



МЕНЕДЖМЕНТ ТА ПІДПРИЄМНИЦТВО: ТРЕНДИ РОЗВИТКУ

Електронне наукове фахове видання

MANAGEMENT AND ENTREPRENEURSHIP: TRENDS OF DEVELOPMENT

ELECTRONIC SCIENTIFIC EDITION

eISSN: 2522-1566

www.management-journal.org.ua

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VOL. 1 ISSUE 19

ВИПУСК 1 (19)

APRIL 2022 / КВІТЕНЬ 2022



Міністерство освіти і науки України
Запорізький національний університет

**МЕНЕДЖМЕНТ ТА ПІДПРИЄМНИЦТВО:
ТРЕНДИ РОЗВИТКУ**

*ЕЛЕКТРОННЕ НАУКОВЕ ФАХОВЕ ВИДАННЯ
КАТЕГОРІЇ «Б»
ВИПУСК 1 (19) 2022*

Запоріжжя
2022

Ministry of Education and Science of Ukraine
ZAPORIZHZHIA NATIONAL UNIVERSITY

**MANAGEMENT AND ENTREPRENEURSHIP:
TRENDS OF DEVELOPMENT**

ELECTRONIC SCIENTIFIC JOURNAL

ISSUE 1 (19) 2022

Zaporizhzhia
2022

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Рекомендовано до поширення через мережу Інтернет Вченою радою ЗНУ

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ISSN (Online): 2522-1566

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ISSN (Online): 2522-1566

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ECONOMICS

RECEIVED:

29 December 2021

ACCEPTED:

10 February 2022

RELEASED:

20 April 2022

UDC 338.246.025.28(594)

DOI [10.26661/2522-1566/2022-1/19-01](https://doi.org/10.26661/2522-1566/2022-1/19-01)

**PRIVATIZATION OF PUBLIC SPACE:
STAKEHOLDER ANALYSIS IN SHIFTING THE FUNCTION OF PUBLIC SPACE
CASE STUDY IN KEDIRI CITY, INDONESIA**

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Abstract. Infrastructure development must take into account the needs and safety of the people living around the area where the infrastructure will be built. Kediri is one of the cities in East Java that has experienced rapid development in the last ten years. The government is the main actor because the policy on the management of public space is in government agencies. This study **aims** to determine the shift in the function of public space and how the interests that exist in it. Using descriptive qualitative **methods** with three data collection techniques, namely interviews, observations and documentation to informants consisting of the Department of Industry and Trade, the Department of Transportation, Street Vendors, and the general public. The **result** is a pattern of shifting the function of public space in the City of Kediri, consisting of three, namely the shift of the function of the sidewalk to a trading area, the shift of the function of the road to a parking area, the shift of the function of convenience to fulfillment of needs. In addition, there are three types of stakeholders that have been identified, namely key, primary and secondary.

Keywords: public space, stakeholders, privatization

JEL Classification: R32, R53, R58

INTRODUCTION

The administration of public space is indeed the responsibility of the government, the goal is that the function of the public space can reach the recipient, namely the public (the wider community) (Ningtyas, 2019). The existence of infrastructure development and all the impacts it causes, seems to increasingly shift the function of the public space itself. This is where the government does not realize that the implementation and maintenance of public space according to its function will make the interests of the public more realized. Kohn (2004) defines a public space as a state-owned site, open to everyone, and which encourages social interaction between its users. Carr et al. (1992) also defines public space as a place that is open and accessible to the public that facilitates vital activities for community development. So that the public space itself is an important part in efforts to build a society, both physically and non-physically.

Infrastructure development must consider the needs and safety of the people living around the area where the infrastructure will be built, so that the development of friendly and sustainable

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settlements can be realized. Kediri is one of the cities in East Java that has experienced rapid development in the last ten years. Investment is an important part in increasing economic development in an area, as well as in the City of Kediri. The growth in investment and in the economy, which can be seen from the rapid development of infrastructure, especially for the public, is a proud achievement.

The governance of this area becomes a serious concern when the community is increasingly accommodated or not accommodated for its interests and needs in the city. Therefore, the government needs to strive so that public space remains in accordance with its function without disturbing the growth and development of the city area itself.

In a period of 5 years, from 2016 to 2020, it was found that there was a significant increase in the number of trading facilities in Kediri City. This indicates the various possibilities and impacts caused by an increase in trading facilities. The economic impact is one of the most visible of the development of these trading facilities. In addition, there are problems that arise, namely there are still street vendors whose existence is in public spaces, the existing street vendors have not been organized (Barenlitbang, 2018).

The government is the main actor because the policy on the management of public space is in government agencies. Apart from that, the government and all elements including the community also have a responsibility to ensure that urban development is in accordance with the needs of the community. As regulated in Law no. 26 of 2007 concerning Spatial Planning Article 1, in which it states that each region has the authority to compile and regulate the implementation of spatial planning. This proves that all elements are an important part in the development of spatial planning in the region.

According to Jacinta Francis at all (2012) explained that public space is basically indispensable by the community to create a sense of togetherness and indeed public space exists because it is interrelated. In addition, there must be a guarantee of the quality of the public space which is realized through government policies. Finally, public space is provided by the government as a forum for the community's need for public space itself. The second article is from Dini Tri Hariyanti (Master Thesis, 2008), which describes the pattern of utilization of public open space to serve as the basis for the plan to develop a public space area in Semarang City. Subsequent research entitled The role of stakeholders in the implementation of the conservation village model in Mount Rinjani National Park by Andi et al (2017) which describes collaboration to develop a conservation park in which the national park as public space is studied.

The explanation describes the focus of the problem of this research, namely the privatization of public space by analyzing using the stakeholder analysis method in the City of Kediri. With this research, it can be seen how public space in the city of Kediri is, its use, shifts in the function of public space, and how the interests that exist in it.

LITERATURE REVIEW

Kay and Thompson (1975) state that privatization is a limitation of changing conditions in the relationship between the government/public sector and the private sector. This change can be seen through changes in ownership and deregulation of the rules regarding the position of managing facilities for the public. This can be possible in the form of a monopoly or franchise in activities to serve the public. In addition, privatization can also be referred to as a form of effort to reduce the role of the government, so that the private sector can play a more active role in running public facilities (Savas, 1987). In line with the above limitations, it concludes that privatization is one of the public policy instruments that can be used to encourage free competition so that it is considered to reduce the impact of market failure caused by government intervention (Mardjana, 1993). Santoso (2006) also explains that the privatization of public space can make social problems more complicated, one of which is about security issues, the existence of exclusive groups. The limited public space that can be freely accessed by the public makes the public unable to channel their

positive activities and the aggressiveness of youth which continues to grow, thus creating social pressure in the midst of the development of privatization of public space.

Carmona (2014) and Kohn (2004) assert that the privatization of public space has a negative connotation of “political discourse” and promotes social isolation. According to Higgins (2009), defines privatization as the involvement of the private sector in the provision of services or facilities which are mostly considered the responsibility of the public sector. Privatization can be in the form of divestment, but is not limited to diversification of state airlines, trains and telephone services, as well as other public facilities such as health, education, housing, and public spaces in the form of shopping centers and paid playgrounds (Kressel, 1998 cited in Nasution and Zahra). , 2011; McDonald and Ruiters, 2006). Additionally, McDonald and Ruiters, (2006), recognize Public Privat Partnership as another means of privatization that is usually adopted by most cities.

According to Huat (1992), there are two types of public space according to its location, namely outdoor public space and indoor public space. Outdoor public space means public space that is located outside the building, such as a field, bicycle path, pedestrian path, open green park. The second is indoor public space, which is a public space where it is located in a building, such as shopping centers, office buildings. Tonnelat (2010) argues that the emergence of semi-public spaces managed by private/public partnerships or entirely private includes the definition of public space, in particular the definition given by Kohn (2004). Mierzejewska (2011) argues that public space is not limited to areas captured under the local government umbrella in terms of management and control, but includes other areas managed by other entities that improve the climate, aesthetics and landscape of an area.

Moreover, public space from a social perspective refers to a physical place where people from all walks of life meet and interact with one another (Houssay-Holzschuch, et al., 2009). Socially, public space must accommodate the multiplicity of uses and countries. The term special quality of this social public space as "public". In a sociological sense, the question of the design and application of what public space is and how it is used is paramount (Neal, 2010). Politically, the public sphere is understood as an abstract space for public debate and reflects the power of people's political life (Houssay-Holzschuch, et al., 2009). Again, Houssay-Holzschuch, et al. (2009) show that the strength of democracy, particularly through an inclusive society and citizenship is an indication of a dynamic public sphere. Also, Neal (2010) and Sheller and Urry (2003) agree that the public sphere from a political perspective is related to the role of the public sphere in democratic dispensations, conceptually as a basis for discussion and physically as a place of exclusion or empowerment.

From a juridical point of view, public space is defined as public land (public land). authorities) such as roads, squares, parks, and gardens which are included in the domain of government control (Houssay-Holzschuch, et al., 2009) Public space is a general term consisting of various types of spaces, both indoors and outdoors in outdoor activities such as: libraries, parks, squares, streets, playgrounds and community centers (Carr et al., 1992; Dines & Cattell, 2006 in Fredua, A. 2017; Keller, 2009 cited in Huang, 2014) .

Stakeholders basically have the ability to control and influence the use of economic resources by the organization. So that stakeholder ownership can determine the strength of stakeholders over the organization (Ghozali and Chariri, 2007). The success of an organization depends on the existing stakeholders, and how they carry out their roles. According to Kasali (1994) states that stakeholders are any group that plays a role in an organization both within the organization or from outside the organization. According to Ardianto (2008), internal stakeholders include managers, employees, shareholders, etc., while external stakeholders include users, government, distributors, media, etc.

According to Maryono (2005) in Handayani (2017) stakeholders consist of three groups, namely primary, key stakeholders and secondary stakeholders. Primary stakeholders are stakeholders who are directly affected by these activities. Key stakeholders are those who have legal authority to regulate these activities, while secondary stakeholders are stakeholders who

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support the course of the activity or activity. Analyzing stakeholders there are two parts, namely interests and influence. This section is analyzed through four sections, namely subjects, key players, followers and supporters. Subject to stakeholders means having a high level of interest but has a low influence. Key Players means that stakeholders have an equally high level of interest and influence, while followers are stakeholders who have a low level of interest and influence. Finally, there are supporters, namely stakeholders with a low level of interest but high influence (Reed et al, 2009).

PAPER OBJECTIVE

This article tries to explain the shift in the function of public space in the City of Kediri by using the concept of the ideal function of public space from Carr et al (1992) and Houssay-Holzschuch, et al. (2009) which shifted with the privatization according to the concept of Kay and Thompson (1975), Carmona (2014) and Kohn (2004). In addition, the identified stakeholders in the privatization process according to Maryono (2005) and Reed et al (2009). The theoretical discourse is used to map a path in explaining the research focus in this article.

METHODOLOGY

Considering the problem and research focus, this research uses a qualitative method with a case study approach. Qualitative research was chosen because in this study it cannot be answered using statistical procedures (Straus, 1997). The purpose of this study is to describe the privatization of public space in shifting the function of public space by using stakeholder analysis. In this study, data collection was carried out by means of both structured and unstructured interviews with managers of public spaces, business actors around public spaces and the government of Kediri City for planning and urban planning development as well as income, especially in public spaces and other stakeholders who later will be identified after research observations in the field. Observations are carried out by collecting data through observing phenomena that occur and recording these observations. (Usman, 1998). In this study, observations were made by observing activities in the public space by identifying the shift in function from public to private. Our document research was carried out at the Department of Industry and Trade, the Department of Transportation, and PD Pasar Joyoboyo.

RESULT AND DISCUSSION

1. The Shifting Pattern of Public Space Functions in the City of Kediri

Privatization is a concept that is not foreign to the administration of government, because it is one of the important developments in the management of government institutions. Kay and Thompson (1975) in Dwijowijoto, et al (2008) state that privatization is a limitation on changing conditions in the relationship between the government/public sector and the private sector. This study provides an overview of how privatization functions in the public sphere so that its implementation can be carried out by the private sector, in this case the majority of which are traders. It is not a bad thing when the private sector is involved in the administration of government, especially in utilizing public facilities for the welfare of the community. As stated by Savas (1987) that is a form of effort to reduce the role of government so that the private sector can play a more active role in running public facilities.

Privatization itself is a form of depiction of the involvement of the private sector related to how to provide services to the community in accordance with their expectations (Higgins, 2009). These services are formed through a pattern of productive relationships in the context of privatization such as the one in the City of Kediri. This fact also illustrates that not only state airlines with transportation services or other public facilities, but health, education, housing or children's

playgrounds can be managed by the private sector and require costs to gain access (Kressel, 1998 in Nasution). and Zahra, 2011; McDonald and Ruiters, 2012). In the city of Kediri, the concept of privatization exists in the implementation of public services, one of which is the use of roads and sidewalks for road users. Privatization itself highlights the role of the private sector in it so that it has an impact on both road users and other communities. Many things can be obtained from the privatization carried out in public spaces, from positive and negative impacts. There is a positive impact on the management of the facility itself so that the quality of service can be provided with the standards that exist in the private sector, of course also better than the public.

In addition to having a positive impact, the development of private sector involvement can also cause its own problems in the public sphere. This is also expressed by Santoso (2006) also that the privatization of public space can make social problems more complicated, one of which is about security issues, the existence of exclusive groups. Privatization in public space provides a form of understanding that is quite negative in society, especially from a political perspective because it relates to individualism forms of social activity (Carmona, 2008; Kohn, 2004). The shift in the function of public space is one of the problems that arise as a result of the inclusion of the private sector in the management and utilization of public space itself. The following is a shift in the function of public space in the City of Kediri.

a. The Turning of the Sidewalk Function into a Trading Area

Public space is a place where people carry out joint activities for a normal and sustainable life. However, from time to time the function of public space has shifted. The first shift in function is the shift in the function of the sidewalk to a trading area. Street vendors on the sidewalks and in various areas in the City of Kediri have changed the function of the sidewalk for walking into a trading area. The shift in the function of this public space from its use to a requirement of the public space itself must be considered in carrying out its functions. McDonald and Ruiters (2012) also argue that Public Private Partnership is another form of privatization that is applied by various regions. Their opinion illustrates that privatization is carried out with the implementation of management functions that are applied in government organizations. The city of Kediri has also been colored by the concept of this Public Private Partnership, it can be seen from the number of road users who do not pay attention to the main interests of other users. They sell, park and do other activities on the sidewalks so that their functions are not as they should be. In the implementation of the Public Private Partnership, management functions are also carried out which are realized by the existence of a work contract between the public and private sectors so that they can manage public facilities and services in accordance with private principles. This is also done by traders who are on the sidewalk by making an agreement either by the association, the owner of the house or someone who is considered authorized.

According to Carr (1992) it is stated that a public space must meet the conditions, one of which is democratic, namely that all users can be protected from the fulfillment of their rights from existing ownership. This is because people still have to live side by side with each other. The fulfillment of their rights from existing ownership is a form of the concept of justice that is brought in the public space, that anyone who uses the public space must pay attention to this concept of justice, lest individuals who use public space put forward egocentricity so that they do not pay attention to the use rights for others.

According to Chua, B. H., & Edwards, N. (1992), there are two types of public space according to its location, namely out door public space and indoor public space. Outdoor public space means public space that is located outside the building, such as a field, bicycle path, pedestrian path, open green park. So that the pedestrian path or commonly referred to as the sidewalk is part of the public space that must be used for the public interest. The main pedestrian users are pedestrians because the function of the sidewalk itself is an area for walking. But when the sidewalk is used for other people's interests besides walking, this may be allowed as long as it doesn't interfere. But this is contrary to what has been revealed in the research findings that the use of the sidewalk function for

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trading is very disturbing to other sidewalk users, especially pedestrians. So of course the government and other stakeholders must be able to provide an open and comprehensive view regarding the use of the sidewalk public space itself.

If this democratic principle is implemented, a middle path may be taken in the use of sidewalks, for example regarding the division of time when it is used for trade and when for pedestrians. Of course, this solution cannot be solely to avoid conflicts about the function of this public space. However, a solution that should involve all stakeholders so that the principle of justice in the public sphere emerges must be formulated and agreed upon together. However, this justice must be obtained by all elements of society without exception, so that an open and effective form of communication is needed with all stakeholders. Communication and negotiation are an important part of building fairness in the use of public space.

b. The Switching of Road Functions to Parking Areas

The second shift is the shifting of the function of the road into a parking area. In addition to causing traffic jams if there are crowds, illegal parking that arises from the presence of these traders makes road users who drive also experience problems using the road. The illegal parking is not only around the merchants but also in schools that are crowded with parking lots that take up the road. So it is necessary to study schools that have the potential to cause congestion to find solutions so as not to hinder and eliminate the principle of justice for all road users.

Tonnelat (2010) argues that the emergence of semi-public spaces managed by private/public partnerships or entirely private includes the definition of public space, in particular the definition given by Kohn (2004). For road users in the City of Kediri who often feel disturbed by the existence of illegal parking, it can be illustrated that illegal parking, both managed by private institutions and personally as part of the private sector, creates injustice in public spaces. How not, motorists who should be able to use the road to their fullest share with people who are looking for income or profit from it. The disadvantaged party is road users who become permissive with parking even though it is very disturbing and detrimental. It can be concluded that justice in the use of public space has not been fulfilled. Meanwhile, democracy in the public sphere, which means that all users can be protected for the fulfillment of their rights from existing ownership, must remain focused because the community still has to live side by side with one another (Carr, 1992). Road users in the city of Kediri, both in market areas and in shopping areas with dense parking lots and schools with dense parking spaces provide a form of illustration that many do not get justice in the use of the road itself.

Basically road users use it as part of the means of transportation with indeed the main function is for transportation but the need for land is increasing, while the existing land is getting thinner. This makes illegal parking grow on the side of the road to eat up the road so that road users are disturbed in transportation. Not infrequently this also causes conflicts between road users themselves, so of course when there is a conflict, the principle of justice is not fulfilled in the public sphere.

There is an increasing need for parking lots, making it a problem that must be immediately resolved by the government, of course, and the parties involved. So that illegal parking does not grow on many sides of the road which disturbs other users. It is necessary to pay more attention to the construction of buildings and the permits for buildings that are used for the public who must pay attention to how the parking system is. This is done to reduce the use of the road as parking because it has been provided by the public place. One of them is a school or a shop, so when the government issues an operating permit, it should consider the parking area so as not to cause problems about parking in the future.

In principle, the shift in the function of the road as a parking lot is a serious problem that must be immediately addressed by the government and in collaboration with relevant stakeholders. One of the solutions offered in this research is to make regulations related to the operating licensing

requirements of a public institution, one of which includes a parking area as a condition for the permit. this is done to create a fair public space for all people in the city of Kediri.

c. The Switching of Convenience Functions to Fulfillment of Needs

Public space from a social perspective refers to a physical place where people from all walks of life meet and interact with one another (Houssay-Holzschuch, et al., 2009). The third shift in function is the function of convenience into meeting needs. Convenience which should be the main thing in the use of public space functions has become a right that is not too concerned because it has shifted to meeting needs. This need is for users, both sellers and buyers, or users of the sidewalk or the road itself.

Carr (1992) states that the requirement for a good public space is to fulfill the responsive element of users, which can be served according to what they need when using public space. This is related to the needs of the community itself whether related to material or non-material satisfaction, comfort or the achievement of the required activities. The requirement for public space regarding this need creates its own paradox for the function of the public space itself. Must prioritize the comfort of the community but must also pay attention to the needs and satisfaction of others. Meanwhile, in the public space, comfort is identified with things that are clear, both physically and in terms of meaning.

The comfort was built by the community with the concept of a clean, quiet public space, and in accordance with what has been made normatively. Likewise in the City of Kediri, that most respondents identify comfort as something that has been regulated and is ideal according to the normative. But the need itself is something subjective, because the needs of society are certainly different for each individual. When using roads and sidewalks to sell is a form of fulfillment for traders, but buyers also enjoy buying and selling transactions on the roadside while interacting or looking around the area. they don't care whether it's jammed or not, whether it's full of traders or not, whether it's convenient or not. The findings of this study indicate that they enjoy the crowd, even enjoy and accept each other and show satisfaction in establishing interactions.

In addition to the responsive element that must be fulfilled in the public space, there is also a meaningful element in the public space, meaning that the public space itself can be a means to strengthen human relations so that socio-cultural and historical conditions can create a good relationship. This is a reinforcement that the form of meeting each other's needs is an interaction that is indeed desired by both parties and has been agreed upon. In addition, it can make a public space in the form of crowds on the sidewalks because many traders and their merchandise are enjoyed by the community so that they are still growing and developing.

The explanation above illustrates that the shift in the function of public space in the City of Kediri is not entirely bad. But there are parts that must be developed because they have great potential to be desired and responded well by the people of the City of Kediri.

2. Involvement of Stakeholders in Shifting the Functions of Public Spaces in the City of Kediri

Mierzejewska (2011) argues that public space is not limited to areas captured under the local government umbrella in terms of management and control, but includes other areas managed by other entities that improve the climate, aesthetics and landscape of an area. This manager is one of the stakeholders in the public space. Stakeholders in the public sphere, of course, the most important are the users themselves and managers. Stakeholders are stakeholders, in this study are the government, traders, associations and the community. According to Maryono (2005) in Handayani (2017) stakeholders consist of three groups, namely primary, key stakeholders and secondary stakeholders. Primary stakeholders are stakeholders who are directly affected by these activities. Key stakeholders are those who have legal authority to regulate these activities, while secondary stakeholders are stakeholders who support the course of the activity or activity.

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In this research, stakeholders are identified according to their influence and importance. The following is the identification of stakeholders in the shift in the function of public space in the City of Kediri.

Table 1

Stakeholder Identification

NO	Institutions	Elements	Influence	Interest Type	Type
1	Department of Industry and Commerce	Government	Registering street vendors Controlling street vendors Give a street vendor permit Making rules about the operation of street vendors	Duties of the Organization	Key
2	Department of Transportation	Government	Discipline road users Controlling street vendors who have conflicts on the road Making rules about traffic	Duties of the Organization	Key
3	Civil service police Unit	Government	Controlling street vendors Give warnings about rules and order to street vendors	Duties of the Organization	Key
4	Central Market Regional Company	Government	Making rules about market operations Bringing order to traders in the market	Duties of the Organization	Key
5	Street vendors	Private	-	Economy	Primary
6	Market Officer	Government	Manage market operations	Duties of the Organization	Secondary
7	Shop owner	Private	capital	Economy	Primary
8	Association	Public	Advocacy	Trader control	Secondary
9	Road users	Public	Criticize service providers	Public space users	Primary
10	Sidewalk Users	Public	Criticize service providers	Public space users	Primary
11	Police	Government	Handling merchant conflicts or the use of public space	Duties of the Organization	Secondary

Source: Own compilation

In the table above, it can be seen that there are three types of stakeholders that have been identified, namely key, primary and secondary. Key stakeholders are those who have the authority to make policies regarding shifts in the function of public space, namely Department of Industry and Commerce, Department of Transportation, Civil service police Unit and Central Market Regional Company. The stakeholders consist of government, private and community elements. The involvement of the three stakeholders in the shift in the function of the public space can be seen through the interests and influences that are part of the identification of stakeholders.

All stakeholders should be able to work together to solve the problem of shifting the function of the public space. So that a form of sustainable cooperation can be carried out in the concept of good governance. This is done, there are three main elements in good governance that are included in the shifting stakeholder function of the public space. Of course, this can be a great opportunity to build an effective city planning with the principles of good governance in the City of Kediri.

CONCLUSSION

1. The pattern of shifting the function of public space in the City of Kediri consists of three, namely the shift of the function of the sidewalk to a trading area, the shift of the function of the road to a parking area, the shift of the function of convenience to fulfillment of needs. These three shift patterns make the main elements of public space to be considered in their use, namely responsive, democratic and meaningful.

2. There are three types of stakeholders that have been identified, namely key, primary and secondary. Key stakeholders are those who have the authority to make policies regarding shifts in the function of public space, namely Department of Industry and Commerce, Department of Transportation, Civil service police Unit and Central Market Regional Company. The stakeholders consist of government, private and community elements. The involvement of the three stakeholders in the shift in the function of the public space can be seen through the interests and influences that are part of the identification of stakeholders

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ПРИВАТИЗАЦІЯ ГРОМАДСЬКОГО ПРОСТОРУ: АНАЛІЗ ЗАЦІКАВЛЕНИХ СТОРІН У ЗМІНІ ФУНКЦІЇ ГРОМАДСЬКОГО ПРОСТОРУ НА ПРИКЛАДІ МІСТА КЕДИРІ, ІНДОНЕЗІЯ

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При розвитку інфраструктури необхідно враховувати потреби та безпеку людей, які мешкають навколо району, де буде побудована інфраструктура. Кедірі - одне з міст Східної Яви, яке переживає бурхливий розвиток в останні десять років. Уряд є головною дійовою особою, оскільки політика управління громадським простором перебуває у державних установах. Мета даного дослідження – визначити, як змінилася функція суспільного простору та як змінилися інтереси, що існують у ньому.

Використовуючи описовий якісний метод із трьома методами збору даних, а саме інтерв'ю, спостереження та документування інформантів, що складаються з Департаменту промисловості та торгівлі, Департаменту транспорту, вуличних торговців та широкого загалу.

В результаті було виявлено модель зміщення функцій громадського простору в місті Кедірі, що складається з трьох, а саме: зсув функції тротуару на торгову зону, зсув функції дороги на паркування, зсув функції зручності на задоволення потреб. Крім того, було виділено три типи зацікавлених сторін, а саме ключові, первинні та вторинні.

Ключові слова: громадський простір, стейкхолдери, приватизація

ПРИВАТИЗАЦИЯ ОБЩЕСТВЕННОГО ПРОСТРАНСТВА: АНАЛИЗ ЗАИНТЕРЕСОВАННЫХ СТОРОН В ИЗМЕНЕНИИ ФУНКЦИИ ОБЩЕСТВЕННОГО ПРОСТРАНСТВА НА ПРИМЕРЕ ГОРОДА КЕДИРИ, ИНДОНЕЗИЯ

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При развитии инфраструктуры необходимо учитывать потребности и безопасность людей, живущих вокруг района, где будет построена инфраструктура. Кедири - один из городов Восточной Явы, который переживает бурное развитие в последние десять лет. Правительство является главным действующим лицом, поскольку политика управления общественным пространством находится в государственных учреждениях. Цель данного исследования - определить, как изменилась функция общественного пространства и как изменились интересы, существующие в нем. Используя описательный качественный метод с тремя методами сбора данных, а именно интервью, наблюдения и документирование информантов, состоящих из Департамента промышленности и торговли, Департамента транспорта, уличных торговцев и широкой общественности. В результате была выявлена модель смещения функций общественного пространства в городе Кедири, состоящая из трех, а именно: смещение функции тротуара на торговую зону, смещение функции дороги на парковку, смещение функции удобства на удовлетворение потребностей. Кроме того, были выделены три типа заинтересованных сторон, а именно ключевые, первичные и вторичные.

Ключевые слова: общественное пространство, стейкхолдеры, приватизация

ECONOMICS

RECEIVED:

09 February 2022

ACCEPTED:

10 March 2022

RELEASED:

20 April 2022

UDC 005.21:658]:339.9

DOI [10.26661/2522-1566/2022-1/19-02](https://doi.org/10.26661/2522-1566/2022-1/19-02)

**FORMATION OF ORGANIZATIONAL DEVELOPMENT STRATEGY OF ENTERPRISE
IN CONTEXT OF CHANGES IN INTERNATIONAL ENVIRONMENT**

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Abstract. The strategy of organizational development of the enterprise provides on the basis of the analysis of internal possibilities of the enterprise and an estimation of changes of the international environment of formation of a trajectory of development which provides adaptation to operating conditions; integration of divisions and business processes to achieve development indicators, substantiation of effective organizational structure, choice of organizational and legal form of business, optimization of business processes, interaction of the enterprise with components of the international environment. The aim of the study is to improve the methodological approach to the formation of organizational development strategy of the enterprise in the context of changes in the international environment based on assessing the current state of the enterprise and strategic guidelines for its development. Methodical tools are presented by methods of analysis and synthesis, comparison, matrix method, and generalization. The study formed a procedure for developing a strategy for organizational development of the enterprise, which consists of five consecutive actions. Based on the comparison of organizational development strategies, alternative strategic ways of development were formed. The matrix of choice of strategy of organizational development of the enterprise in the context of changes of the international environment which provides a choice of a direction of realization of the chosen trajectory of development was offered. The scientific significance of the study is to improve the methodological approach to the formation of organizational development strategy of the enterprise. Recommendations for developing an organizational development strategy in the context of changes in the international environment are of practical importance.

Key words: strategy, organizational development, international environment, forms of business organization, strategy of organizational development of the enterprise.

JEL Classification F23, L1, L22, M16

INTRODUCTION

In an international environment, the enterprise operates in more unpredictable and complex conditions. Effective activities are provided by constructively developed and implemented organizational development strategies that take into account potential development opportunities, determining the benchmarks. Insufficient justification of the choice of organizational development

Parkhomenko, N. (2022), "Formation of organizational development strategy of enterprise in context of changes in international environment", *Management and entrepreneurship: trends of development*, 1(19), pp.20-27. Available at: <https://doi.org/10.26661/2522-1566/2022-1/19-02>

strategy contributes to unprofitable activities, unforeseen losses, which slows down sustainable development. That is why the methodological approach to developing a strategy for organizational development of the enterprise in the context of changes in the international environment requires significant attention. The development and implementation of an effective organizational development strategy requires a methodology that would provide an opportunity to conduct a strategic analysis of the enterprise in order to determine the effectiveness of the existing strategy and identify problems with the functioning of the enterprise; to form possible strategic alternatives; justify the choice of the optimal organizational strategy and directions of its implementation; evaluate the results obtained according to the agreed criteria in terms of competitiveness, customer loyalty, profitability, ease of doing business, etc.

LITERATURE REVIEW

Issues of strategic planning, namely the development and implementation of strategies are quite common among foreign and domestic researchers. Scientists who have studied the problems of formation and justification of enterprise development strategies are Agyapong and Acquah (2021), Ahmadi et al. (2020), Amatori and Colli (2007), Choi and Kim (2020), Contractor and Kundu (1998), Da Silva Lopes et al. (2019), Kun (2021), Latysheva et al. (2021), Oncioiu et al. (2021), Pan et al. (2016), Parkhomenko (2020), Romelaer and Beddi (2015), Shirodkar and Shete (2022) and others. The study proves that there is no single approach to monitoring the evaluation criteria or the list of indicators that are the basis for choosing an organizational strategy for enterprise development. It is determined that the result of choosing a certain organizational strategy of enterprise development is based on the use of a set of methods, namely expert evaluation of certain indicators of enterprise activity, SWOT and PESTLE analysis, matrix methods of choosing strategies according to certain evaluation criteria. The basis for choosing an organizational strategy is a comprehensive study of the effectiveness of the enterprise in production, technological and property, personnel, social, financial, material, supply, marketing, foreign trade indicators, which assess the potential of the enterprise, its competitiveness, investment attractiveness, competitiveness, market opportunities, adaptability, product quality, financial stability, profitability etc. In addition, the assessment of the international environment allows to determine the attractiveness of the market, the capabilities of suppliers and consumers, the behavior of competitors in the market and so on. Therefore, the urgent issue is the formation of methodological support for the development of organizational strategy of the enterprise, which would ensure the process of finding rational directions of operation and new opportunities for the enterprise in the international environment.

PAPER OBJECTIVE

The main purpose of the study is to improve the methodological approach to the formation of organizational development strategy in the context of changes in the international environment based on assessing the current state of the enterprise and strategic guidelines for its development. The objectives of the study are to improve the methodological approach to the formation of organizational development strategy, comparison of organizational development strategies, development of a matrix of choice of organizational development strategy of the enterprise in the context of changes in the international environment.

METHODOLOGY

Procedural and situational approaches were used in the research process. In forming a methodological approach to the formation of organizational development strategy and determining the development procedure used methods of analysis and synthesis, to determine the features of

organizational development strategies of the enterprise is the method of comparison, to choose the strategy of organizational development in the context of international environment is matrix method, to form a general conclusion about the prospects of enterprise development in the international environment is method of generalization.

RESULT AND DISCUSSION

A well-founded and detailed strategy of enterprise development allows to increase the performance of its operation, ensure reliability and solvency, ability to adapt and flexibly adapt to changes in the international environment, create and maintain competitive advantages in foreign markets. Thus, the formation of the procedure for developing a strategy of organizational development will conceptually substantiate the strategic model of enterprise development and ensure its adaptation to changes in the international environment. The choice of tools for the development and implementation of organizational development strategy will ensure the dynamic functioning of the enterprise and the planned results. The formation of the strategy of organizational development of the enterprise in the context of changes in the international environment is a process of finding the most rational directions of operation, finding new opportunities to ensure competitive advantage and the desired position in the market. Methodological support for the formation of organizational development strategy in the context of changes in the international environment are presented in table 1.

Table 1
Methodical approach to the formation of the strategy of organizational development of the enterprise in the context of changes in the international environment

Task	Methods, tools and approaches	Result
Strategic analysis of enterprise development	Express-analysis, expert assessments, assessments of causal chains of enterprise development, SPACE-analysis, SWOT-analysis, etc.	Identification of strategic opportunities for enterprise development in the context of changes in the international environment, the effectiveness of strategy, resource adequacy; determination of indicators of stable development of the enterprise
Formation of alternative strategies of organizational development	Matrix methods, etc.	Formation of a set of typical alternative strategies for organizational development of the enterprise
Choice of organizational development strategy	Method of analysis of hierarchies, expert methods, ranking, scenario forecasting, etc.	Rationale for choosing the strategy of organizational development of the enterprise in the context of changes in the international environment
Determining the areas of implementation of organizational development strategy	Internal development, external development, partnership, etc.	Creating a business model of sustainable development of the enterprise in the context of changes in the international environment
Evaluating the effectiveness of organizational development strategy in the context of changes in the international environment	Criteria approach to the chosen strategy, methods of financial and economic analysis, etc.	Adjustment and adaptation of the strategy of organizational development of the enterprise in case of changes in the international environment.

Source: own study

Thus, the methodological approach to the formation of organizational development strategy in the context of changes in international support takes into account the analysis of both internal capabilities of the enterprise and changes in the international environment, which ensures its faster adaptation to operating conditions and changes; integration of structures, divisions and business processes to achieve the planned development indicators. Strategies of organizational development of the enterprise are mainly focused on the formation of an effective organizational structure, the choice of organizational and legal form of business, optimization of business processes, the use of effective ways of interaction with the international environment and more. In the table 2 in order to form alternative strategies of organizational development provides a comparison of the main strategies of organizational development.

Thus, in the case of a stable international environment and sustainable development of the enterprise, the overall strategy of organizational development is a strategy of stabilization or without change; in the case of constant changes in the international environment, innovative development of the enterprise, taking into account national and global trends, the growth strategy and its varieties are effective for application; in a situation of negative trends in the development of both enterprises and the international environment, a reduction strategy will be favorable.

We will form a matrix for choosing the type of organizational development strategy, which will take into account the overall development strategy, the current state of the enterprise, the presence of changes in the international environment, determining the necessary organizational changes that are appropriate in its implementation. Thus, the current state of the enterprise can be characterized by three types of starting positions for development: low level of efficiency is defensive position; intermediate level is offensive position; high level is neutral position. The choice of strategic alternatives for enterprise development is made by correlating the positions of the current state and general strategies for the development of business systems (Fig. 1).

		The current state of the enterprise				
		Absolutely stable (neutral position)	Normal (active offensive position)	Unstable (offensive position)	Crisis (passive-offensive, defensive position)	Critical (defensive position)
Type of enterprise development strategy	Growth strategy	Strategy for creating a strategic alliance (full market expansion)	Strategy for creating network structures and diversification (selective market expansion)	Integrated growth strategy	Strategy of holding positions (market protection, capacity support)	-
	Stabilization strategy	Diversification strategies (consolidation of leadership status, entering the global market)	External growth strategies (entering new scales of activity, reorganization and development of cooperation)	Concentrated growth strategy	Integration strategies (activity reform, integration processes)	-
	Reduction strategy	Outsourcing strategy (risk minimization)	Internal growth strategy (capacity building)	Reduction strategy (quality improvement, efficiency increase)	Reduction strategy (search for new opportunities)	Curtailed strategy (business liquidation)

Fig. 1. Matrix of choice of strategy of organizational development of the enterprise in the context of changes of the international environment on the basis of a ratio of positions of a current condition and the general strategies of development

Source: own study

Table 2

Comparative characteristics of organizational development strategies of enterprises

Strategy name	Special features of the strategy	Advantages of applying the strategy	Disadvantages of applying the strategy	Examples of companies that have used the appropriate strategy
Stabilization or "no change"	The strategy does not envisage changes in the organizational structure, directions of development and business processes of the enterprise	Insignificant dependence of the enterprise on changes in the international environment	The inexpediency of long-term use due to the loss of positions in the competition	Aircraft production, educational institutions, health care, self-government
Internal growth	The strategy provides for the expansion of the enterprise	Concentration of business, development of the internal market, renewal	Focus on international markets	Roshen, Shabo LLC, insurance companies, banks
External growth	The strategy is implemented through acquisitions, mergers, integration and diversification	Merger of several enterprises connected by one or different spheres of activity	Availability of resources	Nestle, British American Tobacco, Coca-Cola, Berlin-Chemie, Daimler-Benz, Chrysler, Xiaomi, J&Johnson
Strategic alliance	The strategy involves interaction between partners to achieve goals, but partners retain their independence.	Adaptation in the external environment, changes, high level of innovation, desire for cooperation	Communication problems, processes of integration and disintegration, resistance to reorganization	IBM, Thompson, Toshiba, Siemens
Network structures	The strategy provides for international cooperation between enterprises that have common economic interests	Ensuring international competitiveness, minimizing resource costs, adapting to change	Reluctance to mutual coordination	Sony, Canon, Michelin, Netflix
Outsourcing	The strategy of attracting external contractors by outsourcing the execution of part or all of the business processes	Increasing international competitiveness	Loss of control over the actions of the outsourcer	IT sector, Ford, British Petroleum, Procter & Gambler, Dell, Exel
Reduction	The strategy is based on downsizing, reorganization and bankruptcy	Crisis situations, economic downturns, significant changes in the international environment	Loss of company	Shell Chevron Ukraine BV, Exxon Mobil and Production Ukraine BV, Wizz Air Ukraine as closure of divisions in Ukraine, Eastman Kodak

Source: compiled by the author after (Amatori and Colli, 2007; Choi and Kim, 2020; Parkhomenko, 2020; Romelaer and Beddi, 2015)

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Thus, taking into account the overall strategy of enterprise development and the current state of development, we can identify 15 quadrants on possible strategic alternatives to organizational development. It is advisable to determine the current state of the enterprise on the basis of calculations of an integrated indicator that takes into account not only financial performance, but also property status, level of innovative development, human resources, market opportunities and more. The overall development strategy depends on the priority areas of activity formed by the company's management in the context of changes in the international environment.

Absolutely stable state of the enterprise allows the management either to increase opportunities at favorable changes of the international environment, or to minimize risks, considering negative changes. The normal state of development of the enterprise allows to conduct an active offensive strategy, diversifying areas and areas of activity, creating network structures with partners, and in case of adverse changes in the international environment, focusing on domestic growth. Unstable state of the enterprise at favorable changes allows to adhere to strategies of growth, at unfavorable changes allows to be guided by corresponding reductions. The crisis state of the enterprise determines the passive-offensive or defensive development strategy, related to the retention of existing positions, possible integration to strengthen positions or reductions. The critical state of enterprise development is about errors in the strategic management of enterprise development, in which case the strategy will be aimed at reducing and if it is impossible to eliminate the negative changes, aimed at curtailing activities.

CONCLUSION

Thus, improving the methodological approach to the formation of organizational development strategy allowed to form a procedure for developing organizational development strategy, which consists of five consecutive actions, namely strategic analysis of enterprise development, formation of alternative organizational development strategies, choice of organizational development strategy, organizational development strategies, evaluating the effectiveness of organizational development strategies in the context of changes in the international environment. The basis for the formation of strategic alternatives for organizational development of the enterprise was a comparison of organizational development strategies, which identified features, advantages and disadvantages of each strategy, as well as to present the successful implementation of these strategies by leading companies. The choice of strategy is proposed to be carried out on the basis of the formed matrix of choice of strategy of organizational development of the enterprise in the context of changes of the international environment which provides definition of a direction of realization of the chosen trajectory of development.

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ФОРМУВАННЯ СТРАТЕГІЇ ОРГАНІЗАЦІЙНОГО РОЗВИТКУ ПІДПРИЄМСТВА В КОНТЕКСТІ ЗМІН МІЖНАРОДНОГО СЕРЕДОВИЩА

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Стратегія організаційного розвитку підприємства передбачає на основі аналізу внутрішніх можливостей підприємства та оцінювання змін міжнародного середовища формування траєкторії розвитку, яка забезпечує пристосування до умов функціонування; інтеграцію структур, підрозділів та бізнес-процесів для досягнення показників розвитку, обґрунтування дієвої організаційної структури, вибору організаційно-правової форми бізнесу, оптимізації бізнес-процесів, взаємодії підприємства із складовими міжнародного середовища. Метою дослідження є удосконалення методичного підходу до формування стратегії організаційного розвитку підприємства в контексті змін міжнародного середовища на основі оцінювання поточного стану підприємства та стратегічних орієнтирів його розвитку. Методичний інструментарій представлений методами аналізу та синтезу, порівняння, матричний методом, узагальненням. В результаті дослідження сформовано

Parkhomenko, N. (2022), "Formation of organizational development strategy of enterprise in context of changes in international environment", *Management and entrepreneurship: trends of development*, 1(19), pp.20-27. Available at: <https://doi.org/10.26661/2522-1566/2022-1/19-02>

процедуру розробки стратегії організаційного розвитку підприємства, яка складається з п'яти послідовних дій. На основі порівняння стратегій організаційного розвитку сформовано альтернативні стратегічні шляхи розвитку. Запропоновано матрицю вибору стратегії організаційного розвитку підприємства в контексті змін міжнародного середовища, яка забезпечує вибір напряму реалізації обраної траєкторії. Наукова значущість дослідження полягає в удосконаленні методичного підходу до формування стратегії організаційного розвитку підприємства. Практичне значення мають рекомендації щодо розробки стратегії організаційного розвитку в контексті змін міжнародного середовища.

Ключові слова: стратегія, організаційний розвиток, міжнародне середовище, форми організації бізнесу, стратегія організаційного розвитку підприємства.

ФОРМИРОВАНИЕ СТРАТЕГИИ ОРГАНИЗАЦИОННОГО РАЗВИТИЯ ПРЕДПРИЯТИЯ В КОНТЕКСТЕ ИЗМЕНЕНИЙ МЕЖДУНАРОДНОЙ СРЕДЫ

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Стратегия организационного развития предприятия предполагает на основе анализа внутренних возможностей предприятия и оценки изменений международной среды формировать траекторию развития, обеспечивающую приспособление к условиям функционирования; осуществлять интеграцию структур, подразделений и бизнес-процессов для достижения показателей развития, обосновывать использование эффективной организационной структуры, выбирать организационно-правовые формы бизнеса, оптимизировать бизнес-процессы и взаимодействие предприятия с элементами международной среды. Целью исследования является усовершенствование методического подхода к формированию стратегии организационного развития предприятия в контексте изменений международной среды на основе оценки текущего состояния предприятия и стратегических ориентиров его развития. Методический инструментарий представлен методами анализа и синтеза, сравнения, матричным методом, обобщением. В результате исследования сформирована процедура разработки стратегии организационного развития предприятия, которая состоит из пяти последовательных этапов. На основе сравнения стратегий организационного развития сформированы альтернативные стратегические пути развития. Предложена матрица выбора стратегии организационного развития предприятия в контексте изменений международной среды, которая обеспечивает выбор направления реализации выбранной траектории. Научная значимость исследования состоит в усовершенствовании методического подхода к формированию стратегии организационного развития предприятия. Практическое значение имеют рекомендации по разработке стратегии организационного развития в контексте изменений интернациональной среды.

Ключевые слова: стратегия, организационное развитие, международная среда, формы организации бизнеса, стратегия организационного развития предприятия.

MANAGEMENT

RECEIVED:

08 December 2021

ACCEPTED:

10 February 2022

RELEASED:

20 April 2022

UDC 005.591:005.52

DOI [10.26666/2522-1566/2022-1/19-03](https://doi.org/10.26666/2522-1566/2022-1/19-03)

**UNDERSTANDING CHANGE MANAGEMENT IN ORGANIZATIONAL CONTEXT:
REVISITING LITERATURE**

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Abstract. Every organization operates in dynamic and volatile environment and for this reason organizations should adopt the approaches to managing change. This conceptual study presents the tools for managing changes in the organization. The findings of this study offer a number of practical implications. It is expected to increase our understanding about the change management process in organizational context and this study will be of value to the academic researchers and practitioners. The study may be equally useful to the entrepreneurs who are engaged in initiating their new businesses.

Key words: change management, organization, literature review

JEL Classification: D21, M10, M19, O33

INTRODUCTION

In an increasingly complex and dynamic business environment, organizations are continually striving to change and adapt their operations to circumstances as they evolve (Burnes, 2011; Al-Haddad & Kotnour, 2015). Changes in an organization may be considered as any alteration in activities. It promotes employee cooperation and organizational efficiency. In any organization, organizational change enhances leadership branding which increase security and the desired outcomes of change (Shulga, 2021). According to Kakabadse (1984) change is about renegotiating certain dominant values and attitudes in the organization in order to introduce new systems. Doronina (2018) argued that change management boosts employee values. Laughlin (1991) mentioned that organizational change only occurs when something or someone sparks the change process by creating some form of ‘disturbance’. The purpose of change is to review and renew organisation structures and processes (Waterman, 1988). Hayes (2002) also felt that organisations attempt to make themselves more adoptable by changing their structures, processes and cultures. Organizations are, therefore, required to make significant investments for implementing various changes to adapt to the changing context (Errida & Lotfi, 2021). Management specialists define change management approaches in different ways. However, managing change is a complex process and risky endeavor (Jacobs et al., 2013). The present study deploys an earnest effort to revisit the literatures related with change management within organization.

OBJECTIVE OF THE STUDY

The objective of this paper is to archive change management techniques in organizational context based on the findings presented in various published research papers on the areas and propositions presented in various theories related to change management. More specifically, the present study attempts to define change management approaches and point out the factors responsible for changes within organization.

METHODOLOGY

This conceptual study is based on various secondary sources of data and applies a desk review fashion of scholarly pursuit of knowledge. It skimmed relevant literature and explored theories from published works. It also created references so that it would be beneficial for the potential researchers in the area of change management.

THE RESEARCH QUESTIONS

The study will seek answers of the following research questions:

In what ways have change management implemented in the organizations? Specifically,

- a) How has the organizations adopted changes within the organizations?
- b) In what ways is change management linked to the organizational actions?
- c) How has change management contributed to amicable solutions within the organizations?

CHANGE MANAGEMENT- NOTEABLE PERSPECTIVES

There is a large body of literature from several disciplines about change management and what makes it succeed (Teczke et al., 2017). Change management is defined as the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers (Moran and Brightman, 2001). Harrison and Pitt (1984) argued that change encompasses both structure and power. However, changing does not depend on size and age but occurs thoroughly in all businesses (Hussain et al., 2018). Therefore, change is a broader concept and the key points of change are (Stewart, 1996):

- a) Change is a natural phenomenon.
- b) Change is continuous and ongoing.
- c) The purpose of change is to aid survival and growth.
- d) Survival and growth are dependent upon adaptation to a changing environment.
- e) The environment can be and is influenced and shaped by the decisions and actions of the organisation.
- f) Learning from experience is essential for successful adaption and change.
- g) Individuals and organisations change in both common and unique directions.

According to Lewin (1952), all behavior in an organization is a product of two forces: those striving to maintain the status quo and those pushing for change. To change, one can reduce the forces to maintain the status quo or increase the forces pushing for change. Lewin (1952) showed a change model (Figure 1) that passes through three steps: unfreezing, changing and refreezing. This three-step model was for many years the dominant framework (Todnem By, 2005).

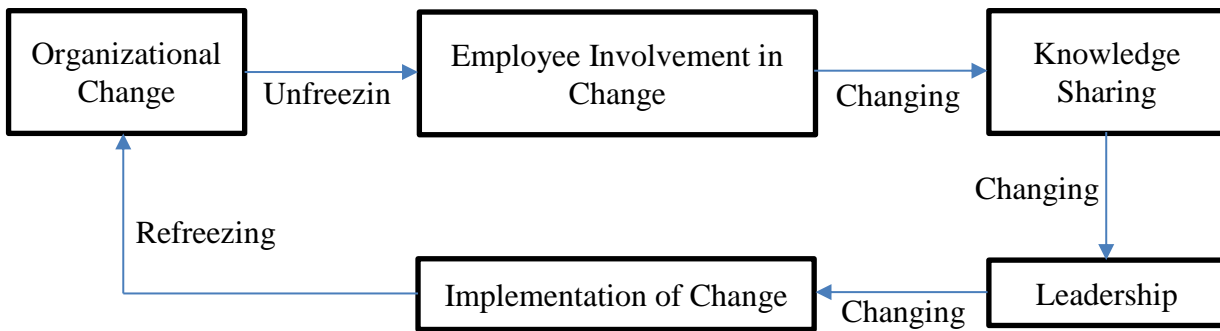


Figure 1: Lewin's three steps organizational change model

Source: adapted from Hussain et al., 2018

Unfreezing means reducing those forces that maintain the organization's behavior at the status quo. Successful organizational change may be planned and this requires the system to be unfreezed (Hussain et al., 2018). Moving to the new behavior (changing) is a step in which new ideas and practices are learnt. This process involves helping an employee think reason and perform in a variety of new ways (Teczek et al., 2017). At this stage new behavior, values and attitudes are developed through changes in organizational structures and processes. Refreezing tends the organization to a new state of equilibrium and this is done by the supporting mechanisms that reinforce the new organizational state, such as organizational culture, norms, policies and structures.

Kanter *et al.* (1992) claimed that every organisation operates in a same dynamic and volatile environment and for this reason all organisation should adopt the same approach to managing change. On the other hand, Dunphy and Stace (1993) opposed this view. They argued that every organisation faces different challenges and operates in a different direction and they suggested a situational or contingency approach to change. Wood (1979) defines the main theme of the contingency approach is that there is no one best way of organizing; it is possible to identify the most appropriate organisational form to fit in the context in which a business has to operate.

Therefore, change management becomes an everyday accomplishment for all actors, in the sense that all are living with and managing change continuously (Beeson and Davis, 2000). Wiggins (2008) cites flawed maps of change, complex problems, superficial solutions, misunderstanding resistance, and misuse of knowledge about change management process as the main challenges in the change management process. In change process two factors play important role, the employee's resistance (Stanley et al., 2005) and the openness to change (Wanberg & Banas, 2000). Resistance to change probably effects the change process which will lead to the negative outcomes (Bordia, Hunt, Paulsen, Tourish, & DiFonzo, 2004) while the openness of change of employees have to be focused during change process.

MANAGING CHANGE- CONSIDERABLE FACTORS

Långstedt and Manninen (2021) examines how the values of work units relate to changes that make work more dynamic or more structured. Drawing on a mixed-methods design, the authors argued that values and conflict with change objectives relate to challenges when implementing the changes. Anyieni et al. (2013) further argues that change management means to plan, initiate, realize, control and stabilize change processes on both corporate and personal levels. Dawson (1994) claimed that a range of external and internal factors demand change in an organisation. External forces for change include factors such as governmental laws and regulations, technology, social and economic change, and changes in international agreements on tariffs and trade. Internal

factors comprise implementation of organization's technology, revision of administrative structures and modifying other aspects, such as lines of communication and reward system. He mentioned that these internal and external forces to change are often interdependent. He argued that changing the human aspect of an organisation is a popular change strategy and it involves modifying attitudes, beliefs, values, technical skills and behaviors. These changes may bring about unintended and/or undesirable reaction from the workforce. Nickolas (2006) argues that the task of managing change includes its impact on people, and many managers find this difficult.

Another key element is to have the suitable and updated technology, from the start of implementation, through monitoring during the process, and in the final evaluation (Senge et al., 1999). Kotter (1996) argued that economic and social forces driving the need for major changes in organisations are technological change, international economic integration, maturation of markets in developed countries and fall of communist and socialist regimes. Kotter and Schlesinger (1979) mentioned that managers must deal with new governmental regulations, new products, growth, increased competition, technological developments, and a changing workforce. These events forced organisations towards change. They felt that most companies or divisions of major corporations must undertake moderate organisational change once a year and major changes every four or five.

Kanter et al. (1992) argue that the first step to implementing change is building coalitions of stakeholders, including employees and sponsors, such as local authorities whose support is essential. Kast and Rosenzweig (1985) also argued that the development of a process of change is an integral part of the managerial system and the drive for organisational change originates from many sources in the environmental supra-system as well as from organisational subsystems such as, goals and values, structural, psychological and managerial. They mentioned that organisational change is occurred by its environment and they pointed out that the general environment for any organisation in society incorporates technological, economic, legal, political, demographic, ecological and cultural factors. Modifications of goals and values of the organisation can also be considered as impetus for organisational change. New method for processing materials and/or information that is the changes in technical systems also stimulate the organisation to change. They added that adjustments in organisational structures are also considered as another source of change. They claimed that structural changes are used in large organisation to reduce operating unit size and offset bureaucratic tendencies. They further observed that changes in morale and motivation of individuals and/or groups have a significant impact on organisational change. These types of factors are psychological. Finally, they pointed out that managerial role is vital for change and in the managerial process managers are faced with accelerating change in both the external environmental supra-system and other internal organisational subsystem.

FINDINGS AND DISCUSSION

There are concrete reasons for accelerated growth in the change management industry. Products, technology, or ideas that used to take years to design, develop, test, and deploy are now being squeezed down to months or even weeks (Teczek et al., 2017). Some thinkers argued that change prior to 1960s was mainly incremental and infrequent but in the last three decades there has been traumatic organisational change (Kotter, 1996). Others felt that radical or discontinuous change is not new and were occurred between 1900 to 1950 (Kilcourse, 1995). Therefore, in the first classification change may be incremental and discontinuous. In incremental change there is a shift in the change process perhaps associated with implementing productivity changes (Randall, 2004). Dessler (1995) mentioned that incremental changes only affect selected organisational components such as changing the organization's structure, introducing a new production technology or developing employees to reduce the interdepartmental conflict. This type of changes is made within the context or frame of the current set of organisational strategies and components (Nadler and Tushman, 1993). Weick and Quinn (2004) observed that discontinuous change occurs during period of divergence when organisations are moving away from their equilibrium condition. They

added that it is the result of a growing misalignment between an inertial deep structure and perceived environmental demands. Therefore, it is evident that change management is linked to organizational activities.

Nadler and Tushman (1995) differentiated between incremental and discontinuous change by incorporating another dimension: reactive or anticipatory changes. A reactive change is the direct response to an external environment and it is the present requirement for change. On the contrary, an anticipatory change is not the direct response to an immediately pressing event and this change is initiated to gain competitive advantage or to prepare for a destabilizing event that may anticipate in the future. Combining these two dimensions of change – incremental versus discontinuous and reactive versus anticipatory they (ibid) developed another four categories: tuning, adaptation, reorientation, and re-creations. Nadler and Tushman (1995) considered incremental and anticipatory change as tuning. It is the simplest type of change to implement. This type of change requires adjustment or modification between organisation and the environment. It seeks ways to increase efficiency but does not occur in response to any immediate problem. Improving policies, methods, procedures, introducing new technologies, redesigning processes, developing people are considered as tuning. When incremental change is initiated reactively, it can be considered as adaptation. These types of changes are made in response to external events. Change in the availability of key resources, or response to a successful marketing strategy adopted by a competitor are considered as adaptation. Nadler and Tushman’s change model is presented in Figure 2 below.

	Incremental	Discontinuous
Anticipatory	Tuning	Re-orientation
Reactive	Adaptation	Re-creation

Figure 2: Type of Organisational Changes

Source: Nadler and Tushman, 1995, p. 24

Strategic changes initiated in anticipation of future events are considered as reorientations. It is a major modification of the organisation. Finally, when strategic change is initiated reactively, it is referred to as re-creation. This type of changes is prompted by immediate crises and it involves transforming the organisation through the simultaneous change of all its basic elements. Here, adaptability of change management within the organization is identified. This approach may be useful to the entrepreneurs those who has stated their new businesses.

Leigh and Walters (1998) mentioned another two types of organisational change: one is strategic and the other is operational. They argued that the first is highly distinctive and relates to the future direction of the organisation affecting one or more of the goals. Strategic change deals with large scale strategic alternatives and it is a major shift in one or more of the main elements of any organisation. The elements are technical system, political system and cultural system. They mentioned operational change as day-to-day change or opportunity change which happens constantly. Mainly this type of change is about making improvements, in the short or sometimes long term, based on rapid response and adaptation.

Weick and Quinn (2004) indicated the changes as episodic and continuous. They used the term ‘episodic change’ to group together organisational changes that tend to be infrequent, discontinuous and intentional. This type of change tends to occur in distinct periods. On the other hand, the phrase ‘continuous change’ is used to group together organisational changes that tend to be ongoing, evolving, and cumulative. In continuous changes small continuous adjustments created simultaneously across units. Another classification of changes is minor or major. Minor changes are

the changes in procedures and operations. On the other hand, major changes may be transformational changes which can originate from major restructuring (Kanter, 1991). It can be concluded that change management contributes amicable solutions to the organization.

Dahrendorf (1959) pointed out that there is a continuous change in every social system. He argued that this change occurs not only in organisational elements but also in structural form too. He argued that change in the organisational element is the first order change and change in organisational structural form is the second order change. In the change management literature first-order change is considered as incremental or continuous change and second-order change is transformational, revolutionary and discontinuous change. Newman (2000) mentioned that first-order change may involve adjustments in systems, processes or structures and it does not involve any fundamental change in strategy, core values or corporate identity. Second-order change is transformational and radical change and it alters the organisation at its core.

Smith (1982) defined the changes as 'morphogenesis' and 'morphostasis'. He borrowed the terms from biology and used it in the organisation theory. According to him: Morphogenesis... is of a form that penetrates so deeply into the genetic code that all future generations acquire and reflect those changes. In morphogenesis, the change has occurred in the very essence, the core, and nothing special needs to be done to keep the change changed. (Smith, 1982, p. 318)

According to this definition, second - order change in the organisation "core" and is irreversible (Levy and Merry, 1986). Levy and Merry (1986) also mentioned that second order change as a multidimensional, multi-level, qualitative, discontinuous, radical organisational change which involves a paradigmatic shift. Smith (1982) defined first order changes as morphostasis and mentioned: Morphostasis encompasses two types of changes. First there are those that enable things to look different while remaining basically as they have always been....the second kind of morphostatic change occurs as a natural expression of the developmental sequence.... the natural maturation processes.

Levy and Merry (1986) described these types of changes as first-order change and mentioned that first order change is the change within the unit of a system but the systems remain unchanged and it is a minor improvements and adjustments. Levy and Merry (1986) compiled the different views of the various authors about first and second-order change. Those views are summarized in Table 1.

Table 1

Characteristics of First and Second Order Change

First Order Change	Second Order Change
A change in one or a few dimensions, components and aspects	Multidimensional, multicomponent, and multispectral
A change in one or a few levels (individual and group levels)	Multilevel change (individuals, groups, the whole organization)
Change in one or two behavioral aspects (attitudes, values)	Changes in all the behavioral aspects (attitudes, norms, values, perceptions, beliefs, world view, behaviors)
A quantitative change	A qualitative change
A change in content	A change in context
Continuity, improvements, and development in the same direction	Discontinuity, taking a new direction
Incremental changes	Revolutionary jumps
Logical and rational	Seemingly irrational, based on different logic
Does not change the world view, the paradigm	Results in new world view, new paradigm
Within the old state of being (thinking and acting)	Results in a new state of being (thinking and acting)

Source: Levy and Merry, 1986, p. 9

Laughlin (1991) mentioned that Habermass’ three-part model of social development could be used to describe organisational change. Laughlin (1991) mentioned that organisation is an amalgam of ‘interpretive schemes’, ‘design archetypes’ and ‘sub systems’ (Habermas’ mentioned societal structure as ‘lifeworld’, ‘steering media’ and ‘systems’). Laughlin observed interpretive schemes as a shared values and beliefs which are held by organisational members. Design archetypes are the organisation structure, decision processes and communication systems. Subsystems are the tangible organisational elements. Drawing from the work of Smith (1982), Laughlin mentioned that the change can be typified as either morpho static (first-order change) or morphogenetic (second-order change). Morpho static change will track through an organisation without affecting the interpretive schemes. It can be explained here that change management is linked with the organizational actions.

At the extreme situation morpho static changes may involve shifts in the sub-system elements and changes in design archetype. On the other hand, morphogenetic changes will track through all elements of an organisation. Then Laughlin (1991) developed the ‘skeletal’ model of change where he identified four possible pathways (‘rebuttal’, reorientation’, colonization, and ‘evolution’) an environmental disturbance can take through an organisation. These pathways are related to the first order and second order change. First order change initially at the level of design archetype, but will not affect the interpretive schemes. On the other hand, second order changes will result in changes not only in those elements altered by first order changes but also in the interpretive schemes. Laughlin’s typology is summarized in Table 2.

Table 2

Laughlin’s typologies of organisational change

Typologies	Pathways
No Change	Inertia
First order change (Morphostatic)	Rebuttal
	Reorientation
Second order change (Morphogenetic change)	Colonization
	Evolution

Source: Gray et al., 1995, p. 216

According to Laughlin, ‘Inertia’ is the desired natural state of an organisation where no disturbances need to be faced. Change of a ‘Rebuttal’ nature may involve some changes which are primarily absorbed in the design archetype. Unlike ‘rebuttal’ type changes, ‘reorientation’ changes, sparked by an environmental disturbance, are assumed to affect not only the design archetype but the sub-systems as well. This is because the disturbance cannot be rebutted, but has to be accepted and internalized into the workings of the organization, but in such a way that the real heart of the organization (the interpretive schemes) is basically unaffected by the disturbance (Laughlin, 1991). ‘Colonization’ is a second order change. Initially this type of disturbance changes design archetype and then to both the sub systems elements and the layers of the interpretive schemes. The final change pathway is ‘evolution’. It is a second order change which involves major shifts in the interpretive scheme. Change through evolution is desired and accepted by all the organisational participants freely and without coercion.

Giddens (1990, p. 303) claimed that there can be no universal theory of change since all social practices are irremediably contextual (Giddens, 1990, p. 301), and outcomes erratic (ibid, p. 303). For analysis purposes, he provided four types of social change. These are system reproduction, system contradiction, reflexive appropriation and resource access.

a) *system reproduction* - change which occurs through the inherent indeterminacy of social reproduction;

Chowdhury, A. and Shil, N.C. (2022), "Understanding change management in organizational context: revisiting literature", *Management and entrepreneurship: trends of development*, 1(19), pp.28-43. Available at: <https://doi.org/10.26661/2522-1566/2022-1/19-03>

b) *system contradiction* - change which results from clashes or struggles generated at the 'fault lines' of social systems;

c) *reflexive appropriation* - change which derives from the reflexive understanding of conditions of system reproduction, particularly as mobilized by organisations and social movements;

d) *resource access* - change which comes from differential control of desired resources, whether or not such change is reflexively mobilized. (Giddens, 1990, p. 304).

Change processes can also be classified as 'Planned Change' and 'Managed Change'. 'Planned Change' is how experts, inside or outside the organisation, can help the organisation to cope with the difficulties, and to plan and implement desired changes. On the other hand, 'Managed Change' refers to how managers can plan and implement (Levy and Merry, 1986). They mentioned the characteristics of planned change, distinguishing it from other forms of organisational change:

a) Planned change involves a deliberate, purposeful, and explicit decision to engage in a program of change.

b) Planned change reflects a process of change.

c) Planned change involves external or internal expertise.

d) Planned change generally involves a strategy of collaboration and power sharing (power derived from knowledge, skills, and competencies) between the expert and the client system.

Planned change is to do with the implementation of a specific decision in order to overcome a 'felt' need or problem (Stewart, 1996). Planned change concerns how change is created, implemented, evaluated and maintained (Bennis et al., 1979). Jick (1993) also mentioned that change is a planned or unplanned response to pressures and forces and further mentioned that change program intended to improve productivity, increase quality, speed up product development, and so on.

Nadler (1997) has developed a management framework of twelve action steps which is helpful for managers and executives to apply at every level of hierarchy during the change process. This is immensely helpful for leading and managing change at every corner of the organization. The twelve action steps are as follows:

- a. get the support of key power groups,
- b. get leaders to model change behavior,
- c. use symbols and language,
- d. define areas of stability,
- e. surface dissatisfaction with the present conditions,
- f. promote participation in change,
- g. reward behaviors that support change,
- h. disengage from the old,
- i. develop and clearly communicate an image of the future,
- j. use multiple leverage points,
- k. develop transition management arrangements,
- l. create feedback.

Kanter et al. (1992) have done a wonderful research on organization change and proposed *Ten Commandments* on how to plan a change process, which are:

- a. analyze the need for change,
- b. create a shared vision,
- c. separate from past,
- d. create a sense of urgency,
- e. support a strong leadership role,
- f. line up political sponsorship,
- g. craft an implementation plan,
- h. develop enabling structures,
- i. communicate and involve people,

j. reinforce and institutionalize change.

Ghoshal and Barlett (1996) argue for the importance of sequencing and implementation of activities in a change process in three phases: rationalization, revitalization, regeneration. They claim that while change is often presented as difficult and messy, there is nothing mystical about the process of achieving change with effective strategies following the rationalization, revitalization and regeneration sequential process (Aswathappa & Reddy, 2009). Pendlebury et al. (1998) have presented the *Ten Key Factors Model* which can be adapted to any particular change situation, namely, define the vision, mobilize, catalyze, steer, deliver, obtain participation, handle emotions, handle power, train and coach, and actively communicate. Huy (2001) categorizes change into four ideal types: commanding, engineering, teaching and socializing. Each ideal type has its limitations. The commanding approach may lead to resentment and rarely produces lasting behavioral change. The teaching approach is very individualistic and may not be aligned with corporate strategic objectives. Hussey (2000) proposed a change management model (EASIER model) consisting six elements mostly appropriate for high-tech enterprises. The elements of EAS (creation of vision, activation, support) are more behavioral, and the rest, IER (implementation, provision, recognition) are related to issues of the system and processes (Hussey, 2000). Another model (ADKAR) is a practically oriented model of change, consisting of five consecutive steps (Hiatt, 2006):

a) Awareness of the need for change: The reasons for the change are described at this stage.

b) Desire and willingness to change: At the stage, a decision is made to support these or other changes, which are achieved only if they are understood as necessary.

c) Knowledge of how to change: At this stage, knowledge is formed about how exactly it is necessary and should be changed, and also contains the knowledge and skills necessary for changes.

d) Ability to implement change: The stage involves the demonstration of the applicability and attractiveness of changes, as well as the identification of barriers that may prevent change.

e) Providing support for change: Here, special attention is paid to efforts to support change. Their stabilization and adoption are achieved through feedback, reward, performance evaluation and corrective action.

Lawson and Shen (1998) also pointed out that organisational change focuses on changing the organisation and this change comes in two basic types, one is unplanned change and the other is planned change. Unplanned change comes from an event that are external to the organisation whereas planned change originates from the decision to improve or develop an organisation. They also reviewed a four-facet model of planned organisational change. The first facet involves either organisational development or organisational transformation. They mentioned that organisational development was popular in the 1960s and 1970s and mainly dealt with the increasing size and complexity of organisation. On the other hand, organisational transformation is increasingly popular in the 1980s and today. They viewed that organisational transformation includes significantly increasing demands from customers or clients and the competitiveness of the global marketplace. It usually involves changes in both an organization's basic business strategy and organisational culture. They conclude that organisational development focuses on incremental change, whereas organisational transformation focuses on quantum change. The second facet includes organisational vision and work setting. These are social interaction patterns and physical environment. The third facets include cognitive and behavioral changes in individual members which, in turn, contribute to the improved organisational performance and enhanced individual development. Finally, they presented reengineering as a strong and concrete organisational strategy. It is a recently developed approach to organisational change that focuses on reengineering business processes.

Costello (1994) described three types of change that may occur in an organisation: Developmental, Transitional and Transformational. Developmental change is related to improvement of the organisation, for example, introduction of new technology, expansion of market, or team building. Transitional change is related to the introduction of new techniques, method, products or services. Transformational change is related to the implementation of new structure or changes in strategy and vision. Ackerman (1986) also categorized changes in

organisations as developmental, transitional and transformational. He argued that developmental changes are the improvement of a skill, method or condition. Transitional change introduces to have an organisation evolve slowly. These types of change involve many transition steps and are replaced by something new- for example, reorganizations, mergers, introducing new services etc. Transformational change is a radical reconceptualization of the organization's mission, culture, critical success factors, form, leadership etc.

Developmental Change or Organizational Development (OD) is a change intervention technique. There is no single underlying theory which unifies this approach and it is informed by a variety of different perspectives (Palmer et al., 2006). Richard Beckhard, 1969 (quoted in Palmer *et al.*, 2006, pp. 179-180) mentioned the following characteristics of OD approach:

- a) *It is planned* and involves a systematic diagnosis of the whole organisational system, a plan for its improvement, and provision of adequate resources.
- b) *The top of the organisation* is committed to the change process.
- c) *It aims at improving the effectiveness* of the organisation in order to help it achieve its mission.
- d) *It is long- term*, typically taking two or three years to achieve effective change.
- e) *It is action-oriented*.
- f) *Changing attitudes and behavior* is a focus of the change effort.
- g) *Experiential-based learning* is important as it helps to identify current behaviors and modifications that are needed.
- h) *Groups and teams* form the key focus for change.

Harvey and Brown (1992) considered OD as a continuing process of organisational improvement. They argued that OD works on the idea that organisation change involves improving the way people work in teams and the way team activities are integrated with organisational goals. Dawson (1994) mentioned that OD approach is planned and it includes all the members of the organisation. The main objective of this type of change is to improve working conditions and organization's effectiveness. There are six major steps in an organisational development program. These are identifying a need for change, selecting an intervention technique, gaining top management support, planning the change process, overcoming resistance to change, and evaluating the change process (Aldag and Stearns, 1991). Blake et al. (1989) mentioned that OD originates in many shapes and forms and it is difficult to point out the common features. They further mentioned that whatever the approach is, the objectives of organizational development are to improve human effectiveness in organized form.

Transitional change is an analytical, rational and pragmatic strategy and the main focus of this strategy is to analyze and evaluate the impact of the future state on the present state, and deducing what action steps need to be taken (Levy and Merry, 1986). Beckhard and Harris developed transitional approach in the mid-1970s. Other consultants and managers further developed and used it (Levy and Merry, 1986). Beckhard and Harris (1987) identified three distinct stages that are involved in a complex change effort. These are present state, transition state and future state. Using this idea, Beckhard and Harris (1987) developed a model that consists of a sequence of six distinguishable stages (quoted in Levy and Merry, 1986):

1. Assess the present condition, including the need for change
2. Define the new state or condition after the change
3. Define the transition state between the present and the future
4. Develop strategies and action plans for managing this transition
5. Evaluate the change effort
6. Stabilize the new condition and establish a balance between stability and flexibility.

Another type of change is transformational. Fletcher (1990, p. 9) defined transformational change as the fundamental shift in perceptions, values and consciousness. By this type of change new meaning for the organisation is established and it completely alters the ways of responding to its environment. Transformational change or Organisational Transformations (OT) can occur due to

changes in environment or technology (Waddell *et al.*, 2000). By definition this type of change is a second order change (Bartunek and Louis, 1988). Hawley (1983) mentioned that:

OT recognizes the dynamics of a paradigm shift, the building up of pressure to replace old theories, and the sudden shift from the old to the new. OT is discovering the natural base structures in our organisation world while recognizing those structures are always evolving. OT helps make conscious what lies largely at the unconscious level in organisation (Hawley, 1983, pp. 7-8).

Flamholtz and Randle (1998) identified three types of transformational change as summarized in Table 3 below:

Table 3

Types of Transformational Change

Key Factors Influencing Design of Transformations	Transformation Types		
	Type 1: Entrepreneurial to Professional Management	Type 2: Revitalization	Type 3: Business Vision
Organizational environment	Growth in markets and competition	Major change in environment	May or may not involve environmental change
Business concept	No transformation	No transformation	Major transformation
Building blocks of organisational success	Changing culture, management, and operational systems	Change needed in markets, services, resources, operational and measurement systems, and culture	Changes in markets, services, resources, operational and measurement systems and culture
Organisational size	Associated with rapid growth	Usually change, including downsizing	May involve size change

Source: Flamholz and Randle, 1998, p. 39

Type 1 transformation occurs when an organization moves from an entrepreneurial to a professional management structure. Type 2 transformation is the revitalization of the established companies. In this transformation organization exists in the same market but rebuild itself to operate more effectively. In Type 3 transformation, the business fundamentally changes its vision.

CONCLUSION

A change management model serves as a compass that can facilitate or lead change efforts (Rothwell & Sullivan, 2005) by determining the specific processes and steps to follow, by illustrating the various factors influencing change, or by determining the levers used to succeed in the change management process (Parry *et al.*, 2013; Stouten *et al.*, 2018). Several change management models have been developed over the years using various theories and principles from different disciplines (Galli, 2018). It should be noticed that none of the approaches and models for a change management is the ideal one. The choice of a particular approach should be based on consideration of real conditions, as well as when integrating several models (Teczke *et al.*, 2017). This study identifies factors driving change management in organizations and different successful change management typologies.

Despite many models, there is still a need to identify contextual factors comprehensively and to bridge the gaps in understanding how to succeed in organizational change management (Burnes, 2011; Jones *et al.*, 2018). Indeed, existing models do not fully explore or display all factors that

influence the success of organizational change (Jones et al., 2018). Some models place emphasis on specific factors that are not major success factors as demonstrated in other models, while some models incorporate factors not included in others. Therefore, the use of a single model or few models is not sufficient to cover various change situations (Burnes & Jackson, 2011). This study aptly identified different models to provide a comprehensive view on change management literature which will guide the change management team to develop their own tailored model.

It has been observed that organizations are continuously facing turbulent situations. As a consequence, the organizations need to implement various change initiatives. For the correct implementation of changes, it is necessary, first of all, to assess the specific situation and desired results, as well as learn how to correctly manage changes based on the approaches and models considered (Teczke et al., 2017). This study argues that there is no single model which is applicable in every situation, rather it necessitates a detailed study before choosing a particular change management model for smooth and successful delivery of changes. Understanding the organizational context, actors of change management process, consequences of change, involvement and support of top-level management and infrastructural requirements need to be scrutinized before implementing change management. The present study points out the probable alternatives for changes proposed by prominent management specialists in this regard. Hence, it will contribute our understanding of managing change through various management technologies. Here, it is argued that change typology has been adopted in this study because it incorporates functional and behavioral all the elements of change management systems. In this study it is evident that organizations adopt change management strategies for their survival. It is directly linked with organizational actions and it positively contributes by providing amicable solution when necessary.

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РОЗУМІННЯ УПРАВЛІННЯ ЗМІНАМИ В ОРГАНІЗАЦІЙНОМУ КОНТЕКСТІ: ПЕРЕГЛЯД ЛІТЕРАТУРИ

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Кожна організація працює у динамічному та мінливому середовищі, і з цієї причини організації повинні застосовувати підходи до управління змінами. У цьому концептуальному дослідженні представлені інструменти управління змінами в організації. Результати цього дослідження мають низку практичних наслідків. Очікується, що воно розширить наше розуміння процесу управління змінами в організаційному контексті, і це дослідження буде корисним для наукових дослідників та практиків. Дослідження може бути корисним для підприємців, які займаються створенням нових підприємств.

Ключові слова: управління змінами, організація, огляд літератури

ПОНИМАНИЕ УПРАВЛЕНИЯ ИЗМЕНЕНИЯМИ В ОРГАНИЗАЦИОННОМ КОНТЕКСТЕ: ПЕРЕСМОТР ЛИТЕРАТУРЫ

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Каждая организация работает в динамичной и изменчивой среде, и по этой причине организации должны применять подходы к управлению изменениями. В данном концептуальном исследовании представлены инструменты для управления изменениями в организации. Результаты данного исследования имеют ряд практических последствий. Ожидается, что оно расширит наше понимание процесса управления изменениями в организационном контексте, и это исследование будет полезно для научных исследователей и практиков. Исследование может быть также полезным для предпринимателей, которые занимаются созданием новых предприятий.

Ключевые слова: управление изменениями, организация, обзор литературы

MANAGEMENT

RECEIVED:

21 January 2022

ACCEPTED:

22 February 2022

RELEASED:

20 April 2022

UDC 005.963:005.336.2

DOI [10.26661/2522-1566/2022-1/19-04](https://doi.org/10.26661/2522-1566/2022-1/19-04)

ACQUISITION OF VALUE-BASED COMPETENCIES FOR EFFECTIVE
MANAGEMENT OF TRAINING OF SPECIALISTS

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Abstract. The **purpose** of this study is to examine the features of the acquisition of value-based competencies for effective management of training of specialists. Higher education institutions are tasked with implementing educational programs that allow to achieve the set goals and form the necessary competencies to provide quality training of specialists. An analysis of recent research and publications has shown that the use of the competency approach in higher education institutions has become possible owing to the new standards approved by the Ministry of Education and Science. **Methodology:** General scientific and special methods of system-structural analysis and synthesis, frequency analysis, quantitative distribution, grouping were used in the research process. Competencies which the applicants for higher education are supposed to acquire after mastering the educational and professional programs were analyzed in each specialty. The research **findings** show that the main components of professional education are 11 core competencies, which account for 35% of all competencies studied and form 68% of universal skills in all specialties, while 22 competencies are unique to educational and professional programs and provide performing professional functions by type of activity. It has been found that in the specialties of natural sciences, engineering and information technologies, the main emphasis is placed on the acquisition of purely professional competencies, while in humanities, economic, managerial and law specialties, professional competencies are supplemented with intercultural and social competencies. The grouping of competencies according to the opportunity to obtain learning outcomes has been given, the understanding of the grouping allows to provide effective management of quality training of specialists.

Keywords: effective management, competency approach, competency, higher education standard, value-based competencies, educational programs.

JEL Classification: A22, I20.

INTRODUCTION

Today's realities of functioning of any business entity require the availability of specialists who have formed such basic competencies as the ability for abstract and analytical thinking, understanding of professional activities, communication skills, teamwork, exercising their rights and responsibilities as members of society, preservation and enhancing of moral, cultural and scientific values.

It is the higher education institutions that are entrusted with such an important task as the implementation of educational programs that allow to achieve the set goals and form the necessary competencies for effective management of quality training of specialists. High efficiency of professional activity depends on both general and professional competencies acquired in higher education institutions. A feature of the current development of society is the relationship between professional activity of specialists and continuous education and self-improvement, which is based on career planning, continuous professional development and acquisition of the necessary value-based competencies.

LITERATURE REVIEW

The issues of defining "competency" and the comparison of this concept with the term "competence" were addressed in the work by L.S. Gavryliak (2019). In their turn, R. Hurevych, H. Hordiichuk and N. Opushko (2019), R. Moiseienko (2018), I. Snovydyvych (2020) focused on the issues of modern competency approach and underlined that in higher education the indicator of quality and effective learning is the competencies that the learner will acquire in the learning process, and the competency approach in education is an opportunity to properly educate learners to achieve a qualitative result - the integration of knowledge, skills, values, culture into a shaped personality of the graduate student, who will be successful and in demand, whichever unforeseen changes will occur in the labor market. Special attention has to be paid to the requirements of stakeholders, who need employees with the desirable pre-formed competencies that are the indicators that determine the graduate's readiness for their future professional activity, development and life position. T.M. Smahina (2020) proposed the use of a "competency potential map" as a system of nodal points (descriptors) connected by lines that affect the end result of the formation of competencies after mastering the educational program.

The use of the competency approach in higher education institutions became possible due to the new standards approved by the Ministry of Education and Science (Table 1).

Having studied the works of A. Hrebenyk (2021), S. Stebliuk (2019), we came to the conclusion that the generally accepted definition of professional competency can be as follows: the ability to cope with professional challenges and solve typical professional problems that arise in real situations of professional activity, using knowledge, professional and life experience, values and abilities. It is believed that professional competency is not limited to individual personality traits, their sum or individual skills, as it reflects not only the potential of a person, but also the ability to use it, which would generate new phenomena, quality of life and activity. This allows a person to be successful and competitive. From the point to A.A. Zahorodnia (2018, 2019) professional education involves acquiring qualifications in the relevant field, and according it should be based on current trends in science and the requirements of market economy.

O.P. Sazhiienko (2018) studied the formation of professional competency of bachelors and noted that this is a purposeful process aimed at future professionals' mastering a set of knowledge, skills, and experience that contribute to the development of their creative potential and professional self-development in a particular field.

We agree with S.O. Bader (2019) that value-based competencies are related to the values of the learners, and their ability to understand and see the world around them, navigate it, to be able to choose semantic and target settings for their deeds and actions, and make decisions.

Table 1

Characteristics of new competency standards

New competency standards	Effectiveness of implementation of new competency standards
Are based on a competency approach to the education of graduates	Acquisition and practical application of core competencies (integrated, general and professional) by students as early as in the course of studying
Are result-oriented to provide a successful completion of a bachelor's studies	To ensure successful learning outcomes and well-mastered theoretical and practical knowledge, the curriculum and the teaching process itself need to be of high quality, flexible, with an individual approach and taking into account the needs of employers
Comply with the specialties in accordance with the National Qualifications Framework	Shaping the educational program in accordance with the standards of higher education, based on the qualification levels standardized in the National Qualifications Framework (NQF) and the competency approach, with taking into account an effective communication between the education institutions and labor market
Require monitoring and periodic review of educational programs	In order to improve teaching and the quality of education in accordance with the requirements and challenges of the time, it is necessary to constantly review and improve curricula in order to enhance learning outcomes
Require annual assessment of the performance of students and teachers at higher education institutions and regular publication of the assessment results	Effective and proper monitoring of the performance of all participants in the educational process will help improve the quality of education, implement innovations and take into account the needs of all stakeholders
Introduce an effective system for the prevention and detection of academic plagiarism in the scientific works of teachers and students	Compliance with academic integrity and academic culture by all participants in the educational process will contribute to the development of national education and build trust and recognition in the global environment
Require examinations (scientific and methodological examination – by the Institute of Higher Education of the National Academy of Pedagogical Sciences of Ukraine, professional examination – by experts from specialized institutions, a separate professional examination – by stakeholders of the educational process)	Providing consultations and scientific-expert recommendations and support to a higher education institution and a guarantee

Source: Supplemented by the authors according to (Snovydovych, 2020)

Swanson, E. (2020) examined leadership from a competency perspective, which allowed an insight into different dimensions of leader's qualities and abilities. The author proposes a model that covers the concepts of leader's competence, knowledge sharing, as well as employee job performance and employee loyalty in the context of expatriate general managers. From this perspective, leader competencies are crucial for promoting knowledge sharing and increasing employee job performance.

Wahab, A. and Tyasari, I. (2020) investigated the impact of managerial competence and learning orientation on the university leaders' job performance. Chen, S.-L. (2020) focused on the impact of practical training on student learning outcomes and their competency enhancing. Oberländer, M. (2020) offered a holistic view and broadened the scope of the concept of digital competencies, focusing on applications at work. Schreck, C.M. (2020) argues that some students lack skills and competencies at the beginning of their careers. This may be related to passive learning settings with limited or no exposure to practical experiences during training. To gain the required competencies, students need to be exposed to active learning processes.

Despite the rather large number of publications, the issue of acquiring value-based competencies to ensure quality training of specialists remains insufficiently resolved.

PAPER OBJECTIVE

The purpose of this study is to examine the features of the acquisition of value-based competencies for effective management of training of specialists. The main objectives of this study are to identify the specifics of the relationship between the acquisition of value-based competencies and the provision of effective management of quality training of specialists.

METHODOLOGY

In the process of research, general scientific and special methods were used: system-structural analysis and synthesis to identify patterns of distribution of competencies depending on their availability in the syllabus; frequency analysis of the use of competencies into educational programs; quantitative distribution of competencies in educational programs for specialties; grouping competencies according to the opportunity to obtain the outcome from learning.

The value-based competencies have been analyzed for each specialty, which are supposed to be acquired by graduates after mastering educational and professional programs. The formation of professional and personal qualities, knowledge and skills of future employees is based on a total of 33 competencies as defined in relevant higher education standards.

RESULTS AND DISCUSSION

Distribution of all competencies that ensure quality training, labor efficiency and competitiveness of future employees in the specialties under study, in percentage terms, depending on the availability in a particular curriculum is shown in Figure 1.

The fundamental basis for training a today's specialist in any field is provided by two competencies:

- ability to preserve and enhance moral, cultural, scientific values and achievements of society based on understanding the history and patterns of development of the subject area, its place in the general system of knowledge about nature and society and in the development of the society and technology, ability to use different types and forms of physical activity for active recreation and a healthy lifestyle;

- ability to exercise their rights and responsibilities as members of society; awareness of the value of civil (free democratic) society and the need for its sustainable development, the rule of law, human and civil rights and freedoms in Ukraine.

A detailed study of higher education standards revealed that 95.2% of educational programs provide communication in a foreign language, 83.3% - in the state language. Also, general competencies include the ability for abstract thinking, analysis and synthesis (76.2%), teamwork (73.8%), ability to apply knowledge in practical situations (69%), use information and communication technologies (61.9 %), seek, process and analyze information from various sources (57.1%), and learn and master advanced knowledge (57.1%).

The other competencies belong to the professional ones, as they correlate with the subject area of study and are important for future professional activities.

Figure 2 shows the frequency of including the competencies into educational programs.

The main components of training of specialists are 11 core competencies, which account for 35% of all competencies studied and form 68% of universal skills in all specialties, while 22 competencies are unique to educational and professional programs and provide performing professional functions by type of activity. The composition and content of the value-based competencies is largely determined by the specifics of a field of work, but the ability to communicate in state and foreign languages, the ability for abstract thinking, teamwork, application of knowledge in practical situations, use of information and communication technologies, learning and mastering advanced knowledge and understanding of the subject area and professional activity determine the qualification level of the future specialist within the frames of any curriculum.

Ability to motivate people and move towards a common goal
 Definiteness and perseverance in tasks and responsibilities
 Ability to develop and manage projects
 Ability to be proactive and enterprising
 Awareness of equal opportunities and gender issues
 Ability to generate new ideas (creativity)
 Ability to make informed decisions
 Appreciation and respect for diversity and multiculturalism
 Ability to work in an international context
 Ability to evaluate and ensure the quality of work performed
 Ability to plan and manage time
 Ability to adapt and act in a new situation
 Ability to act on the basis of ethical considerations (motives)
 Ability to conduct research at an appropriate level
 Ability for interpersonal interaction
 Ability to communicate with representatives of other professional groups of different levels (with experts from other fields of knowledge / types of economic activity)
 Ability to work safely
 Ability to act socially, responsibly and consciously
 Ability to identify, pose and solve problems
 Ability to work autonomously
 Commitment to preserve the environment
 Ability to be critical and self-critical
 Knowledge and understanding of the subject area and understanding of the field of work
 Ability to learn and master up-to-date knowledge
 Ability to seek, process and analyze information from various sources
 Ability to use information and communication technologies
 Ability to apply knowledge in practical situations
 Ability to work in a team
 Ability for abstract thinking, analysis and synthesis
 Ability to communicate in the state language both orally and in writing
 Ability to communicate in a foreign language
 Ability to exercise one's rights and responsibilities as a member of society; awareness of the value of civil (free democratic) society and the need for its sustainable development, awareness of the rule of law, human and civil rights and freedoms in Ukraine
 Ability to preserve and enhance moral, cultural, scientific values and achievements of society based on understanding the history and patterns of development of the subject area, its place in the general system of knowledge about nature and society and in the development of society and technologies, ability to use different types and forms of physical activity for active recreation and a healthy lifestyle.

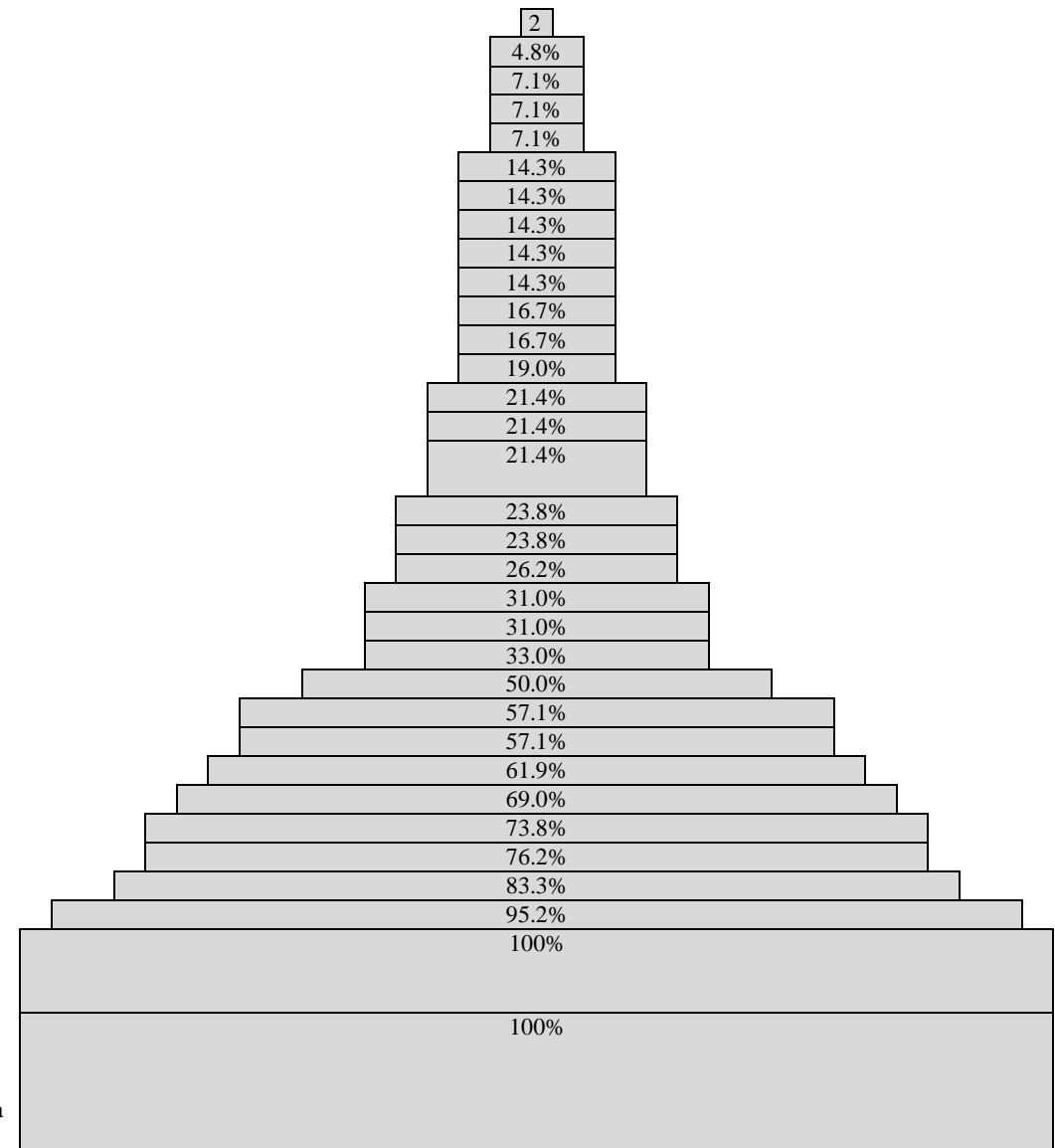


Figure 1. Distribution of all competencies in percentage depending on their availability in educational programs

Source: Own compilation

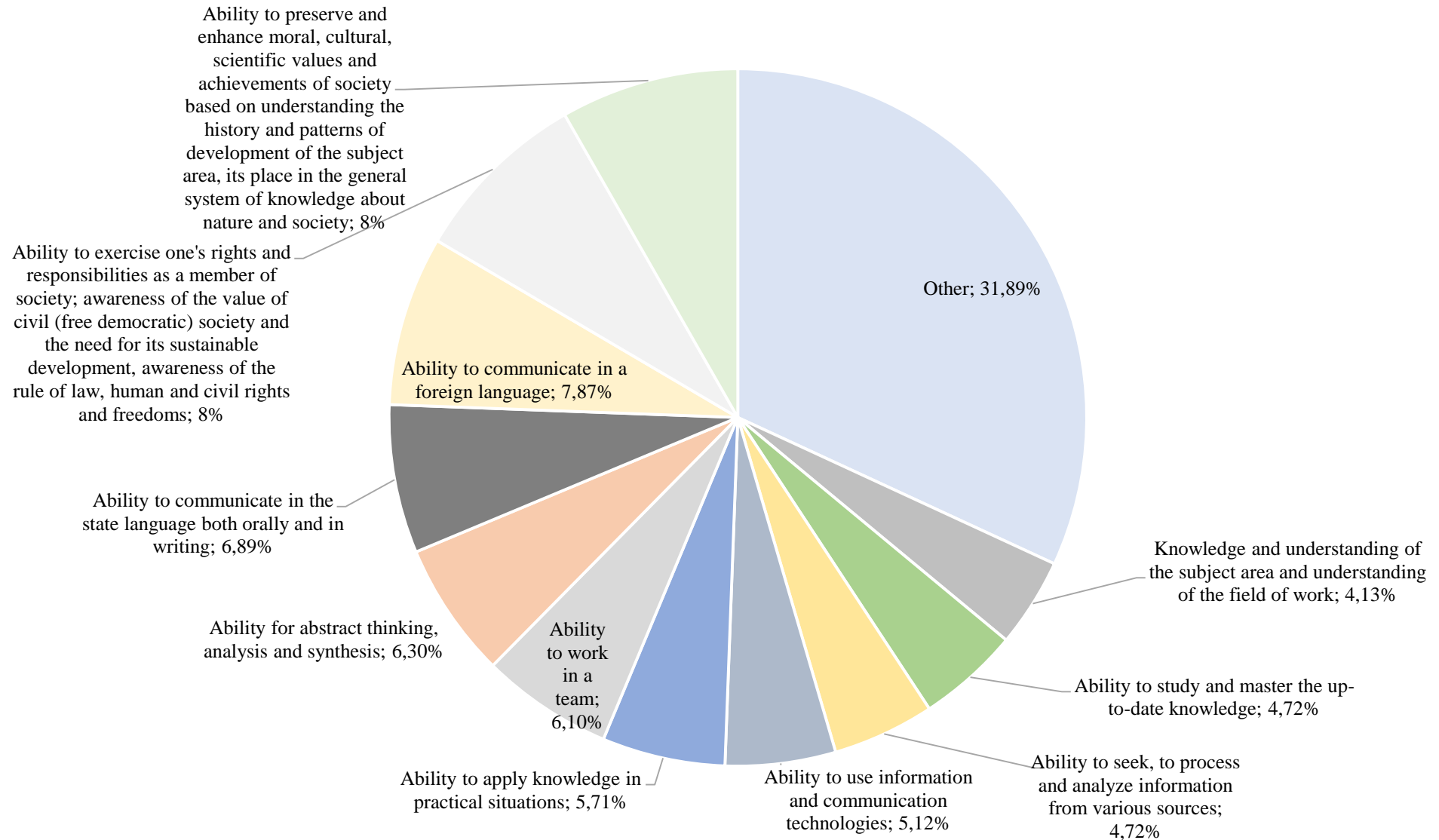


Figure 2. Frequency of including competencies into educational programs

Source: Own compilation

The above eleven competencies reflect the basic general requirements to professional and personal behavior in future jobs, which emphasizes a thorough approach to ensuring the quality of today's education.

It is certainly impossible to make a single list of competencies for an ideal specialist, because the desirable competencies will differ according to a field of work, working position, working conditions, and features of a workplace.

Table 2 shows the quantitative distribution of competencies in educational and professional programs for various specialties.

It has been revealed that the average number of competencies per specialty in the groups of Engineering, Machinery and Technology, Civil Security; Natural Sciences; Information Technology is lower than in the groups of Humanities, Education, Pedagogy and Law; Economics, Management and Administration, International Relations, Tourism. In our opinion, this is due to the fact that the specialties of natural, engineering, information technologies mainly focus on acquiring purely professional competencies, while in the specialties of the groups "Economics, Management and Administration, International Relations, Tourism" and "Humanities, Education, Pedagogy and Law", the professional competencies are supplemented with intercultural and social competencies that are related to communication, social responsibility, human and civil rights and freedoms in Ukraine, the values of a civil (free democratic) society and the need for its sustainable development, etc. The latter groups of specialties have a wider range of opportunities and responsibilities for the development of society and improvement of personalities in it.

Table 3 shows the grouping of competencies according to the opportunity of obtaining learning outcomes.

It has been revealed that the average number of competencies per specialty in the groups of Engineering, Machinery and Technology, Civil Security; Natural Sciences; Information Technology is lower than in the groups of Humanities, Education, Pedagogy and Law; Economics, Management and Administration, International Relations, Tourism. In our opinion, this is due to the fact that the specialties of natural, engineering, information technologies mainly focus on acquiring purely professional competencies, while in the specialties of the groups "Economics, Management and Administration, International Relations, Tourism" and "Humanities, Education, Pedagogy and Law", the professional competencies are supplemented with intercultural and social competencies that are related to communication, social responsibility, human and civil rights and freedoms in Ukraine, the values of a civil (free democratic) society and the need for its sustainable development, etc. The latter groups of specialties have a wider range of opportunities and responsibilities for the development of society and improvement of personalities in it.

Table 3 shows the grouping of competencies according to the opportunity of obtaining learning outcomes.

While acquiring the necessary competencies according to their specialty, future specialists are in the role of the subject of professional culture and implement its creative component. In professional activities, a necessary component of creating a positive image of companies and in particular employees is their commitment to preservation and enhancement of moral, cultural, scientific values and achievements of society. Under these conditions, the formation of a specialist and the formation of professional norms and rules, acquisition of necessary knowledge and skills occur on the basis of understanding of history and patterns of development of the subject area, its place in the general system of knowledge about the nature and society and in the development of society and technologies. Professional relations that facilitate the development of professional culture and values should be based on appreciating and respecting diversity and multiculturalism.

In today's globalized world, more and more specialists are faced with the need to organize work in an international environment, where the competence referring to the ability to work in an international context is indispensable.

Table 2

Quantitative distribution of competencies in educational and professional programs of specialties

Groups of specialties	Number of specialties	Number of competencies	Average number of competencies per group specialty	
Humanities, Education, Pedagogy and Law	6	82	13.67	
015 Professional Education	1	11		
032 History and Archeology	1	11		
033 Philosophy	1	14		
034 Cultural studies	1	12		
035 Philology	1	14		
052 Political science	1	6		
081 Law	1	14		
Economics, Management and Administration, International Relations, Tourism	9	138	15.33	
051 Economics	1	13		
071 Accounting and Taxation	1	15		
072 Finance, Banking and Insurance	1	14		
073 Management	1	17		
075 Marketing	1	14		
076 Entrepreneurship, trade and stock-exchange	1	11		
281 Public administration	1	13		
291 International Relations, Public Communication and Regional Studies	1	13		
292 International Economic Relations	1	13		
242 Tourism	1	15	12	
Natural Sciences	3	36		
091 Biology	1	10		
101 Ecology	1	13		
103 Earth Science	1	13	11.67	
Information Technology	6	70		
121 Software Engineering	1	12		
122 Computer Science	1	14		
123 Computer Engineering	1	10		
124 System Analysis	1	16		
125 Cybersecurity	1	8		
126 Information Systems and Technologies	1	10		
Engineering, Machinery and Technology, Civil Security	15	182		12.13
131 Applied Mechanics	1	14		
132 Materials Science	1	14		
133 Sector Mechanical Engineering	1	12		
141 Electro Energetics and Electrical Engineering	1	10		
151 Automation and Computer-Integrated Technologies	1	10		
152 Metrology and Information-Measuring Technology	1	12		
161 Chemical Technology and Engineering	1	8		
172 Telecommunications and Radio Engineering	1	13		
183 Environmental Protection Technologies	1	8		
184 Mining	1	11		
185 Oil and Gas Engineering and Technology	1	10		
192 Construction and Civil Engineering	1	10		
193 Geodesy and Land Management	1	12		
274 Road Transport	1	14		
275 Transport Technologies	1	14		
263 Civil Security	1	10		

Source: Compiled by the authors

Table 3

Grouping of competencies according to the opportunity to obtain learning outcomes

Learning outcomes	Competencies
Take into account the culture and values in the future job	Appreciation and respect for diversity and multiculturalism
	Ability to preserve and multiply moral, cultural, scientific values and achievements of society based on understanding the history and patterns of development of the subject area and its place in the general system of knowledge about nature and society and in the development of society and technology; ability to use different types and forms of physical activity for active recreation and a healthy lifestyle
Organize the work in an international environment	Ability to work in an international context
Manage the time and career as components of responsibility and autonomy	Ability to plan and manage time
	Ability to work autonomously
Use information and be able to communicate in the future job	Ability to seek, process and analyze information from various sources
	Ability to communicate in the state language both orally and in writing
	Ability to communicate in a foreign language
	Ability to use information and communication technologies
	Ability to communicate with representatives of other professional groups of different levels (with experts from other fields of knowledge / types of economic activity)
Critically think and develop the creative potential as a person	The ability to be critical and self-critical
	Ability to adapt and act in a new situation
	Ability to be proactive and enterprising
Form a creative personality in the future job	Ability to apply knowledge in practical situations
	Ability to generate new ideas (creativity)
Justify and make decisions	Ability to identify, pose and solve problems
	Ability to make informed decisions
	Ability for abstract thinking, analysis and synthesis
Comply with ethical standards and be responsible in the future job	Ability to act on the basis of ethical considerations (motives)
Develop a professional career	Knowledge and understanding of the subject area and understanding of the field of work
	Definiteness and perseverance in terms of tasks and responsibilities
Develop social responsibility in the today's world	Ability to act socially, responsibly and consciously
	Awareness of equal opportunities and gender issues
Do research	Ability to conduct research at an appropriate level
	Ability to learn and master up-to-date knowledge
Work towards greening and sustainable development of society	Ability to carry out safe activities
	Ability to evaluate and ensure the quality of work performed
	Commitment to preserving the environment
	Ability to exercise one's rights and responsibilities as a member of society; awareness of the value of civil (free democratic) society and the need for its sustainable development, awareness of the rule of law, human and civil rights and freedoms in Ukraine
Plan and control projects	Ability to develop and manage projects
Form and develop project teams	Ability to work in a team
	Ability for interpersonal interaction
	Ability to motivate people and move towards a common goal

Source: Compiled by the authors

Today's professional activity is characterized by rapid developments, therefore, in order not to lose opportunities, employees need valuable qualities such as the ability to manage time and career, which is a necessary component of responsibility and autonomy.

Timeliness and completeness of awareness of developments in the internal and especially external environment is the basis for sustainable professional development, so the ability to use information comes to the fore, which requires competencies such as the ability for seeking,

processing and analyzing information from various sources and the ability to use information and communication technologies. Communication in the job is a prerequisite for conducting activities in a market environment, therefore, to increase the efficiency of communications, a specialist needs the ability to communicate in the state language, both orally and in writing; communicate in a foreign language; communicate with representatives of other professional groups of different levels (with experts from other fields of knowledge / types of economic activity).

The connecting link between the perception of information and its use is its critical comprehension. In addition to external information, the information about internal processes related to the field of work is important, so the ability to be critical and self-critical is necessary for a specialist. Moreover, the development of the creative potential of an employee as a person is based on the ability to adapt to and act in a new situation and be proactive and enterprising.

Based on the development of the creative potential of a specialist, his / her creative personality is formed, so the ability to generate new ideas (creativity) and apply knowledge in practical situations will be indispensable.

Professional activity requires continuous problem solving. Accordingly, based on the information at their disposal, a specialist needs to justify and make decisions, for which he / she needs to develop the ability for abstract thinking, analysis and synthesis, the ability to identify, pose and solve problems, and make informed decisions.

Responsibility in the future job requires the ability to act on the basis of ethical considerations (motives).

The formation of a professional career is based on deep knowledge, professional skills and high qualifications that require knowledge and understanding of the subject area and understanding of the field of work, as well as definiteness and perseverance in the tasks and responsibilities taken.

Any professional activity in the long run requires the development of social responsibility; this is why the ability to act responsibly and consciously as well as awareness of equal opportunities and gender issues are the necessary competencies required of a specialist.

Since competitive advantages in today's world are connected with innovation, the feature of a specialist is the ability to carry out scientific research at a relevant level, to study and master up-to-date knowledge.

The environment in the era of global warming and other problems of world ecosystems, as well as the market environment in the era of severe competition require from an employee to work towards greening and sustainable development of society, which necessitates the ability to work safely; to assess and ensure the quality of work performed, the commitment to preserve the environment; the ability to exercise one's rights and responsibilities as a member of society; awareness of the values of civil (free democratic) society and the need for its sustainable development, awareness of the rule of law, human and civil rights and freedoms in Ukraine.

Professional activity involves a number of projects to implement, which requires effective management, planning and monitoring projects, as well as the ability to develop and introduce them.

In carrying out projects, it is important to form and develop a project team, which is why a specialist needs such competencies as the ability to work in a team, the ability to interact with people, the ability to motivate people and move towards a common goal.

This study was devoted to determining the specifics of the relationship between the acquisition of value-based competencies and providing the professional training, therefore it was limited to 42 educational programs of the first (bachelor's) level of higher education, introduced in the educational process at Dnipro University of Technology (Perelik osvithn'o-profesiinykh program). However, similar research can be conducted on other educational programs, including those intended for the second (master's) level.

CONCLUSIONS

The author's vision is that the formation of professional and personal qualities, knowledge and skills of future specialists is based on a total of 33 competencies defined in relevant standards of higher education, which is the basis for effective management of quality training of applicants for higher education. The fundamental basis for training a today's specialists in any field is provided by two competencies: the ability to preserve and enhance moral, cultural and scientific values and the ability to exercise one's rights and responsibilities as a member of society. A detailed study of higher education standards has revealed that the main components of training are 11 core competencies, which account for 35% of all competencies studied, and form 68% of universal skills in all specialties, while 22 competencies are unique to the educational programs and provide performing professional functions by type of activity. It has been found that in the specialties of natural, engineering, information technologies the main emphasis is placed on the acquisition of purely professional competencies, while in humanities, economics, management and law specialties, professional competencies are supplemented with intercultural and social ones. The grouping of competencies according to the opportunity to obtain learning outcomes has been given, the understanding of the grouping allows to provide effective management of quality training of specialists. The direction of further research may be the clarification of the specifics of the relationship between the acquisition of value-based competencies and the provision of quality training of applicants for the second and third levels of higher education.

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НАБУТТЯ ЦІННІСНИХ КОМПЕТЕНТНОСТЕЙ ДЛЯ ЕФЕКТИВНОГО УПРАВЛІННЯ ПІДГОТОВКОЮ ФАХІВЦІВ

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Метою даного дослідження є вивчення особливостей набуття ціннісних компетентностей для ефективного управління підготовкою фахівців. На заклади вищої освіти покладена задача впровадження освітніх програм, що дозволяє досягати поставлених цілей та сформувати необхідні компетентності для забезпечення якісної підготовки фахівців. Аналіз останніх досліджень і публікацій показав, що використання компетентнісного підходу у ЗВО стало можливим завдяки затвердженим МОН новим стандартам.

Методологія: в процесі дослідження були використані загальнонаукові та спеціальні методи системно-структурного аналізу і синтезу, частотного аналізу, кількісного розподілу, групування. Було проаналізовано компетентності за кожною спеціальністю, які здобувачі вищої освіти повинні набути після опанування освітньо-професійних програм. Результати дослідження показують, що основними складовими підготовки фахівців є 11 ключових компетентностей, які складають 35 % всіх досліджених компетентностей та формують 68 % універсальних умінь за всіма спеціальностями, а 22 компетентності є унікальними для освітньо-професійних програм і забезпечують виконання професійних функцій за видами діяльності. Визначено, що на спеціальностях природничих, інженерних, інформаційних технологій основний акцент робиться на набутті суто фахових компетентностей, а на гуманітарно-економічних, управлінських та правових, крім фахових, додаються компетентності міжкультурні та загальносуспільні. Наведено групування компетентностей за можливістю отримати результати від навчання, розуміння якого дозволяє забезпечити ефективне управління якісною підготовкою фахівців.

Ключові слова: ефективне управління, компетентнісний підхід, компетентність, стандарт вищої освіти, ціннісні компетентності, освітні програми

ПРИОБРЕТЕНИЕ ЦЕННОСТНЫХ КОМПЕТЕНТНОСТЕЙ ДЛЯ ЭФФЕКТИВНОГО УПРАВЛЕНИЯ ПОДГОТОВКОЙ СПЕЦИАЛИСТОВ

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Целью данного исследования является изучение особенностей приобретения ценностных компетентностей для эффективного управления подготовкой специалистов. На учреждения высшего образования возложена задача внедрения образовательных программ, что позволяет достигать поставленных целей и сформировать необходимые компетентности для обеспечения качественной подготовки специалистов. Анализ последних исследований и публикаций показал, что использование компетентностного подхода в УВО стало возможным благодаря утвержденным МОН новым стандартам. Методология: в процессе исследования были использованы общенаучные и специальные методы системно-структурного анализа и синтеза, частотного анализа, количественного распределения, группирования. Были проанализированы компетентности по каждой специальности, которые соискатели высшего образования должны приобрести после овладения образовательно-профессиональными программами. Результаты исследования показывают, что основными составляющими подготовки специалистов являются 11 ключевых компетентностей, которые составляют 35% всех исследованных компетентностей и формируют 68% универсальных умений по всем специальностям, а 22 компетентности уникальны для образовательно-профессиональных программ и обеспечивают выполнение профессиональных функций по видам деятельности. Определено, что на специальностях естественных, инженерных, информационных технологий основной акцент делается на приобретении чисто профессиональных компетентностей, а на гуманитарно-экономических, управленческих и правовых, кроме профессиональных, добавляются межкультурные и общественные

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компетентности. Приведено группирование компетентностей по возможности получить результаты обучения, понимание которого позволяет обеспечить эффективное управление качественной подготовкой специалистов.

Ключевые слова: эффективное управление, компетентностный подход, компетентность, стандарт высшего образования, ценностные компетентности, образовательные программы

MANAGEMENT

RECEIVED:

4 January 2022

ACCEPTED:

10 February 2022

RELEASED:

20 April 2022

UDC 005.95/96+005.73

DOI [10.26661/2522-1566/2022-1/19-05](https://doi.org/10.26661/2522-1566/2022-1/19-05)

**MANAGERIAL IMPLICATIONS ON THE RELATION OF DIGITAL LEADERSHIP,
DIGITAL CULTURE, ORGANIZATIONAL LEARNING,
AND INNOVATION OF THE EMPLOYEE PERFORMANCE
(CASE STUDY OF PT. TELKOM DIGITAL AND NEXT BUSINESS DEPARTMENT)**

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Abstract. PT. Telkom Digital and Next Business Department is a supporting institution in PT Telkom Indonesia, one of the State-Owned Enterprises (BUMN) engaged in the telecommunications and information industry. Since the world has experienced broad cultural, social, and economic changes based on increasing digital technology, reliable resources are needed regarding employee performance. This study aims to analyze the influence of digital leadership, digital culture, organizational learning, innovation on employee performance at PT. Telkom Digital Next Business Department. This study uses a quantitative approach with the Partial Least Square (PLS) technique with one of the alternative methods of Structural Equation Modeling (SEM). The research sample is the employees of PT. Telkom Digital and Next Business Department, totaling 160 employees with a population of 306 employees located in Jakarta and Bandung. Empirically the research results show that digital leadership does not directly affect employee performance, digital culture does not directly affect employee performance, organizational learning does not directly affect employee performance, and innovation has a direct positive effect on employee performance. Furthermore, Digital Leadership has a direct positive effect on Innovation, then Digital Culture does not directly affect Innovation, Organizational learning has a direct positive effect on innovation. The final result of this research is to obtain Managerial Implications and Recommendations for PT. Telkom Digital Next Business Department is very necessary for the development of aspects of Digital Leadership, Digital Culture, Organizational Learning, and Employee Performance in improving Innovation that affects Employee Performance PT. Telkom Digital Next Business Department.

Keywords: managerial implications, digital leadership, digital culture, organizational learning, innovation, employee performance

JEL Classification: M1, M21, M2.

INTRODUCTION

Corporate organizations are currently facing new challenges in entering the era of globalization in the world of digitalization at both national and international levels. Every

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organization needs to improve the expertise of its human resources and must prepare to form an organization to achieve certain goals. The purpose of an organization is something that is expected to be achieved and carried out properly, in improving organizational and company performance.

In the current digital era with the increasing demand for market needs in the field of goods or services, companies must be able to improve quality and quantity and have high competitiveness in preparing reliable resources in their respective fields, organizing both individually and in groups can determine goals. From the results of the achievement of work performance in the organization expressed as performance or work results that have been achieved are a series of organizational activities in managing human resources through the process of work activities that are passed to create good and planned performance achievements, therefore a management process is needed in every activity.

Company PT. Telkom Indonesia (Persero) is a State-Owned Enterprise (BUMN) that is engaged in information and communication technology services and telecommunications networks in Indonesia. PT. Telkom Digital and Next Business Department play a very important role as a digital locomotive and at the same time acts as a digital product factory to realize product digitization and process digitization in the Telkom group. Product digitization is a process to produce digital products through ideal development, while process digitization is an effort to transform from a manual process into an automatic or digital process developed through various research, design development, insurance, and finally ready to be delivered to customers.

According to research by Afnan et al (2018) that the performance of PT Telkom Indonesia employees is included in the good category with a percentage score of 75%, it shows that the process has been carried out well by employees but in increasing the exchange of information or knowledge between divisions and partners which has been declared good according to responses respondents so that in the future they can be included in the very good category, for example by holding knowledge sharing meetings from their respective divisions to improve employee performance (Afnan et al., 2018). Managers and employees need a variety of skills to help them function in different quadrants at different points in time.

A person's skills are very influential to make it easier to carry out daily work activities with a strong desire and motivate oneself and are encouraged by a leader who provides opportunities so that human resources have special skills in supporting their work, to improve various activities both in a unit or organization, then a group is formed to achieve the goals of an organization by providing adequate facilities so that the organization runs well in supporting the activities of a job, with reliable resources, has leaders who encourage various activities and adequate facilities and a team that compact so that with various changes that occur both internal and external problems will not make an organization that is not easily shaken.

Several things related to Organizational Performance are aspects of the variables: (1) Digital Leadership Aspects, (2) Digital Culture Aspects, (3) Organizational Learning Aspects, and (4) Innovation Aspects. The four main aspects are aspects that have a very significant effect on employee performance at PT. Telkom Digital Next Business Department.

First Aspect, Digital Leadership. Leaders are the main key factor in the development of digital culture, because they need to create good relationships with many people and other stakeholders, focus on collaborative processes in complex regulatory issues with attention to ethics that are sometimes very urgent in every change activity (Cortellazzo et al, 2019). Jyoti & Rani (2017) Stating that the work system greatly influences organizational performance in managing a good and leading work system management must be able to improve HR capabilities, by providing computerized-based training, and employees must be rewarded both materially and non-materially so that they can be motivated in improving performance even higher, and management instills a culture of knowledge to improve employee abilities. For now, the millennial generation of the company instills the concept of the modern era with flexible and unfettered time arrangements with comfortable spatial layouts that are not partitioned.

Second Aspect, Digital Culture. Digital Culture is a digital-based work culture regarding responsibility for an organizational rule that is in the work environment in telecommunication service businesses, retail department stores, due to communication between units within the organization, the collaboration between employees in each organizational unit, responsibilities that produce goals from work results, and employee performance measurement carried out within the organization, as well as employee promotions following the employee's competencies. Digital culture with various obstacles faced such as poor Information and Communication Technology (ICT) infrastructure, scarcity of IT policies, lack of awareness of government officials, unacceptable system, lack of coordination, low literacy rate, lack of IT training, high costs, lower internet obligations, access, lack of funds, poor salary structure, wrong assignments and blocked posts, widespread corruption, lack of attention in complaint centers, law and order situation, complexity in getting required services and lack of information, (Hussain, 2015). Employee engagement and retention with greater transparency and work pressure to have a positive and productive digital culture, every organization recognizes that 87% of the culture and involvement of the people around them in creating and supporting a vision in digital transformation by creating a supportive workplace and people who help the organization to the next level, (Jennifer Buchanan, 2016).

Third Aspect, Organizational Learning. Continuous organizational learning is very important for individuals in the current digitalization era. The survey results stated that 90% of individuals need to update their skills annually to work effectively in the digital world and 44% stated that individuals need to continuously update their skills both effectively and efficiently. and efficient and as many as 59% of respondents from companies that are developing well digitally are satisfied with companies that have prepared for the change that works in a digital environment (Kane et al, 2018). Organizational learning is related to the accumulation of individual knowledge as well as the structure of communication to the external and internal environment of the organization as a means of learning to face difficulties in communicating knowledge related to problem-solving in increasing innovation in the Volatility, Uncertainty, Complexity and Ambiguity (VUCA) environment. new business activities within the organization to develop and improve knowledge externally to the organization (Cousins, 2018).

Fourth Aspect, Innovation. Innovation related to change often causes disruption in innovation including business model innovation, market model innovation, by following an approach that can potentially increase opportunities to advance in maintaining market power (Zentner, 2014). Innovation is still considered a very important problem for a country or company that is just developing at this time, they think that innovation is only owned by companies that have high technology because for now innovation is related to increasing company productivity, (Fagerberg et al., 2010)

Concerning aspects of Digital Leadership, Digital Culture, Organizational Learning, and Innovation on Employee Performance at PT. Telkom Digital Next Business Department, then as for the problem currently faced is the level of employee performance at PT. Telkom Digital and Next Business Department which is felt to be very less than optimal. This statement is supported by a summary of the data recapitulation of employee assessments of PT. Telkom Digital Division and Next Business Department during 2016-2018. From the results of the recapitulation of the performance of employees of PT. Telkom Digital Division and Next Business Department, it appears that employee performance has decreased. The number of employees with special criteria in 2016 was 1 person, very good criteria were 19 people, and good criteria were 10 people, while in 2017 there were no special criteria, 13 people were very good criteria, and 11 people were good criteria, while in 2018 very special criteria 1 person, very good criteria as many as 11 people, and good criteria as many as 18 people.

This study aims to find answers to how the managerial implications and recommendations for influencing factors between Digital Leadership, Digital Culture, Organizational Learning, and Employee Performance through aspects of Innovation at PT. Telkom Digital and Next Business Department. It is very necessary to determine how the best policy can be taken by the Management

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of PT. Telkom and Next Business Department to improve the performance of its personnel. This research is expected to provide contributions and input, can provide benefits to all interested parties related to Human Capital Resources Management, as well as support the development of organizations or companies, and can be useful for encouraging personnel to continuously innovate in improving performance.

MATERIALS AND METHODS

2.1. Employee Performance

Performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities given in a certain period. While the dimensions in the assessment of work performance include (1). Quality, (2). Quantity, (3). Time. (4). Cost Emphasis. (5). Supervision. (6). Relations between employees. Meanwhile, Colquitt (2018) says that performance is "The value of the set of employee behaviors that contribute, either positively or negatively, to organizational quality accomplishments". In a statement, Colquitt (2018) explains that a set of employee behaviors contribute, either positively or negatively to the fulfillment of organizational goals.

According to Masram (2017), individual performance is the level of achievement or results of a person's work from targets that must be achieved and carried out within a certain period. Performance can increase employee motivation and productivity. Success creates satisfaction, especially if individuals can prove to themselves that they are using their abilities to the fullest. According to Rafiki (2019) Performance is a judgment (a decision or assessment) based on something else as a comparison. Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties following the responsibilities given to him. Performance is an employee's work plan in all elements of written and recorded performance, by setting the expected performance. The plan should include all critical and non-critical elements and their performance standards.

Shahzad (2014) states that performance is the ability of employees to achieve goals, both personal and organizational interests, by using resources efficiently and effectively. The same opinion according to Pradhan and Jena (2017), The Triarchy Model of Employee Performance, there is an employee performance model as shown in the figure below which explains that employee performance can be influenced by Task performance, Contextual performance, and Adaptive performance.

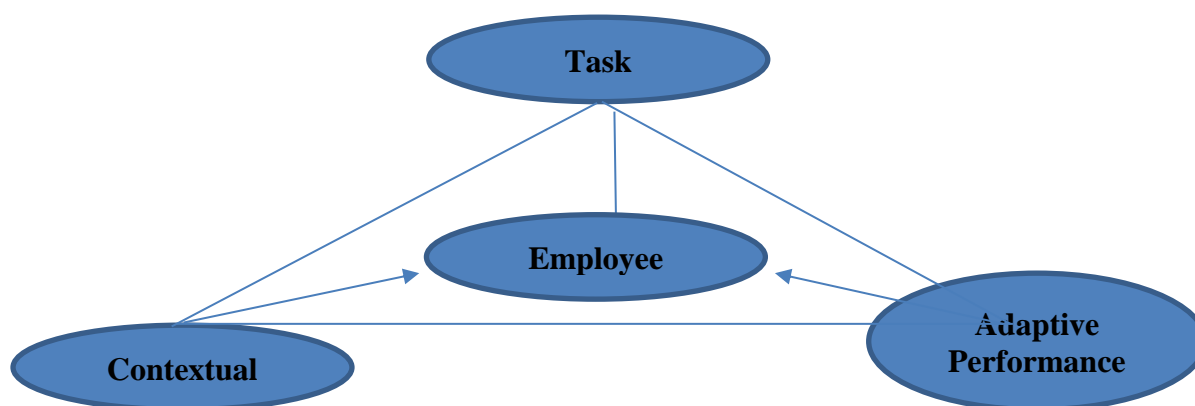


Figure 1. Model of Employee Performance

Source: Pradhan dan Jena, 2017.

According to Pradhan & Jena (2017), The Triarchy Model of Employee Performance is relationship-centered on several factors that affect performance, including:

- a. Personal Factor, addressed by the level of skill, competence possessed motivation, and individual commitment.
- b. Leadership Factor, determined by the quality of encouragement, guidance, and support by managers and team leaders.
- c. Team Factors, indicated by the quality of support provided by colleagues.
- d. System Factors, indicated by the work system and facilities provided by the organization.
- e. Contextual/situational factors, indicated by the high level of pressure and changes in the internal and external environment.

2.2. Digital Leadership

Westerman et al (2014) stated that a leader must be responsive to changes in globalization and changes in the organizational environment so as not to be left behind by the changes that occur. With indicators: a) Creating a Digital vision, 2) Involving the organization, 3) Managing transformation, 4) Building Technology Leadership Capability. Digital leadership is an amalgamation of several aspects of leadership, including:

a. Visionary Leadership

Skills to formulate a digital Vision – Mission and Goals, by communicating to all employees so that all employees in the organization have the same urgency. Digital transformation starts from the formulation of a vision that directs the organization's goals to be targeted through a clear vision and with uncertain disruptive changes.

b. Transformational Leadership

Skills to manage, control and monitor change so that the digital transformation that is carried out will reap business success and produce financial performance. Digital transformation always causes changes that bring uncertainty because the change process must be managed properly so that employees remain solid and move in one direction to make the transformation successful. Digital leadership is an important issue that involves differences in leadership style, substance, ability to cross-cultural differences in digital leadership which is an important subject in the world of globalization. In digital transformation leadership, there are 5 interrelated perspectives and trends including:

1). Strategic trend.

Concerning disruptive changes in the business climate, it is inevitable for community networks and financial markets to change and engage in major transformations.

2). Social and ethical tendencies.

Current relationships in society will be different as they evolve and adapt to IT developments – changing future behavioral norms,

3). Organizational trends.

The structure of companies, groups, and communities before shifting into their structures, processes, and standards towards a more fluid organizational form.

4). Technology trends.

As information artifacts have become commonplace in the digital and physical spheres, the rapid development in IT technology and innovation has become an important element to consider

5). Regulatory trends.

When new standards and regulations emerge; Adequate preparation is needed to ensure that a transition to a new regulatory structure is established. A change leader is to leverage various practices to build and drive digital transformation by building a digital vision and using publicity to highlight digital transformation priorities

According to Sawy & California (2016), digital leadership is doing the right thing for a successful digitalization strategy for the company and its business ecosystem. According to Zhong (2017) that digital leadership as vision, professional development, infrastructure support,

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evaluation, and communication. There are 6 characteristics of digitization including (1) Linkage, (2) Reducing time delays and information abundance, (3) Increasing transparency and complexity, (4) Elimination and dissolution of the hierarchy of personal barriers, (5) Empowering decision-making and increasing integrity, and (6) Human effect.

Thus it can be synthesized that digital leadership is someone who can utilize technology and information and has a vision for the future in achieving organizational goals, has new attitudes and skills, and can communicate and influence others, can bring an environmental atmosphere in a digital transformation change with indicators, Influence people others, have a vision for the future, can communicate both internally and externally, build technology leadership skills.

2.3. Digital Culture

Organizational culture is a system shared by all members that distinguish one organization from another. According to Ivancevich et al (2013) digital culture is a very important concept for understanding individuals and groups and can be seen with symbols, language, ideology, rituals, and myths that come from the personal founder of the organization or leader. Digital Culture is A pattern of basic assumptions—invented, discovered, or developed by a given group as it learns to cope with the problems of external adaptation and internal integration—that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel concerning those problems". This shows that culture involves assumptions, adaptation, perceptual performance, and learning. Values are conscious, affective desires or desires. At layer three are the basic assumptions people make that guide their behavior. Included in this layer are assumptions that tell individuals how to understand, think, and feel about work, performance goals, human relationships, and colleague performance.

There are elements of organizational culture including (1) Ways of thinking, acting, and living, (2) As part of a group or group member, (3) Older members are passed on by new members, (4) Culture forms values. assumptions, perceptions and conscious behavior of each group and members, (5) provides the group with a systemic guideline on how they should carry out their thoughts, actions, rituals, towards their efforts. Everyone has a strong desire to have clear goals and have aspirations with new goals but it can only happen when we live our culture and if we introduce and teach our culture.

Shaughnessy (2018) states that for leaders to guide their companies through the transition to digital culture, a major change for established businesses, they must be able to understand and explain culture in the context of the values and workflows that make companies digital age. Social media, networking capabilities, and digital communication technologies are changing the nature of work for individuals in digital technology programs have provided new resources to help individuals socialize in the workplace and develop new skills to meet the challenges of the information age that will also impact how they find work, and then doing work, organizational behavior, and remote work, providing a theoretical framework to identify key points in the transition experienced by individuals through the use of social media, digital technology, and changing work culture through remote work (Bowen & Pennaforte, 2017)

The definition of Digital Culture is the shared, fundamental, and rooted basic assumptions, values, beliefs, and norms that characterize how organizations encourage and support the use of technology to get work done most effectively, Shaughnessy (2018). For leaders to guide their companies through the transition to digital culture, a major change for established businesses, they must be able to understand and explain culture in the context of the values and workflows that make digital age companies successful. To facilitate the cultural and technical changes that are the hallmark of successful digital transformation, several leading companies have adopted the principles of network systems implemented by Agile teams.

2.4. Organizational Learning

Learning Organizations are organizations that have developed a continuous capacity to adapt and change. "All organizations learn, whether they consciously choose or not, it is a fundamental

requirement for their continued existence, Sowath et al (2016). According to Lin & Lee (2017), The definition of organizational learning is a continuous action process that views learning as the most fundamental value for an organization. It also allows sharing the vision of future development with members within the organization, encouraging members to do creative thinking outside the rules, increasing mutual understanding to realize a common vision through learning and knowledge sharing in various departments within the organization.

According to ZA Russell et al (2018), the definition of a learning organization is "A learning organization is a place where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together". The actions of learning organizations according to Luthans (2011) "Functional and divisional walls that inhibited cooperation, resource sharing, and internal debate were leveled to promote forward-thinking, the learning of new managerial competencies, and the adoption of risk-taking behaviors. Most importantly, a rejuvenated senior management team began cultivating a new culture that emphasized knowledge sharing, open communications, team-building, and breakthrough thinking throughout the firm".

Bratianu's (2018) Definition of the learning organization is a process that occurs across the individual, group, and organizational levels through intuition, interpretation, integration, and institutionalization. Another opinion from Yu-Lin Wang (2011), Organizational learning in generating organizational knowledge not only maintains competitive advantage but also leads to new markets. Organizational learning is a company's effort to utilize individual and social capital information to realize the company's potential for innovation. According to him, there are four (4) components in organizational learning including (1) Acquiring knowledge, (2) Knowledge distribution, (3) Joint interpretation, and (4) Development of organizational memory.

From several statements regarding organizational learning, it can be synthesized that organizational learning is a "process of increasing learning, knowledge, complementing and complementing each other in improving the abilities of each member, with indicators Developing abilities and skills, Learning to see the whole together, Developing sustainable capacity".

2.5. Employee Innovation

Globalization in developing countries is increasingly felt both in the private sector and in the government sector, this pressure makes companies increasingly improve in various changes called innovation, all fields of Research and Development, software, design, educational engineering, marketing, and management are increasingly taking an important role in the production of goods and services. In addition, the development of international standards dominates international trade and global value chains. Therefore, the competitiveness of companies and countries depends on the company's ability to innovate and be oriented towards technology and information.

The definition of innovation is "the process whereby new and improved products, processes, materials, and services are developed and transferred to a plant and/or market where they are appropriate". By managing innovation and developing creativity is very important for innovation, by encouraging each individual to think ahead, providing an overview of development in the organizational environment by describing the characteristics of companies that manage the innovation process well-characterized by:

- a. Separate funds for innovation,
- b. Studying developments outside the company.
- c. Can provide clear direction and appropriate follow-up in the innovation process.
- d. Provide learning opportunities from outside the organization to increase knowledge.
- e. Real results.
- f. A supportive environment and facilities to exploit a wide variety of resources with appropriate resources for maintenance and service.

According to Rogers (2016), Innovation is the process by which new ideas are developed, tested, and brought to market by businesses. A very different approach to innovation, which is

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based on continuous learning through rapid experimentation because digital technology makes it easier and faster than ever and can enhance organizational learning. While Chen et al, (2018) Innovation is the creation of value by using relevant knowledge and resources to convert ideas into new products, processes, or practices, to improve existing products, processes, or practices. An innovation strategy is an organization's relative emphasis on different types of innovation and related resource allocation patterns, in line with its strategy at the enterprise and business unit levels. Strategic innovation is the creation of value by using relevant knowledge and resources for the conversion of ideas into new products, processes, or practices.

Meanwhile, according to Mazzaoui (2012), the definition of innovation is as an operation that progresses from time to time, from new ideas, and finally to tangible results. Therefore, when innovation is understood as a process the result. Concerning innovation, some processes must be passed, including those relating to:

a. Market linkage. This refers to the purchase of 'embodied' technology and knowledge in various forms, such as the purchase of machinery, Information, and Communication Technology (ICT) equipment or software, or licenses.

b. Externalities and knowledge spillovers. Unlike the market link, there is no contract or formal compensation for the knowledge acquired.

c. Compared to market links, networks are more durable and interactive relationships between certain partners in the innovation process. It is a dynamic collective learning process, in which a given technology or piece of knowledge is not only exchanged but collectively further developed and each adds to the knowledge base.

d. Informal links between companies and other types of organizations, such as those in industrial and high-tech areas, public or private research institutions, for example. Such relationships are primarily based on trust, a shared understanding of general rules and norms of behavior. Including social capital.

2.6. Related Research

After searching for several sources of research results, previous studies that are relevant to the title of this study have been found as reference material for building a theoretical model of research and research hypotheses, including:

a. Singh & Atwal, (2019), Digital Culture A Hurdle or A Catalyst in Employee Engagement.

The concept of research is carried out with literature related to digital culture and employee involvement by collecting information using secondary data, including books, articles, research papers, and survey reports based on a survey according to the Capgemini digital transformation institute which was carried out in March-April 2017, by conducting a digital culture survey. as many as 1,000 employees in Ireland, across 5 generations with an age range of 25 to 44 years that digital culture is promoted in an organization to support the use of technology in completing their work most effectively and efficiently it is seen that digital culture can increase productivity by 21%, Innovation 39 %, and 47%. The results show that culture plays a very important role in involving employees in the digital era, both in providing opportunities for organizations to adapt to a changing environment and employee involvement as facilitators for new ideas and innovations with the help of the latest technology in the digital era.

b. Ross Gagno, Kimberly Kurata, (2017), The High-Performance Digital Culture: Empowerment, Trust, and The New Equilibrium Between The Employee And IT.

The survey was conducted by Forbes/VMware with as many as 2,000 users worldwide and looks at the changes that drive a digital culture, to create an environment that can improve employee performance in innovating and growing in the digital world of work. Judging from the results of the performance survey and the items in the work presented including editing in various files by 88%, virtual meetings 87%, Project Management 85%, cost management 78%, employee benefits management (retirement, vacation, etc.) 78%, time and billing allocation 78%, content and

knowledge management system 76%, Social network 69%, Contractor Management 69%. from the percentage of use of employee applications that distinguish them from others in the environment that has implemented digital technology that has been used by employees. The results of the study state that Digital Transformation is not only about software and hardware, it must be accompanied by a change in culture by trusting the workers by empowering them with technology because of the changing balance between workers and management. Digital culture creates an environment for employees to innovate and thrive in the digital workspace.

c. Rani, (2017), The Impact of Organizational Learning on Work Performance.

This research uses descriptive statistics. The research sample was 70 randomly selected from IT companies, from 70 questionnaires only 56 samples were appropriate in terms of age, gender, experience, and using a 5-point Likert scale. The results showed that organizational learning has a definite influence on employee performance with the final result can improve overall organizational performance.

d. Wang, (2018), Effects of Organizational Learning Environment on Employees Motivation to Use Performance-Oriented e-Learning. E-Learning in the Workplace.

The study used an online survey by analyzing the perceptions of both students and employees on performance-oriented E-Learning applications with a total of 222 responses from various organizations, the model measurement technique used SEM Lisrel 8.7. From the analysis results, it was found that social learning (PU-SL) ($\gamma_{23} = 0.27$, t value = 2.51, $p < 0.05$) was related to employee perceptions so that both were significant ($\beta_{11} = 0.75$, $p < 0.001$; $\beta_{12} = 0.34$, $p < 0.001$). The results showed that managerial support had a significant impact on the usefulness of E-learning outcomes for individual learning, and organizational support had a significant effect and perceived job support found a moderating effect on the relationship between employee usefulness.

e. Aragón Barba, (2014), Training and performance: The mediating role of organizational learning. BRQ Business Research Quarterly.

The research results from the European Union used samples from the SABI (Liberian Financial Report Analysis System) by covering Spanish companies with more than fifteen employees by looking at the financial database for 520,000 population companies taken from a total study of 1,600 companies using a questionnaire. From all these data, 836 questionnaires were obtained so that the response rate was 52.25% by comparing the respondent companies with non-respondents. The results showed that the main tool in developing organizational learning abilities was seen from the three levels of analysis, individuals and groups within the organization. Companies must realize that training efforts will not lead to better performance directly but training must be oriented towards organizational learning abilities, which means companies adopt learning-oriented training

g. Osman, Shariff, & Lajin, (2016), Does Innovation Contribute to Employee Performance? Procedia - Social and Behavioral Sciences.

This study uses a sample of 320 samples with a distributed sample of 294 respondents, with a response of 84%. This study looks at innovation on employee performance at Tenaga Nasional Berhad (TNB), a company in Malaysia through factor analysis tests by looking at four types of innovations seen from product innovation, process, technology, and organization. The results showed that innovation affects employee performance.

2.7. Research Methods

The research design is a blueprint for carrying out further research. This research refers to testing a certain theory that is within the scope of science by having theoretical significance and practical significance which aims to test a theory or hypothesis in strengthening or rejecting hypothetical theories from research results that have been carried out previously. This study examines the causal relationship between the variables of Digital Leadership, Digital Culture, Organizational Learning, Innovation, and Personnel Performance.

Structural Equation Modeling (SEM) analysis is used to analyze the relationship between variables and measure the effect of one variable on another variable. There are two types of SEM, namely Covariance Base SEM (CB-SEM) and Variance Base SEM (VB-SEM). CB-SEM is used

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to confirm or reject a theory, through explanation of theoretical models through explanatory research, while VB-SEM focuses on variants of the dependent variable when explaining the model (Hair et al, 2014). Based on what was conveyed by Hair et al, (2014) related to the Rule of Thumb, the CB-SEM or Partial Least Square SEM method will be used in the next analysis stage. The purpose of CB-SEM or Partial Least Square (PLS) is for prediction, therefore it focuses more on data with limited estimation procedures. PLS-SEM consists of two sub-models, namely the Outer model/measurement model and the Inner Model or Structural Model (Hair et al, 2014).

RESULT AND DISCUSSION

3.1. Model of Research

The constellation model in this study can be seen in Figure 2. The Constellation Model Between Research Variables, with the following explanations:

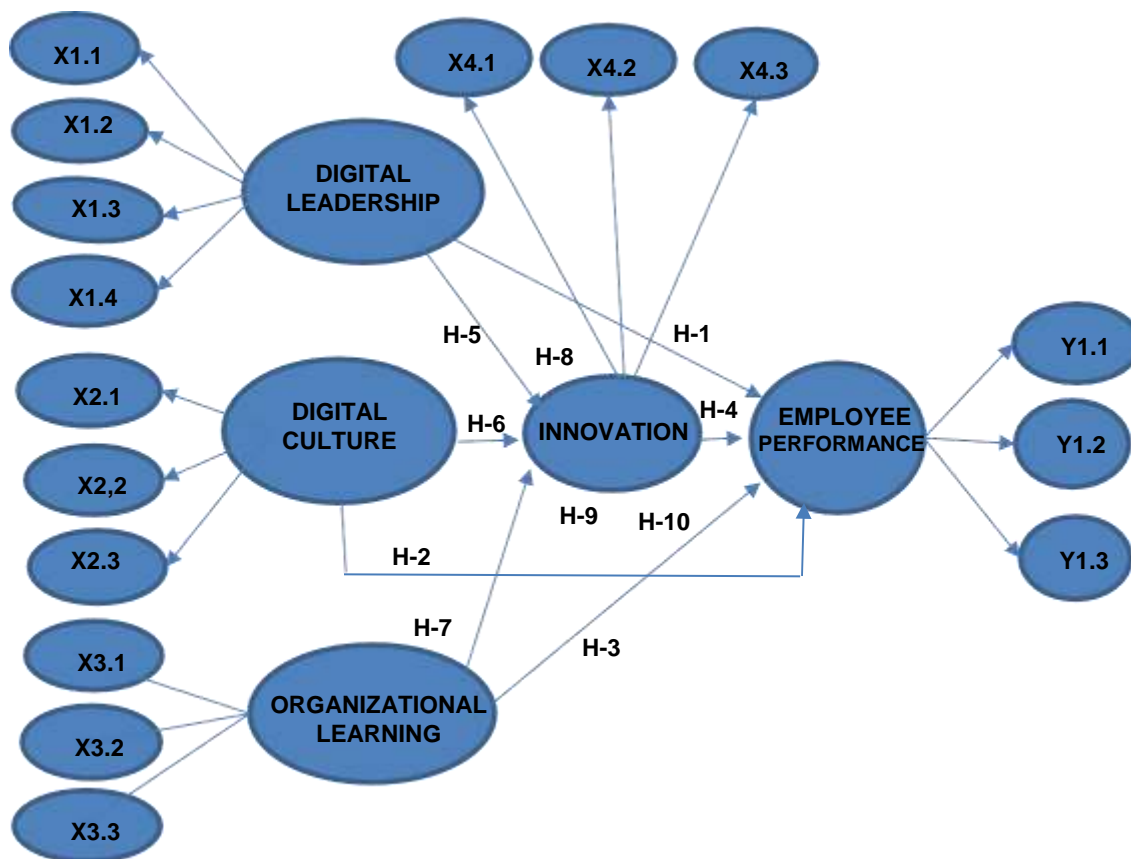


Figure 2. Constellation Model between Main Research Variables

Constellation between Main Variables:

- The Digital Leadership variable consists of four indicators which include: Being able to influence others (X1.1), Creating a vision for the future (X1.2), Being able to communicate both internally and externally (X1.3), and Building technological leadership skills (X1.4).
- The Digital Culture variable consists of three indicators which include: Understanding individuals and groups (X2.1), being Skilled in creating market opportunities (X2.2), Directing individuals to act appropriately (X2.3).
- Organizational Learning variables consist of three indicators which include: Developing abilities and skills (X3.1), Learning as a whole together (X3.2), and Developing continuous training to adapt to change (X3.3).

d. The Innovation Variable consists of three indicators, namely Value creation using relevant knowledge and resources (X4.1), Company adaptive value search being carried out by the agile team (X4.2), and Developing national and international networks (X4.3).

e. Employee Performance variables consist of three indicators, namely, creativity achieved following their responsibilities (Y1.1), Proving their full responsibility (Y1.2), and Effectiveness of working nature (Y1.3)

3.2. Validity Test

One of the validation tests used in this study is to use the Discriminant validity test, namely, by evaluating the Average Variant Extracted (AVE) for each indicator, it is required that the value must be > 0.5 for a good model.

Table 1

Validity Test: Average Variant Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Digital Culture	0.704
Innovation	0.719
Digital Leadership	0.726
Employee Performance	0.748
Organizational Learning	0.768

Based on Table 1. it can be seen that the AVE value of the variable arranged with the lowest value in the first order is 0.704 digital culture, the second is 0.719 innovation, the third is 0.726 digital leadership, fourth is 0.748 on employee performance and fifth is 0.768 organizational learning. That all research variables > 0.6 this result shows that each variable has met composite reliability so that it can be concluded that all variables have a high level of reliability.

The correlation between constructs is measured by looking at the path coefficients and their level of significance which is then compared with the research hypothesis. Furthermore, Table 2 shows the results of the correlation between constructs, as follows:

Table 2

Correlation Results between Constructs

	Digital Culture	Innovation	Digital Leadership	Employee Performance	Organizational Learning
Digital Culture	0.839				
Innovation	0.815	0.848			
Digital Leadership	0.829	0.900	0.852		
Employee Performance	0.757	0.858	0.793	0.865	
Organizational Learning	0.870	0.893	0.888	0.836	0.876

3.3. Path Coefficient

The path coefficient of the Structural Equation can be known through the T-count and P-value. Table 3. Shows the Path Coefficient Value, which means that the three paths that have a positive and significant influence have a T-count value $>$ of 1.96 and a P-value < 0.05 , namely (a) The Effect of Innovation on Performance, (b) Digital Leadership towards Innovation and (c) Organizational

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Learning towards innovation. The original sample value (O) shows a positive value, meaning that the effect that occurs is directly proportional/positive. The effect of innovation on performance has an original sample value of 0.575 and the influence of digital leadership on innovation, the original sample is 0.496, which is included in the Moderate category. While Organizational Learning on Innovation has an original sample value of 0.414 including a strong influence.

Furthermore, there are 4 paths of insignificant influence, namely (a) the influence of digital leadership on employee performance, (b) digital culture on employee performance, (c) organizational learning on employee performance, and (d) digital culture on innovation. This insignificant effect is indicated by the T-count <1.96 and P value>0.05.

Table 3

Value of Path Coefficient

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Digital Leadership → Employee Performance	-0.065	-0.043	0.122	0.532	0.595
Digital Culture → Employee Performance	0.048	0.036	0.107	0.446	0.656
Organizational Learning → Employee Performance	0.339	0.359	0.232	1.458	0.145
Innovation → Employee Performance	0.575	0.545	0.211	2.720	0.007
Digital Leadership → Innovation	0.496	0.489	0.091	5.453	0.000
Digital Culture → Innovation	0.043	0.051	0.080	0.545	0.586
Organizational Learning → Innovation	0.414	0.413	0.108	3.827	0.000

The indirect effect of exogenous variables on endogenous variables of employee performance can be seen in Table 4. The effect of exogenous digital leadership variables on employee performance variables through the innovation mediation variable is significant, where the T-count is 2.451 < 1.96 and the P-value is 0.015 > 0.05. The influence of Digital Culture on employee performance through innovation in Table 4, shows a significant relationship, where the T-count value is 0.474 > 1.96 and the P-value is 0.636 < 0.05. Original Sample value shows no effect. The original sample value of the Digital Culture variable on employee performance through innovation of 0.025 shows a relationship that is directly proportional to the strength of the relationship, including the Moderate category. The effect of organizational learning on employee performance through innovation in Table 4. shows a significant relationship where the T-count value is 0.007 > 1.96 and the P-value is 2.719 < 0.05. The Original Sample value shows the strength of the influence and the nature of the relationship between exogenous variables and endogenous variables. The value of the original sample variable Organizational Learning on employee performance through innovation of 0.238 shows a relationship that is directly proportional to the strength of the relationship, including the moderate category. The following is Table 4. Indirect Effect of the Overall Sample.

Table 4

Indirect Effect of Overall Sample

Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Kepemimpinan Digital -> Inovasi -> Kinerja Karyawan	0.285	0.267	0.116	2.451	0.015
Budaya Digital_ -> Inovasi -> Kinerja Karyawan	0.025	0.039	0.053	0.474	0.636
Pembelajaran Organisasi -> Inovasi - > Kinerja Karyawan	0.238	0.213	0.088	2.719	0.007

3.4. Test Results Analysis

Based on the deepening of the calculations on the model, the results of the H-1 to H-2 analysis tests are obtained, which are significant as follows:

a. H-1, The analysis test results show that the digital leadership variable has no significant effect on employee performance, meaning that Digital Leadership has not been characterized as visionary leadership, good at speaking, unable to convince and give confidence to others, and less motivating employees in achieving employee performance goals.

b. H-2, The results of the analysis test show that the Digital Culture variable has no significant effect on employee performance, which means that Digital Culture Transformation requires the cultivation of a supportive culture related to changes in activities carried out by employees, as well as changes in individual behavior by the way they interact with other people both inside and outside the organization.

c. H-3, The results of the analysis test show that the organizational learning variable does not affect employee performance, which means that the suitability of providing learning and training provided to employees must be oriented towards organizational and individual needs to support employee creativity.

d. H-4, The analysis test results show that the innovation variable has a direct effect on employee performance. This means that the better the increase in innovation, the higher the performance generated by developing to the international level

e. H-5, The analysis test results show that the Digital Leadership variable has a direct effect on Innovation, which means that the role of digital leadership is very important in trying new technologies by being flexible and adaptable, facilitating employee innovation needs in improving employee performance.

f. H-6, The results of the analysis test show that the Digital Culture variable does not affect innovation, which means that when dealing with agents of change in human nature that make them uncomfortable, old beliefs, habits, and assumptions inhibit openness concerning new ideas.

g. H-7, The analysis test results show that the Organizational Learning variable affects Innovation, which means that organizational creativity creates products and services as a result of the collaboration process between individuals and groups producing product outputs as creative ideas and accepted by market share.

h. H-8, The analysis test results show that the Digital Leadership variable on employee performance through innovation has a positive effect, which means that Leaders who have a vision for the future by involving and inspiring employees to carry out their visions become reality.

i. H-9, The analysis test results show that the Digital Culture variable on Employee Performance through innovation has no effect, which means that the main obstacle in digital transformation is the lack of support from superiors by changing their style from top-down decision-makers to coaches having a strong vision of opportunities and experience by increasing credibility in the eyes of employees. Lack of interaction and collaboration by creating an organized cross-functional team in carrying out the project from start to finish.

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j. H-10, The results of the analysis test show that the variable Organizational Learning on Employee Performance through innovation has a positive effect, which means that companies that are committed try to continue to learn deeply about the company's environment which consists of customers, competitors, and technology by adopting a new idea, following the climate change, positive learning is very valuable for companies to outperform the competition with the innovation process. Therefore managers must create and promote a desire to learn among employees so that they can develop new skills with existing knowledge.

3.5. Managerial Implications and Recommendations

Some of the Managerial Implications and Recommendations that can be given according to the results of this study are as follows:

a. On the Aspect of Employee Performance

On the employee performance variable with the indicator Proving Ability has the lowest value, this needs to be considered by the company that employees must further improve their knowledge from various aspects related to experience, knowledge, and the ability of employees to carry out work tasks that are their responsibility.

b. On the Aspect of Digital Leadership

The digital leadership variable with the indicator Having a Vision for the Future has the lowest value, this needs to be considered by the company. An effective leader can relate to the vision and strategic action not only stating the hopes, dreams, and goals of change but must be accompanied by clear concrete actions.

c. On the Aspect Digital Culture

The digital culture variable with the Available Application indicator has the lowest value, this needs to be considered by the company so that the preparation time and facilities needed in managing a program must comply with existing standards so that the results obtained are of higher quality in the market.

d. On the Aspect of Organizational Learning.

In the Organizational Learning variable with the indicator Developing ability having the lowest value, this needs to be considered by employees that it is necessary to optimize all of their abilities in achieving good and superior performance by knowing their strengths and weaknesses and introspecting what has been achieved as an advantage and disadvantage, while for the company provide motivation, encouragement, and input for employees who are less than optimal in carrying out their duties.

e. On the Aspect of Innovation

In the innovation variable with the indicator of Relevant Resource Value Creation having the lowest value, the company must pay attention to that the existing resources must have supporting skills related to Logistics Management, including processes related to receiving, storing, and distributing inputs internally, relating to also with the operation of transformational activities that convert inputs into outputs that will be sold to customers. Innovations in logistics management are related to customer services such as collection, storage, and distribution systems related to marketing and sales.

CONCLUSION

Based on the research results that have been found, the managerial implications at the theoretical and practical levels can be stated as follows:

a. Employee performance

On the employee performance variable with the largest number of indicators, the Creativity indicator achieved has the highest value, this can be maintained to increase creativity in employees

b. Digital Leadership

The digital leadership variable with the largest number of indicators is the Communication indicator both externally and internally, and this must be maintained in supporting collaboration from parties outside the company.

c. Digital Culture

The digital culture variable with the largest number indicator is the Speed indicator at work, this is following the company culture which must always be maintained properly.

d. Organizational Learning

The Organizational Learning variable with the largest number indicator is Learning to see the whole together, this is following the work culture of the company jointly involving people who have expertise and talent in their respective fields and must always be maintained.

e. Innovation

The innovation variable with the largest number of indicators is Developing international networks, this must be maintained in establishing work in various fields.

ACKNOWLEDGMENT

The authors greatly acknowledge the support from the **Universitas Negeri Jakarta, UNJ Jakarta Indonesia** for providing the necessary resources to carry out this research work. The authors are also grateful to the anonymous reviewers and journal editorial board for their many insightful comments, which have significantly improved this article.

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УПРАВЛІНСЬКІ НАСЛІДКИ ВЗАЄМОЗВ'ЯЗКУ ЦИФРОВОГО ЛІДЕРСТВА, ЦИФРОВОЇ КУЛЬТУРИ, ОРГАНІЗАЦІЙНОГО НАВЧАННЯ ТА ІННОВАЦІЙ У РОБОТІ СПІВРОБІТНИКІВ (НА ПРИКЛАДІ ВІДДІЛУ ЦИФРОВОГО ТА НОВОГО БІЗНЕСУ КОМПАНІЇ ПТ. TELKOM)

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PT. Telkom Digital and Next Business Department є допоміжною установою в PT Telkom Indonesia, одному з державних підприємств (BUMN), зайнятих у телекомунікаційній та інформаційній індустрії. Оскільки світ переживає значні культурні, соціальні та економічні зміни, що ґрунтуються на зростаючих цифрових технологіях, необхідні надійні ресурси, що стосуються ефективності роботи працівників. Метою даного дослідження є аналіз впливу цифрового лідерства, цифрової культури, організаційного навчання, інновацій на ефективність роботи працівників у ПТ. Telkom Digital Next Business Department. У цьому

дослідженні використовується кількісний підхід із застосуванням методу часткових найменших квадратів (PLS) з одним із альтернативних методів моделювання структурних рівнянь (SEM). Вибір дослідження - співробітники PT. Telkom Digital and Next Business Department, загальною чисельністю 160 осіб за сукупністю 306 співробітників, розташованих у Джакарті та Бандунгу. Емпірично результати дослідження показують, що цифрове лідерство не прямо впливає на ефективність роботи співробітників, цифрова культура не прямо впливає на ефективність роботи співробітників, організаційне навчання не прямо впливає на ефективність роботи співробітників, а інновації мають прямий позитивний вплив на ефективність роботи співробітників. Крім того, цифрове лідерство чинить прямий позитивний вплив на інновації, потім цифрова культура не чинить прямого впливу на інновації, організаційне навчання надає прямий позитивний вплив на інновації. Кінцевим результатом цього дослідження є отримання управлінських наслідків та рекомендацій для PT. Telkom Digital Next Business Department дуже потрібні для розвитку аспектів цифрового лідерства, цифрової культури, організаційного навчання та продуктивності співробітників у покращенні інновацій, які впливають на продуктивність співробітників PT. Telkom Digital Next Business Department.

Ключові слова: управлінські наслідки, цифрове лідерство, цифрова культура, організаційне навчання, інновації, ефективність роботи працівників.

УПРАВЛЕНЧЕСКИЕ ПОСЛЕДСТВИЯ ВЗАИМОСВЯЗИ ЦИФРОВОГО ЛИДЕРСТВА, ЦИФРОВОЙ КУЛЬТУРЫ, ОРГАНИЗАЦИОННОГО ОБУЧЕНИЯ И ИННОВАЦИЙ В РАБОТЕ СОТРУДНИКОВ (НА ПРИМЕРЕ ОТДЕЛА ЦИФРОВОГО И НОВОГО БИЗНЕСА КОМПАНИИ PT. TELKOM)

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PT. Telkom Digital and Next Business Department является вспомогательным учреждением в PT Telkom Indonesia, одном из государственных предприятий (BUMN), занятых в телекоммуникационной и информационной индустрии. Поскольку мир переживает значительные культурные, социальные и экономические изменения, основанные на растущих цифровых технологиях, необходимы надежные ресурсы, касающиеся эффективности работы сотрудников. Целью данного исследования является анализ влияния цифрового лидерства, цифровой культуры, организационного обучения, инноваций на эффективность работы сотрудников в PT. Telkom Digital Next Business Department. В данном исследовании используется количественный подход с применением метода частичных наименьших квадратов (PLS) с одним из альтернативных методов моделирования структурных уравнений (SEM). Выборка исследования - сотрудники PT. Telkom Digital and Next Business Department, общей численностью 160 человек при совокупности 306 сотрудников, расположенных в Джакарте и Бандунге. Эмпирически результаты исследования показывают, что цифровое лидерство не оказывает прямого влияния на эффективность работы сотрудников, цифровая культура не оказывает прямого влияния на эффективность работы сотрудников, организационное обучение не оказывает прямого влияния на эффективность работы сотрудников, а инновации оказывают прямое положительное влияние на эффективность работы сотрудников. Кроме того, цифровое лидерство оказывает прямое положительное влияние на инновации, затем цифровая культура не оказывает прямого влияния на инновации, организационное обучение оказывает прямое положительное влияние на инновации. Конечным результатом данного исследования является получение управленческих последствий и рекомендаций для PT. Telkom Digital

Muniroh, Hamidah and Abdullah, T. (2022), “Managerial implications on the relation of digital leadership, digital culture, organizational learning, and innovation of the employee performance (case study of pt. telkom digital and next business department)”, *Management and entrepreneurship: trends of development*, 1(19), pp. 58-75. Available at: <https://doi.org/10.26661/2522-1566/2022-1/19-05>

Next Business Department очень необходимы для развития аспектов цифрового лидерства, цифровой культуры, организационного обучения и производительности сотрудников в улучшении инноваций, которые влияют на производительность сотрудников PT. Telkom Digital Next Business Department.

Ключевые слова: управленческие последствия, цифровое лидерство, цифровая культура, организационное обучение, инновации, эффективность работы сотрудников.

PUBLIC ADMINISTRATION

RECEIVED:

16 January 2022

ACCEPTED:

18 February 2022

RELEASED:

20 April 2022

UDC 334.722-055.2(548.7)

DOI [10.26661/2522-1566/2022-1/19-06](https://doi.org/10.26661/2522-1566/2022-1/19-06)

**A WOMEN'S WORTH: EXPLORING ETHNIC MINORITY FEMALE
ENTREPRENEURS' EXPERIENCES IN SRI LANKA**

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Abstract. Women, particularly minority women, remain underrepresented in entrepreneurial activities and continue establishing ventures in low-growth sectors. This qualitative research explores ethnic minority female entrepreneurs' experiences by focusing on why women might choose entrepreneurship as a career choice and their constraints. The study adopts a social constructionist approach, specifically narrative design. Data were collected through in-depth interviews with ten minority female entrepreneurs who founded ventures in Sri Lanka. Thematic analysis was used, and the transcripts were reviewed and explored, codes created, emerging themes identified, and interpretation with explanation building undertaken. Findings revealed that perception of ethnic discrimination discourages some ethnic minority businesses from applying for bank loans. As a result, female entrepreneurs perceive higher financial barriers to their business. Moreover, the results highlight the importance of transnational family networks within all aspects of the business and suggest that these links can sometimes provide a fertile source of new business ideas and limit innovation and decisions shaped by cultural norms. The findings can support facilitating and promoting entrepreneurship among ethnic minority female entrepreneurs. It could be valuable to further our understanding of the role of ethnic minority females and their experiences of combining entrepreneurship and business.

Keywords: ethnic minority entrepreneurs, female entrepreneurs, narratives, qualitative

JEL Classification: C35, L26, L31.

INTRODUCTION

Significant efforts are being made in both developed and developing countries to promote female entrepreneurship, given its impact on economic and social development in any country. Female entrepreneurship is growing significantly worldwide and contributes to income generation, employment opportunities, rural development, poverty alleviation and innovation (Brush, 1992; Brush and Cooper, 2012; Welter, 2004; Henry et al., 2015). Hence, women entrepreneurs have attracted increasing attention from public and private, national and international organisations, who devote substantial resources for their economic empowerment. However, ethnic minority female entrepreneurship is still under research area. Regardless of the number of women creating

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businesses, studies show gender-specific and cultural barriers, including ethnicity, that constrain the growth and sustainability of women's entrepreneurship.

According to the scholars' ethnic minority entrepreneurs are playing a significant role in economic development. Wirtschaft and Arbeit (2005) found that in Germany (1987 to 2003-time period), foreign entrepreneurs are twin their businesses up to 286,000 firms, it provides 3% to 4 % of total employment but also still lack ethnic minority participation for the entrepreneurial activities lower than their Germans, at 10 per cent. Researchers highlight that minorities' involvement is increased and have not fully utilised the expectations (Boden and Nucci, 2000; Carter et al., 1997; Robb, 2000) and are more likely to fail their start-up businesses (Carter et al., 2001). Lack of finance is the major challenge faced by ethnic minority businesses. Also, they enter into the low profit-making markets, and through that, they cannot create good value addition. Because of that, they struggled to survive the industry (Bates, 1997) Ram et al. (2017) and Ram and Smallbone (2003) found unequal treatments within the industry in which they operate their markets, and fewer amounts receive for imports, and monopolistic buyers in the global completion are the major threats faced by the ethnic minority entrepreneurs. Female ethnic minority entrepreneurs are compressed by their cultures and beliefs that females enter and run the ventures and do not receive the same support from family members as male counterparts (Dhaliwal and Kangis, 2006). As per the research findings worldwide, female entrepreneurs and ethnic minority participation in entrepreneurial activities increase daily. However, their failure rate is high compared to male counterparties because they face traditional issues in entrepreneurial activities. Regardless of the change in time that has led to over 252 million women entrepreneurs worldwide, they are still struggling to overcome their challenges regularly.

A significant finding from the literature was that ethnic minority women were usually underrepresented in entrepreneurship. It is recognised that fewer ethnic women than men start businesses (Jennings and Brush, 2013). Many reasons have been identified for this, including that, on average ethnic minority women have historically lacked in social, financial and human capital compared to men; they have faced discrimination in labour and financial markets, and that potential business support institutions and programs are gender-biased. Since men also face difficulties in becoming entrepreneurs, the question has been posed as to why ethnic minority women may experience more severe constraints and why they choose entrepreneurship as a career option.

LITERATURE REVIEW

2.1. *Female entrepreneurship*

Research on female entrepreneurship developed rapidly since the second half of the 1980s by focusing on this sector as a separate research area (Jennings and Brush, 2013). Most of this research has focused on individual characteristics of women entrepreneurs, women's motivation to start their businesses, their management style, and the constraints they face (Jennings and Brush, 2013). In addition, most initial studies concerned female entrepreneurs in developed countries, and few studies were conducted in other contexts (Mekonnen and Castino, 2017).

The fewer participation in entrepreneurial activities is constantly highlighted in the literature, and female entrepreneurs tend to perform less than their male counterparts (Jennings and Brush, 2013). Specifically, they tend to be less profitable, less resilient and less growth vigorously on average (Surangi 2018). Furthermore, most patriarchal societies expect that womens' primary responsibility is the domestic tasks and that men are the leading public representative and breadwinners (McDade and Spring, 2005). Consequently, role conflict is a potentially significant concern for employed and entrepreneurial women (Surangi, 2018). However, evidence shows that most women in Asian countries are involved in business activities without any corresponding decrease in domestic roles (Surangi, 2018). A few scholars (e.g. Jennings and McDougald, 2007; Shelton, 2006) have argued that another, somewhat neglected reason for the relative

underperformance of female-owned businesses could women experiencing more role conflict than men.

The institutional theory explains the difference between men and women regarding their entrepreneurial activities (Baughn, 2006). Females have the same rights as male counterparties subject to distinction generated by social norms and expectations. In some countries, females get less respect and face different challenges. These discouragements impact the business formation and less involvement in entrepreneurial activities (Patton and Marlow, 2005). Unfortunately, there are few arguments available in the literature. One of the famous arguments is that little evidence exists regarding the start-up bias that countries are unseen in most developed nations.

In contrast, lack of government support negatively reduces the female entrepreneur's social capital in developing countries (Welter, 2004). Limiting mobility, lack of network and market interactions are the main problems female entrepreneurs face in the male-dominant society (Hafizullah, 2012). In Pakistan, female entrepreneurs face many cultural issues compared to other Asian countries (Palaniappan et al., 2012). Coleman and Robb, (2009) found that female entrepreneurs' enterprises are smaller in size, profits, and very few survive within the industry. For example, Biz2credit company (a leading online credit marketplace) revealed that female entrepreneurs' revenue has increased by 12 per cent from the past year.

In comparison, men-owned businesses generated 60 per cent income in 2015, based on 35,000 loan applications from business owners (Bose, 2016). When considering social capital, female entrepreneurs' network relationships are more effective than male counterparties. However, female entrepreneurs face unique challenges and barriers in accessing social and financial capital (Loscocco, 2009).

2.2. Ethnic minority entrepreneurship

During the 1970 and 1980 period, small business and self-employment researchers highlighted the research on ethnic minority entrepreneurship (Hiebert, 2002). A few studies stress the role of ethnicity to explain disparities in the performance of different ethnic entrepreneurial firms (Aldrich and Waldinger, 1990). Ethnic entrepreneurship became a popular subject of research and policymaking in various nations and multi-cultural societies. A plethora of ethnic minority businesses (EMBs) is a part of the business landscape in most countries of the world (Engelen, 2001).

Aldrich and Waldinger (1990) have argued that the lack of open and equal careers blocked ethnic minority entrepreneurs' opportunities in the labour market; most ethnic minorities start their businesses due to the above reasons. The fewer participation of the entrepreneurial activities is constantly highlighted in the literature. Evidence shows that the ethnicity of entrepreneurs influences their performance. Thus their business performance means assuming that certain groups of ethnic entrepreneurs, due to the unique constraints of their ethnicity, are more frequently limited to business opportunities of lower quality and prone to more unsatisfactory business performance. Consequently, the relationship between ethnic businesses and performance measures must be reconsidered. However, the literature showed that ethnic minority groups continued to face significant barriers to economic participation and needed exceptional support in their business ventures (Victor and Associates, 1993).

According to the social network theory (Burt, 2004), belonging to a social network offers individuals the advantage of social capital. Entrepreneurs are embedded in social networks, and networks play a critical role in the entrepreneurial success (Aldrich and Waldinger, 1990). There are few arguments available in the literature. One famous view is that social networks help entrepreneurs gain access to different capital, including finance (Granovetter, 1985). However, evidence shows ethnic minority groups in North London (Bieler, 2000) limit their social capital as they cannot expand their market beyond their ethnic enclaves. Therefore the social constraints of the community could inhibit break-out. Previous studies (Du, 2013) provide insufficient evidence on whether an entrepreneur's religious belief affects bank lending decisions. One strand of the literature compares explicitly ethnic minority and non-minority access to finance and the

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implications for business performance. Further, some findings show that disadvantaged minorities face more financial severe constraints due to lending discrimination, resulting in lower business performance (Coleman, 1988).

2.3. Ethnic minority female entrepreneurship

Research on ethnic minorities and female entrepreneurship represents a growing scholarly work. The ethnicity of female entrepreneurs is under research area in entrepreneurship (Levent, 2003). Women entrepreneurs who belong to an ethnic minority group are subject to double jeopardy in terms of being the subjects in academic research. They are disadvantaged because they are women and are doubly disadvantaged if they also belong to an ethnic minority group.

The women fewer participation and failure of the entrepreneurial activities are consistently highlighted in the literature. Evidence indicates that BAME (black, Asian and minority ethnic) females perform well ethnic than white women (GEM, 2004). Gender roles are often conflicting with entrepreneurial activities, and it is no longer possible to accurately estimate how many South Asian female is in business (Dawe, 2005). For example, gender roles prevent admission to sources desired to apprehend a venture, compounded via biased institutional frameworks that can constrain their integration into the rising market economies (Allen et al, 2008). For example, some research findings revealed that South Asian females had been disadvantaged in gaining access to business aid and financial assistance (Dawe, 2005).

Several theories propose to clarify the entrepreneurial orientation of ethnic groups. Scholars often used cultural, disadvantage, and mixed embeddedness theory (Azmat, 2010). The cultural theory posits that aspects like social norms, beliefs, and family ties influence ethnic entrepreneurs to start businesses, the sort of business formed, and the outcome of these businesses (Volery, 2007). Recent theories have advocated a more interactive framework of 'mixed embeddedness' during which the internal ethnic resources and cultural milieu of the ethnic entrepreneur interact with the external influences of the broader economic and institutional environment (Kloosterman et al, 1999). The term break-out has traditionally been used in the ethnic minority entrepreneurship literature to describe the ethnic entrepreneurs moving from co-ethnic to mainstream markets serving the white majority (Waldinger, 1990).

Consequently, Co-ethnic markets tend to be associated with low value-added goods and an inability to attract customers from outside the ethnic market is seen as a critical constraint on growth (Barrett, 2002). (Kilby, 1983) revealed that both male and female entrepreneurs in developing countries often entails overcoming inefficiencies in routine managerial functions such as interruptions in production, variance in quality, slow rate of throughput, and leakages of raw materials. Especially female ethnic minorities face more significant challenges and difficulties when compared to the men and women in the major groups. (Gabaccia, 1991).

METHODOLOGY

This study adopts a qualitative approach to understand ethnic minority female entrepreneurs' experiences. Scholars revealed that the qualitative approach is most suitable for understanding peoples' ideas, experiences, and perceptions in a particular context (Gower and Silverman, 1985). Therefore, the in-depth narrative interview and observation were used as a research tool. The research site was the western province in Sri Lanka, with most ethnic minority females engaging in business activities. The data were collected over the four months (September – December 2020) after some initial pilot study in the same year. Study participants were chosen based on the heterogeneity strategy such as age, marital status, business types, location and educational level. Two interviews were held with each woman (10 total interviews) in the sample. This second interview took place one or two months after the first interview. In between, it was possible to read and re-read the interview transcript data from the first interview, which helped identify essential issues, contradictions, inconsistencies and evasions before going on to the second interview as a new session. The individual narrative interviews took place in their work settings, and the

participants chose the venues, date and time. All the interviews were audio-recorded, and the average length of the interviews was 1-2 hours. Thematic analysis was used to analyse the collected material.

DISCUSSION AND FINDINGS

The purpose of this section is to propose the major themes emerging from the female entrepreneurs' stories based on the research questions. Each theme was explained with examples drawn from participants' own words and the researcher's interpretations to show the essence of each theme. Further, the researcher will use the relevant literature to contextualise the findings.

4.1.0. Why do ethnic minority female entrepreneurs choose entrepreneurship as their carrier path?

This section describes themes related to why ethnic minority female entrepreneurs choose entrepreneurship as their carrier path.

3.1.1. Family background

Ethnic minority female entrepreneurs mentioned that their family backgrounds played a dominant role in improving their entrepreneurial perspective. Some reported that they started their business because they have a business-oriented culture within the family. According to one of the respondents,

I got inspired by my fathers' business. in my childhood, I went to my fathers' fancy & jewellery shop and sat aside and observed the company's daily routines (Fareeha)

This family background directly impacts opportunity development processes, motivating the female entrepreneur to pursue her desired objectives. Rahma comments show that she comes up with business ideas through her parents' businesses. These findings comply with prior literature. Cunningham and Lischeron (1991) revealed that the family is the most influential institution for an entrepreneur to achieve objectives.

Family support also motivates ethnic minority female entrepreneurs to start their businesses. One of the participants mentioned the role of her family as follows,

My father is living abroad. He is the person who gave the financial support, and my mother and my brother support to packaging line of my clothing line (Sumeiha)

This statement shows that family support always influences her to keep her business going. Especially research on entrepreneurial behaviour found that business-owned families, especially fathers running their businesses, strongly influence female entrepreneurs to bring their ideas into viable businesses (Cunningham and Lischeron, 1991).

3.1.2. Worklife balance and flexibility

Work-life balance is an essential aspect of ethnic minority female entrepreneurs. As per their culture, they are restricted to go for a job. Because they need to more care about the family needs as a female. Due to that, most ethnic minority female entrepreneurs choose entrepreneurship as their carrier path. One respondent said that she left her 9-5 job after her marriage because her husband resisted doing a job. The husband is more concerned about caring for children and housework.

My husband resists doing a job, so it is hard for me because I'm a hard worker and have an excellent educational background. Then I decided to start my clothing store. Now I can care for my children and my business. It is less stressful, and I can work whatever time I need. (Nafreen)

Another respondent, Shifna said,

I, please stay home. Because it is convenient to stay home and care for children, I can make a good income with a more convenient schedule.

As per the respondent, they start their business out of necessity to meet their family needs. They highlight that if they are selecting doing businesses rather than going for a job, business is more flexible because at the same time they can obtain both caring a business and caring for their children, which means family needs. These findings are similar to previous findings. De Martino and Barbato, (2003) revealed that females choose entrepreneurship as a flexible career choice.

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3.1.3. Cultural lifestyle

Previous studies showed that culture is an important factor that can be used for explaining entrepreneurship among different societies (Cornwall, 1998). Most of the Islamic culture is influenced by the female labour force. According to one of the interview respondents' (Nafreen) comments,

I used to work as a lecturer, but my husband did not allow me to do a job after my marriage. So then I left my job, and I stopped my highest studies. After that, I started a business.

Her quotation shows that she starts business after letting her job. Because her cultural principles negatively influence her to do a job. However, it favourably affects females to start their businesses.

Another respondent comments,

I was a teacher in a private school, and I had 5 & ½ years of experience. When I married, I had to relocate and gave up my job. A few years later, I started this business. (Nizra)

According to the above women experience, it can be clearly seen that culture directly influences women business start-up, motivation engagement, morale, and, ultimately, productivity. Further, entrepreneurial initiatives are embedded in a complex and multilayered cultural environment. Thus, gender and culture dynamically interact, shaping gender role expectations and identities and the economic and social environment in which women's entrepreneurship is embedded (Dechant and Al-Lamky, 2005).

3.1.4. Experiencing inequality in the job market and Glassceeling

According to the recent statistics, there is evidently increased employment among ethnic women. However, they are experiencing discrimination and inequality in the job markets. The following quotations show respondents experience on that.

I worked in the government sector. However, I was not ok with the position I got there because I feel overqualified. (fareeha)

I worked in a private company for six years, and I worked hard and permed well. Nevertheless, I did not get any promotion. I feel that my management has negative attitudes regarding Muslim women's capacity. (Shifna)

In this setting, it can be seen that ethnic women find it more challenging to obtain a suitable job and go on their career ladder. Rather than direct discrimination, this is mainly due to a greater prevalence of risk factors such as gender, ethnicity and negative attitudes. Therefore, the perception of ethnic discrimination discourages some ethnic minority women from applying for jobs. However, it leads to an increase in the business start-up among ethnic women

Similar evidence was found in Nelufa's story,

I worked in an ethnic minority company and performed well in my position. However, I did not get a promotion as being a Muslim woman. (Nelufa).

Women are in some way subject to gender-based and ethnic discrimination, and indeed, there is a wealth of evidence to support this belief. For instance, the feminist literature highlights that the day-to-day experiences of ethnic minority women can be drastically different from ethnic majority women. However, both groups fare worse than men in most outcomes.

4.2.0. What are the issues and challenges faced by ethnic minority female entrepreneurs?

In general, ethnic minority women face numerous challenges in business. However, while many women have made significant strides in the business world, they still face seemingly insurmountable obstacles as entrepreneurs. Here are some of the complex challenges that many, if not most, women of ethnic minority entrepreneurs encounter.

4.2.1. Strong Religious Rules & Principles

Contemporary Islamic finance is based on several prohibitions that are not always illegal in the countries where Islamic financial institutions operate. For example, Islam considers lending with interest payments an unfair practice favouring the lender at the borrower's expense. Participants in the study confirmed this. As Shazwa and Fareeha relates,

I would borrow finance according to the assistance of the Islamic financial method without interest. Because our religion prohibited borrow interest loans. (Shazwa)

When I start my business, I found finance with the help of my husband, and I cannot get finance base on interest because it is beyond Islamic principles. (Fareeha)

In this setting, this series of religious rules and principles should be applied in the managerial processes of Islamic to achieve economic performance in respect to their religious principles, directed at assisting the achievement of social justice, understood as the fair distribution of wealth in the society, and safeguarding the interests.

Several studies have been conducted into the ethnic minority in Islamic Finance, which has analysed the basic principles of the Islamic religion, the objectives, the determinants, and disclosure to highlight the religious core of the concept and operating of a business. Therefore, religious rules have been argued to affect entrepreneurship negatively **as women limit their financial sources. Researchers revealed that access to financial capital is critical during the business start-up stage. Women under capitalisation during the enterprise formation and development lead to underperformance of the business** (Shaw et al., 2009).

4.2.2. Cultural barriers

4.2.2.1. Societal pressure to accept as women being an entrepreneur

Many women of ethnic minority entrepreneurs will tell you that they have, and are still facing, a double bias due to both their race and gender. This, in turn, creates difficulties in obtaining funding, reaching out to potential partners, and even networking. In addition, some cultural practices might negatively influence female entrepreneurs' business than their male counterparts (Dechant and Al-Lamky, 2005). Interview participants believe that social pressure and cultural attitudes may affect females' mobility in conducting their businesses.

As Nizra said,

I am a teacher, but after my marriage, I left my job because my husband holds out against that. So after that, I started my production clothing line still my husband doesn't like that because he always wants to see me as a wife with the children and housework.

Ethnic women face challenges with social attitudes as modelled by males who are comfortable with this cultural environment. Women are brought up in a male society, where we find discrimination between genders in roles, behaviours, occupations, and jobs. The main obstacle for women entrepreneurs in this study is that entrepreneurship was reserved for males, therefore considered a male's career and women are considered homemakers.

I currently involved in a home-based business. My idea is to expand and relocate the business as the current location is not near the main road. However, my husband and family members do not allow me to do so (Shifna)

To be entrepreneurs, women will have to face adverse reactions and pressures from society: and the family, including a spouse. Several people, including spouses and family members, do not accept running a business differently as they believe that women are more responsible for domestic tasks than entrepreneurial activities.

4.2.2.2. Experiencing difficulties in expanding markets beyond the ethnic enclave

As per the previous study results, most ethnic minority female entrepreneurs run their businesses within their ethnic enclave (Danson and Davidsson, 1995). Some studies have highlighted the resilience of these communities and described such enclaves as sources of mutual support, collective political power and beneficial social relationships. However, other studies have examined the negative influences on ethnic entrepreneurial activity within the enclave. Evidence was found in this study, as Dilluxshin and Nizra relates,

I am focusing on wedding and function dressing for our ethnic group because I could not learn the wedding dressing for other ethnic groups. (Diluxshini)

My clothing shop mainly focuses on females who are in our religion. I provide clothes related to our religion because our ethnic garments are different from the other ethnic groups. (Nizra)

The above quotations show that ethnic minority female entrepreneurs do their businesses within their community and offer products and services related to their ethnic groups. However, Choeni (1997) suggested that ethnic minority businesses are based on ethnic products, ethnic markets and customers. Therefore, an enclave economy can offer only a limited number of business opportunities. In addition, necessities in an enclave society are typically lower than what could be earned in the larger community, where there is a more excellent range of alternative business opportunities and market expansion (Danson and Davidsson, 1995).

4.2.3. Gender Discrimination

Gender inequality is one of the oldest and most pervasive forms of inequality globally. It denies women their voices, devalues their work, and makes women's positions unequal to men's. Despite some significant progress to change this in recent years, in no country do women have economic equality with men, and women are. There is consensus among scholars that women can play a key role in the entrepreneurial phenomenon. Gender inequality exists in terms of economic development and the rates of entrepreneurial activity. There is a significant gender gap in the entrepreneurial activity rate worldwide (Allen et al, 2008).

Respondents in the study explained that they were poorly treated and discriminated against as being a woman. Fasna (one of the respondents) explained,

Sometimes, I was badly treated by my suppliers. They did not like to negotiate prices with me. Sometimes they did not provide quality materials. So, I am disappointed. (Fasna)

Fasna faced several problems at the beginning of the business. First, the male suppliers' problems were very noticeable, and their attitudes were irresponsible, defiant, and sometimes hostile. She thinks that male interaction is a major constraint for the women doing business in Sri Lanka, as the society has a tunnel vision and very conservative attitudes towards ethnic women.

4.2.4. Lack of finance and Institutional support

For minority women, the chances of getting traditional sources of funding such as loans can be slim to none. This may be due in large part to both conscious and unconscious bias. Scholars revealed that small business owners of ethnicity and gender are more likely to be denied credit than other small business owners (Surangi, 2018). As a result, fewer women of ethnic entrepreneurs seek to apply for loans. According to Dilakshini (Tamil lady) one of the interview respondents in the study,

A few months back, I applied for a bank loan, but they rejected my application due to the business registration. When I applied for a bank loan, I did not register my saloon. (Dilakshini)

Based on the above quotation, it is clear that female ethnic entrepreneurs often also suffer from low credibility when dealing with the various stakeholders associated with their firms. The modern institutional environment in Sri Lanka has an improving tinge of equality and sometimes even discriminates positively favouring ethnic women. Still, the underlying power of tradition and the vested interests of the patriarchal system work to maintain the status quo. Overall, the literature is blurred as to whether discrimination is present in the formal banking system, as bankers use a more objective approach to consider loan applications. However, these can still indirectly disadvantage ethnic and female groups as they do not favour (Fraser, 2009) .

4.2.5. Lower Educational Level & Skill

Current literature in entrepreneurship found that entrepreneurial education stimulates women to take up entrepreneurship as a career option. Getting appropriate education helps them locate sources of innovative ideas and convert them into enterprises. However, most ethnic female entrepreneurs in the study lack education and managerial skills. These females have less knowledge about market conditions and lack basic business training. In Sri Lanka, both local and international efforts are being made, but females are still facing this problem. This essence was found in Nilufa's story, as she relates

When I run my business, sometimes, I get complaints from my customer. I need to care about them and consider their requirements, but I have not the proper educational background to deal with these problems. So, I need to depend on others support (Nilufa)

Education about enterprise, mentoring before starting a venture, career guidance, marketing information, working capital management, etc., are missing essentials. As a result, women find themselves lost despite having a fair idea of things. The majority of women even start the business; lack of experience pushes them out of the race in the middle of the journey (Surangi, 2018)

4.2.6. Language skills and shared cultural understanding

language skills and shared cultural understanding are other challenges identified in this study and the literature (Sepulveda et al., 2008; Smallbone et al., 2005; Edwards et al., 2016). Ethnic communication issues can be critical reasons for limiting business expansion and success, allowing them to serve their communities where no language or communication issues exist. This essence was found in Dilluxshini story,

I offer my hairdressing and saloon service for all communities. My business is located on hospital road, so Sinaleese customers also come to my salon. sometimes, I couldn't get the exact idea of what they said. (Diluxshini)

Evidence from the above quotation suggests that language skills are critical in understanding customer needs and increasing the customer base as the wider population are equally important.

CONCLUSION AND IMPLICATIONS OF THE STUDY

Research has overlooked the double or even triple-disadvantage that some people face due to combinations of factors they experience, which possibly also merits further focus. Therefore, this study contributes to the current literature on ethnic minority and female entrepreneurship areas by exploring the experience of ethnic minority female entrepreneurs in Sri Lanka. Furthermore, this study demonstrates the reasons for choosing entrepreneurship as a career option and issues and challenges faced by ethnic women.

The study found that ethnic female entrepreneurs face doubly disadvantaged situations due to gender and ethnicity. However, women choose entrepreneurship as their career option due to various reasons. The reasons include family background, work-life balance, cultural lifestyle and experiencing inequality in the job market and Glassceeling. Further, findings revealed that when it comes to start - up and business growth barriers, female entrepreneurs running their businesses in an enclave with a relatively small ethnic minority population suffer from many of the same issues found in previous studies where larger ethnic communities reside. However, this study revealed a different context with some varying concentrations of these challenges and problems. These barriers include religious solid values and principles, cultural barriers, gender discrimination, unable to expand the market beyond ethnic enclave, access to finance from local banks, regulatory and lack of business support, lack of education and language barriers. Many of these challenges are faced by entrepreneurs in general rather than purely being the preserve of ethnic minorities. However, it was also found that those ethnic female entrepreneurs suffer from local issues and problems due to their ethnicity.

The government has promoted business support over the years to overcome such issues. However, mainstream support services are not always appropriate for the needs of ethnic minority businesses (Ram et al., 2006) and/or are not trusted (Ram et al., 2017). More recently, it has been suggested by support agencies that support needs are similar for all businesses, and additional barriers faced by ethnic minority firms are more likely to reflect sectoral or locational issues (Ram et al., 2017) In addition, there may be a distrust of support services with a particular focus on a specific ethnic group (Ram et al., 2012). Therefore, explicitly targeting supporting mechanisms may be necessary for ethnic businesswomen who are starting their businesses. However, joining mixed-ethnic networks also adds value to creating social capital. Codes of practice could be developed in terms of explicit requirements and tacit attitudes and behaviour that are more female and ethnic-friendly concerning how such women are treated when they interact with government institutions, NGOs, and financial institutions.

Sahira, S. and Surngi, H.A.K.N.S. (2022), "A women's worth: exploring ethnic minority female entrepreneurs' experiences in Sri Lanka", *Management and entrepreneurship: trends of development*, 1(19), pp. 76-88. Available at: <https://doi.org/10.26661/2522-1566/2022-1/19-06>

Ethnic women entrepreneurs do not operate in isolation. They work under the same macro, regulatory and institutional framework as their male counterparts and Sinhalese majority in a free market mechanism in Sri Lanka. Therefore, it is necessary to dig deeper to understand the gender and ethnic biases embedded in society, limiting women's mobility, interactions, active economic participation, and access to business development by the government and relevant authorities. It would be valuable to conduct a longitudinal study to understand how values, challenges, and barriers change as firms develop.

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ЦІННІСТЬ ЖІНКИ: ВИВЧЕННЯ ДОСВІДУ ЖІНОК-ПІДПРИЄМЦІВ З ЧИСЛА ЕТНІЧНИХ МЕНШИН У ШРІ-ЛАНЦІ

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Жінки, особливо представники меншин, як і раніше, недопредставлені в підприємницькій діяльності і продовжують створювати підприємства в низькозростаючих секторах. Дане якісне дослідження вивчає досвід жінок-підприємців з-поміж етнічних меншин, фокусуючись на причинах, з яких жінки можуть вибрати підприємництво як кар'єру, та їх обмеження. У дослідженні використано підхід соціального конструктивізму, зокрема, нарративний дизайн. Дані були зібрані в ході глибинних інтерв'ю з десятьма жінками-підприємцями серед меншин, які заснували підприємства в Шрі-Ланці. Використовувався тематичний аналіз, у ході якого було переглянуто та вивчено стенограми, створено коди, визначено виникаючі теми та проведено інтерпретацію з побудовою пояснень. Висновки показали, що сприйняття етнічної дискримінації заважає деяким підприємствам етнічних меншин звертатися за банківськими кредитами. Більш того, результати наголошують на важливості транснаціональних сімейних мереж у всіх аспектах бізнесу та припускають, що ці зв'язки можуть іноді служити родючим джерелом нових бізнес-ідей та обмежувати інновації та рішення, сформовані культурними нормами. Отримані результати можуть допомогти у сприянні та розвитку підприємництва серед жінок-підприємців із числа етнічних меншин. Це може бути цінним для подальшого розуміння ролі жінок з числа етнічних меншин та їхнього досвіду поєднання підприємництва та бізнесу.

Ключові слова: підприємці з-поміж етнічних меншин, жінки-підприємці, наративи, якісне дослідження.

**ЦЕННОСТЬ ЖЕНЩИНЫ: ИЗУЧЕНИЕ ОПЫТА ЖЕНЩИН-
ПРЕДПРИНИМАТЕЛЕЙ ИЗ ЧИСЛА ЭТНИЧЕСКИХ МЕНЬШИНСТВ В ШРИ-
ЛАНКЕ**

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Женщины, особенно представители меньшинств, по-прежнему недопредставлены в предпринимательской деятельности и продолжают создавать предприятия в низкорастущих секторах. Данное качественное исследование изучает опыт женщин-предпринимателей из числа этнических меньшинств, фокусируясь на причинах, по которым женщины могут выбрать предпринимательство в качестве карьеры, и их ограничениях. В исследовании использован подход социального конструктивизма, в частности, нарративный дизайн. Данные были собраны в ходе глубинных интервью с десятью женщинами-предпринимателями из числа меньшинств, которые основали предприятия в Шри-Ланке. Использовался тематический анализ, в ходе которого были просмотрены и изучены стенограммы, созданы коды, определены возникающие темы и проведена интерпретация с построением объяснений. Выводы показали, что восприятие этнической дискриминации мешает некоторым предприятиям этнических меньшинств обращаться за банковскими кредитами. Более того, результаты подчеркивают важность транснациональных семейных сетей во всех аспектах бизнеса и предполагают, что эти связи могут иногда служить плодородным источником новых бизнес-идей и ограничивать инновации и решения, сформированные культурными нормами. Полученные результаты могут помочь в содействии и развитии предпринимательства среди женщин-предпринимателей из числа этнических меньшинств. Это может быть ценным для дальнейшего понимания роли женщин из числа этнических меньшинств и их опыта совмещения предпринимательства и бизнеса.

Ключевые слова: предприниматели из числа этнических меньшинств, женщины-предприниматели, нарративы, качественное исследование.

ENTREPRENEURSHIP, TRADE AND EXCHANGE ACTIVITIES

RECEIVED:

27 December 2021

ACCEPTED:

27 January 2022

RELEASED:

20 April 2022

UDC 338.47:338.49

DOI [10.26661/2522-1566/2022-1/19-07](https://doi.org/10.26661/2522-1566/2022-1/19-07)

TRANSPORT INFRASTRUCTURE: CURRENT STATUS AND DEVELOPMENT

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Abstract. The **purpose** of the article is to identify approaches to understanding transport infrastructure and the level of human development, to determine the mechanisms of the impact of transport infrastructure on human development, to determine the mechanisms of the impact of human development on the state of transport infrastructure. The state of transport infrastructure of Ukraine is considered in detail in the article. According to the results of the study, the directions of the development of countries in terms of transport infrastructure and the level of welfare of the population are determined. The relationship between transport infrastructure and human development through the pricing mechanism has been studied. The study found out that the relationship is characterized by micro- ("transport infrastructure - pricing - human development") and macroeconomic ("pricing - transport infrastructure - human development") effects, which allowed to link this vector with the political sphere of society.

Methodology: The theoretical and methodological basis of the study is represented by the scientific works of leading scientists in the field of human development, as well as the author's concept of structural and infrastructural socio-economic development. The research used such methods as analysis and synthesis, the method of historical and logical modeling. The method of formalization, the method "from the abstract to the concrete", as well as the historical method, the method of economic interpretation are used as theoretical methods in the work. From a practical point of view, the study also included the method of grouping statistical data, statistical and econometric analysis. The **results** of the study can be used in the field of economic policy adjustment, in the courses of economic policy, state regulation, as well as in **practice** for the development of socio-economic and transport policy of the state.

Keywords: infrastructure, transport infrastructure, development, economy, economic growth.

JEL Classification: G1, L9.

INTRODUCTION

The relevance of the study is due to the fact that after 2008-2009, many countries to overcome the crisis and further stimulate economic growth have resorted to new infrastructure projects and modernization of the transport system and, in particular, transport infrastructure. However, the problem of "insufficient" transport infrastructure is becoming more acute in many countries, including Ukraine. The state of transport infrastructure can be one of the key factors hindering the

development of the country's economy. However, the negative consequences of underinvestment and backwardness of transport infrastructure are not limited to economic effects, but also negatively affect the level of human development.

LITERATURE REVIEW

The impact of transport infrastructure on the country's economy and the well-being of citizens is presented in the work of Say (2001). However, the assessment presented in the analyzed works is not based on the features of the effect of the transport system as a whole and the transport infrastructure. As a result, civil structures or transport network of canals are not the subject of study, as an example of the implementation of the proposed principles of utility assessment, although the authors do not define the term "infrastructure".

Another approach is revealed in Tunen (1926) "Isolated State", exploring the role of spatial indicators in economic activity ("concept of the zone of influence of the city"), considers in his analysis of infrastructure, expressed in distance from the city and transport costs. Tunen (1926) gave infrastructure a significant role in determining the economic behavior of a given locality, while he did not focus on infrastructure and did not define it.

In this regard, it is important to note that determining the role of transport infrastructure in economic processes is directly related to the concepts of structure and infrastructure. There is no single concept of infrastructure in economics, which is due to the practical orientation of scientists on this term and in its separate consideration from what is called structure.

In his work, the concept of infrastructure was explored by Rogenstein-Rodan (1957), who treated infrastructure as part of social (public) non-productive capital and the required minimum level of resources needed to operate as an individual company and the economy as a whole. According to the author, social non-productive capital is characterized by "indirect" productivity, which is achieved through a long period and includes basic industries (energy, transport, communications), which should be based on these characteristics to precede faster and more profitable investments focused on real products (real "productivity"). The concept of infrastructure is represented through social non-productive capital.

This concept of infrastructure was developed in the works of Tinbergen (1962), in particular, in his work "The formation of the world economy. Proposals of international economic policy ". The author clearly separated the infrastructure from the structure, in fact presenting the former as a public good, but does not give a clear definition. Tinbergen (1962) is convinced that support at the appropriate level and further development of infrastructure is a task at the state level, as the fee for the use of state infrastructure innovations at the population level is not set. The factor of large amounts of investment required for further infrastructure development - limits the actions of the private sector in the possible participation in various public infrastructure projects. The structure, which includes production, agricultural industry, mining, in the future may be implemented by the private sector.

Rogenstein-Rodan (1957), Tinbergen (1962) tried to define the definition of infrastructure by distinguishing the difference from another phenomenon or process occurring in the state economy. In fact, it is a matter of finding the location of the infrastructure in relation to its structure. But Tinbergen (1962) avoids the material base of infrastructure, considering the latter as a possible indicator of the level of development of socio-economic relations.

Jochimsen, R., Ed. (1966) proposed the following interpretation of infrastructure as a set of material, own and institutional resources, combined with information resources, which will increase profits in the case of appropriate allocation of resources, namely the full integration and maximization of economic activity. The author mainly allocates material infrastructure, limiting the latter to such assets as: transportation, communication, energy supply, storage, activities of educational and medical institutions.

Kryshtal, H. (2022), "Transport infrastructure: current status and development", *Management and entrepreneurship: trends of development*, 1(19), pp. 89-97. Available at: <https://doi.org/10.26661/2522-1566/2022-1/19-07>

Buhr (2003) considered infrastructure from the standpoint of functional characteristics, namely through material, institutional and personal components. Buhr (2003) pays special attention to the conditions under which a company, society or individual works and develops, in particular. The author tries to propose the definition of infrastructure in the context of socio-economic development and highlight the role of infrastructure in the economic system.

Since the definition of infrastructure is considered by scientists in this way and given the complexity of assessing social processes in the relationship that arises, the concept of infrastructure has been further developed exclusively in the material direction and in different contexts. As a result, the analysis of each type of infrastructure or the allocation of these types contributes to the creation of new definitions of infrastructure. For example, Gadgieva (2010) understands social infrastructure as projects that include "buildings and / or other infrastructure facilities needed to provide socially significant services to the population - medical and educational institutions, housing"; market infrastructure - "as institutions, centers that help the market to perform its functions"; and economic infrastructure is called "projects that provide and manage the infrastructure needed by a country or region to support economic growth" (Infrastructure Definition).

The concept of infrastructure, on the one hand, is constantly expanding, due to the growing interest of scientists in understanding the mechanisms of certain processes; on the other hand, economic thought increasingly avoids understanding the essence of infrastructure, which is the reason for the large number of definitions of this definition. The latter is largely due to the fact that against the background of increasing the number of private definitions related to specific objects, there is no general concept in economics that would reflect the economic understanding of infrastructure.

PAPER OBJECTIVE

The purpose of the article is to identify approaches to understanding transport infrastructure and the level of human development, to determine the mechanisms of the impact of transport infrastructure on human development, to determine the mechanisms of the impact of human development on the state of transport infrastructure.

METHODOLOGY

The theoretical and methodological basis of the study is represented by the scientific works of leading scientists in the field of human development, as well as the author's concept of structural and infrastructural socio-economic development.

The research used such methods as analysis and synthesis, the method of historical and logical modeling. The method of formalization, the method "from the abstract to the concrete", as well as the historical method, the method of economic interpretation are used as theoretical methods in the work. From a practical point of view, the study also included the method of grouping statistical data, statistical and econometric analysis.

RESULT AND DISCUSSION

The following discussion positions can be identified that reflect the problems in understanding the infrastructure at the stage of development of economic thought:

1. The proposed definition of infrastructure is static: the interaction of structure and infrastructure is not considered, in particular, the process of transformation into one is almost completely ignored.

2. Regarding the economy, the infrastructure and structure are not clearly defined.

Some authors equate the economic structure to the economic system, which is reflected in educational materials. Buhr (2003), Gadgieva (2010) consider in their works the economic system as "a set of interdependent economic elements that form a certain integrity, the economic structure of society." It can be seen that according to the proposed understanding of the economic system, it, according to the authors, has all the necessary characteristics of the structure. Analyzing this definition, it can be noted that the authors consider the economic system as a set of economic structure and economic infrastructure. However, due to the uncertainty of the boundaries of the analyzed structure, it is not clear what is its element: the subjects of economic activity, their relationships (they put the author in the status of the element), means and forms of production and distribution. Considering "elements" as separate structures combined into a more complex system, a large number of criteria that characterize the elements, we can not ultimately compare them. The reason for this phenomenon is that in this understanding of the economic system, the elements may be unbalanced for the system, and there may be a one-way relationship between the elements. Then the element may lose the "driving force" that actually determines the relationships that arise in the structure. Thus, we can say that the elements of the structure in order to create a structure must be comparable in nature to one degree or another; for it is this compatibility that determines the relationship between the elements (for example, rivalries or cooperatives, buying or selling).

We can conclude that the problem of correlation of infrastructure - structure - and the system is not solved. Moreover, in economics this problem is not realized and, as a consequence, is not studied.

The issue of the impact of transport infrastructure and price as two separate factors on human development in economics Khandker (2009), Stifel (2015) is considered at the present stage rather a priori as a proven fact, and is studied indirectly. At the same time, this problem is considered by the scientific community mainly in one direction. Thus, the positive effect of transport infrastructure on human development is determined through increased mobility and availability of resources, increased trade and, consequently, economic growth, which leads to higher living standards and human development.

Considering the connection between the process of pricing and transport infrastructure as a set of basic structures and systems that provide passenger and / or freight, many authors limit themselves to analyzing the level of prices for transport services and / or transportation or considering the transport component in the price of goods. stimulates lower prices in the economy with economic growth and leads to an increase in real per capita income Dubrovskaya (2015).

The high complexity of the analysis of prices and their components only at the level of the economy as a whole, due to the great differentiation of different products, is the main limitation of empirical confirmation of macroeconomic impact of price, determined by the level of human development in society. This problem is largely determined by the dominant microeconomic view of price in the economy, as a result of which the macroeconomic effect of the latter is almost completely ignored outside the analysis of command-and-control economics.

The question of the impact of the development of the transport system as such and the transport infrastructure on the price of a product is the subject of many studies and discussions. For example, Bougheas (1999) showed that the availability of infrastructure helps reduce transport costs and, consequently, lower product prices, leading to increased trade.

Staal (2000) on the example of Kenya demonstrated the impact of the presence / absence of paved roads, as well as their quality on the volume and price of milk sold. The author was able to show that in hard-to-reach areas of Kenya from a transport point of view, the price per liter of milk can be five or more times higher than in areas with a higher level of transport infrastructure. At the same time, areas were identified where the terrible condition of the roads caused farmers to refuse to supply and sell their products there.

The opposite effect - the development of transport infrastructure and the resulting reduction in prices due to reduced company costs for logistics and transportation - is described in Scherbanin

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(2011). Thus, the presence of the vector of influence "transport infrastructure - price" is a scientifically proven fact in economics.

The identified one-sided effect also occurs at the macroeconomic level. The impact of the development of transport infrastructure and the reduction of transport costs in price is not limited to any product or group of these products. Considering the transport system as a public good, the positive effect of its development will spread to all spheres of society, including the economy.

Transport infrastructure, despite the unambiguous interpretation of this term, is characterized by many different indicators, each of which is related to the activities of a particular mode of transport. This fact significantly complicates the process of analysis and assessment of the level of development of transport infrastructure.

Preysner (2016) uses several different indicators of transport infrastructure, including the length of roads, their density per capita, investment in the development of transport infrastructure. Popova (2017) in its study to assess the level of development of transport infrastructure takes the following indicators: freight traffic, road length, road density (km per 100 sq. Km). Popova (2017) in analyzing the relationship between transport infrastructure and economic growth in China refers to the total density of the transport network per person (including the calculation of water, rail and road modes of transport).

Popova (2017) in her work analyzed the transport infrastructure "in stages" - for each of the analyzed characteristics, which include the number of public transport lines, the area of roads, traffic jams, speed. An interesting option for determining the level of transport infrastructure is presented by Ziadah (2018) in the process of analyzing the development of transport infrastructure in Dubai. He suggested using a containerization rate for each mode of transport, explaining this not only by the global trend towards "seamlessness" by reducing downtime and reducing the effort required to move cargo from one mode of transport to another, but also by saying that the use of containers in freight about the high level of technological development of a particular mode of transport.

In theoretical terms, the impact of transport infrastructure development on the level of human development in the form of the human development index is determined by the following mechanisms: 1) indirect impact achieved through economic growth, as transport infrastructure development 2) increasing the mobility of capital and population, which has a positive impact on citizens' access to education, medicine, jobs, cultural facilities, etc .; 3) pricing.

The direct impact of the positive effect of the development of transport infrastructure on human development may be due to its impact on education and health of citizens. Road construction leads to an increase in the number of children attending school. The positive impact of transport infrastructure on citizens' health has been demonstrated by many authors, with the example of Ethiopia showing that improving transport infrastructure, leading to increased market access, has a positive effect on people's nutrition and, consequently, on their health.

These studies show that the development of transport infrastructure not only contributes to the increasing availability of many resources (educational, medical, etc.) for the population, but also determines the volume and intensity of trade and, consequently, production and employment.

The development of transport infrastructure contributes to the increase of mobility, expressed, in particular, in the time spent transporting the product.

It can be assumed that in addition to the direct link between transport infrastructure and mobility, there is also an indirect link, which is determined by the institutional environment or the institutional system that develops in the territory. As a result, the construction of new railways is expanding the institutional system, which has a positive impact on the efficiency of self-development of territories (for example, in single-industry towns), the volume of investment, employment growth in the economy of the country / region and more.

If the direct and indirect impact of transport infrastructure development on the human development index: due to increased mobility of population and capital and economic growth, in

general, of course, requires special consideration of the third mechanism of transport infrastructure on the human development index - through pricing.

The last mechanism - the impact through pricing - is because the development of transport infrastructure contributes to the reduction of the transport component in the price, which generally stimulates the downward trend in prices with economic growth. In principle, we can say that the first and last mechanism are continuously interconnected. Thus, the development of transport infrastructure, by reducing the final price of goods, leads to an increase in transportation, more efficient use of labor, to economic growth, which is expressed, inter alia, in the form of accelerated growth of per capita income. The development of transport infrastructure also determines the speed of transfer and dissemination of technology and innovation - a factor that determines the stability and prospects of both business and social environment. In this way, we can present one of the vectors of the impact of transport infrastructure on the human development index through pricing: Transport infrastructure - Pricing - Economic Growth - Human Development Index.

The problem of pricing as a factor determining the effectiveness of both individual enterprises and the industry as a whole is the subject of research by many scientists. At the same time, in foreign practice, the concepts of pricing at the enterprise level (pricing) and pricing as a result of economic, political and social processes at the market, industry and / or country (price formation) level are clearly divided. There is no such terminological division in Russian practice. Due to the predominance of market relations in many countries around the world, it is of great interest to study pricing at the company level, which determined the direction of the previously described vector (transport infrastructure - pricing - economic growth).

Despite the interest and practical value of pricing research at the company level, they not only do not reflect the general state of the market, but also neglect the impact of macroeconomic factors on pricing and, consequently, different categories of economic agents, including companies and individuals. The macroeconomic approach to pricing analysis allows us to assess the impact of many institutional factors on the process of price formation and, consequently, on living standards.

From the standpoint of pricing because of economic, political and social processes, many scholars focus on analyzing the impact of individual processes and / or institutions on pricing. Thus, the impact of pricing on the level of human development is due to the contribution of institutional and macroeconomic factors operating within the existing social relations in the process of price formation. As a result, we can say that the level and features of existing socio-economic relations, determining the pricing process at the state level, determine the level and development of the human factor in the country through the development (or inhibition) of transport, culture, science and more.

Then the second vector of the impact of transport infrastructure on the human development index through pricing is as follows: Pricing - Transport infrastructure - Human Development Index. This connection is the subject of many studies today. The reverse effect - the level of human development on the state of transport infrastructure, can be represented by two main vectors: 1) the human factor; and 2) economic growth. The idea of the ability of the individual to influence the level of development of transport infrastructure is the position that any infrastructure is the result of human activity.

The human factor suggests that further stimulation of intellectual activity contributes to scientific and technological progress, which has a positive impact on the quality of infrastructure. This impact is largely due to increased productivity and efficiency of human labor, the emergence of creative and ideological capital, as well as increasing the level of culture and awareness of social responsibility.

The most important aspect of the impact of the human factor on transport infrastructure is participation in the creation of knowledge and, as a consequence, intellectual value, which contributes to the development of technology. The second vector - economic impact - is also determined by the growing relationship of economic growth and scientific and technological progress with man and his development. In this way, human development determines the transformation of "atoms" into "bits". Based on this understanding of the role of human

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development in the economy, many authors propose to define economic growth not only as a process of quantitative change, but also as qualitative and structural changes that have a positive impact on the economy and living standards, thus laying the foundation for human development, economic growth. Economic growth, in turn, affects the development of transport infrastructure in accordance with macroeconomic policies, the amount of funding allocated by the state for the construction / modernization of the existing transport system, for example, opening opportunities for new infrastructure projects.

CONCLUSION

As a result, three main vectors of the impact of transport infrastructure on the level of human development were identified: 1) through mobility; 2) through economic growth and 3) through pricing. The reverse effect - the level of human development on the state of transport infrastructure can be represented by two vectors: 1) the human factor; and 2) economic growth.

Based on the above analysis, we can say that each of these areas focuses on different areas of society, but is not limited to it. Thus, the mobility factor and / or the human factor is more focused on the social sphere with indirect impact on the economy. The vector of "economic growth" is mainly related to the economic sphere of society. The relationship between transport infrastructure and human development through the pricing mechanism, as the study showed, is characterized by micro- ("transport infrastructure - pricing - human development") and macroeconomic ("pricing - transport infrastructure-human development") effects, which allows to connect this vector with the political sphere of society.

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ТРАНСПОРТНА ІНФРАСТРУКТУРА: СУЧАСНИЙ СТАН ТА РОЗВИТОК

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Мета статті полягає в виявленні підходів до розуміння транспортної інфраструктури та рівня розвитку людського потенціалу, визначенні механізмів впливу транспортної інфраструктури на людський розвиток, визначенні механізмів впливу рівня розвитку людського потенціалу на стан транспортної інфраструктури. У статті детально розглянуто стан транспортної інфраструктури України. За результатами дослідження визначено напрямки розвитку країн щодо транспортної інфраструктури та рівня добробуту населення. Досліджено взаємозв'язок транспортної інфраструктури та людського розвитку за допомогою механізму ціноутворення. В результаті дослідження виявлено, що взаємозв'язок характеризується мікро- («транспортна інфраструктура – ціноутворення – людський розвиток») та макроекономічним («ціноутворення – транспортна інфраструктура-людський розвиток») ефектами, що дозволило пов'язати цей вектор з політичною сферою життя суспільства.

Теоретична та методологічна база дослідження представлена науковими працями провідних учених у галузі вивчення людського розвитку, а також авторською концепцією структурно-інфраструктурного суспільно-економічного розвитку. У процесі дослідження використовувалися такі методи, як аналіз та синтез, метод історичного та логічного моделювання. Як теоретичні методи в роботі застосовуються метод формалізації, метод «від абстрактного до конкретного», а також історичний метод, метод економічної інтерпретації. З практичної точки зору в дослідженні також були задіяні метод угруповання статистичних даних, статистичний та економетричний аналіз. Результати дослідження можуть бути використані в частині коригування економічної політики, у навчальних курсах економічної політики, державного регулювання, а також практично для розробки соціально-економічної та транспортної політики держави.

Ключові слова: інфраструктура, транспортна інфраструктура, розвиток, економіка, економічне зростання.

ТРАНСПОРТНАЯ ИНФРАСТРУКТУРА: СОВРЕМЕННОЕ СОСТОЯНИЕ И РАЗВИТИЕ

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Цель статьи состоит в выявлении подходов к пониманию транспортной инфраструктуры и уровню развития человеческого потенциала, определении механизмов влияния транспортной инфраструктуры на человеческое развитие, определении механизмов влияния уровня развития человеческого потенциала на состояние транспортной инфраструктуры. В статье подробно рассмотрено состояние транспортной инфраструктуры Украины. По результатам исследования определены направления развития стран по транспортной инфраструктуре и уровню благосостояния населения. Исследована взаимосвязь транспортной инфраструктуры и человеческого развития посредством механизма ценообразования. В результате исследования выявлено, что связь характеризуется микро- («транспортная инфраструктура – ценообразование – человеческое развитие») и макроэкономическим («ценообразование – транспортная инфраструктура-человеческое развитие») эффектами, что позволило связать этот вектор с политической сферой жизни общества.

Теоретическая и методологическая база исследования представлена научными трудами ведущих ученых в области изучения человеческого развития, а также авторской концепции структурно-инфраструктурного общественно-экономического развития. В процессе исследования использовались такие методы как анализ и синтез, метод исторического и логического моделирования. В качестве теоретических методов в работе применяются метод формализации, метод «от абстрактного к конкретному», а также исторический метод, метод экономической интерпретации. С практической точки зрения в исследовании также были задействованы метод группировки статистических данных, статистический и эконометрический анализ. Результаты исследования могут быть использованы в части коррекции экономической политики, в учебных курсах экономической политики, государственного регулирования, а также практически для разработки социально-экономической и транспортной политики государства.

Ключевые слова: инфраструктура, транспортная инфраструктура, развитие, экономика, экономический рост.

ENTREPRENEURSHIP, TRADE AND EXCHANGE ACTIVITIES

RECEIVED:

29 December 2021

ACCEPTED:

31 October 2022

RELEASED:

20 April 2022

UDC 334.722:004.9]:336.71.021

DOI [10.26661/2522-1566/2022-1/19-08](https://doi.org/10.26661/2522-1566/2022-1/19-08)

**ASSESSING THE IMPACT OF E-ENTREPRENEURSHIP ORIENTATION KEY
SUCCESS FACTORS ON BANKS' PERFORMANCE**

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Abstract: The 2030 Vision for Saudi Arabia emphasizes an increase in SMEs' contributions to the national economy from 20% to 35%, and a reduction in unemployment from 11.6% to 7%. This requires banks to play a crucial role in supporting entrepreneurial projects, which the Kingdom relies upon. Saudi Arabia's banks took advantage of this opportunity to gain more customers and market share by being more innovative and proactive, and willing to take risks concerning e-services. **The purpose** of this study includes evaluating banks' performance in KSA considering entrepreneurship orientation drivers in E-banking. **The methodology:** For testing these hypotheses, a questionnaire has been created and filled out by banks' workers. **The findings:** Actually, E-banking entrepreneurial orientation is strongly supported by human capital as evidenced by the research results. On the other hand, the results show a significant positive impact of e-banking entrepreneurial orientation on three dimensions of bank performance, namely, competitiveness, financial performance, and customer services.

Key words: EO Key Success Factors, E-banking EO, Bank Performance.

JEL Classification: L25, L26, G20

INTRODUCTION

E-banking entrepreneurship orientation and related key success factors allowing achieving high performance in the banking sector have been paid an increased attention to, especially after the introduction of the ambitious Saudi vision 2030. This latest strives to increase the contribution of SMEs in the national economy from 20% to 35% and reduce the unemployment rate from 11.6% to 7%. To achieve this, the Kingdom rely on the vital role of banks to support entrepreneurial projects on the one hand, and to reinforce competitiveness, financial performance, and customer service on the other hand. In order to survive and grow today in a competitive environment that is more uncertain, banks can use entrepreneurial orientation to build three pillars on which a competitive strategy should be built, namely innovation, pro-activeness, and developing risk taking ability (Al-Omouh, 2020).

KSA banks are particularly focused on the importance of entrepreneurship-oriented products and services. For example, Rajhi banks' five-year strategy is focused on establishing thriving

Laghouag, A. A. (2022), "Assessing the impact of e-entrepreneurship orientation key success factors on banks' performance", *Management and entrepreneurship: trends of development*, 1(19), pp. 98-113. Available at: <https://doi.org/10.26661/2522-1566/2022-1/19-08>

financial systems while ensuring a sustainable performance in changing environment. As part of its strategy, Rajhi bank seeks to become known as "The Bank of the Future" by focusing on cost-effective technological improvements. The Rajhi Banking Group is committed to being a globally leading provider of digital services, focusing on digital transformation, digitizing the customer journey, migrating the customer to self-service channels, and providing innovative payment methods for its customers based on this strategy (Rajhi Annual Report, 2019).

Entrepreneurship-oriented banks are those which are focused on innovation in digital services and products, along with proactive and risk-taking capabilities (Al-Omouh, 2020). In the same context, banks' performance relates to the banks' ability to achieve high level of competitiveness regarding the rivals, to maximize financial gains as well as satisfying customers and meet their evolving needs and reinforce their loyalty towards the bank (Farrugia, 2002, Al-Omouh et al., 2019).

As a result of the above discussion, the research question might be crystallized as follows: What factors have enhanced E-Entrepreneurship Orientation in Saudi Arabia banking systems, and how does this impact bank performance? Several theoretical frameworks have been developed to formulate research hypotheses and the model to answer this research question. Secondly, the research methodology was outlined. Thirdly, reliability and validity of data were examined, and hypotheses testing was performed. Finally, the results discussion was provided.

Several practical implications are provided by this study, among which are the following: primarily, it provides managers in Saudi Arabia with a clear understanding of the status quo of banks devoted to leveraging e-entrepreneurship orientation. Additionally, the research highlights the inherent problems in changing bank business models to embrace e-entrepreneurship, namely innovativeness, pro-activity, and risk-taking. This paper concludes by presenting the first study examining the relationship between maturity of performance and e-entrepreneurship orientation in KSA banks.

THEORETICAL FRAMEWORK AND RESEARCH MODEL

1.1. Key Success Factors for E-Banking Entrepreneurship Orientation:

There is a presumption that businesses with an entrepreneurial orientation (EO) are different from other types of businesses. EO has long been recognized as a necessary component of a company's success in the dynamic and uncertain world (Niemand et al., 2017). According to Mintzberg (1973), Kreizer et al. (2002), Entrepreneurial Organizations are more likely to take risks and actively seek out new prospects than their competitors. In the same context, Miller and Friesen (1983) stress the fact that entrepreneurial-oriented organizations' product-market strategies are based on a high level of innovation. According to the findings of the literature research, the maturity of entrepreneurial orientation is determined by each firm's level of display of the three sub-dimensions previously discussed, namely, innovation, proactiveness, and risk-taking.

The drivers of entrepreneurial orientation, e-business, and performance continue to attract scholars and professionals, as advances in technological solutions could provide a sustainable competitive advantage to companies dealing with a rapidly changing environment and customers who value innovative products and services (Zupic, 2014, Al-Omouh, 2020). Some researchers (Al-Omouh, 2019), examined the impact of e-banking entrepreneurship on three dimensions of performance of banks operating in Jordan (competitiveness, financial performance, and customer service) through the mediating role of e-entrepreneurship orientation. Halberstadt et al. (2021) investigated the impact of social entrepreneurship orientation on start-ups and established firms, and analyzed the consequences of heterogeneity in firm characteristics using multi-group structural equation models and fsQCA as comparison methods. Other researchers (Bambang et al., 2021) demonstrated the multiple applicability of entrepreneurial orientation in various fields, such as spiritual marketing, to ensure sustainable competitive advantage. Nasution et al. (2021) investigated the dimensions of entrepreneurial orientation (EO), knowledge management process (KMP) and dynamic capability (DC) in relation to the adoption of e-commerce in SMEs.

Many previous studies investigated the maturity level of corporate entrepreneurial orientation practices, especially the maturity level of innovation, proactivity and risk taking (Miller and Friesen, 1982; Scheepers et al., 2007; Reuber & Fischer, 2011; Al-swidi & Al-Hossam, 2012, Al-Omouh et al., 2019, Al-Hariri, 2020). Actually, there is agreement on these three dimensions of entrepreneurial orientation for e-business or traditional business. As for the first sub-dimension, namely innovation, Shupmeter (1934) was the first researcher to argue that innovation is the fundamental endeavor of entrepreneurial firms (Kreizer et al, 2002). Innovation refers to the ability to develop and apply new ideas for products and services, processes and markets, and business models (Kreizer et al., 2002, Scheepers et al. 2007, AlOmouh, 2019). For the banking sector, the development and provision of new electronic services, as well as the use of the advancing IT functions to manage transactions, represent the new strategic weapon to succeed in competition (Nissen and von Rennenkampff, 2017). The second sub-dimension, namely proactivity, refers to the firm's ability to behave proactively towards its competitors (Porter, 1980). For Knight (1997), Lumpkin and Dess (2001), Stevenson and Jarillo (1990), Kreizer et al, (2002), proactivity has two main characteristics: (1) aggressiveness in terms of behavior towards competitors and (2) pursuing new business opportunities. For Lumpkin and Dess (2001) proactive firms are (1) opportunity-oriented, (2) forward-looking as they introduce new products or services to competitors and are able to anticipate future demand in order to shape the environment. For the banking sector, the proactivity characteristic allows banks to devise aggressive strategies based on the forward-looking view and the discovery of new opportunities in e-business and services to stay ahead of other banks (Nissen and von Rennenkampff 2017). In the same context and similar to all other sectors, banks could be more proactive than their competitors by being more willing to introduce new e-services (Wang et al. 2015; Matejun 2016, Al-Omouh 2021). The third sub-dimension of entrepreneurial orientation, namely risk-taking, refers to the willingness of firms to engage in estimated risky ventures (Brockhaus, 1980, Scheepers et al. 2007, Kreizer et al, 2002). Risk appetite involves the allocation of resources to support new innovative projects in an uncertain environment and with ambiguous outcomes (Miller 1983; Kim et al. 2015). In the banking sector, risk appetite reflects the ability of banks to develop new electronic products and services that may involve risks and failures due to changing technological solutions and business processes (Al-Omouh 2021).

The literature review shows the importance of top management support (TPS) as the first key factor for change management to successfully implement innovative projects and improvements (Meditinos et al., 2014). Previous studies emphasized the crucial role of decision makers in the successful implementation of IT solutions by allocating the necessary resources, i.e., financial, human, and material resources, as well as delegating authority to the appropriate individuals to ensure good management of the initiatives (Al-Omouh 2020). Top management influences a firm's ability to innovate in two ways: (1) if the leaders and managers are innovators themselves, this will lead them to be exploration-oriented and continuously seek new ideas (Wang & Dass, 2017). (2) The second level of top management support could be recognizing the need for innovation as a strategic tool for competitiveness and then provide the necessary resources and appropriate environment to encourage the generation and implementation of ideas (Reuber and Fischer, 2011; Niemand et al., 2017).

The second key success factor, the technological environment, refers to a firm's internal and external technological resources and practices (Oliveira and Martins, 2011). The success of any strategy based on either cost reduction or differentiation and innovation is closely linked to the support provided by technological resources. These ensure the necessary capabilities to improve communication, process integration, flexibility, information sharing and coordination among all parties in the business network (Vankatraman, 1989, Laghouag, 2016). Technological resources include IT infrastructure, practices, IT capabilities, security issues (Hanafizadeh and Zare Ravasan, 2018). Previous studies (Ratten, 2012; Hanafizadeh and Zare Ravasan, 2018) have shown that IT has a great impact on e-banking products and services. Some studies (Martín-Rojas et al. 2011) have highlighted the importance of IT competencies in exploiting technological opportunities for

the development of corporate entrepreneurship. Hanafizadeh and Zare Ravasan (2018), Sikdar et al. (2015) show that a company with successful IT experience has a better technical knowledge and a deeper understanding of the entrepreneurial opportunities of new IT. Al-Omoush et al. (2019) investigate the drivers of entrepreneurship in e-banking and the results show that technological resources play an important role in the level of entrepreneurship in e-business. The results also show a direct impact of e-banking entrepreneurship on achieving competitive advantage, financial performance, and customer performance.

The third key success factor, namely, Human Capital, is a crucial and influential factor that explains technological innovation nowadays (Ang et al., 2011; Danquah and Amankwah-Amoah, 2017, Khan et al., 2020, Hu, 2021). Human capital is a systemic combination of knowledge application, know-how, human skills and experience, education and expertise (Hayton 2005). The quantity and quality of human capital within a firm or country largely determine its ability to develop and implement new ideas (Lucas Jr, 2009). In addition, human capital improves a firm's or a country's absorptive capacity, i.e. the ability to recognize, gather, and process new information, which increases productivity and innovation (Ali et al., 2016). Skilled, talented, capable, self-directed people with a high level of readiness are considered as golden people who are a pillar of human capital sharing their tacit and explicit knowledge with others and the organization and shaping their behavior and agility (Gowthorpe 2009). Many researchers have used the term entrepreneurial capital as a critical component or dimension of human capital. In other words, entrepreneurial capital refers to the knowledge and skills of individuals and groups related to entrepreneurial activities (Audretsch and Keilbach 2004; Albort-Morant and Rey-Martí 2015). Previous studies have confirmed the importance of HC as a determinant of EO. Hu (2021) concluded that improved and developed human capital is more likely to affect overall technological innovation. Also, Al-Omoush et al. (2019) investigated the drivers of entrepreneurship in e-banking and the results showed a significant role of human capital on the level of entrepreneurship in e-business. In the same vein, Batjargal (2007) emphasized the critical role of human capital in the innovative use of IT to strengthen business operations and processes. Other researchers (Charband and Navimipour 2016), explored the ways in which HC can harness the potential of IT to absorb and deploy new ideas and obtain new technological innovations. The results of Zhao & Wang's (2006) study show that highly skilled and experienced human capital at both managerial and operational levels promote entrepreneurial orientation in e-business.

Based on the above discussion, research hypotheses related to the first causal relationship could be determined as follows:

Ha1: *Top Management Support greatly improves E-Banking Entrepreneurship Orientation.*

Ha2: *Technological Environment greatly improves E-Banking Entrepreneurship Orientation.*

Ha3: *Human Capital support strongly enhances E-Banking Entrepreneurship Orientation for banks operating in KSA.*

1.2. Impact of E-Banking Entrepreneurship Orientation on banks' performance:

Previous studies investigated the relationship between entrepreneurship orientation and organizational and firms' performance. Some researchers found a positive impact such as Ali et al. (2020), Ameer and Khan, (2020). Others didn't find a significant direct impact of EO on performance (Chow, 2006, Purnomo et al., 2019). Finally, some other researchers, such as Hughes and Morgan (2007) found a negative impact of EO and business performance. These results highlight that the contributions of EO on firm's performance are inconclusive and are still the subject of investigation. Some scholars have recognized the important role which entrepreneurial orientation (EO) plays in driving firm performance. However, this relationship has not been well-understood yet, and the studies have sought to examine various contingencies that might mediate or moderate this relationship. The Entrepreneurship Orientation and performance causal relationship is more complex than a simple main-effects-only relationship (Sok et al., 2016). Other studies (Gonzalez-Benito et al., 2009, Jeong et al., 2019, Sabahi and Parast, 2020) investigate the impact of EO – firm performance relationship. The results demonstrate that EO is positively related to firm

performance. In the same line, Kreiser & Davis (2010) used a contingency theory to investigate the differential relationship that exists between the three sub-dimensions of entrepreneurial orientation, namely innovativeness, pro-activeness, risk-taking and firm performance and proposed appropriate various configurations combining organizational structure, environmental characteristics and EO dimensions to enhance performance. Kantur (2016) has given credence to Kreiser & Davis research and developed an in-depth understanding about the multi-level character of entrepreneurship impact and organizational performance. The results show strong influence of EO on both financial and non-financial performance. Liao and Zhao (2020) found that entrepreneurship orientation significantly allows companies to achieve competitive advantage through enhancing new product innovation performance and then customer satisfaction. Moreover, innovation mediates the relationship between market orientation and customer satisfaction and business performance (Mahmoud et al., 2016).

The banking industry seem to be also involved to take advantages from EO, especially with the current intense competition. According to Omoregie (2019) satisfaction, service quality and trust are the results of OE that influence positively customers loyalty. In the same context, Abosede et al. (2018) studied the effect EO on the international banks' performance. The results demonstrate that the three EO sub-dimensions have significant individual and combined impact on the international performance. Tahmasebi et al. (2019) studied the impact of internal marketing and organizational entrepreneurship on the three areas of banks performance, namely productivity, financial, and staff development. The results highlight a significant positive correlation among the dependent and independent variables. Moreover, Abdul-hameed and Al-Nemrawi (2019) recognized that the adoption of EO is one of the building blocks that help most banks to reach the excellence in the banking market and gain new and profitable customers. The results showed the positive impact of EO on banks' financial performance.

The literature review shows that E-banking entrepreneurship orientation issues require particular attention regarding the growing advancement in new technologies related to bank practices. Al-Omoush et al., (2019) discussed this issue and revealed a significant direct impact of e-banking entrepreneurship on achieving a competitive advantage, financial performance, and customer performance. After presenting all these studies' results, it seems relevant to investigate the way E-banking entrepreneurship orientation influences Saudi banks' performance by formulating the following hypotheses:

Hb1: *E-Banking Entrepreneurship Orientation greatly improves banks' competitiveness.*

Hb2: *E-Banking Entrepreneurship Orientation greatly improves banks' financial performance.*

Hb3: *E-Banking Entrepreneurship Orientation greatly improves banks' customer services.*

Following the above hypotheses, this study examines the relationship between the key success factors and the way they effect banks' performance as shown in Figure 1 below:

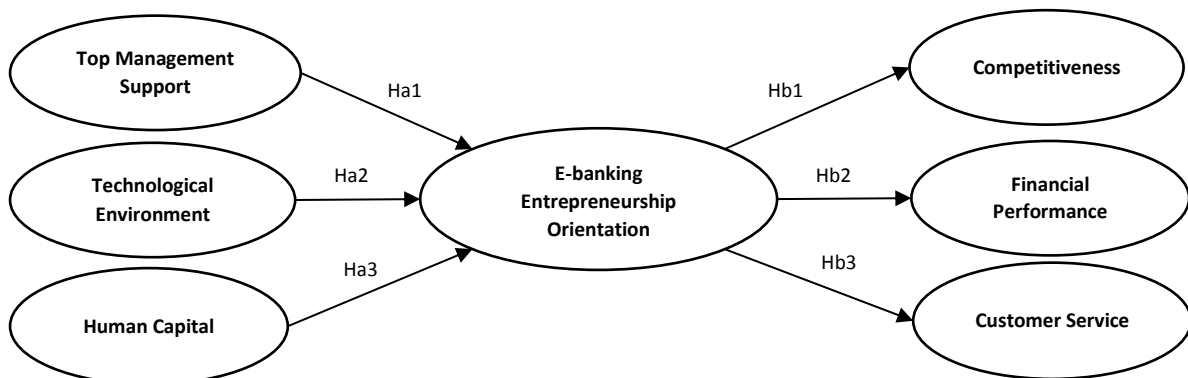


Figure 1: Research Model

RESEARCH METHODOLOGY

1.3. Questionnaire Design:

The table listing each research variable, construct, and associated study used to create the items for that variable is presented below.

Table 1

Questionnaire characteristics

Variables	Constructs	Items	Scales	Related works
Key Success Factors	Top Management Support	4 items	Likert 1-5	Al-Omoush et al, (2019), Al-Omoush et al, (2018)
	Technological Environment	4 items		
	Intellectual Capital	4 items		
E-EO	Innovation	4 items		Al-Hariri (2020), Al-Omoush et al, (2019), Al-Omoush et al, (2018),
	Pro-activeness	4 items		
	Risk-taking	4 items		
Bank performance	Competitiveness	4 items		Abou-shawsaa and Chelif, (2011), Chona and Soudani (2017), Maryono et al., (2019), Al-Omoush et al, (2019)
	Financial performance	5 items		
	Customer service	4 items		
Total of items		37		

Source: Own compilation

1.4. Sampling & Data collection

According to the Saudi Central Bank report, there are up to 12 banks operating in Saudi Arabia, with official reports from each bank indicating that the total number of people employed by banks is roughly 46,184 (March 2021), which represents the study population. The researcher utilized a stratified random sample because of the high sample size, which is appropriate for situations when the number of people in banks varies. As indicated in Table 2, this method necessitates first determining the required sample from the overall population, and then determining the required size of each bank in proportion to the number of individuals in the bank. The sample size that should take part in the survey is 380 minimum according to the equation proposed by Al-Imam, (2008): There were 380 people taking part in the survey. For this research, 607 valid responses were collected, proportional to the number of people working in each bank. Based on the respondents' profile, it is observed that many respondents are working in the private sector (about 70%). They are also well educated (about 90% are graduates and post-graduates) and have relatively long work experience (5-10 years). The descriptive analysis also shows that most of the respondents are working in administration department (about 82 %).

2. Data Analysis

At this point, the research hypotheses are tested using the Partial Least Square Structural Equation Modeling (PLS-SEM) approach to predict and evaluate the measurement and structural model (Henseler et al., 2015). This approach allows complex relationships between variables to be modeled. Smart-PLS software was used for this study. The validation of the research hypotheses

was be conducted in two steps: (1) the validation of the measurement model (Outer Model) and (2) the validation of the structural model (Inner Model). The first one concerns the validation of the latent variables (constructs), namely top management support, intellectual capital, technological environment, e-entrepreneurship orientation, competitiveness, financial performance, and customer service. The validation of the structural model concerns the relationships between the latent variables (hypotheses).

2.1. Validity and Reliability Analysis

This section examines internal consistency, convergent validity, and discriminant validity. In order to purify the research questionnaire, a loading analysis was conducted. The results show that the loadings of all items for all constructs are greater than 0.50 (Figure 2), resulting in all items being retained for the next step of the analysis. Alpha Cronbach coefficient, Rho A and Composite Reliability (CR) were calculated to test the reliability of internal consistency. Table 2 below shows high reliability for all constructs as the values are above the threshold value of 0.70. To test convergent validity, the value AVE was also calculated. All the values are above 0.50 which means that the construct explains more than 50% of the variance of the items.

Table 2

Reliability and Validity Analysis

	Cronbach's Alpha	Rho_A	CR	AVE
Top Management Support	0.805	0.808	0.872	0.631
Technology	0.87	0.872	0.911	0.72
Human Capital	0.856	0.859	0.902	0.699
E-EO	0.939	0.941	0.947	0.6
Competitiveness	0.895	0.897	0.927	0.761
Financial Performance	0.88	0.881	0.912	0.675
Customer Service	0.871	0.873	0.912	0.721

Source: Own compilation

To assess discriminant validity and show that measures of the constructs are not highly correlated, cross-load comparisons were made between the constructs. The results show that the AVE of each latent variable (construct) is higher than the highest squared correlation of the construct with another latent variable. Thus, discriminant validity is ensured.

Table 3

Discriminant Analysis

	Comp.	Cust.S	E-EO	Fin. P	Hum.C	Tech.	TMS
Comp.	0.872						
Cust.S	0.747	0.849					
E-EO	0.752	0.632	0.84				
Fin. P	0.834	0.785	0.729	0.822			
Hum.C	0.681	0.593	0.775	0.676	0.836		
Tech.	0.575	0.501	0.713	0.585	0.731	0.848	
TMS	0.547	0.558	0.669	0.598	0.667	0.738	0.794

Source: Own compilation

2.2. Testing Hypotheses

After testing the measurement model (Outer Model), the second step is to test the structural model (Inner Model). Figure 2 and Table 4 illustrate the path coefficient between all constructs.

Table 4

Hypotheses Testing Results

		β	t-value	Sig	Result
Ha1	Top Management Support -> E-EO	0.131	2.819	0.005	Supported
Ha2	Technology -> E-EO	0.142	3.195	0.001	Supported
Ha3	Human Capital -> E-EO	0.649	15.718	0	Supported
Hb1	E-EO -> Competitiveness	0.752	28.952	0	Supported
Hb2	E-EO -> Financial Performance	0.729	27.405	0	Supported
Hb3	E-EO -> Customer Service	0.632	17.656	0	Supported

Source: Own compilation

Hypothesis testing is performed by analyzing two dimensions: (1) The analysis of the path coefficient (β) reflects the degree of change in the dependent variable for each individual change in the independent variable. (2) The second dimension is the t-value test. Regardless of the value of (β), this coefficient is significant only when the t-value is > 2 . The above Table 4 shows that all the hypotheses are supported i.e. the results show that top management support significantly and positively influences e-entrepreneurship orientation (Ha1), technological environment significantly and positively influences e-entrepreneurship orientation (Ha2), intellectual capital significantly and positively influences e-entrepreneurship orientation (Ha1). In addition, e-banking entrepreneurship orientation significantly and positively influences the dimensions of bank performance, namely competitiveness, financial performance and customer service (Hb1-Hb3).

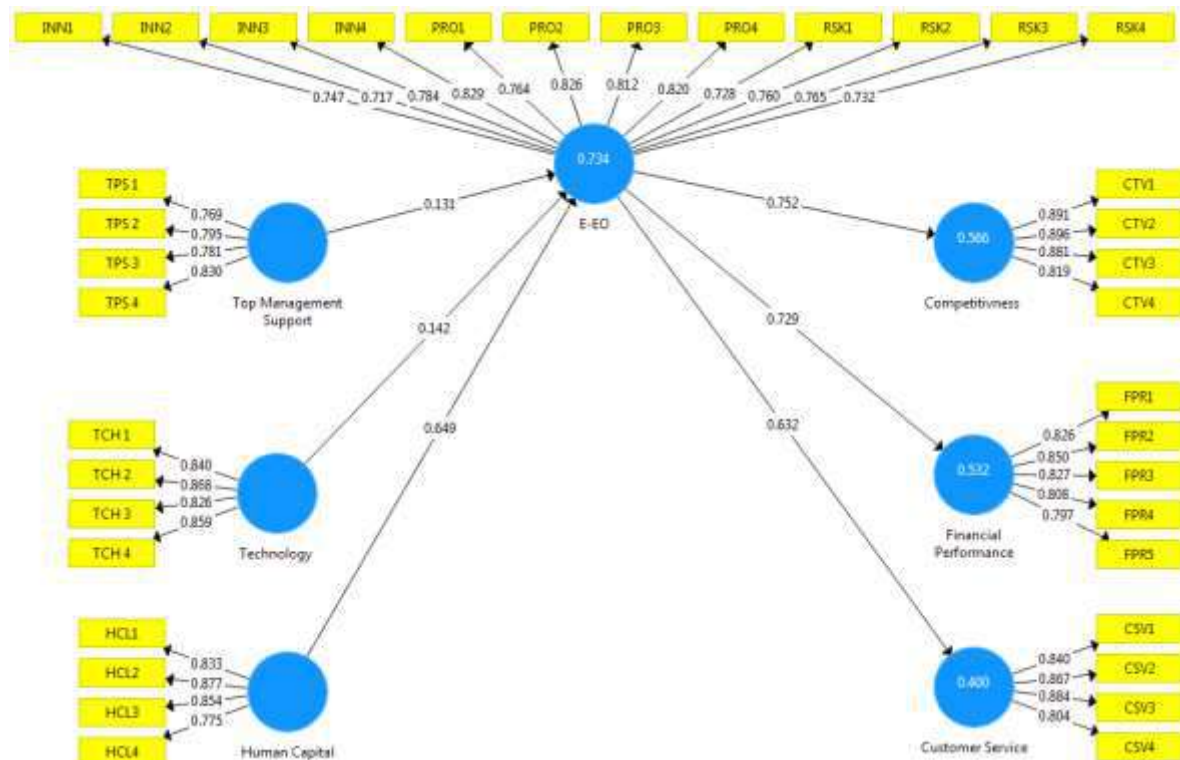


Figure 2: Path Coefficient Results

Source: Own compilation

RESULTS DISCUSSIONS

The above findings reflect the considerable level of preparedness of banks in KSA with respect to all the factors that influence the entrepreneurial orientation of e-banking or the factors that improve sustainable performance. It is observed that all banks are striving to be leaders in digital services to keep pace with the ambitious Vision 2030. The results show that top management support has a significant impact on banks becoming more proactive, offering more innovative services and products, and accepting some risk by engaging in new projects, products, and services. The determinant coefficient in Table 5 reflects that about 73% of EO is explained by the three key success factors. These results confirm the current findings reported by many researchers such as Al-Omouh et al. (2019), Al-Omouh (2020), Martín-Rojas et al. (2011), Niemand et al. (2017). The results also demonstrate the importance attached to investing in new technological resources, which strongly supports the banks' entrepreneurial orientation towards leading e-banks. Based on the theory of the resource-based view, technological resources can provide banks with the necessary capabilities to develop outstanding electronic products and services, enabling them to develop a sustainable competitive advantage. The results regarding the influence of technological environment on e-entrepreneurship orientation are in line with the findings of Al-Omouh et al. (2019), Zhu et al. (2006), Hanafizadeh and Ravasan (2018). In addition, Human Capital in the studied banks seems to have the most positive influence on entrepreneurial orientation in e-banking, reflecting the continuous efforts of banks in Saudi Arabia to benefit from this important resource and improve their HR by implementing numerous development programs. The current findings confirm previous studies that have addressed this issue (Al-Omouh et al., 2019, Petti and Zhang, 2011; Bahrami et al., 2016), which emphasized the role of intellectual capital in promoting entrepreneurial attitude.

Table 5

Determinant coefficients

Dependent Variable	R ²
E-Entrepreneurship Orientation	0.734
Competitiveness	0.566
Financial Performance	0.532
Customer Service	0.4

The results of the present study indicate that entrepreneurship in e-banking is crucial source to enhance advantage and achieve high level of differentiation of products and services compared to the rivals. The findings also emphasize the importance of articulating any competitive strategy on the digital capabilities. In addition, the research outcomes reveal that these entrepreneurially oriented banks can achieve higher financial revenue associated with high level of operational excellence compared to rivals, which gives a sustainable competitive advantage. The results highlight the willingness of bank managers to e-banking entrepreneurship. The findings confirm that e-banking entrepreneurship leads to higher customer satisfaction and loyalty since the sub-dimensions of EO can provide customers with innovative products that facilitate customers' financial practices. These findings confirm the existing results achieved by Al-Omouh et al. (2019). Several practical implications are provided by this study, among which are the following: first, it provides managers in Saudi Arabia with a clear understanding of the status quo of banks devoted to leveraging e-entrepreneurship orientation. Additionally, the research highlights the inherent problems in changing bank business models to embrace e-entrepreneurship, namely innovativeness, pro-activity, and risk-taking. This paper concludes by presenting the first study examining the relationship between maturity of performance and e-entrepreneurship orientation in KSA banks.

CONCLUSION

The main objective of this study is to examine the relationship between the key success factors for e-banking entrepreneurial orientation and the way it positively affects the sustainable performance which is a challenge for all organizations including banks today. This study is the first of its kind in Saudi Arabia and aims to diagnose sustainable performance by exploring and analyzing its roots, namely the entrepreneurial orientation of e-banking, and its key success factors.

The banking system in Saudi Arabia represents the building block for the success of Saudi Vision 2030 by supporting the various sectors that KSA aims to develop, such as tourism, healthcare, global supply chains, renewable energy, petrochemicals, etc. Banks consider the vision as an unprecedented opportunity to consolidate their position in the market and ensure their sustainable survival. The objective of this study is to examine the maturity level of banks in terms of the presence of the necessary drivers to support their entrepreneurial orientation related to electronic products and services. The second objective is to measure how sustainable banks operate and how e-entrepreneurship orientation affects banks' practices and performance.

According to the research methodology, the research model and the questionnaire were developed based on an in-depth literature review. Subsequently, data were collected on a proportional basis alongside a significant sample comprising all banks operating in KSA. The analysis shows that there is a particular focus on the availability of the required factors, namely top management support, technological environment, and human capital development. The results also show that bank managers are willing to recognize the importance of the entrepreneurial orientation of e-banking and how it can improve the bank's performance dimensions, namely competitiveness, financial performance, and customer service.

As for the practical implications of this study, firstly, it provides bank managers with a clear understanding of the status quo of various measures to promote e-entrepreneurship in banks operating in KSA. Moreover, the study reflects the shortcomings in adopting e-entrepreneurship orientation in banks, namely innovativeness, proactiveness and risk-taking. Finally, the research presents an initial study on the maturity of banking performance and its relationship with e-entrepreneurship orientation in banks in the Kingdom of Saudi Arabia.

ACKNOWLEDGMENT

The author extends his appreciation to the Deanship of Scientific Research at King Khalid University for funding this work through research groups program under grant number (R.G.P.2 / 176 / 42).

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ОЦІНКА ВПЛИВУ КЛЮЧОВИХ ФАКТОРІВ УСПІХУ ОРІЄНТАЦІЇ НА ЕЛЕКТРОННЕ ПІДПРИЄМНИЦТВО НА ДІЯЛЬНІСТЬ БАНКІВ

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Бачення 2030 року для Саудівської Аравії наголошує на збільшенні вкладу МСП у національну економіку з 20% до 35% та зниження рівня безробіття з 11,6% до 7%. Це вимагає, щоб банки відігравали вирішальну роль у підтримці підприємницьких проєктів, на які спирається Королівство. Банки Саудівської Аравії скористалися цією можливістю, щоб отримати більше клієнтів та частку ринку, ставши інноваційнішими, проактивнішими та готовими йти на ризик щодо електронних послуг. Метою цього дослідження є оцінка

Laghouag, A. A. (2022), "Assessing the impact of e-entrepreneurship orientation key success factors on banks' performance", *Management and entrepreneurship: trends of development*, 1(19), pp. 98-113. Available at: <https://doi.org/10.26661/2522-1566/2022-1/19-08>

діяльності банків у КСА з урахуванням факторів підприємницької орієнтації в електронному банкінгу. Методологія: Для перевірки цих гіпотез було складено анкету, яку заповнили працівники банків. Висновки: Як показують результати дослідження, підприємницька орієнтація в електронному банкінгу значною мірою підтримується людським капіталом. З іншого боку, результати показують значний позитивний вплив підприємницької орієнтації електронного банкінгу на три аспекти діяльності банку, а саме: конкурентоспроможність, фінансові показники та обслуговування клієнтів.

Ключові слова: ключові фактори успіху ЕО, підприємницька орієнтація електронного банкінгу, ефективність роботи банку.

ОЦЕНКА ВЛИЯНИЯ КЛЮЧЕВЫХ ФАКТОРОВ УСПЕХА ОРИЕНТАЦИИ НА ЭЛЕКТРОННОЕ ПРЕДПРИНИМАТЕЛЬСТВО НА ДЕЯТЕЛЬНОСТЬ БАНКОВ

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Видение 2030 года для Саудовской Аравии подчеркивает увеличение вклада МСП в национальную экономику с 20% до 35% и снижение уровня безработицы с 11,6% до 7%. Это требует, чтобы банки играли решающую роль в поддержке предпринимательских проектов, на которые опирается Королевство. Банки Саудовской Аравии воспользовались этой возможностью, чтобы получить больше клиентов и долю рынка, став более инновационными, проактивными и готовыми идти на риск в отношении электронных услуг. Целью данного исследования является оценка деятельности банков в КСА с учетом факторов предпринимательской ориентации в электронном банкинге. Методология: Для проверки этих гипотез была составлена анкета, которую заполнили работники банков. Выводы: Как показывают результаты исследования, предпринимательская ориентация в электронном банкинге в значительной степени поддерживается человеческим капиталом. С другой стороны, результаты показывают значительное положительное влияние предпринимательской ориентации электронного банкинга на три аспекта деятельности банка, а именно: конкурентоспособность, финансовые показатели и обслуживание клиентов.

Ключевые слова: Ключевые факторы успеха, предпринимательская ориентация электронного банкинга, эффективность работы банка.

Електронне наукове фахове видання

Включене до Переліку наукових фахових видань України (категорія «Б»),
відповідно до [Наказу МОН України № 1643 від 28.12.2019 \(Додаток 4\)](#)

МЕНЕДЖМЕНТ ТА ПІДПРИЄМНИЦТВО: ТРЕНДИ РОЗВИТКУ

ВИПУСК 1 (19) 2022

Дизайн та макетування розроблені на платформі графічного дизайну інфографіки Canva: <https://www.canva.com/> з використанням контенту веб-сайту Pixabay: <https://pixabay.com/>, згідно з ліцензією Creative Commons CC0 (CC Zero)

*Верстка та макетування:
Дизайн обкладинки:*

Онищенко О.А., Полусмяк Ю.І.
Бухаріна Л.М., Онищенко О.А.

Засновник видання:

Запорізький національний університет

Адреса редакції: 69063, м. Запоріжжя, вул. Жуковського, 55а, к. 415

Телефон: (061)289-41-15

Офіційний сайт видання: www.management-journal.org.ua

Електронна адреса: znu@management-journal.org.ua

Electronic scientific journal

*The scientific journal is included into the Ministry of Education and Science of Ukraine's list of professional publications (**category "B"**) according to the [Decree of the Ministry of Education and Science of Ukraine № 1643 dated 28.12.2019](#).*

MANAGEMENT AND ENTREPRENEURSHIP: TRENDS OF DEVELOPMENT

ISSUE 1 (19) 2022

Design and layout are developed on the graphic design platform of Canva infographics: <https://www.canva.com/> using the content of the Pixabay website: <https://pixabay.com/>, under a Creative Commons CC0 license (CC Zero)

Layout

Oksana Onyshchenko, Yuliya Polusmiak

Cover design:

Liudmyla Bukharina, Oksana Onyshchenko

Publisher:

Zaporizhzhia National University

Contacts: Zaporizhzhia National University

Faculty of Management

Zhukovsky street 55a, office 415, Zaporizhzhia, 69063

Official website: www.management-journal.org.ua

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