

The enterprise's development: the essence of the concept and characteristics

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ABSTRACT

Keywords:

Development
Change
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Modern market relations have a great impact on the activity of organizations. According to such changes organizations must develop.

The main goal of the article is to analyze the scientific approaches to the determination of the economic essence of the concept «enterprise development» in foreign and domestic scientific literature; to identify the core characteristics of enterprise development and to propose a model of enterprise development.

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The article analyzes the scientific approaches to the determination of the economic essence of the concept «enterprise development» in foreign and domestic scientific literature; the core characteristics of enterprise development identified and examined, that influence on the planning of economic development of the enterprise. A model of enterprise development is proposed. There are determined the common characteristics of the core aspects: quantitative and qualitative changes, the transition from one state to another, adapting to the effects of factors of the external and internal environment.

Finally, author presented the concept of process of cumulative changes in the social economic system, aimed at its transition to a new state according to the influence of external and internal environment.

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Introduction

Change is a constant, a thread woven into the fabric of our personal and professional lives. Change occurs within our world and beyond – in national and international events, in the physical environment, in the way organizations are structured and conduct their business, in political and socioeconomic problems and solutions, and in societal norms and values. As the world becomes more complex and increasingly interrelated, changes seemingly far away affect us. Thus, change may sometimes appear to occur frequently and randomly. Organizations must also be cognizant of their holistic nature and of the ways their members affect one another. The incredible amount of change has forced individuals and organizations to see «the big picture» and to be aware of how events affect them and vice versa.

The main goal of the article is to analyze the scientific approaches to the determination of the economic essence of the concept «enterprise development» in foreign and domestic scientific literature; to identify the core characteristics of enterprise development and to propose a model of enterprise development.

Primary contributors of this scientific problem are: T.G. Cumming, E.F. Huse, M. Middlemist, M. Armstrong, G. Egan, G.N. McLean, D.G. Sharma, L.R. Prijma, O.V. Raevneva and others.

Research methods

To solve objectives of the research, the following methods are used: a systematic approach (in the construction of information to determine the essence of the category «development»); observation and comparison (in the analysis of diversity of definitions).

Results and discussion

Enterprise development (ED) is a field of study that addresses change and how it affects organizations and the individuals within those organizations. Effective enterprise development can assist organizations and individuals to cope with change. Strategies can be developed to introduce planned change, such as team-building efforts, to improve organizational functioning. While change is a «given» there are a number of ways to deal with change – some useful, some not.

Enterprise development assists organizations in coping with the turbulent environment, both internally and externally, frequently doing so by introducing planned change efforts. Enterprise development efforts, whether facilitated by an outside expert or institutionalized and conducted on an ongoing basis, bring about planned change within organizations and teams. However, they are but one type of change that occurs in organizations, for change can be both planned and unplanned and can occur in every dimension of the universe. A change in chief justice, appropriations, or staff support can dramatically alter the character of a judicial education organization. Institutional alignment of the state bar, local law schools, area colleges and universities, and judicial professional associations may yield similar impacts [10].

Planned change takes conscious and diligent effort on the part of the educator or manager. Kanter (1983) originated the concept of the change master: a person or organization adept at the art of anticipating the need for and of leading productive change. As a way to reinforce the judicial educator's role in the change process, this term will be used to refer to educators and managers who are interested in effecting change in their organizations or work teams [7, p. 156].

Before embarking on an organizational change initiative, it is wise to carefully plan strategies and anticipate potential problems. One useful method of planning comes from an early researcher on change, Kurt Lewin (1947), who developed the concept of force-field analysis. The term describes analysis that is deceptively simple and can be used to help plan and manage organizational change.

According to Middlemist and Hitt [9, p. 493], enterprise development is: «A systematic means for planned change that involves the entire organization and is intended to increase organizational effectiveness». Cummings and Huse [8] define ED in broader terms: «A system wide application of behavioral science knowledge to the planned development and

reinforcement of organizational strategies, structure, and processes for improving an organization's effectiveness».

Several parts of the above definitions are particularly worth emphasizing. The first is that organizational development is a systematic activity, an ongoing process that can help organizations deal with current and anticipated problems, putting leaders in a proactive, rather than reactive, stance. This stance differs from the «putting-out-fires» approach that so many groups and organizations have relied upon historically [10, p. 87].

The second noteworthy item is that ED involves planned change within an entire organization or work team. This means that a proactive stance is absolutely necessary for change to be effective; otherwise, the planned change effort will lag too far behind the need that it is intended to address. The third part of an ED definition to keep in mind is the rationale for organizational development – to improve organizational effectiveness. Organizations and work teams must be effective and efficient, particularly in the current environment of limited resources. In thinking about effectiveness, every organization and team would be well-advised to adopt a «quality» mentality regarding ED efforts.

Ongoing, institutionalized ED strategies are akin to continuous quality improvement. Quality concepts originated in the manufacturing sector, but today, the quality movement is being incorporated into service organizations as well. While not as technically oriented, work teams providing services can effectively determine quality standards and work proactively as a team to insure that standards are met. Concepts of quality can be applied in the educational arena [6].

Enterprise development can, of course, occur in groups or teams, as well as within an entire organization. Effective ED is ongoing and systematic, strengthening both the individual and the group. Many organizations today accomplish their tasks through a project management approach that brings together teams for a short period of time.

In scientific local literature considers approaches to the definition of enterprise development (Fig. 1).

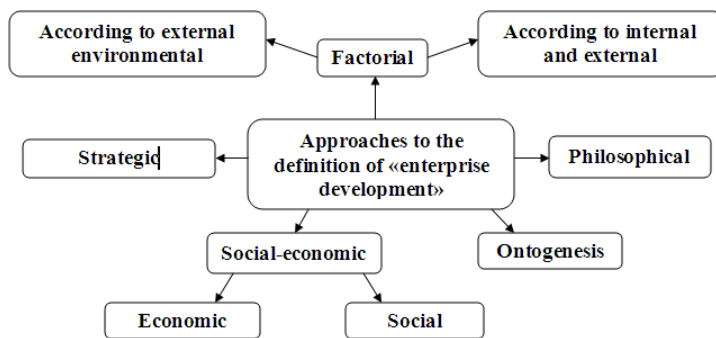


Fig. 1. Approaches to the definition of enterprise development [3]

The following conclusions can be drawn about the core characteristics of ED:

- ED is an interdisciplinary and primarily behavioral science approach that draws from such fields as organization behavior, management, business, psychology, sociology, anthropology, economics, education, counseling, and public administration.
- A primary, though not exclusive, goal of ED is to improve organizational effectiveness.

– The target of the change effort is the whole organization, departments, work groups, or individuals within the organization and, as mentioned earlier, may extend to include a community, nation, or region.

– ED recognizes the importance of top management's commitment, support, and involvement. It also affirms a bottom-up approach when the culture of the organization supports such efforts to improve an organization.

– It is a planned and long-range strategy for managing change, while also recognizing that the dynamic environment in which we live requires the ability to respond quickly to changing circumstances.

– The major focus of ED is on the total system and its interdependent parts.

– ED uses a collaborative approach that involves those affected by the change in the change process.

– It is an education-based program designed to develop values, attitudes, norms, and management practices that result in a healthy organization climate that rewards healthy behavior. ED is driven by humanistic values.

– It is a data-based approach to understanding and diagnosing organizations.

– It is guided by a change agent, change team, or line management whose primary role is that of facilitator, teacher, and coach rather than subject matter expert.

– It recognizes the need for planned follow-up to maintain changes.

– It involves planned interventions and improvements in an organization's processes and structures and requires skills in working with individuals, groups, and whole organizations.

Now that we have examined the major emphases associated with organizational development, a broad picture of the actual process is needed. Model of enterprise development consists of such points:

1. Recognition of need for change;
2. Diagnosis of cause;
3. Development of change alternatives;
4. Implementation of change;
5. Reinforcement of change;
6. Evaluation of change;
7. Further change action taken, if required;
8. Feedback.

Enterprise development is the strategic organization-wide effort to improve effectiveness in a company. Also referred to as a response to change and as organizational effectiveness, enterprise development has been studied for more than a century and continues to be studied today. The basic principles of this concept involve teams, competition, communication and confidence.

Conclusions

From the many definitions of enterprise development that exist, a few were presented to give a sense of how the broad field of ED has evolved. Detail was provided in support of the action research model, the core characteristics of ED, modified in this text as the enterprise development process model, with an explanation of each of its eight phases or dimensions: entry, start-up, assessment and feedback, action planning, implementation, evaluation, adoption, and separation. Brief mention was also made of the appreciative inquiry approach to doing ED. The organizational context is an essential factor influencing how ED is done in that

organization. Some of the major historical roots of ED were explored. Clearly such coverage is not comprehensive. Finally, were presented the concept of ED – process of cumulative changes in the social economic system, aimed at its transition to a new state according to the influence of external and internal environment.

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