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EDITED BY

ADAM P. BALCERZAK

ILONA PIETRYKA

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edited by
Adam P. Balcerzak, Ilona Pietryka

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Informal, social or personal relationships? Clearing the fog of semantic voluntarism

JEL Classification: *L250; D230*

Keywords: *informal relationships; institutional relationships; internationalization; personal relationships; social relationships*

Abstract

Research background: The relationships established by a company with different entities play important role in company's internationalization process. These relationships can be of a different nature based on the degree of their formality. Although strict formal relationships are easy to be identified, all the other types are often mistakenly put in one bag and therefore analyzed in an incorrect way, often providing misleading results.
Purpose of the article: To distinguish different types of informal relationships in company's internationalization process.
Methods: The two-step literature review including deductive analysis of representative examples of types of relationship and synthesis of the processed material.
Findings & Value added: Results presented in the paper enabled to draw a clear line between three different terms, namely: 'informal,' 'social,' and 'personal relationships' which are often incorrectly used as the same term.

Introduction and research methods

When entering into new foreign markets a company has two basic choices. The first is to develop relations (e.g., with the customers) by itself. The second option is based on an assumption that in order to accelerate the internationalization process and to compensate for the newcomer's disadvantages, the company may try to look for the opportunities to enter an already established business network.

The network approach explains the nature of the internationalization process in an interrelated matrix of cross-border relationships. The actors present in the entrepreneur's network appear to include both individuals and organizations, which come from various backgrounds and are not necessarily restricted to customers or suppliers. Furthermore, these may provide business intelligence and contacts of different utility based on formal (business), institutional, informal (social, personal), or multidimensional relationships.

Therefore, a successful internationalization process should seek to compensate the shortages in the own relationship capital of a company by looking for valuable partners already possessing relationship capital useful in the target markets. Building on these partners' capital can be expected to ease and accelerate the foreign expansion. Arguably, there must exist different types of these partners and the relationship capital they provide is also likely to vary in accessibility and usability.

This short article is a harbinger of our full-size empirical research project, which applies longitudinal multi-case method and is expected to introduce a typology of relationship capital mediating agents and to outline the relationship resources they provide in different timeframes related to the internationalization process, before, during and after the actual business project. In this paper, however, we first set the ground for a transparent academic discussion on relationship management and internationalization, by clearing the fog caused by semantic voluntarism often found in papers evaluating different types of relationships (Deszczyński &Beręsewicz, 2021).

It seems that, in particular, the various shades of informal relationships are not well captured in the literature, which may result in inconsistent or conflating discussions. The deductive analysis of representative examples of relationship management literature and the synthesis of processed material were two steps of the epistemic inquiry that made it possible to propose a consistent set of definitions of different business relationships.

Results

Formal (business) relationships are organizational networks of ties developed between such actors as customers, suppliers, distributors, and competitors at both the single firm and industry levels. They can be characterized by a low level of trust, a contractual point of view, and ease of identifying specific entities as they are typically accompanied by written contracts. The collaboration between particular actors can also advance to a more strategic level – for example, in strategic alliances.

Formal relationships have been traditionally analyzed from the perspective of a focal company dominating its partners or a focal relationship connected to peripheral ones. In order to actively manage such vertical and horizontal relationships, entities have to apply portfolio management and develop relationship management capabilities. Formal relationships may often be initiated by the top management, but even if they are a medium for these relationships, at this level of analysis they are not considered to be a separate subject of the relationship.

The institutional relationships of a company are built with supportive organizations, such as governmental agencies (development agencies, business service organizations), local chambers of commerce, trade associations, innovation centers, or even clerical bodies and unions, etc.The classification of these different actors into business or social networks would provide an incomplete understanding of their role in the internationalization process (Deszczyński, Fonfara & Dymitrowski, 2017).

Institutional relationships definitely do not make up for the strong ties of mature business relationships, but they can be particularly helpful in the initial stages of the internationalization process or in deciding on the overall propensity of a company to engage in international business. For example, the role of governmental trade promotion agencies is to provide legitimacy and decrease the risk of business transactions being concluded between business strangers, especially in markets having generally low contractual trust. These agencies can also support companies with market-specific knowledge and assist them in identifying opportunities beyond the domestic market.

Institutional relationships can also be developed over a longer period of time with other types of actors. In emerging economies, institutional intermediaries directly controlled by local authorities, state-owned enterprises, or business groups can ease or even condition market entry and successful market penetration. For example, in Taiwan, business groups actively influenced by local government generate half of the country's GNP (Tan & Meyer, 2010, p.155).

By acknowledging the importance of relationships, the advocates of the network approach have transposed the social exchange perspective to business networks. This perception of business networks is rooted in Granovetter's view that all business transactions take place in a social context (1985). This social exchange perspective broadens the scope of network analysis to such phenomena as trust and commitment, relational embeddedness based on mutually perceived trustworthy interactions, and informal (social) relationships between individual business network members.

But what are informal (social) relationships? Simply admitting that companies are social units does not help much.According to Adler and Kwon, three dimensions of social structure can be conceptually distinguished: market relationships (involving sellers and buyers), hierarchical relationships (involving employees and their principals), and social relationships (involving the exchange of favors and gifts between individuals) (Adler & Kwon, 2002, p.20). Market relationships are mainly transactional interactions. Hierarchical relationships belong to the intra-organizational human resource management perspective. Social relationships highlight the individual/private dimension of interactions, which can still be a part of B2B relationships although they go well beyond a purely corporate context.

In a business setting, informal relationships imply that the two individuals know and believe each other to some extent. They can, therefore, skip the conventionally recognized form, structure, or set of rules of communication for their convenience. Inclusion of informal relationships is often found in studies of the internationalization of SMEs and the establishment of born globals. The role of entrepreneurs in these companies is much more significant, and the informal relationships they foster provide much needed assistance for resource-constrained firms. However, the ease or speed of contact does not exclude the necessity to formally sanction the oral agreements, nor it is a guarantee of special preference to any of the parties.

Until now, our analysis of the types of formal and informal relationships has been structured around network actors (business and institutional organizations and individuals). But there is another level of analysis focusing on the formal and informal character of relationships. Although the term informal relationships is often used interchangeably with social relationships or personal relationships, we see some differences between those three terms, which we present in Table 1 and in the following discussion.

At the beginning of cooperation, informal contacts can act as "bridge relationships" by creating openness to dialog on a new proposal. Managers can use existing social ties and business contacts from previous positions to help their company to expand. According to research by Loane and Bell (2006, p.467), 25% of firms actively used existing managerial networks to develop their knowledge of international markets, and 34% had to build entirely new networks because of the advanced nature of their offering. By hiring an experienced employee, the company can also get access to market-specific knowledge helpful in identifying and exploiting temporarily arising business opportunities.

Informal relationships are also perceived as an essential element of long-term success. There is evidence in the literature indicating a positive correlation between the existence of social relationships and sales, the creation of innovations, or customer satisfaction and commitment. However, it is not clear from this research whether the existence of informal relationships leads to collaborative success or, alternatively, simply accompanies successful business relationships based on reciprocity of value creating processes. Close social and personal relationships can only be built through a process of continuous mutual assessment of behavior based on predictability, integrity, authenticity, accessibility, and moral values (Mathers, 2009, p. 35). Even a long-term business partnership may not give enough space for such intimacy. Therefore, some authors indicate that deep emotional bonds between partners have to be developed before actual business relationships occur.

The term ‘informal relationship’ can serve as an umbrella expression for all kinds of “other than formal interactions.” However, both social and personal relationships have their more subtle flavors. The social relationship clearly departs from pure business contact, as it is by definition more related to hobbies or pleasure than to professional commitments. Hence, social relationships may involve a group of business people who share the same interests but do not necessarily do business together. The social relationships may involve joint exploration of the occasional business opportunity (where a social relationship is activated for business purposes or alternatively, preexisting business partners may develop a more multidimensional acquaintance (a business acquaintance is supplemented by some after-work contacts). The more overlapping interests (professional and non-professional) exist, the stronger this relationship is likely to be.

A special type of social relationship is the e-social relationship established through social media platforms. These tools have significantly broadened the number of social relationships that can be simultaneously maintained by an individual. However, most of them can be called “latent ties”, which are “technologically possible, but not yet activated socially” (Haythornthwaite, 2005, p.137). Still, social media may nurture existing relationships or occasionally initiate new ones.

The distinguishing characteristic of a personal relationship is the first-hand knowledge of a particular individual. This indicates the persons involved are or have been in direct proximity. Depending on the context of the acquaintance, this proximity can be used for business or socializing purposes, or both. In addition, it does not necessarily have to be a strong tie (e.g., an incidental handshake of a line employee with a high-ranked officer during an inspection). Nonetheless, direct contacts are good points of reference. For example, the physical availability of a person or joint experiences linked to, for example, a particular place are a chance for meaningful small talk. In the end, however, only a multifaceted/multidimensional informal relationship that is both social and personal has a chance to be a strong tie and an effective vehicle for a truly engaged partnership in business.

Conclusions

Based on the network approach to internationalization, formal business relationships are usually supplemented by informal ones, which may have a more relaxed (social relationships) or direct (personal) context. A company can also benefit from institutional relationships. The article outlined the overlaps of the terms 'informal,' 'social,' and 'personal relationships' in the context of international business ventures.

We believe further studies on internationalization should concentrate onraising the level of theorizingto develop the B2B marketing theory. Thispaperisonly asimple step in thisdirection. We hopethat, by clearing the fog of semanticvolountarism in the area of business relationships, itmay be useful to facilitate the discussion on their role in the internationalization process. However, we position this paper as the harbinger of our full-size empirical research project. We agree with Möller and Halinen (2022) that we needto develop typologies of actors taking part in the internationalization process. In this context, we expect to produce relevant theory-building findings by proposing a typology of relationship capital mediating actors based on their role in providing relationship resources in different timeframes related to the internationalization process.

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Annex

Table 1. Definition of informal, social and personal contacts/relationships

Informal contacts/relationship
Definition: Having a relaxed, friendly, or unofficial style, manner, or nature.
Synonyms:casual, relaxed, easy-going, natural, unceremonious, unofficial, non-formal, unstudied, unaffected.
Social contacts/relationship
Definition: Relating to or designed for activities in which people meet each other for pleasure.
Synonyms:recreational, entertainment, amusement, leisure.
Personal contacts/relationship
Definition: Belonging to or affecting a particular person rather than anyone else. Done or made by a particular person; involving the actual presence or action of a particular individual.
Synonyms:distinctive, characteristic, unique, individual, one's own, particular, private, peculiar, exclusive, idiosyncratic, individualized, personalized.

Source: own elaboration based on: Oxford Dictionary (2023).

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Competitive potential of Polish enterprises in the period 2016-2022. Results of the Company Competitiveness Barometer

JEL Classification: *M21; L10; L20*

Keywords: *company competitiveness; competitive potential; Company Competitiveness Barometer*

Abstract

Research background: The concept of competitiveness is used to define the ratio of enterprises to competitors and results from many internal features and the ability to deal with an external environment. One of the elements of competitiveness is competitive potential which means all resources and capabilities which a company has at its disposal. The competitive potential consists of several parts, such as human capital, financial capital, machines, procedures etc. However, during the last 7 years the environment of companies has changed dramatically. So, there is a research problem to solve, how the elements of competitive potential have changed over this period.
Purpose of the article: The purpose of this paper is to present results of the research of Polish companies in the period of 2016-2022 and solve a research problem, if the last breakthrough events which we can see since 2020 influenced on main aspects of competitive potential. This method of the research is the Company Competitiveness Barometer conducted in more than 2000 Polish companies in the Silesian Region during last 7 years.
Methods: The questionnaire used in the Company Competitiveness Barometer contains 48 questions. 12 of them are related to the characteristics of the company that are affecting competitive potential. The questionnaire can be found on www.sensorium24.com.

Findings & Value added: The papers presents results of the Company Competitiveness Barometer made in Polish companies in the Silesian Region in the period of last 7 years. Added value is the result of the competitive potential research in perspective of unexpected changes of business environment since 2020.

Introduction

The subject of competitiveness occupies an important place in strategic management, but the concept itself has still not lived up to a clear definition, which, among other things, entails problems in measuring and evaluating this feature of the enterprise. An additional many related concepts have appeared around the concept of competitiveness. These can include: a competitive potential, a strategy of competition, a competitive advantage, a competitive position and a competitive platform (Flak & Głód, 2020, p. 2).

One of these elements of the integrated model of enterprise competitiveness (Flak, Głód & Mikolas, 2022, p. 100) is a competitive potential which is an common topic enterprises research (Falovych *et al.*, 2021, p. 2). Competitive potential is the key (critical) success factors and relevant resources and skills that create a company's competitive advantage in the market today and may determine its ability to succeed in the future (Flak & Głód, 2012, p. 140).

Therefore, the purpose of this paper is to verify how competitive potential of Polish companies in the Silesia Region changed in the period of 2016-2022. The research problem concern the need for companies to quickly adjust their own competitive potential in the perspective of the coronavirus pandemic which started in 2020. The research question which is going to be answered is which areas of competitive potential changed in the period of the coronavirus pandemic.

The research method used in the research was the survey method of the Company Competitiveness Barometer, an annual survey of business competitiveness conducted by the authors since 2012, and by the Sensorium24.com platform since 2016. In that period more than 2500 companies from Poland, the Czech Republic and Slovakia have participated in the Company Competitiveness Barometer. The paper uses the results of the survey of companies' competitiveness in the Silesian Region in the period of 2016-2022.

This paper presents (1) a review of the literature on competitiveness, a competitive potential and influence of the coronavirus pandemic on a competitive potential of enterprises, (2) the research method that was used in the Company Competitiveness Barometer, (3) results of research answering the research question, (4) a discussion, and (5) conclusions and future research plans.

Literature review

Firstly, as far as the enterprise competitiveness is concerned, the authors of this paper attempted to systematize concepts, definitions and models related to the topic of enterprise competitiveness (Flak & Głód, 2012, p. 57). The author's model of enterprise competitiveness has been improved and operationalised and, thanks to the use of research tools, adapted for practical use in assessing individual aspects of enterprise competitiveness (Flak & Głód, 2015). At the same time, in order to disseminate the presented tools, the website www. konkurencyjniprzetrwaja.pl was created, thanks to which it is possible to access the constructed tools and conduct research as part of the Company Competitiveness Barometer (Flak & Głód, 2014). Their model was called the Integrated model of enterprise competitiveness (Flak & Głód, 2017, p. 603).

The author's model of enterprise competitiveness includes 5 elements of competitiveness, such as (Flak & Głód, 2012, p. 57; Flak, Głód & Mikoláš, 2022):

– The competitive potential - it consists of resources, which a company holds or should hold and which can be used to create or maintain its ability to compete. The concept refers to all of the enterprise capabilities resulting from its material and immaterial means. It can be discussed relatively and it deals with many aspects;
– The strategy of competition - is an accepted plan to gain competitive advantage over other business entities acting in an external business environment in order to meet enterprise's basic aims and objectives;
– The competitive advantage - is defined as the ability of an enterprise to offer material and immaterial values to its clients provided by the market. This one can also be treated relatively and covers many different aspects;
– The competitive positioning - understood as the market and economic outcomes of an enterprise. These outcomes depend on the extent to which the abilities to compete have been or will be used;
– Platform of competition - features of macro and micro environment which surround enterprise of the given sector.

Secondly, a competitive potential, which is the part of the Integrated model of enterprise competitiveness, is defined as the resources that an enterprise has or should have at its disposal in order to use them to build, maintain and strengthen its competitiveness. These are broadly defined as the capabilities of an enterprise arising from its tangible and intangible capital. At the same time, the competitive potential of an enterprise is a relative multidimensional concept (Flak & Głód, 2012, p. 57-58; Flak & Głód, 2015;).

In the literature a competitive potential is treated as a source of competitive advantage. An important research problem is to determine the components of potential characterised by the strongest influence (Kusa, 2005, p. 146). One of the creators of this concept was J.B. Barney, who saw it as an explanation of the causes of a company's competitive advantage (Barney, 1991, p. 102). It was the resources considered strategic, through the implemented competitive strategy, that were supposed to lead to a competitive advantage and, as a result, to a favorable competitive position of the company . This way of thinking imposed the perception of resource diversity as a factor determining the effectiveness of the company (Flak & Głód, 2012, p. 64). The results of research in this regard were presented in the author's previous publications.

However, the organisational reality seems to be much more complex and complicated, so it is difficult to consider that the mere possession of a competitive potential is the key factor ensuring the achievement of a certain market position (Walczak, 2010, p. 8). The original competitive potential must be improved in such a way that a significant part of it consists of strategic resources that have superiority, i.e. an advantage over the kind of resources at the disposal of competitors (Glabiszewski & Sudolska, 2009, p. 11). Competitive potential is the total of tangible and intangible resources required to operate and compete in a given market (Stankiewicz, 2002, p. 93).

With regard to the classification of enterprise resources, there are large differences even within the same strands of understanding of enterprise competitiveness. Particularly intensive development of the aforementioned classifications accompanied the emergence of the resource current within strategic management (Dzikowska & Gorynia, 2012, p. 6). Nowadays, strategic thinking is dominated by the resource approach, which places the main emphasis on the primary sources of competitive advantage (Chyba, 2014, p. 25). Understanding the sources of sustainable competitive advantage has become a major area of strategic research.

The resource-based approach assumes that the primary sources and drivers of firms' competitive advantage and superior performance are mainly related to their resource attributes, which include, for example, priceiness and difficulty of copying (Rose *et al.*, 2010, p. 488). The resource-based view emphasizes the crucial role of resources, while strategic management literature highlights their dual utilization, separating ordinary and dynamic capabilities (Chikán *et al.*, 2022, p .1).

The competitive potential can be understood in a narrow and a broad sense. In the narrow sense, competitive potential is all the resources used or possible to be used by that facility. Sometimes the term "competitive potential of a company" is used instead of "competitive potential". Competitive potential is defined as the system of tangible and intangible resources that enable an enterprise to use optimal instruments to compete effectively.

Thus, if we consider the competitiveness of an object such as an enterprise, the resources can be categorised into three groups: primary resources, secondary resources, outcome resources. Primary resources are the philosophy of the entrepreneur and the ability to accumulate know-how and other resources in the organisation (equipping with the necessary capital for operation). Secondary resources include: tangible production factors (fixed assets, materials, raw materials), human resources, innovation, distribution channels, the way the company is organised and information resources. Outcome resources are understood as: the image (image, brand awareness) of the company, the attitude (attachment) of the buyer to the product and the barriers to switching customers to other suppliers. In a broader sense, the company's competitive potential includes the following elements: the company's culture, the company's resources (broadly understood), the company's organisational structure, the company's strategic vision, the company's proper way of behaving (strategy development process) (Gorynia, 2009, p. 55).

The resources of the enterprise determine its space for manoeuvre in the economic and social environment. Their quantity limits the scale of operation, and their flexibility and mobility affect the company's ability to change its position in the environment. The organisation's resources, broadly defined, include human, technological, material and financial resources, as well as intangible resources (for example, reputation). The resources available to a company reduce the set of possible behaviours (under given environmental conditions) to a set of feasible behaviours. The quantity, nature and allocation of a company's resources also affect the opportunities for competitive advantage (Gorynia, 2009, p. 56).

In our research, in accordance with the adopted subjective and functional division of resources, we used a categorisation of resources, which includes the following groups of resources: financial, information, innovation, human, organisational, physical and technological (Flak, Głód, 2012, pp. 86-87).

Thirdly, concerning the change and adjustment of competitive potential in relation to the following changes in the environment have been the subject of theoretical considerations in the past (Rawski, 2015, p. 22). These analyses have also drawn attention to the context of identifying the competitive gap on the basis of comparisons of a firm's own potential compared to that of its competitors (Urbaniak, 2007, p. 250). The coronavirus pandemic in terms of the need for firms to quickly adjust their own competitive potential has become quite a challenge (Banaszyk *et al.*, 2021, p. 55). Reorientation of business model structures, including adjustment of competitive potential, during the pandemic was a key success factor (Grabowska & Otola, 2022, p. 3). External crises - depending on their characteristics, dynamics and scale - can have a negative or positive impact on companies.

In the case of a positive impact of a crisis situation on a company’s activity, it is important to identify those factors that allowed these companies to initiate growth and generate better results. During the COVID-19 pandemic, certain industries were somehow predisposed to improve their performance. However, sector membership alone did not directly determine the success of enterprises. What mattered in this situation was the ability to manage the business under changed conditions, even if these conditions presented opportunities to improve the competitive position. Some enterprises during the pandemic succeeded in real terms. These were enterprises that, at the very least, did not lose (if conditions were unfavourable for them) and often gained a great deal during the pandemic (Jedynak & Bak, 2002, p. 69). Enterprises underwent modification of their applied principles and business rules due to the pandemic. Business managers were forced to transform their business models in order for them to be able to create value under the new conditions (Szarucki, et al., 2021, p. 109). In this respect, the flexibility to adapt the competitive potential seems to be a fundamental challenge for organisations during rapid changes in the environment (Grześ-Bukłaho, 2022, p. 5).

Research methodology

The research method used in the research is The Company Competitiveness Barometer, which is a method based on the ALL2USE method. (Flak & Głód, 2012, p. 219-223). It sets the measurement of all components of the competitiveness model in one, short period of time. Because of the time lag of the effects caused by e.g. in a competition strategy by elements of competitive potential, this method is suitable for static measurement of competitiveness of the company (Flak & Głód, 2014, p. 13). Between different moments of measurement changes may be made in the elements of the competitiveness integrated model of the company, and another measurement of competitiveness can take place only after a certain time period, e.g. after a year.

Stages marked of The Company Competitiveness Barometer are, respectively (Flak & Głód, 2014, p. 14):

- Stage 1 – the initial diagnosis of all elements of competitiveness; it takes place only after beginning to use ALL2USE method, in each subsequent measurement this stage is replaced by the Stage 5,
- Stage 2 – constructive evaluation of the results, and in subsequent measurements comparison of the current results with the previous ones,
- Stage 3 - Preparation of changes in competitive potential, strategy or advantage (elements depending on the company),
- Stage 4 – Implementation of the changes in the competitive potential, strategy or advantage (elements depending on the company),
- Stage 5. – Final diagnosis of all the elements of competitiveness in the first measurement; the case of the second and further measurements the first stage is replaced by this stage, so it is simultaneously the initial diagnosis for the next measurement cycle. This gives a chance to notice causal relationships between all the elements of the model, but over the intended period of time T.

The Company Competitiveness Barometer uses a survey method in 5 areas of business competitiveness research. In addition, the Barometer's questions were chosen so that knowledge of the aspects of these areas of enterprise competitiveness was common knowledge among employees. Most of the survey questions do not require detailed financial, personal or technical information. The Barometer contains 48 questions. 45 of them are about the characteristics of the enterprise that affect its competitiveness, and 3 questions are metric questions. The questionnaire can be found at http://sensorium24.com.

Table 1 presents the thematic scope of questions in the Company Competitiveness Barometer focused on competitive potential.

Results

The results of research come from the period from 2016 to 2022 when the survey was conducted in the Silesian Region. A total of 1182 companies participated in the survey during this period, and the following numbers of companies participated in the following years - 2016 (271), 2017 (191), 2018 (54), 2019 (253), 2020 (185), 2021 (93), 2022 (135).

In this article, we describe the results of the Competitive Potential Survey in the 12 categories described in Table 1. Figure 1 to Figure 12 contain the percentage distribution of responses to the questions on these 12 categories by year. Due to the volume of this article, only the most important conclusions from the data obtained regarding the answers to the research questions posed in the Introduction, which areas of competitive potential changed in the period of the coronavirus pandemic, are presented below. Much more can be deduced from Figure 1 to Figure 12 than is described below, which we leave to the attentive reader.

The research question posed above should be answered in 12 points. First, in the area of "relation between the level of free cash owned by a company to the characteristics of a business," we find that after a temporary decline in this parameter after the onset of the coronavirus pandemic, there was a marked increase in 2022. Secondly, the solvency of a company showed high values before 2020, but also in subsequent years the distribution of responses shows a favorable situation for companies. This parameter did not change significantly during the pan-demia. Third, profit from the primary (core) business operation also did not change after 2020. It can even be noted that in 2022 as many as 67.41% of companies said they were making a profit. It seems that this element of competitive potential has also not changed. Fourth, in terms of Collection of knowled-ge in your company in the post-pandemic period, there has been a shift toward complete electronic files versus a reduction in the role of knowledge in the heads of employees. Fifth, the pa-rameter "Extend of employees allowed to implement small improvements at work" showed an upward trend during the pandemic, but returned to pre-2020 levels again in 2022. Sixth, constructive conclusions were drawn after finishing successful projects or other activities more during and after the pandemic, which can be considered a change in the funkiness of companies after 2020.

Seventh, the creativity level of your key employees was considered by respondents to be higher since the start of the pandemic than before 2020. Eighth, the extent of projects, enterprises and production processes recorded in your company increased significantly during the pandemic period and now. This may be due to the widespread use of electronic communications for daily work. Ninth, Level of work experience of your key employees was also rated at a higher level after the pandemic than before it began. Tenth, it seems that the freedom of employees in choosing they own way of completing their tasks has not changed as a result of the pandemic. Admittedly, the distribution of is responses is slightly different from one year to the next, but this change cannot be assessed as significant. Eleventh, in the period 2016-2022, one cannot see a significant change in how employees get to know the strategy of your company. This is quite interesting, as one would expect that electronic media will be used more and more. Twelfth, also the level of a moral (economic) consumption of fixed capital in your company did not change during and after the pandemic.

Discussion

Competitiveness is a capability and its potential has to be realized in a firm's everyday operations (Cetindamar, Kilitcioglu, 2013, p. 7). Therefore, each company has a certain degree of specificity, as it has accumulated various tangible and intangible assets throughout its existence, the imitation of which is only possible when undergoing the same time-consuming process of investment and learning that this particular company has gone through.

The main categories of resources include tangible resources, human resources, financial resources, intangible resources and organisational resources and these areas are sensitive to dynamic changes in companies' environment (Dvouletý, Blažková, 2021, p. 364). Fields of strategy, competitiveness research are evolving steadily as more vexing challenges emerge and demand innovation (Momaya, 2019, p. 1).

Answering the research question, which areas of competitive potential changed in the period of the coronavirus pandemic, as presented in Results, there are 7 areas of competitive potential that the surveyed Silesia Region companies changed as a result of the coronavirus pan-demic, initiated in 2020. These were: level of available funds held (Figure 1), way of cumulating the knowledge in the company (Figure 4), extent to which a single employee can introduce small improvements in his work (Figure 5), frequency of drawing meaningful conclusions from projects or activities that have been successful (Figure 6), creativity of employees who are the most critical to the activities of the company (Figure 7), extent to which the company documents its projects, initiatives, production processes (Figure 8), work experience of the employees who are the most critical to the activities of the company (Figure 9).

In contrast, the following 5 areas of competitive potential were not affected by the pandemic: debt capacity of the company (Figure 2), profit on core business (Figure 3), extent to which the employee is free to choose how to perform tasks (Figure 10), way to learn about the company's strategy by employees (Figure 11), moral (economic) obsolescence of the existing capital assets (Figure 12).

Conclusions

In the paper there is an answer to the research question which areas of competitive potential changed in the period of the coronavirus pandemic as well as a review of the literature on competitiveness, a competitive potential and influence of the coronavirus pandemic on a competitive potential of enterprises.

The research was conducted by the Company Competitiveness Barometer showed that the pandemic influenced only on some parts of the competitive potential in examined companies.

The research was conducted in a longer period, before and after the launch of coronavirus pandemic. The results of the research showed that in the end of the research period more valuable resources are a level of available funds held, a way of cumulating the knowledge in the company, creativity of employees who are the most critical to the activities of the company, extent to which the employee is free to choose how to perform tasks. This last issue was surely connected to online work which started in the beginning of 2020. The respondents also indicated that quite important for their companies were work experience of the employees who are the most critical to the activities of the company, frequency of drawing meaningful conclusions from projects or activities that have been successful and an extent to which a single employee can introduce small improvements in his work. Interesting is that not so important were debts capacity of the company, however, the most important was a profit on core business.

In the future it is planned to conduct wide empirical research together with the Company Competitiveness Barometer in order to examine more conditions of changes in other elements of the Integrated model of enterprise competitiveness (Flak & Głód, 2012, p. 57).

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Annex

Table 1. Thematic scope of questions in the Company Competitiveness Barometer

Model element	Question thematic scope
Competitive potential	level of available funds held
	debt capacity of the company
	profit on core business
	way of cumulating the knowledge in the company
	extent to which a single employee can introduce small improvements in his work
	frequency of drawing meaningful conclusions from projects or activities that have been successful
	creativity of employees who are the most critical to the activities of the company
	extent to which the company documents its projects, initiatives, production processes
	work experience of the employees who are the most critical to the activities of the company
	extent to which the employee is free to choose how to perform tasks
	way to learn about the company's strategy by employees
	moral (economic) obsolescence of the existing capital assets

Figure 1. Relation between the level of free cash owned by a company to the characteristics of a business

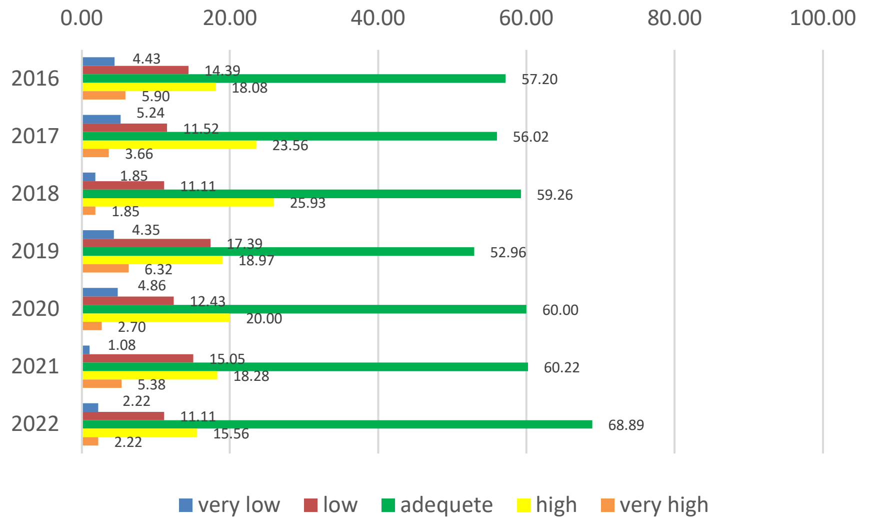


Figure 2. Solvency of a company

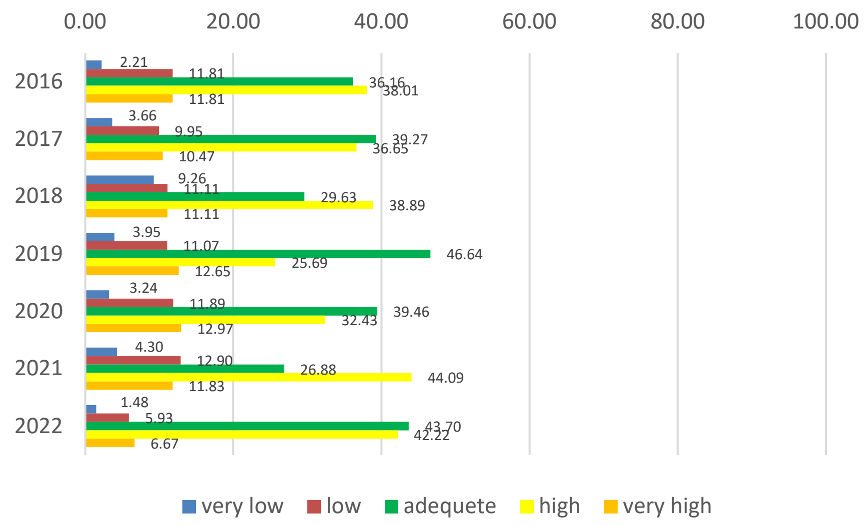


Figure 3. Profit from the primary (core) business operation

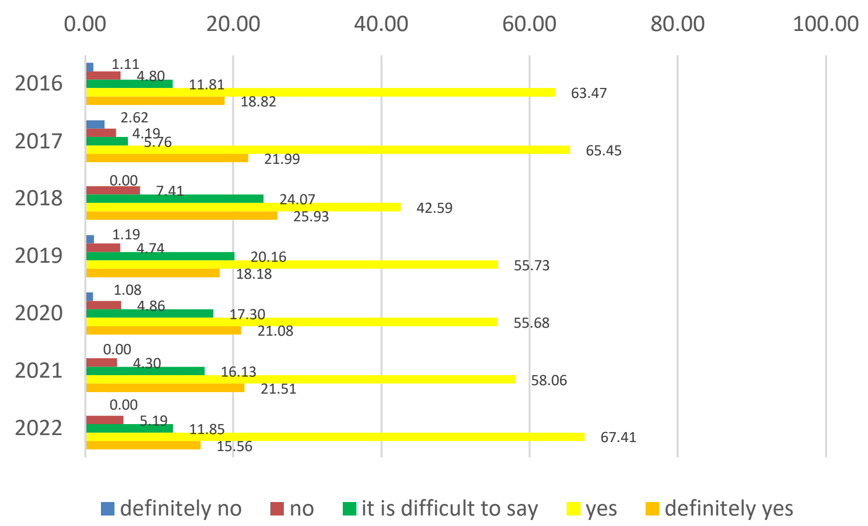


Figure 4. Collection of knowledge in your company

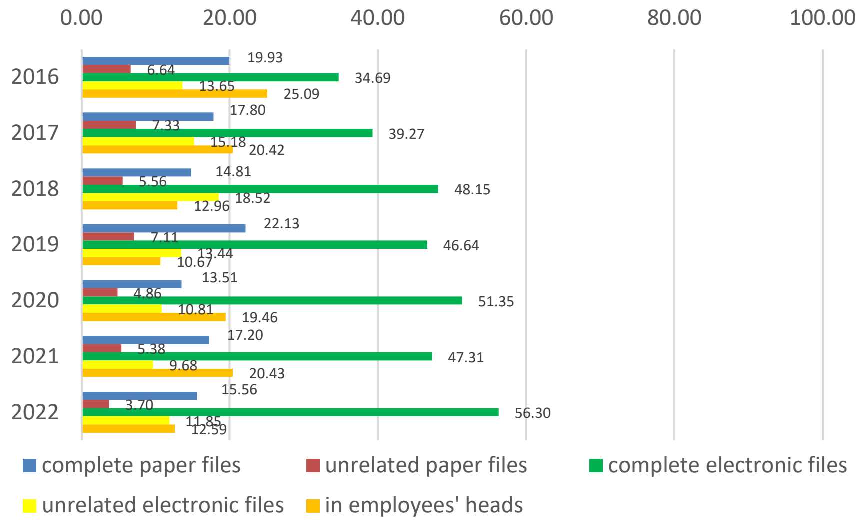


Figure 5. Extend of employees allowed to implement small improvements at work

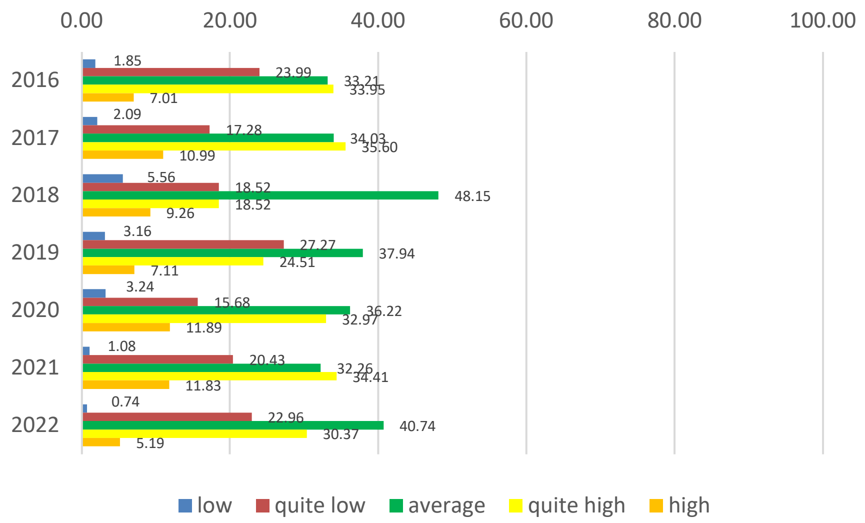


Figure 6. Constructive conclusions drawn after finishing successful projects or other activities

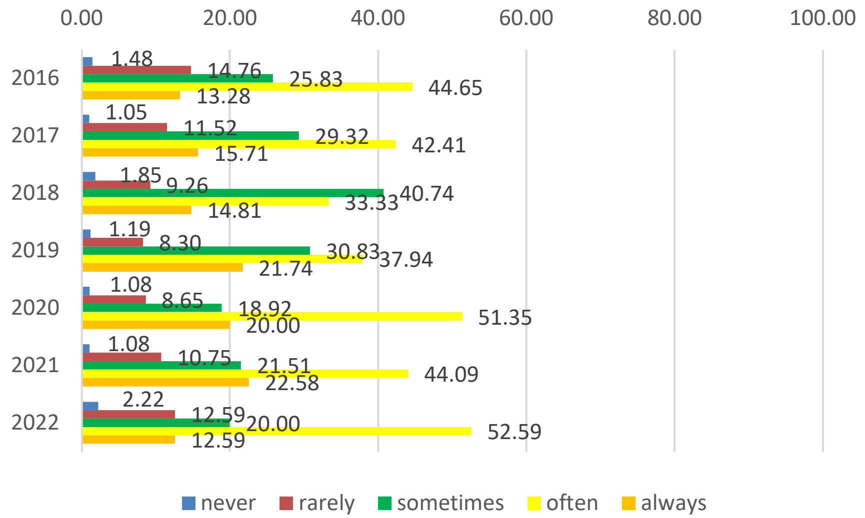


Figure 7. Creativity level of your key employees

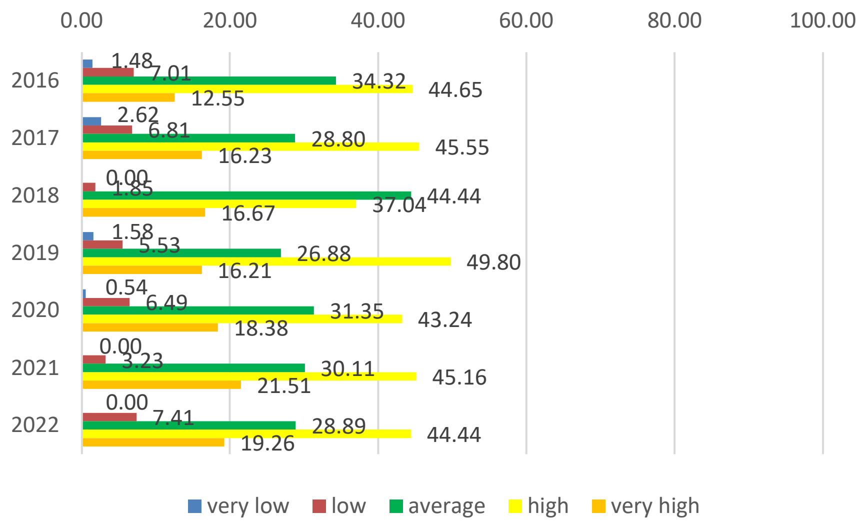


Figure 8. Extent of projects, enterprises and production processes recorded in your company

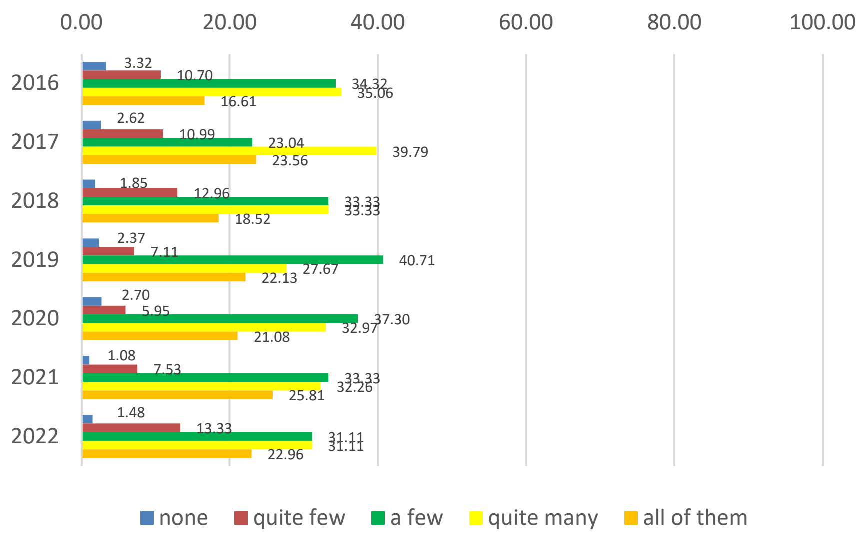


Figure 9. Level of work experience of your key employees

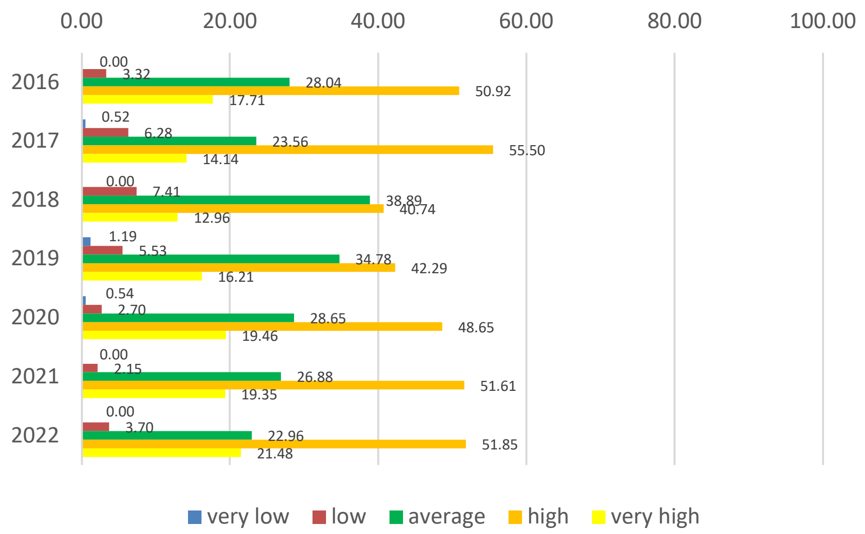


Figure 10. Freedom of employees in choosing they own way of completing their tasks

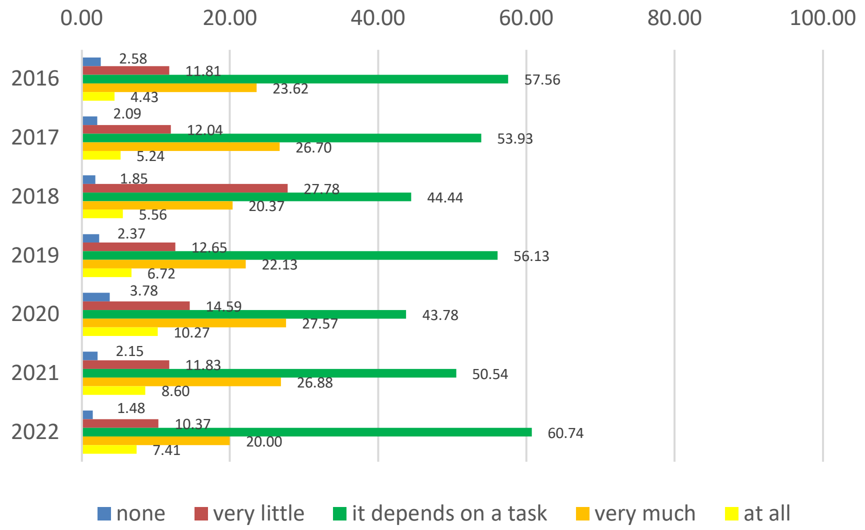


Figure 11. How employees get to know the strategy of your company

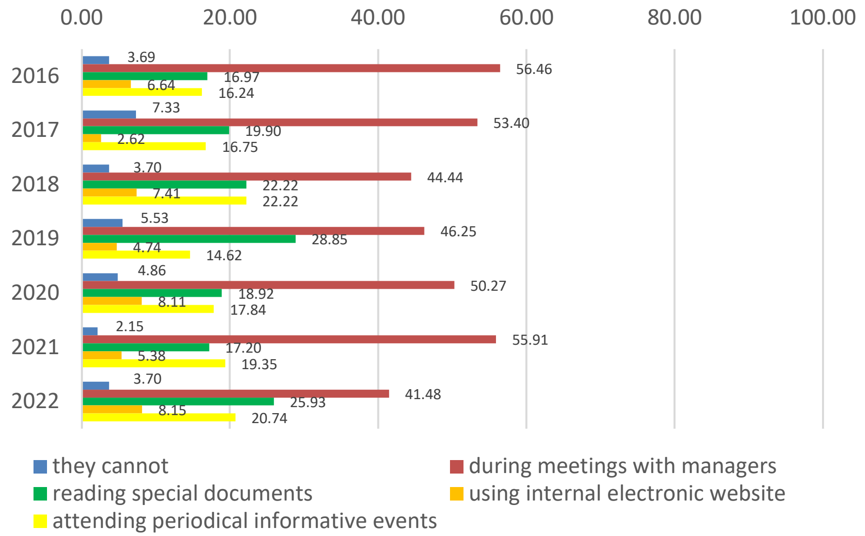
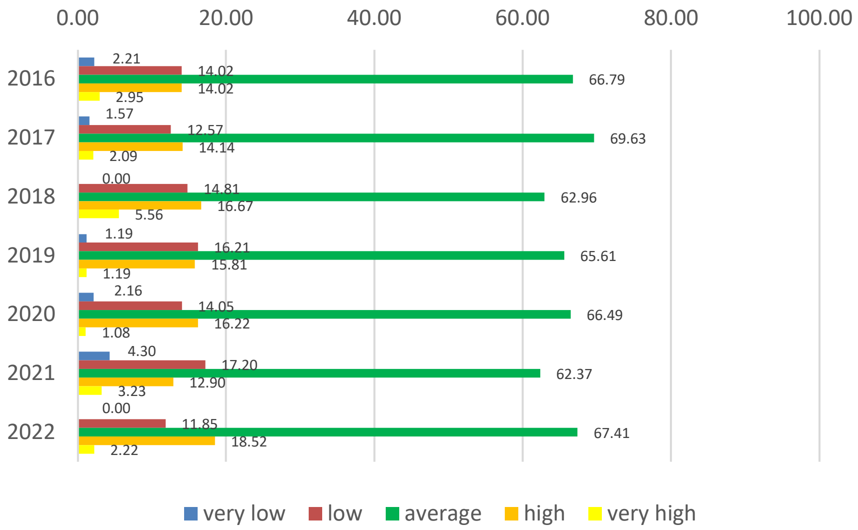


Figure 12. Level of a moral (economic) consumption of fixed capital in your company



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Developing study on program success

JEL Classification: *H43; H53; I38*

Keywords: *program success; bibliometric analysis; program management; social sciences*

Abstract

Research background: A significant body of research is related to project management and analysis of their success. However, similar issues regarding programs are less researched. The principles of project and program management and evaluation of project and program success are fundamentally different and cannot be used interchangeably. Therefore, there is a clear need to know and organize the knowledge on the success of programs available in peer-reviewed journals. Determining the state of knowledge in the research on program success is essential in the context of their growing importance for modern organizations and the need to improve program development principles.
Purpose of the article: This paper aims to present the study results on the literature in the field of social sciences on program success (from selected indexed journals) and to indicate potential possibilities for developing research in this area.
Methods: Basic bibliometric methods related to the Web of Science (WoS) databases were used for a quantitative preliminary extensive literature review (2002-2022). The analyzes were narrowed down to selected WoS categories related to social sciences.
Findings & Value added: An outline of existing knowledge in social sciences, major research centers and emerging trends in the study on the success program have been identified. Changes in interest in the concept of program success over time and references to the project success term were also presented. The obtained results are essential for developing research, considering the holistic understanding of program success related to getting multifaceted and multilevel outcomes and benefits, and form a solid basis for continuing research in this field.

Introduction

The fields of project management and organizational project management (OPM) are also related to program and portfolio management. OPM is, in fact, a key integration of various project-related activities that do not result from organization charts, but create cohesive networks and should be planned and implemented for the benefit of organizations and their stakeholders (Müller et al., 2020). This means a departure from the classic project approach focused mainly on delivering project products on time, in accordance with the planned budget and taking into account technical and quality specifications.

All project-related activities managed according to the OPM concept should be focused on creating practically useful strategic values for the business. OPM means not only shortening the distance between the areas of strategic management and project activities in organizations, but also building their progressive integration. For these reasons, the three best-known standards-setting organizations responsible for main project manager certifications have developed project, program and portfolio management approaches. Project Management Institute (PMI), Axelos (the PRINCE2 project management certification system) and International Project Management Association (IPMA) have supplemented the issues of project management with managing programs, portfolios and organizations that are more flexible than projects and primarily concern the achievement of strategic goals (Aubry et al., 2007).

Project management and the analysis of their success are relatively well researched and described in the literature (He et al., 2019). The principles of managing projects and programs and evaluating their success are different and project output cannot be directly transferred to programs. Due to the fact that the issue of assessing the success of programs is less researched, there is a justified need to learn and organize this type of knowledge, in particular, available in peer-reviewed journals. Determining the state of knowledge in research on the success of programs is crucial and necessary, because programs play an increasingly important role in modern organizations, which is, among others, visible in the context of the growing needs of management practitioners and the development of research related to OPM.

This paper aims to present the study results on the literature in the field of social sciences on program success (from selected indexed journals) and to indicate potential possibilities for developing research in this area. During the study, basic bibliometric methods related to the Web of Science (WoS) databases were utilised in a scope limited to selected social sciences categories. Conducting this research allowed to define the outline of existing knowledge in social sciences, as well as the main centers running research and publishing the results regarding the success of the program. The concept of success of the program was also referred to the concept of success of the project. The obtained results may be useful in the context of the dynamic development of OPM, which is based on a holistic understanding of program success observed in the context of multifaceted and multilevel results and strategic benefits for organizations.

Project and program success

In the case of a traditional approach to projects, planning project-related activities is mainly oriented to obtaining products of the right quality, within a specific budget and within a rigid time frame. Project risks therefore relate to the costs, timing and quality of these outputs. The values obtained through the programs are much more than the products of the projects, but they are multidimensional benefits of a financial and non-financial nature, obtained indirectly and directly by various groups of stakeholders (Farid & Waldorff, 2022). It is not easy to assess the success of programs that are flexible by nature, can change over time and whose multifaceted effects are difficult to measure. The attitudes, expectations and interests of stakeholders can furthermore undergo significant modifications, which are often challenging to predict, especially for innovation programs (Martinsuo, 2019).

Despite conducting advanced research on understanding the project success phenomenon, it is still difficult to fully understand and effectively estimate it. This phenomenon is associated with specific ambiguity and, despite many studies on project success, there is still no consensus on the definition and a uniform method of measuring success, which largely depends on the perception and perspective of research conducted in the project management field (Ika, 2009).

In the development of various multidimensional models of project success, it is essential to ensure a certain agreed level of acceptance of project products by key internal and external stakeholders. In addition to aspects related to shared feeling and perceptions of main stakeholders, the other three dimensions of the comprehensive model are also mentioned, i.e. benefits stemming from results, sustainability and issues of timing (Ika & Pinto, 2022).

The program success model should also be analyzed as a multifaceted one as it is multidimensional, similarly to project models. The achievements of project success models cannot be directly transferred to programs, and studies related to model dimensions and evaluation criteria are carried out separately. In research on large programs and public policy success about 30 success criteria can be distinguished in the following dimensions (categories): impact and endurance, programs, stakeholders, capability, political aspects and processes (Andrews, 2022). Getting to know the state of current study and major research centers related to the success of the programs requires an analysis of the existing literature.

Data and research methodology

The literature review was conducted on the basis of data from WoS citation databases. The collected bibliometric data concerned the field of program management, in particular the analysis of their success. Literature research was focused on determining the state of knowledge in research related to the success of programs that are important for modern organizations due to the need to improve the principles of program creation and management.
The scope of research was limited to articles in the field of social sciences published in journals indexed in selected citation databases. In the case of WoS databases, selected performance indicators, such as e.g., the number of publications, the Total Number of Citations (TNC), the Average per Item (ApI) and the Affiliations for identification of the most productive research organizations in the chosen topic were used. Selected categories of WoS (related to social sciences) were chosen in the order related to the number of publications in a given topic.

When running the search within WoS, both the British and American spelling of the term 'program' were used, namely: 'programme' and ‘program’. The following search parameters were applied for data from these databases (collected in April 2023):

- a basic search for ‘program success’ or ‘programme success’ topics,
- timespan 2002-2022 (there were very few previous publications),
- document type – article or review article,
- the search results were refined by the following WoS categories – Management or Social Sciences Interdisciplinary or Social Work or Business or Economics or Psychology Developmental or Psychology Educational or Psychology Multidisciplinary or Development Studies or Education Special or Operations Research Management Science.

Categories related to social sciences were selected if there were at least 4 publications in the analyzed period.

Results and discussion

For the adopted search parameters, there were only 142 publications for which the topic was program/programme success. The TNC was 3153 and the ApI was 22.2. Among the leading (in terms of the number of publications) research areas identified in WoS, the following can be mentioned: Business Economics (approx. 41%), Psychology (approx. 25%), Social Sciences Other Topics (approx. 20%), Social Work (approx. approx. 16%), and Education and Educational Research (approx. 10%). The areas in this list are terms used in WoS.

Selected research results were presented in the form of Tree Map Charts. Figure 1 shows the number of publications by year. Quantitative analyzes indicate that over the last 20 years there has been a certain increase in interest in the discussed issues, but its fluctuations are visible in individual years. A noticeable increase in interest among researchers appeared around 2010 and remained at a similar level until 2022.

Therefore, one can note variable and relatively low interest in the discussed issues. Such conclusions are in line with the trends observed in comparative analyzes of research areas associated with the related fields of project and program management. Project management research has experienced a significant increase in recent years. The field of program management is clearly the object of less interest on the part of scientists and business practitioners. Exemplary bibliometric research on the application of system dynamics models in the area of project management confirms great achievements in this area, in contrast to relatively modest and fragmentary research related to the use of this type of models in program management (Sales et al., 2021).

Such a relatively small interest in selected areas related to the field of program success is an opportunity to follow the progress of leading centers and build solid foundations for the development of research in important areas that are less noticed by various research centers. A good opportunity for such development is the identification of leading centers. Figure 2 shows various countries/regions and it can be seen that about 63% of publications come from the USA, about 7-9% from Canada, Australia, England and China. Noticeable scientific achievements in this field come from Germany, South Africa, Spain and Sweden (approx. 2-3% each). The output collected by leading centers is therefore worth noticing and further in-depth study.

Taking into account affiliations, American universities have the largest number of publications, i.e. approx. 80% of those scientific and research centers that have at least 2 publications in the analyzed period. The names of the most active research centers are shown in Figure 3. Using the experience of leading universities may be vital not only from the point of view of further development of scientific research, but it is also important for business practitioners bearing in mind the undoubted change in the orientation of many organizations towards multiproject environments and flexible management of collections of related projects in the form of programs.

The presented research results are only preliminary, the study needs to be continued and extended to other databases that contain reference and citation data about publications in various academic disciplines. Extending the scope and deepening research is associated with many challenges known from the literature, such as unification of author affiliation and their clear allocation to certainly identified research institutions (Donner et al., 2020).

Conclusions

The research carried out made it possible to quantitatively identify leading scientific and research institutions dealing with study related to the issues of modeling the success of programs, whose articles were published in journals indexed in WoS. The results of detailed comparative analyzes of research related to the concepts of program success and project success may be a source of inspiration for developing research in areas that have been less explored so far.

The conducted bibliometric analyzes show that the development of study on program success is much less noticeable in comparison to research relating to project success. Different centers around the world develop various approaches and assessment models related to this area, but in recent years there has been a relatively small increase in interest in the discussed issues. In addition, fluctuations in this interest in individual years can be noted. One can only assume that in the future this may change due to the increased interest in programs that are much less known so far compared to the projects. Methodological solutions and solutions related to evaluation issues are also better developed in the world in the case of projects. A unique place in these lists is occupied by research centers from the USA. To a lesser extent, studies from research institutions in Canada, Australia, England and China are visible. Therefore, there is a significant potential for the development of research on the issues related to program success and program management in many research centers around the world.

In the case of European scientific institutions, an increase in interest in research related to program management should be expected. It is worth drawing on the effects of many years of experience, e.g. accumulated by leading universities. It can help develop and improve the existing state of knowledge and identify good practices related to the exchange of knowledge between academic and non-academic organizations. Such an exchange of knowledge and experience regarding program success and program management methodologies is very important due to the often poor knowledge of these issues among practitioners who are frequently well acquainted with the problems of project management and project success assessment. They tend to be less familiar with managing flexible programs focused on implementing sets of related projects to benefit the organization's strategic goals.

The research results presented in this paper form a good basis to continue methodological study related to estimating the success of programs, because they are related to the outline of the state of knowledge and leading research centers. Further research related to the determination of the current state of knowledge is recommended, using a larger number of databases indexing scientific publications than in this study, and detailed analyzes of existing evaluation models, which have been proposed by leading research centers in this field.

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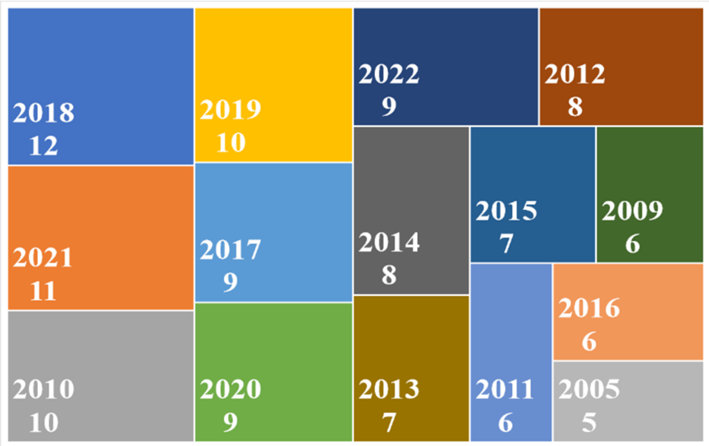
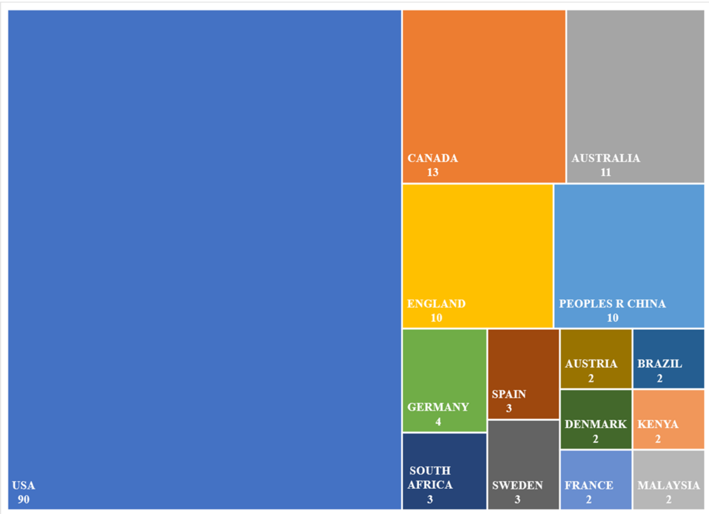
Annex

Figure 1. Publications by year



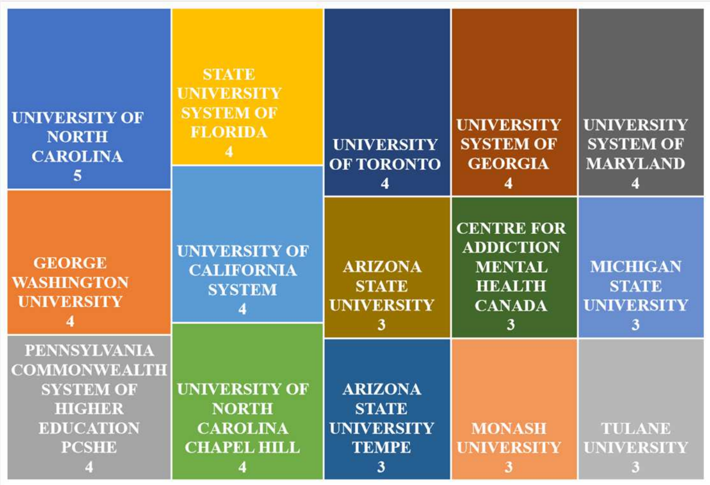
Source: own calculations based on data from Web of Science.

Figure 2. Leading countries in research on program success



Source: own calculations based on data from Web of Science.

Figure 3. Top 15 affiliations of authors who have published in the program success domain



Source: own calculations based on data from Web of Science.

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Outsourcing in the management of manufacturing companies in Poland

JEL Classification: *M21; M11*

Keywords: *management; outsourcing; manufacturing companies; benefits*

Abstract

Research background: Outsourcing is undoubtedly a concept consistent with the current trends in the management of economic entities which result primarily from changes occurring in their turbulent environment. Therefore, outsourcing should be seen as a complex business management tool that has a solid theoretical basis, with its impact covering many various aspects of the functioning of modern economic entities.

Purpose of the article: The aim of this article is to explain how manufacturing companies approach the outsourcing of processes/functions to external entities and to identify the benefits they gain from using outsourcing arrangements. An effort

was also undertaken to diagnose the factors for not using outsourcing services. **Methods:** The formulated objectives of the study influenced the hypotheses and structure of the survey. The survey was conducted in 2020 in the pre-pandemic period, with a sample size of N=120, including owners/managers of manufacturing companies. Non-random sampling was used. Questionnaires were sent to 200 companies, and only 126 were completed, of which 6 were not completed in full, and were therefore rejected. Hypothesis verification was carried out in turn using a chi-square test.
Findings & Value added: When considering the premises for the use of outsourcing by business entities, one should first of all take into account the fact that in each enterprise there are many different internal factors, the existence of which affects, to a greater or lesser extent, outsourcing decisions.

Introduction

The acceleration and development of business processes in modern companies are also greatly influenced by the appropriate integration and organisation of the value chain (Rajendra *et al.*, 1999, pp. 168-169, Swink, 1999, pp. 694-695, Kopishynska *et al.*, 2016, pp. 105-107). This causes companies to focus their attention in particular on innovations that concern management and organisation (Laursen & Salter, 2006, pp. 132-133). As a consequence, tendencies to increase the fluidity and flexibility of organisational structures are becoming increasingly noticeable and widespread (Whitley, 2006, pp. 82-83). This is achieved mainly by reducing and flattening them – decreasing hierarchical levels along with outsourcing areas that are less important from the perspective of the functioning of the company (Sandhu *et al.*, 2018, pp. 2201-2202).

Using this solution helps to reduce operating costs while improving the quality of individual processes and controlling them more effectively, and enables the company to focus on its core business.

A review of current literature highlights the growing role of outsourcing in business management. Outsourcing is studied by scientists in terms of multidimensional aspects, e.g. benefits, threats, application of IT tools. This topic is also relevant from the perspective of human resources, cost measurement and the impact of knowledge management on outsourcing success. Few literature items discuss/focus on detailed analysis of outsourcing applications in manufacturing enterprises, therefore the primary objective of this article is to analyse the use of outsourcing by Polish manufacturing companies. The issues presented in the paper are focused around a multifaceted characteristics of outsourcing, with particular emphasis on operational areas of the company that are most frequently outsourced and a diagnosis of the greatest benefits of outsourcing.

Therefore, the authors have attempted to demonstrate how manufacturing companies view the outsourcing of processes/functions.

Research methodology

The subject of the study conducted for the purpose of this thesis is the use of outsourcing by Polish manufacturing companies. Outsourcing is understood in this case as commissioning tasks in the execution of particular areas of the company to external entities (e.g. production, logistics, human resources management, cleaning, security, etc.). The aim of the study in turn is to diagnose how manufacturing companies view the outsourcing of processes/functions. The authors set themselves the task of answering two research questions:

– What are the greatest benefits of outsourcing?
– Why do enterprises not use outsourcing services?

Hypotheses were also put forward:

H01: *Majority of Polish manufacturing companies use outsourcing services, and the greatest benefit of outsourcing is the ability to focus on the core business of the company.*

H02: *The main factor why companies do not use outsourcing is the lack of sufficient financial resources,*

For the purposes of this study, the diagnostic survey method, which involves collecting data using techniques such as a questionnaire or an interview, was applied. The survey method was used. The research tool used for this study was a survey questionnaire.

The survey was conducted in 2020 during the pre-pandemic period, with a sample size of N=120, incl. owners/managers of manufacturing companies. Non-randomised sampling was applied. Questionnaires had been sent to 200 companies, only 126 were completed, of which 6 were not filled entirely and were therefore rejected.

Hypothesis verification was in turn conducted with the use of the chi-squared test.

Research results

Based on the survey, data was obtained proving that 65% enterprises participating in the survey use outsourcing in their activities. The remaining part – 35% do not use this type of services. All medium and large enterprises use outsourcing services, among small enterprises this percentage is 81.1%, and for micro enterprises it is 36.4%.

Considering the scope of company activities, it can be observed that all participating entities with international operations outsource certain functions, and that no entity operating locally uses this type of service. In the case of companies with a regional scope, the percentage of outsourcing is 25% (3 entities out of 12) and 50.9% (3 entities out of 12), and 50.9% for those operating regionally (28 entities out of 55). Exploring the cross tabulation showing the research sample from the perspective of the market operation duration and the use of outsourcing, it can be noted that companies operating in the market for less than 1 year do not use this type of service. The percentage of companies that operate on the market for 1 to 5 years and use outsourcing is 46.7% (7 out of 15 entities), from 6 to 10 years – 66.7% (18 out of 27 entities), from 11 to 15 years – 60.9% (14 out of 23 entities), and over 15 years – 84.8% (39 out of 46 entities).

The last area that needs to be analysed is the use of outsourcing from the perspective of the place of business (headquarters) of the company.

As it can be concluded from the data presented above, the percentage of companies using outsourcing by location of their business is similar. In the case of enterprises located in urban areas, 65.2% of them use outsourcing (58 out of 89 entities). Among enterprises located in the countryside this percentage is 64.5% (20 entities out of 31).

The use of outsourcing by companies is also associated with certain benefits that are expected by contractors. Figure 1 shows the answers of respondents on how the benefits identified influenced their decision to use outsourcing.

In the opinion of 42.3% of respondents (33 entities), the overall improvement of company operations was a benefit that had a high and very high impact on the use of outsourcing. Its medium impact was indicated by 32.9% (25 entities) and low impact by 25.6% (25 entities).

Cost reduction was perceived by 64.1% of respondents (50 entities) as a benefit with a high and very high impact on the decision to use outsourcing in their enterprises. 20.5% (16 entities) stated that it had a medium impact on the phenomenon discussed. In turn, 15.4% (12 entities) believed that it influenced the issue to a small extent.

According to 66.7% of respondents (52 entities), the possibility to focus on the core business activities of the company when outsourcing certain functions to external entities was a factor that had a high and very high impact on the decision to use outsourcing. 25.6% (20 entities) stated that this factor influenced them to a medium extent, and 7.7 percent (6 entities) described its influence as low.

Increased flexibility was, according to 76.9% of respondents (60 entities), a factor with a high and very high impact on the use of outsourcing. 14.1% (20 entities) described the contribution of this element as medium, and 9% (7 entities) identified it as low.

The last factor evaluated – better employee management – was rated as a high and very high impact by 41% of respondents (32 entities). 20.5 % of respondents (16 entities) were of the opinion that the impact of this factor was medium, and 38.5% (30 entities) described its contribution as small.

Table 1. provides a synthetic assessment of the impact of selected benefits on the use of outsourcing by the companies under the survey. The average of the individual benefits was calculated in the same manner as in the previous cases.

The analysis of the data presented that the benefits that determine to the greatest extent the decision to use outsourcing are: increased flexibility (average answer – 3.96, mode – 3) and the possibility to focus on the core activities of the enterprise (average answer – 3.91, mode – 3). The benefits that have the least impact on the above-mentioned phenomenon include: better employee management (average response – 3.04, mode – 4) and a general improvement in the functioning of the company (average response – 3.32, mode – 3).

88.5% of respondents (69 entities) expressed greater or lesser satisfaction with the benefits of outsourcing in their companies. Dissatisfaction, on the other hand, is 11.5% of those participating in the survey (9 entities). Therefore, it can be concluded that the companies participating in the study are rather satisfied with the benefits brought by using outsourcing.

The figure 2 shows 92.9% of respondents (39 entities) believe that the lack of sufficient financial resources causes, to a large and very large extent, that they do not use outsourcing. For 7.1% (3 entities), this factor has an average impact on the discussed phenomenon. The risk of losing control over processes is a factor that discourages 47.6% of respondents (20 entities) to a large and very large extent to outsource the implementation of specific services to external companies. 33.3% (14 entities) described the share of this factor as average, and 19% (8 entities) as small.

In the opinion of 45.2% of respondents (19 entities), the risk of service quality deterioration is not important in terms of their company not using outsourcing. The medium influence of this factor on the phenomenon in question was indicated by 28.6% (12 entities), and large and very large - 26.2% (11 entities).

The risk of losing confidential data has a low and very low impact on the fact that 45.2% of respondents (19 entities) do not use outsourcing. The risk of confidential data leakage is a problem of average importance for 21.4% of respondents (9 entities), and for 33.3% (14 entities), it is a great and very great threat. Problems with choosing an outsourcing operator, according to 69% participating in the survey (29 entities), have little impact on their non-use of outsourcing. 14.3% (6 entities) indicated that the problem has a medium impact on the mentioned phenomenon. In turn, 14.3% (6 entities) indicated that this problem has a medium impact on it, and 16.7% (7 entities) described it as large or very large.

According to 52.4% of respondents (22 entities), the necessity to make some employees redundant at the time of outsourcing has a medium influence on not using this type of service. 35.7% (15 entities) thought that the risk of such a situation occurring had little influence on the phenomenon in question, while 11.9% (5 entities) thought that the risk had little influence on the situation.

In order to deepen the discussed issue, Table 2. presents a synthetic assessment of the significance of selected situations that determine the fact that the surveyed companies do not use outsourcing. The average was calculated in the same manner as in the previous cases.

The table 4 shows, the situations that to the greatest extent determine the non-use of outsourcing services by the surveyed enterprises are: insufficient financial resources for this type of activities and the risk of losing control over processes. On the other hand, the situations which have the least influence on the phenomenon in question are: difficulties in selecting an outsourcing provider and the risk of deterioration in the quality of services. Therefore, it can be concluded that the respondents have no major issues with choosing an outsourcing operator and are little concerned about the possible deterioration of the quality of services. This is mainly due to a lack of sufficient resources and, to a lesser extent, the fear of losing control over the outsourced processes.

Hypothesis 01- The greatest benefit of using outsourcing is the ability to focus on the core activities of the business, was verified by analysing the responses to assess the impact of selected benefits on the use of outsourcing. When exploring the answers it can be seen that the benefits that are most relevant from the perspective.

Conducting the chi-squared test allowed the examination of the relationship between the number of the highest answers given by the respondents (high and very high impact) in terms of the ability to focus on the company core activities, and the highest answers given in terms of other benefits. The relationship between the indicated variables was not statistically significant – the statistic value of χ^2 was 3.233, the p-value – 0.072167 and was higher than the adopted significance level of 0.05. Therefore, it should be concluded that the greatest benefit of outsourcing is not the ability to focus on the company core activities. The auxiliary hypothesis was rejected.

Hypothesis 02- The main reason why enterprises do not use outsourcing is the lack of sufficient financial resources, it was verified by analysing the responses in terms of assessing the significance of the situations determining the non-use of outsourcing by enterprises. When exploring the answers, it can be noticed that the basic reasons indicated by enterprises in this regard are: insufficient financial resources and the risk of losing control over processes. Conducting the chi-squared test enabled the possibility to examine the relationship between the number of the highest answers given by respondents (high and very high impact) in relation to the lack of sufficient financial resources, and the given highest answers in relation to other situations that determine not using outsourcing. The relationship between the indicated variables was statistically significant - the statistic value of χ^2 was 4.7423, the p-value – 0.029429 and was higher than the adopted significance level of 0.05. Therefore, there are no grounds to reject the hypothesis. It should thus be considered that the main reason why companies do not use outsourcing is the lack of sufficient financial resources. The H02 hypothesis was also confirmed.

Conclusions

Critical analysis of the literature on the subject, on the basis of which the theoretical issues presented and the survey with the use of the questionnaire, were described, allowed to answer the research questions and verify the hypotheses. The following hypotheses were confirmed:

H01: *Majority of Polish manufacturing companies use outsourcing services, and the greatest benefit of outsourcing is the ability to focus on the core business of the company.*

H02: *The main reason why companies do not use outsourcing is the lack of sufficient financial resources.*

Most of the surveyed entities used outsourcing, however to a different extent and scope. Taking into account the size criterion, all medium-sized and large entities, the majority of small entities and almost every third micro-enterprise used outsourcing. From the perspective of the scope of their activities, outsourcing was used by all entities operating on the international market, nearly half of the companies operating on the domestic market and every fourth company operating locally. On the other hand, entities operating locally did not use outsourcing. Considering market operation duration, the percentage of companies using outsourcing increased proportionally to their existence, with companies operating on the market for up to 1 year not using it at all. There were no significant differences in terms of locating the enterprise. In both cases (city, village), the percentage of enterprises using outsourcing was similar and amounted to approx. 65%.

Representatives of enterprises using outsourcing services noticed many benefits of using this type of solution. Among the most important of these, they pointed out: the ability to focus on the core business of the company and increased flexibility of operation. Benefits such as an overall improvement in the functioning of the company and better personnel management were of little importance to them. It should also be noted that the vast majority of respondents using outsourcing assessed it positively from the perspective of expected benefits.

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Annex

Table 1. Average rating of the impact of selected benefits on the use of outsourcing (N=78)

Benefits of using outsourcing	N	Marginal response values		Average	Mode
		Minimum	Maximum		
Overall improvement in the functioning of the enterprise	78	2	5	3.32	3
Cost reduction	78	2	5	3.73	4
The ability to focus on the core business of the enterprise	78	2	5	3.91	3
Increasing the flexibility	78	2	5	3.96	3
Better employee management	78	1	5	3.04	4

Table 2. Average rating of importance of situations determining the non-use of outsourcing by enterprises (N=42)

Situations determining the non-use of outsourcing	N	Marginal response values		Average	Mode
		Minimum	Maximum		
Insufficient financial resources	42	3	5	4.33	4
Risk of losing control over processes	42	2	5	3.45	4
Possible deterioration of the quality of services	42	1	4	2.43	1
Possible loss of confidential data	42	1	5	2.95	2
Problems with choosing an outsourcing operator	42	1	4	2.14	2
The need to release some of the staff	42	2	4	2.76	3

Figure 1. Evaluation of the impact of selected benefits on the use of outsourcing (N=78)

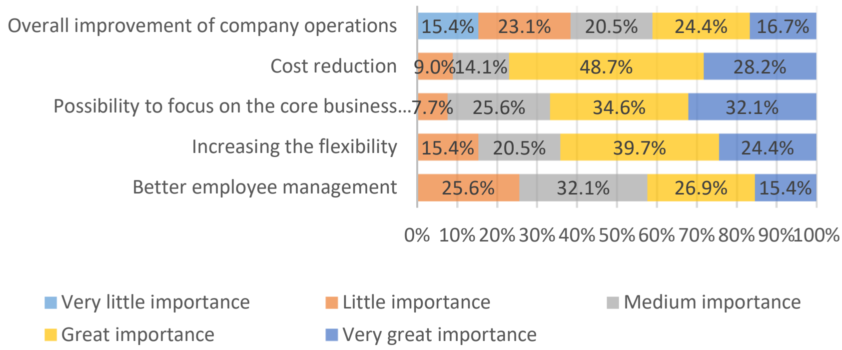
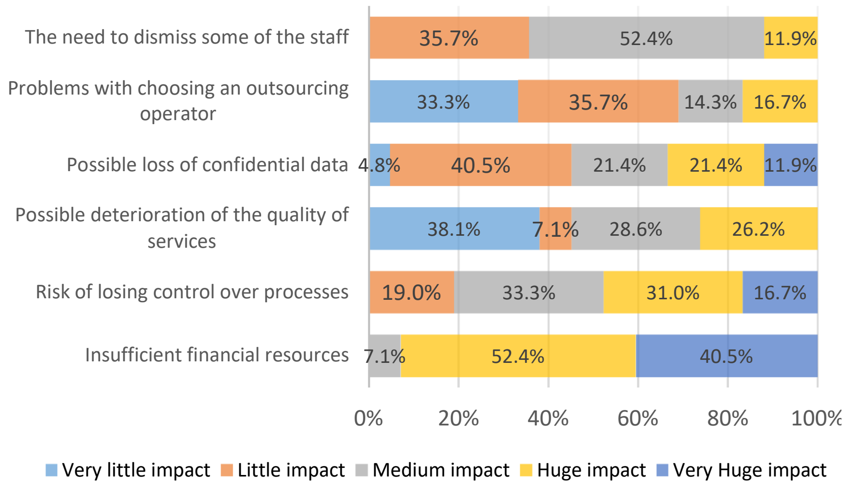


Figure 2. Assessment of situations determining the non-use of outsourcing by enterprises (N=42)



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Key risks in managing small and medium-sized enterprises

JEL Classification: *D81; G32*

Keywords: *risk; management risk; identification of risk*

Abstract

Research background: The environment in which a company operates is subject to constant change, creating both opportunities and threats for achieving its objectives and interrupting its business continuity. It is impossible to avoid risks when running a business, because when making any decisions we don't have complete and reliable information, thus being unable to always correctly predict how things will develop. Recognising the factors that can disrupt an enterprise allows undertaking actions to eliminate or minimize them, thus protecting against their negative effects. This is why it is so important to identify the sources of risk, which requires not only a thorough understanding of the sole enterprise and its environment, but also knowledge concerning the objectives it wishes to achieve.
Purpose of the article: The aim of the article is to indicate the importance of risk identification and to indicate and analyze events occurring within the enterprise or in its environment that may hinder the functioning of small and medium-sized business entities.
Methods: The paper uses a critical literature review, empirical research methods and statistical methods. Based on the results of research conducted in small and medium-sized enterprises in the Silesian Voivodeship, the key factors of the accompanying risk and the impact of individual risks on their operations were determined.
Findings & Value added: To make it easier to identify events that may disrupt the functioning of SMEs, it is important to prepare a risk register, on the basis of which it is possible to identify key factors that threaten the operations of enterprises. The risk grouped in seven areas made it possible to identify a register of the main risks characteristic of enterprises in the SME sector.

Introduction

High volatility of the economic environment intensifies the uncertainty and unpredictability of economic factors, increasing the risk associated with running a business (Gengatharan *et al.*, 2020), which accompanies all activities carried out by entrepreneurs. The risk arises because it is not possible to accurately predict the outcome of future events (Lochan *et al.*, 2021). Generally any obstacle that can interfere with the achievement of business objectives can be referred to as risk (Sajiah *et al.*, 2019). It can also be perceived as a deficit of information concerning the feasibility of achieving a certain goal, and therefore needs to be taken into account in the decision-making processes of companies. This is particularly significant in the case of small and medium-sized entities, which face higher information asymmetries and uncertainty compared to bigger companies (Burkhardt, 2016), in addition, the size of the company affects the amount of risk taken, which is generally lower for larger companies (Syrová & Špička, 2023).

One of the fundamental processes that contribute to ensuring business continuity is the process of risk management (Korombel, 2012; Ślusarczyk & Grondys, 2019), that is making decisions and carrying out actions aimed at achieving an acceptable level of risk by an entity, referred to as risk appetite (Meshkova *et al.*, 2018). Risk management is a proces that involves, identifying potential events or situations to which an entity is exposed, estimating their impact and likelihood of occurrence, identifying and applying proper responses, and monitoring risks (Korombel, 2013). Taking into account the fact that preventive actions can be developed only to eliminate identified risk, the most important phase of risk management is its identification (Gorzeń-Mitka, 2019; Dvorsky *et al.*, 2020), which should be understood as discover events that represent a source of risk and therefore constitute a potential obstacle to achieving objectives of a company (Korombel, 2013). Identification requires analyzing the company as a whole and identifying all possible sources of risk affecting the entity, taking into account the characteristics of each one of tchem.

The aim of the paper is to isolate the key risk factors of small and medium-sized enterprises on the basis of the prepared risk register and to assess the level of individual threats to running a business by entities employing up to 249 people.

Research methodology

The study starts with a critical analysis of the literature and reports relating to the discussed issue, on the basis of which a morphological table has been prepared including the most important groups of risks and risk factors. In order to identify the most important category of risks and the impact of individual risks on the operation of small and medium-sized enterprises operating in the Silesian Voivodeship in various industries, a survey was carried out in the second half of 2021, using the CAWI method, and taking advantage of an original survey questionnaire. A total of 162 responses were received (not all received surveys were suitable for further research), of which 90 complete and correctly filled out surveys were received from companies employing no more than 49 people, while 72 surveys suitable for analysis were received from companies employing less than 250 people. The survey questionnaires, consisting of a metric and a section concerning risk, were completed by the target respondents, i.e. business owners or employees in managerial positions. Questions concerning the discussed research issue were closed-end questions, which respondents answered using a five-point Likert scale, where 1 means the least impact of a given risk on business operation, and 5 the greatest impact. At the end of the survey space was provided for expanding or adding to the selected answers, if necessary. Descriptive statistics was used for the assessment as a generally accepted method of economic research. The obtained results, subjected to quantitative analysis using a Excel program and qualitative analysis provided the base for formulating conclusions.

Risks grouped into 6 categories were adopted for the study, including in particular: market risk, financial risk, operational risk, risk related to human resources, Risk related to business management, IT risk. Typical risks affecting the operation of SMEs were assigned to each of them, thus providing a risk register for each of the indicated categories (Table 1).

The conducted research aimed to answer the following questions:

- Which categories of risks pose the greatest threat to operations of small and medium-sized enterprises?
- Which factors disrupt the operation of SMEs the most and which the least, so which events do entrepreneurs fear the most?
- What is the level of risk in each risk category?
- What is the level of individual risks?
- Is there a correlation between risk categories and the size of the conducted business?
- What is the strength of the relationships between the studied variables?

The level of risk was presented using an arithmetic mean and a standard deviation, basing on which it was possible to indicate the extent to which respondents were concerned about particular sources of risk, as well as the degree of diversity in their responses. On the other hand, the commonly used statistical methods for non-parametric variables, i.e. Chi-2 independence test and V-Cramer convergence test assuming values in the range <0.1>, where V=0 means that the studied characteristics are stochastically independent and V=1 that they are functionally dependent, were used to establish the relationship between the level of risk and company size. Therefore, the closer the value of the coefficient is to zero, the weaker the relationship.

Results

The study of the relationship between the degree of use of external By identifying the risk, the sources and causes of risks that disrupt business operations are identified. For practical reasons, it is important to develop a risk source register. In a study aimed at identifying the most significant risks affecting the operation of small and medium-sized enterprises, the register of risk sources included 25 issues grouped into 6 collective categories covering, in particular: external factors coming from the market on which a given entity operates, factors resulting from the manner and effectiveness of the entity's management, financial factors affecting the financial health of the enterprise, operational factors related to internal potential, employee-related issues, as well as factors concerning the IT systems used in the enterprise and data storage (Table 1).

The conducted research (Table 2) shows that in small businesses market risk risk were assessed as the highest (3.72 on a 5-point scale), which unfortunately does not depend on the decision of the individual entrepreneur, was assessed the highest. A category of a slightly lesser significance, but also important, is financial risk (3.62), which entrepreneurs can have an impact on, although of course not always and not fully. However, they perceive the least threat in terms of business management (2.96), which is certainly due to the possibility of having the greatest influence in this area.

Threats that have the greatest impact on the operation of companies with less than 50 employees (Figure 1) are loss of financial liquidity, i.e. the ability to pay their most important obligations on time (average of just over 4) and increasing competition, which on the one hand constitutes a consequence of increased consumer demand for goods and services, and on the other hand is the result of better adaptation of entrepreneurs to the prevail-ing market conditions (average of almost 4). Recently, the operation of all businesses, regardless of size and type of conducted business, has been affected by the COVID-19 pandemic, which increased the rate of change of market factors while causing an economic downturn, which have been recognized as another important risk to running a business.In these three cases, respondents were consistent in their opinions, as evidenced by the low standard deviation, fluctuating around 0.9. Less significant factors, but nevertheless also important, are costs of doing business and the loss of customers translating into fewer orders, thus reducing the level of revenue that would be able to cover the incurred costs. In this case, once again, the responses were similar, as evidenced by the level of deviation. Interruptions in deliveries and fluctuating prices of raw materials are also significant for the conducted activity. Long lead times due to the lockdown, widespread shortages accompanied by rising prices of raw materials and difficulties in transporting products have significantly disrupted small businesses thereby increasing business risks. Entrepreneurs were also afraid of business interruptions, as unusual disruptions caused by numerous prohibitions and orders resulting in temporary closure or limitation of the activities of enterprises from various industries resulted in the liquidation of many enterprises from SME sector. Respondents from small businesses also called attention to the threat of changing legislation. Unfortunately, legislative processes and regulations often become cumbersome and, in addition, incomprehensible to entrepreneurs, thus constituting a barrier for their development, as reflected in the responses of owners or managers of companies employing up to 50 people. In contrast, a relatively wide dispersion of responses and therefore a rather high level of deviation can be seen for the risk of losing reputation which closes the list of top ten risks in small businesses.

Medium-sized enterprises (Table 2), like small ones, are most concerned about market and financial risks (3.82 and 3.63 respectively on a 5-point scale), while they are least concerned about risks arising from managing the entity, but in this case the last category is definitely higher level (3.17).

The conducted research shows (Figure 2) that the business of entities employing up to 250 people is most threatened by increasing competition and the Covid pandemic-related economic downturn, resulting in an increase in market stagnation and a decrease in sales levels and thus in the value of generated revenue. In both cases, there is a high degree of agreement in terms of the opinions of respondents, as the deviation does not exceed 0.9. Furthermore, medium-sized enterprises are significantly concerned about risks in the distribution process as well as fluctuations in the price of raw materials, which constitute a major challenge, especially for entrepreneurs who have signed long-term contracts with fixed prices that are difficult to comply with and which, under the existing circumstances, often lead to losses. Similarly to small business entities, the increasing operating costs are also significant, as delays in payments by contractors, which in turn affect the financial liquidity of the company. Medium-sized enterprises, much more than small ones, are afraid of losing their reputation, because reputation constitutes a factor that often has an impact on establishing cooperation with contractors, access to capital, and the level of demand concerning the products or services offered by an entity. The least important factor among the presented threats is the problem with finding employees with appropriate education and qualifications, because the lack of appropriate staff on the market is the last in the group of 10 most important risks disrupting the functioning of medium-sized business entities.

However, it is worrying that many entrepreneurs, most likely seeing themselves as contractors, providers of certain services or products, rather than as creators, pay far too little attention to innovation. This, in turn, makes it more difficult for them to attract talented, well-educated people to the company who would have the opportunity to implement their ideas. It is also worth mentioning that some respondents (highly varied responses) underestimate the risks associated with computer hardware failure, even though the COVID-19 pandemic has forced many companies to change their work organisation and quickly implement new technologies enabling remote working.

Further research is aimed at determining the relationship between the level of individual risk categories and the size of enterprises in the SME sector. The obtained results confirmed the existence of at least slight relationships between the variables studied.

Conclusions

The effectiveness of the risk management process depends primarily on identifying the factors that threaten the operation of enterprises, as risks that are not identified at this stage will not be taken into account during subsequent stages of risk management and it is not going to be possible to reduce their negative impact on the conducted business. During risk identification, which should be a repeatable process, it is important to thoroughly analyse potential risk factors, i.e. any events that could jeopardise achieving the entity's intended objectives. Their source can be both the enterprise itself and the environment in which it operates, which is why a properly conducted risk identification should take into account not only all planes of an entity's activity, but also the relations linking it with its environment.

Looking for areas of risk and recognizing the factors that threaten business has an impact on the effectiveness of not only risk management, but also the entire enterprise. In order to facilitate identifying risks accompanying the operation of economic entities it is important to prepare a risk register on the basis of which it is possible to identify the most important disruptive factors for small and medium-sized entities.

The biggest threat to the operation of both small and medium-sized enterprises consists in market factors from the environment in which the business operates and financial factors that can deteriorate the financial situation of the entity.

When comparing the results of the survey in the two groups of companies that make up the SME sector, it is possible to see a great convergence among the indicated threats. In the top ten, most of the sources overlap, the only element that differs is the impact of individual factors on the operations of companies classified by size. Entrepreneurs employing up to 49 people are most concerned about the loss of accounting liquidity, followed by increasing competition and the economic downturn. These factors are to some extent related, as the strong impact of the indicated sources of market risk can result in difficulties in converting assets into cash with which to settle financial liabilities when they are due to be settled. On the other hand, medium-sized enterprises, in addition to increasing competition and the economic downturn, are also significantly concerned about disruptions in the distribution process, as the inability to deliver a given product to the customer on time may increase the activities of competitors, thus affecting the decrease in market share.

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Annex

Table 1. Register of risks in small and medium-sized enterprises

Market risk	economic downturn
	increasing competition
	loss of customers (decrease in demand)
	material and commodity price fluctuations
	changes in legal regulations
Financial risk	availability and cost of capital
	loss of liquidity
	rising costs of business
	late payments by contractors
	currency fluctuations
Operational risk	halts in doing business
	disruption/interruption in the distribution process
	product quality/increase in the number of complaints
	physical damage to property
	technological failure
Risk related to human resources	employee absences
	difficulty in retaining qualified staff
	employee accidents
	lack of proper staff on the market
	employee dishonesty
Risk related to business management	social responsibility
	loss of reputation
	lack of innovation
IT risk	data violation/loss
	failure of information systems

Table 2. The level of risk categories in small and medium-sized enterprises

	Small enterprises	**Medium enterprises**
Market risk	3,73	3,82
Financial risk	3,62	3,63
Operational risk	3,42	3,35
Risk related to human resources	3,26	3,20
Risk related to business management	2,87	3,17
IT risk	3,09	3,27

Figure 1. The main risk factors in the activity of small enterprises

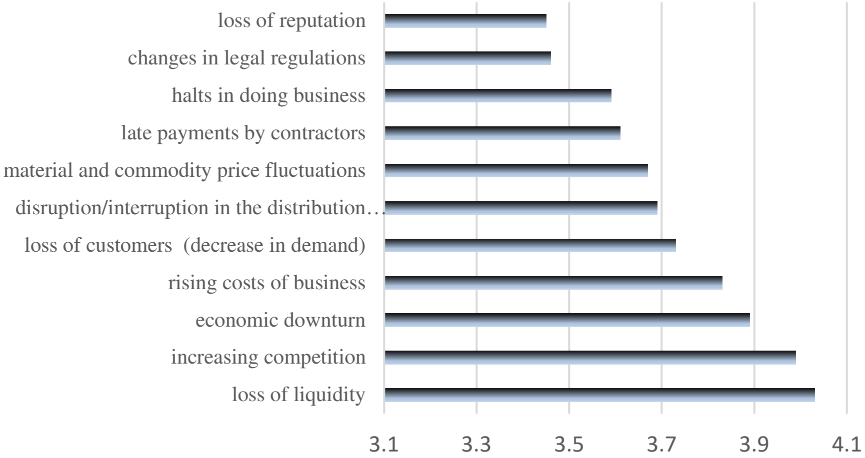
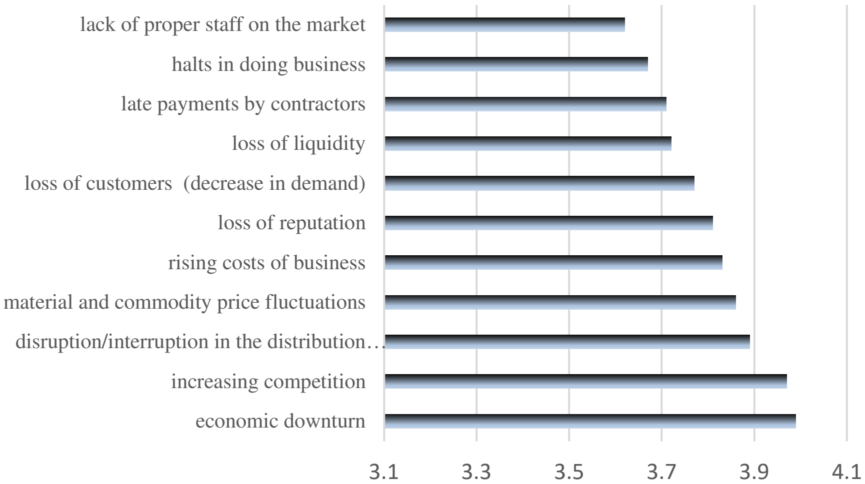


Figure 2. The main risk factors in the activity of medium-sized enterprises



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The concept of EUropreneurship

JEL Classification: *L26; O3; O35; O52*

Keywords: *EUropreneurship; entrepreneurship; innovativeness; development; commercialization*

Research background: The issue of maintaining the integrity of the European Union, on the one hand, and the possibility of EU enlargement, on the other hand, pose a formidable challenge in the current perspective of military actions, BREXIT and intra-Community challenges related to political, energy and health tensions decreasing the welfare EU vision. This challenge, accompanied by a constant vision of increasing the competitiveness of the EU, can be analyzed from a macroeconomic perspective, and such a view is easily perceived. In contrast, the micro context is given far less prominence in the policy space and the development of the economy. However this view is the perspective of the individual, being a fundamental link in the mechanism of building the welfare of societies in the European Union, associated countries and cooperating countries. This perspective may be distinctively a solution to the problem of increasing the integration and EU welfare.
Purpose of the article: presentation of the concept of European entrepreneurship (EUropreneurship), in the context of the possibilities of a buttom-up EU entrepreneurial reintegration movement.
Methods: The analysis of the results of the questionnaire survey performed in 2020 was used to achieve the stated objectives of the paper. The online survey using the CAWI method was conducted in southeastern Poland among people representing all stakeholder groups.
Findings & Value added: The results of the analysis indicate the great importance of business in the development of rural areas being able to generate added value and influence the increase of entity potential.

Introduction

The current decisive turmoil in the EU environment is primarily due to the crises of the UK's exit from EU structures, the pandemic, and the Ukraine crisis (Feldmann & Morgan, 2021). The Brexit issue has been and continues to be discussed and analyzed in connection with the referendum (Freeden, 2017). However, there is no doubt that the withdrawal of one of the Community's countries from its strutures conflicts with the interests of other countries interested in joining the common market. One of the effects that affected the British economy was a reduction in the attractiveness of the British market for European businesses (Agu Igwe, 2022). As a result, too, the basic argument driving the view of Britain's exit from the EU, namely the influx of immigrants, also lost its value in the eyes of the British public.

Another of the factors exerting a significant influence on the emergence of turbulence in Europe, while contributing significantly to the weakening of the European economy, was pandemic-related activities (Beraich et al., 2022). As a result of these, not only did the issue of the British exit once again hit islanders with a shortage of medical personnel (Portes, 2020), but the financial markets around the world also felt this acutely (Beraich et al., 2020).

Another of the significant factors with a decidedly negative impact on the European economy became the Ukrainian crisis, which resulted in a dramatic increase in inflation. In addition to more expensive goods, there are also negative effects in the area of energy and food supplies, given the leading positions of Russia and Ukraine as producers and suppliers of food to the world market (Josephs, 2022). It is noteworthy that the deterioration of the economic situation affects more economically disadvantaged social groups (Matriychuk et al., 2019; Krysovatyy et al., 2022).

Based on the need to address the challenges and difficulties that seem to be Europe's biggest economic problem at the moment, it is worth looking at entrepreneurship as a form of fundamental action for individual contribution to community development. Research indicates that entrepreneurship can be a remedy to global problems of poverty, unemployment, crisis in general (Maas et al., 2019), targeting the effects of entrepreneurial action as so-called transformational. It is also pointed out that digitalization is of great importance in efforts to support the resolution of crises (Song, 2019), through its relational potential. Considering the importance of digitization in overcoming barriers to economic development, one can mention crowdfunding, based in its nature on the Internet network. As studies show, this type of financial support instrument may indicate the possibility to resist even the negative impact of the global crisis (Nespoli et al., 2021). Among the observed factors that are recognized as those for economic development, one can also identify innovation (Dicuonzo et al., 2022), which is also recognized as a factor that ensures the long-term maintenance of a company's competitive position, and is indivisibly linked to entrepreneurship. In fact, similar to innovation as well as digitization, the role of networking and participation in the face of countering the effects of the crisis is apparent (Macapatra & Ray, 2022).

In light of the importance of entrepreneurship as a fundamental initiative, as a result of which challenges to meet the effects of the economic crisis seem achievable, it seems interesting to take a closer look at this topic. Given that, in general, regions that are less developed and so far more affected by poverty or lower levels of economic development are rural regions, it seems reasonable to refer to these regions in the work, especially since a positive impact on coping with the lower level of development of these regions through so-called cooperative entrepreneurship has been observed so far (Asanova et al., 2021).

The purpose of this work is to contribute to the issue of entrepreneurship, but relating this issue to the European factor, while demonstrating that entrepreneurship in non-urbanized areas is seen as a major causal factor in economic improvement. In order to realize the purpose of the paper, a brief literature anailysis will be carried out, and in the empirical part, selected factors of the questionnaire survey conducted will be discussed, insofar as it serves the purpose of this paper.

Literature review

Entrepreneurship is defined as the irredenty of activities associated with the initiation of a new venture, while the function of an enterprise is to turn an idea or project into a certain product or service, which, by satisfying specific needs, can further generate profit and lead to the reproduction and development of subsequent production cycles (Machaczka, 1996). The following are cited as characteristics of new ventures: uncertainty (due to paucity of information), dependence (due to limited resources, risk (due to the possibility of not only profits but also losses). Entrepreneurial intent is therefore crucial in the context of decision-making regarding the creation of a new enterprise (Tsai et al., 2016).

Entrepreneurship can be defined in three dimensions (Kunasz, 2008): (1) functional, where it is understood as the process of initiating and implementing change, (2) subjective, where it is described through the prism of personal-personal and character traits of the individual undertaking entrepreneurial activity, (3) managerial, where it is treated as a specific resource for managing an economic entity. In the managerial view of entrepreneurship, it is about the ability to identify opportunities in spite of, or even above the consideration of the organization's resources (Kraśnicka, 2002). From this perspective, entrepreneurial activities can be referred to beyond small and medium-sized enterprises, i.e., to a broad spectrum of entities. Entrepreneurship brings change. In fact, it can be considered that change is the determinant of entrepreneurship, bringing the concept closer to Schumpeter's notion of creative destruction. In this context, and taking into account also the conclusions of scholars' considerations, the estruction of change leads, in effect, to a new equilibrium, which could be characterized as an equilibrium at a higher level of performance whether of a business-oriented or socially oriented organization.

The following can be considered as attributes of entrepreneurship (Kozminski, 1982): (1) the motive for action, which is the aspiration to become rich, (2) the mechanism of action, which is the investment of funds in a venture, which is expected to lead to a financial surplus, (3) property risk, referring to the possibility of losses and the need to cover these losses with one's own funds. When measuring entrepreneurship, the OECD (2006) distinguished three areas over which statistics are conducted: (1) determinants of entrepreneurship (regulation, R&D, entrepreneurial capabilities, culture, access to finance and market conditions), (2) entrepreneurial performance (firms, employment and wealth), (3) impact of entrepreneurship. Moreover, in the context of measuring entrepreneurship and correlating it with an indicator of economic development, comparative studies show that this correlation is positive (OECD, 2006). This seems all the more obvious given the impact that microenterprises have on national employment and GDP levels (Borowiecki & Kusio, 2016; Acs et al., 2009).

Entrepreneurship, which relates directly to human activity and the intentional need to seize opportunities to make a difference, can contribute to social wealth creation. Measurements of the level of entrepreneurship are carried out in the EU in a country-by-country perspective, and the very development of the measurement index and the constant monitoring of the level of entrepreneurship indicate the high, and perceived by the authorities, importance of this phenomenon. Taking into account the question of the impact that entrepreneurship could generate on living standards and the creation of socio-economic reality, the direct result of entrepreneurial intention, which is a newly created economic entity, i.e. a micro-enterprise, seems to be important. Indeed, the very definition that emerged of the SME category (MMSP is currently being defined, thus giving more importance to micro-enterprises) finds reference to the entrepreneur, i.e. a person who has implemented and taken the risk of realizing a plan to achieve a change of a socio-economic nature.

According to statistics (GEN, 2020), the number of startups globally is growing, and the focus of their activities varies by location (Savin et al., 2020). On the other hand, what also constitutes a development perspective, startups are oriented to local, or regional demand (demand) (van Gelderen et al., 2021). In this context, the diversity of regional and national industries that is specific to EU countries may also be relevant in the context of newly created businesses.

The characteristics of Europe, as a continent made up of diverse communities and countries, create conditions for a diverse range of viable businesses. The dynamics of emerging market opportunities is linked to the emerging results of scientific research, to new technologies. They inspire more or less innovative and entrepreneurial behavior (Henzel & Buk, 1990). The European Union takes a systemic approach to the issue of research management, as exemplified by the European Research Framework Program, which is currently called Horizon Europe. In this context, given the structure of the requirements that apply to the financing of research activities, it is noticeable that there is a drive to support entrepreneurship, if only through the need to implement the research results developed in the course of the research.

The nature of the European entrepreneurial reality, which is embodied, among other things, in ongoing research, legislation, subject to monitoring through advanced indicators and sub-indicators, also has a tertiary dimension. Europe's socio-economic diversity, which is the result of multicultural social and ethnic groups, as well as different levels of wealth, has its expression in the level and type of entrepreneurship, as indicated in the literature. From this point of view, the peculiarity of the European dimension of entrepreneurship is an issue important enough to be the subject of a new definition, namely EUropreneurship.

Methods

The basig method to obtain the goals of the work is the theoretical analysis, based on the literature review, as well as the analysis of chosen data from a questionnaire survey that was conducted on a representation of the business, social and research sectors from Malopolska region. This method has been found applicable and appropriate for this study (Singleton, 1999). The questionnaire study, whose data are the basis of analyses for this paper, was called "Study of the impact of social economy on rural development" and was aimed at obtaining the necessary information from the Malopolska region. The choice of this method appeared sufficient to collect standardized data and then necessary info (Rukuni & Maziriri, 2020).

The questionnaire was anonymous, single-choice and self-designed and was structured into 4 sections: the first containing 7 questions, the second containing also 7 quesitons, the third containing 8 questions and the fourth containing 7 questions, altogether 29 qualitative questions. All of them were 5-point Likert scale closed ones. The pilot phase had been done for the reliability of the questionnaire and to validate the substantial part. This has been done with 3 experts in rural development in order to verify the clearness of the questions and the reaching the research's aims.The selection criteria were people living in rural or rural-urban areas and at the same time professionally involved in the development of these areas (EU and national policy-makers, operators in rural agency or associations, entrepreneurs etc.), but also people from outside these areas, however, having knowledge on rural development (academia, experts in rural development projects or activities, politicians etc.)..

The survey was conducted using the CAWI (Computer Assisted Web Interview) method in 2020. The respondents were first sent information about the research by e-mail (general description of aims, criteria and methods, and guidelines). A recalling step was implemented: indeed, some of them were interviewed by telephone, which resulted in obtaining feedback on the questions contained in the online questionnaire. The survey was answered by 43 people, all answers were correct and complete, and therefore each of them was qualified to undergo statistical processing.

Research results

According to experts, people representing scientific institutions, public administration, the third sector and business, the most dynamic entities in non-urbanized Małopolska are microenterprises (Figure 1).

The involvement of micro-enterprises in the development of the region outweighs that of small businesses, associations, medium-sized enterprises, foundations, and social enterprises, respectively. It is peculiar that small enterprises came in second place, which means that overall micro and small entrepreneurship is assessed as the main development factor in rural areas. So-called social entrepreneurship, i.e. social enterprises, associations and foundations, were rated lower, although their impact on rural development is still significant in the opinion of more than half of the respondents.

Worth noting, as well as clarifying, seems to be the indication relating to opinions on social enterprises. Although it is this form of social involvement that may seem the most appropriate to qualify it as a result of social entrepreneurship, one should bear in mind the still small percentage of social enterprises among social economy entities as such. The still low popularity of these entities is one factor explaining the percentage of respondents' answers, while the far greater popularity of associations and foundations is the other factor that may influence the low percentage of statements regarding social enterprises. Both associations and foundations can conduct business in Poland.

As for the indications relating to the recognition of microentrepreneuship as the main driving force behind economic development in non-urbanized areas, these indications should be considered strong (Figure 2).

As many as nearly 30% of experts expressed a strong opinion, and nearly 61% expressed a weaker positive assessment. However, not a single person expressed a strongly negative opinion, and as many as 5% expressed no opinion. Only 7% indicated a weak negative impact of microenterprise on local development, which suggests that there are situations where microentrepreneurs may simply have problems in functioning, as well as developing their own competitive position.

Conclusions and findings

The understanding of entrepreneurship in the EU is twofold: on the one hand, there is the reference to the general level of involvement of social, public and business, among others, and on the other hand, there is the purely business approach, resulting in the commercialization of the business concept and as such the idea of growing importance of microentrepreneurship appears. Given the growing importance of social entrepreneurship, among other things, it seems that in defining entrepreneurship there is a growing tendency to apply a broader view of the concept, incorporating various forms of activity. In this context, entrepreneurship can be examined from the perspective of the place where it is implemented (level of urbanization), the age of the people who get involved, the range of impact of entrepreneurial concepts (radical innovations - resulting in the dynamic development of enterprises) as well as a number of other approaches that are variously prioritized by different European stakeholders.

Entrepreneurship, appears to be an important factor in overcoming the problems of the economic crisis currently increasingly affecting the EU. At the root of the European crisis were such causes as the pandemic, Brexit and the Ukrainian crisis. Given the currently deteriorating economic situation of European society, especially the less affluent strata of society, the question of how to break the recession seems to be of paramount importance. As a result of expanding the definition of entrepreneurial concepts through a European prism, the concept of EUropreneurship can thus be defined.

In the course of theoretical considerations, the issue of micro-entrepreneurship as a remedy for economic crises is a solution with indisputable impact. Entrepreneurship can, in addition to the completely individual context of its nature, also be understood and undertaken in a collaborative (networked) context, and based on digitalization. Technological development seems to be favorable in this regard for undertaking entrepreneurial initiatives, if only in view of the possibility of greater chances to raise funds (crowdfunding). Given the importance of entrepreneurship in the fight against recession, it is particularly interesting to study this impact by reference to rural areas, which by their nature are in a far more difficult economic situation than urban areas, regardless of the current state of the economy. Therefore, given the data that microenterprises have in terms of their impact on the economic development of these regions, the results of the literature analysis can be all the more effectively supplemented. Opinions of experts representing business, public administration, or the third sector leave no doubt. Microenterprises are considered the most effective sector that creates the driving force for the development of non-urbanized areas, followed by small businesses. This confirms, thus, the importance for development and counteracting the effects of the crisis, grassroots work, individual entrepreneurship. Thus, the idea of building a vision of development based on people and their involvement, that is, an individual approach to entrepreneurship, seems to be timely and forward-looking.

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Annex

Figure 1. The view on the most active entities in rural regions (in Malopolska)

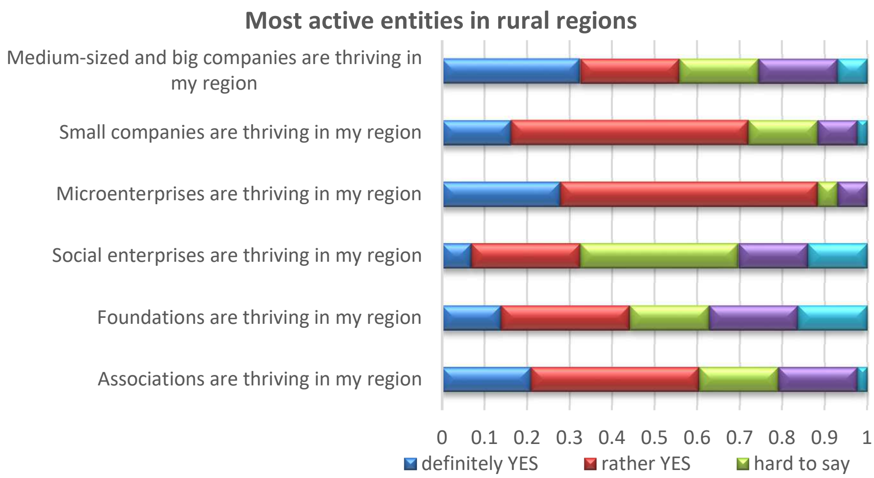
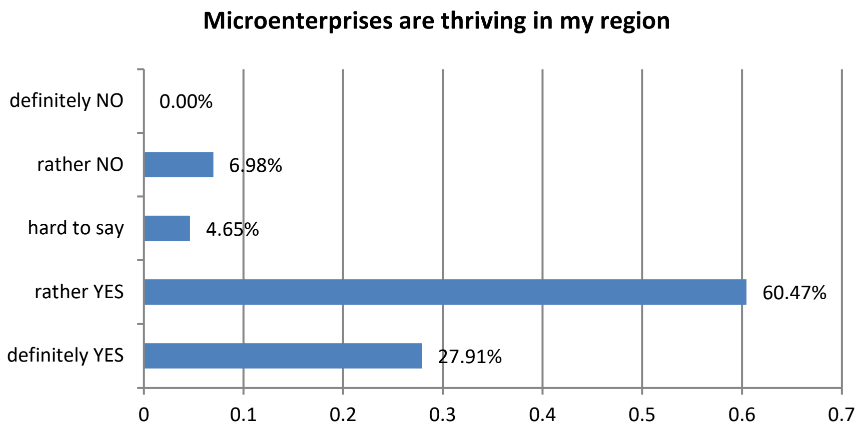


Figure 2. % indication of the view on the importance of microenterprise in the development of rural regions in Malopolska



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SMEs competitiveness and innovation: Bibliometric analysis and directions for future research

JEL Classification: *L11; L25; O31; R11*

Keywords: *innovation; competitiveness; SMEs*

Abstract

Research background: Small and Medium Enterprises (SMEs) are recognized as a valuable element of any country's economic development. Innovation for SMEs is one of the key drivers of competitiveness and business performance. To keep pace with large, international organizations setting the direction of green and digital transformation, the SME sector must build its competitiveness through innovative business models, processes, products and services.
Purpose of the article: The aim of the article is to understand the structure and dynamics of research on the competitiveness of SMEs shaped on the basis of their innovation in order to further guide both research and management practice.
Methods: The study presents a bibliometric analysis of publications in the field of competitiveness and innovation of SMEs covered in the SCOPUS database. The analyzed publications were limited to articles and reviews in English (n= 1,834). Performance analysis and science mapping methods were used to analyze the data. Mapping was performed using the latest version of VOSviewer software.

Findings & Value added: The results of the analyzes showed a dynamic increase in research on the competitiveness and innovation of SMEs in the last 2 decades - from 14 articles in 2002 to 244 articles in 2022. The main sponsor of research in this area is the European Union. The most productive authors come from the UK, US, China and Italy. High-profile issues represented by the authors' keywords are competitive advantage, open innovation and knowledge management. The added value is the creation of a holistic picture of the current structure and dynamics of research on the competitiveness and innovation of SMEs, which is the basis for outlining major research gaps and indicating further research directions.

Introduction

The concepts of innovation and competitiveness in relation to enterprises and economies are highly interrelated (Silva et al., 2017). In the global economy, competitiveness is the basic factor of development, and innovation is one of the mechanisms of its shaping (Reichel, 2006). Innovations also play a significant role in the search for new sustainable sources of growth and competitiveness in a turbulent environment (Galbraith et al., 2017). Sustainable competitive advantage can be achieved primarily thanks to the growing innovative potential – by increasing the ability to develop new products or processes or by expanding and creating new knowledge (OECD/Eurostat, 2018).

As approximately 90% of all enterprises in the world belong to the SME category (World Bank, 2022), and in the European Union the share of SMEs reaches 99% of all enterprises (European Commission, 2022), the innovative and competitive capabilities of SMEs play a key role in the development of any economy. However, in the authors' opinion, this area is not sufficiently researched, especially since competitiveness factors as well as areas and directions of innovation quickly become obsolete in a hyper turbulent environment driven mainly by digital and green transformation. Thus the aim of this paper is to explore the structure and dynamics of research on the competitiveness of SMEs shaped on the basis of their innovativeness to further guide both research and management practice.

Research methodology

In this study, a process was established to determine the search terms, select an appropriate database, establish selection criteria for the search, select software for analysis, and analyze the results (Figure 1). As the research domain being studied is the competitiveness of SMEs shaped on the basis of their innovativeness, this study defined the following keywords to be searched for in the title, abstract, and author keywords of the research papers. The "AND" and "OR" Boolean operators were used: "SME" OR "small and medium" AND "innovat*" AND "competit*". The next step was to choose the database from a number of possible options such as Scopus, Web of Science, or Dimensions. We selected Scopus as numerous research articles have suggested that this database is more suitable for bibliometric analysis (Quintero-Quintero et al., 2021) as, compared to the WOS database, Scopus is more accessible regarding the export of data (Cobo et al. 2011), and covers a wider range of papers in the field of business and management (Quintero-Quintero et al., 2021).

The original results showed 2,936 documents published in the time span of 1983 to 2022. This paper aims to analyze the overall structure of the research and, therefore, we did not limit the time range. In the next stage, we narrowed the database using two criteria: language (English) and document type (article and review). The final size of the database was 1,834 document results.

In the fourth step, we needed to decide about the software we wanted to use to analyze the dataset as it would determine the format of the files to which databases are downloaded. We decided to use Microsoft Excel to conduct the initial descriptive analysis and VOSviewer, version 1.6.18, to further analyze and visualize the results.

Finally, two bibliometric analysis methods were selected, performance and science mapping. Performance analysis is mainly used to evaluate productivity and influence across the number of publications and citations in order to measure the impact of citations of authors, universities, and countries on the scientific production of the subject concerned. In this research, we used citation analysis (of authors and documents), and keyword co-occurrence analysis.

Results

The number of publications over time is one of the most relevant factors as to the extent to which a scientist is interested in a specific topic and as an expansion indicator of the field of research (Udomsap and Hallinger, 2020). Figure 2 shows the number of published documents on competitiveness and innovation of small and medium enterprises (1,834 in total) that were published in the last 40 years. It is worth noting that there is an increasing trend in the number of scientists researching the subject of the competitiveness of

SMEs shaped on the basis of their innovativeness. This increase is particularly noticeable in the last fifteen years.

The studies analyzed derive from 1,834 sources such as journals. Indeed, above 95% of these publications are articles (1,748): the other types are related to reviews (68), and 18 documents are undefined in the Scopus database. Figure 3 presents the top 10 funding sponsors' research on the competitiveness of SMEs shaped based on their innovativeness (and 130 published documents). Among the top 10 funding sponsors, as many as 5 represent a source of funding from the European Union (77 papers from 130 in this sample, 59%). In total, 159 funding sponsors were indicated in 391 papers.

In addition to a quantitative overview of the authors and the most significant studies, it is useful to complement the analysis by addressing the main journals that publish such studies. Table 1 shows that the most popular journals in the field of SME competitiveness and innovation are Sustainability (MDPI) with 74 published papers, Competitiveness Review (Emerald) with 19 published documents, and Technological Forecasting and Social Change (Elsevier) with 18 papers.

The basic subject of the studies is focused on publications by country, including their social networks (Veloutsou and Mafe, 2020). The most productive researchers in this area are from the United Kingdom with 186 articles, comprising 10% of all articles on competitiveness and innovation of SMEs. Moreover, important studies in this area have also been carried out in the United States, China, and Italy (approximately 7% and 6% of review papers respectively). Figure 4 shows a geographical map of 108 countries in accordance with the number of published articles. 52 countries are undefined in the Scopus database.

One of the most popular and useful approaches in assessing the structure of a selected research area comprises the analysis of citation relations. These can be divided into direct citation relations, bibliographic coupling relations, and co-citation relations (Boyack & Klavans, 2010). The authors decided to analyze direct citations of documents and authors.

The document citation analysis employed covered 1,843 documents. In the analysis, we decided to include only the documents with a minimum of 40 citations. 208 documents met the threshold but only 47 were connected with each other, as visualized in Figure 5. The documents included in the analysis formed 4 clusters.

The first cluster (blue) focuses on SME innovativeness and the impact of market orientation, business strategy, marketing innovation (Naidoo, 2010), or innovation support (Kaufmann and Todtling, 2002) on innovation performance (Xie et al., 2013).

The red cluster encapsulates papers focused on the sources (Gupta and Barua, 2017), barriers (Madrid-Guijarro et al., 2009), and critical factors (Kumar et al., 2015) in SME innovations.

The green cluster is dedicated to current technological innovations (Akpan et la, 2022) with a special focus on cloud computing (Alshamaila and Papagiannidis, 2013), and social CRM (Ahani et la, 2017).

The last cluster (yellow) is focused on the open innovation concept (van de Vrande et al., 2009) and its ecosystem (Popa et al.) as well as the opportunities and limitations of SME innovation (Narula, 2004).

The citation analysis presented in Figure 6 presents the research field structure from the perspective of the most frequently cited authors in the papers included in the data set covered by this analysis. Out of the 4,544 authors, only those with a minimum of 3 citations were selected. Based on that limitation only 77 authors met the threshold and formed 6 clusters as follows.

The first cluster (blue) shows the 9 authors represented by Raymond L. (7 documents with 204 citations), Kumar R. (5 papers with 176 citations), and Gunasekaran A. (6 documents with 211 citations). The yellow cluster covers 7 authors including Madrid-Guijarro A. (4 papers and 388 citations), Valdez-Juárez L.E. (5 papers with 128 citations), and Castillo-Vergara m. (6 papers and 55 citations). The violet cluster is formed of 6 authors represented by de Jong J.P.J. (3 papers with 1408 citations), Ferreira J.J.M. (4 papers and 66 citations), and Andrei A.G. (3 papers and 38 citations). The red cluster has 9 authors such as Kraus S. (7 papers with 712 citations), Ferraris A. (3 papers and 148 citations), and Vrontis D. (5 papers and 121 citations). The green cluster represents 9 authors such as Ramayah T. (9 papers with 180 citations), Ahmad N.H. (6 papers and 87 citations), and Singh S. (3 papers and 249 citations). The last cluster (azure) with 6 authors includes McAdam R. (6 papers with 186 citations), Ferreira J. (4 papers with 118 citations), and Zhang Y. (4 papers with 66 citations).

The analysis of the author keywords is also very important since the keywords correspond to the context of the publication and thus define the main topics and research trends (Al-Hanakta et al., 2021). The most frequent author keywords are “innovation”, "smes" or "sme", and “competitiveness" or "competitive advantage". The most frequent author keywords are *innovation*, *smes* or *sme*, and *competitiveness* or *competitive advantage*. The results indicate that these studies have established various approaches to analyzing occurrences, such as *innovation capability(ies), dynamic capabilities*, *absorptive capacity*. and *resource-based view*.

Figure 7 presents a chronological analysis of publication topics, using the author keywords. It is possible to identify the current themes related to sustainability, firm performance, industry 4.0, business model innovation, digital transformation, government support, and innovation culture (circles 1 and 2), while innovation linked to SMEs, competitiveness, competitive advantage, open innovation, knowledge management, competitive strategy, and globalization (circles 3 and 4) is represented by a greater focus on articles from the past decade.

Figure 8 shows the author keywords divided into three clusters. The red cluster (circle 1), concerns the author keywords related to innovation, SMEs, competitiveness, industry 4.0, collaboration, technology, and innovation performance. The blue cluster (circle 2) focuses on the author keywords linked to competitive advantage, entrepreneurial orientation, innovativeness, product innovation, business performance, market orientation, and competitive strategy. Then, the green cluster (circle 3) displays the author keywords connected to SME, sustainability, knowledge management, internationalization, globalization, clusters, business model, and circular economy.

Conclusions

The article presents a bibliometric analysis of SME competitiveness research based on their innovativeness from the perspective of leading journals, countries and the most frequently cited documents and authors. The results confirmed the dynamic growth of research in the analyzed area over the last two decades. Interestingly, among the 10 largest financing sponsors, as many as 5 represent a source of funding from the European Union. The most productive researchers in this field come from the UK, the US, China and Italy. The results of the analyzes showed that innovation in the context of the competitiveness of SMEs, and in particular their ecosystem, is an important research problem. The keywords co-cited by the author focused mainly on competitive advantage, open innovation and knowledge management.

In the authors' opinion, an in-depth analysis of SME competitiveness shaped on the basis of their innovativeness is necessary to better understand the potential and nature of SME innovation and to explain the role and importance of the relationship between innovation and competitiveness. Such research should be based on qualitative methods, e.g., expert panels or focus groups with the participation of representatives of various entities forming the SME sector ecosystem.

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Annex

Table 1. Top 10 journals in accordance with the number of published documents

SOURCE	NUMBER OF PUBLICATIONS	% OF 1834
Sustainability Switzerland	74	4.0349
Competitiveness Review	19	1.0360
Technological Forecasting And Social Change	18	0.9815
Journal Of Cleaner Production	16	0.8724
Journal Of Small Business And Enterprise Development	16	0.8724
Technovation	16	0.8724
International Journal Of Innovation Management	15	0.8179
Journal Of Open Innovation Technology Market And Complexity	15	0.8179
Management Decision	15	0.8179
Problems And Perspectives In Management	15	0.8179

Figure 1. Research process

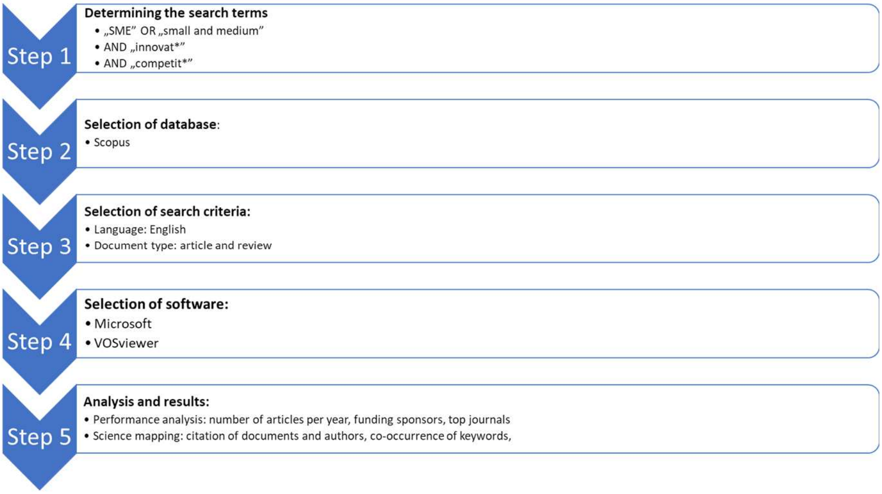


Figure 2. Number of published papers (1983-2022)

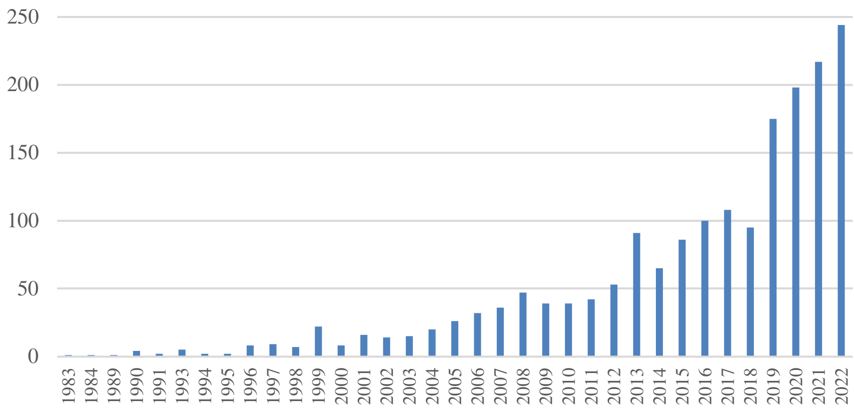


Figure 3. Top 10 funding sponsor in accordance with the number of published documents

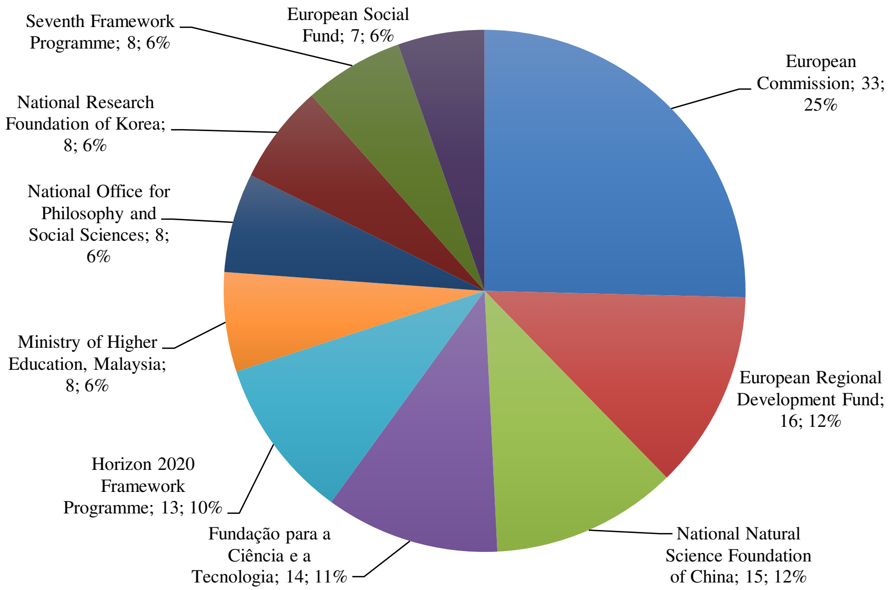


Figure 4. A cartogram showing the map of countries in accordance with the number of published papers

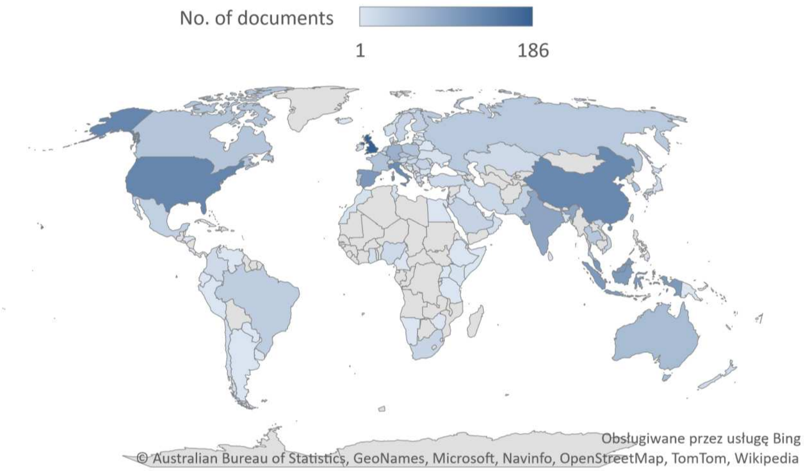


Figure 5. Citation of documents

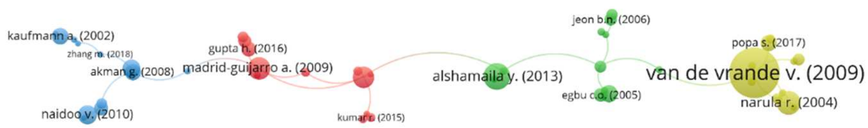


Figure 6. Citation of authors

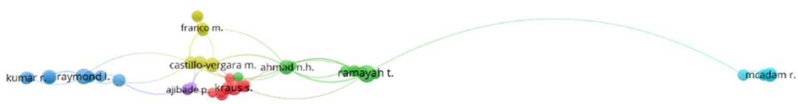


Figure 7. Recent discussion topics shift (2013-2022)

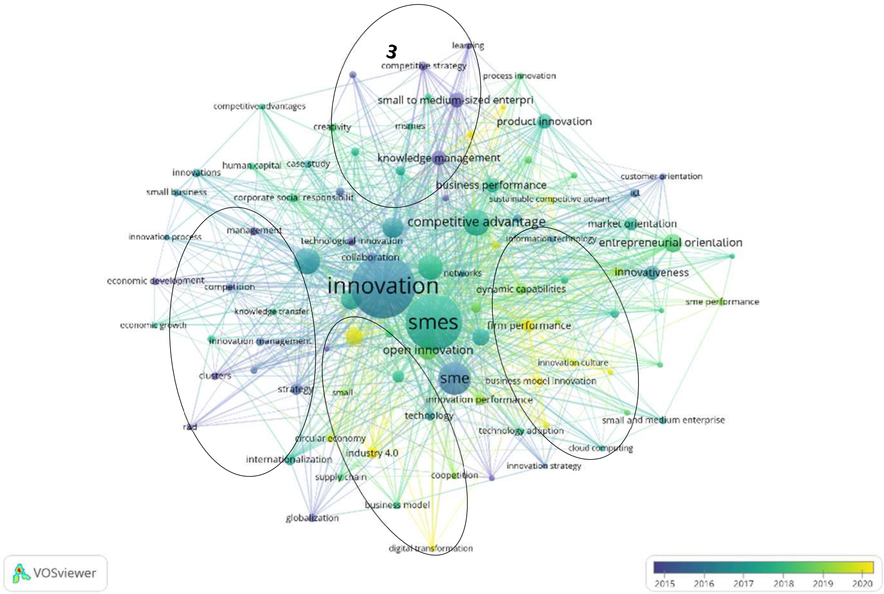
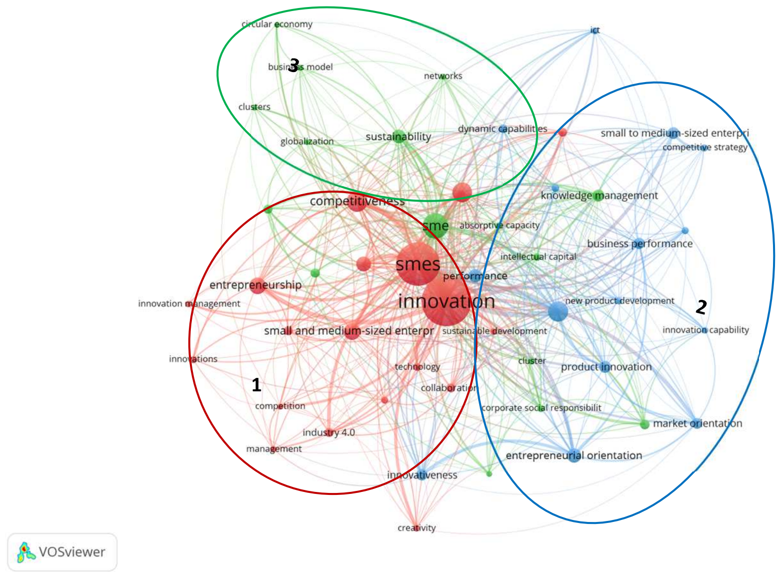


Figure 8. Co-occurrence map of author's keywords of documents published in 1983-2022



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Direct marketing in Lithuania under GDPR: Consent and legitimate interests

JEL Classification: *M31; M38; K22*

Keywords: *General Data Protection Regulation; direct marketing; rights of the data subject*

Abstract

Research background: Digital technologies have altered the competitive environment in business. Data have become a form of business capital. Collected data lets to provide better services and manage customer relationships, which can be monetarily expressed with Customer Lifetime Value, more effectively through highly personalized services, but this leads to the personalization-privacy paradox. The protection of privacy has frequently not been regarded as a priority due to high returns on personal data processing and low fines for privacy breaches, which is why the EU Commission adopted the General Data Protection Regulation (GDPR), which entered into force on 25 May 2018. The main problem discussed in this article is the fact that organizations' processing of personal data for direct marketing purposes does not comply with GDPR requirements. Organizations must ensure lawful and fair processing of personal data, and explain to consumers why they are collecting personal data, how it is going to be used and with whom the data will be shared.

Purpose of the article: The main purpose of this article is to develop a theoretical scheme of data processing for direct marketing purposes according to GDPR requirements.
Methods: The research methods used in this academic article include analysis and synthesis of scientific literature and legal documents, generalization.
Findings & Value added: This theoretical scheme of direct marketing under the GDPR would help organizations establish a legitimate basis for data processing and define the rights of the data subject when processing data for direct marketing purposes.

Introduction

In the last ten years, digital marketing has given rise to sophisticated automated models for successfully affecting the behaviour of consumers whose fundamental rights, such as the right to privacy and the right to the protection of personal data, have often been violated because of the discrepancy between the regulations and the actual use of personal data (Parlov et al., 2018).

General Data Protection Regulation (GDPR), which came into effect on May 25, 2018, is a data protection legislation that lays down rules for processing data and protects European Union citizens' fundamental rights and freedoms and in particular their right to the protection of personal data.

As interactive technologies become more pervasive, firms are increasingly conducting customer surveillance—the acquisition, usage, and storage of consumers' personal data—more covertly and with fewer resources (Plangger, & Montecchi, 2020).

Direct marketing is an activity whose purpose is to offer products or services to persons by mail, telephone, or other direct means and (or) to seek their opinion on the products or services offered. Direct marketing addresses a closely segmented auditorium, personalizes the communication process, it's easily controlled and it's simple to perform an evaluation of activities (Perčić, & Perić, 2022).

However, considering the shifting levels of consumer vulnerability due to technologies, managerial actions, and the legal environment in the past two decades, a re-evaluation and extension of their findings is warranted (Swani et al., 2021).

The theoretical scheme of direct marketing under the GDPR would help organizations establish a legitimate basis for data processing and define the rights of the data subject when processing data for direct marketing purposes.

Research methods

The methods of scientific literature and legal documents analysis and synthesis, and generalization research methods were used in the research process.

Generally, literature review means identifying the bibliographic sources in the field of study, selecting the essential ones based on relevant criteria, synthesizing each selected bibliographic source, analyzing the syntheses, and formulating the conclusions. The literature review can map the field of study, can provide both input for extensive studies and new ideas and perspectives when it is done rigorously, or can create guidelines for policies and practices (Mazilu, 2022).

The ability to generalize helps to recognize connections between our own research findings and other concepts or phenomena that might not be evident at the study-specific, ungeneralized level. The generalization method allowed for the explanation of the procedure to be followed in the process of developing a theoretical scheme of data processing for direct marketing purposes according to GDPR requirements.

Results

Part 1 of Article 69 of the Law of the Republic of Lithuania on Electronic Communications stipulates that the use of electronic communications services, including the sending of e-mail messages, for the purpose of direct marketing is only permitted with the prior consent of the subscriber or registered user of these electronic communications services.

The EU's current guidance emphasizes consent as the primary legal basis for using web analytics under the GDPR. Article 4(11) of the GDPR defines consent as: "any freely given, specific, informed and unambiguous indication of the data subject's wishes by which he or she, by a statement or by a clear affirmative action, signifies agreement to the processing of personal data relating to him or her." It can be concluded that according to the GDPR adequate consent must be particular (granular), unconditional, communicated in plain language, unambiguous and informed:

- silence, a pre-checked box or a lack of activity should thus not be considered as consent;
- consent should cover all processing activities carried out for the same purpose;
- processing should be connected to consent;
- the data subject has the right to withdraw his or her consent at any time;

– processing should be connected to the validity of consent.

Recital 47 GDPR specifically mentions that 'the processing of personal data for direct marketing purposes may be regarded as carried out for a legitimate interest'. Balancing the processor´s interests with those of data subjects shall be executed prior to the first processing operation. The legitimate interest as a legal framework for personal data processing implies that there shall be a relevant and equal relation between a data subject and a processor resulting in a specific processing operation. The existence of a legitimate interest is subject to thorough examination from the point of view of its legitimacy or adequacy of the intervention into rights and freedoms of data subjects (Švec et al., 2018).

Part 2 of Article 69 of the Law of the Republic of Lithuania on Electronic Communications stipulates that a person who receives e-mail contact details from their customers while providing services or selling products under the procedure and conditions laid down in the Law on Legal Protection of Personal Data may use these contact details to market their own similar products or services, provided that the customer is given an obvious, free and easily enforceable opportunity to object to or refuse such use of his or her contact details for the above purposes when such data are being collected and, if the customer did not initially object to such use, with each new message sent.

Article 21 of the GDPR refers as follows. Where personal data are processed for direct marketing purposes, the data subject must have the right to object at any time to processing of personal data concerning them for such marketing, which includes profiling to the extent that it is related to such direct marketing. Where the data subject objects to processing for direct marketing purposes, the personal data must no longer be processed for such purposes.

The term 'soft opt-in' is sometimes used to describe the rule about existing customers. The idea is that if an individual bought something from you recently, gave you their details, and did not opt out of marketing messages, they are probably happy to receive marketing from you about similar products or services even if they haven't specifically consented. However, you must have given them a clear chance to opt out – both when you first collected their details, and in every message you send. The soft opt-in rule means you may be able to email or text your own customers, but it does not apply to prospective customers or new contacts. It also does not apply to non-commercial promotions (ICO, 2021).

The data subject shall have the right to obtain from the controller confirmation as to whether or not personal data concerning him or her are being processed, and, where that is the case, access to the personal data and the following information:

- the purposes of the processing;
- the categories of personal data concerned;
- the recipients or categories of recipient to whom the personal data have been or will be disclosed, in particular recipients in third countries or international organizations;
- where possible, the envisaged period for which the personal data will be stored, or, if not possible, the criteria used to determine that period;
- the existence of the right to request from the controller rectification or erasure of personal data or restriction of processing of personal data concerning the data subject or to object to such processing;
- the right to lodge a complaint with a supervisory authority;
- where the personal data are not collected from the data subject, any available information as to their source;
- the existence of automated decision-making, including profiling, at least in those cases, meaningful information about the logic involved, as well as the significance and the envisaged consequences of such processing for the data subject.

The controller shall provide information on action taken on a request to the data subject without undue delay and in any event within one month of receipt of the request.

Under Part 3 of Article 69 of the Law of the Republic of Lithuania on Electronic Communications, an e-mail message intended to carry out direct marketing must specify the identity of the sender on whose behalf the information is being sent, or a valid address which may be used by the recipient of the message to submit a request to terminate the sending of such information.

The legal bases in marketing under GDPR are consent and legitimate interests. This means that any organization looking to process personal data for direct marketing purposes will need to show either that it has consent from the recipient of the marketing, or that the direct marketing is within the data controller's legitimate interests. The data subjects have the right to withdraw or the right to object depending on the legal basis for processing. In addition, the data subject shall have the right to obtain from the controller confirmation as to whether or not personal data concerning him or her are being processed, and, where that is the case, access to the personal data and the other information specified in the GDPR. (see Figure 1).

GDPR compliance is not a one-time event, but a long-term ongoing commitment, it needs to become an established part of the business to avoid the risks of fines or legal action that non-compliance could bring.

All organizations should act responsibly to major public policy and ethical issues concerning direct and digital marketing practices, issues of intrusion on consumer privacy, and to enforcing and abiding by the regulations developed to protect customers. This will help marketers in building trust and belief in the minds of customers and in developing customer relationships (Mandal, 2019).

Conclusions

Data is collected, analyzed, packaged, and sold by data brokers to third parties, who in turn use the information to bombard us with their products and services. Collected data lets to provide better services and manage customer relationships, which can be monetarily expressed with Customer Lifetime Value, more effectively through highly personalized services, but this leads to the personalization-privacy paradox. Personalization is considered to be a privacy benefit, but personalization can trigger consumers' privacy concerns.

GDPR went into effect on May 25, 2018. The aim of the GDPR is to protect all EU citizens from privacy and data breaches in an increasingly data-driven world. Direct marketing always involves the processing of personal data and is therefore only possible on the grounds of a valid legal basis under the GDPR.

A theoretical scheme of direct marketing that involves data processing has been developed in accordance with GDPR requirements. This theoretical scheme of direct marketing under the GDPR will help organizations establish a legitimate basis for data processing and the rights of the data subject when processing data for direct marketing purposes. In practice, organizations will either rely on the explicit GDPR-compliant consent of the data subjects or on their legitimate interests. Recipients (data subjects) of direct marketing should be given a clear and simple option to exercise their right of objection in case of legitimate interest or revocation in case of consent. Where appropriate, data may no longer be processed for these purposes. Furthermore, all other requests to exercise rights must also be properly followed up. The data subject shall have the right to obtain from the controller confirmation as to whether or not personal data concerning him or her are being processed, and, where that is the case, access to the personal data and the other information specified in the GDPR. This information should be provided in clear, simple, and accessible terms. The purposes of the processing must be precisely described in the privacy notice.

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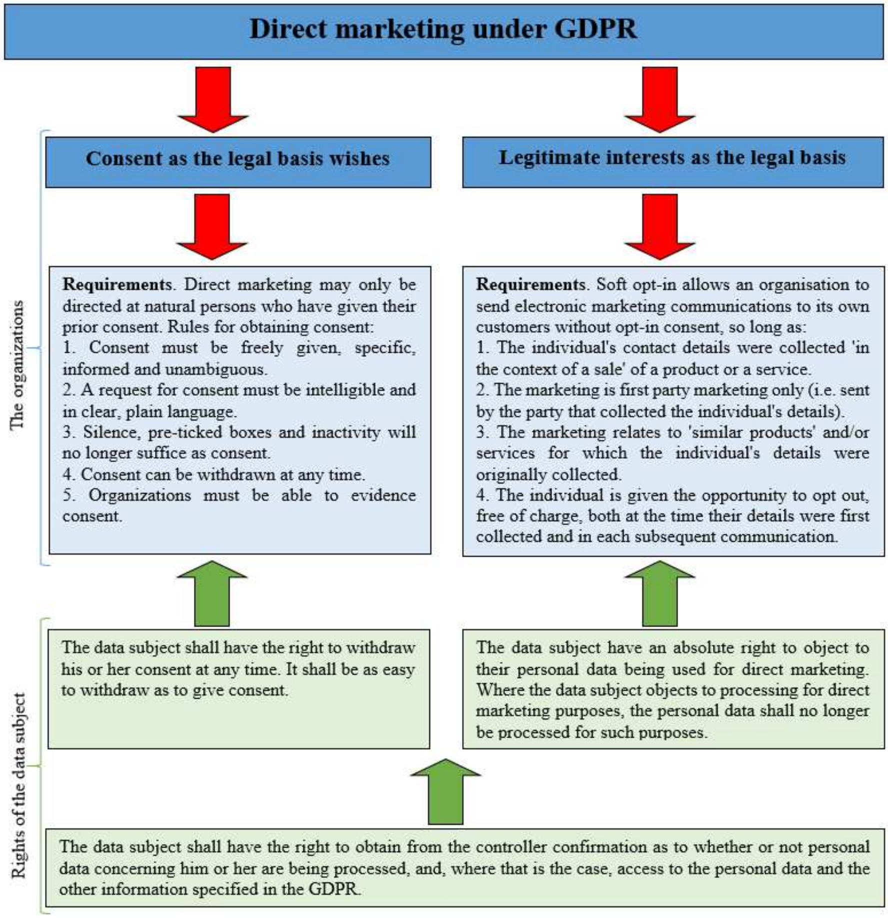
Perčić, K., Perić, N. (2022). The Analysis of Direct Marketing Media Usage and Effectiveness, *Economy and Market Communication Review*, 23(1), 37-56. doi: 10.7251/EMC2201037P.

Annex

Figure 1. Direct marketing under GDPR scheme



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Humanistic management paradigm in social enterprises

JEL Classification: *D21; L29; L39, P13*

Keywords: *social enterprises; commercial enterprises; management paradigm; Polish enterprises; humanistic management*

Abstract

Research background: Social sciences more and more often recognize the need for human empowerment in socio-economic processes. Social enterprises fulfill this need to humanize the economy.
Purpose of the article: The aim of the article is to identify the management paradigm in social enterprises in the light of financial reports created by their management boards. In order to identify the management paradigm, reference was made to the concept of responsibility. The conceptualization of responsibility is based on the Triple Bottom Line (TBL) model, which includes three dimensions: social, environmental, and economic.
Methods: The research method is a comparative analysis of the content of financial reports of 30 selected social enterprises and commercial companies representing the dairy, trade, and insurance industries in Poland. The survey is qualitative in nature.
Findings & value added: Research results confirmed that there are essential differences in the management paradigms of the two analyzed types of enterprises. The reports contain statements confirming responsibility in every aspect; however

the social and environmental aspect is more often presented in management reports of social enterprises, has more manifestations, a broader and a deeper scope. The scope of the content of these reports allows for the conclusion that they have greater awareness of responsibility for society and the natural environment than commercial enterprises. On the other hand, the analysis of the content of management board reports of commercial enterprises shows that their dominant sense of responsibility is economic responsibility. The management picture that emerges from the social enterprise reports shows the use of elements of humanistic management, while the economic paradigm is more frequently applied in commercial companies. Limitations of the study refer to the number of researched enterprises, there are 30 in total. Moreover, only Polish enterprises were analyzed, which makes it impossible to generalize the results obtained in the study. Further research should relate to the identification and evaluation of management practices by the employees of social enterprises and commercial companies.

Introduction

Two different paradigms meet in contemporary management theory. The first - the dominant - is the economic paradigm, while the second - more and more clearly emphasized, but still rarely used - is the humanistic paradigm. At the root of the paradigm divergence is a different understanding of the human being, its needs and motivation to take action (Pirson & Lawrence, 2010; Dierksmeier, 2011).

The economic paradigm assumes that business activity aims at profit maximization. In its scope interpersonal relations are perceived in the perspective of short-term transactions (Pirson, von Kimakowitz, 2014). In this trend, the mechanism of utility and self-interest prevails, which is considered to be the main motive of human actions, while disregarding moral considerations (Mele 2003; Dierksmeier, 2011).

However, in recent years, a humanistic paradigm has appeared. It is an alternative proposal to the management of the companies where the well-being of people is prioritised above the achievement of merely financial goals (Arandia, Garcia-de-la-Torre, 2021, p. 17). Its basic determinant is a man conceived as a zoon politicon who has the right to unconditional respect for dignity (Gintis, van Schaik, Boehm, 2019). The principle of unconditional respect for human dignity refers to the Kantian motto stating that every human being should be an objective, and not merely as a mean of reaching the goal (Mott Machado, Mendes Teixeira, 2017, p.85).]. Humanistic management flourishes as an almost natural response to management models where the main search for financial returns damages the well-being of people, both inside and outside of the company. It is an alternative proposal to the management of the companies where the well-being of people is prioritised above the achievement of merely financial goals (Arandia, Garcia-de-la-Torre, 2021, p. 17).

Humanist perception identifies the human as a rational being who realizes his/her right to freedom in social interactions based on common values. Social enterprises are organizations guided by specific values. Profit is not their main motivation for action, but they highly value a specific type of socio-moral commitment to action, willingness to help, kindness or forgiveness, compassion, altruism and disagreement with existing inequalities and injustice (Miller, Wesley, Curtis, 2010). Empathy, independence, and freedom are also important. These specific values may also be dictated by the organizational and legal form of a social enterprise (Defourny, Nyssens, 2012). The values that characterize, for example, the cooperative movement include self-power, responsibility, equality, solidarity, and democracy. The International Cooperative Alliance also promotes the key role of democratic control of members, their economic commitment, independence, autonomy of cooperatives, etc.

The social rooting of social enterprises and directing activities to the needs of the local community distinguishes them from commercial enterprises. The activity of a social enterprise serves local development and is aimed at social and professional reintegration of people at risk of social exclusion or the provision of social services. Activities in the field of social and professional reintegration carried out for people employed in a social enterprise are not carried out as part of economic activities of that social enterprise (Polish legal act: Ustawa z dnia 5 sierpnia 2022 r. o ekonomii społecznej, Dz.U. 2022 poz. 1812). Unlike commercial ones, social enterprises have a broad social mission that goes beyond their economic role. They promote social stability and alleviate poverty in the communities in which they are located. Regarding social enterprises, the emphasis is always placed on combining economic and social values (Machado H.P., Gaiotto S. A. V., Rovaris Machado M. C., (2020).

Research methods

The aim of the study was to identify the management paradigm of social enterprises, and in this group - cooperative enterprises - compared to commercial enterprises. It was assumed that actions for responsibility that affect the market, its employees (workplace), the society, and the natural environment will be an effective way of identifying the management paradigm adopted in a given group of enterprises. The conceptualization of responsibility was based on the Triple Bottom Line (TBL) concept. It is also known as 3Ps or three pillars model. It assumes that a company should be responsible for three features: Profit, People and Planet, that is economic, social, and environmental responsibility.

The research method is a comparative analysis of the content of financial reports of 30 selected social enterprises and commercial companies representing the dairy, trade, and insurance industries in Poland. The survey is qualitative in nature.

The TBL three dimensions were considered in the research reports, each of which allowed to define the scope of responsibility and actions taken in the social, environmental, and economic spheres.

The study assumes that the content of the research reports may be an effective way of identifying the management paradigm applied in the enterprise. Two research hypotheses were adopted:

H1- in the reports of the management board of social enterprises (including cooperative enterprises) information on activities for the benefit of society and the natural environment dominates over information on economic activities. They are more numerous and have a wider range and a deeper impact than commercial enterprises.

H2 - in the reports of commercial enterprises, activities in the economic aspect dominate, and the activities for the benefit of society and the natural environment are less numerous and have a smaller scope and impact.

Using the e-KRS system (Electronic access to documents and information of the National Court Register) and the e-Sprawozdania (e-reports) application of the Polish Ministry of Finance, 30 reports on the activities of the management board of social and commercial enterprises attached to the financial reports for 2019 and 2020, have been analyzed.

Results

In the light of the content analysis, both groups of enterprises feel responsible and declare that they conduct activities in the area of responsibility. In the reports of the management board there are sentences explaining how it is perceived. Sample sentences from the reports of both surveyed enterprise groups are presented in Table 1.

Social enterprises emphasize the social aspect of responsibility by writing about relations with employees, local communities, members of organizations and subcontractors, emphasizing their importance. Commercial enterprises provide a general understanding of responsibility without pointing to its specific dimensions. They emphasize the awards and prizes obtained for their activities to support other entrepreneurs. Social responsibility means being accountable for the social effects of the company. Table 2 presents the statements of both groups of enterprises relating to the social dimension.

Both groups of enterprises write about diversity of employee groups, however, they perceive this diversity differently. Aging of the society is a stimulus for social enterprises to act in favor of older workers and retirees and pensioners, while for commercial enterprises it is portrayed as a threat.

Social enterprises work with universities to support young and talented students, while commercial enterprises organize internships to select and hire the most talented young people. Social enterprises employ disabled people and foreigners, while commercial enterprises help these groups through philanthropic activities.

The environmental aspect, from the very beginning of the concept's existence, was considered its key pillar. Table 3 presents the statements of both groups of enterprises relating to the activities for the environmental dimension of responsibility.

Social enterprises have a long-term view of current and future environmental needs. They take steps to reduce the negative impact on the natural environment. Commercial enterprises inform about the expenditures incurred for the implementation of the principles of sustainable development and about the activities that financially support non-profit organizations in their activities for the protection of nature.

Economic aspects of responsibility consist of understanding the economic impacts of the company’s operations. Table 4 presents the statements of the management boards reports of both groups of enterprises regarding the economic dimension of responsibility.

Humanistic management pays more attention to people than economic management. The boards of social enterprises recognize their role and devote more space to people in their activity reports than the boards of commercial enterprises. Social enterprises report on activities for their members aimed at supporting the development and modernization of their farms. Commercial enterprises cite numbers that prove the financial efficiency of the enterprise.

Conclusions

The study confirmed that, in the light of formal reports submitted to the National Court Register, there are differences in the paradigms used by management boards of the analyzed types of enterprises. Regarding the responsibility operationalization applied in the study by the concept of three aspects of TBL, it should be stated that the social and environmental aspect is more strongly and clearly emphasized in the reports of the management boards of social enterprises, while the economic aspect dominates in the reports of commercial enterprises. Referring to the concept of 3Ps, it should be stated that in the reports of management boards of social enterprises, People and Planet prevail, while in the case of reports by commercial enterprises - Profit. It can be concluded that social enterprises are more oriented towards applying the humanistic paradigm, while commercial enterprises are more oriented towards applying the economic paradigm.

Research results show that management of cooperatives is based on the values and needs of its members. By creating an organization (association) and an enterprise, the cooperatives developed rules that allowed them to adapt in the environment of the capitalist method of production, internal integration, and sustainable development. The values and needs of the members of the cooperative are visible in the management of the enterprise. When joining a cooperative, members are guided by their values. On the other hand, companies (corporations) require employees to adapt to their values. In their reports, management boards of companies, referring to employee issues, emphasize that they expect employees to adapt to the corporate values. Thus, the difference in the management paradigms used in the surveyed companies, and the adopted hypotheses, was confirmed.

Further research should relate to the identification and evaluation of management practices used by social enterprises and commercial companies by their employees.

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Annex

Table 1. Responsibility in the light of statements in management reports

Responsibility	Social enterprises	Commercial enterprises
	The Group's activity is in line with the idea of sustainable development. It manifests itself both within the Group, in relations between employees and local communities, as well asand in cooperation with farmers, andsubcontractors (Mlekovita) *The cooperative is involved innumerous actions and initiatives that are part of the concept of corporate social responsibility* (Mlekovita)	*In 2021, the editors of the Polityka weekly awarded the Company with the Golden CSR Leaf for activities in the area of social responsibility, and also distinguished the Biedronka program "Time to support small producers*".(Biedronka) *At the same time, work began on a comprehensive strategy of responsibility (sustainable development and ESG) of the Group* (Żabka)

Source: own study based on financial statements submitted to the National Court Register via the eKRS portal

Table 2. The social aspect in management reports

Social Activities	Social enterprises	Commercial enterprises
Age diversity	*The crew is young, educated and there are people with professional experience who serve younger people with advice and help* (Mlekovita)	*Analytical internships are a particularly important source of attracting young specialists. More than half of the participants of the analytical internships receive a job offer.* (Ergo Hestia)
Gender diversity	*(...) at the end of 2021 416 people were employed: 126 women and 290 men.* (SM in Gostyń)	*Żabka focuses on diversity and equality - the gender parity in the Management Board is maintained, and nearly 40% employees are women*. (Żabka)
National diversity	*At the end of December 2021, the cooperative employed 23 people from Ukraine.* (Społem WSS Praga Południe)	
Other diversity dimensions: People with disabilities	*At the end of December 2021, 7 people with a disability certificate were employed* (Społem WSS Praga Południe)	
Other social aspects: Charity donations		*In the reporting year, the company made donations for a total amount of PLN 3.2 million, including food donations to Caritas, ho-spice and food banks for the amount of PLN 2.3 million, and as part of a direct fight against the virus, donations of protection measures (masks, gloves, visors, disinfectants) for hospitals for the amount of almost PLN 0.9 million.* (Transgourment Polska sp.z o.o.)

Source: own study based on financial statements submitted to the National Court Register via the eKRS portal.

Table 3. The environmental aspect in management reports

Environmental Activities	Social enterprises	Commercial enterprises
Environmental protection	*Investments are made at the plant to reduce water consumption, reduce loads in discharged wastewater, reduce electricity consumption and the emitted pollutants* (Mlekovita) *The obtained biogas is a "green" energy source obtained from the so-called renewable sources that in the future should eliminate fossil fuels as it has much lower emission of dust and zero emission of carbon dioxide to the atmosphere* (Mlekpol) *In 2021, no trees were cut, and no costs were incurred for tending works and new plantings* (PSS "Społem" in Katowice)	*Several spots were produced, such as songs and short educational stories on environmental protection, and the target audience was extended to kindergartens.* (Biedronka) *During the year, Biedronka implemented several initiatives for sustainable development, a clear example of which is the premiere of the second book, of which the entire earnings are dedicated to helping. In 2021, the entire proceeds from the sale of the book were donated to the Polish Society for the Protection of Nature "Salamandra", to which the company transferred as much as PLN 1.5 million in the first year of cooperation to support the protection of 6 endangered species of animals in Poland. By the end of the year, over 246,000 books had been sold.* (Biedronka)

Source: own study based on financial statements submitted to the National Court Register via the eKRS portal.

Table 4. The economic aspect of responsibility in management reports

Economic Acitivities	Social enterprises	Commercial enterprises
	We granted loans to 173 members-suppliers for the amount of PLN 9,654,993.28. The money was used to buy dairy cattle, modernize farms, build barns, buy equipment needed for milk production and many agricultural machines. (SM in Krasnystaw)	*In the general third-party liability insurance line, the Company collected PLN 109.5 million gross in written premium in 2021* (Allianz)

Source: own study based on financial statements submitted to the National Court Register via the eKRS portal.

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Management and leadership strategies for transforming workplaces and office markets derived from a mixed method approach

JEL Classification: *C83; M12; R39*

Keywords: *office real estate market; home office; leadership strategies; user behavior; transforming workplaces*

Abstract

Research background: During crisis situations such as the COVID-19 pandemic and the current war between Russia and the Ukraine, a change in user behavior and user requirements could be observed. The German office real estate market is challenged by many other trends and developments such as the increasing trend towards telecommuting, shared spaces and the fundamental pursuit of socially responsible and sustainable investments.
Purpose of the article: The aim is to identify the factors which most strongly influence the German office real estate market and to investigate the way how real estate firms apply to the changing market by adapting their leadership strategies.
Methods: By means of a mixed method approach, the complex real economic research problem is addressed. A total of three groups of persons are identified: users of office real estates, employees in corresponding real estate companies and executives in this industry. A quantitative approach is used to depict the requirements and needs of office real estate users in the current market environment and the approaches taken by management to address these changes. The approach is completed by a qualitative presentation of the perspective of executives in this environment, based on standardized expert interviews.
Findings & Value added: The findings show a comprehensive analysis of the market development concerning office real estates in Germany and the changes regarding user, management and leadership behavior and strategies. Influencing factors that have changed the market segment in recent years are identified. The linkage between changes in the real estate market and company-related change management in terms of leadership approaches can be shown.

Introduction

Initial Situation and Relevance

The research work planned and proposed here accordingly is to be concerned with management and leadership agendas (Palm, 2013; Lindbergh & Wilson, 2016) in the German real estate industry and thus provides a link between changing customer requirements on the one hand and the accompanying challenges for companies in the industry on the other (see Zhu, 2021).

In the following, on the one hand, the thematic relevance of the changes and their significance for the real estate market and, on the other hand, changes regarding the approach of real estate companies in this changing market environment will be discussed. The planned research work tries to approach the complex topic both from the perspective of existing findings in the German-language as well as international specialist literature, and from an empirical perspective utilizing a mixed-method approach.

Relevant concepts to be addressed within the proposed work do not only focus on the real estate industry itself, but also on the overall concept of change management and according leadership principles (see Tagliaro & Ciaramella, 2016). It is assumed, that a rapidly changing external environment requires the adaptation of internal processes and a strong resilience, as researchers such as Inalhan (2009) highlight. Using a mixed-method approach, the proposed work seeks to address this complex interplay of external developments and internal strategies, acknowledging the intermediary role of employees in the field as relevant actors of change.

This proposed thesis aims centrally to address the question of the relevance of sustainability in the real estate industry, paying particular attention to the field of office properties. These are characterized - to name the feature relevant to this work - by the fact that the entity responsible for the decision to buy or rent does not necessarily coincide with the actual users of the property, thus the company employees populating these workplaces. There is in general a discrepancy between users (e.g., employees) and decision-makers (e.g., leaders or managers) in this sector - unlike in much of residential real estate, where the ones taking the decision for a particular space, are also the ones later populating it. While typically executives or managers of a company are the ones who make the decision to acquire or recruit an office property, employees are typically the (primary) users of such properties.

For the purpose of the planned thesis, this particular circumstance shall be taken into account and it shall be investigated to what extent the desire for more sustainable office real estate (see Mangialardo, Micelli & Saccani, 2018), which is increasingly reported in the technical literature as well as in popular scientific publications, influences both the user and the decision maker perspective. In the context of this study, special attention will be paid to the extent to which the developments resulting from the COVID 19 crisis for the office real estate market can also influence the desire for sustainable real estate.

In this respect, reference can be made above all to the developing trend towards teleworking. Authors such as Von Gaudecker, Holler, Janys , Siflinger and Zimpelmann (2020) report that this trend towards digital working away from the actual workplace was significantly reinforced by the COVID-19 crisis: Most governments recommended or even demanded that companies allow their employees to telework where possible to counteract the spread of the pandemic and, more generally, to pose less of a threat to the safety and health of the workforce. In this sense, the move toward telecommuting is also described in the context of this paper as a sustainable and socially responsible approach from several perspectives: On the one hand, it can be described as a socially responsible, entrepreneurial approach to take measures to protect the health - and subsequently also the mental well-being - of one's own employees and also to achieve positive, social consequences with it. On the other hand, telework can be seen as a sustainable approach to modern work design - also independently of the current COVID-19 crisis - as it is, for example, significantly suited to improve the work-life balance of employees (see Maruyama, Hopkinson & James, 2009) and is also able to minimize pollutant emissions caused by commuting to and from the workplace (Belzunegui-Eraso & Erro-Garcés, 2020).

Baert et al. (2020) further argue that this is also accompanied by an increasing trend toward teleworking - i.e. working from outside the office premises. However, they emphasize that from the current perspective it still seems unclear whether this trend will continue accordingly after the crisis. This is also described by Schur, Ameri and Kruse (2020), who also describe this rapid trend reversal toward teleworking as a positive result of the crisis. At the same time, however, it also creates new challenges for employees and managers, which must be addressed accordingly (Raišienė, Rapuano, Varkulevičiūtė & Stachová, 2020).

The fact that home-based or telecommuting seems to be viewed positively by a majority of employees is shown, for example, in a study conducted by Catella Research (2020). Almost 85% of the employees surveyed in this way state there that they rate the option of teleworking introduced as part of the COVID 19 crisis as very good or good. Also, 85% of those surveyed say that the use of digital forms of communication has also led to an increase in efficiency. The design of workplaces or generally publicly accessible places will also be influenced by the trend toward social distancing, as Dietz, Horve, Coil, Fretz, Eisen and Van den Wymelenberg (2020) note with a reference to the avoidance of so-called shared spaces.

Basically, authors like Del Giudice, De Paola, and Del Giudice (2020) hold that the impact of a pandemic on the real estate industry and the price development within this industry is an almost unexplored area. This is mainly due to the fact that corresponding comparable situations have typically occurred only in smaller areas or historically far back, which makes the current situation remarkable. At the same time, however, the authors point out that at least comparative values from other globally perceptible crises - for example, the Great Depression or from times of war - can be used to provide at least approximately valid estimates. Referring to a study by Wong (2008), Del Giudice et al. (2020) explain, for example, that the SARS crisis in 2003 - which was less widespread regionally - had a significantly negative impact on Hong Kong's real estate market. The authors go on to say that a similar situation was also evident in the period following the terrorist attacks on the United States of America. The current situation, however, seems to be even more complex, as not only a general crisis has occurred, but one that also seems to have a direct impact on real estate market behavior.

That the (negative) financial impact of the COVID-19 crisis on the real estate industry seems to be lasting is shown by estimates presented by Del Giudice et al. (2020). Two factors are to be expected: First, the impoverishment that will result as a consequence of involuntary inactivity in many productive and commercial sectors; second, a new future propensity of families that will prioritize saving to protect themselves from other future difficulties. In the short term, the impact of this situation will quickly affect housing sales and housing prices, which could fall between 1.3% and 4.0% for the housing market in the two-year period 2020 to 2022. Thus, the COVID-19 crisis coincides with originally positive assessments regarding the office real estate market. As a report by Deutsche Bank Research (2020) shows, this market segment has so far been characterized by optimism - for example, this study talks about the fact that office shortages still prevailed to some extent in 2019, at least in urban areas, which shaped the market accordingly. However, the pandemic not only led to the above-mentioned trend toward working from home, but also to a general decline in employment. Metropolitan areas in particular could prove to be a difficult market in terms of COVID-19 developments.

Against this background, this paper will discuss how these and related developments lead to changes in the conditions of use of office real estate not only in the short term - that is, during the continuation of the crisis with its countermeasures - but also in the long term. It will also be determined whether these changed conditions of use are already being taken into account accordingly by firms and practitioners, leading to the second aspect of the research problem at hand. As the overall developments within the market, thus focusing on customer expectations, are addressed, the management and leadership side of the equation is targeted as well. Managerial decision making and ways for companies to adapt to an evolving market are to be focused on, thus shifting both potential and already implemented strategies into the center of attention.

Research gap and questions

The current COVID 19 crisis can be described as a unique event. As will be shown in the course of this paper, it is affecting economic activity in a variety of ways that seem only partially foreseeable or predictable. User behavior and habits change with the course of the pandemic, which should also affect the office real estate market, according to the initial assumption of this work.

A complex relationship emerges: in this market, the decision-makers about purchasing or renting a property are not (necessarily) the same as the actual users of the property: office properties are used by office workers, who have only partial ability to influence decisions about the properties they use.

To address this discrepancy in the context of this thesis, reference should be made to the seemingly relevant field of sustainability and social responsibility - the assumption of social responsibility by companies is increasingly expected by employees and other stakeholders. Following this idea, which will be addressed in the thesis, it can be assumed that user needs should at least partly find their way into real estate decisions, which makes the analysis of these changing needs seem reasonable. The central research problem identified for the proposed work lies in the interface between customer expectations on the one side (as they will be addressed throughout the proposed thesis) and managerial consequences on the other side.

Authors such as Pearse (2017) or Bennett and Lemoine (2014) explain the overall importance of leadership and management in shaping companies to be resilient to change and to be able to adapt to quickly changing market environments. For the office real estate industry – especially in the environment of a strongly and rapidly changing market shaped by various developments – no according results can be identified within the scientific literature, however, the high relevance of employees as individuals strongly responsible for company success are also highlighted within this industry (Majumder & Biswas, 2021; Phillips & Roper, 2009)

The leading research question guiding this work is:

1. Which factors most strongly influence the (German) office real estate market?
2. To what extend do office real estate firms react in terms of adapting their leadership strategies to the changing market?

In addition to the above-defined leading research question, the following minor research questions will be answered:

1. How can the development of the office real estate market in recent years be described?
2. How did user behavior change during the last decades and years?
3. Which user requirements exist in the office real estate market?
4. Which challenges can be identified for the management of office real estate companies due to a change in user behavior and a change in user requirements?
5. Is there a discrepancy between users' expectations (e.g., employees) and decision-makers (e.g., leaders or managers) in this sector?
6. Which leadership strategies are used in general to face the challenges of rapidly changing markets and business environments?
7. Which recommendations for action can be given to the management of office real estate companies to better meet users' requirements in future?

The research questions are intended to map both the developments with regard to the use of office real estate (for example, due to the increasing trend towards telecommuting or the avoidance of shared spaces) and the fundamental pursuit of socially responsible and sustainable investments. In order to be able to answer the questions, aspects of sustainability and social responsibility in the business environment (corporate social responsibility, CSR) will first be explained in this paper. Their relevance for the real estate industry, where sustainable real estate is also increasingly required, will also be explained in this regard. Starting from these basic assumptions, the COVID-19 crisis will be examined and analyzed from the perspective of the real estate business. In doing so, the changes in user behavior - with a reference to social distancing and telecommuting/home office - on the one hand and the financial implications of the crisis on the other hand will be addressed. It is also discussed to what extent the crisis changes the meaning of sustainability itself or the implementation of more sustainable approaches. Finally, the initial research question will be discussed critically and an outlook on future developments will be presented.

Scientific added-value

The planned contribution to the state of research results in particular from the addressing of the complex research problem: A comprehensive analysis of the market development concerning office real estate in Germany is to be worked out, which is to be considered in the environment of the Covid 19 pandemic and the changes resulting from it regarding the user behavior.

Different influencing factors that have changed the market segment in recent years - in addition to the trend towards telecommuting and the resulting change in usage habits, aspects of general digitalization and sustainability concerns - will also be addressed accordingly with regard to the changes in leadership in this industry. It seems particularly noteworthy here that the general management literature (see Peng, Li, Wang & Lin, 2021; Jones, Firth, Hannibal & Ogunseyin, 2019) points out in a very clear way that, especially in times of upheaval, one of the central challenges for leaders must be to adjust and prepare their companies and thus also their employees for this process of disruption.

In terms of resilience management, authors like Mangundjaya and Amir (2021) explain that external changes in a highly volatile environment also require corresponding adjustments in terms of leadership and management behavior. This is to ensure that managers are able to initiate internal resources for the change processes (Avery & Bergsteiner, 2011). This should include both procedural and structural conditions as well as aspects of culture and employee motivation in an appropriate manner. For the environment of the (German) real estate industry, there are no (empirical) findings on the extent to which corresponding approaches to change and resilience management are applied, or on the extent to which market changes are actually responded to not only through offers and marketing, but also through structural and company-related changes. This should be the central added value of the research work planned here, which should deliver a valid result by applying a mixed-methodology here.

This leads to a linkage of two - currently - particularly distinctive research currents: Research on the one hand on the subject of changes in the real estate market and on the other hand on company-related change management and the associated leadership approaches. The empirical approach should make it possible to make the connection between these two streams visible accordingly and to work out existing challenges.

Structure and Methodological Approach

The present thesis is structured into the following three parts:
1. Theoretical basics / state of research
2. Empirical survey
3. Results.

In the following, these three parts will be explained regarding their content and structure.

Part I: Theoretical Basics (Chapter 2)

The state of research chapter is sub-divided into three theoretic main parts, which are of high relevance for the present thesis' topic.

In this context, section 2.1 deals with the office real estate industry. On one hand, it explains the development and the specific characteristics of the office real estate market, and on the other hand, it gives an overview on office real estate companies regarding their actual strategies and business models in the age of ongoing digitalization.

Section 2.2 represents the present thesis' second theoretic sub-aspect: the challenge for companies arising from changing customer demands. In this context, the influence of megatrends such as sustainability, digitalization and new work on the office real estate market is analyzed. Additionally, customers' expectations and perceptions of service and service quality have changed during recent years.

Part II: Empirical Survey (Chapter 3)

In order to do justice to the complexity of the topic and at the same time to take into account the different stakeholder perspectives in an adequate manner, a mixed method approach (Döring & Bortz, 2016; Tashakkori & Creswell, 2007) is to be used, which in principle should be suitable for dealing with a complex, real economic research problem.

As relevant stakeholders of the research activity to be carried out here, and thus as guiding the planned empirical approach, a total of three groups of persons are identified: Users of office real estate, employees in corresponding real estate companies and executives in this industry.

A quantitative approach is to be used to depict the requirements and needs of the users of office real estate in the current market environment and thus to provide a baseline for the further research activity. In this way, it should be possible not only to make statements about market changes on the basis of secondary data, but also to draw on primary data in view of the high volatility.

This will be followed by a look at the entrepreneurial perspective. Using a quantitative approach, employees will also be asked to evaluate both their perception of changes in the market and the approaches taken by management to address these changes.

This approach will be completed by a qualitative presentation of the perspective of executives in this environment, based on standardized expert interviews. Thus, these three perspectives and the procedures that seem adequate for collecting them should make it possible to derive the most valid and reliable picture possible of the overall situation and its challenges in the sense of method and data triangulation (Wilson, 2014).

Summarizing the present thesis' methodological approach to answer the above-defined research questions, the following can be stated: By means of a mixed method approach, the complex real economic research problem is addressed. A total of three groups of persons are identified: users of office real estates, employees in corresponding real estate companies and executives in this industry. A quantitative approach is used to depict the requirements and needs of office real estate users in the current market environment and the approaches taken by management to address these changes. The approach is completed by a qualitative presentation of the perspective of executives in this environment, based on standardized expert interviews.

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Innovation in information systems of SMEs

JEL Classification: *O36; L25; L36*

Keywords: *innovation; information communication technology (ICT); small and medium enterprises; competitiveness; management*

Abstract

Research background: The article discusses the subject of the innovation in information systems of small and medium-sized enterprises. The results of the research on barriers faced when introducing innovation in the surveyed economic entities were presented.
Purpose of the article: The aim of the article is to identify and define internal financial barriers to the implementation of innovative information systems in small and medium-sized enterprises.
Methods: The research was carried out in business entities belonging to the SME sector, with particular emphasis on enterprises from the Silesian Voivodeship. The research group consisted of owners managing their enterprises and the managerial staff, especially managers of sales, finance, and accounting departments. The adopted goal and hypothesis were tested using an original research tool - a survey questionnaire.
Findings & Value added: The contribution of the conducted research consists in the provision of practical implications for decision-makers and business management, who can improve their understanding of the business environment, in which ICT capabilities are typically observable through informed decision-making by using and developing IT resources.

Introduction

The development of innovation is the basis for creating entrepreneurship as well as the highest quality products and services. The ongoing process of globalization, the financial crisis, and the technological revolution significantly impact the functioning of modern enterprises. In order to maintain their market advantage, they are forced to acquire adaptive skills, creativity and flexibility, and to actively implement the necessary changes. An important aspect of addressing the topic of managing small and medium-sized enterprises is the role of this sector of enterprises in the Polish economy. The activities of micro, small, and medium-sized enterprises from the SME sector, play a significant role in the structure of the modern economy and society. It has a direct impact on economic growth, creation of new jobs, while reducing unemployment and saturation of the market with high-quality goods and services. Small and medium-sized enterprises are a kind of simulator of economic development, and their number and potential can be one of the measures of economic growth assessment.

The role of technological innovations in the functioning of enterprises in the SME sector (but not exclusively) is very important and applies to many areas of the company's activity. First of all, as it was already mentioned, it provides a competitive advantage to the company by helping to diversify the market and create new commercial opportunities. Innovations also improve the quality of services, increase employee productivity and reduce operating costs. Technological innovations lead to novel decision-making and will evolve over time. As technology matures, technological capabilities are relatively easy to spread, which means that technological innovations become the foundation of organizational values and sustainability (Sun et.al., 2022).

The literature on the impact of information and communication technologies (ICT) is extensive and indicates its significant and positive impact on the development and functioning of enterprises, especially in micro-enterprises as well as small and medium-sized companies. Many authors deal with the factors determining the performance of SMEs (Małkowska and Uhruska, 2022; León-Gómez, et al., 2022; Wach, 2020). Moreover, by conducting innovative activities, enterprises also gain a competitive advantage that positively affects their performance. Taking advantage of ICT provides SMEs with significant opportunities to reduce costs and increase production, thus helping to improve their financial performance, but also impacts environmental sustainability. Nevertheless, the impact of using and adopting ICT in companies has not only economic effects (Rosenbuschet et.al., 2016). Elsewhere, ICT also plays an important role in information exchange.

The article has the following structure: the first part presents the significance of ICT in SMEs. Then, the article examines the role of ICT in SMEs, as well as the barriers associated with adopting ICT. Next, research hypotheses have been presented along with the adopted research methodology. Finally, an analysis and discussion are presented, before formulating conclusions and recommendations for future research.

Research methods

The literature points out the challenges faced by SMEs seeking to improve their performance through the use of ICT. From one perspective, the benefits of given technologies can be significant. However, there are many more perceived and actual implementation barriers and not all are within the control of the organisation.

The method of social research using a questionnaire and quantitative methods were used. The research was carried out in business entities belonging to the SME sector, with particular emphasis on enterprises from the Silesian Voivodeship. The research group consisted of owners managing their enterprises and the managerial staff, especially managers of sales, finance, and accounting departments. The survey research strategy is an approach widely accepted and common in business and management research (Bryman, 2012). It intends to make generalisations concerning the population by collecting information from selected samples. It is used for exploratory and descriptive research and is usually associated with a deductive approach (Corbetta, 2003). Surveys are used because they allow to collect large amount of data from a large population in a highly cost-effective manner (Bryman and Bell, 2011). This research took advantage of the self-completion questionnaire technique. The survey was addressed to the owners/managers of the researched companies and asked for their consent to participate in the survey. Obtained data was related to the active and registered SMEs in the Silesian Voivodeship and specific companies were selected randomly to obtain a representative sample. The survey questionnaire was divided into two sections: Section 1 involved gathering demographic information concerning a given company. Section 2 focused on the barriers associated with adoption of ICT. Answers to questions were provided using a five-point Likert scale. Some questions included open-ended responses in order to obtain more detail and include a wider range of responses. A pilot test of the questionnaire was carried out to refine it.

A total of 250 questionnaires were sent to owners/managers of SMEs in the Silesian Voivodeship. The questionnaire included a cover letter stating the purpose of the survey and ensuring the anonymity of the respondents and their organisation. A total of 190 questionnaires were returned, of which 160 were complete, corresponding to a response rate of 64%. This sample size is taken into account and sufficient for analysis.

The selection of the research sample was random, while the snowball method was used to obtain respondents. However, this selection was made based on the following premises: the research entity consists of enterprises from the SME sector of the Silesian Voivodeship; the research subject is innovations in information systems concerning company management; the research group includes all employees of enterprises.

In view of the above, the question arises: what barriers limit the development of innovation in these companies and what needs to be changed in order to increase the innovativeness of small and medium-sized companies? At the same time, it is widely known that the innovativeness of these companies is the basic condition for obtaining a sustainable competitive advantage of these entities. Based on the literature review, a research gap was identified, which is the identification of barriers to the implementation of innovations in small and medium-sized enterprises.

In the procedure of statistical testing of correlation significance, a level of significance equal to $\alpha = 0.05$ was adopted. The calculations were made using the PQStat program. Due to the regional nature of the research, the results presenting the scale of the researched phenomenon cannot be generalized for the general population.

For the purpose of verifying the hypothesis, the work takes advantage of the Spearman rank correlation coefficient. This coefficient was used due to the scale used in assessing the researched variables, i.e. the order scale. Spearman's rank correlation coefficient is one of the non-parametric measures of the monotonic statistical relations between random variables. This coefficient is used to describe the strength of correlation between two features, when they are measurable, the studied collective is small and of a qualitative nature and it is possible to be organized. This measure is also applied to studying the relation between quantitative features in the case of a small number of observations. The Spearman rank correlation coefficient rs is determined for an ordinal or interval scale. It is used to study the strength of the monotonic relationship between X and Y.

The Spearman rank correlation coefficient is calculated according to the following formula:

$$r_s = 1 - \frac{6\sum_{i=1}^{n} d_i^2}{n(n^2-1)} \quad (1)$$

where:
di = $R_{x_i} - R_{y_i}$ rank difference for feature X and feature Y;
n – quantity di.

For tied ranks, a modification of this coefficient was used.
The value of the coefficient is within the range r_s ε $<-1; 1>$, where:
rs ≈ 1 means the occurrence of a strong positive monotonic (increasing) relation; an increase in the independent variable corresponds to an increase in the dependent variable,
rs ≈ −1 means the occurrence of a strong negative monotonic (decreasing) relation; an increase in the independent variable is matched by a decrease in the dependent variable,
rs ≈ 0 means that there is no monotonic relation between the researched factors.

A detailed interpretation of Spearman's rank correlation coefficient is presented in Table 1.

In this article, the variability of answers regarding the scale's individual positions (included in questions 2-5 and 8-10) in each of the studied groups was initially estimated on the basis of percentile fractions, followed by classic statistical measures of position and variability (average and standard deviation) and the selected positional measure – modal (otherwise: dominant, occurring most often). Despite the fact that classic statistical measures are used for the interval scale, and the examined variables are determined on the Likert scale, which is an ordinal scale, it was decided to take advantage of these statistical measures to initially estimate the position and variability of the respondents' responses to the analyzed statements.

Results

The characteristics of the enterprises participating in the research were analyzed based on the results from the metric part of the survey concerning the characteristics of enterprises. The research group consisted mostly of small enterprises (almost half of all researched companies), while every third economic entity belonged to the group of medium-sized enterprises.

The largest research group were service enterprises. Every fourth business entity dealt with production. Slightly more than 15% were trading companies. They were followed by transport companies and construction companies. The largest group of enterprises consisted in companies active on the market for more than 5 years but not more than 10. The second group consisted of rather young companies, whose activity was up to 5 years on the market. A typical respondent participating in the research is usually the owner of the enterprise or a person who performs managerial functions in the company. More often it is a man. Every fifth respondent was a woman. The surveyed respondents were most often aged 35-44, and their work experience was between 5 and 10 years.

When analyzing the answers to the question "What is innovation for you?" the definitions provided by respondents in the survey regarding the term "innovation" were grouped in accordance with common meaning groups. Respondents equate innovation with new a technology and new/modern solutions at work, with creating something new in the company (6 indications), also with a change in: technology, procedures, the work process (4 indications), which is to give specific results: improve work, raise its level, reduce costs (5 indications). According to the respondents, innovation is also an expense (1 indication).

Another research area was the identification of innovations in information systems supporting important areas of small and medium-sized enterprise management. Respondents indicated which innovations in information systems were implemented in their enterprises in order to support specific areas of company management. The list of innovations implemented in information systems in the researched enterprises was sorted from the most common to the least common. The innovations implemented most frequently in information systems in the researched enterprises are: e-invoices (97.3%), accounting platforms (92.0%), and hybrid accounting (90.7%). Among the 22 analyzed innovations, 14 of them (i.e. 63.63%) were implemented in more than 50% of the surveyed enterprises. Only innovations such as: Cognos Controller and Robotics Process Automation (RPA) did not obtain the status of "implemented" in the surveyed enterprises.

The three most frequently identified internal barriers related to introducing innovations in information systems in SMEs, in terms of which the respondents:

- rather disagreed, were:
  1. lack of information on available new technologies,
  2. lack of information concerning the market,
  3. lack of leadership commitment in terms of innovation.

- neither agreed nor disagreed (i.e. had no opinion), were:
  1. lack of leadership commitment to innovation
  2. resistance of employees to changes,
  3. outdated machinery.
- Slightly agreed:
  1. lack of sufficient own funds,
  2. high risk of failure
  3. difficulty in obtaining external financing.
- agreed:
  1. lack of the company's strategic plans,
  2. limiting own funds for other investments,
  3. lack of sufficient own funds.

Most often, the "slightly agree" assessments concerned the category of financial barriers (73.1%), legal and tax barriers (68.0%), and resource barriers (51.3%). Most often, the "neither agree nor disagree" assessments concerned the categories of behavioural barriers (70.0%), technological barriers (56.0%), and those related to human resources (53.6%). The most frequently indicated assessments for the analyzed categories of internal barriers are "slightly agree or agree". Most often, such assessments concerned the categories of internal barriers, such as: financial (75.8%), legal and tax (68.0%), and resources (53.3%). The largest share of "disagree or slightly disagree" assessments concerned the category of internal barriers related to human resources (21.3%).

Then, an analysis of the correlation between the assessments of financial barriers in the implementation of innovations in information systems and the assessments of the perception of various aspects of SME innovation was carried out. Relatively the strongest correlation of all (negative, of moderate strength) occurred in the case of financial barriers, between the barrier of the type "limitation of own funds for other investments" and the statement regarding innovation, such as: "values adhered to by the company are conducive to policy based on innovation".

Conclusions

Implementing ICT in SMEs may also require significant effort on the part of users, who need to learn how to use the system and optimise its functionality to deliver greater value.

Of course, the conducted research is burdened with certain limitations: only organisations operating in Poland took part in the study, so the analyses take into consideration the specifics of innovations carried out in these organisations; therefore, in the future, it would be worth considering verifying the formulated hypotheses in organisations operating in other countries, especially China - countries with a broad spectrum of new technologies. This may be a clue for future research. The current situation also calls for the study to be repeated in a more turbulent environment, which may further confirm the views obtained, but will include limitations concerning "post Black Swan event" conditions. It is also worth noting that the research sample was not representative, so the conclusions may not be suitable to be generalized in terms of all companies operating in Poland. Of course, it was diversified enough to allow drawing generalised conclusions, but also confirmed the possibility of further research in this area.

The contribution of the conducted research consists in the provision of practical implications for decision-makers and business management, who can improve their understanding of the business environment, in which ICT capabilities are typically observable through informed decision-making by using and developing IT resources.

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Annex

Table 1. Interpretation of Spearman's rank correlation coefficient

r_s	Interpretation
less than 0.2	weak correlation (basically no correlation)
0.2 – 0.4	low correlation (clear correlation)
0.4-0.6	moderate correlation (significant correlation)
0.6-0.8	high correlation (strong correlation)
0.8-0.9	very high correlation (very high correlation)
0.9 - 1.0	basically complete dependence

Source: Gauthier (2001).

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