclude that change management is based on two fundamental principles: to help the organization achieve its goals that cannot be achieved under the current conditions that is being organized, to operate or serve its customers, on the one hand, and on the other - to minimize at minimum the negative impact of any change. At the same time, we want to point out that it is also important to know about "resistance to change" as an essential element in change management. It is proved that resistance to change is more common among management staff than middle and lower level staff. So, well-designed and implemented change according to a well-thought-out algorithm can lead to significant improvements in the organization's performance. Thus, on the basis of the above, we can conclude that the approaches to change management are closely related to its constructive elements (Figure 1).

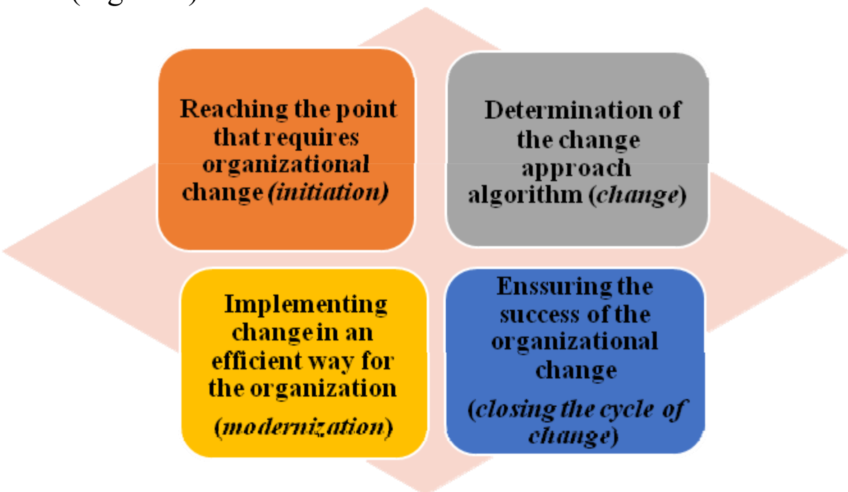

Figure 1. Elements of organizational change management

Source: developed by the authors

The concept of "change management" seeks to reshape the thinking of managers, from that purely economic orientation focused on profit chasing to new social value dimensions, for example, motivation and employee satisfaction or environmental aspects, for example. So a new model of change management is to focus on 5 simple steps: awareness, determination, willpower, implementation and recognition. For the most part, this model is widely applied by many practitioners in the field of change management. Triggering a process of change starts from understanding the need for change and insists on expressing the desire for change, acquiring the necessary knowledge, skills training and strengthening change (Popa, 2017, Robbins et. al., 2012; Tantau, 2005).

Table 1
The content of the change process

Aknowledging the need for change	✓ The organization understands that a rapid and effective response to the challenges of the internal and external environment is vital to achieving change. ✓ The organization understands that it is vulnerable if organizational change is not associated with skills training. ✓ Groups understand business judgements and take actions for changes in culture, values and skills.
Expressing the desire for change	✓ It is recognized that the lack of development and motivation to acquire new skills is negatively affecting the organization. ✓ It is recognized that change is necessary for the survival of the organization.

Acquisition of knowledge	✓ The organization knows what needs to be changed and what skills and values are needed. ✓ All managers have a basic understanding of change management, both theoretically and practically, and can apply this knowledge to a specific case within the organization. ✓ Each group finds itself in the process of change and is aware of its own contribution to this process.
Skills training	✓ Managers hold and correctly apply professional methods in the processes of achieving change. ✓ The executive staff, assisted daily by front-line managers, has the ability to apply new knowledge and skills.
Strengthening change	✓ The organization directly encourages and rewards changes in culture, values and the initiatives. ✓ Reducing the resistance to change by supporting the acquisition of new skills and abilities.

Source: developed by the authors based on the source (Nica et al., 2019)

Major changes are the result of a complex process in which are confronted the forces that generate change and the forces that resist and often have no rectilinear path from one state to another. The process of change is a cumulative one that repeats and restructures on the go, being considered extremely complex, but at the same time, capable of generating new processes much more qualitative and modern.

3.2. The opportunity in higher education institutions for organizational transformations

The process of conversion in higher education institutions of the managerial and organizational structures has become an imperative for the scientific and educational community worldwide as the process of transforming a post-industrial society into a knowledge society is ending, which has radically changed the nature of higher education, its paradigm, its strategic course, decision-making practices in universities, their organizational structures and organizational culture (Gryshova et al., 2019).

The paradigm shift of the university education system, which has emerged in recent decades, is associated to a large extent with a change in the role of the state as the main client and subject of influence, which has shaped the programs, forms of activity and standards for evaluating the activities of educational institutions (Drucker, 1993). Thus, the state weakens the monopoly on exclusive management in higher education, which passes into the sphere of personal initiative and accountability of the institution itself, transforming the university manager from an object of the educational process into an active subject. And the university management mechanism itself is beginning to take on the contours of “a modern academic space”, where educational institutions are thought of as subjects of economic and entrepreneurial activity.

Professional training, nowadays, is provided by universities in a multitude of meaningful areas of activity, but also specialists with a vast research vision, capable of innovative ideas. Thus, the change management applied in higher education institutions determines the importance of these organizations and highlights their ability to solve the following tasks: to become the most important element of education-research-innovation infrastructure; to contribute to the formation of human capital; to enhance the reproduction and development of the socio-cultural code of the whole of humanity. In other words, knowledge is used for systematic innovation. This new role of universities, which consists in using knowledge to find the most effective ways of modernization, means, in fact, that the new paradigm of change management is primarily aimed for transforming the education system of higher education institutions into a more efficient mechanism.

In this order of ideas, taking into consideration the higher education system in the Republic of Moldova, we note, based on a flash survey in the national higher institutions that the reasons for a refusal by society in the face of changes consists in:

- The fact that there is no real qualitative change in the proposed reforms;
- It is much more comfortable to have a day-to-day situation than the stress of getting into certain disturbances that change brings with it;

- Usually changes can be impersonated, and they are irrelevant to society;
- The economic efficiency of the proposed changes is not argued;
- The proposed changes are not in line with current values in society;
- Leaders of change do not inspire trust in society etc.

The change management is becoming one of the most promising mechanisms for managing the development of higher education in an environment where universities face new opportunities and new risks imposed by globalization and the growing role of the human factor. The change management is starting to be considered as a re-launch point for a new type of management at the university level – a revolutionary management that provides the foundation for the organization's success tomorrow.

Many descriptions of educational reform emphasize the content, structures and other formal components of innovation. These are important elements, but they do not resonate with most people. The biggest change is personal experience. Success depends on the individual contribution, which is determined either by the personal value of the innovation or by the motivation to obtain the new skills necessary to implement change.

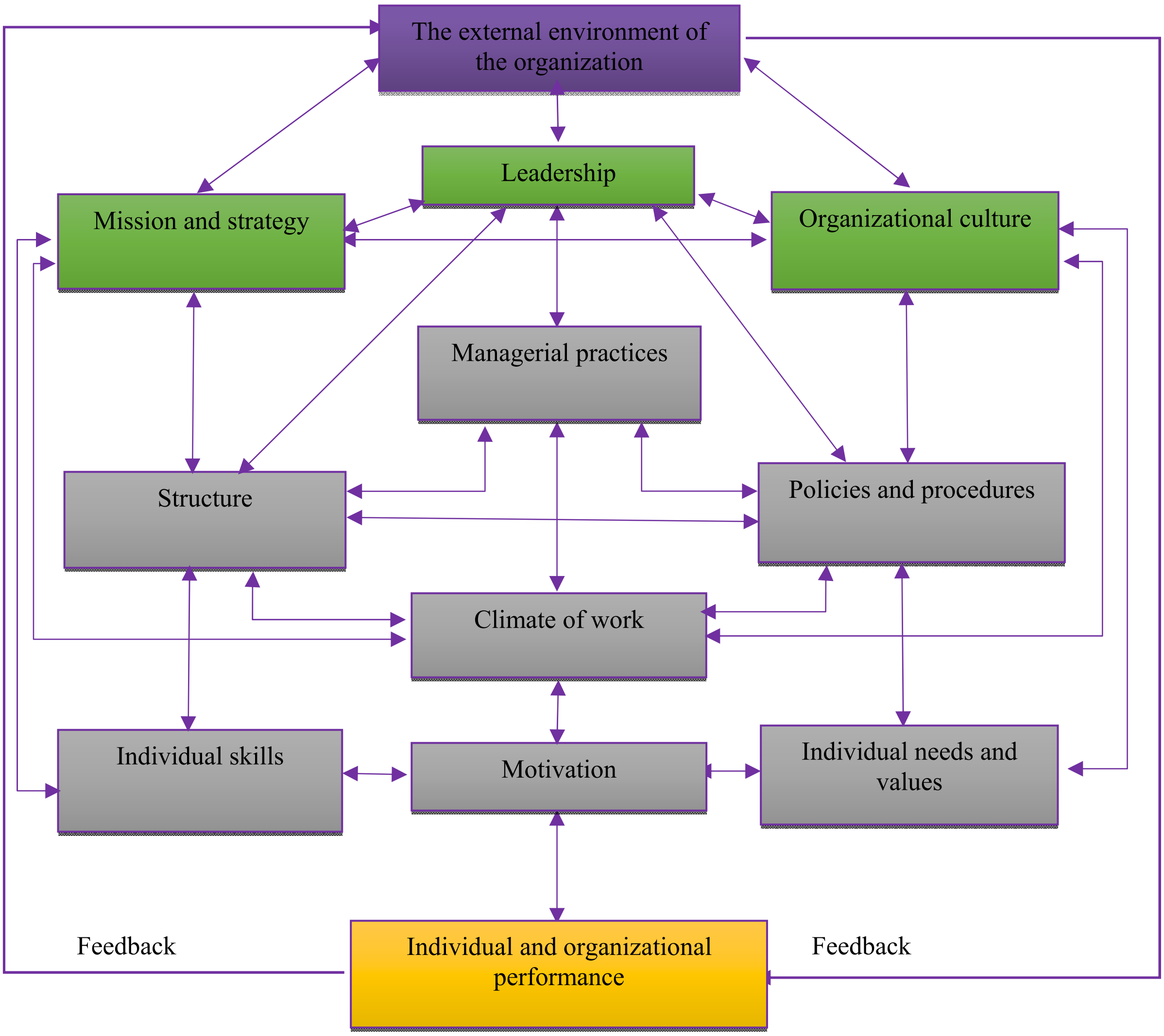

Figure 2. Organizational change in the university
Source: developed by the authors

Understanding individual responsibility, correlating individual differences, achieving group relationships – this is important for both personal and collective change: this is the essence of future change as a phenomenon. Understanding the change as a process of human change that provides the foundation needed to successfully manage the content of innovation, whether it is a new program, technology, student assessment system or a new structure (Blinov and Ugryumov, 2015; Palmer et. al., 2016).

In modern conditions, the implementation of management models presented in their "pure" form with the originally established meaning is practically impossible. In this regard, the classical classifications for management models addressed in the management of the higher education system seem to be abstract, although, in their time, they have made a significant contribution to science. Thus, national system of management positions and demonstrates, according to the more common features and without a meaningful scientific justification, that it represents the primary advantage of the model. Furthermore, a disadvantage of the approach to typology is the lack of clear, understood criteria for separating countries and assigning them to one or another model of higher education management.

Organizational changes are the formation of a new organizational structure that is appropriate to the nature of changes in the external environment. Organizational changes are accompanied by a new perception of the values, norms and models of action that are common and shared by employees, as well as traditional ways of making decisions, which become an obstacle in the adaptation of the organization to the rhythm and directions of changes in the educational system and changes in the social behavior of the system subjects. Observations of the process of organizational changes in educational institutions allow us to distinguish several successive stages (Figure 2).

Many changes in the Moldovan educational system are determined by flows in the opposite direction:

- from top to bottom: changes initiated by the state generally by individual educational authorities at different levels, in particular, these changes are fixed in the form of normative or legislative acts and are mandatory for implementation in the practice of educational institutions;
- from bottom to top: changes initiated or spontaneously occurring in the internal environment, in other words, between the subjects of educational systems and processes of different levels and directions

Discussion

The university management and the university training management as part of the modernization of the higher education system is carried out in accordance with the recommendations of the direct regulatory authorities and state authorities, as well as of the international organizations represented by the European community through the participants in the Bologna process. Decision-making within each activity component is carried out within the tasks and mechanisms for the development of the institution, adopted at the organizational and managerial level.

The change management adapted to the current needs of higher education institutions is characterized by an active demolition and a transformation of the values and norms of activity. This stage is characterized by the involvement of key employees in setting new goals and developing new reform programs, as well as in the training of the passive majority of employees.

Conclusion

Modern approaches to the formation of an organizational system of university development management have formed to a greater extent within a conditioned market model for the development of the educational sector - when the university is considered as a full-fledged subject of concurrency relationships in the educational services market. In this regard, the most popular approaches to the formation of a management system for modern universities are based to a greater extent on the principles of the classical methodology of strategic planning, as well as on the training of the quality of educational services.

The opportunity that stands out in order to achieve a continuous productive development in the market of educational services is the process of increasing the independence of universities and their transition to full-fledged market relations as a subject of concurrency. Under the aspect of modernization within the higher education institutions the processes that are in progress require a solution for the following groups of tasks that is going to result in the development of a mechanism within universities growth that is intended for organization management:

a) defining the concept of the development of the university, including its mission, collective values, individual motivation factors.

b) formulation and resolution of strategic (long-term) tasks that have a long-term focus and cover all the aspects of the university's activities. Strategic tasks are characterized by the complex predictability of the consequences of their implementation (for example, the inclusion of new educational programs, the creation of departments and faculties, the opening of subsidiaries, etc.). The strategic task also includes the improvement of the university's management system.

c) formulation of medium-term objectives. The planning period within this task group is slightly shorter than in the strategic group and ranges from 1 to 3 years.

d) formulation of short-term (tactical and operational) objectives. This task group has a limited time interval - from 1 day to one year. They are associated with the direct implementation of the university's long-term and medium-term development plans.

A characteristic feature of the modernization of the higher professional education system as a process is the implementation of measures to change the existing forms, technologies, mechanisms of operation and the existing connections of the components of this system, in accordance with the new ideas of the subjects managers. Such a change can be achieved in a "radical" way (in the form of direct and complete replacement of forms and mechanisms that are ineffective or inappropriate for the level of development with new ones) or in a "dimmed" way (by making partial changes to the existing forms and mechanisms of management of the higher education system).

Funding: This research received no external funding.
Conflicts of Interest: The authors declare no conflict of interest.

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scientific journal

Economics and Finance

Volume 10 / Issue 3 / 2022

Published:
October, 2022 by Agenda Publishing House Ltd

Address details:
Agenda Publishing House Ltd
71-75 Shelton St., London, UK