Contemporary Entrepreneurship: Change process - Leadership – Innovation

Dr. Oman Sefaj

University of Business and Technology (UBT), Republic of Kosovo

*Correspondence: Dr. Oman Sefaj, osmansefaj@gmail.com

ABSTRACT: Change management is a key issue for the survival and realization of organizational objectives in today's business environment, which is changing in different ways. Change has become a necessary constant for companies that need to change in order to remain competitive in the market. The ability to manage this change is seen as a basic skill of successful enterprises in contemporary entrepreneurship. These changes are undoubtedly manifested both locally and internationally. Economic globalization as an integrator has caused these two levels to merge into one, causing the difference between them to fade. This integration has been very intense lately.

Leadership as the process by which an individual influences a group to achieve a common goal. Process means systematic and continuous actions and ways by which the leader influences subordinates. It should be noted that leadership is not a linear process but an interactive process and requires adaptation and innovation. Entrepreneurship and innovation in developing countries but also in developed countries in the contemporary era is influencing in all aspects of business development.

This research for Kosovo condition confirms the following results: that the change process is an integral and necessary part of day-to-day management in these enterprises, identifying leadership challenges in implementing the change process and adapting enterprises to the contemporary environment continues to be vital to performance profitability and competitiveness. Answering research questions requires testing the relationships between variables (type of change, process factors, and success of the change). Testing of these connections is enabled using quantitative methods. As a result, the use of questionnaires as a method for data collection in this paper enables: research and analysis of possible relationships between the variables taken in the study, and tends to 'open' issues that will be of interest to be explored in the future.

These leadership activities, adapting the efforts to maximize the existing opportunities in the environment of strong competition and following the contemporary development trends in the enterprise have been researched during the processes of change in the enterprise are: creating a strong leadership team to lead the processes, develop a vision to assist and guide efforts to achieve strategic objectives, designing and communicating the strategy to achieve the planned results, providing training and career development for employees to understand, reduce resistance and motivate to achieve the mission and vision of the enterprise.

Keywords: Changes, Contemporary management, Entrepreneurship, Innovation

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1. INTRODUCTION

Change is a feature of the modern world in which we live. The new era in the business context brings many changes. These changes undoubtedly manifest themselves both locally and internationally. Economic globalization as an integrator has caused these two levels to merge into one, causing the difference between them to fade, minimize or even disappear completely. This integration has been very intense in recent years.

As a result of economic reform many countries of the world have opened their borders to trade and investment. Economic

globalization has changed the world market by turning it into a global arena where various and ruthless forces operate. This integration, in addition to removing barriers and increasing cooperation, has increased interdependence between countries. As a result, in any national economy today the big changes come mainly from abroad (international factors). These changes present new challenges for the economies of countries, for enterprises and especially for managers. This study tends to make a scientific and practical contribution to this field of study by testing the factors influencing the management of contemporary organizational change, which have been tested based on the main pillars of the study;

- 1) As a theoretical analysis of foreign and domestic authors on all factors taken into analysis for the realization of this work.
- 2) Empirical analysis and case testing grouped according to the selected methodological model.

Thus, the paper reflects a clear overview of the factors and specific weight in the process of contemporary organizational change in entrepreneurship. On the other hand, this study will serve as a starting point for research of this nature for other

researchers who can be based on the data obtained from the empirical and theoretical study leading further by analyzing other components of this field of study in contemporary management.

Over the past two decades the world economy has undergone stages of developmental change. The success and survival of the organization depends on the ability to react and manage change. Change means moving into the future. The change describes that tomorrow will be different from today. Organizational change is not a single event but it is a process which must be planned and structured down to the last detail. Change is a transformation of an organization's environment, structure, technology, or individuals. Were it not for the differences, the work of the managers would have been easy.

Today change is a reality in the organization, it is an integral part of every manager's work. Identifying and developing strong leadership is the ultimate guide to the entire change management process and advancing the organization toward success. Increased competition in markets, easy access to some markets that are the result of the Internet, e-business, the need to respond as quickly as possible to the customer, innovations have forced managers to accept change as part of the daily management process. Change is a very universal aspect in all business organizations where no enterprise can make an exception. Although change can often come as a threat to the survival of all enterprises, it also offers opportunities for growth.

Organizations need to adapt to change in order to stay relevant and ahead of others. Organizational change is a process, not a single event. The level of change and its speed vary depending on the nature and size of the business. For this reason, they are necessary and indispensable for recognizing the changes and their best possible adoption in the objectives of the organization. The task of managing change also involves managing and influencing people. For many managers, this aspect of the management change task is complicated by the fact that they have to help their people cope with change and managers also face their coping challenges. The organization you choose for change should start with a vision statement. This helps to motivate those who are affected, to take action in the right way. A comprehensive roadmap for achieving the vision needs to be defined, in order for the change to be successful.

Many attempts have been made to design a model of successful change. The model that has found wider application was developed by L. Greiner. Based on the evidence gained from the change literature, Greiner has attempted to identify the conditions that distinguish a successful change from an unsuccessful change. This analysis leads to the identification of two basic factors for the realization of a successful change:

1. A redistribution of power within the organization so that traditional decision-making practices are decentralized.
2. Realizing the distribution of power within the organization through a continuous process of change.

Different organization use different change model for adaption and stay in competition in the market. And all models and studies showed that leadership is the key factor for the success. According to Jansson [1], research on organizational change is mainly related to topics such as change processes [2], leadership [3], making change [4], accepting change within the organization [5], discussion [6], or paradoxes [7]. Numerous studies have identified leadership and high staff participation as the single largest contributor to organizational change processes, and other researchers go further by saying that change leadership needs to be spread across the organization in order to an effective leadership network is created, to overcome resistance and slow pace within the organization.

Various researches claim that different leadership norms have great impact on the engagement of the followers. In these circumstances, individuals engage in sincere efforts in order to reduce inconsistencies and return to a position where organizational characteristics and processes are understandable and maintain a degree of visibility in which leaders and actors facilitate the change process that determine the rhythm, and subsequent results of this process [8].

According to some researchers it happens that the external environment changes in ways that require reaction, while the internal environment obviously reacts in this way, as human dynamics within an organization are constantly changing and the organization must find a way to deal with them. While others claim that: one of the challenges of organizations is to keep its employees engaged during these change processes, where communication and leadership play a key role.

1.1 Kosovo: Business Profile

Kosovo is a small landlocked country located in the Western Balkans, and whose population is the youngest in Europe, with an average age of about 30.2 years. In 2019, the country's population stood at about 1.8 million people, with a GDP of US\$8 billion and a GDP per capita of \$4,458. According to the World Bank (2019), Kosovo's economic growth was estimated at 4.2%, positioning it as one of the fastest-growing economies in the Western Balkans.

The Kosovar economy has maintained consistent growth in recent years (Table 1). Real growth in gross domestic product (GDP) averaged about 3.2% per year¹ over 2013- 17: a noteworthy performance compared to other economies in the region (EC, 2018).

Indicator	Unit of Measurement	2013	2014	2015	2016	2017	2018
GDP growth	% year-on-year	3.4	1.2	4.1	3.4	4.2	3.8**
Inflation	% average	1.8	0.4	-0.5	0.3	1.5	0.38**

Government balance	% of GDP	-3.1	-2.2	-2.0	-1.2	-0.8	-
Current account balance	% of GDP	-3.4	-6.9	-8.6	-8.3	-6.0	-6.5**
Export goods and services	% of GDP	21.9	22.5	21.9	22.2	27.0	27.5**
Import goods and services	% of GDP	49.6	51.2	50.4	50.8	53.8	54.8**
Net FDI	% of GDP	5.3	2.7	5.3	3.6	4.5	3.7**
External debt	% of GDP	30.2	31.2	33.3	33.2	32.6	-
Gross international reserves	Ratio of 12 months imports of goods moving average	7.4	6.0	5.9	5.0	4.9	4.9**
Unemployment	% of total active population	30.0	35.3	32.9	27.5	30.5	27.9**
National GDP	Billion Euros	5.3	5.6	5.8	6.1	6.4	-

Table 1: Kosovo: Main macroeconomic indicators (2013-2018).

Business environment trends. The business environment in Kosovo has improved since the last assessment, mainly due to the simplification of business registration procedures and the improved legal framework which has strengthened the legal rights of borrowers and lenders. In addition, the new law on strategic investments – designed to simplify the investment process for investors and boost FDI – has helped in cutting red tape and increasing transparency. Kosovo is considered to be doing better than other economies in the region when it comes to state-owned enterprises (SOEs). This is mainly because the government subjects parts of the SOE sector to specific laws,

which impose additional reporting requirements. Kosovo has enacted important reforms, especially in its corporate governance code for SOEs, and has established an inter-ministerial recommendation committee to avoid the politicisation of board member nominations (OECD, 2018).

SMEs in the national economy Kosovo's classification of SMEs is defined by the law on foreign investment which entered into force in 2014. The only criterion is employment size, which is in line with the EU definition.

	EU Definition	Kosovo Definition
Micro	<10 employees, turnover or balance sheet total <= Euro 2 M	<10 employees
Small	<50 employees, turnover or balance sheet total <= Euro 10 M	<50 employees
Medium	<250, turnover <= Euro 50 M or balance sheet total <= Euro 43 M	<250 employees

Table 2: Definition of micro, small and medium-sized enterprises in Kosovo.

Entrepreneurial learning at a policy level, Kosovo's economic development is clearly linked to human capital. Kosovo's revised Strategic Development Plan for Education 2017-2021 sees education as a function of the economy's economic and social development.

2. MATERIALS AND METHODS

This paper uses the quantitative method for conducting research, and more specifically the technique of questionnaires for data collection. To answer the research question requires testing the relationships between variables (type of change, process factors, and success of the change). Testing of these connections is enabled using quantitative methods: linear

regression and t-test. As a result, the use of questionnaires as a method for data collection in this paper enables:

- Research and analysis of possible relationships between the variables taken in the study, and
- Tends to 'open' issues that will be of interest to be explored in the future.

Questionnaires for data collection will be distributed to businesses operating in Kosovo. The distribution of questionnaires to these businesses will be done through personal contacts in businesses. The research question of our research is: What is the impact of leadership on the development of the change process in the enterprise?

The first hypothesis:

H₀: Leadership practices have had a positive impact on increasing the profitability of the enterprise.

H₁: Leadership practices have not had a positive impact on increasing the profit of the enterprise.

The second hypothesis:

H₀: The formation of the working group for change management has had an impact on quality improvement.

H₁: The formation of the change management working group has not had an impact on quality improvement.

In independent variable research we have the leadership-leadership practices of the organization which are researched through the questionnaire. These leadership practices that have been researched during the process of change in the enterprise are:

- Creating a strong leadership group to lead the change process.
- Develop a vision to assist and guide efforts to achieve change.

- Develop a strategy to carry out the change process.
- Provide training for workers to facilitate the change process in the enterprise.

We tested the success of the changes with the dependent variables of our study which are: Training of workers. Cost reduction. Improving quality.

3. RESULTS

From the results obtained with the Paired Sample T test analysis we can conclude that the first hypothesis with the values obtained with significance of 0.00 is accepted. Leadership change management plays an extremely important role in the success of the enterprise, influencing all the success indicators of change tested according to the questionnaire: employee training, profit growth, revenue growth, market share ownership, return on investment, reduce overall cost and improve quality.

The design of the vision of the enterprise and its communication in all structures will have a positive impact on raising the results of work, in the case of research conducted this process of forming vision communication has an impact on reducing the overall cost and improving quality.

Change:

Paired Samples Statistics									
		Mean	N	Std. Deviation	Std. Error Mean				
Pair 1	Design of the vision	4.20	60	.732	.094				
	Cost reducing	3.58	60	.907	.117				
Paired Samples Correlations									
			N	Correlation	Sig.				
Pair 1	Design vision & Cost reducing		60	.153	.243				
Paired Samples Test									
		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	Design of the vision – Costs reducing	.617	1.075	.139	.339	.894	4.443	59	.000

Table 3: Paired Sample T test analysis.

The confirmation of the second hypothesis was done through linear regression and from the obtained results we can conclude that the hypothesis is accepted since the value of the significance is less than 0.5. From the results of linear regression analysis, we see that the impact of the formation of leadership groups on quality improvement affects by values. If the lead group increases per unit, then the quality improvement will increase by 0.121. Also from the training results with their impact from one unit the quality improvement will increase by 0.071. Dependence of the

dependent variable / quality improvement on the independent variables / leadership groups and training results according to the results obtained is R square = 0.074.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.828	.355		10.784	.000
	Leading groups	.121	.090	.190	1.346	.184
	Training results	.071	.076	.130	.925	.359

Table 4: Linear regression results.

4. DISCUSSIONS AND CONCLUSIONS

This paper first aims to give importance to change management in business organizations in Kosovo condition. Despite the fact that in developed countries there is an extensive literature on change management and a number of studies on various factors that affect the results of change, in our country this field of study still requires commitments, research and studies to help companies on the road to success.

The process of change as a global and proactive process, where the results of our work proved the importance and impact on the success of the enterprise. The success of change in our work is reflected according to management and leadership practices. This leadership performance is assessed through application of the following indicators: increasing profit and income, increasing the professional ability of workers, owning a market share, reducing production costs and return on investment, and improving product quality.

Confirmation of the hypothesis presented in our paper shows the importance of forming a group for the implementation of the change process, a group which is directly related to the results of the enterprise.

From this we can conclude and recommend Kosovar enterprises that during the implementation of the change process, in no way bypass the formation of this group. This group will implement the strategy of changes and adaptations in the business environment.

Another very important recommendation for the implementation of the change process according to the research results is the organization of trainings for workers to achieve the planned objectives.

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